February 17, 2014

TREND/ISSUE TEAM STATEMENT

ISSUE TEAM: Finances **DESIRED OUTCOME – Oklahomans will increase their financial readiness for life events**

TREND: Why is it an issue in Oklahoma?

Oklahomans are not prepared for the financial strain of life events such as: military deployment, unemployment, a new baby, and natural disasters. Oklahoma has some of the nation's highest populations of unbanked (ranked 42nd) and underbanked households (ranked 43rd), families without savings accounts, and consumers with subprime credit (44th) (CFED Assets & Opportunity Scorecard). Oklahoma ranks 45th in the nation in number of high cost mortgage loans and in the number of uninsured (CFED Assets & Opportunity Scorecard). Oklahoma's income poverty rate is 16.2%, ranking us 40th in the nation. Over 62% of consumers in Oklahoma have subprime credit. Almost 6% of the population has a high cost mortgage loan, ranking the state 45th. Fifty-three percent of Oklahoma's college attendees graduate with an average debt of $23,636. The student default rate on college loans is 18.4% placing us at 48th in the nation (CFED Assets & Opportunity Scorecard).

INDIVIDUAL OUTCOMES [Value to Participants]:

Participants in extension programs will have potential to change behaviors in these areas:

- Reduce the likelihood of using high-risk negative financial practices such as overusing credit, failing to save money or planning for the future
- Reduce the risk of default on loans
- Reduce the risk of credit card debt
- Reduce the risk of unpaid bills
- Reduce the risk of mortgage foreclosure
- Establish an estate plan (e.g. will)
- Increase financial planning practices across the life cycle
- Increase financial risk management skills (awareness of existing insurance coverage and future needs)
- Decrease the risk of identity theft

SOCIETAL OUTCOMES [Public Value]:

As more Oklahomans establish savings plans, learn basic budgeting skills, reduce their debt, and plan for their financial futures, the asset-building process will accelerate and the state will see a decrease in the number of people requiring public assistance. The state as a whole will be better able to withstand the negative effects of a poor economy, fiscal budget constraints, commodity price increases, or any of the natural disasters we are challenged with each year.