

# Planning For A Secure Retirement With Distance Learning

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*This article explains the process of developing a retirement planning course for adult learners using distance education as the delivery medium. During the process, we made decisions about the purpose of the course, the target audience, the content, technical development, access, and promotion of the course. Throughout the process, Cooperative Extension Service educators provided feedback on the need for the course, the content, and navigation of the course. The course entitled "Planning for a Secure Retirement" is available at <http://www.ces.purdue.edu/retirement/>*

*Key words: Adult education, Distance education, Retirement planning*

## Introduction

More than 70% of Americans now live to the traditional retirement age of 65. This is three times as many as did so in 1900. Moreover, life expectancy at 65 for the average American is now 17 years, a full five years longer than in 1900 (Rowe & Kahn, 1998). Thus, most Americans will face a longer period of retirement than ever before. An important question is "Will Americans be financially able to retire *when* they want and *how* they want?"

A recent report by the Employee Benefit Research Institute (EBRI) found that fewer Americans were saving for retirement, fewer were confident that they would have sufficient funds to live comfortably in retirement, and fewer had tried to calculate how much money they needed to save for later life. The findings are a striking change from earlier surveys which showed that a steadily increasing number of Americans appeared to be optimistic about their ability to save for and enjoy retirement. According to Dallas Salisbury, president of EBRI, this was the first reversal in behavior and attitudes toward retirement planning in the past six years (Ruffenach, 2001).

In the survey conducted by EBRI, even though there was only a small change in the percent who said they are saving money for retirement (71% in 2001 compared to 75% in 2000) the change in attitude was more pronounced. In 2000, 72% said they were "very" or "somewhat" confident about having enough money to live comfortably in retirement, whereas in 2001 only 63% said they were "very" or "somewhat" confident. The percentage who were "not at all confident" increased from 10% to 17%. When people were asked

whether they had calculated how much money they needed to save for retirement, only 39% had tried to do so compared to 51% in 2000. Salisbury attributed the changes to the downturn in the economy, the markets, and consumer confidence. Also, the fact that people are more knowledgeable about the cost of prescription drugs and long-term care is likely to contribute to more concern about feeling financially secure in retirement (Ostuw, Pierron, & Yakoboski, 1999; Ruffenach, 2001).

Another concern is that planning for retirement has become increasingly complex. Experts suggest that retirement planning should include: investing and managing assets, tax planning, estate planning, and planning for long-term care. Unless people work for an employer who funds their retirement plan, they often avoid planning because they say they do not know how much money they will need, and they worry that they will make poor investment decisions (Choose to save®, 2000).

A think tank on retirement planning for the 21<sup>st</sup> century indicated that individuals need to assume more financial responsibility for retirement (Mead, 2000; Salisbury, 1997). The experts said that consumers need to be able to set goals and assess their financial position, and to evaluate and make decisions about saving and investing for retirement. Consumers need the discipline to implement their saving and investing plans, and consumers need to understand life expectancy, risk tolerance, inflation, types of pensions, and investment options. However, many consumers have received no formal education on these topics. Unless they receive retirement planning information

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from their employer or seek it on their own, they may reach retirement age with little, if any, retirement savings.

Technology may offer the approach that is needed to make people more knowledgeable about planning for retirement. The use of e-mail, list-serves, web pages, and on-line courses is on the increase. Although consumers think of the internet as a means of delivering information, many consumers are asking for interactive internet educational programs that are self-paced and user friendly (Peterson, Kratzer, Leech, Stadler, Roberts & Sumner, 1999). Moreover, distance education has the potential to provide information to less accessible areas such as rural America (Drabenstott, 1999).

### **Purpose**

The purpose of this article is to explain the process of developing a distance education course on retirement planning for adults. Funding to develop the course was obtained through a competitive grant from the Purdue University Cooperative Extension 21<sup>st</sup> Century Initiative. As authors, we had to make decisions on content, technical development, and promotion while the grant provided funding for the technical development of the course. The following sections describe a preliminary survey, and the vision, content, technical development, access, and promotion of the course.

### **Preliminary Survey**

A survey of Cooperative Extension Service (CES) educators in Indiana regarding retirement planning was conducted using the Zoomerang web site. There were 50 responses; this is about half of all of the family and consumer science educators in the state. Of the 50 who responded, 48% had conducted or sponsored a course that involved retirement planning in the past year. However, most of these programs were one of the seven workshops of the Women's Financial Information Program (WFIP) or the program was offered as a separate presentation for an organization or employer. About half of the educators said that a local financial advisor had conducted a program on retirement planning in their county in the past year. In general, the educators said the need for retirement planning information was great; but some said they were not sure how to deliver the information or how to get an audience. This suggests that many educators would be receptive to an already-developed program such as a distance education course.

### **The Vision**

After considering the time constraints faced by consumers and CES educators, we decided that our vision for the course was "to increase financial preparation for retirement by enabling people to have access to a retirement planning education program 24 hours a day, seven days a week." We decided that our target audience was young and mid-life workers who (a) receive little retirement planning education at work, or (b) are without a formal retirement plan (such as farmers, other self-employed workers, and employees who are not covered by a plan). The focus on young and mid-life workers was consistent with the life-cycle hypothesis of savings which suggests that workers are more likely to save when income has increased and consumption needs are beginning to decline (Ando & Modigliani, 1963). In addition, we assumed that young and mid-life workers would have computer skills, and that they would be interested in a distance education course. However, anyone with internet access could be a participant.

### **The Content**

We included activities and case studies in the course so that it would be both informative and interactive. Because most users want to obtain information quickly, we developed short, concise case studies that presented a situation related to retirement. Most case studies referred the user to an internet site to help solve the case study. Implicit within each case study is the idea that a user can pose a personal question related to retirement planning and begin to solve his or her question at the site.

We divided the course into 10 sections and called each section a "module." We believed that the use of modules would convey the idea that users could begin anywhere. We anticipated that users would select the modules that responded to their needs, and that they would proceed as they wished. For example, if they had a question about Social Security, they would start with Module 3, "When can you collect Social Security?" If they wanted to know what to do with a lump sum distribution, they would start with Module 9, "What is a lump sum distribution? What should you do with it?"

We included resources that were available instead of rewriting material that was already developed by government agencies and other institutions. For example, we linked to the Social Security Administration site. The user is asked to solve a case study about retirement age. We used government and non-profit sites as much as possible. However, there

are some links to business-related sites. Our criteria for linking to a site was the clarity and usefulness of the information offered by the site.

**Figure 1.**

Introductory Web Page (<http://www.ces.purdue.edu/retirement/>)

The introductory web page is shown in Figure 1. The user can then click on the *Begin Modules* link at the bottom and will see the screen shown in Figure 2.

Having a vision and a target audience in mind were essential factors as we decided on the content of the modules. The title of each module was written as a question to interest the user. For example, Module 1 asks, "Are you ready to retire?" When the user clicks on Module 1, the screen shown in Figure 3 appears, with four topics: a *Retirement Readiness Rating*, *Life Expectancy Calculators*, a *Risk Tolerance survey*, and *Your Retirement Lifestyle*. In Module 2, the user is asked "How much will your expenses be in retirement?" and the module guides the user in deciding which expenses will increase, decrease, or stay the same in retirement.

In Module 3, the user is directed to the Social Security Administration site because most people want to learn about their eligibility for Social Security retirement benefits. Module 4 asks "Would you like a quick estimate of income needed in retirement?" and the screen (Figure 4) includes links to "Other sources of retirement income," "Sources of income for current retirees," "What do current workers plan to do when they are retired?" and "What can you do to increase your retirement income?" A complete list of the 10 modules and the topics they include is provided in the Appendix.

Other features of the distance learning course can be accessed from the main page. Users can select *Begin Modules* (Figure 2), print a *Module Guide*, complete a *Program Evaluation*, or review the Credits. Selecting

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*Begin Modules* takes the user to the opening page for the 10 modules. The *Module Guide* is a set of questions which can be printed so that the user can record his information as he proceeds through the course. When users are on the module pages, they can refer to Links which is a listing of all links to the course, sign the Guest Book, refer to *Frequently Asked Questions*, or

send an Email question to the authors.

A counter records the user's visit to the site, but does not count a second visit by the same user as a new visitor. Privacy is assured, because no identifying information is retained unless the user sends it when requesting a

**Figure 2.**

Web Page for *Begin Modules* (<http://www.ces.purdue.edu/retirement/intro.html>)

Certificate of Completion. The certificate is available after learners complete the Program Evaluation. Users are asked to complete at least five of the 10 modules to qualify for a Certificate of Completion.

Other decisions that we made were technical in nature, such as the presence of graphics, navigation of the site, use of color, and font size. After the main page and a few modules were developed, the designers suggested that we obtain feedback instead of waiting until the course was finished. Several CES educators were asked to review the

### **The Technical Development**

**Figure 3.**

Web Page for Module 1, *Are You Ready to Retire?* (<http://www.ces.purdue.edu/retirement/Module1/module1.html>)

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modules during their development and provide feedback on a form that we developed. The form is available from the authors.

The feedback from the educators was extremely helpful. We discussed their suggestions with the designers who made changes in layout and navigation. We made changes in the text if they were needed. Throughout the development process, our goal was to prepare text that was informative but clear and concise. The designers insisted that we ask the reviewers to “test” the course throughout its development. We did this and, as a result, we believe that if we had waited until the end for reviewers’ comments, the entire process would have taken much longer. Near the end of the development, the text was also reviewed by an

editor.

#### **Access and Promotion**

Along with decisions on content and technical development, we had to determine who would have access to the course, the search terms that would be used, and how the program would be evaluated by users. Although it was possible to limit access to the course by requiring a password or enrollment, doing so would contradict the purpose of helping people prepare for retirement at a time that was convenient for them. After deciding that anyone could access the course (instead of requiring registration and password), we developed a list of search terms, contacted search engines, and made plans to promote the course.

#### **Figure 4.**

Web Page for Module 4, *Would You Like a Quick Estimate of Income Needed in Retirement?*  
(<http://www.ces.purdue.edu/retirement/Module1/module1.html>)

Another activity was involving educators in the promotion of the site. A workshop for farm and family resource management educators was conducted as soon as the course was ready. After the educators explored the 10 modules in the course, they evaluated the course on content and technical aspects. One educator said, "I cannot retire early. I must increase my savings." Another wrote, "I think it is a fun and nonthreatening way to explore numerous topics. Clients would appreciate the personal information without revealing theirs with an audience." Another wrote, "This would be helpful because it allows people to work at their own pace." Another said, "I need to collect my account balances and do computations to determine the feasibility of early retirement." Another said, "I plan to find time to use this course to secure needed information on many aspects regarding retirement."

Early in the development process, we selected "Planning for a Secure Retirement" as a working title. After seeking feedback on the title and obtaining more suggestions from the educators, we concluded that this title was descriptive of the course content. After much deliberation, we concluded that it was important to use a title that was timely, timeless, and not misleading.

We followed suggestions provided by Kuhlman (2000) for promotion of the course. He said: Define your reality, determine your intended audience, position your course with search engines, prepare a news release of your course and a list of newsletters, and send your release to the newsletters. Our promotion included releases to newsletters and appearances at conferences and special events. We will continue to promote the distance learning course. The numbers recorded by the counter show that over 7,000 users accessed the distance education course between November 2000 and November 2001. These numbers indicate the tremendous interest in both retirement planning and the use of distance education.

#### **Implication for the Future**

We did not record the time that we spent in developing the vision, preparing the proposal, developing content,

reviewing sites, considering feedback, and consulting with the technical designers. Although each of us began with a background in teaching retirement and conducting research on retirement, we had to learn about a new medium. Although we did not record our development time, the increase in human capital represented a return on our investment in time. We encourage future course developers to keep a record of the time involved in development.

#### **Summary**

The process of developing a distance learning course for adult education is different in many ways from traditional education. Overall, we feel that it is more challenging because of the inherent changes. It is necessary to maintain the course links to other sites. Also, it is important to revise and update information presented in the course. Further, we realize that the technical aspects of delivery will continue to change. Last, but not least is the challenge of developing new means of evaluation.

Part of the course development is managing these changes. Maintaining the links and updating information is on-going. The fact that technology will continue to change is an incentive to stay abreast of the change. Each sponsor of distance learning is faced with financial constraints in regard to development and maintenance. It will be interesting to see how this evolves.

Finally, we believe that those who access the course are likely to be better prepared for retirement. The numbers recorded by the counter are proof of the tremendous interest in both retirement planning and the use of distance education.

#### **Appendix**

##### **Planning for a Secure Retirement**

1. Are you ready to retire?
  - A. Retirement readiness rating
  - B. Life expectancy calculators
  - C. Risk tolerance
  - D. Your retirement lifestyle
2. How much will your expenses be in retirement?
  - A. Retirement living expenses

3. When can you collect Social Security?
  - A. General information on Social Security
  - B. Retirement age
  - C. Social Security benefits planner
4. Would you like a quick estimate of income needed in retirement?
  - A. Do you have other sources of retirement income?
  - B. What are the sources of income for current retirees?
  - C. What do current workers plan to do when they are retired?
  - D. What can you do to increase your retirement income?
5. Are you eligible for Medicare and other health benefits?
  - A. Determine Medicare eligibility
  - B. Compare Medicare options
  - C. Compare Medigap policies
  - D. Where to get help
  - E. Medicare case study
  - F. Other health benefits
6. Do you have a retirement plan that your employer funds?
  - A. Eligibility
  - B. Defined benefit
  - C. Defined contribution
  - D. Investment decisions
  - E. Profit sharing plans
7. Are you self-employed and responsible for your own retirement?
  - A. Simple retirement solutions
  - B. Simplified employee pensions
  - C. SIMPLE plans
  - D. Comparison chart
8. Do you have an Individual Retirement Account (IRA)?
  - A. The basics
  - B. Basic examples
  - C. Traditional IRA or Roth IRA?
  - D. Traditional and Roth examples
  - E. Funding an IRA
9. What is a lump sum distribution? What should you do with it?
  - A. Lump sum distribution
  - B. What should you do with it?
  - C. Starting a new job
  - D. Getting ready to retire
10. Do you have other concerns?
  - A. Enjoying retirement
  - B. Retirement housing
  - C. Estate planning
  - D. Long-term care
  - E. Federal employees retirement calculator
  - F. Review

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