

New York City Financial Empowerment Conference:

Showcasing Partner Innovations
in the Field

A compendium of papers from
organizations serving New Yorkers
with low incomes



Department of Consumer Affairs
Office of Financial Empowerment

Foreword

Dear Partner,

Since our inception in 2006, the New York City Department of Consumer Affairs Office of Financial Empowerment (OFE) has created and supported several innovative large-scale approaches leveraging municipal power and programming to improve the financial stability and growth of families with low incomes. From the start of this journey, OFE has looked to a broad range of partners and stakeholders across the City—from nonprofit organizations and other government agencies to financial institutions, funders, and academics—to inform and guide our work.

Beyond the City's own financial empowerment work, this compendium offers a snapshot of other work being done by our partner organizations and the innovative ways that they are helping to financially empower New Yorkers. These papers, from over 20 organizations from across the City, showcase how our partners are employing behavioral economics principles; leveraging technological tools and solutions to provide services at scale; forming cutting-edge partnerships to ensure client success; and integrating financial empowerment strategies into an impressive variety of antipoverty services. While this compendium features just some of the countless innovations that characterize New York City's financial empowerment landscape, the papers reflect some of the most compelling.

Engaging in idea-sharing is at the heart of the New York City Financial Empowerment Conference. This compendium and the day's full agenda are intended to celebrate the innovations that are already happening ... and to build upon them.

As OFE approaches our seven-year anniversary, we are proud to recognize that the financial empowerment field in New York City has never been stronger. I look forward to the innovations to come.

Amelia Erwit
Executive Director and Associate Commissioner
Department of Consumer Affairs Office of Financial Empowerment

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Leveraging Volunteer Assistance to Deliver Financial Education



Organization Name: Ariva

Organization Contact: Diana Breen, Executive Director

Abstract: Ariva built on our successful track record of delivering high-quality services to a high volume of clients through leveraging the help of trained volunteers to expand our financial education program. Per findings from an OFE brief and with support from the JPMorgan Chase Foundation and New York Cares, Ariva integrated personal financial coaching delivered by volunteers within our busy free tax preparation program, leveraging the opportune moment when clients receive the largest amounts of money they will receive all year.¹ Ariva's pilot experienced high client demand and received 100 percent client satisfaction. We plan to expand our program based on the pilot's success.

Organizational Description and Mission: Ariva is a nonprofit that has served New York City's most impoverished neighborhoods for ten years. Our mission is to empower low-wealth New Yorkers with effective tools and resources so they can make informed financial choices and achieve economic stability. Ariva's free tax preparation, financial education and asset-building programs are crucial to helping low-wealth families make ends meet, put food on the table and reach financial goals. Please visit www.ariva.org to learn more.

Description of Product or Intervention: Volunteer training and selection was intensive. Volunteers were trained on working with low-wealth populations, ensuring client confidentiality, creating household budgets, setting financial goals, building savings, basic banking, interpreting credit reports and scores, understanding terms of credit cards and other loans, establishing credit, and more. Due to the complexity of personal finance matters, volunteers were not trained on more complicated issues, and complex cases were referred to Ariva staff. Ariva volunteers must have passed the training test to be considered for coaching positions. Those invited to coach received intensive in-person training through shadowing an Ariva staff member and then delivering coaching sessions with the supervision of Ariva staff.

Marketing to clients was simple, inexpensive and time efficient. Ariva volunteers and staff made announcements in the client waiting area at the beginning of the tax preparation shifts and generated a list of clients interested in financial coaching. Individual coaching sessions lasted 30-60 minutes and were delivered before clients had their taxes prepared.

Ariva staff and volunteers strived to reach at least three "milestones" per coaching session, a number which was exceeded.² For instance, client Tomás works full-time and has a wife who lives in Mexico. When he came to Ariva for free tax preparation, he was offered personal financial coaching. In addition to helping him build a realistic budget (milestone), Ariva pulled his credit report and score and explained them (milestones). Tomás saw accounts he did not open, so Ariva coaches helped him contact credit bureaus about ID theft (milestone) and disputing debts (milestone). Tomás, a native Spanish speaker, later received a letter from Experian but didn't understand it. Ariva explained the letter and helped him collect supporting documents (milestone). Less than six weeks after Tomás came to Ariva, his credit score jumped 109 points, from 699 to 808. Tomás was thrilled when he saw this outcome!

Target Population: Ariva's financial education program is targeted to our free tax preparation clients (half of whom have less than \$10,000 in household adjusted gross income) served at Ariva's South Bronx site. Census data show that 41 percent of residents living in the Congressional district where we are based, and one of every two children, live below the poverty level.³ An OFE-commissioned study shows that 95 percent of families in the South Bronx Highbridge/Grand Concourse neighborhoods have no discretionary income, while half of the households are still unbanked and rely on costly fringe financial services.⁴

Theory of Change and Potential for Scale: Many adults have difficulty making ends meet, building assets and living debt-free. Ariva teaches low-wealth adults how to budget, save, pay down debt and more. We help them manage their finances so they can achieve stronger financial health, reach their goals and build better lives for themselves and their families. Success is measured in achieving *immediate outcomes* (i.e. increased client confidence, milestones reached, and high client satisfaction rates), *intermediate outcomes* (i.e. regular budgeting, increased assets, improved credit score, and reduced debt) and *long-term outcomes* (i.e. clients

exhibit stronger overall financial health and a reduced impact of financial shocks, parents pass down financial education to their children, and clients achieve personal goals). Ariva can easily scale up (with more resources) and most NYC organizations can replicate this model by recruiting volunteers and integrating financial education with their existing high-volume programs.

Outcome Goals: One hundred percent of our clients rated Ariva’s program as “very helpful” (93 percent) or “helpful” (7 percent). Data show that 60 percent of clients with debt decreased debt levels by an average of \$2,270 after one year. Those who improved credit scores increased scores by an average of 32 points after six months. Participants reported increased confidence in saving, budgeting, negotiating debt payments, and more. (We have not reached the six- and 12-month evaluation marks for the clients served through this pilot, though based on the upward trend of our outcomes, we anticipate the impact of our program will exceed the outcomes of previous years.)

Results/Evaluation and Challenges: Ariva measures financial behaviors at the point of participation as well as six and 12 months afterwards. We focus on critical financial indicators such as savings, accounts opened, debt levels, and credit scores.

Ariva staff and volunteers observed the following challenges in our program: 1) Volunteers require more staff support and oversight than originally anticipated to ensure quality control. Volunteers need consistent staff supervision to ensure advanced issues are handled appropriately; 2) Client demand is much higher than anticipated. We estimate we turned away 10 clients per day; 3) For some clients, even “low-cost” bank accounts may be more expensive than using money orders, especially for those required by landlords to pay rent with a money order; and 4) While most Ariva clients work, those who are unemployed find it especially difficult to save money and pay down debt, keeping them stuck in financial crisis until their job situations improve.

References:

- 1 NYC Department of Consumer Affairs Office of Financial Empowerment. 2011. Municipal Financial Empowerment: A Supervitamin for Public Programs: Strategy #1: Integrating Professional Financial Counseling. <http://www.nyc.gov/html/dca/downloads/pdf/SupervitaminReport.pdf>.
- 2 NYC Department of Consumer Affairs Office of Financial Empowerment. 2012. Municipal Financial Empowerment: A Supervitamin for Public Programs: Strategy #2: Professionalizing the Field of Financial Education and Counseling. <http://www.nyc.gov/html/dca/downloads/pdf/SupervitaminReport2.pdf>.
- 3 Half in Ten. 2012. Interactive Map: 2011 Poverty Data by Congressional District. <http://halfinten.org/issues/articles/interactive-map-2011-poverty-data-by-congressional-district/>.
- 4 NYC Department of Consumer Affairs Office of Financial Empowerment. 2010. Citywide Financial Services Study. http://www.nyc.gov/html/ofe/downloads/pdf/credit_debt_profiles.pdf.

The True Cost of Eating

Organization Name: Bedford Stuyvesant Restoration Corporation

Organization Contact: Jako Borren, Director of Program Operations
Idesta Severin, Program Manager



Abstract: Beginning in January 2014, Bedford Stuyvesant Restoration Corporation plans to deliver an interactive curriculum to a cohort of eighty consumers consisting of workshops, shopping tours at supermarkets and farmers' markets, coupon usage, smart phone apps, online media, incentives and one-on-one financial coaching with the goal to instill healthy living choices, positive attitudes towards healthy eating, while achieving a reduction in food budgets and the practice of savvy consumerism resulting in new pathways to overall financial success.

Organizational Description and Mission: Bedford Stuyvesant Restoration Corporation, the nation's first community development corporation, partners with residents and business to improve the quality of life of Central Brooklyn by fostering economic self-sufficiency, enhancing family stability and growth, promoting the arts and culture and transforming the neighborhood into a safe, vibrant place to live, work and visit. A 501(c)(3) nonprofit corporation, Restoration is a dynamic institution that creates significant, sustainable and demonstrable impact in improving the wellbeing of its constituents.

Description of Product or Intervention: As part of a pilot, we are currently developing an interactive curriculum consisting of workshops, shopping tours to supermarkets and farmers' markets, use of coupons, smart phone apps, and online media, and one-on-one coaching to serve and track four cohorts of twenty consumers each.

Intake and assessment: clients that spend over one third of their budget on food purchases will be enrolled in an upcoming workshop series on food budgeting. While participating in the workshop series, participants will meet with their Financial Counselor one-on-one at least once a month.

Workshop session 1: initial assessment and goal setting. For this particular workshop, participants will bring in their last month's grocery bill and will then be given the assignment to keep a log for a week on the contents of their refrigerator and meals consumed that week. Participants will also be surveyed on their perceptions about the cost of healthy eating.

Workshop session 2 and 3: informing and instilling awareness around the food landscape. During this phase, participants will be engaged in a discussion around the origins of food as well as food production and distribution.

Workshop session 4 and 5: tour local supermarkets, farmers' markets, health food stores, and bodegas and learn how these food outlets are organized in terms of their food display and pricing.

Capstone project: participants will work in groups and come up with one month of healthy recipes based on their budgets. The combined recipes of all groups will become part of their cohort's "Financial Cook Book" which will include financial tips and resources as well.

After the workshops, participants will continue to be surveyed at the three, six, nine, and twelve month marks on shopping and spending patterns, level of energy, engagement in physical activity, overall health, and changes in food choices.

Target Population: Our curriculum will target low-income residents of Brooklyn with a focus on Central Brooklyn. Central Brooklyn is comprised predominantly of ethnic minorities (59% of residents African-American and 21% Hispanic) and low-income families. While the median income in Central Brooklyn is \$30,159, a staggering 44% of all of the households make less than \$25,000 a year on an average monthly food budget of \$524. We have noticed a trend in low and moderate income households shopping for more unhealthy foods, especially when strapped for money.

Theory of Change and Potential for Scale:

INTERVENTION		SHORT-TERM OUTCOMES		LONG-TERM OUTCOMES
Workshops on creating budgets including healthy food choices		General budget and awareness of food spending and eating patterns		Healthier living choices, positive attitudes towards healthy eating, savvy consumerism, goal-oriented approach towards financial planning.
Tours to supermarkets, farmers' markets, bodegas, etc.		Awareness of how food outlets are organized and pricing and display methodologies		
One-on-one financial coaching		Develop and work with a personal three month budget including healthy food options		
Tools including online videos, websites, online apps, and coupons		Access to resources that help make healthy and cost effective food purchases		
Capstone project including family budget and recipes		Practical skills in planning a cost effective and healthy family menu		

Once the effectiveness of this theory of change has been demonstrated by the pilot, the curriculum can be applied in other areas as well, because the necessary tools and resources already exist across New York City.

Outcome Goals: (1) Change in healthy living choices: measured by pre/post-surveying on shopping lists, level of energy, engagement in physical activity, and overall health; (2) Change perceptions of the cost of healthier eating: measured through pre- and post-survey inquiring about changes in food choices; (3) Effectively reduce the total cost of overall food budget: measured as the difference in spending on food at three, six, nine, and twelve month markers; and (4) Instill savvy consumerism: analyze spending patterns with tools such as coupons, Health Bucks, online apps, variety of shopping outlets such as farmers' markets, corner stores, food carts, etc.

Results/Evaluation and Challenges: Is it possible to influence healthier life styles through financial coaching? Tracking of participants and their shopping behavior are the primary input for answering this primary research question. Various assessment tools, such as surveys, attitudinal indices, focus groups, observations, and household budgets will be implemented in collaboration with the NYC Food & Fitness Partnership.

Changes in attitudes and behavior are expected to take place over a period longer than six months. We anticipate that continuous engagement of participants for at least one year might be a challenge. Customer service and relationship development will be key. Success of the pilot will depend on strategic partnerships and collaborations with various food outlets. The challenge lies in minimizing business perception of the intervention having negative impact on their bottom line. Initiatives to engage and educate businesses need to be in place early on.

References:

- 1 2011, "Cut the Junk-A guide to making healthier food choices", Human Resources Administration of New York City, Pocket Brochure, Print
- 2 2012, "Healthy Eating Neighborhood Resources", Guide: BedStuy, Health & Human Hygiene, Poster
- 3 2012, "Good Food on a Tight Budget", Environmental Working Group, <http://www.ewg.org/goodfood/index.php>, pdf doc
- 4 2012, "Eat Right When Money's Tight Tip Sheet, SNAP to Health, <http://www.snapttohealth.org/snap/for-snap-users/>, online

Empowering Entrepreneurs Through Credit and Cash Flow Training



Organization Name: Business Outreach Center (BOC) Network

Organization Contact: Amy Feldman, Director of Programs

Abstract: Through BOC Network’s extensive experience in providing one-on-one counseling to our clients, who seek to start, maintain or grow businesses, as well as the results of our workshops and advanced training programs, we have consistently observed two financial education topics that resonate most. These two topics, which result in immediate response, empowerment and the impetus for behavior change are: understanding how to build, maintain or repair their credit profile; and understanding how to manage their cash flow.

The empowerment that results from embracing the combined knowledge of these two topics is significant. By combining an individual’s understanding of establishing, improving or managing one’s debts, payments and obligations with the understanding of revenues, fixed and variable expenses, and how they all relate to timing, cash in-flows and outflows, profits and income-smoothing takes financial empowerment to a new level.

Organizational Description and Mission: Business Outreach Center Network’s mission is to improve the economic prospects of traditionally underserved groups with a focus on low- and moderate-income entrepreneurs and their communities, and thereby create genuinely brighter futures.

At the heart of our mission is the belief that whatever their differences, people and communities share a common goal: to achieve economic stability and growth. Working in partnership with culturally diverse individuals and organizations for over 17 years in support of this shared goal is the hallmark of BOC.

Description of Product or Intervention: We will focus on clients who have participated in BOC Network’s Child Care Business Development Program. This program provides a 60-hour, 13-week classroom training that is designed to help lower-income women in NYC start or grow licensed, home-based child care businesses that provide a living wage, stable employment, and high quality child care services. The program offers six multi-lesson training modules in “Success Planning,” “Marketing,” “Finance,” “Early Childhood Development,” “Business Operations,” and “Nutrition.”

The third lesson offered in the “Success Planning” module focuses on each participant’s relationship with money, an overview of personal expenses including a discussion of assets and liabilities, and a discussion of credit. During this module we offer each participant in the program the opportunity to receive a soft-pull of his or her credit report. Our trainers provide a broad overview of credit reports in the classroom setting, and also engage in one-on-one reviews with individual participants who may have questions, concerns or require assistance with their personal credit report as needed. The majority of participants display great interest in understanding how a credit report is analyzed and typically at least half of the class request a soft pull.

During the “Finance” module of the program, four lessons focus on finance covering the following topics: business vs. personal expenses vs. shared expenses; start-up and expansion costs; one-time costs, operational costs (monthly and annual), pricing, cash flow, cash flow projections, projections vs. actuals, and assumptions.

The finance section of the class focuses on cash flow for two full classes. During the cash flow section all of the participants engage in a highly interactive learning experience during which everyone in the class puts together a cash flow statement for her own child care business. Then all weigh in as a group on the in-class creation of a six-month cash flow statement for “Mrs. X’s” child care business. The cash flow classes are consistently acknowledged by BOC’s child care participants as some of the most practical and actionable information shared during the program, producing some of the most memorable “Aha” moments as everyone takes ownership of the cash flow development process and assists each other to understand its nuances.

Target Population: BOC Network’s target population for the Child Care Business Development program is primarily low-income minority or immigrant women residing in underserved neighborhoods throughout NYC,

particularly in Brooklyn, Queens, Upper Manhattan and the Bronx. Approximately 150 individuals enroll in this program annually, of which 94% are women and 90% are minorities.

Theory of Change and Potential for Scale: As BOC Network's mission is focused on helping primarily minority and immigrant microentrepreneurs and small business owners start or grow their enterprises, we typically approach these topics from a business perspective and seek to provide these entrepreneurs with the financial knowledge, resources and tools that will help them succeed. Additionally, we routinely observe that individuals who embrace the concepts of managing their credit and cash flow carefully on a personal level are empowered by this knowledge as well. Therefore the potential to impact the lives of these individuals, from a personal as well as an entrepreneurial level is significant, and we are already seeing the multiplier effect that this training has on our clients as they share it with their family members and other members of their community.

Outcome Goals: Our outcome goals are to assist individuals to achieve economic self-sufficiency by providing them with the practical financial knowledge, skills and tools they need to manage and grow their licensed, home-based child care businesses successfully. We enrolled approximately 150 individuals in our child care program last year and expect to serve a similar number going forward.

Results/Evaluation and Challenges: We have a number of opportunities to evaluate and analyze the results of our work with our child care program participants, as we are committed to engaging in routine 6-month follow-ups with each of the participants in this program for at least 36 months following their enrollment in the class. During these follow-up conversations we have the opportunity to capture increases or decreases in revenues, and business expansion or business challenges. For those participants who requested soft pulls, we also have the opportunity to engage in follow-up soft pulls after 6 months to assess any changes in how these individuals are managing their credit, and how we can assist them in that regard if needed.

Capacity Building Initiative



Organization Name: Center for Employment Opportunities

Organization Contact: Gabrielle Breslow, Director of Financial Planning and Strategy
Ria Baird, Financial Counselor

Abstract: In “Municipal Financial Empowerment: A Supervitamin for Public Programs,” the New York City Office of Financial Empowerment (OFE) described a multiplier effect on social service outcomes when agencies deliver financial empowerment counseling in concert with traditional programming.¹ Based on this concept, the Center for Employment Opportunities (CEO) implemented a program to embed financial empowerment counseling into job retention services, bolstering overall workforce development outcomes and laying the groundwork for long-lasting financial and personal stability among its participants.

Organizational Description and Mission: For over 30 years, the Center for Employment Opportunities (CEO) has offered immediate, effective and comprehensive employment services exclusively to individuals with criminal records. CEO’s programs help participants gain the workplace skills and confidence needed for a successful transition to a stable, productive life. CEO’s vision is that anyone with a recent criminal history who wants to work has the preparation and support needed to find a job and stay connected to the labor force.

Description of Product or Intervention: CEO’s evidence-based employment reentry model includes a combination of job readiness training, transitional work, and job development services. For one year after participants are placed into an unsubsidized job in the community, they receive a full suite of job retention services. CEO retention specialists become part of the participants’ communities, visiting them monthly in their workplaces or in neighborhood coffee shops to see how they are doing at work, helping them solve any issues, and encouraging them as they plan for a career. If participants lose their jobs, are laid off, or wish to pursue work that fits more closely with their developing skills, CEO helps them find new employment. Additionally, an incentive-based program, Rapid Rewards, provides monthly payments to participants who attain specified job retention milestones.

For the Capacity Building Initiative, CEO assigned two retention specialists to complete a two week financial counseling course at the City University of New York. Following course completion, the retention specialists began integrating financial counseling into their daily work. During regular employment check-ins, the retention specialists conducted financial health assessments to understand participants’ current economic situation and to set financial goals. Goals include becoming banked, increasing savings, improving credit, and/or decreasing debt.

After the initial goal-setting meeting, the retention specialists help participants track their progress towards their financial goals. These check-in meetings occur in the field, offering retention specialists the opportunity to support participants in proactive ways, including accompanying them on bank visits to help them navigate the multitude of options, forms, and jargon that might be intimidating to an inexperienced bank customer. In addition, Rapid Rewards provides a small amount of “extra” funds, which participants and retention specialists strategize about using to spark savings or pay down debt.

Target Population: CEO works with an economically challenged population—men and women with little education or work history and the burden of at least one criminal conviction. The organization enrolls approximately 2,000 participants in New York City every year.

Theory of Change and Potential for Scale: In conceiving the Capacity Building Initiative, CEO believed that ongoing retention sessions would provide an ideal setting for financial counseling. Retention marks a time when participants have overcome the stress of finding an initial job and have established a level of trust with CEO. By embedding financial counseling into post-placement services, CEO hypothesized that individuals would be more likely to focus on creating an economic safety net for themselves and their families.

As the program enters its second year, CEO plans to train all retention specialists to deliver financial counseling services. In addition, CEO operates offices in nine jurisdictions outside of New York City. Based on the success of the New York City program, CEO is assessing the value of embedding financial counseling into retention services enterprise-wide. To date, CEO’s Oakland office has received funding to implement a similar program.

Outcome Goals: To understand the effects of the program, CEO is working with OFE to gather and analyze data on banking, credit, and debt outcomes. In addition, CEO has identified a control group of participants assigned to the caseload of retention specialists who did not receive financial counseling training. Comparing the control group to the intervention group, OFE will help CEO learn whether financial counseling helped improve employment outcomes, including job retention and higher wages.

Results/Evaluation and Challenges: CEO started enrolling participants in November 2012 and, as of June 2013, has conducted financial health assessments with 70 participants. The Capacity Building Initiative program has been well-received by staff and participants alike. Banking outcomes have proven to be the easiest for retention specialists to tackle and escorted bank visits have been an especially successful tactic for bridging individuals' anxiety over opening an account. Establishing and building credit scores have proven to be the greatest challenge. Many participants experienced identity theft while incarcerated and their patchy residence histories make sourcing credit reports difficult. Retention specialists have also voiced a lack of confidence in addressing the financial needs of some participants with particularly complex situations, such as severe debt. There has been a steep learning curve as retention specialists have figured out how to deliver financial counseling services within an agency that does not possess deep organizational knowledge of the subject.

References:

- 1 NYC Department of Consumer Affairs, Office of Financial Empowerment. (2012). Municipal Financial Empowerment: A Supervitamin for Public Programs. Retrieved from <http://www.nyc.gov/html/dca/downloads/pdf/SupervitaminReport.pdf>

CAS College Savers



CAS College Savers
Build your future

Organization Name: The Children's Aid Society

Organization Contact: Richard R. Buery, Jr., President & CEO

Abstract: CAS has designed and is implementing a set of key strategies and innovations to help children, families and communities we serve reach their greatest potential and achieve lasting success and stability. Integrating savings mobilization into our comprehensive network of services will forge a true cradle through college pipeline in four target service neighborhoods (Harlem, Washington Heights, the South Bronx and northern Staten Island) where high poverty rates co-exist with abysmal high school graduation and college matriculation rates. CAS College Savers will feature developmentally-appropriate college readiness programming, financial education for children and parents, and an incentivized student savings plan.

Organizational Description and Mission: Celebrating our 160th year of service to NYC's low-income, at-promise children and their families, we focus our resources and interventions to more intentionally address the educational success of poor children. Committed to helping children in poverty succeed, we believe all young people can achieve at high levels if provided early and consistent access to a high quality education, supported by the coordinated efforts of adults around them.

Description of Product or Intervention: In 2012, The Children's Aid Society (CAS) received a planning grant to develop a College Savings Plan Initiative. With generous support we have been orchestrating and leveraging our internal resources and expertise, while also building new knowledge and competencies to support the design and launch of a comprehensive Cradle through College Initiative. Accomplishments to date include: thorough research review; in-depth advisement and strategy sessions with ideas42 (a consultant on this grant); informational meetings and interviews with key drivers in the children's savings, individual development account, and family asset building domains; and program design and tactical planning sessions with a cross-section of CAS professional staff. Children's Aid is now preparing to launch a behaviorally-informed, financial education-supported, incentivized student savings pilot program for 100 low-income children and their parents in the 2013/2014 school year.

Partnering with a local financial institution, we will integrate a college savings product into our existing and emerging programmatic efforts to move more children in poverty to and through college. In connection with the integration of a college savings product and platform to support 100 savers, CAS program staff will be trained to deliver and/or oversee the work of educators charged with delivering approved financial literacy curricula to children and parents at select Children's Aid sites. CAS will train staff to engage in targeted outreach strategies designed to successfully enroll 100 CAS youth in a savings plan, and to encourage and spur parent participation in an incentivized college savings program. CAS' back-office capabilities will be increased in connection with the structuring, maintenance and reporting associated with operating an incentivized savings program. CAS' Development Office will build new capacity to engage donors in a college savings mobilization initiative and in working with external partners to build interest and investment in our student savings plans.

Target Population: Serving an estimated 70,000 individuals annually, CAS has anchored our services in neighborhoods with high poverty rates as defined by Census data, neighborhood scans conducted by New York City government agencies, and research conducted by local and national organizations (Children's Defense Fund, Community Service Society). The pilot of 100 savers will be comprised of 60 young people in our Children's Aid Society College Prep Charter School and 40 adolescents in our African American Male Initiative.

Theory of Change and Potential for Scale: In the United States of America, graduating from college is the surest path out of poverty. Research shows 82% of children whose parents have less than a high school diploma live in low-income families.¹ To improve long-term outcomes for the children in our care, CAS engaged in a Theory of Change process, *Keeping the Promise*, to support and guide the strategic realignment of our existing resources and introduce a new set of thoughtful interventions to help children realize the American dream. We aspire to see all children we serve graduate from college by: 1) Focusing our efforts in targeted NYC neighborhoods (South Bronx, Harlem, Washington Heights, and northern Staten Island); 2) Reinforcing the significance of education, with the end-goal of college success, as the key to securing a future out of poverty; and 3) Ensuring through long-term case management and Life Coaching that children never experience any gaps in support.

Outcome Goals: CAS will enroll a cohort of 100 youth in a financial product, paired with an incentivized savings strategy to spur deposits and other positive financial behaviors by children and their caregivers. This effort will bolster CAS' goal to get more youth in poverty to and through college, while also building intra-organizational learning and cross-sector field-sharing around the family asset development domain. CAS will explore how an incentivized student savings plan can help drive positive outcomes for youth confronted with multiple, elevated risk factors, and who are already receiving intensive life coaching supports.

Results/Evaluation and Challenges: Children's Aid is currently designing a scorecard that will evaluate the effects of our college savings program pilot. It will measure participation rates for program enrollment, attendance in financial literacy workshops and savings mobilization in the 2013/2014 school year. Our findings will shape the way we design future years' programs. It is imperative to create a model that is reflective of established best practices to prepare children for college success, educates children and parents about positive financial practices, and connects low-wealth families to asset-building programs. Behavioral research points to a number of psychological barriers to saving and college completion. These are troublesome to low income families, driven by the instability and lack of financial slack they suffer. Committed to helping low-income, systems-involved children develop the skills, competencies and behaviors required to make a healthy and successful transition into adulthood, we welcome the knowledge of partners to achieve scalability and sustainability.

References:

- 1 Koball, H., Chau, M., & Douglas-Hall, A. (2006). Parents' Low Education Leads to Low Income, Despite Full-Time Employment. New York, NY: National Center for Children in Poverty, Mailman School of Public Health, Columbia University.

Parents University



Organization Name: The Coalition for Debtor Education

Organization Contact: Carol O'Rourke, Executive Director

Abstract: To supplement a 2nd grade financial education pilot, the Coalition for Debtor Education (CDE) created a Parents University class to coach parents on how to continue the lessons at home. The parallel class for the parents shares what their children are learning at school and provides specific activities to reinforce the lessons. In the process, we have the opportunity to converse with young parents about managing their own family finances, and answer questions they have about credit, debt, and other topics that arise in the context of the class.

Organizational Description and Mission: CDE's mission is to assist consumers, particularly vulnerable populations, to understand and improve their ability to manage their financial affairs. Teaching financial education is the core of CDE's work. CDE takes a behavioral finance approach to teaching individuals, highlighting best practices for teen and adult pedagogy, and raising awareness of the psychological and emotional aspects of money. CDE maintains a reputation for high-quality and objective financial education, while making the presentations engaging and fun.

Description of Product or Intervention: At a Saturday session, we presented an overview of the financial topics the children were learning and played a sample of the videos for the parents. Topics included setting goals, saving, spending, and banking. This parents' session centered on a discussion of specific activities that they could initiate to reinforce the learning at home. We employed a PowerPoint, a handout with activity sheets to use with their children, and links to access the video series online.

Target Population: Parents University targets young, low-income parents of charter school students. The parents of 7-year-olds are young themselves; they may not have received adequate guidance about personal money matters or have the skills or knowledge to manage a family budget. Our idea is that we are training the parents as we provide the tools for them to then train their children.

Theory of Change and Potential for Scale: Research indicates that children learn lessons about money primarily at home, yet young low-income parents might not have the time or interest to attend a financial education class. Because this is linked to their children's school work, they may be more likely to participate in this session. Providing very specific but easy and practical activities outside of school will enhance the children's learning and retention. This program also provides an additional reason for parents to engage in conversations with their children about topics like earning money or waiting before you buy something, further boosting the learning capacity of the young children.

This program is easily scalable. The grade school lesson plans and companion Parents University workshop (PowerPoint, notes, videos, handouts and online resources) can be packaged and distributed to interested teachers through the Coalition and more broadly through the Council for Financial Education and other organizations that provide financial education resources for public, charter and private school teachers.

Outcome Goals: Young parents are often not financially savvy, yet they are faced with the rising expenses that come with raising a family. The goal is to educate the parents while showing them how to educate their children. Each concept includes recommended activities to teach a skill: setting goals, banking and saving, being a smart shopper, and budgeting. Ultimately, specific outcomes could include a savings goal and a savings account for each child, and also positive improvements in the parents' own personal financial behavior, such as using a budget, opening checking and savings accounts and managing credit.

Results/Evaluation and Challenges: Following the pilot, the teachers plan to conduct two more phases of the financial education curriculum for the same children: in the fall and then again in spring, 2014. The teachers will evaluate the students' progress. Several months after the session, the Coalition will survey parents to assess whether they employed activities to reinforce the children's lessons about budgeting, saving and banking, and also to detect improvements in knowledge level and changes in attitudes about money as a result of these activities.

The short-term challenge is to engage as many parents as possible to attend the session, and to participate in the suggested activities with their children following the session. The longer-term challenge is to observe and document positive improvements in the parents' own personal financial behavior, such as using a budget, opening a savings account and managing credit. The follow-up surveys may provide indications of any changes.

Financial Coaching Corps “Building Pathways to Economic Security”



Organization Name: Community Service Society of New York

Organization Contact: Reyes Irizarry, Project Director

Abstract: The Financial Coaching Corps (FCC) addresses the need for financial education in impoverished urban areas, where lack of conventional banking services encourages use of sub-prime lenders, check-cashing systems, and other high-risk practices. The program comprises a rigorous training program for older adult volunteers who are placed in community-based agencies to assist clients with budgeting, saving, debt management, credit repair, and asset building. Through one-on-one sessions, the coaches provide clients with the knowledge and skills needed to build confidence in money management and promote future security. Presently, there are 29 financial coaches and 24 partner sites in the program.

Organizational Description and Mission: The FCC Program is part of the Financial Advocacy Program of the Retired and Senior Volunteer Program (RSVP) at Community Service Society of New York. The goal of the program is to work one-on-one with financially vulnerable clients to develop the requisite skills and behaviors to ensure financial success and a better economic future. The program is supervised and monitored by the Project Director, Reyes Irizarry and the Financial Advocacy Specialist, Courtney Davis.

Description of Product or Intervention: Financial Coaches provide services to low-income individuals and families who are facing severe credit and debt issues. Coaches work with clients on addressing an immediate financial concern and engage them in developing positive financial skills in the areas of asset building, budgeting, savings, credit repair and debt management. Coaches access and review free credit reports for clients to assess and prioritize personal finance needs. Through the coaching process, clients develop an increased level of confidence in managing their personal finances and enjoy greater financial security. The FCC program is aligned with the OFE’s “Supervitamin” initiative of integrating financial education and asset building strategies into agencies that provide services to low wage earners and families. The core elements of the FCC include: **Recruitment of Older Adults** – Coaching volunteers are highly qualified from a variety of backgrounds including finance, banking, education, and social work; **High Quality Training** – All coaches complete a 30 hour training program with a focus on the content and process of financial coaching. FCC partners with New Economy Project in the training of new coaches. The Coaches Training Manual is provided to all coaches; **Partnerships with Community-Based Organizations** – Financial coaches are placed in partner sites and provide free one-on-one services to agency clients. Financial coaching complements and enhances the many services provided by the agencies; **Cost Effectiveness** – The FCC volunteer model adds value to the services provided by partner sites without increasing programmatic costs, by providing free coaching services; **On-going Support and Technical Assistance** – FCC staff provide support to coaches by scheduling regular site visits and meeting with coaches as needed. Monthly continuing education workshops are scheduled to improve and expand financial coaching skills; **Data Collection and Monitoring** – FCC coaches utilize the Efforts to Outcomes (ETO) database to summarize client demographic information, coaching activities and client outcomes.

Target Population: The target population of the Financial Coaching Corps is low income individuals and families. There are no limitations on clients accepted into the program. In 2012, 71% of our clients were unemployed; 78% earned \$10,000 or less, 86% were Black and/or Latino, and 65% lived in public or transitional housing. Most clients are experiencing extensive debt and credit problems. Many are involved in programs, such as job training, with the goal of improving their current situation.

Theory of Change and Potential for Scale: The program’s model of placing well-trained volunteer coaches in community-based agencies to meet urgent community needs is cost-effective, replicable, and sustainable. The potential for scale is through the successful mobilization of older adult volunteers, many of whom are Baby Boomers looking for a challenging volunteer assignment that equals their former professional work experience. CSS has significant experience in training and placing volunteers to address social needs through its nationally acclaimed Retired & Senior Volunteer Program (RSVP), and has proven that older adult volunteers are an important resource in developing programs to fight poverty. By imbedding financial coaching into partner organizations, the FCC reaches individuals who likely would not seek out counseling. In 2012, PolicyLab Consulting conducted an evaluation of the FCC program describing it as being in line with

current thinking on how to scale up coaching because of the program's ability to reach a large number of clients.

Outcome Goals: In 2012, 27 financial coaches served 701 clients in 23 sites. Coaches assisted clients in improving their credit by accessing, reviewing and correcting credit reports, contacting debt collectors and challenging court judgments. The following is a summary of client outcomes: coaches assisted 60% of clients in accessing and reviewing credit reports; 50% of clients with credit repair strategies; 30% of clients with establishing a credit history; 65% of clients with credit and debt issues; 28% of clients with money management and budgeting, 20% of clients with banking issues; and 6% of clients with screening for public benefit eligibility.

Results/Evaluation and Challenges: In 2012, the FCC contracted with PolicyLab Consulting to conduct an evaluation of the program model. A consultant reviewed all aspects of our program, visited sites, interviewed coaches and site supervisors, attended a training session, met with FCC staff and reviewed the Coaches Training Manual. Among the findings, the consultant concluded that the FCC stands out for its comprehensiveness, especially in working with volunteers, and the program succeeds in reaching out to a high volume of financially vulnerable clients by partnering with external organizations. The FCC is implementing an online Retrospective Pre-test to assess the degree of knowledge prior to and after a coaching session. The most pressing challenge for the FCC is establishing longer-term relationships with clients. FCC clients in general are burdened with a number of pressing personal issues which prevent them from devoting the requisite time to address and resolve their personal finance issues.

References:

PolicyLab Consulting – Financial Coaching Corps – Final Considerations and Recommendations (2012)

The Center for Women and Families

Organization Name: FECS Health & Human Services

Organization Contact: Kathy Rosenthal, Senior Vice President,
Family Services and Long Island Regional Operations



Abstract: FECS Health & Human Services' *Center for Women and Families* (CWF) financially empowers domestic violence (DV) survivors and their families, enabling them to maintain their safety and achieve self-sufficiency. CWF's focus on financial literacy, employment and self-sufficiency is unique among DV programs, which mainly focus on crisis response, safety planning and counseling, and often don't have the resources or expertise to provide financial empowerment services that are critical to DV survivors' ability to stay safe and attain economic independence. FECS provides these services at the CWF and on-site at other organizations where families are seeking shelter and additional services.

Organizational Description and Mission: FECS, one of the nation's largest and most diversified health and human services organizations, brings together the best resources and people to help individuals achieve greater personal and economic independence. FECS' network of compassionate and innovative programs in health/disabilities, home care, housing, employment/workforce, education, youth and family services, coordinate care and assistance to more than 10,000 people each day, over 100,000 people a year—inspiring individuals and families and strengthening communities.

Description of Product or Intervention: Financial independence is essential to the long-term self-sufficiency of DV survivors. CWF's approach recognizes the critical role that employment and financial well-being play in DV survivors' lives, and distinguishes FECS from many other domestic violence programs, which focus primarily on crisis response, safety planning and counseling. On a daily basis, CWF staff work with new and existing clients to navigate through crises and regain stability. Once the crisis is under control, longer-term strategies toward goals of becoming permanently safe and self-sufficient can be implemented and refined. CWF assists 400 survivors annually with the following range of services:

- Crisis intervention;
- Safety planning;
- Individual, group and family counseling;
- Career readiness, employment and financial literacy services;
- Case management;
- Client, program and policy advocacy;
- Direct linkage to legal services through the New York Legal Assistance Group (NYLAG); and
- Outreach, community education and professional training.

We provide comprehensive assessment, sector-driven job development, and job retention strategies in order to rapidly place clients into long-term employment. Our holistic program plan includes comprehensive employment services delivered both at the CWF and on-site at shelters, housing sites and, beginning this fall, at NYC Family Justice Centers in Manhattan and the Bronx. FECS is particularly well-positioned to provide these services due to its nearly 80 year history of providing career services to individuals in need. Through a long history of partnerships with businesses, community-based organizations and government, we have designed, implemented and managed a wide range of innovative employment and workforce development programs. Drawing on FECS' relationships with hundreds of employers of all sizes, CWF staff can rapidly connect clients to positions at various levels within in-demand occupations. FECS has also been working in close partnership with The Financial Clinic, which has provided CWF staff with extensive financial literacy training and resources that support our work helping domestic violence survivors learn about savings, credit and other critical elements to achieving financial security.

Target Population: Virtually all of the individuals served by the CWF are struggling with financial issues. Nearly 92% of the more than 100 clients provided employment services by CWF in the last year were unemployed. A majority of CWF clients are immigrants who are working toward obtaining work authorization. Until this lengthy process is completed, opportunities to earn a steady income that pays a living wage are extremely limited. To address these needs, the CWF emphasizes financial empowerment, integrating employment preparation, workforce development and financial literacy services with a range of wrap-around services to support victims on the path to self-sufficiency.

Theory of Change and Potential for Scale: CWF's approach is guided by an understanding that while the immediate safety and security of DV survivors are always of urgent concern, the only way to ensure their long-term success and stability is through economic empowerment. Without economic self-sufficiency, including financial literacy and obtaining employment that pays a living wage, any short-term gains in safety and housing would always remain in jeopardy, putting them and their children at-risk.

CWF is easily replicable and we have already begun scaling up the model. This past year, with support from Robin Hood Foundation and NYC HRA, CWF has expanded its programs to bring its employment and financial literacy expertise and services on-site to domestic violence shelters. Furthermore, CWF has been selected to deliver its targeted financial empowerment services at NYC Family Justice Centers in Manhattan and the Bronx, increasing the impact of the program.

Outcome Goals: CWF's provides a targeted array of wrap-around services that empower DV survivors and their children that result in the following outcomes:

- Secure clients' physical safety and obtain legal assistance.
- Improve the emotional and psychological well-being of clients and their children through one-on-one, group and family counseling.
- Assist clients in obtaining benefits, entitlements, access to needed services, stable housing, and more.
- Assist DV survivors' in obtaining employment and achieving self-sufficiency.

Results/Evaluation and Challenges: CWF's innovative approach to addressing the needs of domestic violence survivors has resulted in the following successful and meaningful outcomes:

- In the last two years, nearly 150 survivors have obtained employment through CWF.
- More than 250 individuals have experienced improvement in their emotional, psychosocial well-being (measured by evidence-based tools that track depression, anxiety and PTSD symptoms).
- More than 300 received critical legal services helping them obtain orders of protection, divorce, child custody, and immigration status.

Housing stability is one of the greatest challenges when supporting DV survivors along a path to self-sufficiency. Affordable and safe housing in New York City and surrounding areas is scarce and difficult to access, and few resources for housing subsidies are available.

The Virtual VITA Program

Organization Name: Food Bank For New York City

Organization Contact: German Tejeda, Senior Director, Income Policy



Abstract: Innovative technology-based solutions are bringing free tax services to high-need outlying communities. To help more New Yorkers gain economic self-sufficiency, Food Bank For New York City has launched our Virtual VITA program, which enables us to deliver free tax preparation services to underserved areas of the city. Using existing technology, we securely transfer tax filing data from community-based sites to centralized tax preparation locations. Maximizing resources and minimizing costs, our Virtual VITA program extends and expands free, safe tax services throughout New York City. This approach has the potential to bring these services to scale at a sustainable cost.

Organizational Description and Mission: Food Bank For New York City's mission is to end hunger by organizing food, information, and support for community survival and dignity. We tackle hunger on three main fronts: emergency food distribution (over 60 million pounds each year), income support (leveraging \$96 million a year), and nutrition education (each year directly reaching over 40,000 children, teens and adults), all supported by our research and advocacy work. Our services include free tax assistance and financial counseling.

Description of Product or Intervention: The IRS recognizes Food Bank as one of the largest coordinators of civilian tax assistance in the country through its Volunteer Income Tax Assistance (VITA) Program. Since program inception in 2002, we have filed nearly 400,000 tax returns on behalf of low-income New Yorkers and secured for them over \$700 million in tax refunds. In the 2013 tax season we prepared over 48,000 tax returns resulting in \$81 million in refunds. Through traditional VITA services we assisted 41,414 filers; through Facilitated Self-Assisted (self-prep) we assisted 4,921 filers; and through Virtual VITA we assisted 1,775 filers.

Operating traditional VITA sites presents a number of logistical problems including securing affordable and accessible space. In addition, as we try to extend services to underserved areas it is difficult to recruit and retain qualified volunteer tax preparers who are willing to go regularly to some difficult to reach locations. In our Virtual VITA program, virtual filing stations are set up at intake sites located at community-based organizations across the city, enabling low-income clients—with the help of on-site volunteers and off-site tax preparers—to file their taxes through an online system. Virtual intake sites enable Food Bank to run multiple sites using the same number of tax volunteers who in turn, can prepare more returns, thereby substantially reducing the cost per return.

Our Virtual VITA program is a sustainable model that expands the reach of Food Bank's free tax services by including more partner sites in targeted neighborhoods without opening additional full-service VITA sites or substantially increasing costs. Expanding the number of virtual intake sites will help Food Bank: improve services to clients who truly need one-to-one assistance; increase the number of returns prepared and electronically filed at our full VITA sites; better leverage our volunteer tax preparers; and reduce our operating costs.

Target Population: Throughout the five boroughs of New York City, Virtual Intake VITA sites target low-income working families earning less than \$50,000 annually and single individuals earning less than \$20,000 annually. Individuals receiving unemployment and cash earners are also eligible to access Virtual Intake VITA site services.

Theory of Change and Potential for Scale: It is estimated that approximately 250,000 low-income New Yorkers are eligible for the EITC but do not apply for it, forfeiting nearly half a billion dollars in tax refunds annually—money that could help buy food, pay bills, and start saving for the future. When a VITA site opens in a community the positive economic impact can be measured within a 20-block radius. But the high overhead costs of operating traditional VITA sites make it prohibitive to extend this impact throughout New York City.

The minimal overhead costs of operating Virtual Intake VITA sites change this equation and create the opportunity to bring these services to scale at a sustainable cost. Virtual Intake VITA sites are located in neighborhoods where our client base resides, making these cost-effective services more available and accessible to those who need them, and outcomes are proven to be as effective as traditional VITA sites.

Outcome Goals: With the long-term goal of providing free tax services to more low-income New Yorkers in underserved areas, Food Bank's goal is to expand Virtual VITA services to 30 additional intake sites thereby increasing tax return preparation from 1,700 returns to over 4,000 returns. In particular we will target high need areas, extending and expanding services without increasing overall operational costs generally associated with adding traditional VITA sites. As a result, we anticipate being able to reduce the cost per return by 50 percent for all virtual sites.

Results/Evaluation and Challenges: Food Bank measures the success of our Virtual VITA program through detailed data collected from our tax software, the IRS, city government agencies, and our own client surveys. Surveying clients regarding their satisfaction with Virtual Intake VITA services, we learned that our clients are very satisfied because they spend less time waiting and they receive services more tailored to their needs. Overall, 90 percent of clients accessing our Virtual VITA program would recommend this service method to their friends and family. We intend to maintain that level of satisfaction and improve upon it. We plan on reducing our overall e-filing wait time to less than 24 hours. Presently filers must return to the intake site to sign an e-file authorization form. We are exploring the option to send filers their return and receive their approval to e-file via electronic response.

Manage Your Money

Organization Name: Forestdale, Inc.

Organization Contact: Greg Minogue, Community Development Associate



Abstract: Manage Your Money is a four-part financial literacy course structured around the specific needs and goals of youth who are preparing to age out of foster care. Through two small group workshops and two one-on-one sessions with a Career Development Specialist, each youth learns the essentials of personal finance and reexamines the role of money as a means of achieving their long-term personal goals.

Organizational Description and Mission: Forestdale is a family services organization committed to breaking the destructive cycle of poverty and trauma that afflicts generations of families in Queens. Our mission is to ensure that children have the fundamental assets they need to thrive: a safe and loving home, education and career opportunity, and health literacy. With a history of service dating to 1854, we serve as a resource for over 800 families in crisis from Astoria to Far Rockaway.

Description of Product or Intervention: Manage Your Money begins with two 90-minute, small group workshops of 10-15 youth who are in similar transition periods (e.g. young adults who are aging out of foster care, students currently enrolled in college, etc.). During these sessions youth explore how they've witnessed money being used in their circles, and learn to redefine their perceptions of money as a tool for achieving their life goals. Youth are also introduced to the building blocks of personal finance including bank account terms, fees and penalties, and credit scores.

Our Career Development Specialist guides these sessions and engages each youth in two subsequent one-on-one meetings to discuss their personal finances in a more in-depth manner. Incorporated into each youth's financial action plan are the steps needed to open a student checking account, budgeting techniques for student loan payments and living expenses, and the principles of building credit. The overarching idea is to address these responsibilities before they become burdens, and to give our youth the insight to make informed decisions as their financial situations evolve through their adult lives.

To promote full participation in these initiatives, we incentivize youth with other educational opportunities within Youth Development. Youth who successfully complete the program, for example, are given priority in attending our annual trip to JetBlue University, the company's training facility in Orlando. For those not currently enrolled in college, we also offer first selection for our college campus tours—also sponsored by JetBlue—which in the upcoming year will include schools in Chicago, San Francisco and Portland, Oregon.

Target Population: Manage Your Money is designed for youth between 18-21 who are preparing to age out of foster care. These individuals have historically experienced disproportionately high levels of poverty, substance abuse and violence; half end up in jail or on the streets, while almost two-thirds of girls give birth within four years of leaving care. 100% of Forestdale youth come from families with low to moderate incomes, with 75% living near the federal poverty line. Approximately half live in high-poverty neighborhoods in southeast Queens including Jamaica, St. Albans and Hollis.

Theory of Change and Potential for Scale: Forestdale's programmatic theory of change seeks to apply best practices in financial education for youth, while addressing our unique population's emotional ties to money and added stressors of the child welfare system. According to a 2008 report issued by the Citi Foundation and the Networks Financial Institute (NFI) at Indiana University, several key factors contribute significantly to the success of financial education models geared toward youth. Relevance of the material being taught was identified as a pivotal cornerstone of any such program. Furthermore, the timing of the program implementation proved equally as important, both in terms of the target population's age and the structure and dosage of the course. Peer group learning, which offers the added benefit of a social network, has also been an effective motivator for young people, especially when utilized among groups with similar backgrounds and/or future goals.

Outcome Goals: Our goal is to examine the benefits of these best practices and quantify their effects on the behavioral and financial positions of this population. As we've seen a number of foster youth become overburdened by debt, student loans and an inability to manage their finances, we hope this tailored model will serve as an effective means of educating this population in a relatable manner, while providing them with the tools to become productive and independent members of society.

Results/Evaluation and Challenges: During the program's pilot year, Forestdale's Quality Improvement staff will be tracking relevant data from these individuals including bank accounts opened and maintained, savings vs. debt ratios and credit score changes. To gauge general improvements in financial aptitude among participants, we will also administer a basic financial literacy test during the first and last session of each program cycle. This test, based on the Jump\$tart Survey for Students, will allow us to assess major knowledge gaps among our youth and further improve our curriculum for future iterations.

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Successfully Integrating Financial Counseling Services within a Workforce Development Program



Organization Name: BronxWorks

Organization Contact: Glenn J. Bullock, Financial Counselor

Abstract: In 2011, BronxWorks, a non-profit social service agency, launched a local version of a proven nationwide initiative called Jobs-Plus, a program designed to increase the earnings and employment of public housing residents. Jobs-Plus at BronxWorks serves New York City Housing Authority (NYCHA) residents in the South Bronx.

Traditionally, Jobs-Plus offered three core services: *employment services, financial incentives that make work pay and community support for work.* Jobs-Plus at BronxWorks incorporated a fourth component, one-on-one financial counseling, to provide participants with important tools and information needed to shape their financial futures. As such, the Jobs-Plus at BronxWorks Financial Counseling Services took shape, and to date we have served over 700 clients and helped more than 200 achieve financial outcomes.

Organizational Description and Mission: The mission of BronxWorks is to help individuals and families improve their economic and social well-being. From toddlers to seniors, we feed, shelter, teach, and support our neighbors to build a stronger community. We concentrate our efforts in the South Bronx, an area with a population of over 500,000 and one of the poorest in urban America.

Description of Product or Intervention: Jobs-Plus at BronxWorks has incorporated financial counseling into all aspects of its program—emphasizing its importance from outreach to job retention and beyond. Our Financial Counseling Services are based on a model pioneered by New York City’s Department of Consumer Affairs Office of Financial Empowerment (OFE). Because the OFE model emphasizes intensive, one-on-one financial counseling, we hired two dedicated Financial Counselors (one bilingual Spanish) to facilitate financial counseling while working alongside the staff that provides employment services.

Our Financial Counseling Services, like all Jobs-Plus at BronxWorks services, are available to public housing residents. At program enrollment, a resident (now a Member) meets with and is assigned a Financial Counselor, who builds a rapport with the Member, conducts a comprehensive financial health evaluation and creates a service plan based on the assessment. The choice of service plans are: *budgeting and savings, credit, debt management and reduction, and banking.*

The Financial Counseling Unit at Jobs-Plus at BronxWorks helps:

- Provide Credit education including the review, analysis and repair of credit reports
- Promote safe and affordable banking and credit union products and services
- Connect individuals with savings and investment opportunities
- Encourage on-going financial coaching to build assets and self-sufficiency
- Link those eligible with accessing a transformative public housing benefit that delays rent increases for those who earn more money—Earned Income Disallowance (EID)
- Conduct financial workshops that cater to individuals at every aspect of program involvement

Target Population: Jobs-Plus at BronxWorks solely works with residents of New York City public housing who self-report being on or off the lease. We service individuals between the ages of 18-55 years old.

Theory of Change and Potential for Scale:

Jobs-Plus as a Proven Model—Regarding change and scale, we believe Jobs-Plus at BronxWorks has already made an impact. Previously, traditional workforce development programs focused more heavily on helping clients increase employment and earn more money as opposed to helping clients improve their money management skills. Most of the previous programs did not offer financial counseling, and the ones that did, offered workshops or referred clients to other providers, and neither of those approaches were measurable and effective. As a result, clients earned more but did not capitalize on their newfound earnings and were often right back where they started once earned income decreased due to lack of employment. New York City

has spun off 7 other Jobs-Plus demonstration sites throughout the 5 boroughs via its Human Resources Administration—and all of the other Jobs-Plus sites are modeled after Jobs-Plus at BronxWorks, in that they all have financial counseling as one of their four core components.

As Jobs-Plus at BronxWorks, and the other 7 NYC Jobs-Plus sites, continue to perform well, evaluation of best practices used can and most likely will lead to more program replications, which will help an incalculable amount of city residents. Moving forward, it is hard to imagine any successful workforce development program not having robust financial counseling services as part of it.

Outcome Goals: Currently, the financial outcomes we help our participants achieve are: open a bank account or transition into a better bank account; maintain a bank account for at least 6 months; save regularly into a bank account, for at least 3 consecutive months; establish a credit score or credit history; increase an existing credit score by at least 35 points; decrease existing debt by at least 10%; and increase savings by at least 2% of the annual net income. In addition, because Jobs-Plus is a public housing initiative, Jobs-Plus at BronxWorks works closely with the local public housing authority(PHA) by promoting their Earned Income Disallowance rent-based incentive and referring eligible and interested participants to the benefit. We monitor both our EID referrals and the EID approvals made by the local PHA. Jobs-Plus at BronxWorks has no say in whether a resident actually receives the EID benefit—final say belongs to the local PHA.

Results/Evaluation and Challenges: Our Members are opening new and better bank accounts at a wonderful rate, and looking for ways to reduce debts and review their credit reports, since potential employers (almost 50%) check credit as part of their employment background review. One of our ongoing challenges involves constantly educating our Members on predatory and confusing products that often cost our participants money in the form of hidden or unknown fees. To deal with this issue, we constantly counsel our Members via informational workshops and updated financial counseling bulletin boards and newsletter.

Another challenge involves helping Members who achieve initial outcomes (banking, debt reduction, credit repair) stay engaged in the program and achieve more advanced outcomes like establishing credit history and score and achieving significant savings. To address this challenge, we recently started a bi-monthly, advanced financial workshop, titled the Financial Fitness Club (FFC), for working and banked Members only. The goal of the FFC is to create an atmosphere wherein workshop participants, who are in a more stable financial position than non-working Members, network with and encourage each other while also receiving more advanced counseling education. For example, one recent FFC focused on credit building products such as credit building loans and secured credit cards. Although we have only convened 2 FFC thus far, the results are promising. Over 20 Members have attended, and 3 have achieved advanced outcomes.

CollegeSet



Organization Name: Juma Ventures

Organization Contact: Imani Farley, Project Manager

Abstract: Juma Ventures' CollegeSet initiative is a ground-breaking public/private venture that (1) provides financial capability services to 840 low-income students in New York City; (2) opens college savings accounts for each participant; (3) provides deposits and match-savings of \$1,500 per student for tuition and other qualified educational expenses; (4) supports youth in completing the Free Application for Federal Student Aid; and (5) delivers an online platform to promote the consortium, connect individual donors with youth savers, and educate participant families and the general public about college savings and financial capability.

Organizational Description and Mission: Juma Ventures is an innovative and award-winning youth development program that combines employment in social enterprises, college preparation, and financial asset building to create a safe, supportive community where under-resourced youth can achieve their dreams of a college education. Juma helps break the cycle of poverty by ensuring that young people complete a four-year college degree.

Description of Product or Intervention: In 2013, CollegeSet received a multi-year commitment from the Center for Financial Services Innovation (CFSI), a highly competitive national application process that brought together funding from Citi Foundation, Capital One, NYSE Euronext, Charles Schwab Bank, and Experian to support the country's most innovative approaches to promoting financial inclusion.

Research shows that students with a college savings account are seven times more likely to attend college than students without an account.

The new CollegeSet intervention will:

1. Create a Facebook application that combines principles of behavioral finance with the popular Foursquare model to increase student savings;
2. Create a mobile alert system that increases accountability for student savers and uses peer pressure as a savings commitment device; and
3. Implement NetSuite's financial accounting software to streamline account opening and cut processing time for Individual Development Account (IDA) withdrawals by half, enabling Juma to reduce the cost of IDA administration by 33%.

Juma will create a Facebook application and mobile alert system that increases accountability for student savers, builds community among CollegeSet participants, and uses peer pressure as a savings commitment device. The new initiative will:

1. Leverage technology to improve the customer experience: CollegeSet will create a game-like interaction that rewards positive financial behavior. With the CollegeSet Facebook application, student savers will be able to unlock badges by completing milestones on their path to a four-year college degree.
2. Leverage social networks as a means of facilitating positive financial behavior change. Savers will be incentivized with tangible rewards to delay gratification and make smart choices. Because badges will be shared through Facebook the network will help build community among CollegeSet participants, using social media to share progress, increase accountability, and promote savings.
3. Couple improved tools for education with well-designed financial services: Juma's CollegeSet program connects student savers to Individual Development Accounts provided by Citi.

Target Population: In its first two years, CollegeSet will serve 840 low-to-moderate income high school juniors and seniors (i.e., youth whose families live within 200% of the federal poverty guideline). Within five years, CollegeSet will serve youth ages 13-19, reaching 2,500 low-income young people each year.

Theory of Change and Potential for Scale: In 2009, Juma embarked on a theory of change process that redefined our mission: to break the cycle of poverty by ensuring that low-income young people complete a four-year college degree. Our epiphany was that the education gap would always correlate with the income

gap. If our commitment was to break the cycle of poverty, Juma would need to focus not only on getting students into college, but ensuring that they graduate.

Juma's theory of change takes a holistic approach to individual academic success. Our model combines employment in social enterprises, financial capability, and academic support services to ensure that young people get into and succeed in college. All Juma services are delivered through a comprehensive case management framework, supporting youth to develop skills for success in school and adulthood. A key program component is financial capability; Juma provides youth with the opportunity to develop lifelong savings habits and money management skills. Students participate in a series of workshops that teach specific skills, such as how to budget, handle debt and credit responsibilities, and evaluate banking services and options. Each student opens a fee-free transactional bank account and Individual Development Account. For every dollar saved, Juma provides a one-to-one match, turning \$500 into \$1,000 that can be used for tuition, textbooks, or other educational expenses.

Outcome Goals: CollegeSet's criteria for successful outcomes and the results we expect to achieve in the next 1-3 years:

1. Youth transition successfully to higher education
 - a. High School Graduation: 90% of participating youth graduate from high school.
 - b. Post-secondary Enrollment: 70% of participating youth transition to a post-secondary institution. At least 60% of those enter a four-year university.
2. Youth increase assets and financial capability necessary for college success
 - a. College Savings Accounts: 840 youth open a college savings account in the first two years of the program. 80% receive deposits and match savings of at least \$1,000.
 - b. Financial Behaviors: All youth complete the initial financial capability training. 100% of savings and match funds are used for qualified educational expenses.
3. Youth transition successfully to higher education
 - a. Credit Accumulation: 60% of youth enroll in and complete sufficient credits to advance to the next year (third semester) of post-secondary education.
 - b. Degree Attainment: 60% of participating youth complete a four-year college degree.
4. Youth increase their earnings and professional skills
 - a. Employment Experience: 40 youth in the CollegeSet program are placed into paid work experiences. Participating youth work a minimum of 40 hours.
 - b. Professional Skills: 100% of youth who are placed in paid work experiences complete the Work Skills training series. 80% of participants earn a Work Readiness Credential.

Results/Evaluation and Challenges: Juma collects and analyzes extensive data on service delivery and youth progress throughout the program. Our performance management system, Efforts to Outcomes (ETO), has been customized for CollegeSet activities with input from staff and partner organizations that use the system on a day-to-day basis. Accessible, real-time data on program participation and skill development allows for early identification of issues and responsive course correction.

Our staff tracks savings account activity through VistaShare, providing monthly reports to individual clients and partner organizations on every dollar that students save and spend. The information gathered provides valuable input about what is and is not working in the program design and enables the agency to make ongoing improvements that are driven by facts.

Juma has engaged Harder+Co to conduct a third-party evaluation of CollegeSet's new initiative. Harder+Co's evaluation will assess program effectiveness against the stated objectives, make recommendations on current and future program design, and prepare the consortium for a quasi-experimental impact evaluation in the third year of the initiative.

NYCitizenship in Schools: Eliminating Legal and Financial Barriers to Acquiring U.S. Citizenship



Organization Name: New York City Mayor’s Office of Immigrant Affairs (MOIA)

Organization Contact: Daniel Wallace, Policy Advisor

Abstract: The escalating cost of becoming a United States citizen—due to increased application fees and legal fees—has dampened naturalization rates across the country and disproportionately impacted low-income immigrants eligible to apply for U.S. citizenship. To help immigrant New Yorkers overcome legal and financial hurdles to naturalization and gain access to the numerous benefits of citizenship, the Mayor’s Office of Immigrant Affairs partnered with Citi Community Development, CUNY Citizenship Now!, the NYC Department of Education, the NYC Department of Consumer Affairs Office of Financial Empowerment, and two local credit unions to create a \$680 citizenship microloan and offer free legal services and financial counseling to immigrant parents with children in New York City public schools.

Organizational Description and Mission: The New York City Mayor’s Office of Immigrant Affairs is the first and only municipally-chartered office in the country dedicated to promoting the well-being of immigrant communities. Building on its Charter mandate, MOIA partners with City agencies, community based organizations and other key stakeholders to implement policies and programs that facilitate the successful integration of immigrant New Yorkers into the civic, economic and cultural life of the City.

Description of Product or Intervention: In partnership with Citi Community Development, CUNY Citizenship Now!, the NYC Department of Education, the NYC Department of Consumer Affairs Office of Financial Empowerment, the Neighborhood Trust and the East River Development Alliance, the Mayor’s Office of Immigrant Affairs launched NYCitizenship in Schools in September 2012 to offer free citizenship application assistance, financial counseling and \$680 citizenship microloans to Legal Permanent Resident parents with children in the New York City public school system.

Parents begin the process by attending an informational workshop held in their child’s school building. The workshop covers the naturalization process from start to finish and helps parents determine if they may be eligible to apply for U.S. citizenship. Next, eligible parents are invited to attend a service event staffed by CUNY Citizenship Now! immigration attorneys and trained legal volunteers. Service events are held in select New York City public high schools and allow parents to receive free, confidential legal assistance from qualified attorneys to help them complete the naturalization application. Attorneys also help eligible parents apply for fee waivers, which eliminate the cost of the application for individuals who qualify. Low- to moderate-income parents who are ineligible for fee waivers are referred to NYC Financial Empowerment Centers to meet with trained financial advisors who provide free financial counseling and access to the \$680 citizenship microloan products available through the participating credit unions. Credit unions offer low-interest unsecured and secured loans, enabling them to assist parents who have poor credit or who do not have an established credit history.

Target Population: The program targets parents of New York City public school students, with a focus on reaching those with high school age children. MOIA estimates that roughly 155,000 New Yorkers who are eligible to become U.S. citizens have at least one child in a NYC public school. Serving this audience promotes parent engagement in the school system and can also result in automatic derivative citizenship for non-citizen children under the age of 18, improving their chances of post-secondary academic and professional success.

Theory of Change and Potential for Scale: Recent naturalization fee increases have coincided with lower application rates nationwide and have had a disproportionately negative impact on low-income immigrants eligible to apply for citizenship.¹ Given the well-documented benefits of naturalization—which include better access to jobs, higher wages, and lower rates of poverty—eliminating hurdles to acquiring U.S. citizenship by offering legal and financial assistance is a strategy for reducing poverty and promoting economic growth.

Introducing a citizenship microloan product accomplishes multiple goals simultaneously. First, it reduces the financial burden of naturalization by allowing individuals to pay the fee in increments. Second, it provides immigrants access to the financial mainstream, helping them build a financial identity in the United States.

Finally, it connects financial institutions to an audience that is difficult to reach through more traditional avenues and products. Given the numerous fee-based immigration benefits administered by USCIS, as well as the possibility that federal immigration reform will provide millions of undocumented immigrants across the country the opportunity to acquire legal status through a series of applications, fees and fines, the potential to introduce and scale up financial products that are tailored to the needs of immigrants is tremendous. One such opportunity has already been pursued by the Lower East Side People's Federal Credit Union and the Brooklyn Cooperative Federal Credit Union, which are offering \$465 loans to undocumented young people to help them apply for deferred action and authorization to work in the U.S.²

Outcome Goals: MOIA's target goal for the first year of NYCitizenship in Schools was to reach 3,000 immigrant parents and help move them along the path toward U.S. citizenship. Within this overarching goal, MOIA worked with partner organizations to measure the impact of NYCitizenship by tracking the number of New Yorkers who participated in informational workshops and service events, completed citizenship applications, received fee waivers, received financial counseling at NYC Financial Empowerment Centers or directly from partner credit unions, and applied for and received citizenship microloans.

Results/Evaluation and Challenges: Through outreach, informational workshops, and application assistance events, MOIA directly served nearly 4,000 immigrant parents in the first year of NYCitizenship in Schools. More than 750 parents successfully completed citizenship applications, 410 of whom were able to apply to have the \$680 fee waived by the USCIS. Through application assistance, fee waivers and other financial assistance, MOIA estimates that participating parents saved a total of nearly \$1,000,000 in the process of applying for U.S. citizenship. Despite evidence of financial need, roughly 20% of the individuals who did not apply for fee waivers elected to pursue financial counseling, credit union membership, budgeting/savings plans, and/or microloans to help cover the cost. In order to elevate interest in the citizenship microloan in the program's second year, NYCitizenship in Schools will introduce new marketing strategies and touch points into the process, as well as a partnership with the New Americans Campaign that will expand access to the loan product to the clients of seven additional local organizations.

References:

- 1 Center for the Study of Immigrant Integration. (2013). Nurturing Naturalization: Could Lowering the Fee Help? Manuel Pastor, Jared Sanchez, Rhonda Ortiz, and Justin Scoggins for the National Partnership for New Americans.
- 2 The Lower East Side People's FCU and the Brooklyn Cooperative FCU worked with the New Economy Project (formerly NEDAP) to develop zero-interest "DREAMer Loans" for deferred action.

The Employer Solution™



Organization Name: Neighborhood Trust Financial Partners

Organization Contact: Justine Zinkin, CEO

Abstract: In 2012 Neighborhood Trust adapted its proven Financial Services Integration model to the workplace and launched a social-purpose, earned-revenue venture called the Employer Solution. The Employer Solution integrates bundled financial counseling and products into workplace systems to address the issue of worker financial security for both employer and employee. The Employer Solution leverages payroll and human resources processes to offer an immediate link to drivers of financial health, such as direct deposit and default savings, and will enhance the role of the workplace as the critical catalyst for improved financial behavior.

Organizational Description and Mission: Neighborhood Trust's mission is to empower low-income individuals to become productive participants in the U.S. financial system and achieve their financial goals. Neighborhood Trust, along with our sister organization Neighborhood Trust Federal Credit Union, provides financial counseling and socially responsible products to 6,000 clients annually across 50 neighborhoods in New York City.

Description of Product or Intervention: By shifting financial empowerment services to the workplace, Neighborhood Trust's Employer Solution more efficiently enables workers to use their paychecks to achieve their financial goals and connect them with the financial products they need. The Employer Solution is an adaptation of existing financial advising curriculum and technologies to the workplace so that a low-income workers' job becomes the channel through which they become banked, enrolled in a socially responsible prepaid card, receive one-on-one financial counseling, and interact with all their financial information through a new interactive medium called PayGoal™. PayGoal will be a payroll allocation and communications tool bundled with a prepaid card that automatically allocates wages across spending and savings buckets guided by a financial plan. And, PayGoal, replacing the traditional paystub, will not just explain gross-to-net pay but will demonstrate in simple words and images how this pay period represents debt reduced, money saved, and financial milestones reached.

Currently, the Employer Solution is being delivered at eight employers in New York City: the Brooklyn Navy Yard, Cooperative Home Care Associates, DopDop Salon, 1199 SEIU, Five Guys Burgers, MyClean, Lemle and Wolff, and Wahoo's Fish Tacos, as well as Pacific Market Research in Seattle.

Target Population: The Employer Solution is designed to reach Neighborhood Trust's target client demographic, the working poor, via an effective, efficient, revenue-generating delivery channel: the workplace.

For example, below is a financial summary of workers at one Employer Solution site in Manhattan:

- 23% of employees don't have a bank account.
- \$2,150 is the average debt among employees.
- 56% of employees are not on direct deposit.
- 64% of employees have less than \$250 in savings.
- 48% of employees owe a collection agency.
- 75% of employees have no credit or poor credit.

Theory of Change and Potential for Scale: Neighborhood Trust's Employer Solution is a fully scalable, revenue-generating model for addressing the issue of worker financial security—and financial empowerment among low-income populations more broadly—because it is smart business with a social impact. The basis of Neighborhood Trust's argument is found in four main claims:

- 1) Integrating financial empowerment services into human resources and payroll processes results in greater operational efficiency, rather than increased operational workload.
- 2) Worker demand for these financial empowerment services is high, and the outcome is not only improved worker financial health but improved job satisfaction and employer loyalty, a likely indicator of greater productivity and retention.

- 3) A socially responsible prepaid card holds potential as a scalable product that more effectively banks the unbanked and improves financial behavior.
- 4) The industry needs data to make the social impact and business case for investing in this issue.

For Neighborhood Trust, the Employer Solution represents a business model (the employer pays a fee to participate) to accomplish our mission statement. By deploying our expertise via the workplace Neighborhood Trust can substantially expand its client reach and demonstrate to businesses with large numbers of low-income employees that this issue matters to their bottom line.

Outcome Goals: Neighborhood Trust's near-term goal for the Employer Solution is to gather the data necessary to demonstrate an efficient, replicable service offering with business and social impact. We aim to improve individual client impact at a lower cost per client to demonstrate the scalability of our model. Success will be measured by: sufficient performance data to bolster economic argument for the service; # of customer engagements; and # of clients served.

Client Outcomes will include debt reduced; unbanked to banked via prepaid vs. via checking / savings products; enrollment in Direct Deposit; increased savings; and a financial Action Plan.

Results/Evaluation and Challenges:

- **Customer Acquisition:** The Employer Solution is in its early stages and the success of the business depends largely on finding paying customers who understand the value proposition of the offering and are willing to become true partners in this endeavor.
- **Technology Integration:** Neighborhood Trust is reimagining our traditional service offering to be provided in the workplace and to be more efficient. Technology presents multiple options for realizing these goals. But, historically, success with clients was because of the human component of the work. Finding the right technologist to work on this issue, to integrate new ideas with existing systems and to figure out ways to augment the service with technology is a growth opportunity for the Employer Solution at this stage.
- **Socially Responsible Prepaid Cards:** In the last several months the prepaid card industry has received attention, and some criticism, for some of the products and services targeting low-income workers. As we introduce a prepaid card we can vet the aspects of the product but will also need to manage the employer and employee perceptions of this service offering.

The Trust Card™



Organization Name: Neighborhood Trust Financial Partners

Organization Contact: Justine Zinkin, CEO

Abstract: The Trust Card is an innovative Visa credit card that is designed to help clients reduce burdensome, high-interest debt and achieve a healthier balance sheet. By offering a credit card product that is designed to help clients reduce debt, save money, and repair their credit, Neighborhood Trust has created a new financial product that is profitable, fully scalable, and highly impactful on low-income individuals and households struggling with credit card debt.

Organizational Description and Mission: Neighborhood Trust's mission is to empower low-income individuals to become productive participants in the U.S. financial system and achieve their financial goals. Neighborhood Trust, along with our sister organization Neighborhood Trust Federal Credit Union, provides financial counseling and socially responsible products to 6,000 clients annually across 50 neighborhoods in New York City.

Description of Product or Intervention: In 2012 Neighborhood Trust Financial Partners launched the Trust Card. Designed in conjunction with Innovations for Poverty Actions (IPA) and issued through Neighborhood Trust Federal Credit Union, the Trust Card allows users to pay off high-interest debt, repair their credit, and establish a more manageable repayment schedule. The Trust Card applies principles of behavioral economics to create a socially responsible financial product that provides access to credit in proportion to a client's demonstrated ability to manage and pay down debt. The card has unique payment terms with an upfront commitment device that encourages the aggressive repayment of principal and that sets firm credit limits based on the customer's financial profile.

Applicants work with a Neighborhood Trust Financial Advisor to conduct a holistic assessment and determine if they should apply for the Trust Card.

- If approved by Neighborhood Trust Federal Credit Union's underwriting committee, applicants consolidate their existing credit card debt onto the Trust Card and close their other card accounts. Applicants understand that the credit union monitors their credit activity and will close off its credit line if the customer breaks a "no new high interest credit cards" pledge.
- Neighborhood Trust Federal Credit Union offers a 12-15% interest rate, which is substantially lower than most applicants currently pay.
- Applicants commit to reducing their credit access overall. As they pay down their outstanding balance their credit limit on the Trust Card is lowered too: for each dollar of debt paid down they get 30-50 cents of available new credit.
- The repayment structure mimics a typical credit card's language regarding "monthly minimum payment." But it establishes a monthly payment that is fixed in dollar terms, rather than in percentage terms.
- The applicant continues to have assistance from a Financial Advisor who supports his/her adherence to their overall financial plan and Trust Card payments.

Target Population: The target population for the Trust Card is low- and middle-income New Yorkers with between \$2,000 - \$10,000 in high-interest consumer debt. For example, among current Trust Card accounts, the average debt level is \$7,200 with APRs on existing cards typically around 22% (ranging up to 29%).

Theory of Change and Potential for Scale: Success and scale of the Trust Card rests on three things: (1) **proven impact**, (2) **revenues covering or exceeding costs**, and (3) **demonstrated market demand**.

With the Trust Card there is the potential to have market influence, to demonstrate that financial institutions can provide low-income individuals with a financial product that helps them reduce their debt while earning a reasonable rate of return. Neighborhood Trust will scale the Trust Card through partnerships with organizations that have large existing networks of attractive potential customers. We will share a distribution fee and, in some cases, share credit risk and upside with these partners. Eventually, by licensing, co-branding, or direct distribution, the Trust Card will also be issued through other like-minded Community Development Financial Institutions.

The business model for the Trust Card is distinct from traditional credit cards because Neighborhood Trust invests more resources upfront and throughout the life of a client relationship, and the terms are better in order to support client success. In exchange, expectations for returns are lower though still sufficient to cover operating expenses, reserve for losses, and, in time, pay for growth and further development.

Outcome Goals: Neighborhood Trust's goal is to collect the data to support the business and social impact case for the Trust Card as a scalable product. In order to make a strong argument for the product we need measurable results. Specifically, outcomes measured will include:

- Sufficient performance data to bolster economic argument for product
- # of cards issued
- # of current accounts
- # of high-interest credit card accounts closed
- \$ amount saved in interest payments
- % of clients who reduce debt (NTFP initial goal: 80% of clients reduce debt)
- \$ of reduced debt
- % of clients increase credit score (NTFP initial goal: 50% of clients reduce debt)
- Average credit score improvement

Results/Evaluation and Challenges: Neighborhood Trust has experienced three main challenges related to the Trust Card:

- **Marketing** – The organization's experience and financial resources for direct marketing is limited. Therefore, efforts to independently market the Trust Card through media channels have failed. The strategy today is to identify major distribution partners and Neighborhood Trust needs to develop a marketing plan to pitch partners on this product.
- **Loan Loss Provisioning** – Experts in the credit card field have consistently advised Neighborhood Trust to issue as many cards as possible. Their advice has been to gather data at every point and build the data set—with a substantially large number of cards—that will allow broader insight into this customer segment. However, considering the risk tolerance of the partner credit union's lending activity the number of cards Neighborhood Trust can issue is limited. What is needed is a robust loan loss reserve provision and to fundraise the capital to backstop the downside risk of issuing many more Trust Cards.
- **Systems Efficiency** – At present the application process is drawn out and time intensive. There is an opportunity to make the process more efficient by streamlining all aspects of the product offering.

Building a Community Safety Net: the Northwestern Queens Financial Education Network



Organization Name: Chhaya CDC (lead), NICE, Queens Community House, and Urban Justice Center



Organization Contact: Seema Agnani, Executive Director, Chhaya CDC

Abstract: The **Northwestern Queens Financial Education Network's** primary goal is to work with low-income, immigrant participants, many of whom have little to no experience using commercial banks in the United States, and establish a structure through which they can learn important financial concepts, and, in the long run, access reputable financial products, build credit, and be able to realize their personal financial goals.

Organizational Description and Mission:

- Chhaya CDC is a community-based nonprofit organization in Jackson Heights, Queens, New York. Chhaya, meaning “shelter or shade,” is dedicated to creating stable and sustainable communities by increasing civic participation and addressing the housing and community development needs of New Yorkers of South Asian origin and their neighbors. A certified HUD Counseling agency, Chhaya CDC has five NeighborWorks certified counselors and educators on staff who are trained in individual basic budgeting, credit counseling, and debt management counseling.
- New Immigrant Community Empowerment (NICE) is a community-based, non-profit organization that works to ensure that new immigrants can build social, political and economic power in their communities and beyond. NICE's membership consists of newly arrived undocumented immigrants, many of whom are paid in cash and rely on fringe financial services such as check cashers, remittance agencies and pawnshops, rather than traditional banking institutions.
- Queens Community House (QCH) provides individuals and families with the tools to enrich their lives and build healthy, inclusive communities. QCH addresses the limited access that immigrants have to commercial banking services through coaching programs and workshops.
- Urban Justice Center (UJC) has, over the past three years, released two reports through its Community Development Project (CDP) that demonstrate how the debt collection industry preys on low-income New Yorkers, bringing a staggering number of debt collection suits with little merit against working poor people who cannot afford legal representation.

Description of Product or Intervention: The aim of this project is to increase access among local residents to reputable financial services and also to educate them about key financial concepts, such as credit, savings, tax payments, loans, and best practices in household budgeting.

- **Empower local residents.** Prevent individuals from falling prey to the wide range of consumer fraud present in low-income, immigrant communities, including debt consolidation, mortgage rescue scams, remittance/money transfer, notarios, and immigration consultant scams. Those who have been victims will know their rights, and also be given access to free legal representation. The project promotes fair financial services and works to eliminate discriminatory and harmful financial practices that have targeted these neighborhoods. It does so through education of consumers, legal clinics and advocacy. The partners conduct ethnic media outreach that provides information on predatory lending and unsafe banking, while also promoting the services available through the network.
- **Improve immigrants' access to financial services, help them build credit and other assets, and stabilize or improve their overall financial situation.** Improve access to sustainable and trusted financial services through one-on-one budgeting, credit and debt counseling, educational workshops on improving and building credit, access to loans, attracting resources that are beneficial to the community such as a credit union, and responding to trends that have emerged in the community with educational opportunities such as workshops on cooperative business models.
- **Develop current capacities and partnerships.** Each of the partners have worked in the area of financial education, banking, credit education, and counseling services in different ways. The project achieves scale by bringing these complementary efforts together, and focuses on the needs of the large immigrant communities of northwestern Queens. It is establishing a strong cross referral network among the partner organizations.

Target Population: With a population in 2010 of over 2.2 million people, nearly half of whom are foreign-born, Queens is the most culturally diverse county in the United States. Astoria, Sunnyside, Woodside, Jackson Heights, East Elmhurst, Elmhurst, and Corona are home to thousands of immigrants from Asia and Latin America, many of whom are poor, working in diverse sectors—domestic workers, cab drivers, restaurant workers, day laborers, etc. Many are paid in cash. High percentages of residents in each district report an inability to speak English proficiently. Moreover, significant percentages of the populations in these districts receive some form of income support (e.g. TANF, SSI, Medicaid, etc.) indicating low-income status (*note: since many recent immigrants are not eligible for such programs, these percentages do not indicate the extent of low-income households*).

Theory of Change and Potential for Scale: The overall goal is to give each participant the tools to stabilize and eventually improve his/her household's financial situations over the long term—creating a safety net for residents of the local community, a strong network of providers with complementary capacities, and a vehicle for addressing systemic needs and concerns.

Outcome Goals: Goal #1: Empower local residents; Goal #2: Improve immigrants' access to financial services, help them build credit and other assets, and stabilize or improve their overall financial situation; Goal #3: Develop current capacities and partnerships

Results/Evaluation and Challenges: In its pilot year, this project conducted outreach, educational workshops, legal clinics, and individual counseling/referral reaching 2,800 unbanked/under-banked immigrants. Workshops and counseling sessions explained concepts such as credit, Individual Taxpayer Identification Numbers, wage theft, financial fraud, and other related topics. Breaking through some of the barriers to discussing difficult financial situations faced by individuals seeking our services has been one of the project's major successes to date. As a result of this work, workshop attendees and counseling clients understand key financial concepts and are beginning to think strategically and proactively about credit, debt, and budgeting. Through the legal clinics more than 30-35 individuals received free legal services. Due to differing levels of intake and tracking capacities and cultures, the partners are working to implement a survey of participants to collect agreed upon data indicators to monitor trends and plan for advocacy work in the years ahead.

The NYCHA Resident Referral System



Organization Name: NYCHA's Office of Resident Economic Empowerment and Sustainability

Organization Contact: Florence Juillard, Senior Strategic Project Manager
Tischelle George, Assistant Director, Asset Building and Financial Literacy

Abstract: The New York City Housing Authority's (NYCHA) Office of Resident Economic Empowerment and Sustainability (REES) developed the Resident Referral System as a means to provide equitable, place-based services to NYCHA residents. In line with REES' mission to help residents increase their income and assets, and in consideration of limited staffing capacity and financial resources, REES developed a simple way to connect residents to quality financial counseling, and ultimately change their money management behavior through financial education. REES leveraged NYCHA's numerous customer touch points and web-based technology to facilitate connections between public housing residents and local service providers.

Organizational Description and Mission: NYCHA provides or enables access to safe, stable, affordable housing for low- and moderate-income New Yorkers. NYCHA's Office of Resident Economic Empowerment and Sustainability measurably supports residents' increased income and assets through programs, policies, and collaborations in four key areas:

- Adult education and training;
- Employment and advancement;
- Financial literacy and asset building; and
- Resident business development.

Description of Product or Intervention: After a nine-month pilot and data analysis process which began in September 2012, REES launched the Resident Referral System, a web-based tool that allows REES and NYCHA's Property Management, Family Services, and Community Center staff to refer public housing residents to local service providers who will engage residents in relevant services based on their current needs and/or interests. In approximately 10 minutes or less, NYCHA staff can submit a referral to a participating service provider, transmitting a nearly simultaneous email notification.

REES developed a list of nearly 20 "moments to refer" that it deemed a strong intersection between the problem a resident is facing and financial counseling as a solution. All of these "moments" represent daily interactions between NYCHA staff and residents, and demonstrate the unique opportunities NYCHA has at its disposal to leverage housing as a platform to improve the connectivity between relevant service providers and residents.

The service provider can log into the Resident Referral System to obtain contact information and other basic data about the resident in need of services. All partners agree to contact the resident within 24-48 hours. Providers log their attempts to schedule resident appointments, as well as the results of appointments, in the referral system. Once logged, this feedback can be viewed by providers and referring NYCHA staff. This level of transparency and data sharing helps close the loop between the referring party and the provider. On a quarterly basis, providers supply NYCHA with aggregate data about resident outcomes as a result of their services. Through REES' new Zone Model—a place-based, service coordination model—residents are able to easily access quality, vetted services that are available in NYCHA neighborhoods as well as citywide.

Target Population: Residents of New York City public housing; this represents roughly 400,000 people, or 173,471 households.

- The average gross income is \$23,117.
- 52% of NYCHA households are unemployed.
- 49.8% of NYCHA households live below the poverty level.
- 11.1% of NYCHA families receive public assistance.
- 41.4% of NYCHA families receive financial support from Social Security, SSI, a pension, or veteran's benefits.
- 36.6% of NYCHA households are headed by persons over 62 years of age.
- 18.8% of NYCHA residents are age 62 or older.
- 34.4% of the NYCHA population are residents under age 21 and 27.8% are minors under age 18.

Theory of Change and Potential for Scale: By training NYCHA staff to make an accurate referral, REES has exponentially expanded its capacity to connect residents to services. Nearly 200 NYCHA staff across 75 developments are trained to refer through the referral system. The potential to further expand the use of the Resident Referral System within NYCHA is great. With more than 145 Property Management offices, 15 Family Services units, and 70 NYCHA-run Community Centers that could refer residents to services across the city, REES believes this is a scalable initiative with a strong likelihood for a lasting impact.

REES is also capitalizing on strategic opportunities when a resident might be more likely to accept a referral than if the service were simply pitched in a flyer or general outreach campaign. REES has learned that presenting the service as an immediate step toward solving a very real problem increases the chances that a resident will engage in service.

Outcome Goals: The goal of the referral system is to facilitate 2,500 referrals between September 2012 and the end of 2013. REES is aiming for a 40% service participation rate for residents who are referred.

Results/Evaluation and Challenges: Over 1,200 referrals have been made in the referral system; more than 400 are for financial counseling. The average rate of participation at non-Financial Empowerment Center providers is currently 44%. The average rate of participation at Financial Empowerment Centers is 30%.¹ We believe our model for connecting low-income individuals to critical services that will help them achieve economic stability can be replicated successfully at other housing authorities nationwide. Challenges have included: varying levels of computer literacy amongst referring staff; reluctance on the part of partners to retrieve and enter data into a system separate from the one they already use in their daily operations; acquiring buy-in from frontline NYCHA staff that the system can be a useful tool rather than an addition to their workload; and acquiring buy-in from residents that NYCHA staff can be a resource for service coordination.

References:

1 Information per NYC Department of Consumer Affairs Office of Financial Empowerment between 9/4/2012 and 4/11/2013.

Disaster Relief Financial Counseling



Organization Name: New York Legal Assistance Group (NYLAG)

Organization Contact: Merritt Birnbaum, Director, Development & Communications

Abstract: For some, Superstorm Sandy exacerbated existing debt problems, while for others the storm created them. In both cases, Sandy victims need help communicating with creditors; understanding their options; developing repayment plans; or preparing themselves for the debt collection process so that they are not abused by collectors. Working hand-in-hand with attorneys in NYLAG's Storm Response Unit, NYLAG's in-house financial counselors help increase clients' financial literacy, advising on how to secure and wisely spend disaster benefits, manage debt, navigate mortgage issues, and address credit issues, among other topics. This work provides the guidance storm victims need to rebuild their lives.

Organizational Description and Mission: Founded in 1990, NYLAG provides free civil legal services to New Yorkers who cannot afford private attorneys. In response to the Recession, NYLAG launched its Financial Counseling Division (FCD) in 2009, empowering nearly 2,700 clients since then by offering assistance with budgeting, debt, credit, and related areas. In Superstorm Sandy's wake, this work has become crucial to helping storm victims make sound financial decisions so their lives can return to normal.

Description of Product or Intervention: Following Superstorm Sandy, NYLAG's Financial Counseling Division (FCD) has helped storm victims understand their financial options and navigate the recovery process. Collaborating with attorneys and other staff in NYLAG's Storm Response Unit (SRU), as well as with staff from outside health and human service agencies, FCD staff have helped the Unit assist over 5,500 storm victims with FEMA matters; insurance disputes; mortgage/foreclosure issues; contractor disputes; and other storm-related issues.

Financial counselors initially played a key role in the recovery process by providing financial education at the NYC Restore Center in Coney Island. Onsite seven days per week, NYLAG's counselors worked alongside disaster case managers to help clients with applications for storm-related financial assistance, reviewing insurance policies, navigating mortgage/foreclosure issues, and money management to help victims pay for emergency loans and repairs. In addition to directly advising clients at the Restore Center, financial counselors also connected clients to government agencies, such as the Department of Consumer Affairs, to resolve storm-related contractor and other disputes. This work included helping clients understand and collect the documentation needed to support their claim. Finally, through a program with the Center for New York City Neighborhoods, financial counselors helped clients secure assistance from the Neighborhood Recovery Fund.

After the Restore Center closed, NYLAG continued providing financial counseling to storm victims through its extensive partnerships with community-based organizations. Together with attorneys from the Storm Response Unit, financial counselors conduct onsite intake and provide services to the clients of over 20 local social service providers. A key benefit of NYLAG's model is the synergy that comes with offering both legal services and financial counseling together. A big frustration many storm victims have is they are constantly bounced between organizations, which have little knowledge of what others have told them and provide conflicting information. At NYLAG, financial counselors and attorneys work together to provide complementary, holistic services and a solid path forward for clients. This work helps ensure that Sandy victims have the guidance they need to help New York come back strong.

Target Population: NYLAG's storm relief program is open to all Sandy victims in New York City and Long Island. Due to its flexible funding streams, NYLAG can assist not only the poor, but also low-income clients who earn above the federal poverty level, and undocumented immigrants. This has been important following Sandy, as many undocumented, "working poor" and lower-middle class victims lost everything, yet would not qualify for free assistance. The population receiving financial counseling has primarily been those with limited assets and resources, who may be homeowners or have some savings but not enough to weather the storm without major sacrifices.

Theory of Change and Potential for Scale: NYLAG strives to empower vulnerable New Yorkers, protect their fundamental rights, and help them achieve positive outcomes that alleviate poverty. FCD's disaster relief program increases the financial literacy of its clients, helping them wisely spend disaster benefits, budget to repay loans for repairs, and make other storm-related financial decisions to rebuild their lives. In general,

NYLAG has found that increased financial literacy leads to more economic stability and an increased standard of living. FCD's services not only help clients rebuild more quickly, but also help them make more sound financial decisions in the long-term, including preparing an action plan in case of future disasters. By ensuring that clients have a financial plan in place, FCD helps them avoid falling off a fiscal cliff if a crisis strikes. While this program targets New York Sandy victims, NYLAG believes it can serve as a model for the importance of including financial counseling in any disaster case management system.

Outcome Goals: The goal of NYLAG's storm relief services is to ensure that Sandy victims have the information and advocacy they need to successfully navigate the recovery process. Financial counseling provides an important extension to the legal assistance NYLAG offers storm victims, many of whom face daunting decisions about how to best allocate their financial resources to rebuild. FCD staff help clients understand their options and the implications of each choice on their credit, debt load, and overall future financial health. This helps ensure that clients can make educated decisions, with a financial plan in place to cover any un-reimbursed expenses.

Results/Evaluation and Challenges: NYLAG's financial counselors have assisted approximately 520 clients with storm-related financial matters. To track client services, NYLAG uses a computerized system, TIME, which records client information and can track the number of consultations, services provided, and the outcomes. TIME's reporting function permits comparisons of data, which is used to monitor and improve program performance.

Challenges have included managing client expectations, as many storm victims are seeking one big solution to their many issues. Unfortunately, such solution rarely exists and NYLAG must help clients focus on individual matters where a positive outcome is most likely. Lending to this problem is the lack of clarity in the implementation of government and other disaster relief programs, which are constantly changing, making it difficult to advise clients on their best options. NYLAG is in constant communication with these agencies to ensure staff have the most up-to-date information to share with their clients.

Remás



Organization Name: Remás

Organization Contact: Brendan McBride, Founder

Abstract: Remás has created the first web and mobile tools that give money senders clear, accurate information on their options for sending money to their home countries. The test product will be available in English and Spanish and will provide money transfer comparison information for the US–Mexico money transfer corridor.

Organizational Description and Mission: Remás develops web and mobile tools to expand the financial options of money senders and create new opportunities for themselves, their families, and their communities here and abroad to thrive.

Description of Product or Intervention: Immigrants in the US send billions of dollars back home every year. In the case of Latin America, more than 75% of these funds are sent through money transfer agents. Although money transfer prices have decreased in the last decade, prices via money transfer agents remain high relative to other market options. Furthermore, evaluating the costs of the various options for sending money is difficult given that a) money transfer prices change on a daily basis and b) money transfer companies are often not forthcoming about their pricing structures. Limited transparency, variable pricing, and lack of knowledge by consumers of other options all can play a role in consumers not always getting the best deal they can for sending their money across borders.

To address these issues, Remás has created the first web and mobile tools that give money senders clear, accurate information on their options for sending money to their home countries. Our price comparison website (a “Kayak” or “Travelocity” of money transfers) aggregates money transfer pricing data and provides up-to-date, clearly conveyed price comparisons based on the sender’s location, the amount to be sent, and the destination of the transfer. Results include options for in-person agent transfers and online transfers, as well as bank transfer products. Recognizing that users often access the internet on their phones, price comparisons will also be available through web-enabled cell phones using our mobile site. Our test product will be available in English and Spanish and will provide money transfer comparison information for the US–Mexico money transfer corridor.

Target Population: Latin American immigrants who send money home are the primary target population. To use our products, users must have a basic knowledge of how to access the internet on a computer or a phone, thus restricting use of the products to digitally-literate segments of this target population.

Theory of Change and Potential for Scale: Remás’ money transfer comparison tool will make a difference in the lives of money senders by providing clear information about their money transfer options, saving them money here and enabling them to provide greater financial support to their families back home.

Our tools will also bring greater transparency to the money transfer sector, placing up-to-date, easy to use information in the hands of consumers. We hope that this will have some influence in compelling the industry itself to move toward more transparent practices.

The product will eventually be scaled to cover all Latin American corridors, then expanding to other countries and regions as the demand is further defined.

Outcome Goals: Over next 6 months:

- 1) Test the tools in a test market area of Brooklyn and seek input from target audience.
- 2) Incorporate input into new versions of the tools.
- 3) Beyond the test market area, begin wider marketing of tools, both online and through partnerships with organizations, institutions, and companies that work with the target audience.

Results/Evaluation and Challenges: Remás is currently working through challenges that are key to the development and growth of these tools and their successful dissemination and use. These include data collection to power our price comparison tools, crafting effective marketing to spread the word about our

tools, and keeping up with constant changes in an evolving industry. Another challenge is convincing users to trust a product that is new and unknown.

Remás will engage in evaluation to 1) test the product and its efficacy and usability 2) determine how customers are using it, or why they are not using it 3) begin to analyze and document the impacts that the tool has on users' financial lives and progress toward desired outcomes for the project. Methods used will include web analytics to track usage patterns, focus groups with customers, tracking the use patterns of volunteer customers on a person-by-person basis, and surveys and other means for evaluating the cost savings achieved and other positive or negative outcomes resulting from usage of the beta version of our tools.

The Urban Upbound Financial Fitness Incentives Program

Organization Name: Urban Upbound (formerly known as East River Development Alliance, or ERDA)



URBAN UPBOUND
tackling poverty, changing lives.

Organization Contact: Robin Wilson, Financial Fitness Program Director

Abstract: Urban Upbound proposes to create a membership structure offering clients a progressively more generous range of benefits and rewards that would gradually become available to clients as they achieve milestones related to savings, debt reduction, and increases in credit scores. The first membership tier and its benefits would be available to all clients. Thereafter, Urban Upbound would offer a tiered membership structure that would allow members to gain additional benefits and rewards as they reach various financial milestones. Through this effort, Urban Upbound seeks to provide incentives for people to enroll in services and continue working to achieve their financial goals.

Organizational Description and Mission: Urban Upbound (formerly known as ERDA) works to improve and transform New York City public housing neighborhoods by providing residents with the tools and opportunities necessary for self-reliance and economic mobility. Urban Upbound provides job readiness and placement assistance and helps New Yorkers to build assets, reduce debt, and increase savings. Urban Upbound also operates a credit union that provides residents assistance with managing their money, building capital, and achieving their financial goals, and helps young people to get into and succeed in college.

Description of Product or Intervention: Urban Upbound proposes to create a membership structure offering clients a progressively more generous range of benefits and rewards that would gradually become available to clients as they achieve milestones related to savings, debt reduction, and increases in credit scores. The Urban Upbound membership would be free of charge to clients. When clients first register for an Urban Upbound service they will gain automatic membership to the organization; the first membership tier and its benefits would be available to all clients. Thereafter, Urban Upbound would offer a tiered membership structure so that members gain additional benefits and rewards as they reach various financial milestones. By creating this membership structure, Urban Upbound seeks to:

- 1) Provide an incentive for people to enroll in Urban Upbound services. Urban Upbound would promote the membership/reward system in all outreach and marketing materials.
- 2) Provide incentives for clients to continue working to achieve their financial goals. Clients will gain short-term benefits from reaching their goals such as discounts at local stores, supplementing the long-term benefits resulting from clients stabilizing and strengthening their finances such as more favorable terms for credit. The incentives would help to keep clients motivated as they work to reach their financial goals, as well as de-stigmatize financial counseling.
- 3) Retain clients and encourage them to continue availing themselves of Urban Upbound's financial counseling, employment, access to credit, and college preparation services.
- 4) Further integrate its services as the membership rewards would encourage clients to take advantage of multiple Urban Upbound programs. The membership system will result in more clients benefitting from the wide range of services offered by Urban Upbound, including its Federal Credit Union.
- 5) Establish stronger ties to local business sector and encourage clients to invest in the neighborhood economy by shopping at local businesses. The Urban Upbound membership will offer discounts at local businesses, including members of Urban Upbound's Merchants Associations. These businesses are potential employers of Urban Upbound's clients.

Target Population: Urban Upbound serves approximately 4,500 people each year, approximately 60% of whom live in four public housing developments in Western Queens. The average annual income of Urban Upbound's clients is \$14,120. In addition, approximately 40% of Urban Upbound's clients lack a high school diploma or GED, fewer than 10% of residents in Urban Upbound's target public housing developments have a bachelor's degree, and 30% lack a bank account. In 2012, 73% of Urban Upbound's clients were women. The organization's services are available to all New Yorkers.

Theory of Change and Potential for Scale: Urban Upbound's Theory of Change contends that low-income and moderate-income people must reach various milestones before achieving financial stability. This is particularly true of people facing economic hardship or a financial crisis, as they must first address their

immediate needs and eliminate the strain and hardships of their crisis before focusing on long-term financial counseling and its benefits. The Urban Upbound Financial Fitness Incentives Program seeks to incentivize clients to continue receiving financial counseling services beyond a short-term intervention and to provide rewards that will materialize while they await the less immediate benefits of financial counseling. Other organizations have successfully used financial incentives. The Milwaukee New Hope Project, for example, offered financial incentives to workforce development clients which served as additional motivation for participants to find employment. Once employed, clients received an earning supplement, which incentivized them to remain employed. Five years later participants showed psychological and behavioral changes that lasted well beyond the time they received services from New Hope Project.

Outcome Goals: Through the Incentives Program, Urban Upbound will assist clients to:

- Save on a regular basis, as measured by monthly deposits of a set amount or savings increases of a percentage of income over three months or more
- Reduce debt by at least 25% over 18 months
- Increase credit score by at least 35 points over a six-month period
- Gain access to mainstream financial services and reduce dependence on predatory fringe financial services

Results/Evaluation and Challenges: Urban Upbound is seeking to learn more about what motivates low and moderate income people to work towards achieving financial goals and whether external incentives can aid in helping clients to stay focused and motivated. Urban Upbound proposes to offer short-term incentives to supplement the more long term benefits like of achieving reductions in debt, and increases in savings and credit scores. Urban Upbound will measure and evaluate the program's impact on retention, achievement of financial counseling milestones, and participation in one or more Urban Upbound programs.

Urban Upbound foresees these challenges: (1) Clients may be reluctant to join as a member, believing that it may involve a financial cost or obligations they cannot fulfill; Resolution: Urban Upbound will communicate through many channels that clients will only benefit from the membership and can withdraw their membership at any time; (2) Clients may resist any arrangement that appears too complex or difficult to understand; Resolution: Urban Upbound will create a simple and clear membership structure, and use accessible and clear language to promote membership and its rewards; (3) Clients approach Urban Upbound with a wide range of financial problems, so developing financial milestones that are both achievable and meaningful to the average client will require close attention; Resolution: Urban Upbound will set milestones on savings, credit, and debt that are relevant to most clients, regardless of their income or financial situation.

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Home-Based Childcare Training Program

Organization Name: Women's Housing and Economic Development Corporation



Organization Contact: Julia Roberts, Director of Institutional Giving

Abstract: WHEDco's Home-Based Childcare Training Program enables economically struggling, unlicensed childcare providers throughout New York City—primarily Black and Hispanic women with limited educational attainment—to become licensed childcare providers, start their own businesses, and sustain and grow these businesses over time, thereby improving their economic security, earning potential, and business-management skills in a challenging economic climate. In the past year and a half, WHEDco has helped over 130 childcare providers become licensed and open childcare businesses in their homes, increasing their annual earning potential from \$9,600 to over \$43,000.

Organizational Description and Mission: For 20 years, WHEDco has worked collaboratively with the communities it serves to fulfill its mission of making the Bronx more beautiful, equitable, and economically vibrant. WHEDco impacts 35,000 people annually by: (1) creating attractive, energy-efficient, and affordable residential buildings as a foundation for community revitalization and economic development; (2) complementing these buildings with services that support stability and empowerment; and (3) working with residents to improve local safety, commercial development, and health.

Description of Product or Intervention: Home-based Childcare Training consists of four core steps offered in English/Spanish:

- I. **Fundamentals of Childcare:** Customized training for unlicensed providers that improves their professional skills, qualifies them to receive enhanced State reimbursement and, if they choose, set them on the path to obtain family daycare licenses. The trainings cover nine New York State-mandated topics which include business record maintenance and management, program development, child development, indoor/outdoor safety, and nutrition, among others. Participants also take a basic business development course, which introduces them to the concepts and requirements of starting and running a home-based business, including financial planning, opening a personal and business bank account, record-keeping, etc. Approximately 450 childcare providers per year complete this training.
- II. **Technical Assistance and Licensing Application:** Includes individual and group technical assistance to complete the 80-page licensing application, as well as home visits to all providers applying for family daycare licenses to ensure that their facilities meet health and safety regulations and to assist with developing their new business. Childcare providers submit their licensing applications to the NYS Department of Health. Approximately 300 unlicensed childcare providers per year receive technical assistance.
- III. **Health and Safety Course:** State mandated training on day care regulations and how to create a safe and healthy environment for children. Approximately 100 childcare providers with pending licenses complete the 15-hour health and safety course each year.
- IV. **Advanced Business Development:** Direct support for newly-licensed childcare providers on basic accounting, cash flow management, contracts and policies, record keeping, operations and management, purchasing, financial literacy, curriculum development, marketing and recruiting, and computer technology. Also includes home visits to ensure that their facilities remain in compliance with state regulations for licensed facilities and to develop individualized strategic plans for their businesses. Since piloting and launching this component in 2012, we have trained over 130 new businesses.

Target Population: The Home-Based Childcare Training Program targets and serves unlicensed childcare providers in the Bronx and across all five boroughs. Data from the past year reflect the current and ongoing population we serve: 91% percent are women. The average age is 44. Sixty-eight percent are Hispanic/Latino and 28% are Black/African-American. Nearly 40% of the unlicensed providers tracked in WHEDco's database system are Spanish speakers and less than half have a high school diploma.

Theory of Change and Potential for Scale: WHEDco has the potential to scale the program citywide by targeting unlicensed childcare providers in all five boroughs. Through a contract with the NYS Office of Children and Family Services to screen unlicensed childcare providers citywide for health and safety

standards, we have staff in 24 HRA offices across all five boroughs. We annually screen between 20,000 and 30,000 unlicensed providers. Because WHEDco has already developed the curriculum, training, and program structure, it would be easily replicable at multiple sites for a range of low-income, underserved communities where childcare presents an opportunity for financial empowerment. The annual earning potential of these untrained childcare providers is \$9,600. If more childcare providers enroll in and complete basic training, their earning potential increases to \$10,272. If they become licensed, their earning potential increases to over \$43,000 per year, and over \$100,000 if they open a group daycare and hire an employee.

Outcome Goals: The primary financial empowerment goal of the Home-Based Childcare Training Program is to help annually 80 low-income women create sustainable businesses and help 450 to increase their earning potential.

Results/Evaluation and Challenges: WHEDco's Research, Policy and Evaluation Department, in close collaboration with Home-Based Childcare Training staff, tracks outcomes and participant demographics, measures impact and effectiveness, and identifies opportunities for continuous quality improvement. This work includes tracking the number of unlicensed providers going through the training, application, and licensing processes, as well as related increases in income and more children in care.

The primary challenges encountered by unlicensed childcare providers include:

- Meeting regulatory, health, and safety requirements. Childcare provider homes must meet rigorous state standards for the care of children. WHEDco helps childcare providers work through these challenges, where applicable, through comprehensive technical assistance and home visits.
- Time commitment. Childcare providers must commit to completing approximately three months of training to qualify and submit their childcare licensing application. Often the approval process takes up to six months, including Department of Health Home visits. WHEDco works with the DOH to track the progress of applications and identify approval issues.

MoneyW!SE-DV



Organization Name: Working in Support of Education (w!se)

Organization Contact: David Anderson, Executive Vice President

Abstract: MoneyW!SE-DV, a w!se program, offers domestic violence (DV) survivors a pathway towards financial independence. It is the only initiative in New York City that provides DV survivors, through a 12-week personal finance course, both an opportunity to learn how to manage their money and the chance to earn a nationally recognized certification—the w!se CFL™. With generous funding from Allstate, food, child care, and subway or bus fare are provided each week, removing barriers to attendance. The program has high attendance rates and a high percentage of participants who graduate the course financially literate.

Organizational Description and Mission: Founded in 1998, the mission of w!se is to improve the lives of young people through programs that develop financial literacy and college and career success. Our initiatives are built on five pillars—relevancy, real-world experiences, strong partnerships, volunteerism and evaluation. They reach low- to moderate-income communities nationally. Our family of financial literacy programs equips youth and at-risk populations with the personal finance knowledge that is vital to living a life of financial wellbeing.

Description of Product or Intervention: w!se created MoneyW!SE-DV after learning about the chronic lack of financial literacy among DV survivors in NYC. Through this groundbreaking intervention in financial education, we offer a 12-week course on personal finance and, at the end, administer the w!se Financial Literacy Certification Test. Those passing become Certified Financially Literate™, earning the w!se CFL™ credential that can help them in their jobs and search for work. The program is delivered twice per year at all three Family Justice Centers (Bronx, Brooklyn and Queens) operated by the NYC Mayor's Office to Combat Domestic Violence. Classes meet for two hours per week; food, childcare, fares for round-trip transportation for clients and their offspring are provided to help minimize the logistical and economic barriers to attendance. The course curriculum and materials are aligned to national and state standards on personal finance, enabling clients to learn how to budget, set financial goals, create a financial plan, open their own bank account, use but not abuse credit cards, save, invest and purchase the appropriate type and amount of insurance. These financial management skills are crucial to building a life of financial independence after leaving an abusive relationship. There are several additional features that make this program unique: a) financial counseling is offered both during and after the course which reinforces and personalizes the classroom instruction; b) the program is specifically designed to build self esteem and motivate learning—two examples: each client receives a certificate of completion regardless of whether they pass our test and second, clients may take the course more than once if they wish to enhance their knowledge; and c) program success is founded on an exceptional public-private sector partnership between w!se, the Allstate Foundation, Sanctuary for Families, Financial Planning Association of New York and NYC Mayor's Office to Combat Domestic Violence.

Target Population: MoneyW!SE-DV targets DV survivors and is offered to clients of all NYC domestic violence shelters. These victims often face not only physical, but also financial abuse and may have limited knowledge of how to manage their personal finances. 98% of clients are female ages 20 to 60 from diverse backgrounds, 30% of which have Spanish as their first language. 95%+ are low-income individuals and lack of money and a steady income present a significant challenge when they are trying to leave an abusive relationship.

Theory of Change and Potential for Scale: Our theory of change is simple in its causal logic: 1) Effective financial education improves financial literacy; 2) Financial literacy positively impacts financial behavior; and 3) Financially responsible behavior leads to sound money management and the prospect of a life of financial wellbeing. MoneyW!SE-DV is highly scalable. Launched in one location in the Bronx in 2009, the program is now in all three NYC Family Justice Centers. It has expanded beyond NYC to two other urban centers, Salt Lake City and San Diego, and further geographic expansion is planned. The classroom materials have been translated into Spanish to encourage more Spanish-speaking clients to enroll, with the goal of offering a Spanish-language course starting in 2014. MoneyW!SE-DV can also be easily replicated to support other at-risk, low-income populations such as individuals recovering from substance abuse, parolees, the incarcerated, casualties of downsizing and new immigrants.

Outcome Goals: The goal of MoneyW!SE-DV is to equip DV survivors with the personal finance knowledge and skills that can lead to a life of financial wellbeing and by providing them with an opportunity to become

Certified Financially Literate™. We meet this goal by setting rigorous outcome objectives: 1) 60%+ average attendance rate; 2) 80%+ average passing rate on the Certification Test; 3) 15%+ improvement between the pretest and Certification Test scores; 4) 30%+ seek financial planning advice; and 5) a significant improvement in the percentage of clients budgeting, saving and setting financial goals after instruction.

Results/Evaluation and Challenges: Of the 200+ clients served in NYC, 170+ have graduated our MoneyW!SE program financially literate, earning the w!se CFL™. The program also has a positive impact on their financial behavior—for example at the end of one recent course, 78% were banked after instruction compared with only 44% prior. However, the program is about more than numbers. To hear a first-hand account of how it transformed clients' lives, click on this link to a segment that aired on market Place radio about the program: <http://www.marketplace.org/topics/your-money/empowering-women-through-financial-literacy>. Due to the transitional challenges of DV survivors and their multilingual backgrounds, class enrollment tends to be small. While this allows for highly effective and differentiated instruction, we are exploring ways to increase enrollment, including developing Spanish-language materials with the goal of offering a Spanish-language class.

