Jane Walstedt: And now I’d like to ask Dolores Bischof, a Program Analyst in the Women’s Bureau Regional Office in Dallas, Texas, to introduce our second speaker. Dolores...

Dolores Bischof: Thanks, Jane. Nancy Granovsky is a Regents’ Fellow, Professor and Extension Family Economics Specialist for the Texas AgriLife Extension Service, a part of the Texas A&M University System in College Station, Texas.

She’s a Certified Financial Planner, a member of the Financial Planning Association, and is also certified in Family and Consumer Sciences.

Her generous sharing of her expertise has contributed to the success of numerous financial programs--The Texas Jump$tart Coalition; Operation Ready, a curriculum that prepares soldiers and their families for deployment; NEFE’s High School Financial Planning Program; the FDIC Money Smart Program, just to name a few.

Her interest in improving the lives of women and their families covers the globe. She’s fluent in Spanish, served in the Peace Corps as a volunteer in Paraguay, with consultancies in Columbia, Ecuador, Honduras and Jamaica.

She conducted projects in Brazil and Argentina. She had additional related travel to Costa Rica, Peru, Uruguay, Venezuela, Mexico, Austria, Finland, France, Germany, Ireland, Norway, Switzerland, the United Kingdom, Korea, Japan, the Philippines, Australia, Fiji and New Zealand.
In 1997 and ‘98 she was one of very few U.S. citizens, along with Hillary Clinton, invited to participate in the Hemispheric Summit of Wives and Heads of State in Government in Panama and Santiago, Chile.

And we’re very proud to say that this very busy multi-talented woman is also the principal author of the Women’s Bureau Wi$eUp Curriculum. And under her direction, the Texas AgriLife Extension Team manages the Wi$eUp Web site.

It’s my pleasure to turn the call over to Nancy Granovsky.

Nancy Granovsky: Thank you, Dolores. It sounds like I’m never in Texas. But I usually am in Texas.

I’m delighted to join you on the teleconference this afternoon. I want to read a quote that I came across not long ago. And I want you to--each of you--mentally guess when this quote may have been given.

It said, “I wonder if in the world’s history there was ever a time when every individual in every community was so money conscious, employment conscious, and food conscious.”

Well guess what if? That quote came from a home economist--Mary Sweeney--76 years ago--1933, and she was making comments about and during the Great Depression.

We’ve heard that in this current economic environment consumers are worried about a lot of things - everything from job security to foreclosures to plummeting portfolio values.

But put most simply, they’re very worried about making ends meet.
This recession is a new experience for Generation X and Y women, many of whom grew to maturity during more prosperous times. And the economic headlines that continue to lead daily news may be foreboding for many.

Yes, we are in recession, and no, we don’t know how long it will last or how deep it will be.

And as government searches on the macroeconomic level for solutions to stimulate the economy once again, we must on the microeconomic level as individual consumers make decisions that are going to be in our interests and help us to sustain some of the difficulties.

I think it’s important for Gen X and Y people to understand that recovery is going to occur. We just can’t quite predict when that’s really going to be happening.

Well 2008 impacted just about everybody. Maybe your retirement nest egg didn’t shatter, but maybe it’s got a few serious cracks.

Maybe your credit use got a little or maybe even a lot out of hand. Maybe jobs went away at your house, leaving you with less income and growing debt.

Maybe you depleted your savings you want to start over, and maybe you’re even starting to rethink the whole concept of retirement.

Everybody wants to know how to rebuild financial security in the aftermath of 2008. But remember, it’s not just the aftermath. We’re still in this and we will still be in it.
So today I want to provide you with some action ideas to consider for 2009. So how do we go about rebuilding financial security?

Well I guess I’m going to be giving you what I would consider to be some solid but old-fashioned ideas. They’re the same concepts that we are promoting throughout the Wi$eUp program and curriculum. And so those of you who might have been in Wi$eUp are going to recognize some of the things that I’m talking about today.

First of all I think we have to be bold and take that first step. We need to take a financial inventory. Where do things stand with us financially speaking right now?

Painful as it might be to open up some of those end-of-year statements, we have got to know what assets we have and what liabilities we have.

Only when we know those things can we construct a financial…or a statement of financial condition, commonly called a net worth statement.

Second, we need to get a handle on cash flow. Tracking where our money goes I think is fashionable once again. And I know that the youngest members of Gen Y do this via cell phone, via the Web. They kind of know where their money is and where it's being spent.

We do offer a downloadable spending tracker on the Wi$eUp Web site that might interest you.

Getting a handle on cash flow involves identifying what our spending and saving priorities really are. And it may involve also really putting pencil to paper or fingertips to keyboard and coming up with a written budget.
It also means adopting a recordkeeping system so that we can see if we stayed on track with what we thought we would be able to do.

You heard our previous speaker talk about the average length of time that people require to get re-employed once they have experienced job loss.

Well the third step I would say in rebuilding financial security is to practice preparedness. Just as we prepare for natural disasters in coastal areas -- we’re quite accustomed to that here in Texas -- I think we need financial preparedness plans for economic disasters.

Sometimes we are victims of an economic decline. But sometimes we create our own economic disasters. This means either starting or refunding our emergency fund, which is money set aside to see you through tough times.

Well if we're going to take at least six months to find a job, how do we pay for our basic cost of living in the meantime, especially if our income has been cut significantly?

Number four, we ought to also--when re-building financial security--get to the heart of what really matters in our lives. Write down what your life goals are. It's a good time for contemplation. And then figure out a way how you can fund at least some of those financial goals.

A fifth consideration in rebuilding financial security is to take a close look at credit use practices, read credit contracts. Some of them are changing, particularly with credit cards.

And you may find new features you were unaware of and perhaps some hidden things that could end up costing you money if you are not cautious.
Request your annual credit report. Go to the authentic Web site--
www.annualcreditreport.com--in order to request that. You can get one free copy a year from each of the three major credit reporting agencies.

Assess how you pay bills, and dare not be late in paying those bills, because it's going to have an impact on your credit score.

Our next speaker will be mentioning more on the options for refinancing mortgages. If there is a downside, there is also an upside to the current environment. And that is with historically low mortgage interest rates.

Setting targets for becoming debt free might sound like a very difficult task, especially for people who have experienced job loss, but it ought always to be a part of our planning.

We've had quite a few questions come from participants in the Wi$eUp program about credit and mortgages and so on. And we invite you to look at the Qs&As that are posted to the Web site.

Now a sixth aspect of rebuilding financial security is to reconsider our savings habits and really use this as a time to park money in savings.

Now that is a micro level decision that has serious macro level impacts. As Jane indicated earlier, we are now in a situation where we are saving more money than we...not saving more money than we are spending, but that our savings rate nationally has gone up. And that's because people are reluctant to spend in the face of uncertainty.

So while that has a major impact on the wellbeing of individuals, we are seeing the impacts on the economy when these changes have taken place.
Of course you should make sure that any money you have on deposit is in an institution that will be safe, that is federally insured. Look for saving strategies in every expense category of your budget.

I would recommend a very good Web site that my extension colleagues across the country have contributed to. It's called Managing Money in Tough Times. And it is available at the National Extension Web site called www.extension.org, in other words, extension.org. The Extension has many helpful hints and publications on how to manage money in tough times.

For individuals with children and family, make saving money habit-forming, and look for ways to make it fun. America Saves Week is coming up in February, and a number of your local organizations may be participating in it.

Today as a matter of fact is the National Earned Income Tax Credit Day, as announced by the Internal Revenue Service. And it's a particular way in which women can benefit--women whose income tends to be lower. Particularly women who are not in high…highly compensated fields may be able to benefit from Earned Income Tax Credit and really be able to put some of those savings dollars to work.

Well there are a variety of ways in which rebuilding financial security needs to take place. And I believe that as we work through a sense of frugality in a sense and a sense of relearning how to do things for ourselves is sweeping over America.

I think it means an engagement of conversation between younger generations and older generations as they discover ways in which in fact they can lead a life quality that can be rewarding even if they have to do it on a budget.
So I will conclude by inviting you to visit the Wi$eUp Web site and be looking for ways in which you might be able to build your own action plan to rebuild your financial security.

So when then will financial security be rebuilt? Well, from a macro perspective, it will be when the economic indicators tell us that things are improving. Consumer spending will be picking up. Unemployment rates will stop increasing, and the economic headlines won’t be quite as negative.

But from the individual consumer view or microeconomic perspective, I would say that we will be rebuilding financial security when we feel comfortable about our ability to manage with the resources we have and to grow our savings and investments without excessive debt while we meet our foremost financial goals. Kind of lofty, but pretty important.

We’ll also feel like we're into recovery when our portfolio values start increasing and when we feel we have a degree of control, including a stronger sense of job security. Thank you.

Jane Walstedt: Thank you, Nancy, for everything you do for Wi$eUp and have done and for - I heard Nancy give a similar presentation during a Webinar she did recently, and you really managed to cut this back to a much shorter time. So thank you for that. It's a lot of information to get across in a short time.