Wi$eUp Teleconference Call
Work and Money: Making the Best of Hard Times
January 30, 2009
Opening remarks

Coordinator: Thank you all for holding. At this time I would like to inform all participants that your lines have been placed on listen-only until the question and answer portion of today's conference. During the question and answer portion, if you would like to ask a question, you may press star one on your touchtone phone and record your name.

Also, today's call is being recorded. If you have any objections, you may disconnect at this time.

I would now like to turn the conference over to Jane Walstedt. Thank you, ma’am. You may begin.

Jane Walstedt: Thanks, Melissa, and welcome to the first in a series of Wi$eUp teleconference calls this year. And thanks to each of you who are participating today.

My name is Jane Walstedt, and I’m the co-chair of the Women’s Bureau team that developed the Wi$eUp program.

The title of today’s call--which will last one hour--is “Work and Money: Making the Best of Hard Times.” I don’t have to tell you that these are challenging times.

- The Conference Board’s Consumer Confidence Index decreased in January and continues to be at a historic low;¹

• In December the unemployment rate rose to 7.2%. Job losses were large and widespread across most major industry sectors;\(^2\)

• From January 2005 through December 2007, 3.6 million workers were displaced from jobs they had held for at least three years;\(^3\)

• Indirect auto loans and home equity lines of credit delinquencies reached their highest levels ever during the third quarter of 2008 according to the American Bankers Association;\(^4\)

• ABA Chief Economist James Chessen said the number one factor in rising consumer credit delinquencies was job losses;

• In October 2008 for the first time the number of prime mortgages in delinquency exceeded the subprime loans in danger of default;\(^5\)

• One of every five mortgage holders now has a home worth less than the mortgage on it;\(^6\)

• And the next wave of foreclosures looms in the form of a new batch of adjustable rate mortgages scheduled to reset over the next two years;\(^7\)

\(^2\) Bureau of Labor Statistics.


\(^4\) American Bankers Association Consumer Credit Delinquency Bulletin.


\(^6\) Ibid. According to First American Core Logic, a firm that tracks mortgages.

\(^7\) Ibid.
• Over three million foreclosure filings, that is default notices, auction sale notices, and bank repossessions, were reported on over two million U.S. properties during 2008;\(^8\)

• Employee assistance programs experienced an 88.2% increase in requests for financial services, the single highest service area effected;\(^9\) and

• At the end of 2008, the pension plans of the largest U.S. companies were underfunded by $409 billion.\(^{10}\)

Nevertheless there are some signs that consumers are responding proactively to the current economic situation.

• In November borrowing through credit cards and other consumer loans showed the biggest decline in 65 years of recordkeeping;\(^{11}\)

• Borrowers are rushing to refinance their mortgages at record low interest rates;\(^{12}\) and

• Savings as a portion of disposable income rose to 2.8% in November 2008 after hovering near zero for much of the decade, according to the


\(^9\) According to a survey of members of the Employee Assistance Society of North America.

\(^{10}\) Mercer.

\(^{11}\) “Consumer Credit Falls by Record Amount in November,” The Washington Post, 1/9/09.

Bureau of Labor Statistics.\textsuperscript{13}

As President Obama said during his inauguration speech, “…the challenges we face are real. They are serious and they are many. They will not be met easily or in a short span of time. But know this America. They will be met.”

But I don’t want to take any more time away from our speakers, so let me just briefly say that the format of our call today is that we’ll first hear from the three speakers. Then when the speakers have finished, the operator will come on and give us instructions about how to ask a question during the question and answer session at the end of the presentations.

\textsuperscript{13} “America Hunkers Down: A Nation of Savers?” The Washington Post, 1/13/09.