

Economic Challenges Revisited

Horace Mann Educator Advisory Panel

April 2009



Economic Challenges - Summary

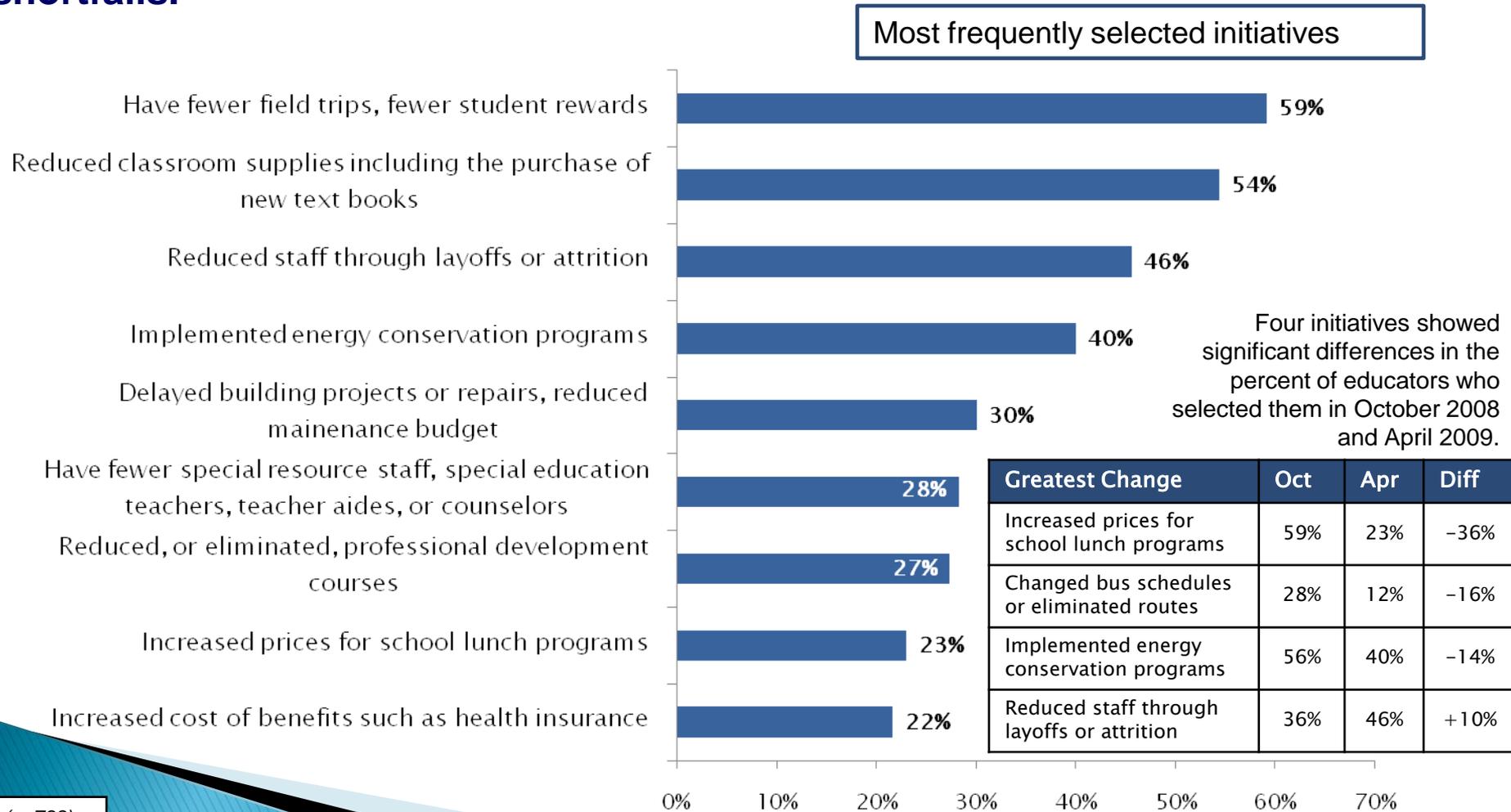
In April 2009, 864 educators responded to the latest Horace Mann Educator Advisory Panel survey regarding current economic conditions and hardships facing both their schools and their personal lives.

Some questions in this survey were asked previously in two surveys conducted in April and October 2008. The results from both surveys are compared when appropriate.

- Consistent with the October results, 59% of educators report that their schools are offering fewer field trips and student rewards in reaction to the worsening economy. This initiative was followed by reductions in classroom supplies, 54%, and reductions in staff, 46%. Reduction in staff was selected by 36% of respondents in October 2008. In contrast, only 1% of educators report that their schools were adjusting the school day, such as a shortened school day or a compressed school week, to deal with funding issues. That 1% hasn't changed since the last survey in October.
- Areas that showed the greatest change since October were *increased prices for school lunch programs, altered bus schedules, and energy conservation programs*. There were significantly fewer educators who selected these items in April 09 than in October 08.
- One third of educators aren't sure what impact the Economic Stimulus Package will have on their schools over the next two years while 53% believe the stimulus will be of "some" or "very little" benefit to their school's budget.
- Nearly everyone, 92% of respondents, are watching their personal and household expenses more carefully now than in the past and 88% believe economic conditions continue to get worse. When compared to October results, however, some educators seem to be more optimistic than six months ago. Fewer people, 70%, either strongly agree or agree that their household income isn't keeping pace with price increases compared to 84% in October. 67% of educators either strongly agree or agree that their everyday cost of living has increased noticeably over the past few months compared to 90% in October.
- As in October, most people are eating out less often and cutting back on entertainment expenses, 80%, while 77% are eliminating or reducing non-essential purchases. Fewer people are reporting that they're saving less, 45% in April 09, than in October 08, 64%.
- That fewer people are saving less, could be the result of perceived threats to household income that may be on the horizon. While 77% of households experienced no change, or an increase, to their income in the past year, 38% of married educators report that their spouse's employer is experiencing difficulty but the spouse hasn't been laid off. 6% of educators report that their spouse has been laid off. 2% of educators report that their spouse has taken an additional job.

Economic Conditions - School

Please tell us if your school has incorporated any of the following initiatives, either at the beginning of the school year or recently, to address funding shortfalls.



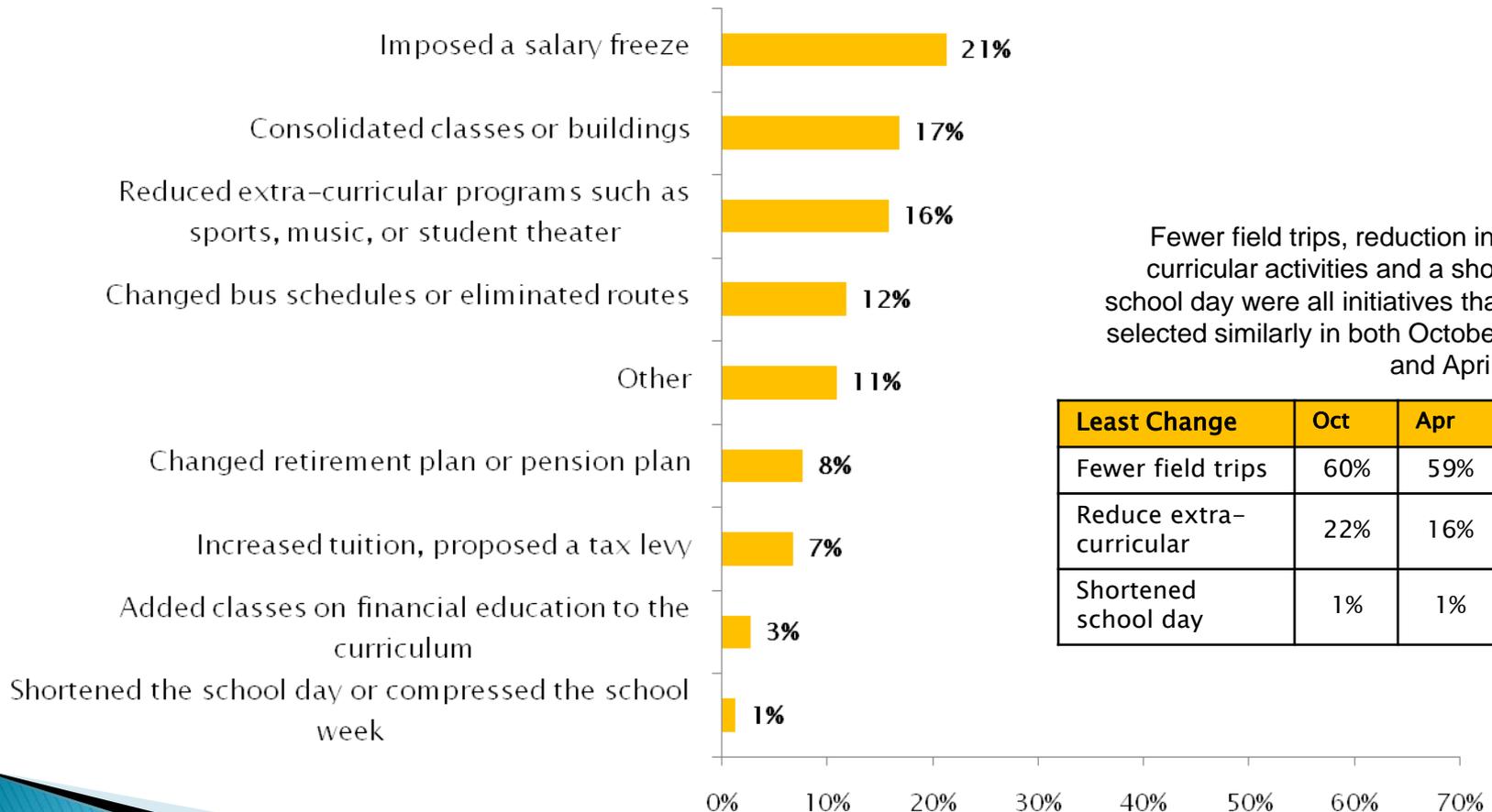
(n=798)

Multiple Responses Allowed

Economic Conditions - School

Please tell us if your school has incorporated any of the following initiatives, either at the beginning of the school year or recently, to address funding shortfalls.

Least frequently selected initiatives



Fewer field trips, reduction in extra-curricular activities and a shortened school day were all initiatives that were selected similarly in both October 2008 and April 2009.

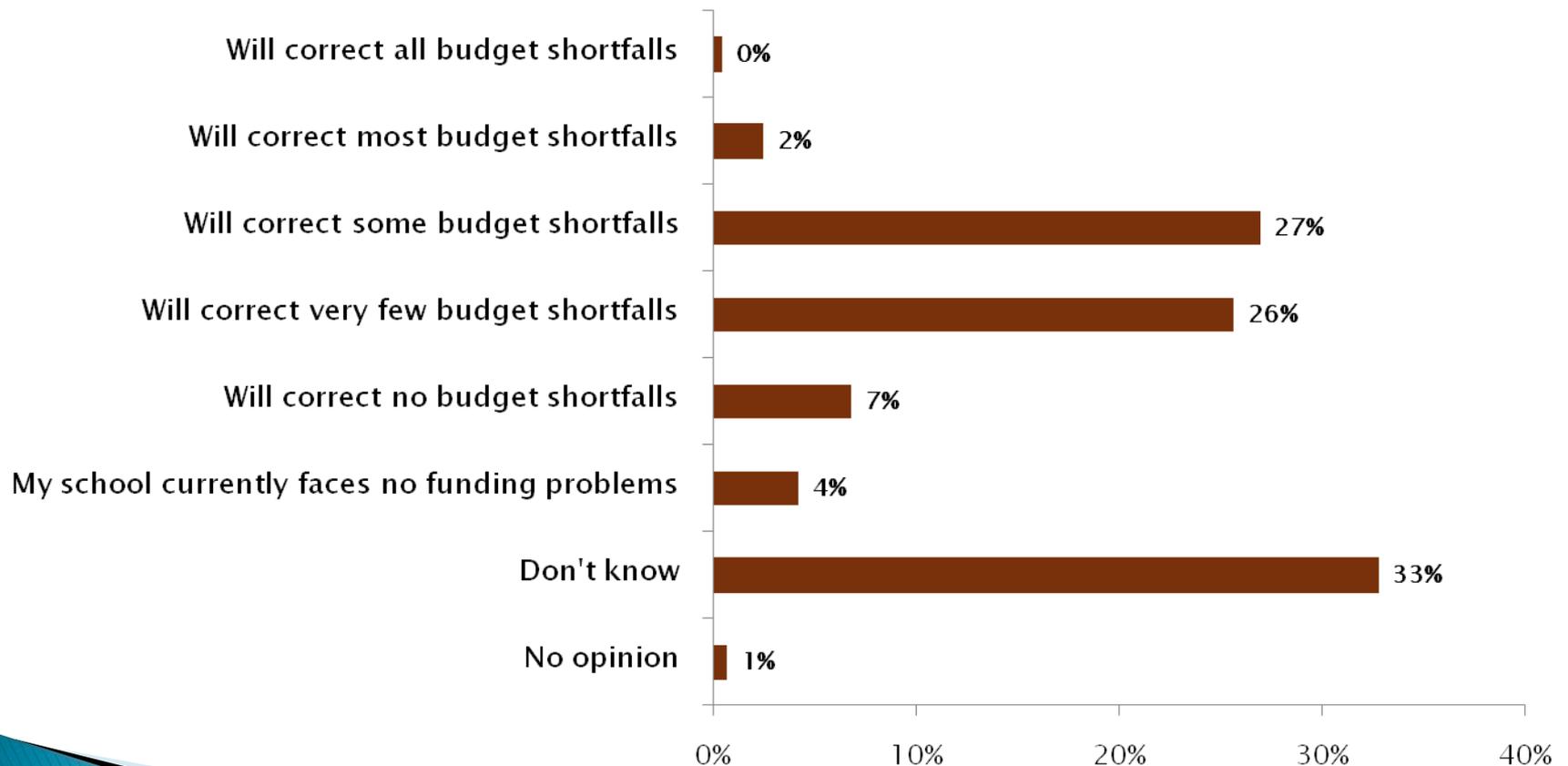
Least Change	Oct	Apr	Diff
Fewer field trips	60%	59%	-1%
Reduce extra-curricular	22%	16%	-6%
Shortened school day	1%	1%	-

(n=798)

Multiple Responses Allowed

Economic Conditions - School

How much budget relief do you anticipate your school will experience from the American Recovery and Reinvestment Act (economic stimulus package) over the next two years?

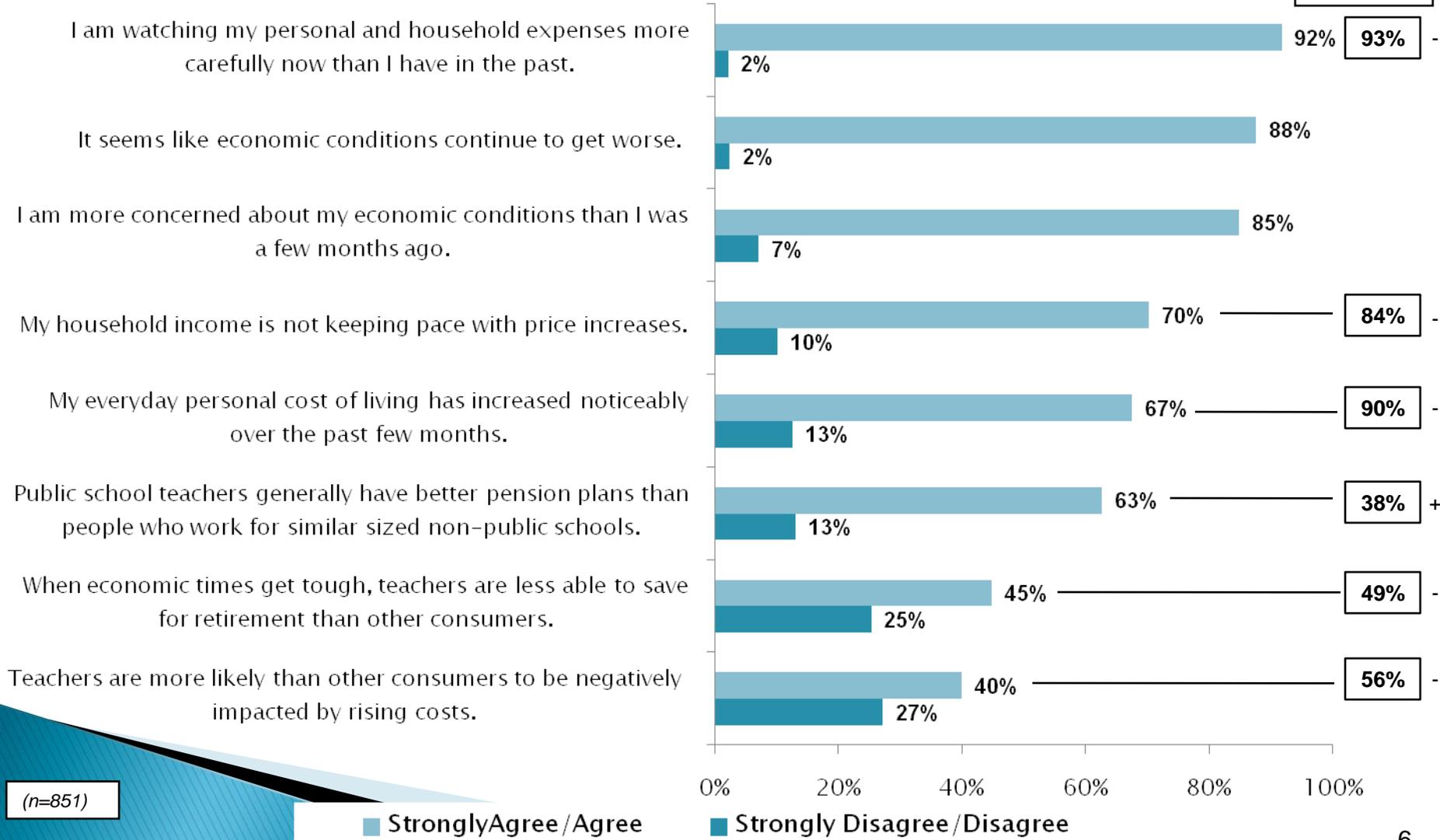


(n=854)

Economic Conditions - Home

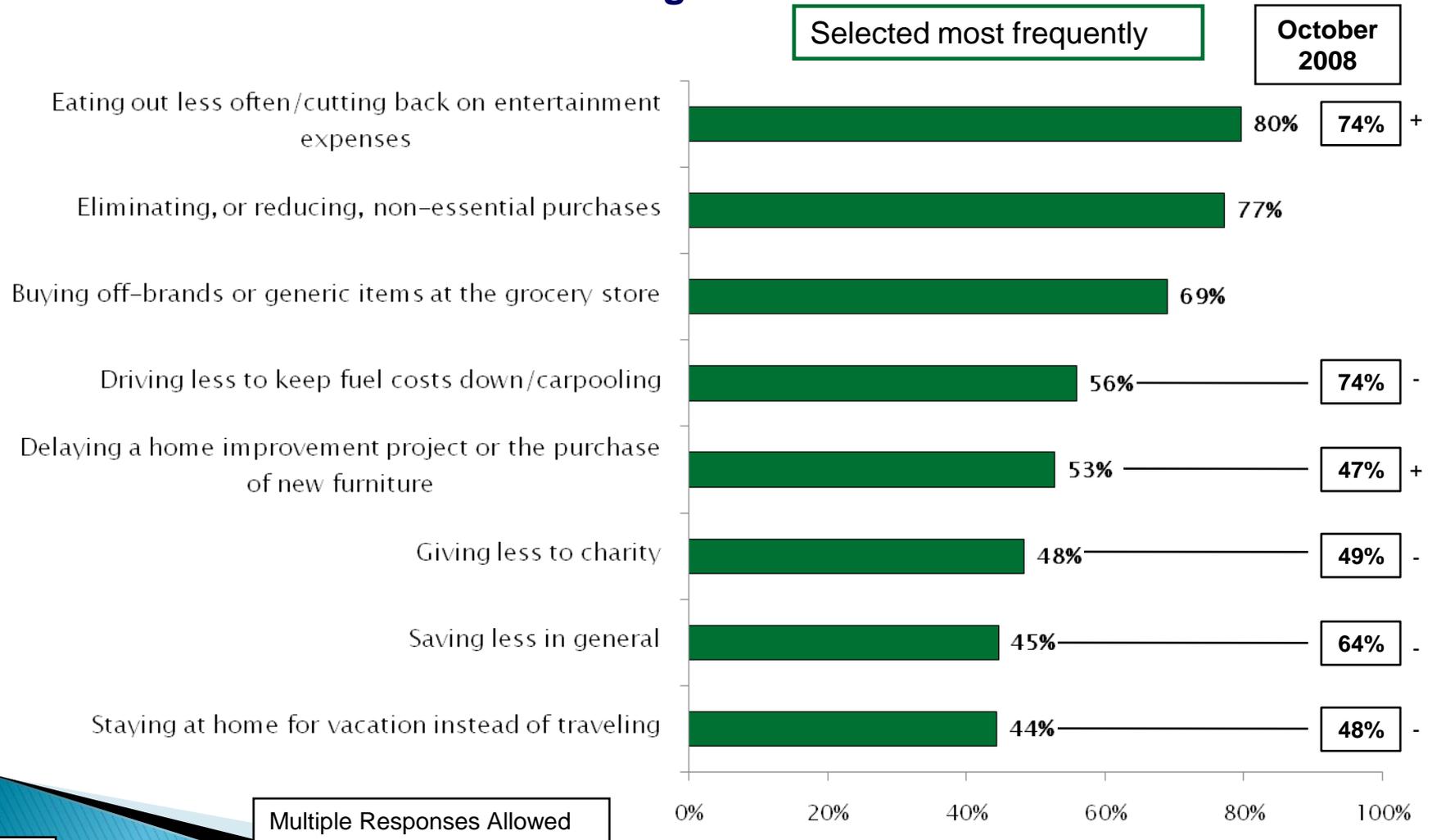
How strongly do you agree or disagree with the following statements concerning current economic conditions?

October 2008



Economic Conditions - Home

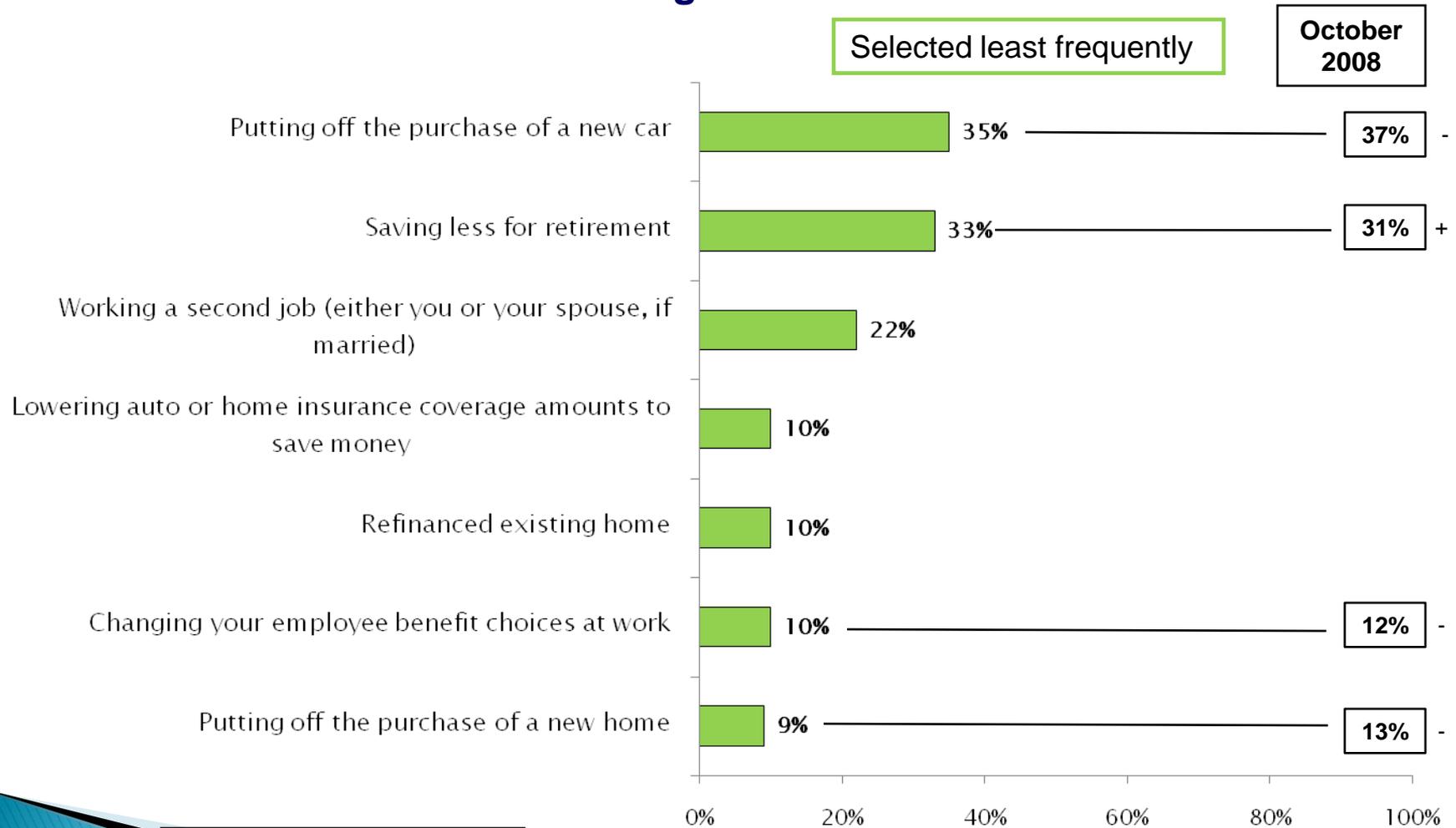
Are you, or any members of your household, doing anything differently this year to meet current economic challenges?



(n=827)

Economic Conditions - Home

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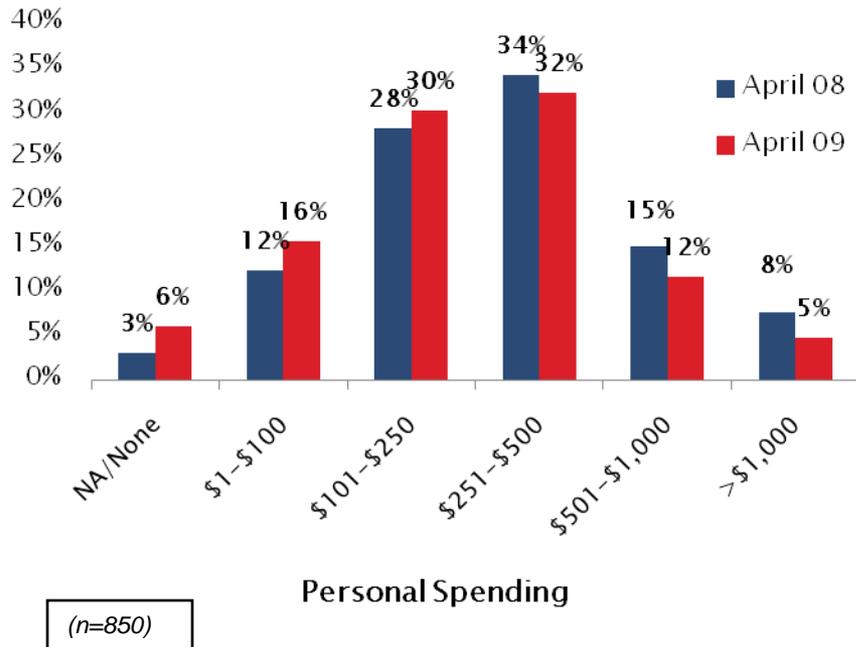
(n=827)

Multiple Responses Allowed

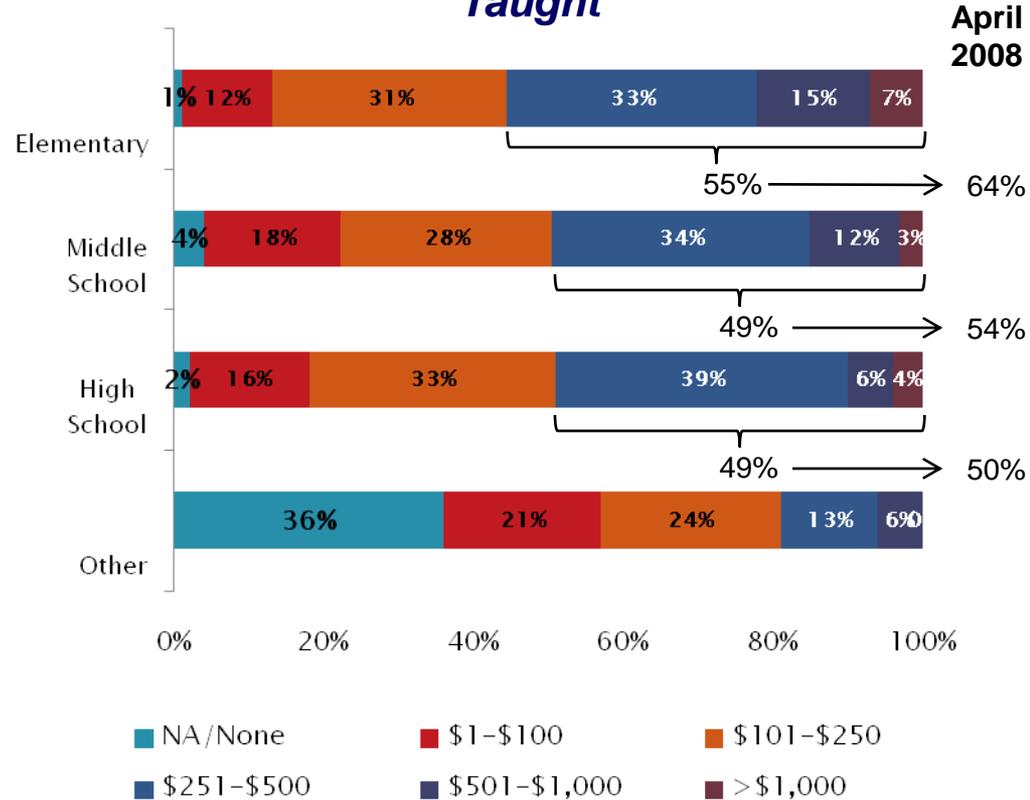
Personal Spending and Classroom Supplies

How much do you anticipate you will spend out of your own personal funds on classroom supplies this school year?

Across the board, educators are spending less of their personal income on classroom supplies in 2009 than in 2008, with the biggest drop coming from elementary teachers.

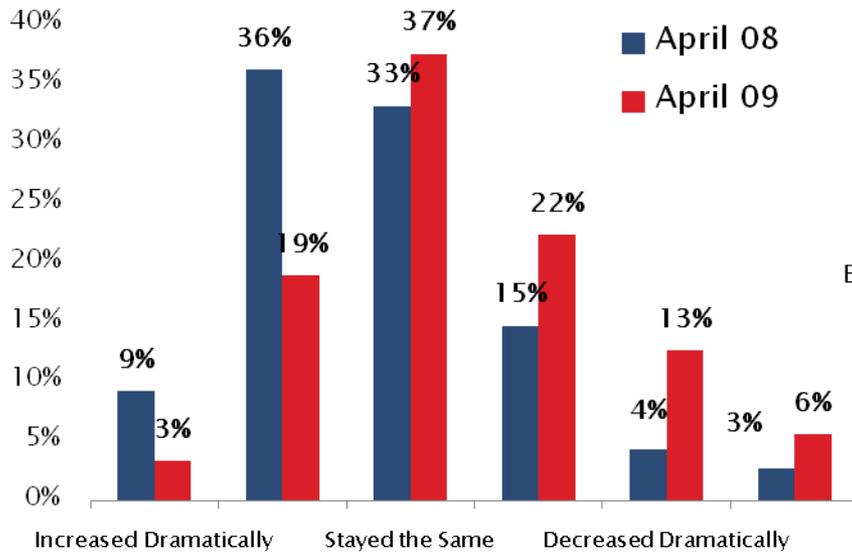


April 2009 - Personal Spending by Grade Taught



Personal Spending and Classroom Supplies

How has your personal spending for your classroom changed in the past three years?

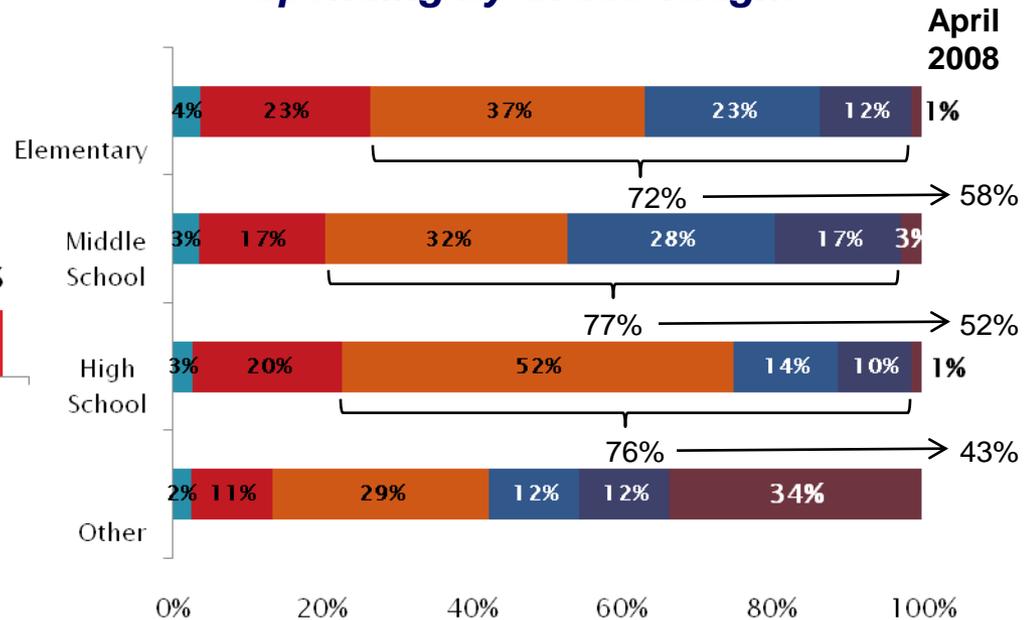


Changes to Personal Spending

(n=849)

More educators this year also reported that personal spending for classroom supplies either stayed the same or decreased over the past three years.

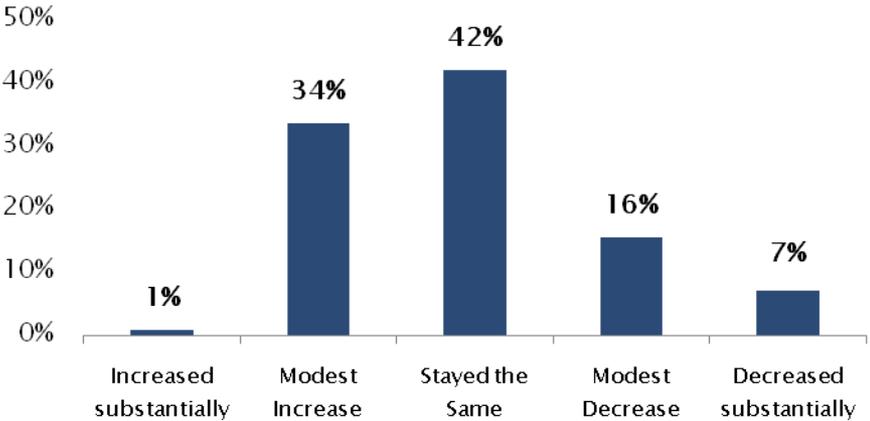
April 2009 - Changes to Personal Spending by Grade Taught



■ Increased Dramatically ■ Modest Increase
■ Stayed the Same ■ Modest Decrease
■ Decreased Dramatically ■ N/A No Personal Spending

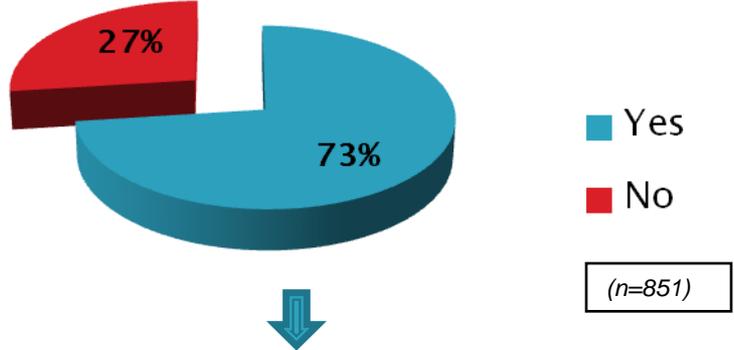
Changes in Household Income

How has your household income changed in the past year?



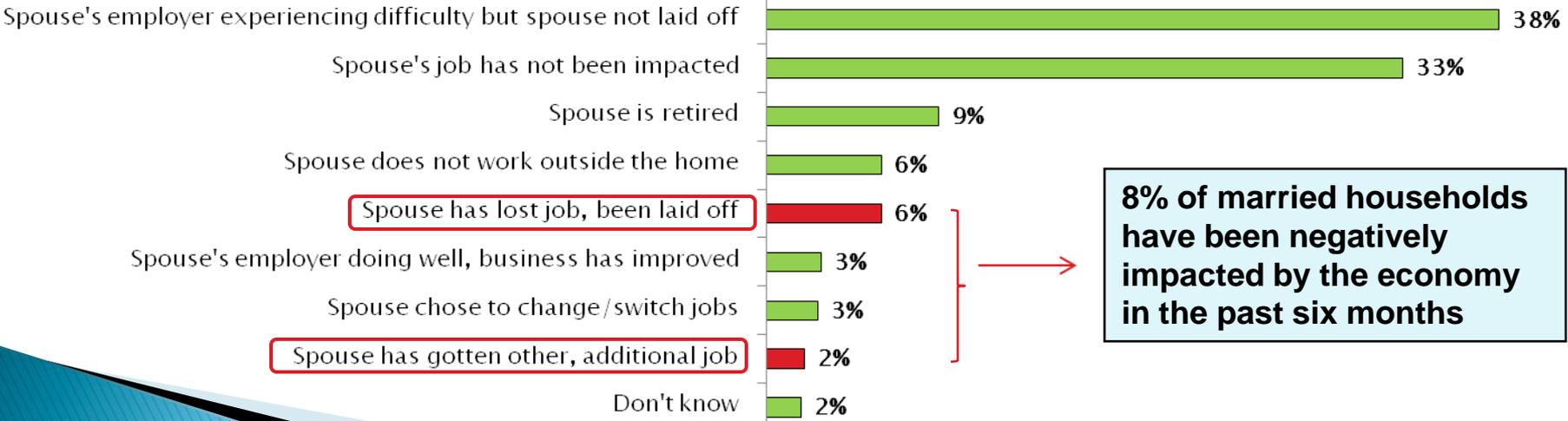
(n=847)

Are you currently married?



(n=851)

How has your spouse's company/employer been affected by the economy in the past six months?



8% of married households have been negatively impacted by the economy in the past six months

(n=612)