Planning for a Future

Financial Security in Later Life Helping People Prepare for the Future

Dub Couch (pictured at left) was looking for ways to make his money work harder when he attended a series of seminars offered by Colorado State University Cooperative Extension called Financial Security in Later Life.

The 75-year-old Rocky Ford resident proudly proclaims he found what he was looking for. “In 10 months, I’ve gotten a 7.94 percent return that beats the heck out of 3.25 percent.”

Semi-retired, Couch buys and sells golf carts and he’s looking ahead to full retirement. “I feel that I want my money to make all the money it can for 10 more years. At that time I want to run and play.”

Couch learned about retirement planning, types of investment products, legal issues and long-term care insurance in the five-session program held the spring of 2004 at the Otero County Cooperative Extension office in Rocky Ford.

The sessions represent a national initiative of the Cooperative State Research, Education and Extension Service (CSREES) aimed at meeting the retirement planning needs of folks like Dub Couch. Strengthening the capacity of families and individuals to establish and maintain economic security is at the heart of the initiative.

“At a national level, resources were assembled to support each of the states in carrying out this initiative,” said Jacque Miller, Cooperative Extension family economic specialist.

Research from CSREES in 2001 showed that retirement confidence had declined and fewer people were planning for retirement. A survey found that only 46 percent of the baby boom generation was saving for retirement.

“We’re not good savers in this country,” Miller said, “but after this seminar, 98 percent of the participants that responded said they felt prepared to make decisions about investments and would add at least two additional tasks to their financial planning such as reducing expenses to reach investment goals and consulting with a financial planner.”

Brenda and Dave Daniher drove 45 minutes each way to attend the Financial Security in Later Life seminars in Rocky Ford. The Danihers live on a ranch 20 miles south of La Junta where they raise Shire draft horses and cattle.

“The seminar from Cooperative Extension that caught my eye was the one on how to make a will,” Brenda Daniher said. Today she is the process of creating this important legal document.

The seminars helped the Danihers better understand what their retirement future looks like. It confirmed that they are on track in their planning, Brenda Daniher said.

“We do have some small investments in retirement programs and we realized that if we live frugally now and continue to live frugally, our golden years will be modest ones. But we are modest people anyway. It was nice to find out that we’re doing all right,” she said.

The Danihers and Dub Couch were among 200 people around Colorado to participate in Financial Security in Later Life sessions held around the state last year.

Statewide, the program is targeted at baby boomers and older individuals, even people who are already retired, Miller said. “At the community level, agents recruited audiences from either the general public or workplaces.”

In Otero, Bent and Crowley counties, Jean Justice, area Extension agent, family and
consumer sciences, wanted to follow up on a series of women’s financial education classes offered in the early 1990s.

“I thought this was a natural continuation of that, the next step. With everything going on in the economy today and the number of baby boomers we have out there, this was a natural time to do it. To make sure that particularly the baby boom generation would be ready for retirement.”

Justice delivered the sessions on planning for retirement and making long-term care insurance decisions. She recruited a local financial planner and a lawyer to lead the other sessions. Justice had additional community support for the program.

“All of our local banks donated money to help support it and pay for advertising. One bank gave scholarships.”

A team of Colorado agents tailor materials created at the national level for their local programs, Miller explained. “Our Colorado Web site was set up for our educators. Agents can click and download and copy handouts or outlines or get PowerPoint presentations.”

Each of the seminars in the program is designed to spark action by the participants. In Colorado, these activities included estimating income sources and monthly financial needs in retirement, using a template created by Colorado Cooperative Extension to estimate retirement savings needs.

The work doesn’t stop after the seminar sessions end. Attendees go away with “to-do” lists that might include crafting goal-oriented investment plans, calculating the amount of money needed to achieve their retirement goals and researching specific investments.

Agents gathered evaluation summaries after each session to help gauge the benefits of offering the seminars. “We asked them questions about what they had already done to prepare for retirement and what they were planning to do,” Justice said. “We also asked them to rate the financial value of the workshop.”

In general, participants found it valuable, she said. The majority of Otero County participants placed the financial value of the seminar series to themselves as between $100,000 and $500,000.

Miller said CSU Cooperative Extension plans to continue the Financial Security in Later Life seminars.

“The national figures on financial planning are just too daunting for us to ignore,” Miller said. “With approximately 60 percent of Americans who die without a will, trust or advanced health directive, we already have plans in place for an updated legal education program, called, Legally Secure Your Financial Future.”

– Sue Lenthe

Coloradans Get Prepared

According to an impact statement created by Cooperative Extension from data provided by participants in the 2003-2004 Financial Security in Later Life seminars, more than half of Coloradans who attended said they were well prepared to make decisions about their retirement concerns following the seminars. Most of the remaining participants — 46 percent — felt they were somewhat prepared.