

Consumer Action and Capital One

MONEYWi\$E FINANCIAL LITERACY OUTREACH & EDUCATION PROJECT

Round One Stipend Program Report

This report is based on final stipend and bi-monthly reports and applications submitted to Consumer Action by community based agencies receiving stipend grants during the first round of the 2010 Moneywi\$e Financial Literacy Outreach & Education Stipend Program. The first phase of the stipend program ran during the five months ending December 31, 2010.

This report provides a snapshot of each stipend agency's mission and services and describes their stipend projects. The report also builds a picture of the effectiveness of the stipend program on multiple levels. For example, in the Program Outcomes section of the report, the graphic shows the number of consumers who took concrete steps to change or modify behavior when dealing with their personal finances. Specifically, 391 consumers established or updated a budget or spending plan, 272 consumers ordered a credit report, and 139 new accounts were opened, many by consumers who had never before established a bank account. These and other outcomes reported by the stipend grantees are aligned with the outreach and education goals of the stipend project.

The impact of the stipend program on consumers and their communities in several areas within Capital One's footprint is also described in this report. For example, LSU was able to reach at-risk teens in economically strained Louisiana. LSU would not have been able to serve this population without the grant. LSU plans to present the model used to reach the teens at the 2011 National Family and Consumer Science Extension Conference. Another example is provided by the New Jersey Coalition for Financial Education, which was able to reach female ex-offenders reentering from prison, another difficult-to-serve population. Also, Philadelphia Chinatown Development Corporation, which serves primarily low income, limited-English speaking clients, reported how its clients are now more adept at navigating the American financial system.

Most of the community agencies receiving the MoneyWi\$e stipend grant were able to leverage the funding to form collaborations, allowing them to increase their community impact. OIC, for example, collaborated with and trained the Monroe Housing Authority, the United Way, and Northeast Louisiana Legal Services. As a result United Way collaborated with the city of Monroe Louisiana School System and presented the Talking to Teens module to its students. This collaboration helps demonstrate the strength of the MoneyWi\$e curriculum, stipend program, and train-the-trainer model and also shows the high level of community need and support for the MoneyWi\$e education program.

This report also includes selected success stories narrating the progress made toward financial empowerment by individuals receiving services through MoneyWi\$e stipend programs.

Collectively, stipend grantees served a total of 1,557 clients and ordered 16,841 MoneyWi\$e publications during the stipend period.

Agency and Stipend Program Summaries

Catholic Charities-Archdiocese of New Orleans New Orleans, Louisiana

Catholic Charities' mission is to inspire hope for a safe, healthy, diverse community. Catholic Charities promotes wealth and asset development through homeownership, credit, employment and career counseling and financial literacy education.

Stipend Project: Catholic Charities' stipend project targeted families in the Treme/Lafitte communities where 59.6% of the population lives below the poverty level (per 2000 census). Catholic Charities provided families with MoneyWi\$e financial literacy classes, assisted them in establishing budgets, helped them establish action plans to reduce debt, and helped unbanked participants open bank accounts.

Garden State Consumer Credit Counseling, Inc. dba Novadebt Freehold, New Jersey

Garden State Consumer Credit Counseling assists families and individuals in need by providing free financial education, community outreach, housing and credit counseling services.

Stipend Project: Garden State Consumer Credit Counseling's stipend project targeted homeless families with children in the Freehold, New Jersey area. To help families achieve financial stability, the program developed action plans for participating families and provided them with MoneyWi\$e trainings on banking basics, money management, and teens and money. The program also provided assistance with improving credit histories and scores to help clients secure housing and employment.

HOPES Community Action Partnership, Inc. (HOPES CAP) Hoboken, New Jersey

HOPES CAP is a Community Action Agency. The agency's mission is to provide community services that respond to social, educational, and training needs of low-income individuals in an effort to overcome barriers and fight the causes of poverty. HOPES CAP helps clients enhance their financial knowledge and skills to better manage and utilize consumer resources to improve financial assets.

Stipend Project: The HOPES CAP stipend project targeted low-income clients in the Hudson County and Plainfield, New Jersey areas. The agency provided workshops and one-on-one counseling to adults, seniors and youth. MoneyWi\$e modules on money management, basic banking, senior scams, and credit were used to teach clients about budgeting, tracking income and expenses, establishing and maintaining savings accounts, and avoiding scams. Clients also developed individual action plans and received assistance on setting short and long-term goals.

Louisiana State University AgCenter (LSU AgCenter) Covington, Louisiana

The LSU AgCenter is an institution within the Louisiana State University System. The LSU AgCenter plays an integral role in supporting agricultural industries, enhancing the environment, and improving the quality of life through its 4-H youth, family and consumer sciences, and community development programs. LSU AgCenter's mission is to help the

people of Louisiana improve their lives through an educational process that uses research-based knowledge focused on issues and needs.

Stipend Project: LSU AgCenter's stipend project targeted "at risk" students in grades 7 thru 12. The agency provided MoneyWi\$e workshops to teach participants about opening bank accounts, saving money, using debit cards, budgeting, building credit, and other money management topics. Concepts were reinforced through a "real-life" simulation.

**Money Management International (MMI)
Baton Rouge, Louisiana**

MMI offers financial education in the areas of budgeting, debt, credit, home buying, and money management topics. Educators present financial literacy and wellness programs to students and adults throughout local communities in area schools, businesses, and community organizations.

Stipend Project: MMI's stipend project targeted 11th and 12th grade students and women residing a shelter for battered women. High school students learned about budgeting, the difference between needs and wants, and the importance of having an emergency savings account. Women in the shelter learned about credit scores, credit reports, and correcting credit report errors. Clients also learned about avoiding scams and identity theft.

**Newark Now
Newark, New Jersey**

Newark Now was founded by Newark's Mayor Cory Booker to provide residents with skills, tools, and support to transform their neighborhoods. Newark Now partners with municipal government, residents, grassroots organizations, and the philanthropic community to bring about positive outcomes throughout the city. Newark Now initiatives include family success centers, financial empowerment centers, and VITA sites, among others.

Stipend Project: Newark Now's stipend project targeted low-income individuals, the majority of whom were unemployed or receiving public benefits, as well as VITA clients. Newark Now's stipend project incorporated the MoneyWi\$e curriculum into its Individual Development Account matched savings program. Clients attended biweekly classes and also received one-on-one credit coaching sessions to ensure understanding of budgeting and spending concepts for success in the IDA program. Newark Now also used MoneyWise to provide life enrichment classes to welfare recipients at the Essex County Division of Welfare.

**The New Jersey Coalition for Financial Education (NJCFE)
Madison, New Jersey**

NJCFE, a local affiliate of the National Jump\$tart Coalition, is a totally volunteer nonprofit partnership of representatives from business, education, government, faith-based, and community organizations. The Coalition provides financial education to consumers of all ages in New Jersey to help them become more financially knowledgeable and skilled.

Stipend Project: NJCFE's stipend project targeted female ex-offenders released from prison who were under supervised probation or recently released from probation. The

women were primarily low income, single mothers. Many were finding employment for the first time and many are re-entering society. Workshops provided by NJCFE covered topics including saving, banking, credit, and teens and money.

**Opportunities Industrialization Center of Ouachita, Inc. (OIC)
Monroe, Louisiana**

OIC's mission is to educate, train, and secure employment for persons who are economically or socially disadvantaged, enabling them to lead productive, self-supportive lives independent of social programs. OIC provides job training skills and helps clients find career-oriented jobs to fit their skills.

Stipend Project: OIC's stipend project targeted low-income clients, 17 and older. OIC used the MoneyWi\$e curriculum to help clients manage money wisely upon securing employment. Clients learned how to save to reach goals including saving for homeownership and for purchasing a car. Clients also received assistance with improving their credit and learned about avoiding identity theft and scams.

**Philadelphia Chinatown Development Corporation (PCDC)
Philadelphia, Pennsylvania**

PCDC's mission is to preserve, protect, and promote Philadelphia's Chinatown as a viable ethnic, residential, and business community. PCDC's services focus on neighborhood planning, affordable housing, economic development, neighborhood beautification, and family support services.

Stipend Project: PCDC's stipend project targeted limited-English speaking immigrants who are low to moderate income seniors, families and teens. Some clients served by the agency did not use checking accounts, had low credit scores, and did not have a traditional income source. Agency educated clients on money management and improving credit.

**Urban League Affordable Housing Community Development Corporation
(ULAHCDC)
Jersey City, New Jersey**

ULAHCDC's mission is to empowering communities to achieve self-reliance and social equality through advocacy and community/corporate/government partnerships. The agency administers programs and services that assist African Americans, Latinos, and other minorities as well as low income families in such areas as housing, child care, education, employment and training, family and individual counseling, senior services, and youth development counseling.

Stipend Project: ULAHCDC's stipend project targeted low income and minority families and individuals in Hudson County, New Jersey. The agency identified specific needs of its target audience and provided MoneyWi\$e financial literacy workshops and one-on-one counseling. ULAHCDC also provided assistance with obtaining credit reports, preparing household and personal budgets, rebuilding credit, and wealth building.

PROGRAM OUTCOMES

Number of Clients	
Total Number Clients Served	1557
Total Reached in Workshop/ Classroom Setting	1125
Total Reached in One-on-One Setting	215
Total Reached in Community Fair Setting	406
Opened Checking Account	67
Opened Savings Account	72
Number of clients unable to open bank account due to negative banking history	7
Added money to savings account	86
Set up automatic deposits to savings account	31
Ordered a credit report	272
Ordered a specialty report (e.g., ChexSystems)	78
Corrected errors on a credit or specialty report	29
Obtained a secured credit card	56
Improved credit score	7
Started to pay down debt	42
Established or updated a budget or spending plan	391
Followed a budget or spending plan	234

Stipend's Impact on Program Participants/Community

Agencies were asked about the impact that the stipend program made in the lives of consumers and their communities. Agency responses are summarized below.

Catholic Charities reported that pre and post-tests demonstrated that client knowledge of finances greatly increased after training. Catholic Charities' clients also reported an immeasurable new level of pride and self-confidence resulting from financial education.

Garden State Consumer Credit Counseling reported that the Client Action Plans developed by program participants provided clients with the first opportunity to ever see in "black and white" a clear description of their financial positions. As a result clients began to improve their financial situation by developing budgeting skills and spending plans and learning how to apply sound personal financial concepts and habits in their own lives. Garden State Consumer Credit Counseling reported that the MoneyWi\$e workshops empowered participants to make better financial decisions and that as a result they are more likely to experience sustained financial self-sufficiency.

HOPES CAP helped clients develop a plan of action necessary for setting and meeting short and long-term financial goals. The stipend program allowed them to reach 155 clients that otherwise would not have been served.

LSU AgCenter was able to branch out services to at-risk teens, a population it would not have served without the stipend grant. Students not only grasped the concepts but took action by opening checking accounts, obtaining credit reports and starting to save. Students made videos that included first-hand accounts about how they were impacted by the program.

MMI highlighted feedback received from individual clients who reported, a better understanding of their financial situation, a stronger sense of self-worth, learning to avoid scams, learning to save, and learning to live on a budget.

Newark Now offered classes as well as credit coaching to help clients become successful participants in Individual Development Account programs.

NJCFE reported that pre- and post-tests given to clients showed that 100% of clients increased their financial knowledge as a result of the workshops.

OIC reported that many of the clients it reached during the stipend program were unaware of their rights as consumers. Clients did not know how to obtain a credit report, how to read a report, nor how to correct errors in their reports. Some clients had never seen a credit report before participating in the program.

Many of **PCDC's** clients are low-income immigrants with little or no experience with America's financial system and institutions. PCDC used its MoneyWi\$e financial literacy program to enhance their clients' perception of the importance of credit and money management. PCDC reports that clients are now more aware of how to navigate in the American financial system and that Chinatown is now more educated as a result of the stipend program.

ULAHCDC reported that clients served during the stipend period increased their use of banks over check-cashing stores, improved their ability to monitor and avoid overdraft charges, and gained a better understanding of how minimum card payments affect card

balances. Clients also obtained and reviewed credit reports, and created action plans and budgets.

LEVERAGE AND COLLABORATION

Stipend grantees were asked if they formed collaborations with other agencies as a result of the stipend grant and whether such collaboration impacted their work by leading to increased client reach, etc. Agency responses are summarized below.

Catholic Charities collaborated with a local residential substance abuse treatment facility and a women's shelter to reach more clients.

HOPES CAP increased the number of clients reached by forming and strengthening partnerships with numerous afterschool programs, nonprofit care management organizations, senior housing facilities, and a local high school based program. HOPES CAP noted that the majority of these partners don't offer financial literacy services, which HOPES CAP now provides to them for free.

LSU AgCenter formed a partnership with an alternative school that targets at-risk teens in grades 7 thru 12.

MMI collaborated with a battered women's shelter and two high schools in northern Louisiana to reach clients that would not have otherwise received financial education.

Newark Now collaborated with the Essex County Division of Welfare Services to provide monthly life enrichment classes to welfare recipients and also strengthened relationships with CBO's and banks.

NJCFE collaborated with the US Office of Probation to ensure oversight of the participants to help ensure their involvement. The Probation office covered the cost for participants to travel to the sessions.

OIC enhanced and established collaborations with the Monroe Housing Authority, United Way, and Northeast Louisiana Legal Assistance. OIC shared information about MoneyWi\$e with these organizations and hosted a MoneyWi\$e Roundtable in which they participated. One of the organizations, United Way, reached out to the Monroe City School system and presented a MoneyWi\$e "Teens and Money" seminar.

PCDC strengthened its partnership with a senior housing project and services center in Chinatown and with another local senior housing project. The collaborations led to an increase in the number of senior clients served.

ULAHCDC collaborated with the Childcare Resource and Referral Family Child Care Program. Through this collaboration they provided financial education for self-employed child care providers.

FUTURE PLANS

Stipend grantees were asked about their future plans to sustain the stipend program's impact and about any barriers that might impede their ability to continue the program. Grantees were also asked about future tracking plans. Agency responses are summarized below.

Catholic Charities plans to continue providing MoneyWi\$e programs to clients. They have already started their 2011 sessions. The agency cited lack of funding and limited staffing as a barrier to continue the program. It noted that additional staffing would allow the agency to service more clients and do more intensive follow-up tracking. Catholic Charities stated that it is being creative in order to secure more funds to continue the work it was doing under the stipend program. Future Tracking: Catholic Charities will track participants for a minimum of one year by doing quarterly follow-ups.

Garden State Consumer Credit Counseling will be continuing its MoneyWi\$e stipend project work on annual basis, using its own funding as well any other potential funding sources. Future Tracking: Garden State Consumer Credit Counseling will track programs participants over a 12-month period. A second Client Action Plan will be generated at a six-month interval to determine client progress.

HOPES CAP will continue MoneyWi\$e stipend project work, but will scale it down as needed to match the agency's available funding. HOPES CAP stated that the only barrier that may impede the agency's ability to continue the program is limited funding to support staff and the cost of supplies and materials. Future Tracking: HOPES CAP will continue to track program participants for the duration of their enrollment and active participation in one or more of HOPES CAP services or programs.

LSU AgCenter plans to follow, on a mid to long-term basis, the at-risk teens served during the stipend project. The agency will also submit a proposal and abstract to present the program's success at the National Family and Consumer Science Extension Conference. LSU AgCenter indicates that a barrier to continue the stipend work is the lack of funds for supplies needed for its LYFE computer based simulation program. The agency used the LYFE simulation program during the stipend period. The program provides participants with printouts that include a recommended spending plan. Future Tracking: LSU AgCenter will be tracking students through the end of the school year in May 2011.

Newark Now will continue to use MoneyWi\$e materials and plans to join the MoneyWi\$e Ex-Offender working group. Future Tracking: Newark Now will continue to track client outcomes for clients who received credit coaching and MoneyWi\$e classes for a minimum of 6 months. Clients will receive three additional credit coaching sessions.

New Jersey Coalition for Financial Education states that the US Probation Office is interested in providing the MoneyWi\$e program in the Newark, Trenton, and Camden federal district courts. NJCFE would need financial support in order to provide the program.

OIC has incorporated MoneyWi\$e into its regular curriculum. OIC will continue to sustain the program in a scaled back format due to financial barriers faced by Louisiana nonprofits. OIC's partner agencies will work together to host financial literacy workshops so that clients can receive free training and knowledge on money management and consumer rights. OIC states that it is partially state-funded and is uncertain of the agency's financial standing for the next fiscal year. OIC points out that, alternatively,

similar programs can be established at faith-based institutions. Future Tracking: OIC will be tracking program participants for 18 to 36 weeks.

PCDC plans to continue its program relying on foundation, corporate, and government funding. The agency will continue to offer basic financial planning education for first-time homebuyers. Future Tracking: PCDC will track homebuyer clients on a long-term basis as they work toward buying a home. PCDC will provide non-homebuyer clients a shorter follow-up period of about 6 to 12 months to check on progress building credit, etc.

ULAHCDC plans to sustain the stipend program's impact by incorporating the materials into their individual and family foreclosure and housing counseling programs. ULAHCDC states that securing financial literacy funding is always a challenge, but notes that at this time they are able to continue financial education through another funded program. Future Tracking: ULAHCDC usually conducts a 30-day client follow-up. If a client is participating in one-on-one counseling or requires further assistance to reach goals, ULAHCDC will track clients for up to one year.

SUCCESS STORIES

Catholic Charities reached a single mom of two who had been using check-cashing stores to cash her payroll checks. After completing the MoneyWi\$e Banking Basics class and graduating from the program she opened up her first checking and savings account.

Another participant reached by **Catholic Charities** was a 72-year old woman whose husband had always managed the family's finances. The participant attended every MoneyWi\$e class offered and upon completion opened her first very own bank account.

Two **Catholic Charities** male clients who had been recently released from prison completed the MoneyWi\$e courses and received help opening bank accounts to get their financial lives back on track.

HOPES CAP reached a senior citizen who needed lots of help with her budget and with learning to distinguish between needs and wants. The client had been living beyond her means and had just purchased a computer from a rent-to-own store and ordered a cable bundle that left her wondering how she would pay her rent. After receiving one-on-one counseling the client was able to scale back on expenses and realized that she did in fact have enough money to pay her rent.

HOPES CAP served a seventeen year-old young woman who learned responsibility at an early age after losing her mother. The young woman, who worked at a local pizzeria, lived with her older sister, allowing her to retain most of what she earned. Through the MoneyWi\$e Banking Basics workshops, the young woman realized that opening a bank account to deposit her earnings was not as complicated as she originally thought and that, in the long term, it would be extremely advantageous in establishing credit. During a one-on-one work with this client, HOPES CAP helped her devise a budget plan that would allow her to start setting aside money for her college education. During the MoneyWi\$e Savings workshop HOPES CAP helped the young woman understand that if she saves regularly, she will eventually create the opportunity to have assets. HOPES CAP also emphasized the importance of setting priorities. This young woman recognized that she didn't need to overspend on her basic needs and that, by prioritizing what was most important, she would be able to obtain much more.

PCDC helped two Chinese immigrant men as they worked toward their goal of homeownership. These clients had no knowledge of the home buying process and had also gone through periods of unemployment. Through educational workshops and one-on-one counseling, both men learned about the importance of good credit and created and carried out a monthly spending plan to create a reserve fund for homeownership. PCDC helped one of the clients get preapproved for a mortgage, and is working on helping the other client qualify for a mortgage.

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Consumer Action has been a champion of underrepresented consumers nationwide since 1971. A nonprofit 501(c)3 organization, Consumer Action focuses on financial education that empowers low to moderate income and limited-English-speaking consumers to financially prosper. It also advocates for consumers in the media and before lawmakers to advance consumer rights and promote industry-wide change.

By providing financial education materials in multiple languages, a free national hotline, and an Annual Credit Card Survey, Consumer Action helps consumers assert their rights in the marketplace and make financially savvy choices. More than 8,000 community and grassroots organizations benefit annually from its extensive outreach programs, training materials, and support.