

# The Communicator

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**December 2006**

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## **Contact**

Debra Rumford [drumford@uidaho.edu](mailto:drumford@uidaho.edu)  
to be on the email listserve or  
submit a change of address.

School of Family & Consumer Sciences



University of Idaho  
Extension



## **Evenson and Thiel Participate in Fulbright-Hays Study Tour**

FCS Associate Professor Sandra Evenson and FCS Educator Nichole Thiel will depart on

Christmas day for a month long study tour in India. The goal of the project is to enhance Asian studies on university campuses and in K-12 schools by focusing on textiles as a gateway to the people and culture of India. The project is coordinated by three co-directors from Colorado State University and includes 12 members of the International Textile and Apparel Association (ITAA) and 6 K-12 teachers, grouped into teams of three. Dr. Evenson's group includes a colleague from Cazenovia College in NY and Nichole Thiel, FCS teacher at Lake City High School in Coeur D'Alene and alumna of the UI School of FCS.

The project group met for a pre-trip seminar in San Antonio, TX, November 4-6, 2006, following the annual meeting of ITAA. The one-month trip to India, December 26, 2006 to January 25, 2007, includes visits to factories, exporters, museums, educational institutions, alternative trade organizations, designers, retailers, and textile producing villages. The range of experiences will include history and daily life to artisan enterprises and global business engagement.

The final phase of the project requires, in part, putting knowledge to work in the classroom by developing an "infusion project." The Evenson infusion project is a proposal for a course entitled, "The Fabrics of Life," with similar goals and objectives as the study tour.

The announcement for the project included a quote from Jane E. Schukoske, Executive Director of the US Educational Foundation in India. She states:

India, with its population of one-sixth of the world, its tremendous diversity in cultures and languages, its lively



*Director*

Nancy Wanamaker  
Director  
Family and Consumer Sciences  
University of Idaho  
Moscow, ID 83844-3183  
nancyw@uidaho.edu



democracy and vibrant religious traditions, is a strategically important country for US faculty and students to know. The increasing presence of Indian students and faculty on US university campuses and in many business communities in the US also makes it incumbent on international educational institutions to reflect on the academic attention and engagement with contemporary India.



The participation of Evenson and Thiel aligns with the UI Strategic Action Plan 2005-2010 to adequately prepare our graduates to "live, work, compete, and prosper in a global and multicultural environment." This will be the fourth extended trip to India for Evenson and the first for Thiel. Bon voyage to both. We look forward to their return and their leadership in incorporating discoveries into the FCS curriculum at the UI and in the state.



## **Stenberg Selected for National Leadership Development**

Former School of FCS faculty member and current Dean of the College of FCS at SDSU, Laurie Stenberg Nichols has been selected by the American Council on Education (ACE) to participate in the 2006-07 ACE Fellows Program. She is one of thirty-eight college and university senior faculty and administrators chosen for the program.

Nichols will be spending the fall semester at California State University at Fresno working with President John Welty, Provost Jerri Echeverria and others in his cabinet. Spring semester she will be back on the South Dakota State University campus, but will do periodic visits to Cal State-Fresno and other campuses. The fellowship also entails two intensive, weeklong seminars and several visits to universities. An international trip is also planned. Congratulations, Laurie!

## **FCS Educators Attend AFCPE National Meeting**

UI was well represented at the annual Association for Financial Counseling and Planning Education (AFCPE) conference in San Antonio last month. Lyle Hansen presented a Practitioner's Forum about Long Term Care insurance. Marilyn Bischoff and Beverly Healy also presented a Practitioner's Forum about developing their Advance directive website, "Isn't It Time to Take the Time?" Carol Hampton presented a poster on the UI Extension Medicare Prescription Drug Card education. Marsha Lockard, Linda Gossett, and Marilyn Bischoff presented a poster on the new English/Spanish version of the Dollar Decision\$ video and curriculum. Credit Cents: Making Sense of Credit, Debt & Identity Theft poster was presented by Marilyn and Marsha Lockard. The School supports the travel (at a maximum of \$500) for one educator per district to attend the annual conference.

**Financial Security for All is eXtension's Newest Offering.** Americans struggling to make good money management decisions in a complex marketplace will soon have a new tool at their disposal. eXtension's Financial Security for All

[http://www.extension.org/personal\\_finance](http://www.extension.org/personal_finance) brings the wealth of research-based university information on all aspects of attaining personal financial security and is now available just within CES, but was released at the AFCPE conference. It is expected that the full public launch will occur shortly after January 1, 2007. For more information on eXtension go to: <http://about.extension.org> or to join the Financial Security for All Community of Practice go to:

[http://cop.extension.org/wiki/Financial\\_Security\\_for\\_All](http://cop.extension.org/wiki/Financial_Security_for_All).

## **2007 UI Legislative Breakfast**

The 2007 Legislative Poster Session has been changed to coincide with the all-University poster session which occurs with the UI Administration's JFAC presentation. It is scheduled for Wednesday, January 24, 2007 at the State Capitol Building in Boise from 8:00-11:00am. Randy Brooks is the contact person for Extension. Proposals must be submitted by Wednesday, January 3, 2007. Submit by email as an attached file to the following email address: [rbrooks@uidaho.edu](mailto:rbrooks@uidaho.edu).

"Improving Lives through Scholarship" is one of the University's new strategic communication themes, and it will be integrated throughout the event. The following message will also be promoted to governmental leaders: "The University of Idaho is an economic catalyst in Idaho and an international beacon that brings resources to the state."

## **Reminder: Haberly Application Deadline March 1, 2007**

Award application criteria and process can be found on the FCS website <http://www.agls.uidaho.edu/fcs/resources.htm>.



## So Easy to Preserve 5<sup>th</sup> Edition Now Available

The University of Georgia Cooperative Extension's *So Easy to Preserve* 5th edition is now available. Many of you have the 4<sup>th</sup> Edition (1999) on your bookshelves. *So Easy to Preserve* is now a 375-page book with over 185 tested recipes, along with step-by-step instructions and in-depth information for both the new and experienced food preserver. Chapters include *Preserving Food, Canning, Pickled Products, Jellied Fruit Products, Freezing and Drying*. This 5th edition has 35 new tested recipes and processes, in addition to a new section with recommended procedures for home-canned salsas.

Cost is \$18, which includes shipping. To download an order form, go to [http://www.uga.edu/setp/order\\_book.pdf](http://www.uga.edu/setp/order_book.pdf).

As a reminder, there is a copy of the *So Easy to Preserve* video series (on 2 DVDs) in each Extension District, which can be borrowed from the person storing them for each District: District I, Carol Hampton; District II, Joey Peutz; District III, Grace Wittman; and District IV, Audrey Liddil.

Source: <http://www.uga.edu/nchfp/index.html>.

Key words: food preservation, resources.



## be FoodSafe, the FSIS Magazine Replaces the Food Safety Educator Newsletter

Those who have been receiving the *Food Safety Educator* quarterly newsletter will have recently received a copy of the new *be FoodSafe, the FSIS Magazine*. This new magazine is replacing the newsletter.



*Food Safety*



Sandra M. McCurdy  
Extension Food Safety Specialist  
Family and Consumer Sciences  
University of Idaho  
Moscow, ID 83844-3183  
smccurdy@uidaho.edu

Another change is that this Fall 2006 issue is the final free copy by mail subscription. If you received the *Food Safety Educator* by electronic subscription, you will be automatically transferred to an e-subscription to the magazine. If not, you may sign up for a free electronic subscription on the FSIS website [http://www.fsis.usda.gov/News\\_&\\_Events/Be\\_Foodsafe\\_Magazine/index.asp](http://www.fsis.usda.gov/News_&_Events/Be_Foodsafe_Magazine/index.asp). If you wish to receive print copies, you'll have to purchase the magazine subscription from the Government Printing Office (\$29 per year).

*be FoodSafe, the FSIS Magazine*, will also be published quarterly and will focus on food safety behavior trends, emerging science and research, inspection issues (domestic and international), and education programs for food workers, consumers, and caregivers.

The first issue showcases the work of FSIS, 100 years of meat inspection, and introduces FSIS to those who may not be familiar with its mission and objectives to protect public health through food safety.

Source: [http://www.fsis.usda.gov/News\\_&\\_Events/Be\\_Foodsafe\\_Magazine/index.asp](http://www.fsis.usda.gov/News_&_Events/Be_Foodsafe_Magazine/index.asp).

Key words: food safety, resources.



## US Consumer Attitudes about Food Biotechnology

The International Food Information Council (IFIC), a food and agricultural industry supported organization with the purpose of communicating science-based information on food safety and nutrition, regularly surveys consumers about food issues. During June and July of 2006, IFIC conducted the 11th in a series (1997 to 2006) of quantitative assessments of US adult consumer attitudes toward food biotechnology. Some of the findings included:

Overall, a majority of Americans are confident in the safety of the US food supply and express little to no concern about food and agricultural biotechnology.

- Nearly three-fourths (72%) of consumers say they are confident in the safety of the US food supply. When prompted to indicate food safety concerns, most consumers mention microbial foodborne illness (36%) or improper handling (35%), while only three percent of all consumers cite food biotechnology.
- And although more than half of all Americans report avoiding some type of food or food ingredient (59%), none mention biotech foods as something they are avoiding. When asked directly, only two percent say they have recently changed their behavior due to concerns about food biotechnology.
- Many consumers are neutral (33%) or unsure (18%) when asked specifically for their opinion on food biotechnology. However, those consumers who do have an opinion are almost twice as likely to have a positive view (32%) than to have a negative view (17%).

Food biotechnology is not a consumer labeling demand.

- An overwhelming majority of consumers (82%) state that there is no information that they would like to see added to food labels. Only one percent name biotechnology as information they would like to see added. These findings have been consistent since 2001 when the question was first asked on the survey. Additionally, support for the US Food and Drug Ad-

ministration's (FDA) current policy regarding labeling of foods produced through biotechnology is strong at 64 percent, with another one-fourth (24%) holding neutral views, and only 12 percent opposing the current policy.

Although many consumers have heard at least "a little" about food biotechnology, awareness has declined and knowledge is superficial.

- Although close to three-fourths (71%) of consumers have heard at least "a little" about biotechnology, only eight percent have heard "a lot." Three-fourths (74%) of consumers are unaware that biotech foods are currently available in the supermarket, and the 26 percent who are aware most often name "vegetables" as the food that is available. (Note: Foods produced via biotechnology currently available include mainly corn and oilseed products.)
- In light of the lack of high awareness of food biotechnology, it is not surprising that over half (53%) of consumers are unsure about potential benefits. However, consumers with an opinion are twice as likely to believe biotechnology will provide benefits in the next few years than not (33 vs. 14%, respectively). Those who believe there will be benefits are most likely to cite improved nutrition (41%) or quality (35%).

Communicating specific benefits may enhance perception.

- Learning of the benefits of biotech foods has a significant impact on consumers' likelihood to buy, particularly for a health benefit (77% likely to buy for increased omega-3 fatty acid content; 75% for reduced saturated fat content) or insect protection/pesticide reduction (75%), but also for improved taste or freshness (63%).
- In general, likelihood to purchase biotech foods increases as awareness increases. However, awareness levels have less impact on purchase intent when it comes to consuming healthful fats, where purchase intent is high across all awareness levels.

Source: "Food Biotechnology: A Study of U.S. Consumer Attitudinal Trends, 2006 REPORT," November 2006, full report <http://ific.org/research/biotechres.cfm>.

Key words: biotechnology, consumer.

## Surprising News on Teen Dating

According to Child Trends' most recent DataBank indicator on trends among children and youth, the percentage of teens who do not date at all has risen steadily since the 1990s, but reached new highs in 2004. The shift in behavior is most pronounced for twelfth grade students, where the percentage of those who do not date rose from 14 percent in 1991 to 27 percent in 2004.

Among 10<sup>th</sup> graders, the proportion rose from 28 percent in 1991 to 37 percent in 2004. Between 2002 and 2004, the percentage of tenth graders who never date increased from 34 to 37 percent.

Teens today describe their dating activities as a progression from mixed-sex group outings, to pairing off within the group, to individuals going on dates with one another. Thirteen percent of 10<sup>th</sup> graders and 27 percent of seniors report they date frequently (once a week or more).

Differences by race:

- White students in the 10<sup>th</sup> and 12<sup>th</sup> grades were significantly more likely than black students to date in 2004.
- Among 12<sup>th</sup> grade students, 29 percent of white students reported frequently dating—one or more times per week—compared with 17 percent of black students.

Differences by age:

- In 2004, more than one-half—51 percent—of eighth grade students reported never dating compared to 37 percent of tenth graders, and 27 percent of twelfth graders.

Differences by gender:

- In 2004, eighth grade females were more likely than their male peers to report never dating—57 and 46 percent, respectively.
- Female students in the tenth and twelfth grades were slightly more likely than male students to report dating frequently—14 versus 11 percent and 29 versus 24 percent, respectively.

Source: <http://www.childtrends.org>, May 12, 2006.

Key words: youth, dating.



*Family Development*

Harriet Shaklee  
Extension Family Development Specialist  
Family and Consumer Sciences  
University of Idaho—Boise  
322 E Front St., Suite 180  
Boise, ID 83702-7364  
hshaklee@uidaho.edu



## Beyond Pills: Life Experiences Affect Maternal Depressive Symptoms... and Kids

Depression can adversely affect every aspect of a person's life. When the depressed person is a mother, her children are not spared from adverse affects. Recent research by Child Trends focused on maternal depression and child externalizing, or "acting out" behavior. This behavior is an important measure of child development in the early elementary years, and it is related to poorer academic outcomes and problem behaviors when children are older.

The key findings in the study, *Depression Among Moms: Prevalence, Predictors, and Acting Out Among Third Grade Children*, reveal that depressive symptoms are higher among economically disadvantaged mothers, mothers receiving welfare payments, and mothers in unhappy relationships. Furthermore, mothers' depressive symptoms are related to more acting out behaviors in their children, partly because depressed mothers are more likely to use inappropriate discipline strategies with their children.

Child Trends analyzed data from the Early Childhood Longitudinal Study: Kindergarten Class of 1998-99 (ECLS-K) for this study. ECLS-K is a nationally representative study that has been following

20,000 children who entered kindergarten in the fall of 1998. Child Trends' researchers studied 9,037 children whose mothers or female guardians responded to parent questionnaires in the spring of 1999. The surveys included questions about depressive symptoms.

"Research has established a link between maternal depression and negative child outcomes," stated Elizabeth Hair, PhD, a lead author of the study, "but gaps still remain. We wanted to connect the antecedents of parental depression to child outcomes." Kristin A. Moore, PhD, senior scholar and lead author, noted that, "This brief points out that a number of the circumstances that lead mothers to be depressed—such as being dependent on welfare or having unhappy marital relationships—have a public policy dimension."

Child Trends' research on maternal depression complements findings from the biomedical study just completed and reported in the March 22, 2006 issue of the *Journal of the American Medical Association*. Child Trends' research studies environmental and social circumstances of maternal depressive symptoms. According to Moore, "These two studies are complementary. Both studies find that maternal depression affects children. And when discussing maternal depression and child outcomes, what we do know is that many factors are important. Child Trends' study connects the pieces of the puzzle. It examines the antecedents of a mother's depressive symptoms and how that affects her parenting behavior, which ultimately affects her child's outcomes."

This research brief examined seven policy-relevant antecedents that may be amenable to policy intervention:

- Welfare receipt
- Maternal work
- Income
- Financial difficulties
- Marital status
- Relationship quality
- Mother's educational attainment

## Findings

- 6.4 percent of children in the kindergarten class of 1998-99 had a mother who reported symptoms of depression. Depressive symptoms were found to be higher among economically disadvantaged mothers and mothers in unhappy relationships. Depressive symptoms are related to more acting out (externalizing behavior) in children.
- The study found that children's acting out is affected by a variety of difficulties in the lives of children's mothers, several of which may be amenable to policy intervention, such as financial problems, welfare receipt, relationship unhappiness, and income. The study found that nearly all of the policy-relevant measures that were examined are related to children's acting out—directly and also indirectly through the mother's depression. Maternal depression in turn increases children's acting out through parenting, such as inappropriate disciplinary strategies (making fun of the child and hitting).
- When parental education and family income are higher and mothers describe their relationship with their spouse or partner as more satisfactory, children tend to act out less, over and above the effects of background factors such as race/ethnicity and health.
- Mothers who receive welfare, have financial problems, work very long hours, and work during a child's preschool years have children who are more likely to act out in third grade.
- Greater relationship satisfaction is related to fewer depressive symptoms.

Source: [www.childtrends.org](http://www.childtrends.org).

Key words: mothers, health, children at risk.

## Are Food Ads Building Brand Loyalty in Toddlers?

Has anyone recently paid attention to the type of food ads shown on television programs that target preschoolers? If not, check out programs shown on Nickelodeon, Disney Channel, and Public Broadcasting Service (PBS).

Dr. Susan Connor, of Case Western Reserve University's pediatrics department, reviewed 130 promotional spots on these three networks and found that most of the food ads were for fast-food chains (50 ads) or sweetened cereals (18 ads).

She had several observations about the food ads:

- Most used a "licensed character" like Tony the Tiger or Ronald McDonald to link their products to fun, happiness, energy, and excitement.
- Most used these licensed characters or slogans or logos to build brand recognition and positive associations.
- Most focused on creating lifelong customers rather than generating immediate sales.

Connor notes that "preschool-aged children are uniquely susceptible to advertising" and may have a hard time telling commercials from programs and reality from fiction. Parents may need to help them understand the ads. Her findings are published in the October 2006 issue of the journal *Pediatrics*.

Source: *Pediatrics*, October 2006; 118(4):1478-85.

Key words: youth, children.

## Do You Snack?

According to Datamonitor, an online database company that analyzes business trends, snacking has become a way of life. They found that the average American adult eats 775 snacks in one year which is broken down into: 231 morning snacks, 283 afternoon snacks, and 261 evening snacks.

Youth consume a greater number of snacks than adults, with those aged 6-13 years old consuming 840 snacks/year and those 14-24 years-old con-



*Nutrition  
Education*

Martha Raidl  
Extension Nutrition Education Specialist  
Family and Consumer Sciences  
University of Idaho—Boise  
322 E Front St., Suite 180  
Boise, ID 83702-7364  
mraidl@uidaho.edu



suming the greatest number of snacks at 878 snacks/year.

Snacking is not a problem if it helps individuals meet their nutritional requirements and doesn't contribute to excess caloric consumption. There has been a positive shift in the type of snacks that consumers want. More than 61 percent of snackers sought food and drinks that are both convenient and healthy. The interest in healthier snacks has been spurred by people increasingly substituting traditional meals for snacks due to their busy lifestyle.

Source: "Profiting from Changing Snacking and Beverage Occasions," [www.datamonitor.com](http://www.datamonitor.com).

Key word: snack.

## Middle Aged Diseases Occurring in Overweight Youth

Approximately 34 percent of US children between the ages of 6-19 are overweight, based the National Center for Health Statistics. It is estimated that half or 17 percent are obese. The incidence of overweight and obesity in youth is higher in African-American and Hispanic youth and those who live in poverty.

The problem of overweight and obese children was recently discussed at the October 2006 American

Academy of Pediatrics conference. This discussion revealed how some obese children are experiencing middle-aged diseases such as type 2 diabetes, gallstones, and even nonalcoholic cirrhosis that can require a liver transplant. Some of these illnesses are interrelated. For example, uncontrolled diabetes is linked to fatty liver disease. Even though the number of children with these diseases is relatively small, the incidence is expected to increase as more and more children gain excess pounds.

Overweight children are more likely to develop hypertension, breathing disorders, sleep problems and bone-and-joint complications than their thinner counterparts. If they remain overweight, they are at greater risk of developing heart disease and some kinds of cancer.

One speaker, Dr. Cochran concluded *"there needs to be a multi-faceted approach. Children, families, schools, communities, health care providers, insurance companies, the government...No one institution can solve this problem."*

Source: [www.aap.org](http://www.aap.org).

Key words: youth, obesity, diabetes.

## **Nutrition Education in the Classroom Results in a Successful School Salad Bar**

In this school year the federal government has mandated schools develop wellness policies. As a result many schools are revamping their cafeteria menus to increase the number of healthy food options. Adding salad bars is one way to achieve this.

Over the last ten years, the number of salad bars available in schools has increased. Currently approximately 20 percent of the nation's elementary schools have a salad bar. But researcher Joanne Kouba from Loyola University found that "simply adding a salad bar in an elementary school does not equal program success." The salad bar provides an opportunity to try new fruits and vegetables but she found that "an educational component was critical in influencing student behaviors and eating habits. "

Her study was conducted at Namaste Charter School, which takes a holistic approach to healthy

living and targets the parents. Kouba linked an improvement in vegetable consumption in the cafeteria to educational changes. These educational changes included having students touch and taste the vegetables, plus learn how they were grown and why they were good food choices.

The principal of Namaste Charter School stated, "for many of our students, these foods are brand new. Some have never seen a baby carrot or tasted zucchini but with a little bit of nutrition education and taste testing, I have students asking for radishes and cucumbers instead of French fries."

Source: [www.namaste.org](http://www.namaste.org).

Key words: youth, nutrition.

## **Moderate Exercise Versus 10,000 Steps**

Walking 10,000 steps per day is a great way to get exercise, but to get the most health benefits from your workout, you might want to pick up the pace.

A Canadian study followed two groups of exercisers for six months. The first group was asked to exercise for 39 minutes per day at a moderate intensity, defined as breathing hard but still able to speak one or two full sentences at a time. The second group was asked to walk 10,000 steps per day at no particular intensity.

After six months, the moderate intensity exercisers had a 10 percent increase in aerobic fitness and 10 percent decrease in their blood pressure. The low intensity exercisers had a 4 percent increase in aerobic fitness and a 4 percent decrease in blood pressure.

Lead researcher Dr. Vicki Harber doesn't recommend that people start with higher intensity activity. They should increase the intensity once they are accustomed to the activity. She advises adding some briskness or "huff and puff" to one's daily walks.

Source: Vicki Harber, et al. "Cardiovascular and Type 2 Diabetes Risk Factors Response to a Traditional Fitness and 10,000 Step Exercise Program: The Health 1<sup>st</sup> Study." American College of Sports Medicine General Meeting, June 1, 2006.

Key word: exercise.

## Credit Cards for College Students

*Did you know...*

*The average undergraduate has \$2,200 in credit card debt, according to Nellie Mae, the largest provider of student loans.*

Card companies target college students because they are a fast-growing segment of the population and they have money to spend. So it's no surprise when a college freshman receives piles of offers. If you're a college student, or the parent of a college student, Bankrate.com can help you find the best credit card deals. Just go to our [student credit card survey](#).

You'll see rates that are generally higher than normal cards. Look carefully, because while cards are easy to get the card companies commonly offer heftier fees and interest rates, and smaller credit limits, with these cards.

### Parental Responsibility

Credit cards are easy for college students to get because parents are often obliged to back up their student's buying in the event the kids run a little short. Even if they aren't legally obligated to, parents commonly come to the rescue and pay those bills. So parents, make sure you read all the terms, especially with co-signed cards. You'll probably help your teens, but it's nice to know the rules beforehand.

Which brings up another golden rule: Experts in debt and credit management say emphatically that students should use the cards only for emergencies (pizza is not an emergency). Otherwise they're paying a high premium for everyday purchases, running the risk of damaged credit and learning some bad credit habits at an early age.

### Consider Voluntary Limits

Consider putting a voluntary limit of less than the card company will allow. After all, if the card is used for emergencies only, teens don't need all those thousands of credit dollars out there tempting them. If a young person has a credit history and can qualify for a regular credit card, it may work out to be a better deal. (But pizza is still not an emergency.) All



*Family Economics*

Marilyn Bischoff  
Extension Family Economics Specialist  
Family and Consumer Sciences  
University of Idaho—Boise  
322 E Front St., Suite 180  
Boise, ID 83702-7364  
mbischof@uidaho.edu



students and teens should remember that a credit card is a stepping-stone to a solid credit history—something of major importance to their futures. Misused, it can add a stain on their credit records that will take years to erase.

### Security with Secured Cards

Secured cards are another option for teens and students. Banks commonly offer these products, which are cards where the cardholder puts money in the bank as security. That money guarantees the card issuer will be paid if the cardholder fails to pay the bills. The credit limit is determined by how much is secured in the bank as collateral.

There are also cards available that allow parents to link a child's card to their accounts, or let them keep refilling the teen's or student's accounts as they go along. It's a way to keep up with what's going on, limit spending but still provide the freedom and convenience of a card.

Parents also need to be careful in case teens apply for and receive credit cards without the parents' knowledge. It's not suppose to happen to anyone under 18, but there is ample anecdotal evidence of people far younger filling out forms and getting their cards.

Source: Bankrate.com, May 1, 2006, accessed October 29, 2005 at <http://www.bankrate.com/dls/green/cc/basics6-2a.asp?caret=42>.

Key words: credit cards, financial literacy.

## Financial Resolutions to Help You in the New Year

If you're like many Idahoans, getting into shape is at the top of your New Year's resolution list. For others, the New Year is a chance to start over and do things differently financially. While we can't help you tone your abs, we can help you get financially fit. Here are five tips to help you get your finances in order.

### 1. Get rid of holiday debt.

US consumers will spend more than \$220 billion on gifts this holiday season, according to the National Retail Federation. Thirty percent of these purchases will be made on credit cards. Debt hangovers from the holidays can be extremely painful. Not paying off your holiday debt can mean high interest payments and your credit is tied up while you pay down your debt.

If you're in this boat, you'll want to do some planning. First, if your holiday debt is largely on credit cards, add up the debt on each and figure out just how much you can afford to set aside monthly to pay the cards down. Don't be overly aggressive in your estimate—you need a workable plan. To be sure you'll pay off something on each card each month, but put the most down on the card with the highest interest rate.

Keep in mind, too, that this is a good time to contact your credit card issuer and ask for a lower interest rate. They will often oblige, particularly if you have a card offer with a lower rate on hand to mention. Pay more than the minimum payments. Try not to take on additional credit card debt while you work off your existing holiday bills.

### 2. Buy yourself peace of mind.

Many people think "it won't happen to me." However, you never know when an emergency can strike. For that reason, consider setting up an emergency fund for you and your family to cover a financial emergency. Financial emergencies can include life-changing illnesses or a loss of job.

How much should you sock away? Three to six months of your living expenses. The amount you save depends on your personal financial circumstances and obligations. For example, a household making \$40,000 a year, should sock away at least \$8,000 (3 months expenses) in an emergency fund.

Treat the emergency fund as a bill you must pay each month until you reach at least three months of living expenses. You'll also want to make sure to put the money in a fairly liquid vehicle, such as an insured savings account or money market fund, which will allow you to withdraw the money when you need it. Also, an emergency fund is a smart alternative to using a credit card to help cover a major expense. Using a credit card will just add interest to debt you already can't pay.

### 3. Move your finances online.

If the online banking thing is new to you, you want to slowly venture in taking baby steps. Start by paying just one bill online. As you begin to feel more comfortable, graduate to another bill and so on and so on. There are several benefits to banking online—first, banking on the web may help you deter identity thieves. Paying your bills online could cut down the threat of suspicious activity since people have a tendency to look at their accounts more often when they bank online. For that reason, they're able to spot suspicious activity more quickly.

Among other benefits of going online is cutting down on postage and unlike a bank, online banking sites are never closed. Also, sometimes your bank or credit card company will inform you online when your next statement is available and when it has been posted to your account.

### 4. Boost retirement savings to the max.

One smart step to take now to ensure your future is to boost your retirement savings. The good news is that the limits on how much you can set aside go up next year. In 2006, you can put up to \$15,000 into a 401(k) (that's up from \$14,000 in 2005). You can contribute even more if you are 50 or older, up to an additional \$5,000. Also, if you haven't already made your maximum contribution to your Roth IRA, do it now. For 2006, the max is \$4,000 per person

or \$5,000 if you'll be 50 or older by the end of the year.

## 5. Move savings out of low interest accounts

You work hard for your money, so make your savings work for you. Many savings and money market accounts are earning less than 3 percent interest. Seek the maximum interest rate possible in insured accounts (banks with FCID insurance or credit unions with NCUA insurance). Many Certificates of Deposit (CDs) and some money market accounts pay approximately 5 percent. For that reason, after you have at least three months of emergency living expenses in a savings or money market account, consider moving additional funds that are not invested into accounts with a better rate of return. Check [www.bankrate.com](http://www.bankrate.com) for a listing of banks with higher rates.

If you choose to place non-emergency savings into CDs, consider laddering your deposits. Laddering a CD portfolio is a lot like dollar-cost averaging when you buy stocks. You don't invest all your CD money at one low rate of return.

You also are never more than a year away from at least some of your money. Here's how laddering CDs works: You go to the bank with \$5,000 and buy a \$1,000 one-year CD, a \$1,000 two-year CD and so on until your last \$1,000 buys you a five-year CD. Each year is a rung on the ladder. When the one-year CD matures, you reinvest that money in a five-year CD because by that time your five-year CD has four years left until it matures. As each year's CD comes due, you roll it into a five-year CD.

Source: Adapted from Willis, G. (December 10, 2004). Financial Resolutions - 5 Tips: Getting Your Financial House in Order for the New Year, CNN Money.com. Retrieved on November 30, 2006 from [http://money.cnn.com/2004/12/10/pf/saving/willis\\_tips/](http://money.cnn.com/2004/12/10/pf/saving/willis_tips/). Many additional sources were used to update this article.

Key words: debt, savings, financial literacy, retirement.



## Research: The Importance of Planning to Accumulate Retirement Savings

The saving behavior of two cohorts: the Early Baby Boomers (EBB, age 51-56 in 2004) and an earlier cohort (called HRS, age 51-56 in 1992) were studied in a recent research project conducted by the University of Michigan Retirement Research Center. Researchers found that EBB have accumulated more wealth than the previous cohort but they benefited from a large increase in house prices, which lifted the wealth of many homeowners.

As EBB transition to retirement, a number of questions arise concerning their well-being into the future. In comparison to the HRS cohort in 1992, many EBB have accumulated larger amounts of wealth in 2004. However, this is not true for the whole cohort; many EBB respondents with low education, low income, and minorities, have less wealth than the previous generation. Moreover, with respect to the HRS cohort, a larger proportion of EBB wealth is exposed to fluctuations in asset prices, particularly housing prices. Thus, a decline in the housing market may generate substantial losses. Given that most EBB are homeowners and the housing market experienced very rapid increases until recently, the behavior of this market should be watched carefully.

While several initiatives have been undertaken during the past decade to foster retirement planning, a large fraction of EBB have still not given much thought to retirement even though they are only a few years away from it. Lack of planning is a crucial

determinant of household wealth; those who do not plan accumulate much lower amounts of wealth—from 20 to 45 percent depending on the location in the wealth distribution—than those who do plan. For both EBB and the HRS cohort, lack of planning is tantamount to lack of savings irrespective of the many changes in the economy between 1992 and 2004. Non-planners are disproportionately those with low education, low income, and Blacks or Hispanics. Those households were not only largely unaffected by changes in the stock market, but they have been also left untouched by financial education programs instituted during the 1990s. Public policies that aim to stimulate savings should consider incentives and programs that stimulate retirement planning. To be effective, these programs should better target those groups least likely to plan.

Source: Lusardi, A., Beeler, J. (July 2006). Savings Between Cohorts: The Role of Planning, Working Paper WP 2006-122, University of Michigan Retirement Research Center, Ann Arbor, MI.

Key words: retirement, financial education, savings.

## Family Economics Resources

### Split Refunds: Just Another Tax Form or an Opportunity?

Beginning in tax season 2007 (for tax year 2006), all tax filers due a Federal refund will have the option to have their refund direct deposited to up to three destinations. Tax filers will use IRS Form 8888 to indicate which accounts and in what amounts they would like their refund disbursed. Any account in the taxpayer's name with an account number and routing number can receive part of a Federal tax refund.

Since the late 1990s, advocates for working poor families have promoted “asset building,” a philosophy that long-term improvements in families' economic security can be achieved by a gradual accumulation of assets, such as a family home, income-generating small business, post-secondary degree or certificate, or retirement nest egg. Fueled by the Federal Earned Income Tax Credit (EITC),

worth up to \$4,400 in 2006, some low-income families may receive substantial tax refunds. The ability to direct part of these refunds toward immediate spending needs and part to savings makes tapping tax refunds for asset building much easier. To learn more, visit the [Split Refunds website](#).

### Online Fact Sheet/Health Savings Accounts (HSA)

More Americans are turning to consumer-driven high-deductible health care plans like those that offer Health Savings Accounts (HSA). Since HSAs came into being in 2004, enrollment has increased greatly and is expected to continue to gain momentum; by 2010 as many as 45 million Americans will be covered by an HSA. Click [here](#) to find out more about Health Savings Accounts.

### Fall 2006 Focus on Youth, Money Matters Newsletter

The University of Rhode Island Center for Personal Financial Education is an educational resource and research center. The center's mission is to advance sound personal financial practices by developing and delivering personal financial education programs and conducting related research. The center's fall issue of *Focus on Youth, Money Matters* is now available. Topics in this issue include: Changes Ahead for Retirement Accounts; The Real Costs of Payday Loans; New Ways to Receive Your Tax Refund, and much more.

### Thrive by Five on the Radio

CUNA (Credit Union National Association), based in Washington, DC, and Madison, WI, is the premier national trade association serving America's credit unions. In partnership with state credit union leagues, CUNA provides many services to credit unions and citizens. One of the services CUNA offers is *Home & Family Finance Radio*, a weekly 1-hour program that offers helpful information and advice on consumer finance issues. Some of the topics in the latest editions of *Home & Family Finance Radio* include: Planning Now for What You'll Need Then; Strategies for Helping Senior Parents Manage Their Money; and Making Financial Room for Baby. To learn how to tune in, visit the [CUNA website](#).