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# Financial Education in San Francisco: A Study of Local Practitioners, Service Gaps and Promising Practices

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# Financial Education in San Francisco: A Study of Local Practitioners, Service Gaps and Promising Practices

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*The views expressed herein are those of the author and do not necessarily reflect those of the Federal Reserve Bank of San Francisco or the Federal Reserve System.*

## Executive Summary

The landscape of financial education services in San Francisco is broad, with multiple organizations offering services for diverse populations. However, until recently, there has been little effort to coordinate the many resources and organizations committed to promoting financial education. The recently formed San Francisco Financial Education Network is a collaborative group of nonprofit service providers, philanthropic funders, and local public sector representatives dedicated to improving the provision of financial education services in the city. Network participants agreed there is currently a lack of information regarding local programs and expressed great interest in sharing promising practices or working together to face common challenges. The Federal Reserve Bank of San Francisco undertook this research effort to promote collaboration at the local level and disseminate the findings to a wider audience interested in the field of financial education. The findings in this report are based on a series of interviews with experienced financial education providers from nine organizations. Detailed summaries of each interview are provided in the Participant Profiles in Section III. The key findings of this report are discussed in greater detail in Sections I and II, and are summarized below.

### Local Needs in Financial Education

- Targeted financial education services for youth
- Services that reach individuals at the lowest end of the spectrum of financial knowledge and resources
- Credit building services and education for the city's sizeable immigrant population
- Greater consistency across local financial education programs and service providers

### Promising Practices in Local Financial Education

- Peer learning and peer-oriented activities are an important component of group financial education
- Establishing strategic partnerships with other organizations can be highly beneficial
- One-on-one services are growing in popularity
- Provide culturally relevant and engaging instruction
- Pay attention to how financial education messages are framed
- Establish trust with clients as early in the process as possible
- Make regular, ongoing adjustments to the curriculum to keep it up to date and relevant

### Future Directions for Collaboration

- Develop an online directory and shared calendar
- Work together to clearly define services
- Joint marketing of financial education at the city wide level
- Partner to develop technical assistance and training resources for practitioners
- Collaborate on program evaluation and data collection efforts

## Introduction

The San Francisco Financial Education Network (the Network) is a collaborative group of nonprofit service providers, philanthropic funders, and local public sector representatives dedicated to improving the provision of financial education services in the city. The San Francisco Office of the Treasurer and the Charles Schwab Foundation convened the Network in March 2009, providing a forum for participants to share their reflections on the current state of financial education at the local level and create a collaborative vision for the future of financial education services in San Francisco. Through a series of three professionally facilitated meetings, members identified six principles that would guide the Network's work: (1) Financial education should be accessible and sensitive to the needs of all who seek it; (2) Partnerships and collaborations with other organizations will be beneficial in providing financial education to those who might not ordinarily seek it; (3) Evaluation is necessary and helpful, but can be burdensome and ineffective; (4) The purpose/direction of the Network should include an agreement of definitions and common language around financial education; (5) Financial education should be standardized with a focus on moving individuals from crisis to achieving their financial goals; (6) A clearinghouse of information would serve organizations and individuals seeking financial education support.<sup>1</sup>

Across these multiple principles, Network participants agreed that there is currently a lack of information regarding local programs, which creates significant challenges for service providers. For example, service providers may not know which other organizations currently offer financial education, what specific services they offer, or the types of clients they serve. This lack of information makes it particularly challenging to refer clients to other services and at the same time, service gaps or duplication of efforts at the local level may go undetected. In addition, organizations expressed great interest in sharing promising practices or working together to face common challenges. Network participants agreed that more effective information sharing at the local level may lead to other innovations that could improve financial education services.

This study is a first step in improving information sharing among stakeholders in financial education. The Federal Reserve Bank of San Francisco undertook this research effort to promote collaboration at the local level and disseminate the findings to a wider audience interested in the field of financial education. The report includes detailed information about the program services of nine participating financial education providers, including information about their clients, and also summarizes the key service gaps and promising practices reported by the study participants. It should be noted that there are many more organizations that provide financial education services in San Francisco. The findings in this report begin to identify some of the challenges, opportunities, and service gaps across organizations, but they do not provide an exhaustive representation of all financial education services in the local area.

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<sup>1</sup> Davis, Sandra (2009). "San Francisco Financial Education Network" Report prepared for the San Francisco City Treasurer's Office and The Charles Schwab Foundation, April 2009.

## I. Summary of Local Needs and Promising Practices

The nine organizations profiled in this study provide a variety of financial education services to diverse client populations, yet despite these differences, practitioners expressed many similar sentiments regarding service needs and successful practices at the local level. The following is a synthesis of the major themes that evolved out of the participant profiles detailed in Section III.

### Financial Education Needs in San Francisco

#### More Services and Products for Youth

One of the most commonly cited service gaps among practitioners in San Francisco was the need for early intervention and targeted financial education services for youth. Participants in this study pointed out that most youth receive no formal education in personal finance, as such training is notably absent from schools, as well as most homes. One practitioner explained, “There’s no education process set up to help teach kids how to handle their finances. We teach everything else, but when it comes to the biggest piece that’s going to affect us, which is how to deal with our money and live within our means, it’s not being taught.” In many cases, the parents themselves may be struggling to manage their finances, or may be disconnected from mainstream financial services. The youth interviewed as part of this study emphasized the overwhelming pressure of consumerism they receive from the media and from their peers and expressed the importance of sending positive messages about good financial management for youth. For example, one youth that participated in a financial education training said, “You’re getting all these messages from the media about what’s cool and what you should have, and all those messages stick with you even if you don’t realize it... Now, I can see they’re trying to get me to buy all these things but I know I need to save my money.” Both of the participating organizations that offer financial education programs for youth also pointed to the gap in financial services and banking products tailored to youth populations. In addition, there also appears to be a gap in services for college-aged young adults, who may be too old for traditional “youth” services, but are facing financial challenges particular to their age group, such as taking out student loans or trying to manage their financial independence for the first time.

#### Reaching and Advancing Individuals at the Lowest End of the Economic Spectrum

Participants also frequently pointed to a lack of services that reach individuals at the lowest end of the “continuum” or “spectrum” of financial knowledge and resources. Those individuals who may be at the very beginning stages of financial education will likely require more “hand holding” and “high touch services” than are currently being offered locally. Multiple providers mentioned that clients lacking basic financial skills are not prepared to participate in, and may be “overwhelmed” by, financial education programs tied to asset building services, such as Individual Development Accounts or first time homebuyer courses. As one practitioner stated, “There’s a huge population that needs to get ready. IDAs are at one end of the spectrum, but we have clients at the opposite end. Clients need to be able to move from one end to the other so all this work doesn’t happen in a vacuum.” Individuals may be facing significant barriers to asset development, such as excessive debt, or they may require very early-stage financial education, as may be the case for recent immigrants. A practitioner that works with recent immigrant clients said, “The majority of them are unbanked and there’s not much in terms of the very basic financial training that happens early on.” Thus, there is a need for targeted financial education services for these clients at the lowest end of the economic spectrum.

## **Establishing Credit for Immigrant Populations**

Practitioners also expressed a need for credit building services and education for the city's sizeable immigrant population. Financial education providers serving the Latino and Asian communities agree that recent immigrants have very little understanding of the American credit system and few opportunities to engage in credit building activities. "So many people in our community do not have a credit history. Developing more alternative credit building opportunities is a huge need within our community," said a practitioner working with Latino clients in the Mission District. One practitioner that works with Asian immigrant clients explained, "Back in their home countries, they've made a lot of big purchases with cash, so they don't understand why they need to buy things with credit. They come here and think they can take the cash out of their safe and use it to buy a house." There is a need to develop "alternative credit building opportunities" for immigrants. In addition, practitioners revealed that many recent immigrants view banking as a "scary" or "unfamiliar" activity, pointing to the need for trustworthy education around the American banking and financial system.

## **Greater Consistency across Programs**

At the organizational level, there appears to be a need for greater consistency across local financial education programs and service providers. Practitioners explained that there is little standardization across programs and definitions, so the quality, content, or length of instruction could vary dramatically from one organization to the next. For example, one practitioner expressed concern about making referrals to other financial education programs, saying, "I'm not sure what they're learning or what kind of quality they're getting. Some programs give certificates, but there's no standard around how many hours they have to complete or what kind of curriculum they cover." In particular, practitioners expressed concern that as financial education, and particularly financial coaching, becomes more of a "buzzword," organizations may begin to offer services that don't necessarily meet client needs or expectations. "As coaching becomes more popular, I'm worried people will start using the term because it's sexy, but they won't be providing the real service," said one practitioner. Service providers suggest that greater clarification of services and consistency across programs is necessary.

## **Other Identified Needs**

Individual practitioners also cited other needs at the local level which include:

- Better understanding within the practitioner community of other financial education services for referral purposes
- Growing demand for non-traditional financial education topics, such as medical debt and student loans
- Rebranding financial education and the savings message to make it more "sexy"
- Understanding the intersection between legal services and financial education, for both clients and service providers
- More one-on-one services
- Progression of education around financial products for clients that may be considering insurance products or investment vehicles
- Reaching undocumented workers with financial education

## Promising Practices in Local Financial Education

### Encourage Peer Learning

Numerous practitioners pointed to peer learning as a successful practice and stressed that peer-oriented activities are an important component of group financial education. Practitioners explained that this approach allows students to be “agents of help, rather than being the recipients of a lecture.” Clients also tend to be more engaged in the lesson when they have the opportunity to share their own experiences; one practitioner pointed out that disadvantaged clients may feel overlooked or ignored, so the opportunity to “have their voice heard” is significant. Another practitioner stated, “People like to share their experiences with the other students. They feel like they need to be heard and they also want to learn from their peers. They have a lot of resources to share.” Some suggestions for encouraging peer learning include: limit “one way” lectures to allow for group discussions that foster peer learning; encourage both large and small group peer learning experiences; provide an opportunity for clients to reflect on their own financial habits and attitudes and share them with the group, as people enjoy finding similarities and also learn from the differences; and encourage peer support groups as clients strive to reach financial goals. In addition to informal peer learning in the group setting, the formalized peer training model, in which community members are trained to instruct their peers, is another promising local practice. Practitioners point out that peer-led instruction is particularly important around sensitive topics, such as personal finance, and said that instruction is more likely to resonate with the students if it comes from one of their peers. Peer learning appears to be especially relevant for youth populations, as one youth stated, “When it’s a teacher or adult, it’s like, ‘oh it’s going to be boring, they don’t know what’s going on.’ But when it’s youth teaching them, they think ‘hey, these guys think it’s important, maybe we should think about it, maybe it is something important.’”

### Seek Strategic Partnerships

Given that individual financial education programs are limited to specific audiences or needs, establishing strategic partnerships with other organizations can be highly beneficial. Financial education providers can partner with other community based organizations to offer courses or services off-site at various community locations. These partnerships can also result in a strong referral network of interrelated services. For example, organizations that offer financial education courses in specific languages can work together to guide clients to appropriate services. Organizations with different specialties can partner to leverage their strengths, such as pairing a strong volunteer program with an organization that has deep community ties. Strategic partnerships can also allow organizations to increase capacity and improve outreach. Financial education providers can also partner with financial institutions to develop innovative products and services that meet the needs of both types of organizations.

### One-on-One Services Growing in Popularity

A number of organizations now offer some form of one-on-one financial education, such as financial coaching or counseling,<sup>2</sup> and practitioners are finding success with the individualized format. Most organizations offer one-on-one services as a complement to group financial education. Many practitioners stated that the one-on-one education was the most important and most effective component of their financial education program. For example, one practitioner stated, “The one-on-one

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<sup>2</sup> For more information on the distinction between financial coaching and counseling, see the report “Financial Coaching: A New Approach for Asset Building?” by Michael Collins, Christi Baker, and Rochelle Gorey.

counseling is the most important part of what we do. We really have to cooperate and look at it as a partnership.” In particular, the financial coaching model appears to be a promising approach for motivating behavior change. “Coaching allows the client to shape the agenda, versus a session where a counselor tells them how to fix the problem, which may not empower the client to really make changes behaviorally. That’s where the financial coaching really becomes powerful,” said one financial coach. However, further work in measurement and evaluation of financial coaching is required.

### **Provide Culturally Relevant and Engaging Instruction**

Multiple providers stated that one of the most important factors for a successful financial education program is an instructor that can understand and relate to the target audience. “We are committed to having people from the community involved in designing the curriculum, in helping shape the way sessions happen, to ensure the cultural and income relevance of the topics,” said one practitioner. This appears to be especially important when working with low- and moderate-income or immigrant clients who may feel alienated or intimidated by an instructor who doesn’t seem to understand their needs. Practitioners pointed out that an instructor can develop financial knowledge and technical skill through training, but having a credible presence in the community is much more difficult. One practitioner stated, “There are certain cultures that take a while to build the trust factor. They feel more comfortable speaking to someone that will understand not only their financial picture, but their culture and the decisions that they’ve made.” In terms of course content, practitioners stressed the importance of tailoring pre-made curricula to be culturally relevant. For example, a pre-translated version of a financial education program may only be a literal translation of a program designed for middle-class Americans, making it unsuitable for a course targeted at low-income immigrants. A practitioner that works with Spanish speaking clients explained, “We do all the translation in-house for the materials we create, so we figure out how to make it more culturally relevant.” Even small changes to the curriculum or activities can have an impact, such as changing example names or incorporating specific customs or holidays to reflect the cultural norms of the target community. For example, one instructor gave the example, “People say all the time, ‘We can’t save.’ But I might say, ‘I know you had a quinceañera for your daughter which is a lot of money, so I know you can do it!’ And then they laugh and realize they can save. So it helps to start that conversation.”

### **Pay Attention to How the Message is Framed**

The messages of saving and wise financial management are important, but practitioners should pay attention to how these messages are framed or presented to appeal to their target audiences. Numerous practitioners pointed out how “boring” or “unsexy” financial management messages appear, especially in contrast to the wildly appealing messages of consumerism. One organization that offers youth financial education had student participants create a tagline to promote the savings message and the organization’s services in a way that appeals to youth—“Gettin’ that Dolla’ Fo 2Moro.” Practitioners stressed the importance of understanding the interests and needs of the community in order to frame messages in an appealing way. One practitioner said, “We have to frame the education as a resource for people who are having problems with specific issues, like bad credit or identify theft. We try to pull out the specific pieces that resonate with people.” For example, practitioners working with low-income youth found that framing financial education within the context of “social and economic justice” has been successful. Another program that offers free financial counseling with a volunteer investment professional found success by framing the free service as a parallel to the higher priced financial advisor services typically restricted to more affluent customers. Different communities and populations will respond to different messages, so it may take some experimentation and collaboration to discover the appropriate approach.

## Earn the Trust of Clients

Practitioners emphasized the need to establish trust with clients as early in the process as possible and pointed out that trust plays a particularly important role in low-income and minority communities. This could mean having an instructor who is from the community, or a representative that clients recognize as reputable and trustworthy. “Trust and credibility are so important in our community. It determines how much information clients will give you from the start,” said one practitioner. Given the highly sensitive and personal nature of financial topics such as debt and income, issues such as client confidentiality and privacy should be clearly communicated. Trust is also an important factor for successful outreach. “People come to a class and feel empowered when they learn to manage their finances, and they tell their friends or family to come to a class because they trust that we’ll do the same for them,” explained an instructor. Building trust takes conscious effort and it shouldn’t be assumed to occur automatically.

## Keep the Curriculum Up to Date

While the basics of financial education instruction, such as budgeting or saving, may not change over time, practitioners encourage the practice of making ongoing adjustments to the curriculum to keep it up to date and relevant. Financial markets and products change rapidly, as do federal, state, and local policies related to financial issues; as a result, it’s imperative that financial education curriculum keep pace. Some practitioners make ongoing minor changes to the curriculum, while others do a more intensive review and update on an annual basis. Practitioners also cited the practice of utilizing client surveys or focus groups to get feedback on which topics and lessons were most useful, and which areas clients want more instruction on. As client interests and needs change over time, financial education curriculum should be adjusted to meet these needs.

## Other Lessons

- **Offer incentives with tangible benefits to encourage participation.** The financial education programs that offered some tangible benefit to the client, such as a matched savings account or a certificate required for the city’s home purchase assistance program, had the most success in terms of client participation.
- **Be flexible.** Practitioners stressed the importance of staying flexible and adapting their services as necessary. For example, an all day class on Saturday was popular with one student population, but the same time slot was a failure with a different population. The practitioner adapted the schedule to accommodate the needs of the different clients.
- **Proactively share information.** Some practitioners engage in informal information sharing within their organizations, such as instructors sharing teaching tips or debriefing after courses. More proactive information sharing, both internally and externally, could further improve program services.
- **Technology can improve services and doesn’t have to be costly.** Some practitioners are integrating technology into their program services in innovative ways, and often at little or no cost. Web-based applications, such as the free personal finance software mint.com, or text messaging are being used to improve financial education services. Practitioners should look for practical applications for affordable technologies.

## II. Future Directions for Collaboration

Each of the nine organizations profiled in this study has developed a unique set of strengths and comparative advantages in working within their specific communities. However, the findings of this study also indicate that these organizations share a number of common challenges and have identified similar needs at the local level. This suggests that there may be multiple opportunities for beneficial collaboration among local financial education practitioners.<sup>3</sup> Based on individual interviews conducted as part of the current study, as well as information gathered from the initial meetings of the Financial Education Network, the following are possible opportunities for future collaboration.

### Future Directions

#### Online Directory and Shared Calendar

Practitioners acknowledged that they were unfamiliar with the specifics of the financial education programs and services offered at other organizations (many reported not even knowing which other organizations offer financial education services). As a result, practitioners may struggle to refer clients to other services and clients seeking services on their own may find the task prohibitively difficult. It would be beneficial to create an online directory of financial education providers in San Francisco where each organization could post details about their services, program requirements, locations, and other pertinent information. Similar to social networking websites, each organization would have ownership of their own “profile” and could easily update it online. Individual organizational ownership allows the information to stay fresh and no one organization is saddled with the administrative burden of managing all the content in the directory. In addition to organizational profiles, the site could also host a shared calendar of financial education events offered throughout the city, allowing practitioners and clients to quickly and easily find classes.

#### Clear Definitions of Services

Many organizations currently offer some form of financial education, counseling, training or coaching, but the distinctions between these service types are not clear. Practitioners suggested that some level of agreement across organizations would be helpful for ensuring consistent content and quality across services. This could include specific definitions or suggested content standards for different services. Clear, thoughtful definitions will also make it easier for clients to understand the distinctions between services, allowing them to identify the service that best fits their needs.

#### Joint Marketing of Financial Education

Most organizations included in this study rely on word of mouth referrals as a primary marketing strategy for their services, but they also acknowledged the need to market the concept of financial education. For example, practitioners often mentioned that the people who need financial education the most don’t even know what it is. In addition, practitioners expressed interest in “rebranding” financial education to make it more appealing to funders. A joint marketing effort at the city wide level could be first step in addressing these issues.

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<sup>3</sup> For detailed information on developing collaboration among multiple nonprofits, see the report “Nonprofit/Nonprofit Collaboration in Boston” by Roy Ahn, published by the Barr Foundation. Available online at [http://www.barrfoundation.org/usr\\_doc/Nonprofit-Nonprofit\\_Collaboration\\_in\\_Boston\\_-\\_Barr\\_Foundation\\_\\_November\\_2006\\_.pdf](http://www.barrfoundation.org/usr_doc/Nonprofit-Nonprofit_Collaboration_in_Boston_-_Barr_Foundation__November_2006_.pdf)

## **Technical Assistance and Training Resources for Practitioners**

While each organization has its unique expertise in financial education, practitioners also mentioned that they would like technical assistance or training resources on a variety of relevant topics. Some examples include training on legal issues, updates on the impacts of regulatory reforms or policy changes, and program evaluation resources. Arranging this type of technical assistance may be prohibitively difficult for any single organization, but could potentially be achieved through a collaborative effort city wide.

## **Program Evaluation and Data Collection**

It's clear that program evaluation and data collection remain a significant challenge for many financial education providers. Most organizations currently only capture client satisfaction data or client demographic indicators for funding reporting purposes. Only a few organizations engage in assessments of knowledge gains or behavioral changes, and practitioners agreed that these efforts are challenging. Organizations could collaborate to develop a few common metrics and discuss ways to improve their data collection efforts. Given the many challenges associated with program measurement, a workshop on program evaluation would be a good fit for the technical assistance and training opportunities discussed above.

### III. Participant Profiles

The summary findings and recommendations included in Sections I and II of this report are based on the following participant profiles. These profiles provide detailed information about the specific financial education programs offered through the following San Francisco based organizations:

- Consumer Credit Counseling Service of San Francisco
- EARN
- Juma Ventures
- Mission Asset Fund
- Mission Economic Development Agency
- San Francisco Housing Development Corporation
- Single Stop
- Asian Inc.
- Mission SF Community Financial Center

These service providers participated in the initial development of the Network and continue to be active members, with the exception of Asian Inc. and Mission SF Community Financial Center. Network participants felt it was important to highlight the perspectives of an organization providing financial education services within the Asian American community, as well as an organization tied to a community based financial institution. As a result, representatives from Asian Inc. and Mission SF Community Financial Center were invited to participate in the study.

The information for this study was collected through a series of in-person and phone interviews with representatives that were familiar with the financial education programs offered at each organization. Interviews typically lasted for an hour and a half and each interview was based on the same set of questions. This research “framework” was created with input from Network participants and was utilized to provide structure and consistency for the information gathering process (see Appendix I for the full research framework). Also included in each participant profile is a “Client Profile” which provides detailed information on the demographic and financial characteristics of each organization’s client base. Participating organizations voluntarily completed a written survey that provided the information for the Client Profiles.



## A. Consumer Credit Counseling Service of San Francisco

Consumer Credit Counseling Service of San Francisco (CCCS SF) is a nonprofit organization with a mission to provide comprehensive financial counseling and education to help consumers achieve financial independence through debt reduction, homeownership, and improved money management skills. The organization is based in downtown San Francisco and has a branch office in Santa Rosa, but also serves a number of clients located outside of the Bay Area. CCCS SF offers services in the areas of budgeting, debt management, homeownership (which includes pre- and post-purchase counseling for first time homebuyers, foreclosure prevention, and reverse mortgages), and bankruptcy. CCCS SF's financial education services fall into two broad categories: one-on-one counseling and group education.

### **Financial Education through One-on-One Counseling**

With a staff of over 235 employees, 150 of which are certified counselors, CCCS SF is one of the largest credit counseling agencies in the country and, as a result, has the capacity to offer individualized services. CCCS SF interacts with most clients through one-on-one counseling, which accounts for the majority of its financial education services. "We look at the individual, one-on-one counseling session as true financial education because it includes a complete family financial analysis and recommendations for budget modifications. The counseling session includes 'best practices' for managing family finances. This one-on-one session is the real strength of our certified and highly trained counselors," said Rick Harper, Vice President of Program Services. Counseling falls into two main categories: general money management, which includes credit counseling, and housing counseling. Both of these areas are geared towards helping clients establish personal financial control. Roughly half the counselors do credit counseling and the rest do housing counseling. A trained counselor reviews a client's specific financial situation "line by line" and identifies areas that need to be addressed. Rico Delgadillo, Director of Program Services, stressed the importance of helping clients understand their current financial situation, saying "every single consumer is going to be educated on their cash flow." Counselors review a client's income and expenses and devise a set of options to help clients reach their financial goals. Each counseling session leads to the development of an individualized "Action Plan" that defines next-steps for the client. Delgadillo estimated that roughly 75 percent of the counseling clients are insolvent, thus CCCS SF's approach to crisis management begins from a budgeting standpoint. An average session lasts one hour and clients can sign up for as many sessions as they need.

Clients can access counseling services by phone, in-person, or online. The phone hotline serves as the first point of contact for most clients and roughly 80-85 percent of counseling appointments take place by phone (CCCS SF took over 110,000 calls in 2008). CCCS SF is unique in that only certified counselors answer the phone line, as opposed to most other credit counseling agencies that have customer service representatives answering calls and scheduling appointments at a later date. "We can provide a 'triage' because we can immediately assist someone with their needs," said Delgadillo. The same counselors that answer the phone lines are the same ones that meet with clients in person, allowing clients to develop an expectation of what ongoing services will entail. In-person meetings are scheduled at CCCS SF offices during office hours, Monday through Friday from 8AM to 5PM, and additional phone appointments are available in the evenings and weekends. These off-peak appointments tend to book farthest in advance, and Delgadillo stressed that people want convenience. "Phone counseling works and clients get the same quality. People don't want to take time off work, or come in on a Saturday. They want to take care of it (financial counseling) at home on their own time." In addition, clients can also reach certified counselors online. Counseling sessions are conducted via email, and CCCS SF estimates that clients and counselors need to exchange a minimum of six or seven emails in order for clients to receive sufficiently customized financial education. Online sessions serve clients who may not

be able to call or visit during regularly scheduled hours and CCCS SF also utilizes the online service to work with clients that live overseas.

### **Group Financial Education**

Financial education is also delivered in the traditional group setting. CCCS SF offers free workshops at its office, taught by certified counselors, and also partners with other nonprofit organizations to offer group sessions tailored to specific audiences. Group education falls into two categories: money management and housing education. The current courses are listed below:

#### Money Management Courses

- Basics of Money Management
- Basics of Investing
- Basics of Reverse Mortgages
- Downsizing Your Debt
- Holiday Survival Skills
- Love and Money
- The Psychology of Spending
- Raising Money-Smart Kids
- Savings 101
- Steps to Financial Success
- Understanding Taxes: The Basics
- Understanding Your Credit Report
- Women Talk Money

#### Housing Education Courses

- Affordable Housing Options for 1st Time Home Buyers
- Credit Reports for First-Time Home Buyers
- First-Time Home Buyers: The Basics
- How to Avoid the Mortgage Crisis!
- How to Keep Your House Out of Foreclosure
- Money Management for First-Time Home Buyers
- Mortgage Financing for Current Homeowners
- Open Forum for First-Time Home Buyers
- Predatory Lending: How to Avoid Disaster
- Understanding the Mortgage Loan Process

These workshops are voluntary and participation rates in the general financial education courses are often low. In contrast, the homebuyer workshops are consistently full, as individuals seeking to qualify for the City's Below Market Rate affordable housing program must complete approved homebuyer education courses. Delgadillo recognized the power of this incentive in motivating people to come to the classes, but wants to see more people in the money management courses, saying,

*People sign up for the homebuyer classes, but how to manage their money once they get into that home, to make sure they don't lose that home? That class is empty. We publicize it, have it on our website, it's free of charge, but it's just not popular and we don't know what to do. On more than one occasion, I teach a class and expect 20-25 people and I find a class of 5-6.*

### **Evaluation Focuses on Client Satisfaction**

Counselors initiate a follow-up call with all clients 30 days after their first appointment to see how the clients are doing, refer them to the free group workshops, and answer any questions. CCCS SF evaluates its services by administering voluntary client satisfaction surveys in both the one-on-one counseling sessions and the group workshops. In addition, CCCS SF has a "quality improvement" department that randomly listens in on counseling sessions and reviews action plans. Evaluation is thus limited to client satisfaction and counseling quality, and Delgadillo pointed out the difficulty of measuring success based on outcomes saying, "If a client comes in with \$80,000 in debt and they don't have the financial means to take care of that debt, what can we do? The success we have is to provide that education and give them viable options." CCCS SF may track more data in the future. "It'd be great to provide more (data). We're seriously considering pulling credit reports for every client that walks through the door, but we have to consider whether that will be cost prohibitive," he said.

### **Meeting the Needs of Multicultural Clients**

CCCS SF aims to reach a diversity of clients through multilingual services and partnerships with community organizations. “There are certain cultures that take a while to build the trust factor. They feel more comfortable speaking to someone that will understand not only their financial picture, but their culture and the decisions that they’ve made. We eliminate the issue of someone being judged,” said Delgadillo. Roughly a quarter of the 100 certified counselors are native speakers in a language other than English, including Mandarin, Cantonese, Spanish, Tagalog, Vietnamese, and Russian, but the largest demand is for services in Spanish, Mandarin and Cantonese. “When we recruit, we’re recruiting specific languages, and we’re just trying to make sure that we have enough languages to represent the communities we’re serving,” he said.

### **Emphasis on Staff Training**

CCCS SF requires all counselors to meet internal and external training requirements upon hire, and complete ongoing training on a regular basis. All counselors are certified through the National Foundation for Credit Counseling (NFCC), an “umbrella” organization for credit counseling agencies across the country that CCCS SF is a member of. NFCC guidelines require counselors to be certified within twelve months of employment, but CCCS SF requires its staff to be certified within 30 days. In addition to the external NFCC certification, CCCS SF requires counselors to also complete 40 hours of internal moderated classroom training on specific counseling skills and topics within the same 30 day period. Once certified, all counselors must complete an additional four hours of training each month. Delgadillo explained the importance of staff training, saying “we’ve always exceeded the national training requirements, but we almost have to, given the way things change so quickly. Every time a new program is announced, we have to train our counselors to stay on top of the changes.”

### **Funding Sources**

The vast majority of CCCS SF’s funding comes from private sources, primarily foundations, banks, and insurance companies. The organization receives a small grant from HUD, but the amount is small relative to CCCS SF’s operating costs. In addition, the organization is a sub-grantee of Treasury funding through the Homeownership Preservation Foundation. Almost all services are free of charge, but CCCS SF earns minor fees for reverse mortgage counseling and bankruptcy counseling (CCCS SF is approved by the Executive Office of the U.S. Trustees to offer pre-filing counseling and pre-discharge education).

### **Identifying Local Service Gaps**

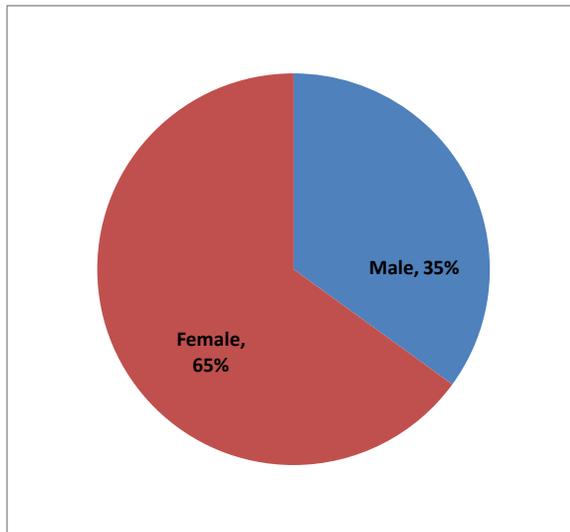
According to Rick Harper, local practitioners would benefit from improved information about other available services. “What other services are being offered that we could refer our clients to? If I knew there was something that fits the needs of our clients better, whether that’s based on income, or community location, the referral would create a better ‘safety net’ so nobody falls through,” he said. Harper sees a need for greater knowledge sharing among organizations and feels that this information gap ultimately reflects a gap in the local landscape of financial education services. Delgadillo sees a need for more financial education at an early age, saying, “There’s no education process set up to help teach kids how to handle their finances. We teach everything else, but when it comes to the biggest piece that’s going to affect us, which is how to deal with our money and live within our means, it’s not being taught.”

## Client Profile

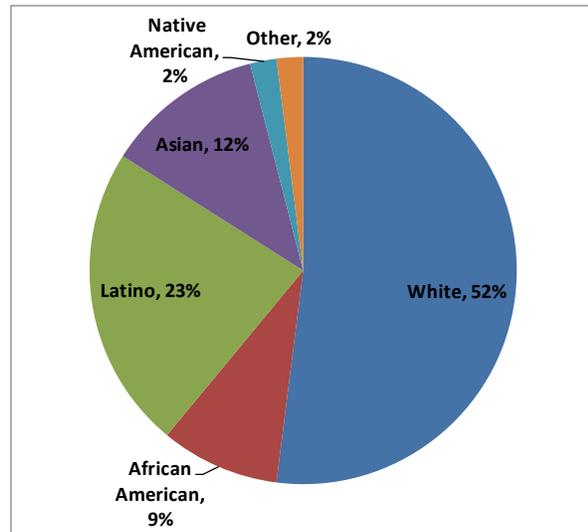
### Consumer Credit Counseling Service San Francisco

Age Range: 18 and above, average age is 41

#### Estimated gender composition:



#### Estimated racial/ethnic composition:



**Languages other than English spoken by clients:** Primarily Spanish, Tagalog, Mandarin, Cantonese

**Immigration characteristics:** N/A

**Income characteristics:** Average Monthly Gross Income: \$3,274. Do not track individually, but 90% of clients earn less than 80% of area median income for San Francisco.

**Employment status:** 90% employed

**Educational background:** N/A

**Banking status and experiences:** Vast majority have traditional banking relationships and those in the Debt Management Plan have automatic drafts out of their checking accounts each month for payments to creditors.

**Neighborhoods where clients reside:** City wide, Bay Area, California, and Nationwide.

**Situation specific needs of clients:** Understanding credit and fair credit reporting laws; restructure or eliminate revolving debt (credit card debt); understand the mortgage process and what it takes to become a homeowner; understand what their options are to keep their homes out of foreclosure; required FHA counseling in relation to the HECM reverse mortgage; understand how putting their finances and budget in order can make their life easier and more meaningful.

**Clients Served:** The following data is for services in 2008.

- Housing counseling: 26,741 counseling sessions
- Credit Counseling: 24,404 counseling sessions
- Call Center Information Calls: 110,374 requests for information
- Housing workshops: 34 seminars with 971 attendees
- Financial Education: 50 seminars with 651 attendees

## B. EARN



EARN is a nonprofit organization founded in 2001, with a staff of just under 20 employees, that promotes asset building for low- and moderate-income individuals through matched savings accounts, money management training, and access to financial services. The organization offers matched savings products coupled with mandatory financial education. The primary product is the Individual Development Account (IDA) which allows clients to save up to \$2,000 with a 2:1 match of \$4,000 for a maximum of \$6,000 that can be used for higher education, a first home, or a small business. EARN also offers the Savings Account for Education (SAFE) which allows parents and children to save up to \$500, with a 3:1 match of \$1,500 for a total of \$2,000 to be used for a child's higher education. Financial education at EARN includes group training on basic financial management, workshops on specific topics, and a new financial coaching service.

### **Engaging Savers in Financial Education for Asset Building**

All IDA savers are required to complete the free 8 hour "Financial Management Training" at EARN before they can open an account. The training consists of a weekly course (roughly 2.5 hours in length) taught in the evenings at EARN headquarters, held over three consecutive weeks. Topics covered include the basics of saving, spending, budgeting, credit, and smart goals. In addition, savers learn how their behaviors influence their financial situations and also learn about available local resources to help manage their debt and personal finances. Once savers are enrolled in the IDA program, they must complete 6 hours of asset-specific training related to their savings goal. EARN connect savers with a number of local partner organizations for these specific trainings, including the Small Business Administration, Mission Economic Development Agency, San Francisco Housing Development Corporation, Asian Inc., and Women's Initiative. In addition, all program participants must attend at least two "saver workshops" per year, which are also offered by EARN and its partner organizations. EARN sends a comprehensive monthly calendar of training events to all savers along with their monthly account statements (the training calendar is also available on their website, and is widely accessed by other service providers in the area). Savers accumulate funds in the IDA for an average of roughly two years and must attend a "Withdrawal Orientation" at least three months before deploying their savings towards their asset goal (home, small business, or higher education). Savers in the SAFE program must complete a program orientation, 8 hours of "Family Money Management Training" (parents and children must attend together) and attend at least two saver workshops over the course of the year.

EARN staff are currently in the process of revising the Financial Management Training curriculum, which is based on a written curriculum entitled "Smart Goals" that was designed specifically for IDA programs. Iliana Montauk, Asset Services Coordinator, said, "We're revising the curriculum based on what we're seeing is working and not working. We're each learning from our own experiences and then sharing ideas. We've been debriefing on what we're doing to make sure everyone has access to the same learning." Tatiana Siegenthaler, an Asset Services Coordinator that teaches courses in Spanish, provided an example of a revision she's had to make. "In the English classes we do lessons on credit and people are familiar with the concept. When I started teaching the class to Latino savers, I realized they don't have credit—they don't know what it is. I had to step back and craft a basic lesson on what credit is."

Both trainers agree that while the basic content of the curriculum is a helpful starting point, focusing solely on the written workbook and lessons is an ineffective strategy. They recommend limiting the amount of lecturing and instead utilizing a variety of interactive activities to engage participants. Encouraging peer learning is an important part of engaging students and creating a dynamic learning environment. Siegenthaler pointed out, "People like to share their experiences with the other students."

They feel like they need to be heard and they also want to learn from their peers. They have a lot of resources to share.” Montauk added, “It’s so important to just listen to what they need, what experiences they’ve had and then trying to make things more relevant. I realized medical costs were a huge issue for a lot of people, so I began incorporating that into my curriculum. They are the ones that can share their firsthand experiences with each other on what resources they’re using and who to call.”

### **Ongoing Service Provision through Financial Coaching**

In addition to the Financial Management Training offered as part of the IDA program, EARN also offers a financial coaching service to “alumni,” savers that have already purchased assets and graduated from the program. Financial coaching is part of the Alumni Wealthcare service, which begins with an 8 hour financial planning workshop. The training provides an overview of the many elements of financial planning, allowing alumni to build a competency around financial planning and progressively develop their own financial plans. Alumni develop specific financial goals with the help of a financial planner, and once these goals are established, the client meets with a financial coach. Because alumni have already completed the basic Financial Management Training, the coaching sessions allow them to build on their financial knowledge and work specifically on changing their financial behaviors. “We work on identifying behavior patterns that hinder the client from moving forward and identify new behaviors that will help them reach their goals,” said Saul Gonzalez, EARN’s financial coach. The coaching model differs from traditional case management or counseling as it focuses on facilitating learning and achieving goals by allowing clients to identify their own barriers and solutions. Gonzales explained, “Coaching allows the client to shape the agenda, versus a session where a counselor tells them how to fix the problem, which may not empower the client to really make changes behaviorally. That’s where the financial coaching really becomes powerful.” EARN currently serves 19 coaching clients and is in the process of expanding the financial coaching service, which includes offering a “Train the Trainer” course. Taught by a master certified financial coach and a financial planner, the four-day course provides financial coaching training to other community based organizations, allowing them to utilize financial coaching skills in collaboration with the financial education work they’re already doing.

### **Strategies and Lessons Learned**

EARN trainers make an effort to connect with each other and share information and lessons they’ve learned from their teaching experiences. Some of the “lessons learned” include:

- Focus on a few key messages rather than trying to go over too much information. “Go over a smaller curriculum but in a more effective way.”
- All trainers, even if they’re guest speakers, need to understand how to work with low- and moderate-income clients. “They (trainers) may have financial knowledge, but if they’re not attuned to this population, they may alienate people.”
- It’s helpful to have people in similar income and asset levels in the same class. “It can be alienating for someone if they see a huge gap, if someone else is making a lot more money and is saving a lot more. But if this isn’t possible, make sure trainers are aware of this dynamic and know how to help those who may be struggling a bit more.”
- Make people reflect on their personal experiences. “People don’t have time to stop and think. Giving them the space to reflect on their experiences works really well to help them realize what they’re doing and why.”

Another important strategy is to utilize a variety of activities that effectively appeal to students’ diverse personalities and learning styles. These include interactive games, such as the “Money Music Game” where participants take turns naming songs that mention money (to make it more fun, each group has to sing part of the song). This type of activity is especially useful for helping participants realize the

many different factors that influence their attitudes and behaviors around money. Another activity that helps participants better understand their financial behavior is having people in pairs or small groups to answer questions such as, “What do you remember learning about money growing up?” Or, “What do you think your friends think about money?” These activities are successful at increasing behavioral recognition, but Montauk explained, “We can make people aware that the behavioral issue exists, but it’s much more challenging to make people change their behavior.”

### **Operations - Funding, Program Evaluation, and Staff Training**

EARN receives the largest share of its funding from foundation and corporate grants, followed by a sizeable grant from Assets for Independence, a federal program that provides “match” funding for IDAs. A small proportion of funding comes from individual donors, which is used for matched funds. Banks were a major source of funding for many IDA programs in the past, and the economic crisis and decline in the financial sector have presented significant changes in program funding.

Evaluation efforts currently focus on outcomes related to the IDA component of the program, such as how many accounts were opened, the average monthly savings, and total value of assets purchased. Data is collected at the beginning, middle and end of the program in order to observe whether savers’ financial situations improve over the course of the program. Amanda Byrd, Development Director, pointed out that while tracking IDA outputs provides useful information on service volume, EARN is currently working on developing a longitudinal evaluation. “What happens *after* clients purchase assets? We’re interested in measuring their financial skills, other than what’s being indirectly demonstrated by their IDA savings.” Collecting longitudinal data is challenging, particularly if you have a population that is highly mobile, as many EARN savers are. Byrd explained one approach to facilitating the long-term data collection. “One of the reasons driving us to do more services for alumni is to stay in touch with people. We heard from savers that they want to stay involved after completing their IDA. We want to foster that connection, not just for our mission but for evaluation as well,” she said.

Staff members that provide financial education services receive training from multiple sources, but there are no formal length or content requirements. New teachers are trained internally by other experienced staff members or through external resources, such as training offered through the federal program Assets for Independence.

### **Service Gaps: Younger Populations, Service Standards, and Topics of Growing Importance**

According to Montauk, there aren’t enough financial education services for youth. “People haven’t learned anything in high school but they wish they had; robust high school programs could help. I think it would be most effective if someone other than the teacher shared their own financial experiences with students,” she said. She also expressed concern about not knowing what other financial education providers are teaching, especially if she has to make referrals for clients. “I’m not sure what they’re learning or what kind of quality they’re getting. Some programs give certificates, but there’s no standard around how many hours they have to complete or what kind of curriculum they cover,” said Montauk. Siegenthaler agreed that there should be some standard for service quality and also observed a growing demand from clients for information on specific topics that fall outside of traditional financial education courses, such as medical debt and student loans.

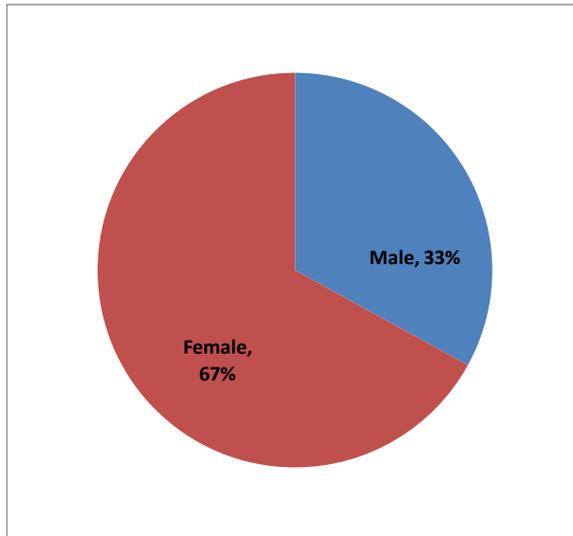
Both trainers also believe that there is a greater need for financial coaching services. While EARN is conducting training to expand coaching capacity in the area, Siegenthaler expressed concern that, “as coaching becomes more popular, I’m worried people will start using the term because it’s sexy, but they won’t be providing the real service.” She stressed that the distinctions between coaching and counseling or case management must be clear so clients get the services that best meet their needs.

## Client Profile

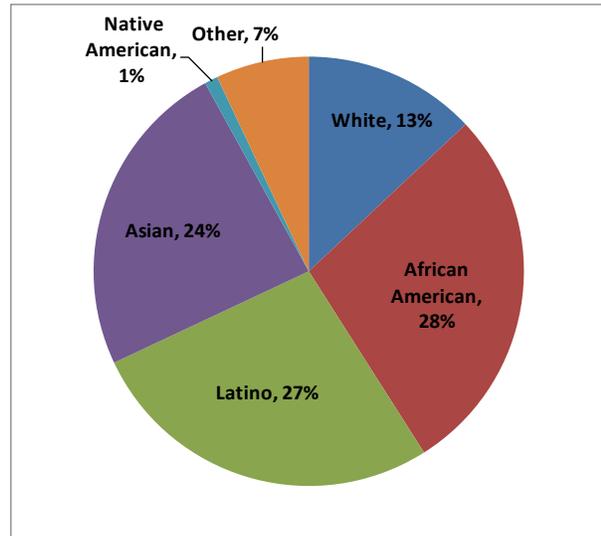
### Earned Assets Resource Network (EARN)

Age Range: 18 and above

Estimated gender composition:



Estimated racial/ethnic composition:



**Languages other than English spoken by clients:** Spanish, Mandarin, Cantonese

**Immigration characteristics:** Does not verify immigration status for participants

**Income characteristics:** 200% or below Federal Poverty Guidelines. The average household income at enrollment is \$18,887.

**Employment status:** All clients are employed or self-employed at enrollment. Does not track employment status once clients are in the program

**Educational background:** The range of educational backgrounds is wide, from people who attended high school to clients who attended graduate school.

**Banking status and experiences:** Most clients have been connected to the financial system and have checking accounts and/or savings accounts; 7% of clients don't have checking or savings accounts.

**Neighborhoods where clients reside:** All 5 Bay Area counties and all San Francisco neighborhoods.

**Situation specific needs of clients:** Clients have high credit card debts, medical debt, and student loans. They feel like they live pay check to pay check and struggle organizing their finances. They need financial education on saving, budgeting and credit. Some of them required more help on repairing their credit.

Clients are also unaware of the current financial resources and programs offered in San Francisco according to buy a home, start their business or education resources

**Clients Served:** Currently has 1,300 active accounts and opened 400 accounts in the last year



## C. Juma Ventures

Juma Ventures is a nonprofit youth development organization that utilizes the “social enterprise” business model to provide job opportunities for economically disadvantaged teens. Youth are trained to operate concessions and serve as vendors at local sporting venues, such as the San Francisco Giants’ AT&T ballpark and UC Berkeley’s Memorial Stadium. In addition to employment opportunities, youth participate in financial education and savings programs and receive college and career guidance. These employment opportunities and support services are designed to help youth transition into adulthood, and Juma has a particular focus on helping youth complete their postsecondary education.

### **Comprehensive Program Services**

Juma offers comprehensive asset building services which include access to mainstream financial products, group financial education, an Individual Development Account (IDA), and individualized case management. Students are currently recruited from high schools in lower-income neighborhoods beginning their sophomore year, which ensures a minimum of 18 months of participation in the high school program. Juma is moving to a model of supporting youth as early as freshman year. Students participate in asset building services before starting their employment at the ballpark. Students first establish a direct deposit bank account through the First Accounts program in preparation for the earnings they will receive upon employment, then begin their financial education training and establish their IDA. These services lay the groundwork for youth to have the appropriate financial products and knowledge in place before they begin earning wages at their jobs.

The core financial education service consists of six classes, which are held on site at Juma. Classes are taught in group sessions of roughly 15-25 students and last approximately 90 minutes. The six core classes are organized around the following goals: (1) Understanding feelings about money and setting future and financial goals, (2) Developing a realistic budget, (3) Learning about different types of financial institutions and financial products (4) Understanding credit and how to build and manage it, (5) Developing a “Transition Budget” (to help manage finances during the transition between high school and college) and (6) Understanding loans and financial aid. In addition to the six core classes, Juma youth participating in the IDA program must also attend four “Savers’ Club” meetings during their tenure in the program. At Savers’ Club meetings, external speakers present information on a variety of relevant topics, such as identify theft, taxes, starting a small business, or homeownership. Maria Sison, Asset Services Manager at Juma, explained that there are three main goals for the Savers’ Club: (1) To build a community among the youth and “help them recognize that there are other youth in their same situation,” (2) To provide resource speakers that allow youth to have access to financial professionals outside of Juma, and (3) To provide information that supplements the core financial education courses.

In addition to group education, Juma also offers more individualized financial education services to youth. As youth prepare to graduate from Juma’s program, asset services staff members assist in the creation of a personalized budget and help students understand how their financial situations will change as they transition out of high school. This may include reviewing financial aid award letters and the different types of student loans available, or understanding the financial implications of renting an apartment. Juma also offers a mentoring program, which was launched last year, in which external volunteers mentor youth that may need extra support to reach their financial goals.

### **Youth Financial Education Responsive to Change**

The financial education curriculum was devised internally at Juma and is a blend of material borrowed from other sources, such as banks and the National Endowment for Financial Education (NEFE). Sison

explained that the curriculum has undergone a series of changes over time and now reflects Juma's growing focus on social justice and financial empowerment. "Our curriculum has definitely changed because of the work that we do now. We're trying to help youth become smart consumers and financially self-sufficient. We want them to know they have power in consumerism and where their money goes," she said. Youth participate in activities such as tracking the number of mainstream financial institutions in their neighborhoods versus check cashers or pawn shops, and learning why access to fairly priced financial services is so important. Sison also pointed out that youth knowledge and attitudes have changed. "Youth have increased anxiety about credit and loans. Three years ago, they were really excited about credit; they saw it as extra money. But now, youth are different. They recognize the anxiety around debt; many of our youth don't even want a school loan, even if it's subsidized," said Sison. In order to ease the fears that youth have about loans, Juma teaches students how to take out loans responsibly and helps them recognize the importance of building their credit and how to do it even at a young age.

### **Strategies to Motivate and Engage Youth**

Juma's main tool for motivating youth to participate in financial education is the IDA program—youth must complete financial education courses in order to receive the matched funds. In addition, Juma offers a scholarship program and students increase their chances of receiving larger scholarships by attending and participating in the financial education activities. Another important aspect of motivating youth is having an educator that is engaging and highly skilled; not necessarily a financial expert, but someone who can relate to students and understand the needs of the community. Sison gave the example of one of Juma's educators, who is well versed in "underground" Bay Area hip-hop music and uses it to talk to students about money and culture. "It helps to have a 'cool' person," she said. "Students recognize he's cool and they want to be around him. And it can be whatever that particular community thinks is cool, but it's someone who can understand the ebbs and flows of the group."

Financial education delivery at Juma focuses on activities and group discussions, and Sison stressed, "It's not lecture. People learn from each other... We'll do roundtable discussions so they (the students) are agents of help, rather than being the recipients of a lecture." Students also participate in a lot of question-and-answer sessions, and the types of questions asked give Juma staff a better understanding of the issues that youth are struggling with or are most concerned about. Most of the education is activity based, such as having students work in small groups to balance a check book or role-play financial decisions for various scenarios.

### **Evaluation**

Juma tracks deposits into participants' IDAs over time and also recently began administering a pre- and post-IDA survey to all participants. The survey questions include some behavioral measures, such as asking students about their banking and saving activity, as well as asking students about the resources they use to get help with their finances. Juma also administers a pre- and post-test evaluation for its financial education courses, which measures knowledge, skill, and attitudinal changes among students. The evaluations borrow from existing surveys from other financial education organizations such as the Jump\$tart Coalition and NEFE, but are tailored to test Juma's core curriculum. The pre- and post-test data from the financial education course is analyzed at the end of each program year, and Sison explained, "If youth overwhelmingly score poorly on a certain topic, we know we need to do more in that area." As a supplement to the tests, Juma staff also conduct in-depth interviews with students in focus groups and do an annual review to examine how the financial education curriculum could be improved. Juma is planning on doing a large scale evaluation in the future to examine how different types of students are performing relative to each other, and is in the process of collecting this data.

In addition to collecting internal evaluation data, Juma also assists other youth development organizations in their data collection process. Through the “Gain Resources, Opportunities, and Wealth” (GROW) initiative, Juma provides capacity building support to a select group of organizations that are developing youth IDA programs. The initiative, funded by Merrill Lynch, the Walter and Elise Haas Fund, and the Levi Strauss Foundation, provides match funding for the IDAs and allows Juma to offer technical assistance and training, as well to centralize the data collection process for all participating organizations. Juma and its GROW partners all use the same evaluation tools and have common metrics, and Sison explained, “The agencies are very different from each other, but we can look at the data and compare the different groups with each other and use that to support other evaluations we do... We’re very evaluation driven and interested in field development and improving our programs.”

### **Organizational Structure, Funding, and Training**

Juma has approximately 20 full time staff members, but only a few individuals teach the financial education courses. Staff members go through a training curriculum and review a variety of resources, such as research on financial education for youth or outcomes measurement. New teachers also sit in on courses taught by experienced staff and participate in “train the trainer” sessions and feedback sessions with Sison. Trainers also participate in a number of workshops as they become available through external organizations, such as financial institutions or nonprofits, and also attend workshops offered by college preparation programs around financial aid. “Whatever workshops are available, and there are a lot that are free, we go to them,” said Sison.

Juma receives federal funding for IDAs from the Assets for Independence program and local funding from the city’s Department of Children, Youth and their Families. Funding also comes from financial institutions that support both the IDA program and financial education, and because of the heavy emphasis on post secondary education, Juma also receives funds from scholarship agencies. Sison explained that Juma can access different funding channels, “because we’re doing asset building, financial education, youth development, and we’re serving different types of youth populations, such as foster youth.” In addition, part of the support for the Asset Department comes from funding related to the GROW initiative.

### **The Need for Young Adult Services and the Future of Funding**

While efforts to bank unbanked adults have been very successful in San Francisco, Sison sees a need for improved banking services specifically for youth. “I feel like there’s a gap there,” she said, “because there aren’t that many products for youth, especially those that are working.” In addition, she also pointed out that there is a lack of services for young adults between the ages of 18-22, who have graduated from high school but still have concrete needs and support in managing their finances. Juma is developing an alumni program to serve this population, but capacity remains an issue.

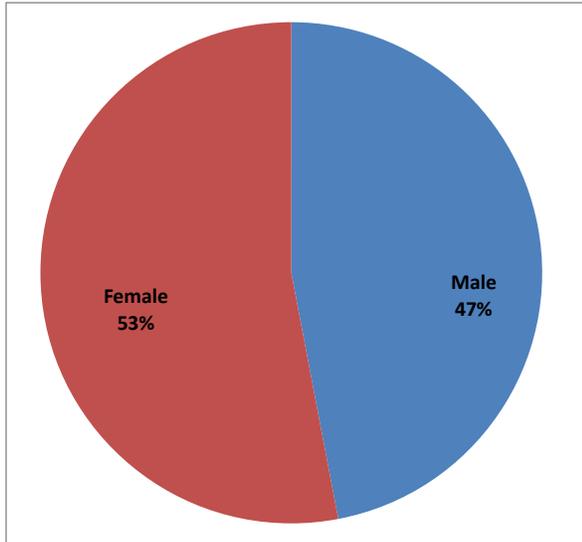
Juma’s asset program has relied on a consistent group of funders for the past decade, but many of these funders, particularly financial institutions, are struggling in the economic downturn. Sison believes financial education organizations need to begin educating potential funders that may not be as familiar with the field. “I think we need to reach those funders that maybe have some idea of what financial education is, but don’t necessarily understand how successful it can be or what the benefits are.” She suggests further collaboration among service providers to educate potential new funders and “rebrand” financial education. “There’s a need to rebrand what we do. Microenterprise, microfinance – super sexy. Financial education – not so sexy. We need to make it appealing not just to our clients that are taking the courses, but make it desirable to potential funders, too,” said Sison.

## Client Profile

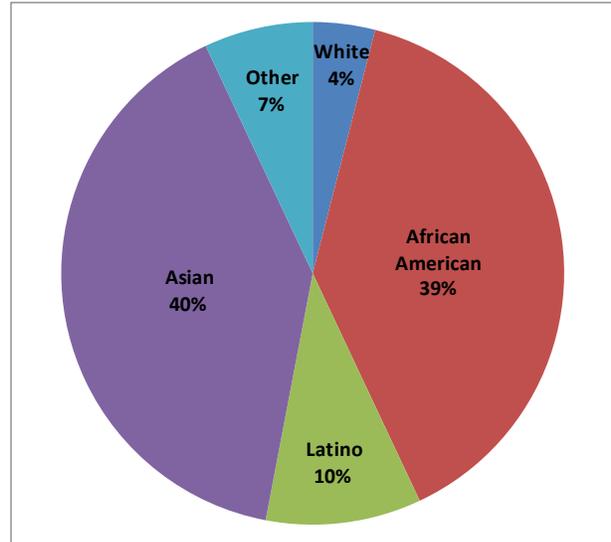
### Juma Ventures

Age Range: 16-21 years old

Estimated gender composition



Estimated racial/ethnic composition



**Languages other than English spoken by clients:** Spanish, Chinese, Tagalog, French

**Immigration characteristics:** All Juma youth are work eligible youth and either have citizenship or have a green card that allows them to work in the US.

**Income characteristics:** Income range \$0-\$60,000. Median income is \$14,000.

**Employment status:** Most youth have been part time employees or are currently full time students

**Educational background:** High School graduates or received a GED

**Banking status and experiences:** Youth have savings accounts and IDA accounts as part of program services

**Neighborhoods where clients reside:** Bayview, Excelsior, Visitation Valley, Outer Richmond, Mission. Youth in Oakland reside in: 94601, 94605, 94621, 94606, 94619

**Situation specific needs of clients:** Post Secondary Education, Job training

**Clients Served:** Juma serves 137 participants annually (Employment, financial education, etc); Juma serves 200 participants through their IDA program



## D. Mission Asset Fund (Fondo Popular de la Misión)

The Mission Asset Fund (MAF) is a community based asset-building organization established in June 2008 that seeks to expand access to financial services, savings and investment opportunities for residents of the Mission District, a neighborhood characterized by its significant Latino immigrant population. MAF offers a variety of asset building and financial education services, and also works to connect clients with other community services.

### **Combining Financial Education with Asset Building Services**

One of the primary asset building services at MAF is the matched savings account, also known as an Individual Development Account (IDA), which is modeled closely after the IDA program at EARN (also profiled in this study). The program is open to households earning less than 80 percent of area median income and offers a 2:1 match for savings applied towards homeownership, small business, or education/training. In addition, MAF also offers a 1:1 match for funds that can be used for citizenship fees, fees related to adjusting immigration status, and retirement savings. In order to open an IDA, clients must complete eight hours of group financial management training, which is spread over three days and covers basic personal finance topics such as budgeting, saving, and credit. All courses are offered in Spanish only, and MAF refers English speaking clients to EARN's IDA program and financial management training. Once clients complete the training and open an IDA, they are eligible to sign up for individualized financial coaching, a yearlong voluntary program at MAF. During the first month, clients meet with a financial coach for one to one and a half hours per week. In the second month, meetings occur every two weeks, followed by phone counseling session in the third month. Coaches then do monthly check ups with clients over the remaining course of the year. MAF currently has one financial coach on staff and is moving towards a model of training volunteers to become financial coaches. Daniela Salas, Program Director at MAF, said financial coaching is an important component of creating behavior change and would like to see the service expanded. "It's a capacity issue for us at this point. We're a small organization and we want to stay that way, so the volunteer program is a really good way for us to go," she said. In addition to the eight hour financial management training and coaching service, MAF also offers ongoing workshops to the community every other month on various financial topics, such as tax issues for small business owners.

MAF also offers "Cestas Populares," an alternative financial product modeled after the traditional peer lending circles known as *cestas* or *tandas* in Spanish, in which a small group of people make regular contributions to a fund that gets distributed to each member of the group in rotation. "It's a concept that's familiar to the Latino community. People see it as savings, but we're transforming it into a loan product so people can start to build their credit... We've taken something that people have been doing informally for a long time and formalized it to give them credit for it," Salas said. MAF partnered with One California Bank to design the product, which is structured as a loan from the bank that gets repaid over time by the savings circle. The regular repayment gets reported to the credit bureaus, allowing participants to build their credit. "Forty four percent of Mission residents don't have a credit history, which has huge implications for asset building," said Salas. She explained that most of the groups that have started *Cestas* are made up of individuals that learned about credit from the financial management training component of the IDA program. MAF also offers one-on-one support for participants to gain more in depth knowledge around credit.

MAF also utilizes a peer training model known as *promotoras*, in which local residents are trained to do outreach and education in their communities. According to Salas, the *promotoras* model has been a successful approach for doing public health outreach in many Latino communities, and MAF is training

community leaders to teach residents about asset building and connect them with the appropriate services.

### **Understanding the Cultural Context of Clients**

The vast majority of MAF's clients are Latino immigrants, most of whom are low-income, and Salas believes that many of these clients have been overlooked or ignored by financial services institutions in the past. "We try to understand where they're coming from and why they're not accessing financial services. When we understand their experience, we can help them connect with banks and find products that work for them," she said. MAF also uses this knowledge to inform other organizations about working with Latino immigrants—it is currently sharing information about the *Cestas* lending circle product with Citibank to demonstrate the success of this culturally relevant lending program. Salas explained that MAF is also able to do a lot of "trial testing" with its clients to see how well various programs or products are working for the specific population and if they can be adopted at a larger scale.

Salas described MAF's financial education services as "very community focused. People from the neighborhood, who are very familiar with each other, are coming together for these classes and it creates an interesting interaction. It's very peer oriented and people learn from each other." Given the shared cultural backgrounds of many of the clients, activities are often group-based and encourage sharing and discussion among students. In one activity, students individually sketch out their financial goals and desired path on paper, and then share in a group discussion around the different resources they can use to reach their goals. With help from the Credit Builders Alliance, MAF is also able to pull credit scores as soft inquiries, allowing clients to track their scores without harming their credit. "The workshop is almost like Weight Watchers. They (clients) each have their number and they work together to meet their goals," said Salas. In addition to community building, MAF also tries to make the financial education courses fun, by incorporating raffles and lotteries, and also highlighting the top savers. "We try to have a lot of fun, and people really like to come here," said Salas.

The current financial education curriculum is a patchwork of lessons, with material borrowed from CFED, Citibank, and the FDIC's Money Smart program. Salas explained that while certain materials are offered in a Spanish translation, they often require further customization. "You may get a curriculum that's been translated literally into Spanish, but it's not culturally relevant at all. It's still for an American audience. We had to come up with more culturally oriented materials," said Salas. Because many clients are being exposed to financial products and institutions for the first time, MAF also incorporates consumer education lessons into its curriculum. Using material from Consumer Action, MAF stresses the rapidly changing nature of financial products and the importance of comparison shopping for financial services.

### **Utilizing Technology to Improve Services**

MAF incorporates a variety of technologies into its program and referral services, which offers benefits to both the organization and its clients. One of the technologies MAF is developing is an online referral tool known as *La Red* (Resources for Economic Development) which matches clients to appropriate asset building services, based on individualized factors such as income, family size, or banking status. Salas said that MAF is currently developing the tool to make it widely available and the ultimate goal would be, "to have the tool available to anyone online. Other organizations can have access to the tool and refer clients to other services and banks, but individuals could also use it themselves from the web anytime."

MAF also uses technology to deliver financial education to clients. For example, clients often establish an account with mint.com during their financial coaching session. The free online personal finance website allows users to track their financial assets and expenses automatically. Salas recognizes that not all clients will have access to a computer, but she sees great benefits to using the online tool. “The whole process of writing down expenses can be time consuming, but if it’s done automatically for them, it’s really powerful for clients to see their spending,” she said. MAF also uses text messaging to send reminders to clients. “We do a lot of texting. In our community, everyone has cell phones. We send reminders if there’s a workshop coming up, or messages to encourage savings. We’re using that technology to teach people.”

### **Evaluation and Funding**

MAF first began conducting program evaluation by doing post-tests only, but recently introduced a short pre-test and expanded the existing post-test in order to better measure knowledge and behavior changes. The evaluation itself borrows some questions from the EARN evaluation and MAF is also participating in a field test with Success Measures, an outcomes-based evaluation module developed by NeighborWorks America. “We’re tracking assets and liabilities, but we’re really interested in the behavioral data as well. The field test will allow us to develop some of those measures,” said Salas. In addition to Success Measures, MAF also uses Salesforce, an online customer relationship management tool, for its data collection and is also working with the Credit Builders Alliance to track client outcomes on credit.

Seed funding for MAF came from the Levi Strauss Foundation, and ongoing funding has been provided by various foundations, financial institutions, and local public funds. Salas explained that most of the grants have been one time grants, which creates challenges as, “the funders require a lot of strategic planning. It’s hard for us to do that when we’re not sure whether the funding is going to be there in the future. We’re a new organization so we haven’t struggled with it as much, but it will be a challenge.”

### **Service Gaps in the Latino Community**

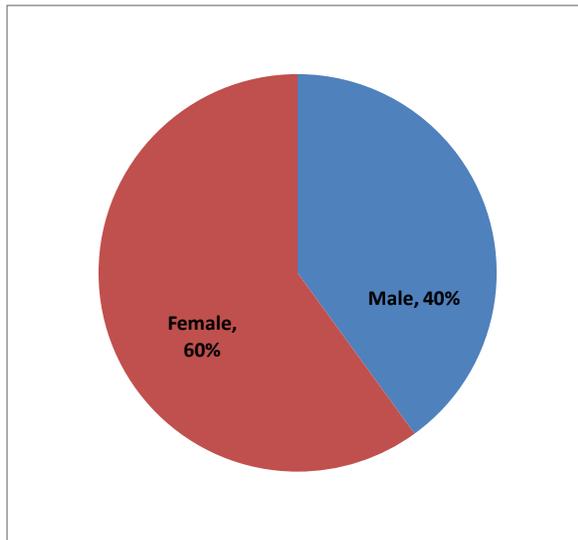
Salas pointed out that there are not many services for very recent immigrants, those who have been in the country for less than two years. “The majority of them (recent immigrants) are unbanked and there’s not much in terms of the very basic financial training that happens early on.” She stated that most clients participating in the IDA and financial education program at MAF have been in the country longer and are typically further along the continuum of financial knowledge. “For recent immigrants, they may have never even walked in a bank or they are not ready to open an IDA. Or, they may not have an ITIN number,” said Salas. She also emphasized the need for greater education and access to credit within the Latino community. “So many people in our community do not have a credit history. Developing more alternative credit building opportunities is a huge need within our community,” she said.

## Client Profile

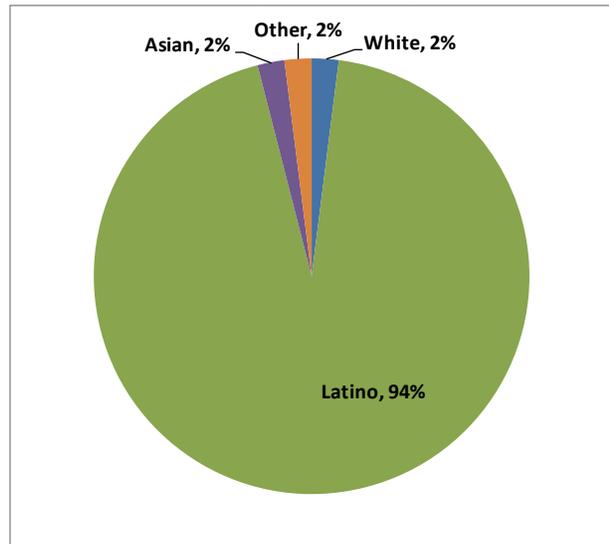
### Mission Asset Fund (Fondo Popular de la Misión)

Age Range: 18 and above

#### Estimated gender composition



#### Estimated racial/ethnic composition



**Languages other than English spoken by clients:** Spanish

**Immigration characteristics:** Serves primarily Latino immigrants

**Income characteristics:** Annual income ranges from \$0 to \$63,350 (80 percent of area median income). Average income is \$12,370.

**Employment status:** 46% full-time employed; 22% part-time employed; 14% self-employed; 18% unemployed

**Educational background:** 2% attended elementary only; 4% attended middle school only; 30% attended high school only. 36% graduated high school or obtained GED; 9% graduated from 2-year college; 14% graduated from 4-year college; 5% graduated from graduate school

**Banking status and experiences:** 56% of clients have a bank account

**Neighborhoods where clients reside:** Mission, Excelsior & Bernal Heights

**Situation specific needs of clients:** Access to credit, access to banking services, general financial education and lack of insurance

#### Clients Served:

- Individual Development Accounts Clients: 70/year
- Cestas Populares (peer-to-peer lending): 50/year
- Financial Education: 150/year



## E. Mission Economic Development Agency

The Mission Economic Development Agency (MEDA) is nonprofit economic development corporation serving San Francisco's Mission District, a neighborhood known for its sizable Latino immigrant population. MEDA offers a range of economic development services including business development, homeownership support, and community planning and development. Because of the Mission District's unique demographic makeup, a significant proportion of MEDA's clients are Latino immigrants and programs and services are offered in both English and Spanish.

### **Financial Education as a Component of Other Services**

Similar to other organizations profiled in this study, financial education at MEDA falls within the context of its broader service areas, rather than being offered as a standalone course. Jane Duong, the Homeownership Program Manager at MEDA, said, "Financial education is a subset of the homeownership and business development training because in order to be successful at either of those things, you have to start first with personal financial education." Duong indicates that MEDA would like to formally create a standalone financial education program, which is a goal that developed over the last two years through a strategic planning process. She explained that from a marketing standpoint, a standalone financial education course may attract clients that may be intimidated or not interested in homeownership courses. "Even though we're teaching basic financial education in the homeownership course, we don't want the homeownership focus to be a deterrent," she said.

MEDA offers a pre-purchase homeownership education course, which is approved by the Mayor's Office of Housing to fulfill the training requirement for qualification in the city's various first-time homebuyer programs. The eight hour course is taught in a group setting and covers personal finance basics, such as budgeting, savings and credit, as well as homeownership specific topics such as mortgages, insurance, and escrow. In addition to the group training, MEDA also offers one-on-one pre-purchase counseling and is in the process of making this a required component of the pre-purchase education. "Clients are coming to us with problems in the middle of the home buying process, so we're doing trouble shooting after the fact. If they had the one-on-one guidance from the start, they could have avoided the problem in the first place," Duong explained. During the individualized counseling session, a housing counselor will pull a client's credit report and review it in conjunction with their tax returns, pay stubs, and other financial documentation. After reviewing the client's financial standing with respect to their homeownership goals, the counselor will help devise an action plan and help the client identify issues that need to be addressed, such as credit repair. Clients take the action plan home and MEDA counselors follow up with them every three months or so to check on their progress. Duong admits that there are some challenges in requiring counseling, as not all clients are in need of one-on-one counseling. In addition to the pre-purchase education, MEDA also offers foreclosure prevention services, which consists primarily of one-on-one counseling.

### **Customizing Education for Different Cultures**

The group education workshops are offered in English and Spanish and there are no fees to attend the course, although clients do have to cover the minor cost of pulling their credit reports. The English language classes typically have anywhere from 60 to 100 participants and are held on Saturdays. MEDA originally split the eight hour course across three consecutive weeknights, but participants strongly preferred the all-day Saturday format. In contrast, MEDA alternates the Spanish language courses between Saturdays and consecutive week days to accommodate different work schedules, and participants responded favorably to this scheduling. The Spanish courses are also much smaller than the English language courses, at only 18-20 people.

Because MEDA's client base is largely Spanish speaking, the financial education course had to be tailored to be culturally relevant and meet the community's specific needs. Duong said, "We do all the translation in-house for the materials we create, so we figure out how to make it more culturally relevant." She stated that credit is a major issue in the Latino community, thus the Spanish course focuses more intensely on learning about credit. One example is the use of a game in which the teacher presents a myth about credit and participants must determine whether it is fact or fiction. "It really engages people in conversation because invariably, people will have different responses, and it's great to get the class talking about credit in that way." She also explained that they try to develop more culturally relevant examples for the Latino community. "People say all the time, 'We can't save.' But I might say, 'I know you had a quinciénera for your daughter which is a lot of money, so I know you can do it!' And then they laugh and realize they can save. So it helps to start that conversation." Other issues specific to the Latino community may include remittances (discussed in the context of budgeting), or managing finances in multigenerational households. "We definitely tailor it (financial education) to what will resonate with people. And I think it's been trial and error as to what will work, but we keep trying to find ways to connect," said Duong.

The financial education curriculum was developed internally, using material from NeighborWorks as the base. In addition, the curriculum includes pieces from the FDIC's Money Smart and programs from other financial institutions. MEDA staff worked together to design the curriculum, and revise it once a year. "It gives us a chance to make sure we're up to date, figure out which activities worked/didn't work, how to make it more culturally relevant... It's hard because the market and financial products change so quickly, we don't have time to stay on top of all the changes that are happening," said Duong. In addition to devising culturally relevant curriculum, MEDA also tailors financial education delivery to best reach its target audience. A typical workshop session includes a combination of lecture and group activities. "In the Spanish classes, we try to build in more activities—people tend to be more engaged that way and are able to grasp the concepts a little easier," said Duong. For example, as part of the budgeting workshop, students are presented with two scenarios describing the fictitious "Rodriguez" and "Garcia" families, which have unique financial goals and constraints. Students work in small groups to discuss changes that could be made to the family budget to meet their financial goals. "It leads to a really healthy discussion and unique ideas around how to compensate when making financial cutbacks. And it gets people thinking about having their own family conversation about their budget," said Duong. She also explained that the English language classes tend to include more lecturing and Q&A, as the audience is more financially savvy and tends to ask more complicated questions, relative to the Spanish language classes. However, she recognizes the challenges of generalizing across populations and said, "We get students that have limited knowledge and others that are much more sophisticated, all in the same class. It's a challenge to play to both audiences."

In addition to providing financial education, MEDA also refers clients to relevant services. MEDA compiles a list of lenders that are certified by city and state homeownership programs, and in particular, tries to provide options for reliable, bilingual loan officers for their Spanish speaking clients. Referrals are also available for real estate professionals, legal services, community resources, employment training, and other social services. In addition, MEDA works in partnership with other community organizations. MEDA clients are referred to EARN for IDA services, and EARN sends clients interested in homeownership to MEDA. Similarly, MEDA refers clients with severe or complicated credit issues to Consumer Credit Counseling Service of San Francisco.

### **Staff Training, Organizational Funding, and Program Evaluation**

Staff members that teach financial education at MEDA participate in a variety of training opportunities. All homeownership counselors complete the NeighborWorks training and also participate in supplemental training for specific topics such as credit and budgeting. Staff also participate in the FDIC's Money Smart training program to supplement the NeighborWorks homeownership training. MEDA staff members typically receive 5-8 days of professional development per year which can be used to receive more in-depth training on an ongoing basis.

MEDA receives funding through a combination of public and private funds. Local funding comes through the Mayor's Office of Housing and Office of Community Investment, while the homeownership program specifically receives a grant from the federal Department of Housing and Urban Development. In addition, MEDA receives private funding from financial institutions and foundations. The timing of the funding streams varies across sources—some grants are made on a year to year basis, making the funding less reliable, while other grants are made on a multiyear basis. One challenge in particular is the “fee for service” nature of the homeownership funding: MEDA must counsel the client first, before it can bill for the service, which creates significant challenges from a cash flow standpoint, as it must rely on other funds to sustain the program while waiting for reimbursement.

MEDA utilizes the Money Smart pre- and post-test evaluation for its financial education program, and in addition, clients fill out a survey indicating their satisfaction with various aspects of the course and report whether they learned new information or already knew about the major topics presented in the course. Clients that end up purchasing a home also complete a post-purchase questionnaire, which captures information on the type of home that was purchased and the financing that was used. MEDA also captures demographic information of participants through its client intake form, which is used to fulfill reporting requirements of various funders. One challenge in this area is the inconsistency across reporting requirements from different funders. Different funders use different forms for capturing client data (and MEDA must also maintain multiple databases) even though they may all be capturing similar data. Duong said, “It's so many databases and different forms. Clients have to fill out all these forms and they feel like they have to jump through so many hoops just to get the education. It makes me wonder, how do we streamline this process?”

### **The Need for More In-Depth Services and Education**

Duong believes that there is an ongoing need for more in-depth, individualized financial education services. “I think we need to do more to figure out what the client needs and take them through the process with a much more hands-on approach. I don't think folks are getting as much one-on-one support as they need right now,” she said. She pointed out that financial education has become somewhat of a “buzzword,” with many more organizations offering courses, but with varying degrees of quality and depth. In particular, she sees a service gap for people at the beginning stages of financial education, saying, “Everyone is doing financial education now, but not everyone is doing it the same. The types of support that are needed especially at the front-end just aren't there and people aren't going to learn budgeting from one lesson. It requires more in-depth education.” Duong also emphasized the need to provide more education around specific products, such as insurance and investment vehicles, for clients that may be more financially sophisticated.

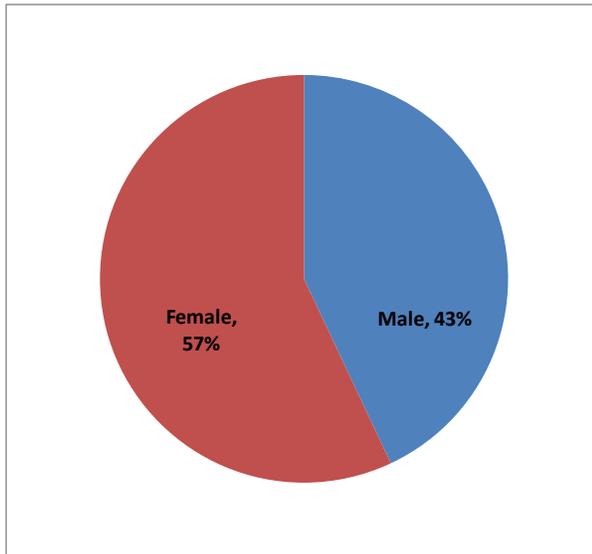
As MEDA continues to develop its financial education services, Duong is particularly interested in tapping into other services and learning how to provide education around new topics that aren't being covered currently. She is hopeful that the Financial Education Network can leverage its collective resources to increase public awareness and demand for financial education, while also building the organizational capacity to expand and improve services.

## Client Profile

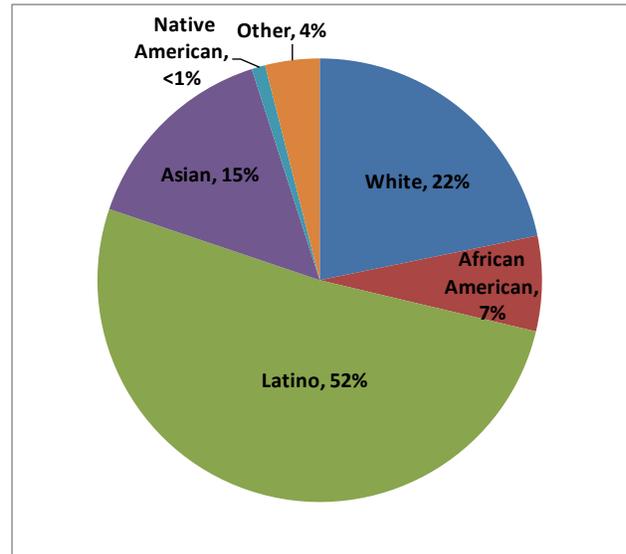
### Mission Economic Development Agency (MEDA)

**Age Range:** 20-86, with most clients concentrated around mid-late 20s to early 60s.

**Estimated gender composition:**



**Estimated racial/ethnic composition:**



**Languages other than English spoken by clients:** Spanish (primary other language used by clients), also Cantonese, Mandarin, Tagalog, Vietnamese (other languages spoken, but less than 1% of each represented by our clients)

**Immigration characteristics:** 53% of clients are immigrants

**Income characteristics:** <50%AMI (36% of clients), 50-80% AMI (40%), 80-100% AMI (14%), >100% AMI (9%). Median income is \$54,000.

**Employment status:** Mostly employed or self-employed.

**Educational background:** Client's highest level of education: Some HS (3% of clients), Completed HS/GED (16%), Some college (18%), complete college (27%), Post college (15%), Primary/Elementary (5%), Declined to state (16%)

**Banking status and experiences:** Primarily have relationships with traditional financial institutions. Some also do remittances.

**Neighborhoods where clients reside:** Mission (27%), Excelsior (12%), Bayview/Hunters Point (7%), Visitacion Valley (4%), Bernal Heights (5%), Oceanview-Merced-Ingleside (7%), Other (38%).

**Situation specific needs of clients:** Two primary goals are homeownership attainment and business creation/improvement, but clients have other needs such as credit improvement, debt reduction, savings, and better money management.

**Clients Served:** In 2008, MEDA served 1,143 households, not including co-participants



## F. San Francisco Housing Development Corporation

San Francisco Housing Development Corporation (SFHDC) is a nonprofit affordable housing developer that also fosters homeownership opportunities for low-income households. The organization was founded in 1988 and promotes stability among the city's minority communities, particularly African Americans, which have been impacted by the displacement effects of gentrification. The organization is located in the Bayview neighborhood of San Francisco, a historically industrial neighborhood with a sizeable African American population.

### **Financial Education Tied to Homebuyer Education**

SFHDC offers two courses in financial education, targeted at different populations interested in homeownership. The Financial Fitness program is an entry level, basic financial education course for individuals who are not yet financially ready to purchase a home. The program covers three basic steps to financial management and homeownership: budgeting, credit, and savings. The Financial Fitness course also teaches participants how to navigate the complexities of the financial marketplace, covering topics such as industry terminology and available programs and resources. According to Ed Donaldson, Housing Counseling Director for SFHDC, participants in the Financial Fitness course have an average credit score of 555 and earn around 60 percent of the area median income. Donaldson explained the importance of the introductory course, saying, "It's vital that they (Financial Fitness participants) have a firm grasp of what they need to do get on track financially. The class moves them toward the idea of homeownership and it's a class where they can learn the foundation of making good choices." In addition to the Financial Fitness course, SFHDC also offers a Homeownership course, targeted at individuals that are more financially stable and are actively working toward the purchase of a home, covering the more advanced financial aspects of purchasing a home, such as escrow and the mortgage process. Careem Conley, Housing Counselor at SFHDC, explained the relationship between the two courses, stating "Our goal is to bring clients through the Financial Fitness class and advance them to the homeownership class so they can realize their goal of being a homeowner in San Francisco."

### **Individualized Counseling as a Supplement to Group Education**

In addition to the Financial Fitness and Homeownership group workshops, SFHDC also offers one-on-one financial counseling to help clients work through their specific financial challenges and achieve their individual goals. Conley encourages clients to come at least once a quarter for follow-up meetings. "They need a lot of follow-up and constant support. Folks are at very different stages and we have to offer services that can meet their individual needs and help them move forward," he said. Conley sees the one-on-one counseling as a "long-term service" and establishes this expectation with clients. "We let them know from the beginning that it's a process, and it won't happen overnight. I know it's going to take some time because a lot of financial issues are rooted in human nature, and that takes time to change," explained Conley. He also pointed out that clients are much more willing to discuss their financial behaviors and situations in the one-on-one sessions, relative to the group training. While the individual counseling service requires significant staff time, Conley believes the one-on-one sessions are an integral part of educating the client. According to him, "The real work starts in those one-on-one sessions."

### **Meeting the Needs of the Local Community**

Donaldson stressed the importance of providing financial education services that fit into the context of the local community. "We didn't want to make a 'cookie cutter' program because we wanted to have an impact on people's lives. There has to be a psychological change around people's money habits and part of that is helping people understand the outside influences of consumerism, that maybe their

choices haven't been their own," he said. In particular, Donaldson sees financial and homebuyer education as key factors for strengthening the local community. "When you look at what's been happening in Bayview, with all of the new development, it's clear that asset building and this type of financial training for local residents are vitally important in serving as the mitigating factor for gentrification," said Donaldson. Redevelopment efforts that took place in the neighborhood thirty years ago pushed many African Americans out of the Bayview, and according to Donaldson, the impact of that displacement is still part of the local memory. The interest in homeownership remains strong, and SFHDC is able to attract residents to financial education opportunities through the homeownership-focused programs. Clients that complete four hours of group financial education, along with four hours of individual financial counseling, earn a certificate of completion required for qualification in homebuyer assistance programs offered through the Mayor's Office of Housing.

SFHDC developed the two-tier financial education structure (the basic Financial Fitness course and the more advanced Homeownership course) in response to local trends. "At first, we only offered the Homeownership class, but we realized there were a lot of people who weren't ready to even consider homeownership and needed very basic financial education," said Conley. He stated that many clients are facing financial barriers—many are single parents or have very high debt—and need additional support to begin getting their finances in order. According to Conley, "mortgage ready" clients in the Homeownership course can become financially ready to purchase a home within a six to nine month period while clients in the Financial Fitness class make take over a year to two years to become financially prepared. "We see progress being made over time, where the clients are able to chip away at some debt or save a little money. Even small changes make them want to do more. They feel empowered to do more and they want to start building assets," said Conley.

### **Curriculum and Program Administration**

The Financial Fitness program uses a combination of internally and externally designed lessons. Donaldson stressed that SFHDC strives to avoid the one-size-fits-all approach to financial education. "We designed part of the curriculum in-house, part of which covers the history of credit and consumerism to help folks understand why they feel compelled to spend money all the time. It's important that this community hears that message," he said. In addition, SFHDC also borrows elements from the CreditSmart curriculum offered by Freddie Mac and Donaldson explained that the CreditSmart curriculum reinforces the internally designed lessons. Conley pointed out that finding the right place and time for the course took some trial and effort, but being persistence and flexibility allowed him to best meet client needs. "It's so important to remember that people are volunteering their time to be here, and we have to respect their time. We weren't getting good attendance on Saturdays and we had to make a change," he said. SFHDC needed a community based location and reached out to staff at Providence Senior Housing, a local housing site that had an available community room. "We switched the day to Thursday and created a partnership with Providence and for the first time, attendance in the courses went up," stated Conley.

SFHDC aims to provide appropriately targeted services to its clients and guides all clients through an intake process. "When a client calls, we do a triage to determine what their needs are, and then we know how to better serve them," said Donaldson. The intake form asks clients to report household size, income, debt, savings, whether they've ever owned property, and whether they know their FICO score. Donaldson explained that this intake process allows them to have an "opening conversation" with each client, allowing them to identify specific client needs.

### **Establishing Trust with Clients**

The majority of clients participating in the Financial Fitness class are from the Bayview neighborhood and Donaldson stressed that establishing trust with local residents is vital. “There’s a trust factor because Careem and I are both from the neighborhood, we grew up here. Having that connection is so important in this community—folks know you and what you’re about. That trust has been established before they even start the first class here,” he said. Conley agreed and pointed out that clients also feel more comfortable discussing their financial situations with someone they consider trustworthy. “Trust and credibility are so important in our community. It determines how much information clients will give you from the start,” he said. In addition, trust plays a key role in SFHDC’s outreach efforts, as new clients often come by way of word of mouth referrals. “People come to a class and feel empowered when they learn to manage their finances, and they tell their friends or family to come to a class because they trust that we’ll do the same for them,” said Conley.

### **Client Satisfaction Evaluation and Funding**

SFHDC currently utilizes a brief survey to gather client feedback on the workshop itself, including information on the usefulness of the topics, the effectiveness of the instructor, as well as the overall rating and satisfaction for the course. Clients are able to elaborate on suggestions for improving the course and SFHDC periodically adjusts the program to incorporate these suggestions. “If we see a consistent theme in the evaluation, we definitely take it into consideration. Our clients are volunteering their time, so we want to make sure the class fits their needs,” said Conley.

SFHDC receives funding from the Mayor’s Office of Housing for the Homeownership and Financial Fitness services, as well as funding from a variety of financial and philanthropic organizations. According to Donaldson, many foundations have shifted their focus in the last year to target funding at foreclosure assistance because such a significant share of their work from past years is now threatened. Public funds have also become scarce in light of the economic climate and Donaldson suggested that SFHDC is considering alternative ways to increase funding sources. “We could possibly incorporate a modest fee structure for services or explore a social enterprise model. It deserves some discussion and also a level of creativity beyond just relying on the city government to fund programs,” said Donaldson.

### **Successful Strategies**

Conley utilizes a variety of strategies to motivate and help clients learn about sound money management. “One of the best ways to motivate clients is just helping them realize that they can save money. People think they can’t do it, but when you break down that budget, people see that they’re spending money unnecessarily. I look to share that information and use that as a motivator,” he said. Conley also pointed out that SFHDC pulls credit reports to educate clients about their specific credit standing. “Many people have no idea what their credit score is, and we help them understand why they should care about it. Knowledge is the ultimate motivator and change maker and once they know their score, and what they need to do to bring that score up, they’re ready to work at it,” said Conley.

### **Service Gaps**

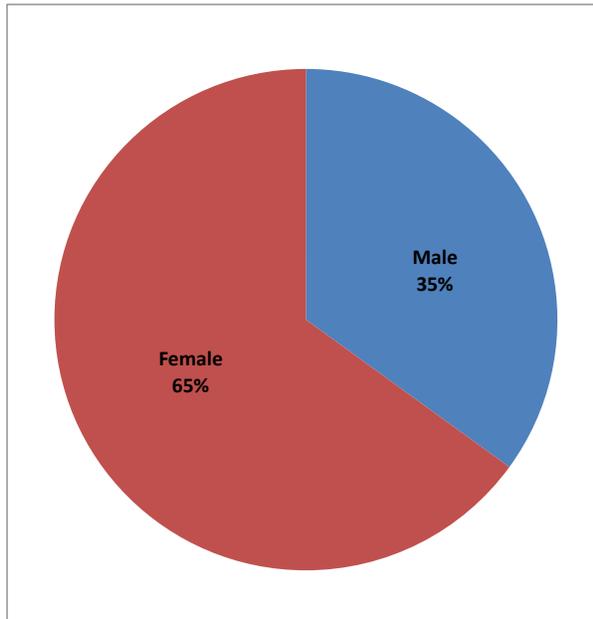
Conley sees a particular need for job readiness skills offered in combination with financial education. “People don’t have the skill set to maintain living wage jobs. They have high debt and they need to pay it off, but they can’t even pay off their expenses,” he said. He emphasized that clients at the lowest end of the economic spectrum, who may be facing significant debt, are in particular need of financial education resources.

## Client Profile

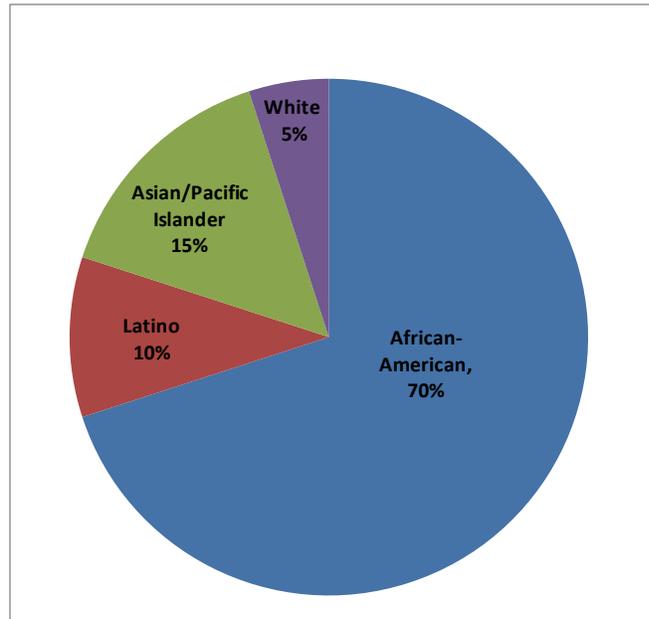
### San Francisco Housing Development Corporation (SFHDC)

Age Range: 18-55 years old.

Estimated gender composition:



Estimated racial/ethnic composition:



**Languages other than English spoken by clients:** Spanish and Tagalog

**Immigration characteristics:** 95% are U.S. citizens, 5% are immigrants

**Income characteristics:** Annual income ranges from \$0 - \$60,000, 20% to 90% of area median income

**Employment status:** 65% employed, 35% unemployed

**Educational background:** Ranges from high school, some college, some with AA or BA

**Banking status and experiences:** Some experience with checking and savings accounts. Clients have also dealt with ChexSystems.

**Neighborhoods where clients reside:** Bayview, Visitation Valley, Excelsior, Potrero Hill

**Situation specific needs of clients:** General financial education and preparation for homeownership

**Clients Served:** Approximately 100-200 clients per year.



## G. SingleStop USA

SingleStop USA is a national organization based in New York that connects low-income families with public benefits, tax credits, and critical financial counseling and legal services. SingleStop is unique in that it acts as a funder and an intermediary, partnering with community based organizations to offer SingleStop services in various locations. For example, SingleStop will provide funding to an organization to hire a dedicated SingleStop site coordinator and integrate services into the existing location. Recently, a number of SingleStop sites have been established in the Bay Area at community based locations, such as the Homeless Prenatal Program, Communities of Opportunity, and Wu Yee Children's Services. In addition, SingleStop is developing a strategy to offer services at community colleges, such as the new site on the Ocean campus of City College of San Francisco, allowing clients to easily access services in the places they know and trust. Each site coordinator conducts the comprehensive benefits screening and connects clients with appropriate services, including financial counseling.

### **The Volunteer Financial Counseling Model**

In addition to benefits screening, SingleStop clients also have access to free financial counseling with volunteers from Charles Schwab. All volunteers complete a twelve hour training course which covers credit, debt, savings, banking, and taxes. SingleStop contracts with The Financial Clinic, a New York-based organization, to offer volunteer training. Schwab handles the internal recruitment of volunteers, who commit to offering four hours of service per month for a six month term and are placed at various SingleStop sites based on their language skills, interest and background. Clients can meet one-on-one with a Schwab volunteer to review their individual financial situation and learn about the basics of personal financial management. Most counseling sessions begin with a review of the client's credit report.

According to Elena Chavez Quezada, California Program Director for SingleStop, California is the only state in which SingleStop is piloting the volunteer model for financial education. SingleStop began operating the volunteer program in October 2008 and Chavez Quezada explained, "We found that we needed more on-the-ground support. Even though we had the volunteer program, we still wanted to subcontract with a local organization that could make the services more robust." She pointed out that volunteers needed additional support in dealing with a variety of circumstances, such as scheduling conflicts or clients with highly complex financial issues. "At the end of the day, the priority is making sure the clients get the services they need and will benefit from," said Chavez Quezada. As a result, SingleStop and Schwab partnered with Mission SF Community Financial Center to manage and strengthen the volunteer program. Mission SF helps manage the logistics of matching volunteers and scheduling appointments using Org Action, an online volunteer management tool. In addition, Mission SF hired an internal financial counselor to fill in for volunteers, handle SingleStop clients with complex financial situations, and provide ongoing support to volunteer counselors. With Schwab's support, Mission SF is also hiring a Financial Counseling Program Manager to deal with the administration and management of the program, which will allow the financial counselor to focus on client and volunteer support. Mission SF is also sharing its knowledge of local financial resources to help expand and customize the curriculum to fit the local need. "The Financial Clinic provides our national curriculum so we can have a consistent foundation across states but we think it's really important to have the local angle. We want to have a local section where we can train people on the local banking products and resources," said Chavez Quezada.

In addition to the logistical demands of the volunteer model, Chavez Quezada also stressed the importance of adequately preparing and training volunteers for the financial counseling experience.

*The volunteers are coming from a very different place (than the clients). We have to be very upfront at the beginning of training to advocate that it's all about the clients they're serving. We want the volunteers to understand what it takes to get to a session and how hard that is. We're literally talking about a few extra dollars saved at the end of the month being a success, and that's a really different frame of reference for a lot of Schwab employees.*

### **Financial Needs and Interests Vary Across Sites**

The vast majority of clients need help with credit and budgeting, according to Chavez Quezada, but the needs and interests are often specific to each site. “Part of SingleStop’s model is to have different sites that reach very different communities. But that also means that the needs and approaches vary dramatically across sites,” she said. For example, at Wu Yee Children’s Services, which serves primarily Asian families, clients are often interested in more advanced financial education topics and are seeking to fulfill specific financial goals, such as saving for homeownership or a child’s education. However, despite the fact that Wu Yee clients have more advanced financial needs, Chavez Quezada explained that overall interest in the program is much lower relative to other SingleStop sites. “We’re trying to understand why the take-up was so low and remains so much lower than other sites. It’s been critical for us to be sensitive to the cultural issues and understand why certain populations are more willing than others to talk about something as intensely personal as their finances,” she said. The low response rate compelled SingleStop to take a step back and strategize with Wu Yee and its financial counseling partners about developing a more effective approach to financial counseling at this particular site. In contrast, take-up at other locations, such as the Communities of Opportunity and Homeless Prenatal Program sites, has been surprisingly high. “Many clients are in crisis and we thought they would want to focus on more immediate needs, but we’ve seen a huge demand for financial counseling services at most of our sites,” said Chavez Quezada.

### **Framing the Messages Matters**

Recognizing that interests and needs vary dramatically across populations, Chavez Quezada emphasized that the framing and presentation of financial education messages is vital. For example, clients at the Communities of Opportunity site (located in Bayview-Hunters Point) responded extremely positively to the idea of meeting with a representative from a well-known financial company. “The Schwab name has made a big difference at the site. People couldn’t believe that someone would sit down one-on-one with them and go through their finances, especially someone from Schwab,” said Chavez Quezada. She also stressed the importance of presenting financial education as a service that meets the specific needs of clients. “We can’t just say, ‘Come sign up for general benefits.’ We have to frame the education as a resource for people who are having problems with specific issues, like bad credit or identify theft. We try to pull out the specific pieces that resonate with people,” she said.

### **Program Evaluation**

SingleStop currently contracts out its basic data collection efforts to Mission SF, but as the volunteer program continues to develop at SingleStop, Chavez Quezada believes the program evaluation will become a joint effort. “At this point in our development, we’re really looking at them (Mission SF) as being more of a partner and helping us figure out what the specific metrics are and how we can evaluate this program,” she said. Evaluation focuses on two components of the program: first, measuring the success of the volunteer program and second, measuring individual client progress. Individual client progress is measured through progress forms that are completed by financial counselors after each session, tracking information and actions related to fringe outlet use, budgeting and saving, and credit repair and debt reduction. According to Chavez Quezada, measuring volunteer satisfaction is a

straightforward process of administering a volunteer survey, but the real challenge is measuring the progress among clients. “Mission SF is helping us become more sophisticated about the nuances of evaluation. Part of what John Luna (Mission SF’s internal financial counselor) is doing is following up with clients over a long period of time. The follow up is a huge challenge” said Chavez Quezada. The results of both components of the evaluation will inform SingleStop as it continues to expand its services. “The data will help us improve the effectiveness of the volunteer training and recruit more volunteers. On the client side, it’ll show where we’re having the most impact, what we can do differently, and how we can target our efforts,” she said.

### **Remaining Needs within Financial Education**

According to Chavez Quezada, there is a significant need to advance people at the lowest end of the financial spectrum. She explained that many low- and moderate-income families hear about asset building and savings products such as Individual Development Accounts (IDAs) but may not be regularly employed or financially ready to save. “There’s a huge population that needs to get ready. IDAs are at one end of the spectrum, but we have clients at the opposite end. Clients need to be able to move from one end to the other so all this work doesn’t happen in a vacuum,” said Chavez Quezada. She described this connective process as a “funnel” that supports clients with financial education services to prepare them for more advanced financial goal setting and saving.

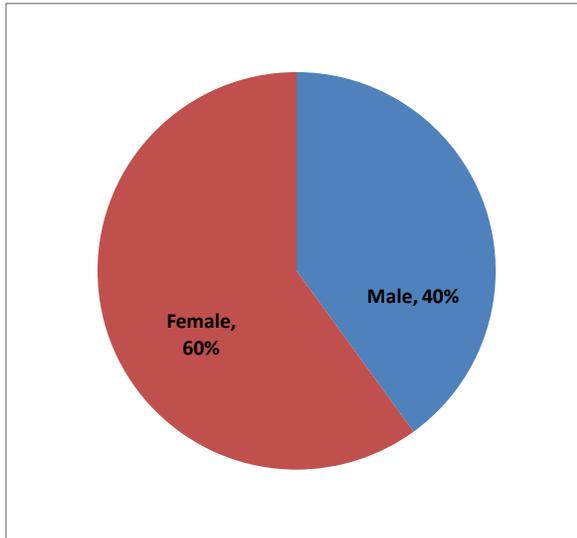
Chavez Quezada also sees a need for more legal services offered within the context of financial issues. “I think there’s a lot of intersection between financial and legal counseling, and we’re just beginning to grasp it.” She recently coordinated a meeting with SingleStop’s legal counseling provider (Bay Area Legal Aid) and its financial education provider (Mission SF) to help site coordinators understand when a financial issue may be better served as a legal issue. “I think it would be really interesting if we could grow this network (FEN) to bring in legal providers and experts in consumer law to educate financial education providers about legal issues like bankruptcy and debtors’ rights. We just don’t have that information and we’re too siloed,” she explained.

## **Client Profile**

### **Single Stop USA**

**Age Range:** 18 and above

#### **Estimated gender composition**



#### **Estimated racial/ethnic composition**

*Depends on Single Stop site*

**Languages other than English spoken by clients:** Spanish, Cantonese, Mandarin

**Immigration characteristics:** Depends on service site – many legal permanent residents at Wu Yee Children’s Center, many undocumented families at Homeless Prenatal Program and some undocumented at Compass Community Service.

**Income characteristics:** Majority below 200% of poverty.

**Employment status:** Depends on site.

**Educational background:** Depends on site, but majority not beyond high school

**Banking status and experiences:** Depends on site – most Wu Yee clients have bank accounts; most Compass clients do not. Mixed in other sites.

**Neighborhoods where clients reside:** Depends on site.

**Situation specific needs of clients:** Depends on site – Wu Yee clients interested in longer-term savings goals; Communities of Opportunity, Homeless Prenatal Program and Compass clients need help with budgeting and cleaning up credit reports

#### **Clients Served:**

Serve 400-500 clients with financial counseling.

## H. Asian Inc.

Asian Inc. is a nonprofit organization founded in 1971 that works to strengthen the development of the Asian American community by expanding opportunities and leveraging resources. The organization serves primarily low- and moderate-income Asian Americans in San Francisco in the areas of small business development and housing. On the business side, Asian Inc. provides technical assistance to emerging small businesses and administers a supplier clearinghouse that certifies minority- and woman-owned businesses to participate in contract opportunities with regulated utility providers. The organization’s housing related services include affordable housing development and property management, as well as first time homebuyer education and foreclosure prevention programs.

### **Financial Education within the Context of Homeownership**

Similar to other organizations profiled in this study, Asian Inc. is a HUD approved housing counseling agency and offers financial education services within the context of its first time homebuyer training course. The First Time Homebuyer Program was established in 1999 and provides pre- and post-purchase education. Asian Inc. is one of the five housing counseling agencies approved by the Mayor’s Office of Housing to offer a homebuyer education course that meets the requirements for qualification in the city’s purchase assistance programs. According to Nobby Cheng, Housing Counselor Director for Asian Inc., each homebuyer financial education workshop draws a large crowd, typically close to one hundred individuals. “The Asian community in San Francisco is a large population and they come here because a lot of them don’t speak English, but they want bilingual services and education,” he said. Most of the workshops are conducted in Cantonese, but the organization also offers services in Mandarin, Vietnamese, and Hmong.

The group workshop covers four main topics: (1) The basics of financial management, including saving, budgeting, and credit; (2) Understanding credit, housing affordability, and mortgage products; (3) The process of choosing and purchasing a home; and (4) The closing process and maintaining your home and mortgage. The curriculum is based on a program created by Wachovia, but Cheng explained that much of the pre-made curriculum is not culturally relevant or easily understood by Asian Inc.’s clients. “Clients come to us and don’t know where to start in buying a house. Many of them are new to the country and don’t know how the process works,” said Cheng. The five hour group workshop is supplemented with a two hour one-on-one counseling session, and the combined services fulfill the city’s homebuyer education requirement. According to Cheng, “The one-on-one counseling is the most important part of what we do. We really have to cooperate and look at it as a partnership. It’s really about teaching them the right way to save their money and manage their credit.” In addition the first time homebuyer program, Asian Inc. also offers one-on-one foreclosure counseling, which began in May 2008.

### **Addressing Cultural Issues within the Asian Community**

Some of the cultural issues prevalent within the Asian community create challenges for financial education service providers, but an improved understanding of these issues will lead to solutions. According to Cheng, many people in the Asian community have already developed the habit of saving money. “Many people learned their spending and saving habits in their home countries, where it’s part of the culture to save money. When they come here to the U.S., they know how to save money but they don’t know what to do with the money they’ve saved,” said Cheng. He said that it’s quite common for an individual to diligently save money by keeping cash in a safe deposit box. For many clients, the concept of credit is completely foreign. “Back in their home countries, they’ve made a lot of big purchases with cash, so they don’t understand why they need to buy things with credit. They come here and think they can take the cash out of their safe and use it to buy a house,” said Cheng. Thus, despite

the fact that they may have good savings habits, many Asian clients do not realize they need three trade lines of credit, which hurts their chances of being approved for a loan.

Another issue that financial education providers, particularly those offering one-on-one services, should consider is the importance of privacy for many Asian clients. Cheng explained, "It's a cultural issue. People aren't comfortable sharing their private information, especially about money. That's why so many people use safety deposit boxes, because they can handle their money in private and no one will know who they are." Cheng has encountered clients that came to Asian Inc. for help but were unwilling to share any personal information during the counseling session. "Building trust is key. We work hard to earn their trust, but if they're not willing to cooperate, it limits what we're able to do," he said. The issue of privacy is particularly relevant for foreclosure services. "Our foreclosure work has to be one-on-one. If we did a group workshop, people would be worried about being seen by someone they know, and no one would come," said Cheng.

### **Evaluation, Funding, and Referrals**

Asian Inc. administers a ten question survey after every workshop. Clients are asked which sections of the course were most helpful, what could be improved about the course, along with other questions around client satisfaction. The organization is also working with a local collaborative of homeownership counselors, known as Homeownership SF, to develop an evaluation for the one-on-one counseling service. Asian Inc. utilizes the free, web-based tracking tool Home Counselor Online, offered by Fannie Mae, and also has its own internal tracking system to measure the number of clients served, and how many clients were successful in the home buying process. Cheng acknowledged the challenges of tracking client outcomes over time. "Sometimes we can't reach them, or they won't share any information about their purchase. They don't want to tell us how much the house cost or the terms of the loan. We're trying to figure out how we can get people to share this information," said Cheng.

According to Cheng, most funding comes from lenders, as the organization receives very little public funding. Cheng said that Asian Inc. received no local government funding in 2008, but got a small amount of local funding for 2009, given the increased demand for foreclosure counseling. He expressed interest in gaining exposure to new funding sources. In terms of service referrals, Cheng explained that certain clients have needs that fall outside the scope of Asian Inc.'s services. The organization refers clients to EARN's Individual Development Accounts and also refers clients with very complex credit issues to Consumer Credit Counseling Service of San Francisco. In addition, Cheng pointed out that some clients are not ready for homeownership and are thus referred to affordable rental agencies.

### **Needs within the Asian Community**

According to Cheng, there is a need for greater youth financial education services, particularly for the children of immigrant parents. "The parents learned to save in their home countries, but I see the kids who grow up here, or go to college here, and they don't know how to save. They know how to spend using credit cards, but they don't know how to pay back the debt. The young generation really needs help," he said. He also cited the need for improved communication between the local government agencies and the Asian immigrant population. "Many clients express difficulty understanding the government programs and they come to use to help them make sense of it. The programs themselves aren't difficult, but clients have struggling to understand them on their own," said Cheng.

*(Client profile not available for Asian Inc.)*

## I. Mission SF Community Financial Center

Mission SF Community Financial Center (Mission SF CFC) is the nonprofit affiliate of Mission SF Federal Credit Union (MSF Credit Union), a community development credit union serving the greater Mission area of San Francisco. The nonprofit organization offers financial education and training to low-income and immigrant adults and youth in the community, with the goal of expanding economic opportunity and access to lower-cost financial services. Mission SF CFC receives direct funding from Patelco Credit Union, local public funds, locally based private foundations and indirect funding through the MSF Credit Union to deliver specific services.

### **Combining Financial Education with Financial Services**

As a result of its unique partnership with the MSF Credit Union, Mission SF CFC is able to closely link its financial education activities with community development financial services. Margaret Libby, Executive Director at Mission SF CFC, described the nonprofit as “a gateway to high-quality and low-cost financial services” that provides targeted outreach to unbanked adults and youth. With its emphasis on relationships and community development, MSF Credit Union is often the first point of entry for the unbanked and adults that have had issues with financial institutions in the past. This joint focus on financial education and access to affordable financial services is demonstrated through the organizations four main goals: (1) Help clients to see the high costs associated with fringe financial services, relative to alternatives such as banks and credit unions; (2) Provide financial education to youth and adults to help them take control of their personal finances; (3) Partner with groups working on policy issues related to predatory lending practices; (4) Work closely with the MSF Credit Union to create new financial products and programs with a focus on low-income individuals. “Linking financial education to opportunities to apply the skills pretty immediately is really important... It isn’t enough to just show people how to save or budget—even if they have the knowledge and skills, we have to connect them with opportunities to start doing it,” said Libby.

Mission SF CFC offers a variety of financial services to serve their target population. The organization manages the Youth Credit Union Program (YCUP), a youth-operated financial institution that offers a savings account product specifically for youth under age 18. Youth can start a fee-free account with as little as \$5, do not need parental permission to open an account, and earn three percent interest on their deposits. Mission SF CFC worked closely with Mission SF FCU to design and implement an alternative payday loan product for adults, with a six month term at 18 percent interest. When the loan is paid back, it gets reported to the credit agencies, allowing clients to build their credit while borrowing at a significantly lower cost than regular payday loans. The product offers very flexible underwriting, but financial education is mandatory for all borrowers and is provided by MSF Credit Union and by Mission SF CFC. Mission SF CFC also refers clients to other financial training and services, such as IDA programs with Juma Ventures and EARN, or resources for Latino immigrants at ALAS, Mission Asset Fund and Mission Economic Development Agency.

### **The Peer Training Model for Youth Financial Education**

Mission SF CFC utilizes a peer training model for its youth financial education program known as Youth Trainers for Economic Power (YTEP), which is in its third year of operation. Through the YTEP program, Mission SF CFC recruits a small group of high school students (there are eight trainers this year) to teach financial education to their peers. Youth trainers prepare for this task by spending eight weeks during the summer learning about public speaking, training techniques, and the specifics of the personal finance curriculum. The YTEP curriculum was created by combining and adapting various materials from internal and external sources, and as Libby explained, “A lot of the curricula out there, even the ones designed for youth, are two or three steps further along than where we’re usually starting with young

people. Another issue with much of what's out there is that most of the examples are designed for a middle class, white, young person, which won't resonate with the students we're reaching." As a result, Mission SF CFC adapted the curriculum to make it relatable to kids in an urban, low-income context. The YTEP curriculum focuses on the basics of personal finance, such as budgeting and saving, but also looks at different types of financial institutions in the community and the costs associated with them. "We come at it from a financial justice perspective, which has really resonated with the young people in this community," said Libby.

Missions SF CFC reaches out to youth service organizations in the city and organizes youth-led financial education training sessions on-site at the various community organizations. The peer training occurs in a group setting, typically anywhere from 8-20 students, and lasts one to two hours per session. In the first year, youth trainers delivered financial education in a single session, but discovered that they needed more time to cover the material and have since switched to a 2-3 session format. Libby emphasized the importance of the training model, saying, "Peer to peer delivery is really important around sensitive topics, and money and financial issues can be particularly sensitive for low-income youth." Nestor, a YTEP youth trainer, said, "When it's a teacher or adult, it's like, 'oh it's going to be boring, they don't know what's going on.' But when it's youth teaching them, they think 'hey, these guys think it's important, maybe we should think about it, maybe it is something important.'" Elsa, another youth trainer, added, "A lot of adults have stereotypes about young people, especially youth of color... They think we're not responsible or we won't take in the information, and we perceive that, so it's like, 'he (the adult) is not interested and we can tell, so why should we be interested?'"

### **Reaching Underserved Adults**

Adult financial education at Mission SF CFC fall into two categories: (1) one-on-one financial counseling and (2) group financial education workshops. Both programs are relatively new and have been in operation for roughly a year. The one-on-one financial counseling is coordinated through a partnership with Single Stop (one of the organizations profiled in this report), which matches clients with employees from Charles Schwab who have been trained as volunteer financial counselors. These volunteers are able to provide individualized financial education and guidance. In addition to the Schwab volunteers, clients also have access to Mission SF CFC's full-time financial counselor, who provides one-on-one counseling for complex or challenging situations. Libby emphasized the importance of relationship building and trust in financial counseling, stating, "If the purpose of the education is to connect that person with the financial mainstream, it's important that there's a connection made between the financial counseling session and the financial institution. The client may get the training, but they still have to walk into the financial institution and that can be an intimidating experience, so the relationship we develop is key."

The group financial education workshops typically run for two to four sessions and are organized in partnership with local community organizations, which host the trainings onsite. The workshops cover topics such as establishing and repairing credit, budgeting, benefits of having an account, benefits of saving and establishing an emergency fund and learning about different financial institutions and services. This connection to financial services proves to be an important draw. Libby provided an example from working with immigrant day laborers, saying "the real incentive was that they were going to hear from someone connected with a financial institution that was encouraging them to open an account. They may have had difficulty or bad experiences in the past, but they want to open an account and keep their money safe."

### **Framing Financial Education Messages and Making Them Relevant**

Mission SF CFC's target audience is primarily lower-income individuals of color that have limited experience with financial institutions and it makes efforts to frame financial education and personal

finance messages in a culturally relevant context. For example, as part of the YTEP program, youth participants created a short video about financial justice, revealing which neighborhoods had access to mainstream financial services (and which didn't) and showing how money flows through the local community. The youth trainers show the video during the financial education training and follow it with a discussion on community economics. Youth participants also created a tagline to promote the savings message and the youth credit union, "Gettin' that Dolla' Fo 2Moro." Libby said, "That's essentially what saving is, to have a dollar for tomorrow, but the youth response to that message will be really different than the response level to a message like, 'Learn how to save.'" She also pointed out the importance of framing and marketing messages in terms of what's important to that particular community. "Learn what their goals are and link the training to a piece of that. College was a big priority for a lot of our folks, so we link in budgeting and saving to discussions around college. You can't tell people what they need, that doesn't work—it has to come from them," she said. Another important factor in Mission SF CFC's approach to financial education is its emphasis on utilizing people from the local community to deliver financial education. "At Mission SF, we are committed to having people from the community involved in designing the curriculum, in helping shape the way sessions happen, to ensure the cultural and income relevance of the topics," Libby said.

### **Program Assessment**

The YTEP program includes a pre- and post-test evaluation to measure changes in knowledge, skills and attitudes. In addition, Mission SF CFC conducts smaller focus groups for a subset of the financial education recipients six months after they have completed the sessions. The longer-term follow up is an important part of assessing the impact of the program, as Libby said, "They're excited right after the program and say they're going to open an account or save more, but we really want to follow up and see if the education sticks with them." Mission SF CFC is also planning on introducing a "prize-linked" savings challenge component to the youth program: students set a six-month savings goal after completing the financial training and earn raffle tickets for making deposits into their savings accounts, which increase their chances of winning prizes at the end of the six month period.<sup>4</sup> The program originated out of youth-led focus groups that were held in the community to assess what topics and programs would make financial education most appealing (the youth showed great interest in incentives). Libby explained that this approach provides an immediate opportunity for the youth to apply the skills and develop the good financial habits they learned in the training. The program is still in development, but will allow Mission SF CFC to track youth savings behavior over the longer-term.

### **Service Gaps**

Libby sees a need for greater services and products for people facing significant barriers to asset building, such as severely impaired credit or excessive debt. "Further down the economic ladder, there are a lot of people who aren't quite in a position to begin building assets. If you have bad credit and lots of high cost debt, there are initial steps you need to take, but most people in these circumstances feel overwhelmed and often don't know what those steps are. We need to help those folks get ready (for asset building) through financial counseling and planning, but there aren't a lot of services and products for them." She also pointed out the need to reach undocumented immigrants, saying "There's so much hesitance and reluctance for them to participate in certain types of programs. We had a challenge getting people to sign up for IDAs because of the application process; people didn't want to disclose their information." She also sees a gap in financial services for youth. "There are youth IDAs, though it would be great to have more of them available. And as far as ongoing, engaging youth financial training, there just isn't enough of that right now.

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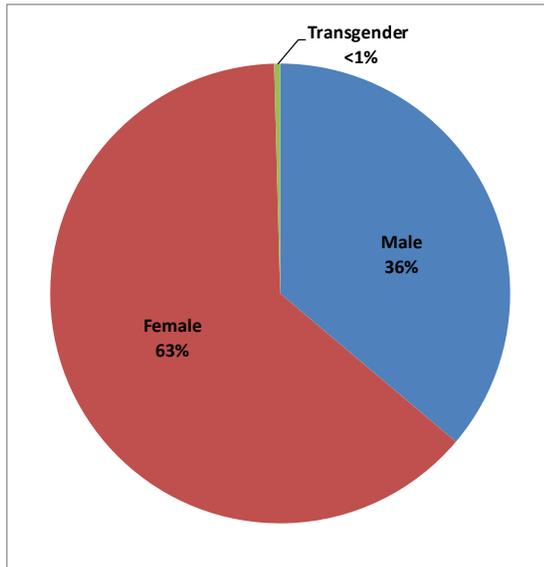
<sup>4</sup> For more on prize-linked savings, see Maynard, De Neve, and Tufano (2008). Consumer Demand for Prize-Linked Savings: A Preliminary Analysis. Harvard Business School Finance Working Paper No. 08-061.

## Client Profile

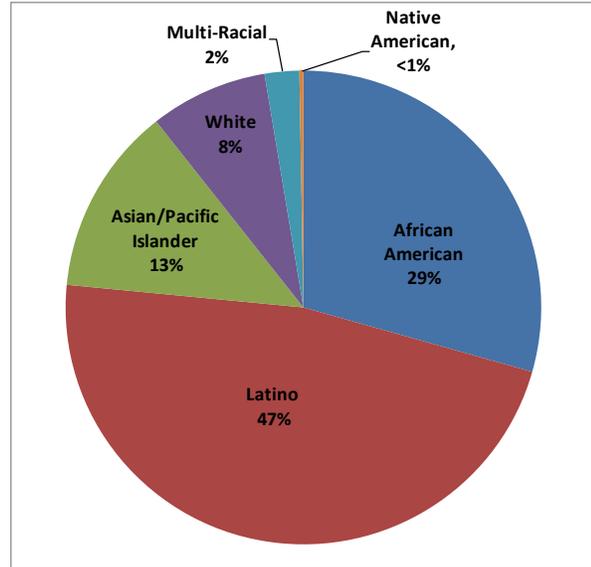
### Mission SF Community Financial Center

Age Range: 8 months to 80 years

#### Estimated gender composition:



#### Estimated racial/ethnic composition:



**Languages other than English spoken by clients:** Spanish, Cantonese, Mandarin, Tagalog, Samoan, and various African languages

**Immigration characteristics:** 87% Citizens/Permanent Residents, 13% Undocumented

**Income characteristics:** Income ranges from \$5,928 per year to \$43,500 per year. Median income of clients: \$20,992

**Employment status:** 55% employed, 35% unemployed, 10% on disability

**Educational background:** 42% did not complete high school, 21% have high school diploma or GED, 23% have some college or advanced training, 14% have a four-year degree or more

**Banking status and experiences:** Approximately 30% of our clients are unbanked and do not have checking or savings accounts. Approximately 8% of our clients use remittances

**Neighborhoods where clients reside:** Mission District, SOMA, Excelsior, Glen Park, Visitacion Valley, Bay View, Tenderloin, Chinatown, Daly City, Oakland

**Situation specific needs of clients:** Understanding what credit is, improving credit, and repairing credit. Paying bills on time, creating an emergency fund, creating a budget, learning how to save money and set savings goals, learning how to reduce debt and other expenses, learning the benefits of having a checking or savings account

**Clients Served:** Approximately 500 clients served through individual financial coaching, 720 clients in adult financial education workshops, 350 clients in youth financial education workshops. Total of roughly 1,570 clients served last year.

## Conclusion

In the current period of high unemployment and economic hardship, the need for financial education and affordable financial services is clear. At the same time, financial support for the field is limited, meaning that individual organizations are being tasked to do more with less. Given these challenges, the need for collaboration across multiple organizations is clear. While this study focuses exclusively on financial education service providers, it is clear that local government agencies, financial institutions, philanthropic organizations, community based organizations and clients are also important stakeholders in the field. This study was a first step in improving information sharing across service providers, but continued and intentional communication across all interested parties will be necessary for successful collaboration. Financial education service providers stand to benefit from participation in collaborative efforts, but more importantly, improvements to these services will help low-income individuals and families take control of their financial well being.

## Appendix I – Research Framework

1. **Organizational Information** - *This section will briefly describe the organization as a whole, in order to provide context for understanding how financial education fits into the broader scope of services provided by the organization. In addition, it will address capacity and training issues.*
  - a. Type of organization (nonprofit, faith based, government, etc)
  - b. Scope of services (for the organization as a whole)
  - c. Locations, neighborhoods served, target populations (e.g. immigrants)
  - d. Brief history of financial education efforts (how does financial education fit into the broader context of the organization? How did these services develop?)
  - e. General staff information (number of staff, how is staff time split between financial education and other services, staff/client ratios)
  - f. Staff training information (what are the training/certification requirements, how do staff prepare to teach courses? What materials do they use, any continuing education requirements?)
  
2. **Client Profile** – *This profile will describe the types of clients the organization serves*
  - a. Age range
  - b. Gender composition
  - c. Race/ethnicity
  - d. Languages spoken
  - e. Immigration status
  - f. Income, employment status
  - g. Educational background
  - h. Banking experience
  - i. Neighborhood
  - j. Situation specific (homebuyers, business owners)
  - k. How many clients served?
  
3. **Services Provided** – *This section will provide detail on the range of services provided by each organization, with a discussion around delivery, content, curriculum and outreach.*
  - a. What types of services are offered and what are the delivery mechanisms? (Classroom, one-on-one counseling, workshop, online training)
  - b. What terminology/language and definitions do you use for your programs? (Financial literacy, financial education, financial coaching?)
  - c. What are the end goals for each program? (General education, increase in credit score, home purchase, savings)
  - d. Logistics (where are courses held, how long are they, how frequent, are there fees?)
  - e. What topics are covered in each course?
  - f. What materials are you using? (Your own curriculum, patchwork, multilingual, specific to target population?)
  - g. How was the curriculum designed? What's the process for updating/adapting curriculum, how flexible is it?
  - h. What types of referral services are offered? (to other organizations, government programs)
  - i. Is there a progression of services? (what happens after they finish a course, where do clients go to continue building skills and gaining knowledge?)
  - j. What, if any, are the service gaps that you know of?

- k. What methods do you employ to effectively reach your target audience? What outreach methods do you employ?
- l. Do you use any types of incentives to encourage participation?

**4. Evaluation and Measurement** – *This section will briefly outline the evaluation process and address how the results are utilized.*

- a. Evaluation methodology? (pre-post, post-only, follow up)
- b. What metrics do you use? How were these metrics chosen? How did you design your measurement tool?
- c. How frequently do you evaluate your programs?
- d. What happens to the data? How is it analyzed and disseminated, who do you report the data to?
- e. How has the evaluation data informed/affected your work?

**5. Funding**

- a. What are your sources of funding for the organization as a whole? (public, private, national, local?)
- b. What are your sources of funding specifically for financial education?
- c. If you're able to share, how much do you get from these sources?
- d. What is the frequency of these funding streams? (One time, multiyear, other?)

**6. Additional practices** – *This discussion will highlight any additional practices an organization uses to better serve its clients and fulfill its mission.*

- a. How do you appeal to different learning styles (visual, auditory, kinesthetic)?
- b. How do you make your program relevant and practical for your target audience (so they understand the importance of what you're teaching them)
- c. What do you do to accommodate the peripheral needs of clients? (childcare, time constraints, clients with disabilities, transportation issues)
- d. How do you motivate your clients?
- e. What methods do you use to follow up with clients?
- f. How do you address cultural differences? What do you do to make your program culturally sensitive?
- g. What types of partnerships have you developed and how do they provide leverage for your financial education efforts?

## Appendix II – Resources for Financial Education Practitioners

### Expanding Financial Skills in Low-Income Communities

*A Framework for Building an Effective Financial Education Program*

Prepared by the Midas Collaborative for the Massachusetts Community & Banking Council, the Framework provides a practical guide for integrating adult education research and theory into financial education training. It includes applications, resources, and examples for trainers, as well as case studies and lessons learned from a number of financial education providers.

<http://mcbc.info/reports/bankingservices>

### Financial Literacy for Newcomers

*Weaving Immigrant Needs into Financial Education*

This study by the Lutheran Immigration and Refugee Service examines the particular challenges facing recent immigrants in accessing U.S. financial services and highlights some of their unique financial needs. It includes case studies on existing programs from five different sites and recommendations for improving financial education services for new immigrants and refugees.

<http://www.lirs.org/InfoRes/PDFs/FinancialLiteracy.pdf>

### Financial Education: A Guide to Promising Practices

The FDIC Boston Alliance for Economic Inclusion created this brief guide which documents practices and offers examples of some important ingredients for a successful financial education program. The study originally began as a review of local programs and their promising practices as reported to United Way of Massachusetts Bay and Merrimack Valley by partner agencies.

<http://financialedtoolkit.org/documents/Promising-Practices.pdf>

### Providing and Funding Financial Literacy Programs for Low-Income Adults and Youth

This *Strategy Brief* by the Finance Project presents key principles and funding sources for designing and operating financial literacy programs for low-income adults and youth. The Brief includes detailed descriptions of various financial education programs, including programs specifically for low-income adults and youth, as well as programs that combine financial literacy training with other services such as career mentoring, support for youth transitioning out of foster care, and asset building.

<http://www.financeproject.org/publications/FESfinancialliteracy.pdf>

### Elements of Effective Financial Literacy Training

This brief guide by the Enterprise Foundation offers eight key elements of effective and engaging financial literacy training, with specific examples and suggestions for asset-building programs that include individual development accounts. It also includes topic ideas for financial literacy training that can be used when conducting a needs assessment.

<http://www.practitionerresources.org/cache/documents/19330.doc>