

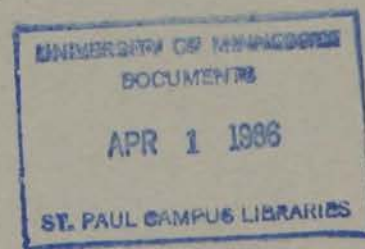
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# Impact

An Evaluation of Minnesota Extension Service Programs

## PROJECT SUPPORT

*Minnesota Extension  
Service Tackles Rural  
Problems*

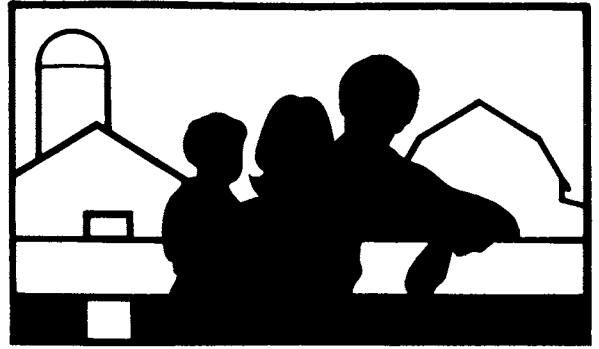


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Minnesota Extension Service, University of Minnesota

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# PROJECT SUPPORT



## *Minnesota Extension Service Tackles Rural Problems*

Minnesota farm families are making tough decisions—decisions that set the course for their futures. For many, the choices they make today will determine whether they stay in farming. Individual circumstances vary, and so do the options: each family must base its decision on its own unique situation.

To make these hard decisions, farm families need reli-

able, pertinent information. Extension's Project Support was launched in the fall of 1984 to provide unbiased yet personalized information about potential options. During its brief existence, the program gave Extension agents a much-needed framework for helping families analyze their situations, identify alternatives, and make decisions appropriate to their needs.

## **Project Support: Education in Action**

A key component of Project Support was a package of farm business management computer programs called FINPACK that allowed farmers to see the financial consequences of various management practices on their farm operation. The program was developed over a period of two decades by Extension experts for use by county Extension staff, vocational agriculture instructors, FmHA loan officers, and bankers. With this program, a county agent anywhere in Minnesota could turn a portable microcomputer into an invaluable tool for helping the farmer analyze existing circumstances and make choices for the future.

But the Extension action went beyond analysis of farm

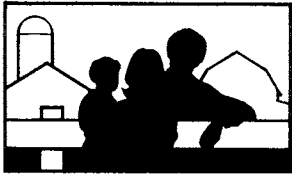
management plans. Project Support also provided information and technical expertise in family financial management, stress reduction, and community development. For example, Extension specialists cooperated with the University of Minnesota Medical School in a study of rural teen suicide that has assisted local professionals within and outside of Extension to develop programs that address this problem.

Extension's Project Support is an example of education in action. It provided farm families with knowledge and facts about their personal situations and potential solutions—information critical for making wise choices in tough times.

## **Program Costs—84 Cents per Minnesotan**

One out of every five hours of work put in by Extension personnel during 1985 was devoted to Project Support, a personnel cost of nearly \$3.8 million (about 84 cents per Minnesota resident). Above and beyond these costs are the decades of work on farm financial man-

agement and related topics by Extension staff that lay the foundation for Extension's rapid, knowledgeable response to the changing educational needs of Minnesota.



Case Study:  
**Two Brothers,  
One Farm**

Robert and Mike are brothers who operate a dairy farm in partnership. Their father, who retired several years ago, also has a financial interest in the farm.

Robert and Mike were on the brink of foreclosure, and their deteriorating financial condition was severely straining the relationship between the brothers and their families. Long hours and hard work seemed to have little impact on the situation.

The brothers felt that by expanding their operation they would be able to make the farming operation profitable. When they contacted a lender to restructure their loan, he recommended that they seek help from the county Extension service.

The brothers did contact the Extension office, not so much to gain new information but as a lever to secure future financing. They were a bit surprised at the speed with which the agricultural agent responded. And they received considerably more than they had anticipated.

The agent used FINPACK to examine the financial consequences of various farming decisions such as expansion, changed management practices, and reduction in size. The analysis clearly showed that there were options besides foreclosure and bankruptcy. But it also showed that the operation was just not profitable enough to support them both. One family could survive financially on the farm, but not two.

After examining the computer results Mike commented that they needed to re-examine the way they made decisions on the farm. Up to that point the brothers tended to base decisions on personal preference rather than profitability. "You know," Mike said, "farming is like a business. If something is not making money for us, we ought not to do it. If this farm is to survive for one of us the decisions must be made using sound business practices."

As a result of the consultation, Mike sought off-farm employment, and the two sold some unprofitable equipment and livestock. Robert continued to farm with financial arrangements with their father.

Individual counseling on stress and family financial management from the Extension home economist was a key ingredient in the overall process. The big decisions made by Robert and Mike were stressful and mixed with feelings of guilt, failure, and blame. The home economist helped both families deal with the stress by providing individual counseling, background readings, and contact with local agencies and support groups.

Robert and Mike say that the county Extension office played a major role in helping them make sound decisions. "We've survived, and we feel good about it," said Robert. "The quality information and assistance given to us by the Extension office really made a difference."

## **WHAT'S NEXT?**

### **A Continuing Commitment**

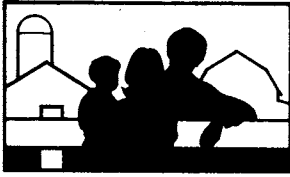
*"Project Support is but one example of how the Minnesota Extension Service responds to the needs of Minnesotans. The activities of Project Support are continuing as an integral part of Extension programs. County agents will continue to provide consultation and advice on farm and family financial management, family communication/stress reduction, and mobilization of communities for cooperative action. One spin-off of Project Support is the new 'Voluntary Farm Mediation Program,' in which Extension helps farmers prepare information prior to mediation and also assists in identifying the volunteer mediators.*

*"But Extension can do much more. It is a ready-made mechanism for linking university expertise with a network of offices in every county throughout the state. The dedicated professionals and volunteers that comprise Extension have an ongoing commitment to helping people learn and apply research-based knowledge.*

*"Extension continuously develops new educational programs based on local needs and issues. These programs rely on research and evaluation to ensure that they are sound and use the most efficient means of delivery.*

*"Extension staff are committed to being responsive as the people of Minnesota face problems and issues of the future."*

**—Patrick J. Borich  
Director, Minnesota Extension Service**



### Case Study: **A Farm Family in Stress**

Fred and Edith had farmed for over 20 years and during the "good years" had done relatively well. Increasingly, however, they were having trouble making ends meet. The financial difficulties jeopardized family communication. Financial decisions like buying groceries, replacing household appliances, buying Christmas presents, and repairing machinery became major issues and weighed heavily on both Fred and Edith. The farm was not in danger of foreclosure, but the mounting stress of routine financial decisions was hard to bear.

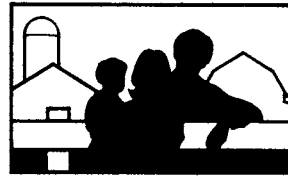
Fred and Edith decided to attend a meeting sponsored by the county Extension office on farm family stress. They were a bit reluctant to attend for fear that their presence might be misinterpreted by their neighbors and friends. But they had contact with Extension before when their children were in 4-H, and Edith convinced Fred that they should go because Extension had previously served their family well.

At the meeting Fred and Edith were impressed with the advice given by the experts and with FINPACK, and they decided to try it. "FINPACK really helped Fred," Edith related. "For one thing, it helped him see that some parts of our financial condition were not in his control. He was blaming himself for things that he could not change. Other parts of the farming operation could be controlled such as better record keeping on our part."

As a result of the FINPACK computer analysis Fred improved his farm record keeping procedures and changed some farm management practices, and Edith has taken off-farm employment.

The farm is not now in crisis, but Fred says it could have been if the proper action had not been taken. "We could have lost the farm if it had not been for the management advice from the agricultural agent," said Fred. The cash flow on the farm has improved and both Fred and Edith feel the stress has been greatly reduced. The Extension agent who worked with Fred and Edith said, "when they came to our first meeting I could tell they were undergoing considerable stress. Now it is as if the load has been lifted and they are happy with the farm and relate comfortably with each other."

Fred and Edith are currently involved in a support group and are interested in helping other farmers deal with the decisions of farming. "If anyone has doubts about Project Support, just send them my way and I'll tell them all about how we benefited," said Edith.



### Case Study: **A Community Working Together**

Agriculture plays a vital role in Carver County. Some of the farmers are doing very well, but an increasing number face an uncertain financial future. Rising costs of farm supplies and decreasing costs of farm products make farm management more difficult than ever. The wrong decision, even a small one, can have severe consequences.

Farmers who need help are often uncertain where to turn. Those in the greatest amount of financial stress often hesitate to tap the expertise of social service agencies, churches, or other helping groups because they think it implies failure and a lack of self-reliance. In addition, those who provide these services are often unfamiliar with the particular demands of the current farm crisis.

Recognizing that other helping professionals could use assistance in addressing troubled farm families' unique needs, the Carver County Extension staff began an educational program for county helping professionals. These local leaders were encountering farm families with problems that were different from their traditional audiences, and needed additional information to deal with the agricultural problems.

The program, "Focus on Rural Families," brought in experts from the University of Minnesota to provide information on the rural crisis and rural values, and helped professionals relate to the emerging rural crisis. In addition to helping link the agricultural community with support services, the session provided a forum for community agencies to become better acquainted with each other.

Over the next months Extension agents were invited to additional meetings of local professionals to explain the problem and offer suggestions on reaching rural families in crisis. They helped form a task force of local professionals that continued to build linkages among professionals.

According to the county Extension director, "the most important benefit is that our office is now a clearinghouse for rural families in crisis. We're considered to be approachable and neutral by the farm families in crisis. Contacting us does not foster an unpleasant stigma for the proud farm family. We are on a first-name basis with local experts, and we can link those in need with available local resources. If anything, we've empowered the community to mobilize resources to address the crisis."

The work in Carver County is continuing with resource directories for farm families, additional workshops on stress reduction, and training sessions for both professionals and farm families. The credit for this success belongs not just to the county Extension service, but to all professionals and agencies that recognized the problem and contributed their expertise to help rural families in need.

# RESULTS:

## Benefits to Individuals and Families

- **Critical Support for Fundamental Farm Business Decisions**

Extension's farm financial software, FINPACK, has enabled over **12,000** Minnesota farm families to analyze their farm businesses; **7,000** of these worked directly with county Extension staff. Each family reached by Extension received 2 to 16 hours of indi-

vidualized consultation in a risk-free, confidential learning environment. FINPACK provided a framework for decisionmaking by helping identify options based on the family's unique goals.

- **Reliable Information About Real Problems**

Information derived from university research on farm business, stress, and family resource manage-

ment was presented to over **142,000** people in group meetings and individual consultations.

- **Realistic Action Strategies Developed**

Following contacts with Extension over **6,900** people developed strategies to continue farming; about **1,500** planned to seek off-farm income; **730** decided to move out of farming; **9,400** developed

strategies for improved family resource management; and **14,300** people worked to cope more effectively with stress.

- **Rural Minnesotans Better Informed**

Minnesotans who participated in Project Support activities were perceived as more prepared and informed than others when they sought additional help from financial and social service agencies.

*"The borrowers who had previously been to the Extension office were much more in control and seemed to understand their situation much better."  
(Bank Loan Officer)*

## Benefits to Communities

- **Helping Others Help**

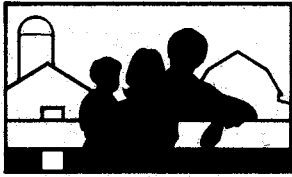
Extension staff trained over **33,000** people in other community groups and agencies. This training focused on farm financial analysis, stress management, teenage stress and suicide, and family resource management. Participants included people from financial institutions, human service organizations, employment services, farm groups, and

commodity organizations; vocational agriculture instructors; attorneys; business leaders; local government representatives; clergy; and farm advocates. Extension staff worked with an additional **26,500** people in communities to encourage the development and maintenance of community support networks.

- **Economic Impacts—The Nicollet County Example**

The 110 participants in Nicollet County's farm financial management counseling program saved \$610,000 by reducing their principal and interest

payments (\$385,000) and operating expenses (\$225,000). Cost savings in Nicollet County averaged **\$5,500 per participating farmer**.



## Case Study: **A Close Look at FINPACK**

Harold has a 500-plus acre cash crop, dairy, and small farrow-to-finish hog operation. He was faced with a change of bank loan officers, rapidly decreasing asset values, and lowered operating credit line. The operation had a strong debt-to-asset ratio position and a cash surplus. However, cash operating expenses had to be lowered in order to align with the lender's ceiling on operating credit without pledging more collateral.

FINPACK was used to analyze the basic soundness of the operation. The plan selected consisted of three actions: phasing out the farrow-to-finish operation and raising only feeder pigs; remodeling the otherwise very functional dairy barn and adding five more milk cows; and lowering fertilizer costs.

Implementation of parts one and two of the plan would result in a projected \$11,000 increase in investment. However, implementation would also raise net cash farm income by \$4,600 and provide a cash surplus of \$11,000 after cash operating expenses, principal payment, and family living were subtracted. Part three, initiated in the 1985 crop year, resulted in additional savings of \$5,000. Based on the projects of his action plan, Harold was also able to meet his lenders' credit limit and secure a 1985 operating loan.

### **WANT MORE INFORMATION?**

*Contact your county Extension office for more information about Project Support and other Extension educational programs.*

### **Research Methods**

This evaluation of Project Support was based on a cluster of information sources, including:

- monthly logs of contacts made by county agents
- a survey of 85 local experts in 16 Minnesota counties
- in-depth interviews with 33 participants
- a survey of all Minnesota county agents
- technical data gathered by Extension specialists

Each of these approaches was designed to gather a unique type of information, and each served to verify the evidence from other methods. For example, the survey of local experts was compared to the survey of county agents and the results of in-depth interviews, providing a powerful story of results.

This evaluation process was directed by the Extension evaluation specialist with assistance from an evaluation task force composed of an interdisciplinary team of Extension specialists. Those involved in the evaluation included:

Dick Krueger, Evaluation Specialist  
Marsha Mueller, Principal Investigator and Extension Specialist  
Kathy Mangum, Coordinator of Project Support  
Jean Bauer, Family Resource Management Specialist  
Dick Hawkins, Farm Management Specialist  
Arnie Heikkila, CNRD District Program Leader  
Joyce Walker, 4-H Youth Development Specialist

A complete copy of the Project Support Impact Study is available from the Minnesota Extension Service, University of Minnesota, Office of the Director, 240 Coffey Hall, St. Paul, MN 55108.

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