

**consumer action**

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***Implementation of Community-based  
Financial Literacy Programs in the US:  
Results of a National Survey***

Report prepared by Consumer Action

[www.consumer-action.org](http://www.consumer-action.org)

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## **Acknowledgement**

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## I. Introduction

The national *Implementation of Community-based Financial Literacy Programs in the U.S.* survey was conducted among 496 community-based organizations (CBOs)—university extensions, credit counseling agencies, immigrant/refugee services, government agencies, libraries, churches, social services, and other local nonprofits—that are engaged in financial literacy counseling and education.

The objectives of the survey were:

- to determine which types of CBOs are directly engaged in financial literacy work;
- to learn how these agencies educate their target populations; and
- to identify the types of materials, services and support CBOs need to run effective financial literacy programs.

All three of the survey's key objectives were met.

\* \* \*

Financial literacy is absolutely essential for every individual and family. Consumers who are able to make informed financial decisions and respond wisely to financial challenges are more likely to make the most of limited resources, avoid excessive debt, accomplish important goals such as homeownership, and avoid becoming victims of unfair business practices and fraud. Financial literacy is so tied to personal well being that many experts consider it as important as learning how to read and write.

Personal finance education has come a long way in recent years. An Internet search for the words “financial education” or “financial literacy” yields listings for many thousands of entities—financial institutions, government agencies, nonprofit organizations, for-profit companies, employers, and consumer groups—offering money

management tools and information. Today, the issue around financial literacy is less about the *availability* of information than it is about the effective *delivery* of information.

The Organisation for Economic Co-operation and Development (OECD), a membership organization made up of 30 nations including the U.S., reported in 2006 that “evidence shows that highly educated consumers with high incomes can be just as ignorant about financial issues as less educated, lower income consumers.” It also reported that, across its membership, “between 3% and 10% of the population are without a bank account, and are therefore financially isolated in a world where financial transactions—including payment of welfare benefits—are increasingly carried out electronically.”

To be considered truly effective, a financial literacy program must be able to serve consumers in the mainstream as well as those segments of society whose needs are not being met by others—in a location, a format and a language that works for them.

The national *Implementation of Community-based Financial Literacy Programs in the U.S.* survey bears out this concept.

## II. Methodology

### *Sample*

The universe for this survey was all community-based organizations in Consumer Action's CBO network. The network is made up of approximately 9,000 nonprofit entities throughout the U.S. that share a commitment to financial literacy and consumer protection.

Of these 9,000 prospective survey participants, those 5,000 who had valid email addresses on file in Consumer Action's database received an invitation to participate in an online survey.

### *Questionnaire*

Consumer Action built the 31-question survey using the online survey tool SurveyMonkey.com. A link to the survey was emailed to prospective participants on May 28, 2009. The survey remained accessible until June 10, 2009, after which responses were not accepted.

### *Data Analysis*

The study consists of 496 completed surveys, reflecting a response rate of approximately 10%.

Respondents were spread across the U.S. (as indicated by ZIP code), representing the Northeast, Midwest, South and West.

The categorical composition of survey respondents was:

Social/Human Services	182	36.7%
Housing	118	23.8%
Government	100	20.2%
Credit Counseling	92	18.5%
Faith-based	34	6.9%
Military	4	0.8%
Other	163	32.9%

Participating agencies have been helping to improve clients' financial literacy for:

10+ years	266	62.3%
6-10 years	50	11.7%
3-5 years	62	14.5%
0-2 years	25	5.9%
N/A	24	5.6%

### III. Summary of Key Findings

This survey of 496 community-based organizations asked 31 questions about how the agencies deliver financial education, and what tools and materials they prefer to use to educate themselves and their clients.

The following key findings will:

- inform the work of those who develop financial literacy tools, training and materials for frontline educators; and
- inform the choices and objectives of those who fund financial literacy programs.

**1. Community-based organizations are uniquely qualified to reach isolated and vulnerable populations.** Together, the responding CBOs serve tens of millions of clients annually, including families, youth, college students, seniors, gay/lesbian/transgender individuals, public assistance recipients, subsidized housing residents, members of the military, new immigrants and refugees, the unemployed and the homeless.

As trusted entities in their communities, they are more likely to understand the particular, perhaps unique, needs of local residents and to be able to break through income, age and ethnic barriers.

**2. Financial counselors must be prepared to take advantage of “teachable moments.”** Survey participants reported that only slightly more than one-third (36.9%) of clients contacted their agencies specifically to request financial counseling or education.

Typically, said CBOs, an urgent issue such as an overdue utility bill or a problem paying for transportation brings the client to the agency. It is then that the counselor has an opportunity to address the larger financial issue that most likely exists but is not acknowledged. If the counselor is prepared, with knowledge, training and materials, he or she can educate the client on personal



finance at the very point in time when he or she is most receptive to the information and advice.

3. **There is a need for both one-on-one financial counseling and group education.** CBOs that provide financial literacy education do so through one-on-one counseling sessions (66.1%), group workshops and presentations (59.5%), or both (32.3%). Fewer than 10% do not provide either one-on-one counseling or group education.

The agencies surveyed estimated that 9.7% of their clients preferred to learn about financial matters in one-on-one counseling, while 13.9% preferred group workshops or presentations. More than half (57.1%) said clients wanted to learn in one-on-one sessions *and* in a group, while 19.3% said they believed their clients had no preference.

CBOs have a continuing need for materials, training and other tools that enable them to deliver financial education in the ways that best meet the needs of their communities.

4. **Printed materials continue to play a crucial role in financial education.** Despite the wide availability of free financial information on the Internet, CBOs list printed brochures as their top choice for teaching about, and learning about, personal finance and consumer issues.

Of the 431 participants who responded to the question, *What do you use to train yourself or others when counseling clients about financial matters?*:

- 86.5% use printed brochures
- 61% use PowerPoint slides
- 59.6% use lesson plans/curricula
- 55.7% use learning activities and games
- 57.3% use websites
- 42.2% use printed Q&A Leader's Guides

- 33.4% use webinars and other Web-based learning tools
- 29.9% use DVDs
- 23% use CDs
- 4.2% use podcasts
- 25.8% use “other”

*Every* respondent that provides counseling or group education reported sending the client home with something tangible—a brochure, a worksheet, an action plan or a booklet, for example. This reflects the enduring benefits of “paper” when it comes to delivering financial literacy and consumer information.

Respondents estimated that 29.5% of their clients preferred to educate themselves on financial matters using brochures, and that just 2.1% preferred to do so online. They also estimated that about one-third (35.5%) would like to use both brochures and online materials, and that almost the same number (37.1%) had no preference.

**5. Frontline providers of financial counseling and education depend on outside sources for tools and materials.** CBOs overcome limitations on funding, staffing and expertise by obtaining financial literacy brochures, curricula and other tools and materials from outside expert sources.

Survey respondents said they get their materials from:

- Nonprofit agencies (85.4%)
- In-house development (71.5%)
- Government agencies (68.7%)
- Internet (63.8%)

Of the agencies that had a preference, almost half (46.9%) said they preferred to order materials from a non-profit agency.

When it comes to unsolicited materials, 38.5% of respondents said they would use them only if they came from a trusted source. Another

24.6% said they would check to see who was behind them before deciding to use them. In other words, if they were from a source with a vested interest in the subject, they would be more likely not to use them.

Close to 70% said they prefer to order materials through an online order form compared to fewer than 20% who said they prefer to use an order form they receive in the mail.

**6. Financial literacy educators rely on outside training and tools to help them feel prepared and stay up-to-date.** Three-quarters (73.3%) of agencies feel qualified to counsel clients on financial matters, while 26.7% do not. When asked what they would like to have to feel more prepared to educate consumers, close to half of the respondents wanted:

- Workshop exercises and games (54.8%)
- Printed brochures for clients (49.4%)
- Training materials for self-teaching (48%)
- Curricula/lesson plans (47.6%)
- In-person training (44.3%)
- PowerPoint presentations (42.9%)

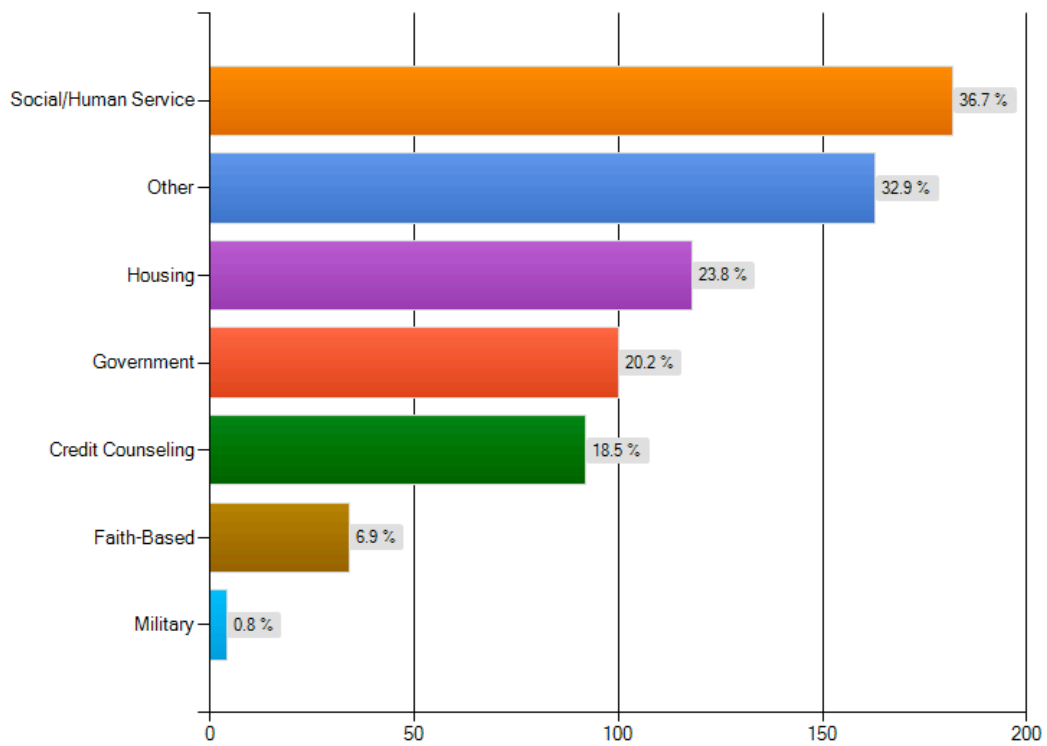
Only 14.8% said “nothing.”

## V. Detailed Findings

Following is the breakdown of responses to all questions in the survey.

### Q1.

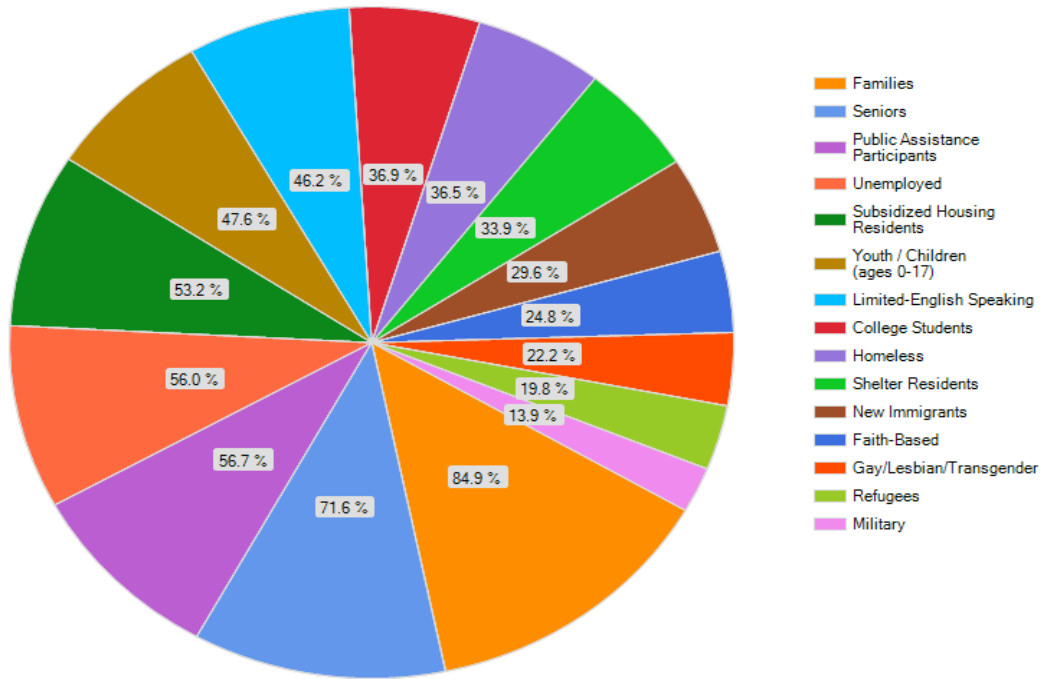
Please check the category that best describes your agency. (Please check all that apply.)



# Implementation of Community-based Financial Literacy Programs in the U.S.

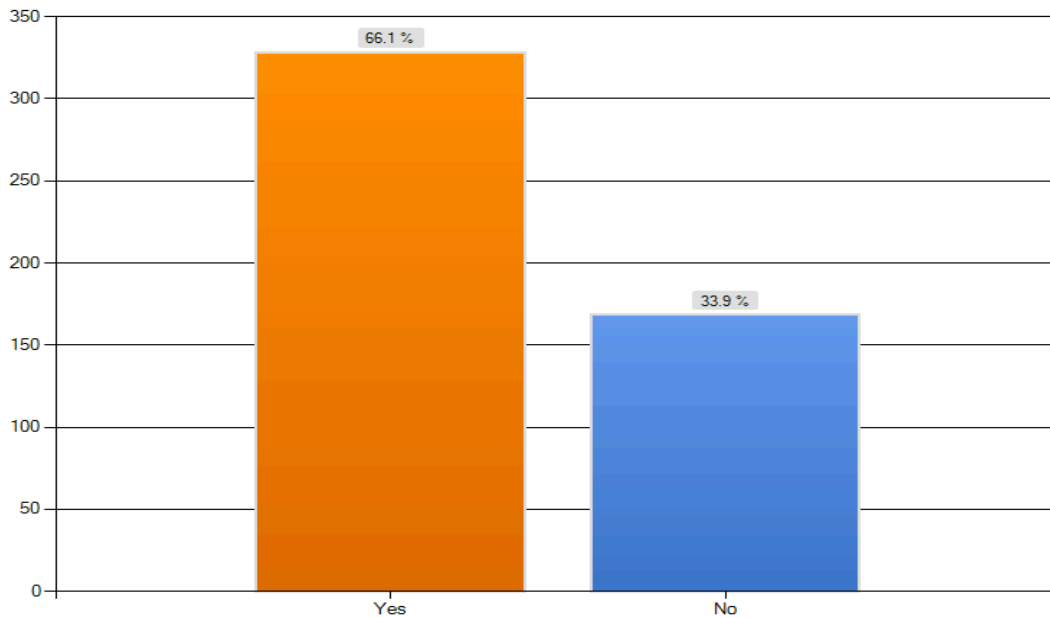
## Q2.

Please check the categories below that best describe the clients that your agency serves. (Please check all that apply.)



## Q3.

Does your agency do direct counseling with clients?

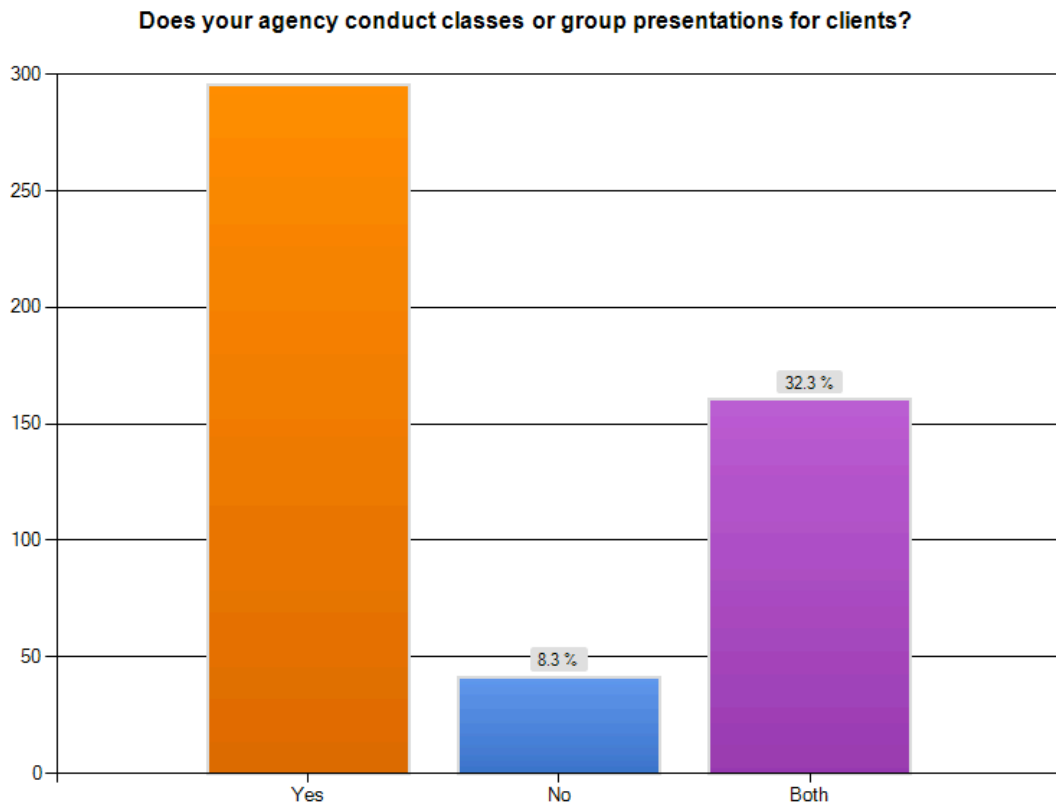


**Q4. If yes, how do you classify the staff providing the counseling? Please provide job title(s). If no, please indicate N/A.**

All 496 participants responded. Job titles ranged widely. Some of the responses that appeared more frequently were:

- Legal professionals: paralegals, attorneys, mediators, legal advocates
- Credit/debt counselors, financial literacy educators
- Housing counselors
- Social workers, case managers, therapists
- Employment counselors
- Family counselors
- Religious counselors, clergy
- County extension agents
- Military counselors

**Q5.**



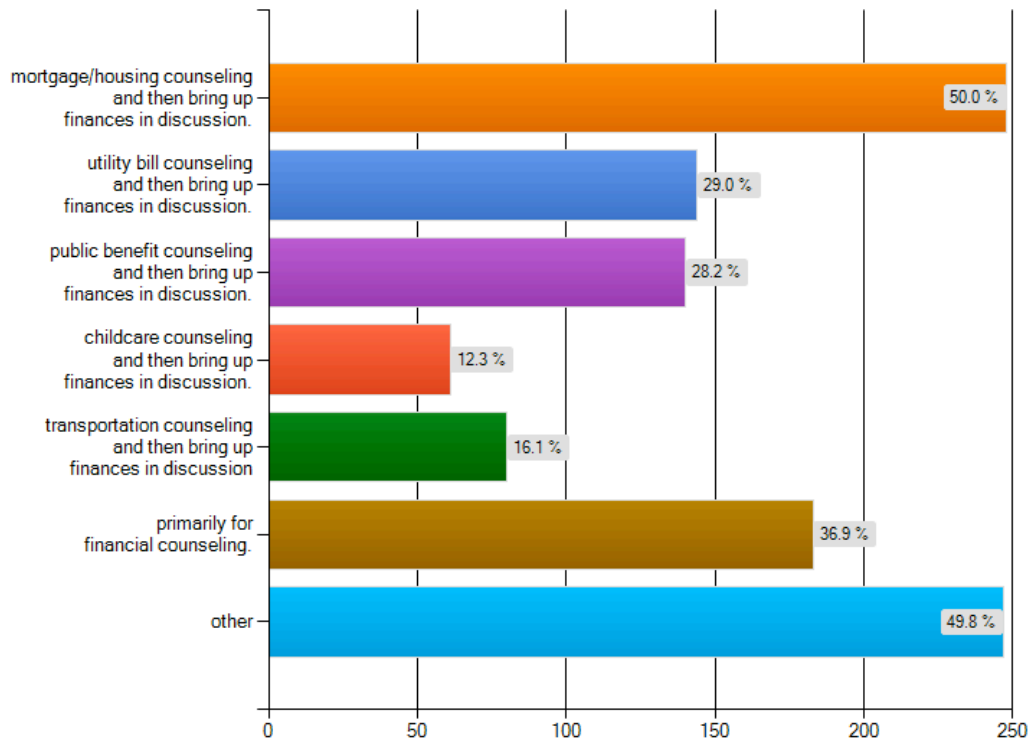
**Q6. Do you currently counsel clients about personal financial matters? Please explain. Personal financial matters includes: mortgage/housing, utility bill, public benefit, childcare and / or transportation assistance.**

All 496 participants responded. The most frequent responses were:

- Housing: pre-purchase education, foreclosure prevention, reverse mortgages, renters' rights
- Public benefits; utility, childcare and transportation assistance
- Legal matters: foreclosure, eviction, collections, wage garnishment, bankruptcy, identity theft, consumer rights
- Personal finance: budgeting, debt management, wise credit use, credit reports, saving

**Q7.**

**My clients come to me for (Please check all that apply.):**



**Q8. If clients come to you for services other than counseling, please specify what they come to you for.**

All 496 participants responded. The most frequent responses were:

- Classes
- Legal: advice or representation, mediation services, small claims court information, file a complaint (consumer fraud, deceptive business practices, etc.)
- Emergency assistance: utilities, childcare, groceries, and transportation
- Housing assistance: down payment assistance, Section 8 vouchers
- Employment resources

**Q9. How many clients does your organization serve annually?**

All 496 participants responded. Numbers ranged from 10 to 3.5 million. All together, the CBOs that participated in the survey serve tens of millions of consumers nationwide each year.

**Q10. How many staff does your organization have?**

All 496 participants responded. Staff size ranged from one full-time employee to more than 1,000.

**Q11. What percent of their work pertains to financial matters?**

All 496 participants responded. The percentage of the organization's work that pertains to financial matters ranged from "minimal" to 100%.

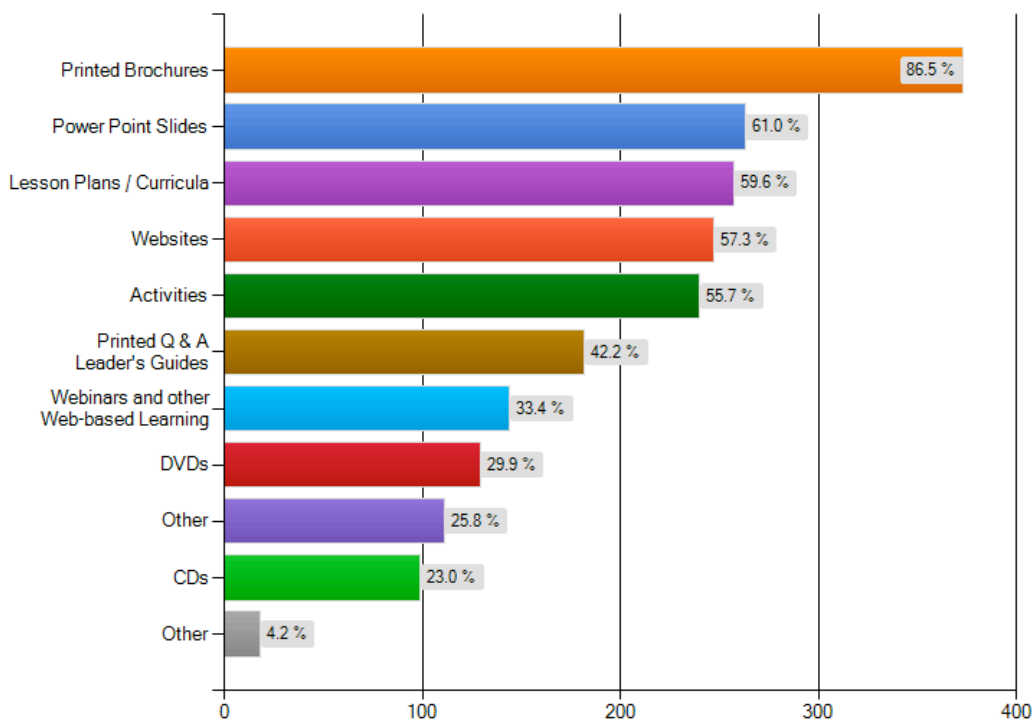
**Q12. How many of your staff conduct presentations or trainings on financial matters?**

All 496 participants responded. Answers ranged from "none" to "all."



**Q13.**

**What do you use to train yourself or others when counseling clients about financial matters?  
(Please check all that apply.)**



**Q14. What, if anything, do you give clients in a counseling session?**

Of the 496 survey participants, 431 answered this question and 65 skipped it. The most frequent responses were:

- Brochures, pamphlets, booklets
- Worksheets, workbooks, handouts, action plan
- Copy of PowerPoint presentation, class materials
- Credit report
- Printout of benefits screen
- Resources/referrals list
- Electronic resources (CDs, DVDs, software)
- Miscellaneous tools (expanding file, calculator, notebooks, pens, etc.)

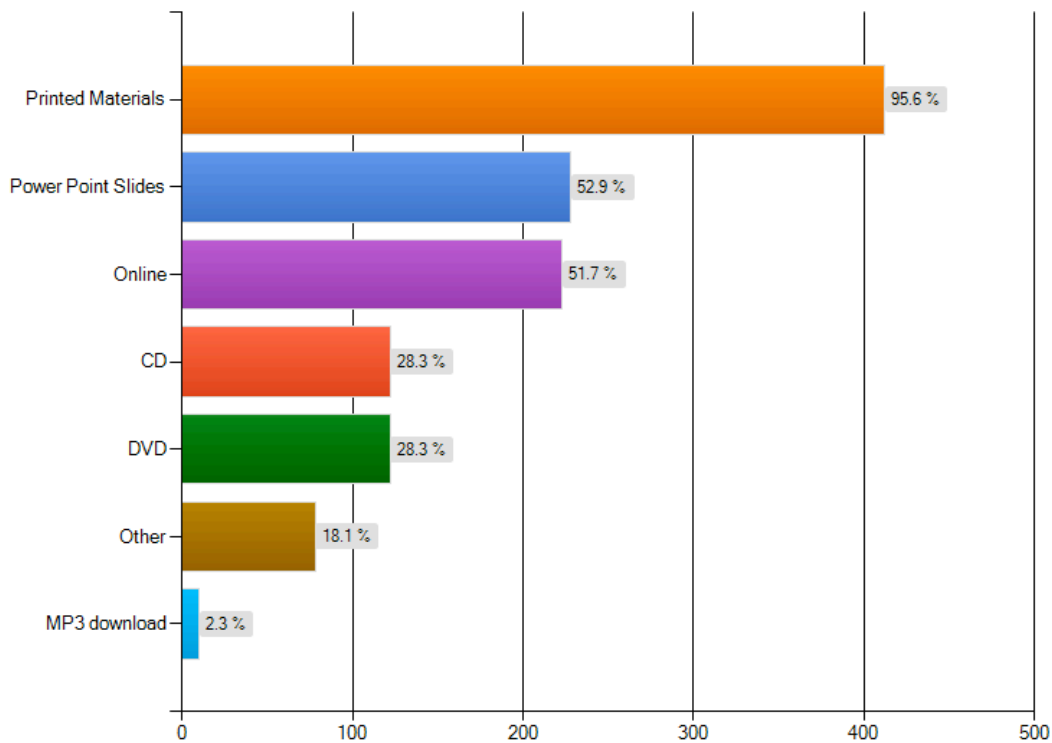
**Q15. How did you find out about the materials/curriculum that you use?  
Please be specific.**

Of the 496 survey participants, 431 answered this question and 65 skipped Responses included:

- “Online and e-mails from trusted organizations and individuals”
- “Order from outside agencies like yours”
- “We created, or received from trusted government/nonprofit source”
- “FTC, website, HUD, AICCCA, various creditors, NW, Consumer Action”
- “Neighborworks training, Consumer Action training, Federal Reserve info, BankRate.com, University Extension Services, variety of other websites and curriculums, EVALUATIONS from clients based on their feedback, needs, requests”

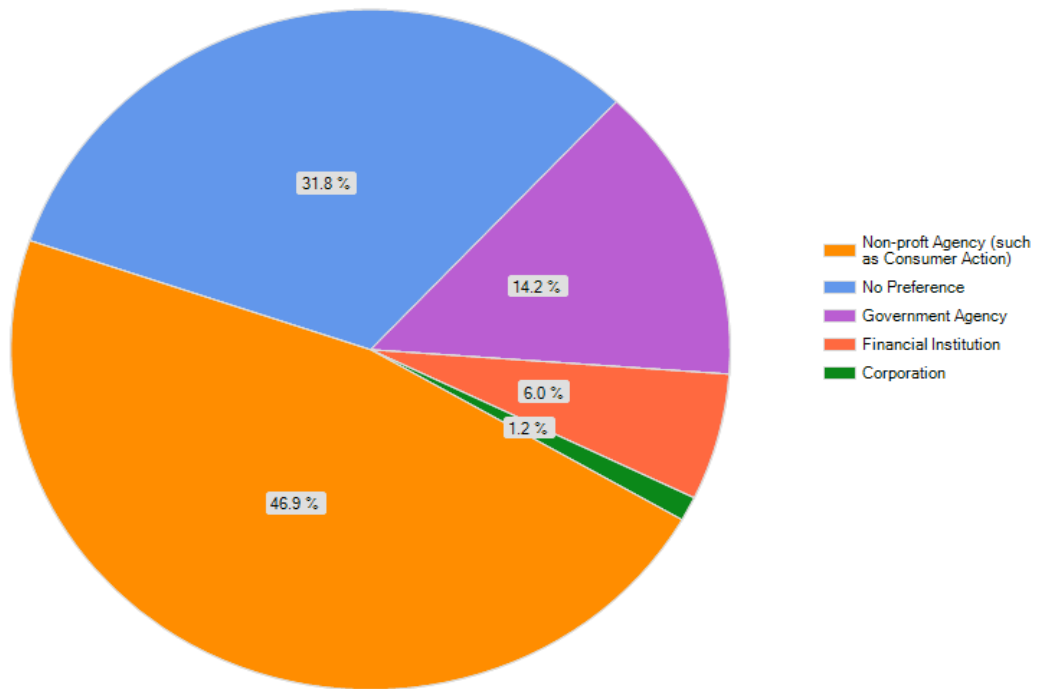
**Q16.**

**What format do these materials/curricula come in? (Please check all that apply.)**



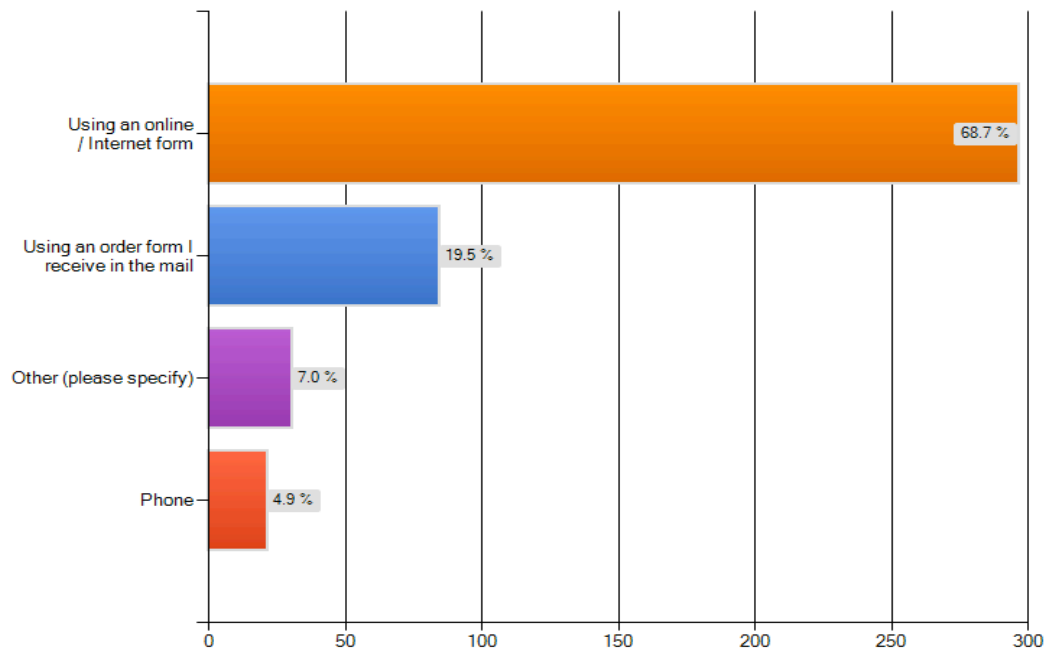
**Q17.**

**What type of entity do you prefer to order materials from? (Please check all that apply.)**



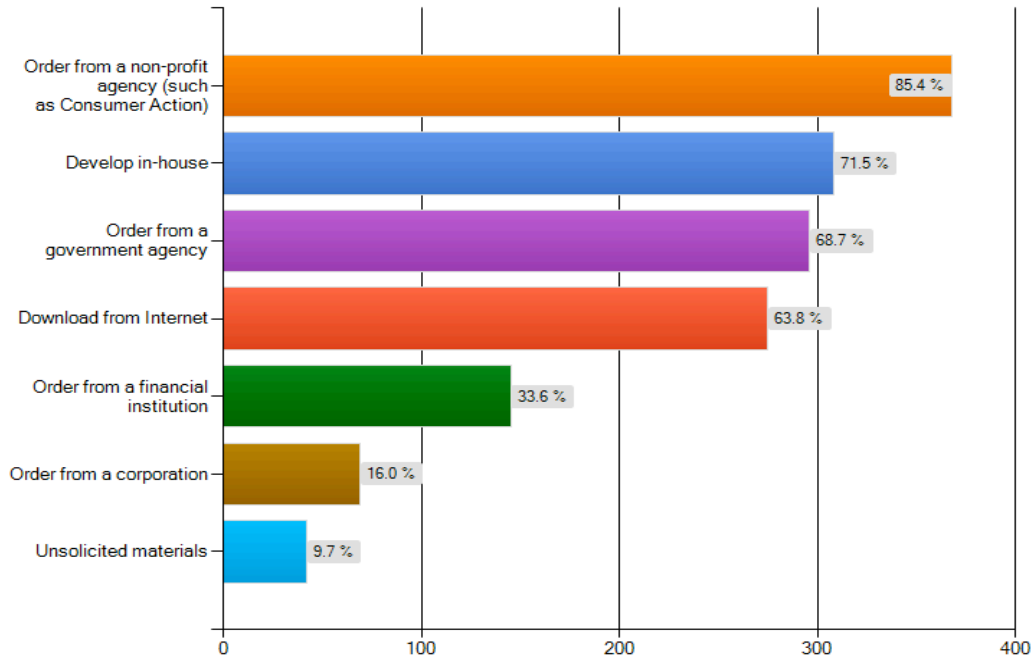
**Q18.**

**How do you prefer to order materials?**



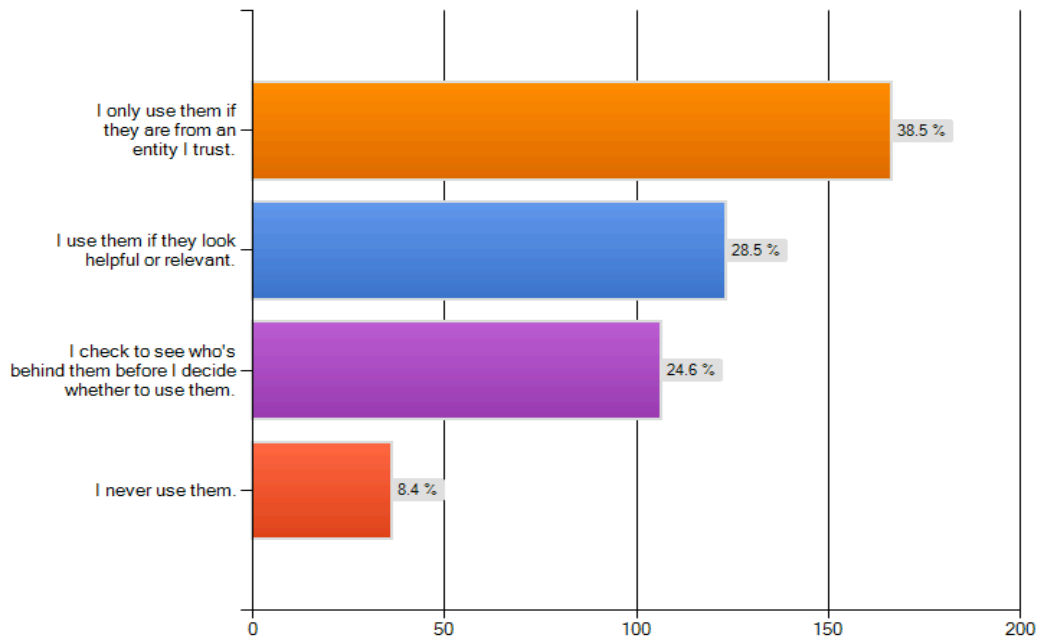
**Q19.**

**How do you get materials you give to clients? (Please check all that apply.)**



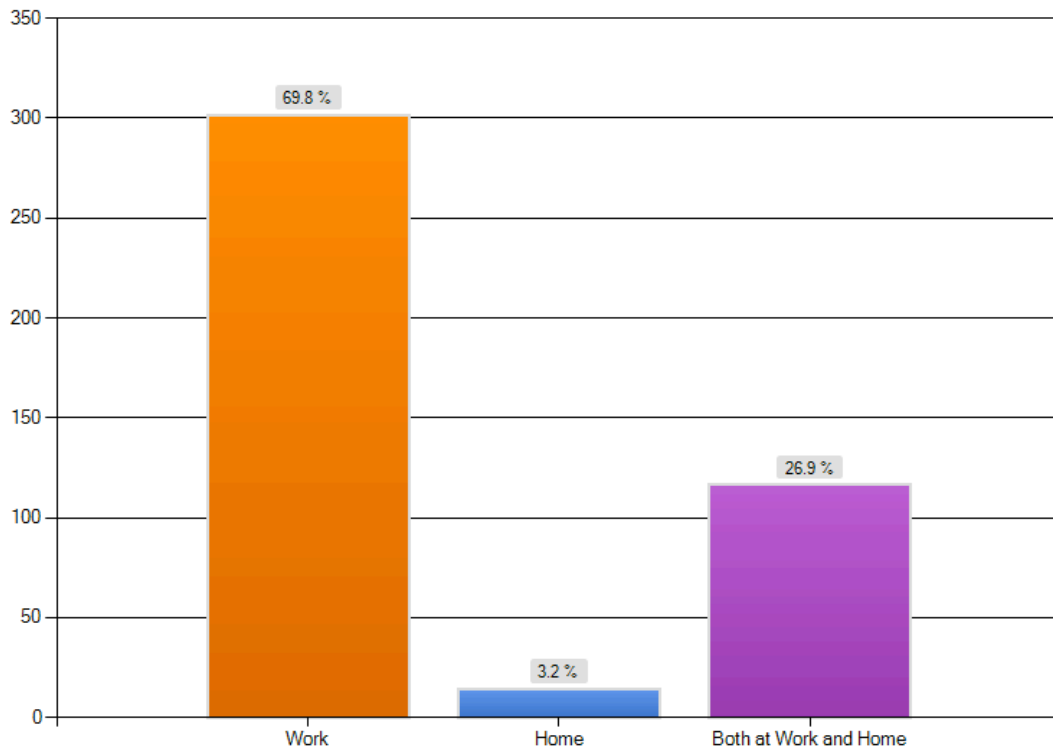
**Q20.**

**How do you view unsolicited counseling or presentation materials you receive in the mail?**



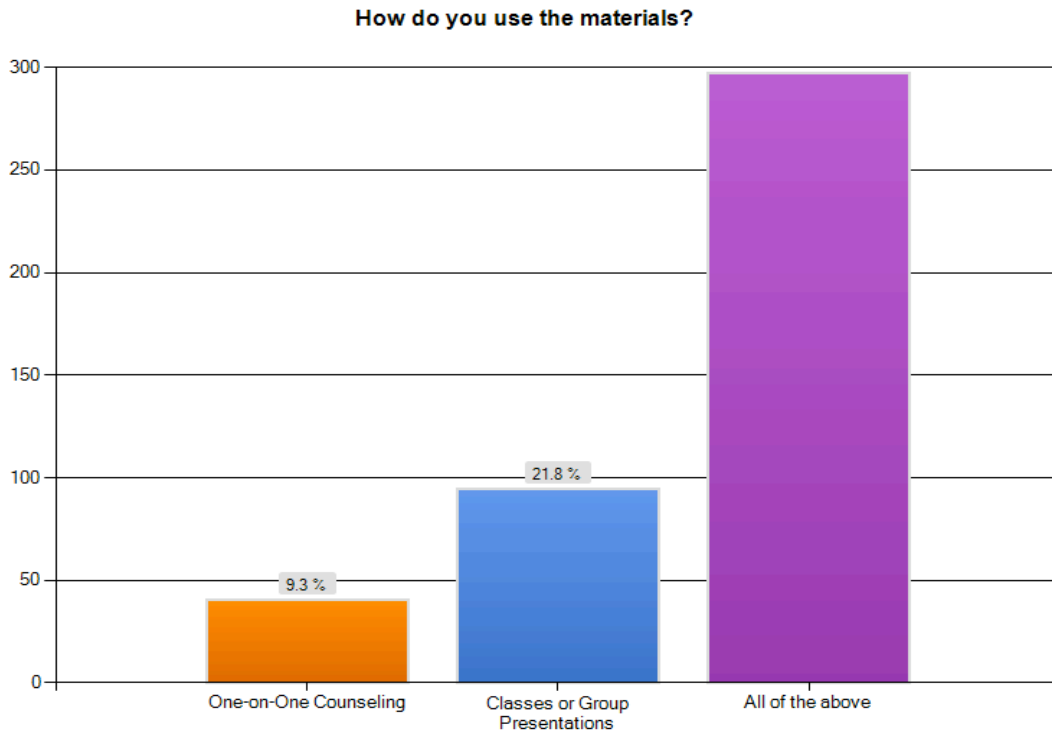
**Q21.**

If you download counseling materials from the Internet, do you download from:

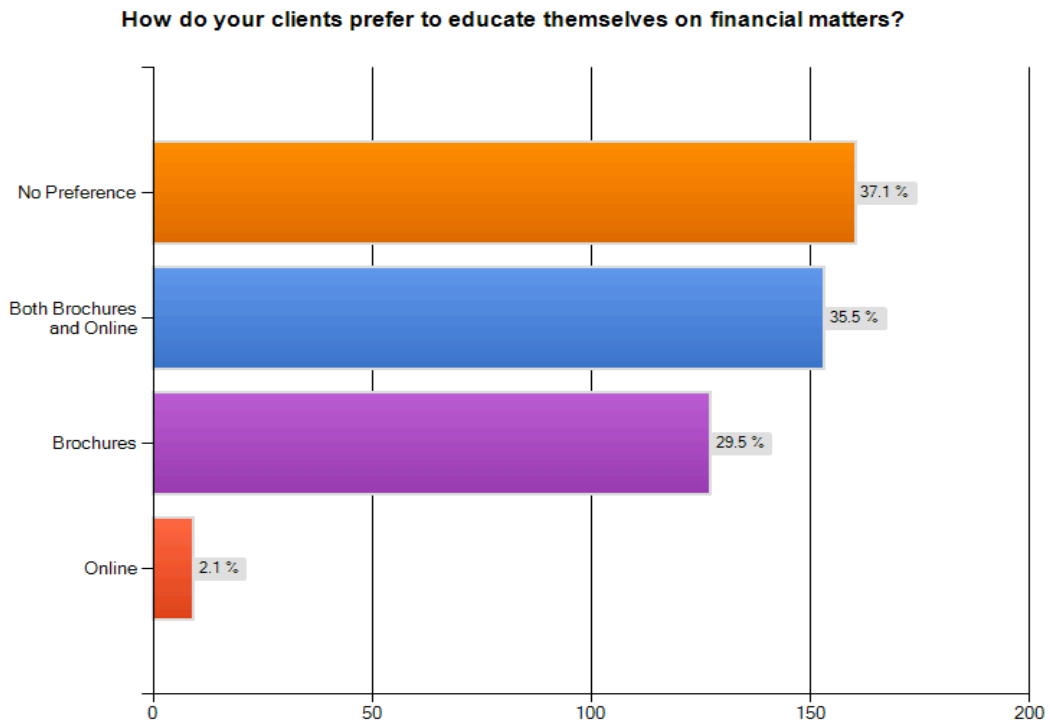


**Q22.** Question was flawed; omitted from results.

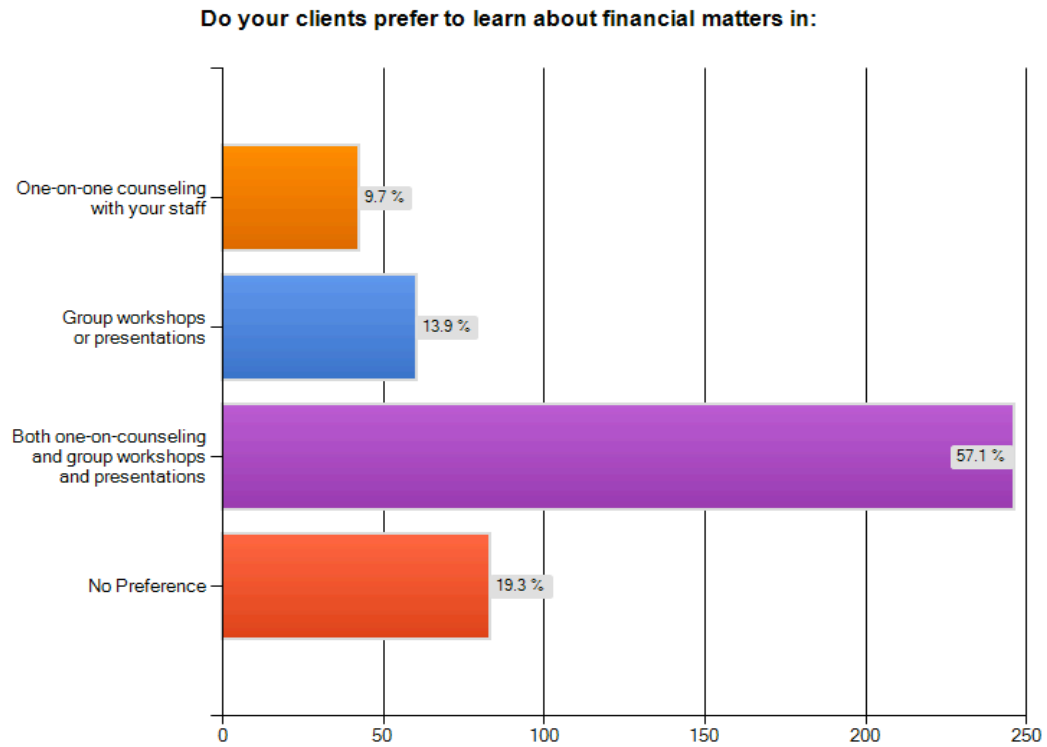
**Q23.**



**Q24.**

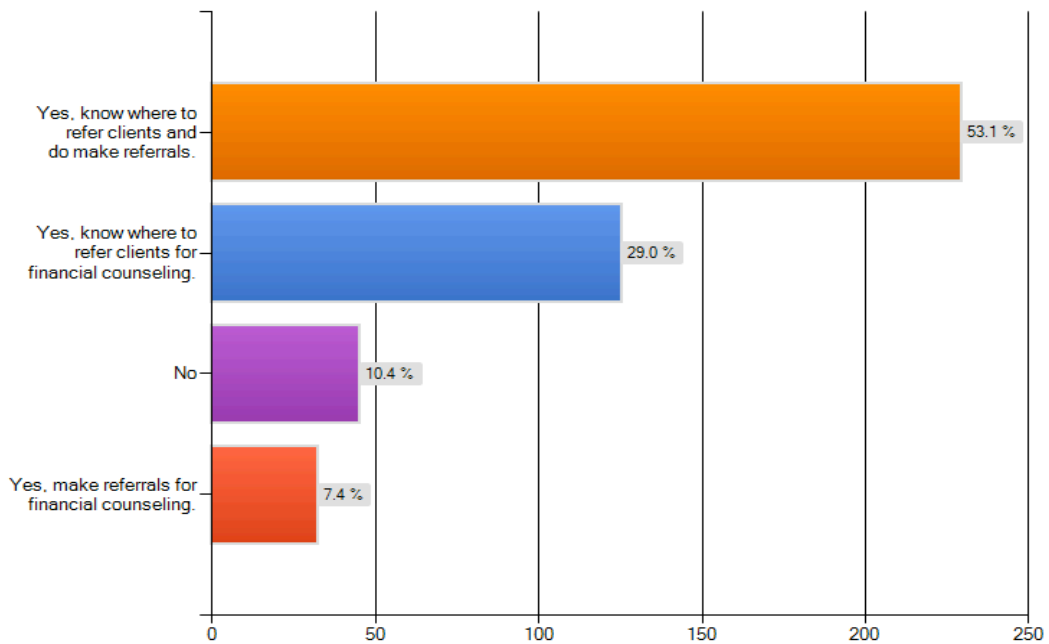


**Q25.**

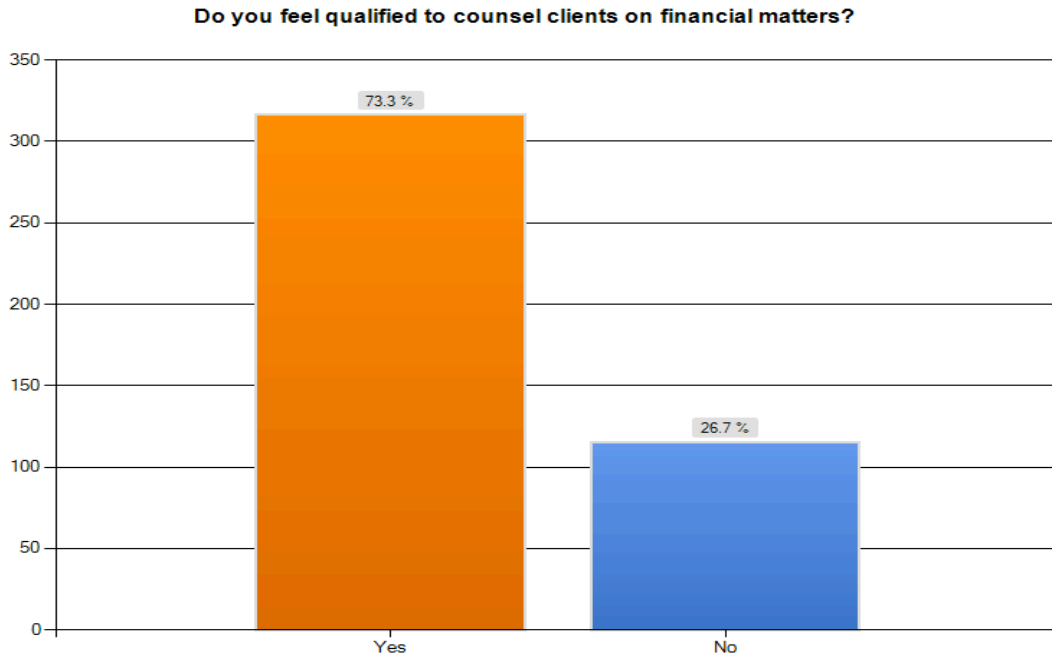


**Q26.**

**If counselors feel unprepared to do financial counseling, do they make referrals instead, and do they know where to refer clients?**

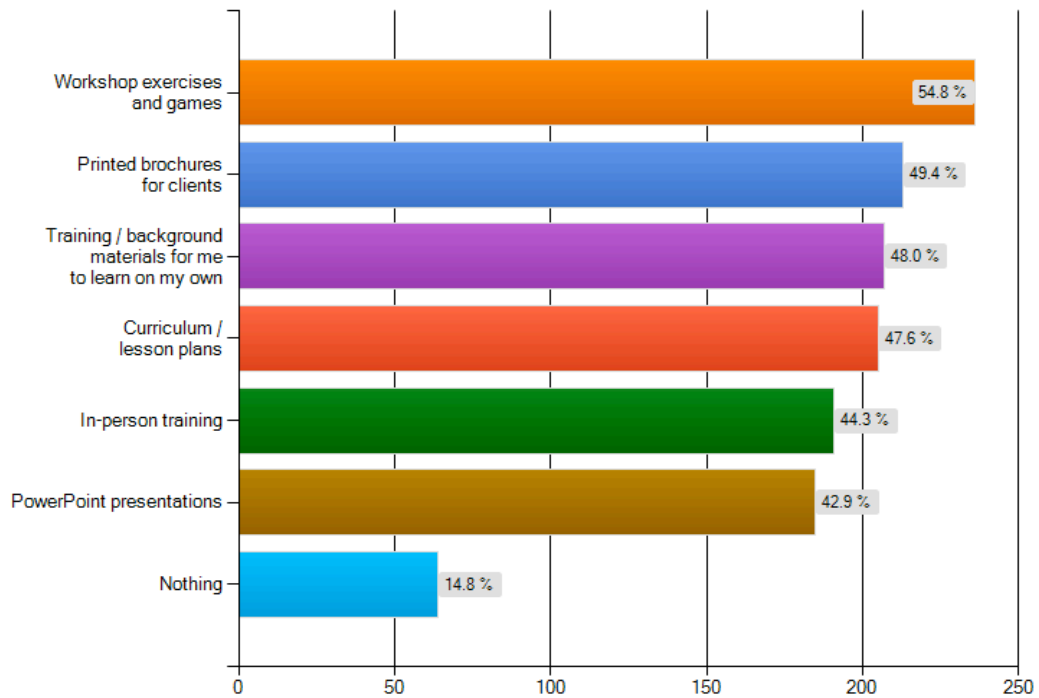


**Q27.**



**Q28.**

**What would you like to have to feel more prepared to do financial counseling / presentations?  
(Please check all that apply.)**



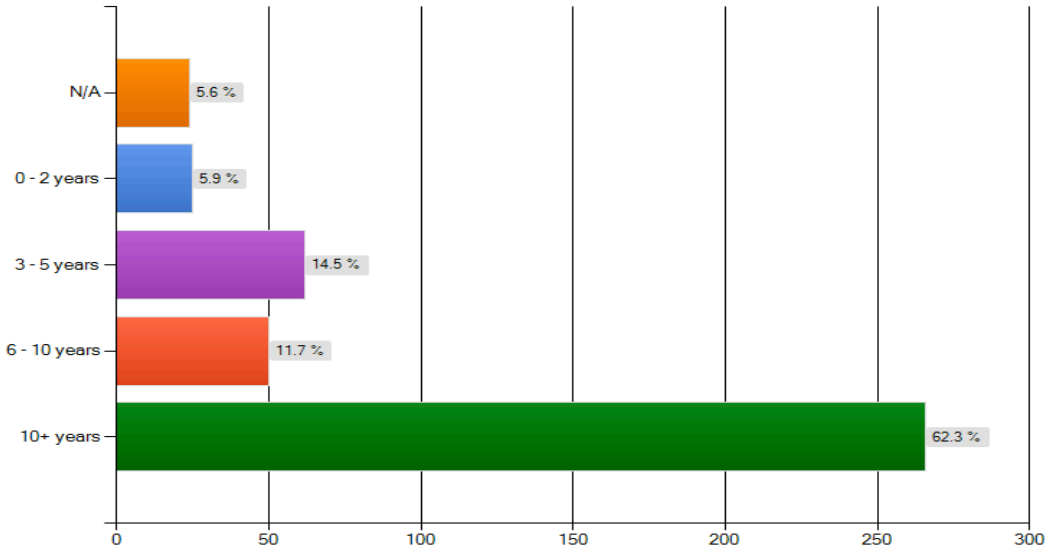


**Q29. What is your zip code? Note: We are asking for zip code information purely to understand if there are preferences based on geographic region.**

ZIP codes collected represent every region of the U.S. No regional preferences were noted.

**Q30.**

**How many years has your agency been helping to improve your clients' financial literacy?**



**Q31.**

**Does your organization have Internet / email access?**

