

The Communicator

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February 2006

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University of Idaho
Extension

2006 FCS In-service

Our FCS Specialists have solicited Educator input regarding a 2006 In-service and we have decided that because of conflicts, we will not try to hold an In-service with all FCS Educators this coming year. Instead, each of the specialists will be contacting you to set up a time that they will be able to visit with you in each of your Districts. We do encourage you to attend other events if possible; especially, the MRDS series in September when Federal Reserve Board Consumer Programs Manager, Jeanne Hogarth will be in Idaho to address financial management issues. This arrangement seems to suit all of our busy schedules best.

UI Extension Annual Conference

Please mark your calendars now for Extension Annual Conference at the Red Lion in Idaho Falls, April 3-5, 2006. Please visit <http://extension.ag.uidaho.edu/conference> for hotel and conference information. Web registration will be available in early February. Please watch *E-Notes* for the request for proposals in mid-February. Approved Impact Statements will be required with each poster submission. See you there!

—Excerpted from *E-Notes*.

Haberly Endowment Awards

This is your last *Communicator* reminder to consider applying for Haberly and Hepworth Fellowships to assist you with professional and programmatic development activities. You should have received notification by February 1 with application due date of March 1 and announcement of awards by April 1. Applications are limited to two pages and will be screened by the Faculty Development Committee. Team applications are acceptable.

We have asked former recipients to send us project summaries and in this issue of *The Communicator*, we're printing our feedback from Joey Peutz and Carol Hampton.



Director
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The Role of Courage in Organizational Leadership—Joey Peutz

The Haberly fellowship supported my experience at the 2005 Leadership Academy. The Leadership Academy is a week-long in-residence “camp” in McCall. Faculty and students live in a dormitory and utilize indoor and outdoor classroom instruction and experience learning activities. There were three phases: 1. An intensive reading assignment (completed before attending camp), 2. Instruction in leadership and courage activities (from dawn until dark), and 3. A reflection and/or action paper or project. The 2005 theme was The Role of Courage in Organizational Leadership.

In the film, *The Wizard of Oz*, the Cowardly Lion is searching outside himself for the trait or value he longs to possess...courage.

Cowardly Lion: Alright, I'll go in there for Dorothy. Wicked Witch or no Wicked Witch, guards or no guards, I'll tear them apart. I may not come out alive, but I'm going in there. There's only one thing I want you fellows to do.

Tin Man: What's that?

Cowardly Lion: Talk me out of it.

There were many times during the academy experience that I felt like the Cowardly Lion. The camp is designed to stretch participants both intellectually and physically. I participated in several “high ropes” activities. The camp is well organized and the instructors were very supportive of class participants. Although it was a very demanding experience, I highly recommend that you consider attending the camp (themes change annually).

*I have utilized the 2005 Hepworth Fellowship to assist with the purchase textbooks as I work towards my PhD. One of my class assignments was to choose, read and review a book from an approved list. I chose David Whyte’s *Crossing the Unknown Sea*. It is one of the best books I’ve read during my graduate experience. Fellow faculty may also find inspiration and meaning in this book.

Crossing the Unknown Sea
Work as a Pilgrimage of Identity
By David Whyte

Our greatest opportunity for discovery and growth is in the thing we most often want to get away from: our work. It’s where people spend the majority of their time wishing they were doing something else; not being present; not being themselves. And it is precisely this kind of disengagement that is damaging to our souls. *Crossing the Unknown Sea* is about reuniting the imagination with our day-to-day lives. It shows us how poetry and practicality, far from being mutually exclusive, reinforce each other to give every aspect of our lives meaning and direction. For anyone who wants to deepen their connection to their life’s work—or find out what their life’s work is—this book can help navigate the way.



Preserve @ Home
Haberly Report from
Carol Hampton and
Joey Peutz

Thanks to a Mildred Haberly Fellowship award UI Extension Educators Carol Hampton, Boundary County, and Joey Peutz, Canyon County, were able to attend the National Extension Association of Family and Consumer Sciences Annual Session in Philadelphia to present a concurrent session on

Preserve @ Home, a UI Extension web-based food preservation course. The session was attended by over 50 educators, many of whom expressed interest in adapting the web-format in their state. Upon returning home 42 visited the web-class as guests to further explore the content and concept. Session evaluations were overwhelmingly positive.

In addition to full conference participation Joey and Carol enjoyed visiting historical venues and local points of interest. They would like to thank the Haberly Fellowship for the opportunity to attend NEAFCS.

Woman of the Year

Athena, an association supporting the interests of faculty and professional women at the University of Idaho, seeks nominations for their annual “Woman of the Year” award. Up to three awards will be given to outstanding women in the faculty, staff, and administrative ranks at the UI. To be eligible, the nominee must be working in a half-time or greater board appointed position. Retired personnel, those in temporary help positions or Woman of the Year recipients from the past two years are not eligible. Recipients of the awards will be honored at an Athena reception in April 2006. Recipients will be presented with a plaque and free membership in Athena for the following year. Nominations are due **MARCH 1, 2006**. We have many outstanding staff, faculty, and administrators involved in UI Extension. I hope you will consider nominating someone who deserves this recognition. Please send completed nominations to Mary W. George, Secretary of Athena, campus zip 2339 or mgeorge@uidaho.edu. More detailed information is available on the Athena website at www.uidaho.edu/athena.



Food Industry and Federal Government Focus on Food Defense

A terror attack against the US food supply could result in significantly more casualties than caused by the terrorist attacks of 9/11 and cost the economy hundreds of billions of dollars. This has been a “hot topic” at numerous food industry and government sponsored conferences in the past few years.

For example, at a November 2005 conference led by the Department of Homeland Security (the National Food Protection and Defense Research Conference), experts from the government, food industry, and universities identified the need to research ways to protect the food supply chain—from the fields where crops are grown to the grocery store aisles where food is purchased. Research is also needed on tools for quickly identifying contaminants, on predicting consumer reaction to attack, on psychological terror, and on crisis response systems, such as those recently employed during the US hurricane season.

Segments of the food supply that are least flexible to rebound from attack must be identified and steps taken to minimize the vulnerability, the experts at the Conference maintained.

Food economists at the Conference noted that the diverse diets of American children, adults, and seniors make it very difficult for a terrorist to choose a single food to attack that would sufficiently reach every consumer. Likewise, the diversity of suppliers producing the same products ensures the likelihood that safe food would still reach consumers in the event of attack.

However, the economists also noted that an assault on the national economy could approach \$200 billion or more lost over a five-year period. The impact on interest rates, the stock market, and foreign exchange would linger even well after an attack.

At the Institute of Food Technologists Annual Meeting in July in New Orleans, I attended several sessions on food defense that described training,



Food Safety
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Assessments, and actions of the food industry and government. Researchers demonstrated a computer-simulated terrorist attack using yogurt as the vehicle. It was also interesting to hear food industry officials talking about working with the Federal Bureau of Investigation on food defense.

A “closer-to-home” example of food industry interest in food defense is the 2-hour *Food Security Workshop: How Secure Are We?* presented for members of the Pacific Northwest food industry at the 2006 NW Food Manufacturing & Packaging Expo, held in January in Portland.

In January 2006, the US Department of Agriculture (USDA) announced that the Food Safety and Inspection Service (FSIS) will conduct five critical food defense exercises this year. These exercises are designed to practice reporting a non-routine incident while coordinating with all levels of government, non-governmental agencies, and the private sector in an incident command system structure. These exercises are intended to challenge all participants to collaborate more closely and become better prepared to keep the food supply safe. FSIS will eventually conduct similar exercises in all 15 FSIS regional district offices.

USDA is also working on the *Strategic Partnership Program Agroterrorism (SPPA) Initiative* (announced in July 2005) to secure the nation's food supply. This initiative partners with other federal, state, and local governments and with trade associations. In December, a pilot assessment to iden-

tify vulnerabilities was conducted of the grain export elevator industry and in March assessments of the frozen foods and swine industry segments will be conducted.

Although food defense does not receive as much media attention as foodborne illness prevention, it is good to know that potential dangers are being guarded against by the food industry and government experts.

Note: *The terminology surrounding this topic has been confusing. "Food security" was the term applied soon after the 9/11 terrorist attacks to the topic of protecting our food supply from terrorist attack. However, the term "food security" has a history of previous, extensive use in the context of providing food and supporting food sufficiency for food deprived populations. The preferred term for protecting food from terrorism is now "food defense," although you can see by the session title, in the seventh paragraph (above), that "food security" still receives widespread use.*

Source: "Minimizing Risk of Terrorism Drives Food Researchers," Institute of Food Technologists News Release, November 7, 2005; Harless, A. & Cohen, S. "USDA Continues Efforts to Safeguard the Nation's Food Supply," USDA News Release, January 17, 2006.

Key words: terrorism, food industry, government, food safety.



What America Is Eating

A recent article in *Food Technology* magazine compiles the latest trend studies in US food consumption.

Here are some of the trends and facts identified.

- Three of every four American adults are eating dinner at home, but preparing it from scratch is now the choice of only one-in-three.
- Restaurant take-out has overtaken sit-down dining. In 2005, the average American ate 80 meals at restaurants, down from 93 in 1985. Over the same period, the American took—home 57 restaurant meals and took to work 33 restaurant meals (increases from 33 and 23 meals a year, respectively, in the last 20 years)
- Supermarket take-out is also increasing in popularity. Forty-two percent of adults are purchasing supermarket take-out each month—a 12 percent surge in the past two years.

- The most popular ethnic food remains Italian. But a 10 percent surge by adults naming it their favorite has Mexican food fighting for the top spot.
- Four of 10 restaurant-chain chefs think portion size will be a new major trend. More than 3 in 10 expect comfort foods (i.e., meatloaf, macaroni and cheese, pot roast) to be among the new trends.
- No- and low-fat foods have slimmed to single-digit growth but it is still a \$32-billion segment—more than twice the size of the organic foods category.
- Coffee is the No. 1 consumed breakfast food—by 53 percent of Americans. Now quick service restaurants are bringing designer brands to their menus.
- There are more Chinese restaurants than McDonald's, Wendy's, and Burger Kings combined.
- Vegetable consumption is falling by two percent, but fresh fruit is rebounding after 14 years in decline. Fresh fruit is the No. 1 snack of kids age 2-12.

The ten most popular foods ordered in restaurants.

	Men	Women	Students age 18-24	Kids under age 6
1	Hamburger	French fries	French fries	French fries
2	French fries	Hamburger	Hamburger	Pizza
3	Pizza	Pizza	Pizza	Chicken nuggets
4	Breakfast sandwich	Side salad	Mexican	Burgers
5	Side salad	Chicken sandwich	Chicken sandwich	Ice cream
6	Eggs	Breakfast sandwich	Chicken nuggets or strips	Non-fried vegetables
7	Doughnuts	Main salad	Chips/pretzels/crackers/curls	Mexican
8	Hash browns	Chinese food	Breakfast sandwich	Rice
9	Chinese food	Chicken nuggets or strips	Seafood	Macaroni and cheese
10	Main salad	Rice	Side-dish salad	Fruit

Source: Sloan, A.E. "America Eats: What, When, and Where In 2006," *Food Technology*, January 2006, pages 19-25.

Key words: foods, trends, consumer.

Golden Years Are Active Years

Rocking chairs, shuffleboard matches, and card games are getting stiff competition from paid work, volunteering, and caregiving in the lives of older Americans, new research from the Urban Institute shows.

Almost 80 percent of those age 55 and older spend time working, volunteering for an organization, taking care of family members, or helping people outside their own households. They average nearly 1,300 hours at these labors. Nine out of 10 adults age 55 to 64 take part in at least one activity. Engagement declines with age, but remains high. Eight out of 10 adults 65-74 and almost 6 in 10 age 75 and older participate in one or more activities.

"These findings contrast sharply with the image of older Americans as unengaged adults living out their older years solely in pursuit of leisure and rest," researchers Sheila Zedlewski and Simone Schaner commented. "Nonetheless, the results also suggest room to expand engagement opportunities. Unengaged or less engaged older adults represent an untapped resource."

The potential contributions of older adults will grow rapidly as baby boomers age, Zedlewski and Schaner point out in "Older Adults' Engagement Should Be Recognized and Encouraged." Three in 10 Americans will be 55 or older by 2030, up from 2 in 10 today. Currently, 65.4 million people are 55 or older.

These conclusions are based on the 2002 Health and Retirement Study, a nationally representative survey of adults 55 and older. The survey is conducted for the National Institute on Aging by the Survey Research Center at the University of Michigan.

Most older adults are highly satisfied with retirement (62%), but 33 percent are only somewhat satisfied and 6 percent are dissatisfied.

At the same time, the Institute's Barbara Butrica and Simone Schaner show in "Satisfaction and Engagement in Retirement," engaged seniors are

Family Development

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more likely than their unengaged counterparts to be very satisfied with retirement, regardless of age, sex, race, marital status, education, mental and physical health, and income. But retirees involved only in caregiving are significantly less likely to be very satisfied than uninvolved retirees.

In "Many Older Americans Engage in Caregiving Activities," Richard Johnson and Simone Schaner observe that 39 percent of older adults care for their parents, in-laws, frail spouses, children, or grandchildren. They average 580 hours a year in caregiving.

Older men are just as likely as older women to spend time caring for their families, challenging the conventional wisdom that family care is women's work. However, women caregivers devote more time (648 hours a year) than men (489 hours).

Many caregivers juggle family responsibilities with work demands and their own health needs. Among those age 55 to 64, half of full-time workers care for family members. And 34 percent of those age 55 and older in fair or poor health serve as caregivers.

Additional Findings: Types and Intensity of Engagement

- Older Americans volunteer at similar rates throughout the age distribution, with about 3 in 10 devoting time to formal volunteering.
- Older Americans diversify their activities, with 52 percent taking on two or more tasks. Yet, almost 2 in 10 adults age 65 to 74 and 4 in 10 adults age 75 and older do not engage in any of these activities.
- African Americans and Hispanics are less likely to be engaged than their white counterparts. Hispanics age 65 and older are least likely to be working, volunteering, or caregiving.
- Across the age spectrum, low-income individuals engage in these activities less often than higher-income seniors.

Additional Findings: Retirement Satisfaction

- Seniors who are more active appear more satisfied with retirement. For example, older adults who report being very satisfied with retirement are nearly 1.5 times more likely to participate in multiple activities (42%) than dissatisfied older adults (29%).
- Relatively fewer very satisfied retirees are inactive (25%) than dissatisfied retirees (38%).
- Dissatisfied retirees are more than twice as likely to be caregivers as very satisfied retirees.
- For most, retirement satisfaction rises as the amount of activity approaches 500 hours. Beyond that, satisfaction seems unrelated to hours spent.

Additional Findings: Caregiving Activities

- Fifty one percent of adults age 55 to 64 provide care to family members, compared with 38 percent of those age 65 to 74 and 19 percent of those age 75 and older.

- Grandchild care is the most common caregiving activity, pursued by nearly one-quarter of older adults, followed by parent care, spouse care, and child care.
- Seven percent of adults age 55 and older care for multiple generations of relatives.
- Spouse helpers average 1,443 hours of family care a year, compared with 541 hours for parent caregivers, and 474 hours for grandchild caregivers.
- Eighty seven percent of adults age 55 and older with frail spouses and 67 percent of those with frail parents serve as caregivers.

Perspectives on Productive Aging Series

These findings are part of Perspectives on Productive Aging, a new research series documenting the value of engagement among older adults and highlighting the best ways for society and policymakers to support and encourage the full engagement of older Americans. Forthcoming publications will cover volunteering, work, the economic value of engagement, factors affecting the level of activity, and transitions from career work to other kinds of activity.

Source: Perspectives on Aging is supported through a grant from Atlantic Philanthropies. It is part of the Retirement Project, sponsored by the Urban Institute <http://www.urban.org/retirement>.

Key words: seniors, caregiving, volunteering.

Coming in 2006: A Super-Sized Food Label

We are all used to seeing new food products on the shelves. Now it looks like there will be some changes occurring to the food label in 2006. These include adding trans fat and 8 major allergens, changing calorie content and serving size format, and incorporating the MyPyramid icon and whole grain recommendations. The trans fat and major allergens were required to be listed on labels as of January 1, 2006. The rest of the changes will occur throughout the year.

If you find a food label where these changes have not been implemented, it may be due to the label being printed before 2006. FDA is allowing companies to use food labels that were printed before 2006.

Trans Fat

What are trans fats? Trans fats are formed when vegetable oil is treated with hydrogen gas—a process called hydrogenation—to produce a more solid product called partially hydrogenated oil. The Food and Drug Administration (FDA) estimates that 80 percent of the trans fats in our diets come from partially hydrogenated oils. Some trans fats are found in animal foods like dairy products and meat, but these naturally occurring trans fats differ from those trans fats that form as a result of hydrogenation and do not have negative health effects.

Why should the trans fat content of a product be listed on the food label? The National Academy of Sciences' Institute of Medicine recently concluded that consumption of trans fats increases the level of LDL or bad cholesterol and may decrease the level of HDL or good cholesterol in the body. Scott Gottlieb, the FDA's deputy commissioner for medical and scientific affairs estimates that within three years, the trans fat labeling will prevent 600 to 1,200 coronary heart disease cases and 250-500 deaths a year. Other studies have linked trans fat intake to Alzheimer's disease, macular degeneration, gallstone disease, certain cancers, diabetes and inflammation (a risk factor for many chronic diseases).

Where is the trans fat content located on the Nutrition Facts Panel? It is listed in grams on a separate

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line, under saturated fat. The FDA estimates that the average daily intake of trans fat is about 5.8 grams. It is recommended that trans fat intake should be between 2-4 grams a day.

Why do food companies use trans fats? They increase the shelf life and improve the taste and texture of a product. A partially hydrogenated oil makes margarine spread easily, puddings creamy, piecrust flaky, and French fries crispy. Examples of foods that contain trans fats are fried foods, margarine, peanut butter, snacks (microwave popcorn, chips, crackers), baked goods (doughnuts, cookies, muffins), and frozen dinners. Some restaurants use partially hydrogenated oils when frying foods because these oils can be used more than once.

In 2003 when the FDA established the deadline for trans fat labeling to be January 1, 2006, very few food products claimed to be low in trans fat or trans fat-free. But just before the 2006 deadline, 804 new or reformulated products were listing their products as being low in trans fat or trans fat-free. For example, all of Frito-Lay's 35 brands of snack chips are trans fat-free and even Crisco, considered to be the mother of hydrogenation, has a Crisco Zero Trans Fat Shortening. Some restaurants are reducing the trans fat content of their menu items. The Ruby Tuesday's chain now uses trans fat-free canola oil to fry some items and McDonald's has decreased the trans fat content of its Chicken McNuggets, Crispy Chicken, and McChicken sandwiches.

Are products containing 0 grams of trans fat really trans fat free? Not necessarily, check the ingredient list. If the food label lists 0 grams of trans fat and the ingredient list contains the words "partially hydrogenated," then the product has some trans fat. Food companies can list the trans fat content as 0 grams if the product contains less than 0.5 grams of trans fat per serving.

A decrease in trans fat may mean an increase in saturated fat content. When some companies reformulated their product to be trans fat free, they replaced the partially hydrogenated oils with saturated fats. Many manufacturers now use palm oil, a vegetable oil that contains saturated fat. So check the saturated fat content of that product, not just the trans fat content.

Allergens

A food allergen is part of a food (usually a protein) that stimulates the immune system of individuals that have a food allergy. There are eight major food allergens that cause 90 percent of all documented food allergies in the US. A federal law requires that these allergens be listed on the food label, starting January 1, 2006. The eight major allergens are: tree nuts (including almonds, walnuts, and pecans), milk, eggs, fish, crustacean shellfish, peanuts, soybeans, and wheat.

How are allergens being listed? They are listed in "plain language" that people can understand. What this means is that instead of seeing the word "albumin" (which is the protein found in eggs) in the ingredient list, you'll see the word "egg" instead. Labels must either use parentheses to clarify that "whey" or "casein" is a milk product or must note at the end of the list that the product contains a specific allergen.

Why are these allergens being added to the food label? Prior to implementation of this federal law, some companies failed to list allergens in the ingredients. In fact, in 1999 when FDA scientists tested a sample of baked goods, ice cream, and candy products from Minnesota and Wisconsin, approximately 25 percent of them did not list peanuts or eggs as ingredients.

Calorie Content and Serving Size

Changes are also being considered on how the calorie content and serving sizes should be listed on the food label. The FDA may change the type or font size of the calorie listing in order to make it more prominent on the food label.

The food label currently lists information for one serving of that product. This may be changed so that the nutrition information is listed for the entire package and not just one serving. Two companies, Coca-Cola Co. and Kraft Foods Inc., are already listing nutrient information in two columns; one column lists information for a single serving and the second column lists information for the entire package. For example, a 20-ounce bottle of Coke lists 26 grams of sugar based on the "standard serving," but 65 grams in the whole bottle.

MyPyramid on Food Labels

Last spring, the Agriculture Department replaced the Food Guide Pyramid with MyPyramid to help Americans make healthy food choices. As a result, one of the major changes to food labels that used the Food Guide Pyramid graphic will be to replace it with the MyPyramid graphic.

MyPyramid distinguishes between whole grains and refined grains. Food makers will be allowed to use statements such as "Made with Whole Grain spaghetti" and "Made with 100 percent Whole Grain brown rice." But they will not be allowed to state whether or not that product is either a "good source" or "excellent source" of whole grain. The FDA is expected to define the term "whole grain" in 2006.

On a 2,000 calorie diet, MyPyramid recommends an intake of 6 ounces of grain a day and that half of these grains come from whole grains. An example of a one-ounce serving of grain (called a one-ounce equivalent) is a slice of bread, ½ cup of cooked rice or cereal. If there is room on the food label, and the product is a whole grain, the USDA will approve the following statement: "One whole grain ounce equivalent per serving, MyPyramid recommends at least 3 one-ounce equivalents of whole grain."

Source: <http://www.cfsan.fda.gov/~dms/qatrans2.html>
<http://www.cfsan.fda.gov/~dms/alrguid.html>.

Key words: trans fatty acid, labels, allergy.

Idaho Extension Family Economics Programming, 2005 Summary

Did you know?

- Idahoan's \$27,098 per capita income ranks our state in the bottom income quintile of the 50 states.
- The 2004 University of Idaho Extension survey, *Your Idaho Community: present and future needs* [www.uidaho.edu/extension/Community Survey](http://www.uidaho.edu/extension/CommunitySurvey), found that financial management education was one of the top respondent priorities. Financial education was the topic respondents indicated they would most prefer obtaining by attending classes.
- Only three Idaho Extension educators are assigned financial management as their major programming responsibility. During 2005, 14 additional educators also provided financial education, reaching 6,300 Idahoans.
- One hundred eighty-three presentations were offered in UI Extension's three Topic Team areas of Basic Financial Education, Financial Security in Later Life, and Youth Financial Literacy.
- Educators and the specialist produced more than 82 publications (including PowerPoint lessons) and two websites. We disseminated our accomplishments at 14 regional and national professional presentations via posters and concurrent sessions.

Highlights of Basic Financial Management Programs offered in FY 2005

- The concepts of differentiating between needs and wants, financial goal setting, tracking expenses and budgeting were taught to 530 Idahoans in three classes—*Dollar Decisions*; *Gaining Financial Fitness*; and *I'm Banking on It*, a class developed by Bonneville County educator, Barbara Petty. District II EFNEP advisors, supervised by Linda Gossett, taught the most participants.
- Wise use of credit, credit scores, and getting out of debt were taught seven times by three educators and the specialist to 66 individuals. Credit and debt education is expected to increase in 2006 upon the completion of the UI Extension *Credit Cents* curriculum. Four lessons will be provided to interested educators.



Family Economics
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- *Guarding Against Identity Theft* is a needed and popular topic. Four educators taught thirteen classes reaching 375 Idahoans. Idaho County educator, Julia Welch, reached 41 percent of the participants. Welch and Owyhee County educator, Marsha Lockard, share the Identity Theft lesson they developed with other Idaho extension educators.
- Ten Extension publications were made available to thousands of readers on a website maintained by *The Idaho Statesman* newspaper. Ada County Educator, Beverly Healy, partnered with Idaho's largest circulation newspaper to offer *Gaining Financial Fitness* classes to the public and provided the publications for posting on the *Statesman's* internet site.

A new UI Family Economics Urban Extension website will provide personal finance information 24/7 to Idahoans. We expect the site will be posted during the second half of 2006. The specialist and seven educators will contribute content to the website prototype.

Next month highlights of UI Extension's Financial Security in Later Life and Youth Financial Literacy programming will be published in *The Communicator*.

Source: Idaho Extension educators FY 2005 IDEAS reports.

Key words: financial education, financial literacy, credit, identity theft.

Minimum Credit Card Payments Are Going Up

For the estimated 40 million Americans who carry a balance on their credit cards, their minimum payment may be increasing anywhere from 40 to 100 percent. Here's a look at why, and what to do about it. Under pressure from federal regulators, credit card issuers are increasing the minimum monthly payment requirement on outstanding balances. The change should help consumers in the long run, but it can be painful in the short term.

Credit card minimum monthly payments have traditionally been set at an average of 2 percent of the outstanding balance. The entire 2 percent would often go toward interest, and cover little or none of the principal. According to Bankrate.com, a balance of \$8,000 (the approximate credit card debt carried by the average American) would take almost 54 years, and cost an additional \$22,931.52 in interest when paying only the minimum 2 percent each month.

With the new guidelines, credit card companies are now required to set a minimum monthly payment that covers interest, plus at least 1 percent of the outstanding principal. Using those guidelines, that same \$8,000 would take only 30 years to pay off and cut your interest in half to \$11,789.08. Obviously 30 years is still a long time to pay off credit card debt. Most people will pay off their home loans in less time than that. Unfortunately, many people treat their credit cards as an additional source of income. According to a recent study by the American Bankers Association, 43 percent of cardholders carry a balance each month.

The problem usually starts when individuals have an irregular expense, such as car maintenance, holiday spending or a vacation. They turn to a credit card to cover the difference, planning to pay it off next month. But when next month rolls around, the budget is tight again, and even if they don't add to the balance, they're unable to pay it off in full.

The trick is to manage daily, weekly, and monthly spending. Set up a spending plan based on income and include regular expenses like mortgage, groceries and car payments, and also irregular ex-

penses such as holidays, birthdays, car maintenance, and medical expenses. By planning ahead and setting aside a little each month for these irregular expenses, individual's will have enough to cover them when they arise and won't have to turn to the credit card to cover the difference.

Most people can easily squeeze an additional 10 percent out of their paycheck by simply creating a spending plan and tracking their expenses. The University of Idaho Extension *Dollar Decisions* CIS publication 1113, "Making a Spending and Savings Plan" makes setting up your spending plan simple. Credit card spending can throw an extra wrench in a budget. When someone makes a purchase on a credit card, the money isn't immediately taken out of a checking account, as it is with a debit card. By the time the bill comes, the money may have already been spent elsewhere.

Even if an individual can only pay the minimum, they should make sure to do that. Ignoring the problem won't make it go away. It's expensive and will take a long time, but by paying at least the minimum each month, they'll keep the credit scoring folks happy, which can save thousands of dollars later on.

Background. When credit and charge cards first began to appear in the 1950s, the minimum payment was ten percent of the outstanding balance. Back then, cardholders had little difficulty paying off their credit card balances. What happened? Over the years, as the availability and use of credit increased dramatically, banks and other credit card issuers, quietly began to lower their minimum payments for the credit cards they issued. This lowering of the minimum payments kept cardholders in debt longer and caused them to pay more interest and also some new fees.

The big explosion in credit cards came in the 1990s when AT&T and General Motors, among many others, decided to get into the credit card business. Consumers were assaulted with numerous promotions and advertising all aimed at getting people, young and old alike, to acquire either their first or yet another charge card. It is now not uncommon that some individuals carry as many as eight or ten different credit cards.

In 2003 the so-called Universal Default clauses began to appear in new credit card offerings. Universal default means if a debtor is late making a payment to another creditor and it appears on the debtor's credit report, other card issuers and creditors who have included universal default into their credit card and other loan agreements, could also declare this particular debtor in default and access higher fees, raise the annual percentage rate to the higher rates, usually 29.99 percent.

As part of the universal default declaration, creditors may lower the credit limits and if the debtor is over the newer, lower credit limit, they will begin to receive over-limit notices and fees. This practice also occurs when a debtor makes a purchase, which may take them over their limit. The issuer then approves the purchase and it results in the debtor exceeding their credit limit; therefore, it creates another over-limit notice and, of course, another fee. Universal Default is not illegal, however, the Comptroller of the Currency warned banks and other credit card issuers who incorporate universal default into their credit cards to properly notify consumers in writing and with a larger type size on their offers and agreements when discussing default and universal default.

Source: Adapted from: Richard, P., January 5, 2006, "Minimum Credit Card Payments Double, Institute of Consumer Financial Education" news release, San Diego, CA; and Smith, S.B., January 29, 2006, "Why your credit card payment is going up," Kansas City Star, http://www.kansascity.com/mlid/kansascitystar/business/personal_finance/13720728.htm.

Key words: credit, credit cards, debt.

Play the Percentages In Your Retirement Financial Planning

Some Americans are surprised to learn that today's workers and families are not nearly as diligent about saving as previous generations have been. From the 1950s through the early 1980s, personal savings hovered between 6.6 and 11 percent of income. Since the early 1980s, however, personal savings have steadily declined. And now, in the first decade of a new century, personal savings have

virtually flatlined to less than one percent of income.

According to financial experts, you will need at least 70 percent of your annual working income when you retire to enjoy a comfortable lifestyle. For the average worker, Social Security will provide about 40 percent of that amount. That means you would have a 30 percent gap to fill.

Most workers can reach this goal through contributions to an employer's 401(k) or other pension plan, Individual Retirement Account or other savings and investments.

Of course, the above numbers are just general guidelines. The percentage of pre-retirement earnings that a worker can count on from Social Security can vary greatly. That amount will depend on how much you have earned and how many years you have worked in a job where you paid Social Security taxes. If you are married, your retirement financial goals would also be affected by the entitlement and expectations of your spouse to Social Security and other retirement benefits.

A convenient and handy way to see if the percentages for your retirement savings plan are in your favor is by using our online Retirement Benefits Planner at <http://www.socialsecurity.gov/planners/index.htm>. You can plug in the numbers and get estimates of what you (and your spouse) might expect in terms of Social Security benefits—and what you need to come up with yourself by other means. And, of course, the earlier you start planning for your retirement financial needs, the easier it will be.

Source: Neuber, C., Idaho Social Security Public Affairs Specialist, December 2005. "Play the Percentages In Your Retirement Financial Planning" press release.

Key word: retirement.

Index Mutual Funds

For most new investors, the first question asked is "what should I invest in?" A typical response is mutual funds ... not a bad answer. A stock mutual fund is typically comprised of anywhere from several to more than a couple hundred individual stocks. A mutual fund is a nice way to obtain "instant diversification." What that means is that if I invested in Enron I could have lost my shirt, but if Enron was merely one company in a mutual fund I held, my gain will be reduced but it's not going to kill my return. A specific type of fund that continues to grow in popularity is index funds.

With a mutual fund, it is common to see high cost/maintenance fees (expense ratio), because I pay an "expert" to pick the stocks that comprise the fund as well as the balance/allocation/distribution of those stocks, bonds, etc. An index fund is much simpler, it is merely designed to track a specific "index" ... for example, even those that aren't investors have likely heard of the S&P 500. The S&P 500 is a broad market index of 500 of the largest companies in the US. You probably already guessed that you can purchase an S&P 500 index fund (a fund designed to mimic the S&P 500). Since the 500 companies are already published and not stocks that need to be "handpicked" by a financial analyst/expert, I can purchase the fund at a fraction of the cost of other types of mutual funds. For example, many funds have an expense ratio of over 1 percent (many are in the 1.5% to 2% range). A few funds offer an S&P 500 index fund with an expense ratio of less than .50 percent. Clearly this is one of the primary reasons why the S&P 500 usually beats the majority of actively managed mutual funds.

Standard & Poor's (S&P) has analyzed investment data for years; comparing indexes with actively managed mutual funds. In a report that included returns through the 2nd quarter of 2005, S&P found that over the past 5 years, the S&P 500 beat 62 percent of all large-cap funds; the S&P MidCap 400 beat 81 percent of midcap funds; and the S&P SmallCap 600 beat 73 percent of all small-cap funds (S&P did not factor in the sales fees that load funds charge investors, which would have made the contrast even more startling). According to Princeton University's Burton Malkiel, the average

actively managed mutual fund has returned 1.8 percent per year less than the S&P 500. 1.8 percent per year may not seem like a big deal, but it is over time.

Index funds are growing more popular by the day—if you can name a measurement of the market (i.e., NASDAQ, Dow, International, Emerging Markets...), there is likely an index that tracks it. Although index funds typically mean low cost, don't jump in without looking at a fund prospectus to find out what the specific costs are. Obviously it doesn't make a lot of sense to pay "actively managed fees" for an index fund.

Source: Oleson, M., December 2005, "The Financial Tip of the Week," Office for Financial Success, University of Missouri-Columbia.

Key word: investing.

Family Economics Calendar

March 4, 2006, 8:30am-4:30pm. Money Wi\$e Women Forum. Boise State University Student Union, Jordan Ballroom. The all-day conference is designed to educate and empower women to achieving financial fitness. Every participant will choose 3 of 11 concurrent sessions to attend and receive a complimentary copy of the book *Becoming a Money Wi\$e Woman: Getting Your Financial House in Order*. Free Admission—Register by March 2. Register online www.moneywisewomen.net, by email mww@silverlink.net or by phone 360-308-0056.

March 21-22, 2006. Federal Retirement Training for Extension faculty. Doubletree Riverside Hotel, Boise. Space is LIMITED! Contact Marilyn for more information.

April 2006. Financial Literacy Month.

June 1, 2006. Presentation proposals postmark deadline for the Association of Financial Counseling and Planning Education Annual Meeting. The November 15-17, 2006 meeting will be held in San Antonio, TX. Cooperative Extension will hold a pre-conference on November 14. For more information go to www.afcpe.org.