

Teaching



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Dollars & Sense



Implementing Financial Education In a One-Stop Setting

Introduction

Financial literacy means having the knowledge, skills, and habits needed to successfully manage money at the personal or family level. This concept encompasses numerous other terms, such as “personal finance” or “family economics.” In today’s increasingly complex economy, financial literacy is a universal need and, for persons living in poverty, an indispensable tool for entering the financial mainstream and achieving self-sufficiency.

The purpose of this booklet is to show how to plan and implement partnerships to improve One-Stop customers’ financial literacy. Its ideas and examples draw from the experiences of financial education practitioners from across the country.

Teaching Dollars & Sense is divided into three main parts.

- **PART I: Why Teach Financial Literacy?** explains why financial literacy is an important key for low-income persons’ economic well-being and a largely unmet need. It summarizes the benefits of savings and assets, the disadvantages of not using mainstream financial institutions, and low-income persons’ barriers to using these institutions.
- **PART II: How to Plan and Implement Financial Education** presents the steps and “ingredients” for joining existing financial education efforts or starting a new one. These are: getting informed about your customers’ current financial literacy needs and about existing financial education resources and potential partners; forming partnerships in the community based on different players’ interests in financial literacy; using these partnerships to build an audience; and planning issues related to class content and logistics.
- **PART III: A Sampling of Financial Education Resources** lists some financial education curricula, on-line collections of financial education resources, additional information for consumers about financial literacy, and resources about financial education programs.

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PART I

Why Teach Financial Literacy?

BENEFITS OF SAVINGS AND ASSETS

Building savings and assets is an important part of economic self-sufficiency. A growing body of research, as summarized by the Corporation for Enterprise Development,¹ shows wide-ranging benefits to individuals, families, and communities.

- Individual adults who own assets show better financial, physical, and mental health.
 - Savings are associated with better physical health, self-efficacy, less risky behavior, and lower stress.
 - Homeowners report shorter periods of unemployment, less sense of economic strain, and higher levels of life satisfaction and physical and emotional well-being.
- Asset holding by adults appears to benefit their children by breaking intergenerational cycles of poverty.
 - Children of families with savings and investments have higher educational attainment and are less likely to be poor as adults.
 - Children of home-owning families are less likely to drop out of school or give birth out of wedlock.
 - Married couples who own property or financial assets are less likely to divorce.
- Neighborhoods and communities are better off when more residents own their homes.
 - Compared to renters or landlords, homeowners are more likely to maintain and repair housing.
 - Homeowners are more likely to participate in local elections and civic organizations.

CONSEQUENCES OF BEING “UNBANKED”²

Mainstream financial service institutions (banks, credit unions, and savings and loan institutions) are

essential tools to generate savings and assets. Their deposit accounts are federally insured and protected from theft, and can earn interest. Properly maintaining checking and savings accounts facilitates financial record-keeping, encourages saving, and builds the positive credit histories needed to reach major financial goals such as buying a car, owning a home, or starting a business.

According to the Federal Reserve Board, approximately 10 million U.S. households have no savings or checking account; this “unbanked” population disproportionately includes low-income persons, young people, female-headed households, members of racial minority groups, and residents of inner cities and rural communities.

Many “unbanked” consumers use check cashing outlets to cash checks, pay bills, and purchase money orders. These alternatives to mainstream financial services offer more convenient locations and hours and meet most of their customers’ short-term needs. However, their fees are much higher and can cost hundreds of dollars a year more than a properly managed deposit account. In addition, these “fringe” financial services do not offer savings accounts. Many of their customers carry large amounts of cash with them and store all their cash savings at home, leaving them vulnerable to burglary and payday muggings.³

“Unbanked” consumers are also vulnerable to predatory lending practices and bad debt because the lack of savings leaves them ill-prepared for financial emergencies. Since 1983, the typical monthly credit card balance among low-income card holders has nearly doubled.⁴ Among families with incomes between 100 and 150 percent of the Federal poverty level, 23 percent held credit card debt equal to or more than their annual income in 1995, compared to only 4 percent in 1983.⁵ Low-income consumers also fall prey to predatory lending practices. One practice that started and grew explosively in the 1990s is payday loans. Finance charges for these loans are so high (e.g., in Illinois, 20% of the loan amount for a two-week term, equivalent to an annual percentage rate of 521%) that many borrowers become trapped in cycles of ballooning debt.⁶

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These credit problems not only drain resources but also blemish the credit histories needed to finance major assets. For example, according to the Housing Assistance Council, bad credit is the most common reason for being rejected from home ownership assistance programs.⁷

LOW-INCOME PERSONS' BARRIERS TO MAINSTREAM FINANCIAL SERVICES

*Systemic Barriers to Banking*⁸

Physical access to banks is limited in many economically depressed communities, particularly where bank mergers have caused a net loss in the number of bank branches. Additionally, most bank branches lack evening and weekend hours. Check cashers, in contrast, are located in many low-income communities, especially in the inner city, and many offer extended evening and weekend hours.

Banks' requirements for opening and maintaining accounts can also impede access for low-income persons. They may find the required initial deposits, minimum balances, and fees to be prohibitively expensive. Credit checks may disqualify potential customers with no credit or bad credit. Another barrier is identification requirements.⁹ Most banks require potential customers to show two forms of identification and accept only forms that many low-income persons do not have, such as driver's licenses or credit cards. Check cashers accept alternative forms of identification, such as welfare cards, utility bills, or voter registration.

Attitudinal Barriers to Banking

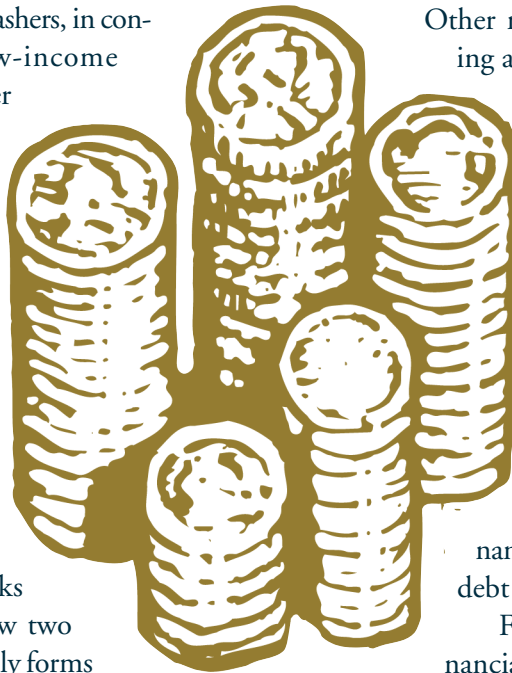
Even in areas where physical access to banking is sufficient, many low-income consumers choose to be "unbanked" for a variety of reasons. Some are embarrassed or intimidated by their own unfamiliarity with bank services and are afraid of "looking stupid" or "ask-

ing dumb questions."¹⁰ In addition, some low-income customers are uncomfortable with or cannot access the technologies (e.g., ATMs, check cards, phone menus, the Internet) that replace teller transactions in many low-cost accounts.¹¹

Another factor is discomfort with real or perceived demographic or cultural differences with bank employees or other customers. Low-income consumers, especially from minority groups, feel "intimidated by not seeing people who look or speak like them" in a bank branch.¹² Kathy Tullberg of the Massachusetts Community & Banking Council has found it "tough to get the message across about banks' efforts at diversifying their employees," who are still assumed to be "white guys in dark suits."

Other major attitudinal barriers to banking are privacy concerns and fears based on misconceptions about account guidelines and bank regulations. In a 1996 survey of the "unbanked," one in five respondents cited lack of privacy as the major reason for not having a checking account.¹³ These consumers worry, for example, that financial institutions will give creditors access to their account information or even their account funds. Often, the only financial service employees they know are debt collectors.¹⁴

Fears and misconceptions about financial institutions are more pronounced among recent immigrants, often based on corrupt or insolvent banking systems in their home countries and on over-reliance on word-of-mouth for banking information, perhaps due to limited English skills. Jay Cruz, whose Bank of America branch in Austin, Texas serves many low-income workers from Mexico, says, "there is a lot of misinformation on the street about banks." For example, he encounters many potential customers who don't want to open an account because they heard that if they deposit over \$1000, the government or the bank takes away the rest.¹⁵



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Low-income customers may also be driven away from mainstream financial services by their own past financial failures. The majority of unbanked households used to have bank accounts.¹⁶ Sarah Kilpatrick, a financial education instructor at Innovative Alternatives for Women, a South Carolina WtW program, says some program participants “start out saying, ‘I don’t go to banks anymore because they messed up my account.’ Then when we look into the situation they realize that they messed up—for instance, bouncing checks or not maintaining a balance—and they now have a fear of banks.”¹⁷

PART II

How To Plan and Implement Financial Education

GETTING INFORMED

How Financially Literate Are Your Customers?

Your customers’ current level of financial literacy will play a major role in the design of your financial education program and in defining its target audience. How much and what kind of financial education they need can vary widely and are influenced by a wide variety of factors, including education level, culture, family history, and individual experience.

Different groups can have very different strengths and gaps in their financial literacy. For examples, several financial education providers have found that many of the newly immigrated workers they work with already practice good habits in saving for financial goals, but are less likely to use banks and may lack the most basic banking skills, such as how to write a check or use a calculator.¹⁸ In contrast, some providers find that the welfare recipients they work with are already familiar with banks and have checking accounts with direct deposit for their benefits,¹⁹ but lack the budgeting skills needed to adjust to the transition from benefit income to employment income.²⁰

The best way gauge your customers’ financial literacy needs is to ask them. William M. Mercer, Inc., an

Illinois consulting firm, donated its services to the state-wide FLLIP (Financial Links for Low-Income People) Coalition²¹ by conducting focus groups of TANF case-workers, recipients, and financial trainers to guide the topics, format, and other aspects of FLLIP’s financial education pilot.²²

Some financial education programs began upon the request of their customers themselves. The Three Pillar Foundation (3PF) of Ithaca, New York arose from focus groups of participants in Family Self-Sufficiency, an employment and training program for recipients of housing assistance. A critical mass of FSS customers found that they were having the same difficulties with money. According to Marcy Hudson, 3PF Coordinator at the Ithaca Housing Authority, the discussions evolved from simply saying, “we all need more money,” to examining why they needed more money and how to get more, to developing a financial education program to learn how to balance their expenses with the money they had.²³

Find Existing Financial Education Resources and Potential Partners

Once you have a better sense of what your customers’ financial education needs are, look around your community for entities that already provide financial education or can be partners in a new effort. When looking at existing resources and providers, consider their “fit” with your target audience. For example, low-income persons with pressing short-term financial issues may feel uncomfortable in a class that charges tuition or attracts a mostly middle-class audience,²⁴ and they may not be ready to learn more advanced topics such as investing in the stock market.

Financial institutions. Find out what banks, credit unions, and savings and loan institutions in your community have locations near where your customers live or work. Do they offer any low-cost accounts and financial education? How much success have they had at marketing these services to low-income consumers?

Educational institutions. Whether or not they are part of your local One-Stop system, educational institutions can be valuable partners in financial education efforts. If there is a State university campus near your community, its Cooperative Extension Service may al-

ready offer classes or curricula related to financial literacy. Other potential partners include community colleges, private colleges and universities, adult education providers, and K-12 schools.

Government agencies.

Government or government-funded entities, whether inside or outside of your local One-Stop, may be existing or potential financial education partners. Some potential candidates include vocational rehabilitation agencies, public housing authorities, Head Start centers, Enterprise Communities / Empowerment Zones, and community development corporations.

Non-profit organizations. A wide variety of non-profits in your community may be affiliated with national organizations offering financial education resources or may have developed their own. In addition to community-based employment and training programs, these organizations include credit counseling services, community reinvestment and affordable housing groups, places of worship, and social service charities. See Part III for a sampling of financial education resources offered by national organizations.

Employers. The workplace can serve as a venue for reaching populations that may lack familiarity with the One-Stop system. Some examples of workplaces that have hosted financial education sessions include a Texas lawn care company, Kansas meat-packing plants, and Arkansas poultry processors, all of whose employees are predominantly recent immigrants.²⁵ Employer involvement can have an especially far-reaching impact in communities whose job markets depend on a few large businesses or institutions.



ing new ones. For instance, if a local financial institution held financial education events for the “unbanked” that were poorly attended, your One-Stop could supply more participants. In

designing a new campaign, learning about potential partners’ financial literacy needs will help reveal ways to motivate their participation and define their roles.

Below are some examples of different partners’ motivations for joining financial education partnerships.

- *Government agencies.* The New York State Higher Education Services (NYSHES) is a key founding partner in Ithaca’s 3PF program because most participants’ long-term debt problems were with defaulted student loans.²⁶
- *Employers.* Among meat²⁷ and poultry²⁸ processors, there have been high rates of worker turnover and explosive growth in the proportion of employees who are “unbanked” recent immigrants from Mexico. Employers joined financial education partnerships to encourage employees to open local bank accounts and buy homes, with the goal of stabilizing the local workforce.
- *Faith-based organizations.* Donnie Wright, an Assistant Vice President for Bank of America in Lubbock, Texas, began a financial education partnership with a local Consumer Credit Counseling service at the request of his church. So many parishioners had sought the church’s or pastor’s help with debt problems that the pastor contacted Mr. Wright because he knew he was a banker.²⁹

FORMING PARTNERSHIPS

Identifying Potential Partners’ Interests in Promoting Financial Literacy

Discussing financial education with potential partners should reveal mutual interests in improving or expanding existing financial education efforts or start-

Giving Partners “Ownership”

Financial education partnerships are more successful if all the partners play a meaningful part in the planning and meet regularly as a group. Partners can meet as a task force formed specifically around financial education, or in an existing statewide or local partner-

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ship such as in community banking or welfare-to-work. Partners who are working towards a shared goal and feel that the education campaign responds to their interests will be more willing to market the program to their constituencies and devote resources to it.

For example, developing the Three Pillars Foundation involved ten months of “Think Tank” meetings between human service workers, educators, bankers, other business people, and customers of the Ithaca Housing Authority. The program attributes much of its success to the trust that developed between the partners at the planning stage.³⁰ Another example is the FLLIP Coalition, whose monthly meetings draw 30–40 representatives of banks, government agencies, and nonprofits from across Illinois. Early buy-in from key State officials speeded up the development of FLLIP’s financial education program by attracting generous startup funds from TANF block grants and private foundations.³¹

Including Customers as Planning Partners. Successful financial education programs make their customers active participants in the planning process alongside the other partners. This keeps the program responsive to customers’ needs and builds audiences via peer influence. For example, a community member of the Massachusetts Community & Banking Council heads the tenants’ association in her housing project and goes door to door to educate her neighbors about mainstream banking services.³² Participation in program planning can also have a profound impact on the customers. In the 3PF program, participants helped capitalize the revolving loan fund for graduates. Their assistance with grant writing, appeal letters, phone calls, and presentations to business and nonprofits raised \$20,000 and also gave them marketable job skills.³³

Partners’ Roles

The different players in a financial education partnership can contribute in any number of ways. Partners can supply funds; staff or volunteers as financial instructors or counselors; space for holding classes; participants to attend classes; and support services (e.g., transportation or child care) to make classes more accessible. They can take on tasks such as developing or adapting the curriculum and course materials or con-

ducting opinion research to plan or evaluate the project. Regular partner meetings facilitate the process of assigning these roles.

BUILDING AN AUDIENCE FOR FINANCIAL EDUCATION

One of the most important aspects of planning a financial education campaign is attracting participants who really need the information and are numerous enough to make partners view their efforts as worthwhile. It is difficult to keep financial institutions interested in providing financial education “if you can’t guarantee them an audience,” says Kathy Tullberg of the Massachusetts Community & Banking Council. At the same time, she says some of the people who need financial education the most are the least likely to realize or acknowledge it.

Targeting “Captive Audiences”

According to Michael Frias of the FDIC Chicago Office, “the best ‘targets’ for financial education are captive audiences”—meaning those engaged in required program activities, such as “job clubs” and job readiness training.³⁴ Frias reports that some local One-Stops which have tried “stand-alone” financial education found that “no one showed up” because “customers have more pressing needs, like trying to survive.”

Training programs for welfare recipients are an especially favorable setting for financial education. American Community Partnerships (ACP) incorporates financial education into its Working Together for Jobs training model, including its six Welfare-to-Work competitive grant sites. ACP uses a “train-the-trainer” curriculum developed by the National Community Reinvestment Coalition (NCRC). Participants learn financial literacy concepts during career development classes, pre-apprenticeship training, and one-on-one case management interventions.³⁵ In Illinois, participation in the FLLIP financial education program will count towards TANF work activity requirements.³⁶

Financial education can also be used to meet the program requirements of partners outside the One-Stop system, such as parental education requirements for Head Start centers and parents.³⁷ Other agencies in your com-

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munity, such as health clinics, may also have educational requirements that financial education could fulfill.

Additional “captive” audiences for financial education are in programs that customers are eager to take. The Worcester (Massachusetts) Community Action Council included a financial education segment in a very popular occupational training program in computer skills for WtW and One-Stop customers.³⁸ Another example is Operation Frontline, a national nutrition education program of the anti-hunger organization Share Our Strength. Operation Frontline has a financial education curriculum that that can be used alone, but it “works a lot better” as a companion or follow-up to the nutrition and cooking classes. Some participants start out taking the nutrition classes simply to fulfill an education requirement or take advantage of the free groceries, according to Program Manager Kristin Curran, but they end up really valuing the information and skills learned, as well as the atmosphere of fun and camaraderie generated in class. Participants want to take the financial education program as a way to prolong the experience and to expand and build upon the food budgeting information learned during the nutrition class.³⁹

Some financial education programs take place at work sites. One of the earlier and most successful workplace financial education programs is a partnership between a poultry processing plant and a local bank in Rogers, Arkansas. The employer not only provided the space at the factory for the bank’s seminars, but also scheduled the sessions during the workday (requiring the temporary shutdown of some production lines) and paid attendees’ wages during their time in the sessions. This ensured that the workers were more attentive than they would have been after a shift, and was also a way to increase employee loyalty by showing the employers’ commitment to them.⁴⁰ In another example, a lawn care company in Austin, Texas invited two employees from a

local Bank of America branch to speak at one of its monthly staff meetings.⁴¹

One unusual case of using a “captive” audience is told by Donnie Wright, the banker whose pastor prompted his entry into financial education instruction. Mr. Wright said the pastor once had him present a mini-seminar on budgeting, with handouts photocopied by the church secretary, to a packed sanctuary of 350–400 people during the worship service. Despite his nervousness beforehand, the session was well received.

Targeting financial education at existing groups not only gets more participants in the door, but

also helps them participate more fully. “Talking about financial issues can be very emotional for a lot of people,” says Kristin Curran of Share Our Strength’s Operation Frontline, “so it’s much more comfortable to do with a group of peers they already know and have bonded with than with a bunch of strangers.”



Attachment to Major Rewards

Another way to draw more participants to financial education is to make it a required part of a program that offers rewards related to major financial goals.

For example, many government and non-profit programs assisting first-time homebuyers with low or moderate incomes require consumer education, although their classes and counseling tend to focus specifically on home buying.⁴² “Micro-lending” is another reward that can be attached to financial education. 3PF participants may apply to the program’s revolving loan program only after completing the financial education classes and support groups.

Financial education is also a key component in growing numbers of publicly and privately funded Individual Development Account (IDA) programs. IDAs are savings accounts where the amounts deposited by participants draw matching funds, increasing the total amount of savings. The accounts can be used for specific goals allowed by the program—usually post-secondary edu-

cation, home buying, business startup, or vehicle purchase or repair.⁴³ In a recent survey, financial education was the IDA program aspect that the most participants by far said was the most helpful.⁴⁴

CLASS CONTENT

Curriculum and Covered Topics

Financial education programs take many different approaches to what topics they teach. Some use an “off-the-shelf” curriculum, some revise or expand an existing curriculum, some create a new curriculum, and others

let the instructors improvise. A number of new curricula for “unbanked” low-income learners have been developed in recent years, which should reduce the need for new financial education programs to start from scratch. Most existing curricula are designed so users can pick and choose individual modules and adapt them according to the participants’ needs. Some currently available curricula and other financial education resources are listed in Part III.

Financial education curricula, both “off the shelf” and “improvised,” cover a wide range of topics (*see box*). The specific set of topics taught in your program will

A sampling of financial education class topics

- Income and expenses
- Wants versus needs
- Expenses: fixed versus flexible, expected versus unexpected
- Money flow and asset creation
- How to handle a paycheck
- “Basic banking” / introduction to banking services
 - How to open a bank account
 - What is a bank and why use one
 - Checking accounts (why have one, how to use it)
 - How to write a check
 - How to balance a checkbook
 - Other banking services (savings accounts, CDs, etc.)
- Saving Money
 - Why save / importance and benefits of saving
 - Methods of saving / making room for savings
 - How to develop a savings plan
 - How to maintain savings
- Personal Budgeting
 - Figuring out expenses
 - Developing a basic line-item budget
- Goal-setting
- Credit and debt management
 - Understanding credit
 - (Establishing a) credit history
 - Credit rating and importance of paying bills on time
 - Credit cards
 - Consumer loans
 - Recovering from bad credit
- Public assistance
 - Electronic benefit payment
 - Asset accumulation and protection issues
- Employee benefits
- Taxes
 - How to pay them
 - Earned Income Tax Credit
- Consumer issues
 - Consumer rights and responsibilities
 - Consumer issues and protections
 - How to shop wisely
- Home ownership
 - Why it should be a goal
 - Preparing for home ownership
 - How to buy a house
 - Home loans
- Investments
- Retirement planning and savings
- Small business and economic development

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depend on participants' starting level of financial literacy and their financial concerns and goals.

However, some topics appear to be more “central” than others. In the Illinois FLLIP focus groups, financial trainers, TANF case managers, and TANF recipients all cited debt management as a high-priority topic, while the second most popular topic (recommended by both case managers and recipients) was spending choices.⁴⁵

Instructors

Financial education instructors come from a variety of industries and occupations. In selecting instructors, some programs emphasize practical experience and knowledge of personal finance issues, allowing the instructor to more easily expound on certain topics and flow with the needs of the audience.⁴⁶ Instructors who would meet this criterion include financial institution employees, financial planners, credit counselors, and Cooperative Extension instructors. Other programs favor instructors who already have an established relationship with participants. Utilizing the train-the-trainer approach of the NCRC curriculum, American Community Partnerships trains all staff members who interact with customers regularly (case managers, career apprenticeship instructors, local project coordinators, housing authority staff, etc.) in how to teach financial literacy.⁴⁷

Since so many “unbanked” persons distrust banks, it is crucial that they be able to trust and relate to the instructor of financial education. The instructor must have enough familiarity with participants' cultural and educational backgrounds and experiences to make the class concepts relevant and understandable to them.⁴⁸ For sessions where most participants are recent immigrants with limited English skills, the instructor must also speak their native language fluently since American financial concepts can be very complex for newcomers.⁴⁹

Low-income participants would most easily relate to instructors with life experiences similar to theirs—people who, as stated by the TANF recipients in the FLLIP focus groups, have “been there, done that.”⁵⁰ For example, Devi Dibella of Operation Frontline-Colorado said one of their best instructors is a financial planner with a “great life story” of escaping from poverty and

from an abusive husband.⁵¹

Since it may be difficult to find instructors whose experiences mirror those of the participants, a more important qualification is their attitude towards their audience. “Instructors have to be very cognizant about low-income persons' issues and not talk down to them,” says Kristin Curran of Share Our Strength's Operation Frontline, and “they should be realistic about their expectations of what people will do with what they've learned.” Other essential instructor traits are caring, empathy, and a good sense of humor.⁵²

The instructors' rapport with participants is important also because financial education is about more than money. The Illinois TANF recipients surveyed in the FLLIP focus groups “agree that self-esteem and personal responsibility issues need to be embedded in the course.”⁵³ Instructors with an egalitarian, non-judgmental, and positive, encouraging attitude are much better at helping participants to “see that they have choices and that they can take charge of their financial future.”⁵⁴ According to Eileen Valinski of the Worcester Community Action Council, participants “want to see themselves not as passive recipients of services but as consumers with rights.”

Teaching Methods

Financial education should be as fun and interactive as possible and avoid detailed lectures, both to combat participant fatigue (particularly if the session is after work) and to accommodate different learning styles and literacy levels. Classes can use a mixture of short, structured lessons, interactive activities and practice, and unstructured small-group discussion. If the schedule allows it, a class could include a “field trip” to a financial institution.

Large seminars are harder to make interactive, so at minimum they should provide clear, easy-to-follow handouts that are useful for participants to take home. It may also help to have seminar participants bring in their own materials to learn from. For example, in preparation for his seminar on credit, Donnie Wright had participants obtain copies of their credit reports and bring them to the seminar to follow along when he taught how to read and understand them.

Follow-Up Financial Education

To reinforce what participants learn in class, a number of financial education programs supplement the classroom experience with peer support groups or one-on-one counseling. Participants gain confidence and motivation from hearing personal testimonials and “success stories,”⁵⁵ and peer support groups provide a setting to share them. Individual counseling (especially about debt) is useful to answer questions participants’ specific financial situations that they could not ask in class due to limited time or reluctance to ask it in front of the entire group. Another recommended follow-up to financial education classes is a “buddy system” where first-time bank account holders get assistance (e.g., in reading bank statements) from friends and neighbors.⁵⁶

Financial education for consumers should also be accompanied by training for staff of financial institutions. Bank employees need to be sensitive to newcomers’ fears about banks, make them feel comfortable, and help them understand their options.⁵⁷ Jay Cruz, whose Bank of America branch in Austin, Texas serves a mainly low-to-moderate income customer base that is 50% Hispanic, says the whole staff is trained in “hand holding for customers who need help.” Employees assist tasks ranging from the most simple to the most complex, such as using ATMs, writing checks to pay bills, using credit cards, and applying for home loans. This personal touch has boosted both customer loyalty and home ownership in the neighborhood.⁵⁸

LOGISTICAL DETAILS

Class Location

Classes should be held at sites that participants can easily reach. This could be the One-Stop, a partner agency’s facilities, a workplace, or a financial institution—donating class space is an important contribution for local partners to make. Other convenient community locations include churches, schools, libraries, neighborhood recreation or community centers, Head Start centers, health clinics, and affordable housing complexes. More people will be able to attend if the site is served by public transportation and accessible to persons with disabilities.

Class Size

The class size, and thus the type of room needed, varies with the format. Most classes that meet regularly are small (15 or fewer people). Programs tend to prefer small classes because they facilitate more interactive learning and personal attention and tutoring.⁵⁹ Financial education that occurs as a single seminar rather than a class series can accommodate a larger group (usually 25-50 people).⁶⁰

Class Scheduling

Class scheduling has to consider the availability of the participants, instructors, and space. In focus groups of Illinois TANF recipients and staff and financial trainers, the “ideal length of classes” ranged from one to two hours.⁶¹ In practice, the length, frequency, and number of sessions vary, but most programs are close to this preferred range.

Workplace classes tend to be short (five one-hour sessions) because longer classes could hurt productivity via tired workers or stalled production lines. At an Arkansas poultry processing plant where classes were held during paid work hours, they were scheduled no more than monthly to minimize the employer’s costs.⁶² At a beef processing plant in rural Kansas, where classes were held on the workers’ time (immediately before or after a shift), sessions were switched to a weekly schedule because more people dropped out of monthly sessions.⁶³

Financial education sessions included in existing training vary widely in schedule. In Innovative Alternatives for Women, a 12-week, full-time WtW program in South Carolina, the financial management segment consist of 8 weekly sessions of 2½ hours each.⁶⁴ In the Worcester Community Action Council’s computer skills training course (8:30 AM–2 PM each weekday for 8 weeks), the financial education segment is in four one-hour sessions spread over two weeks.⁶⁵ In American Community Partnerships’ 16-week, full-time career apprenticeship training, some sites present financial education all day for one week, while others present one-hour segments once or twice a week. Two Sacramento, California, One-Stops include a one-time, one-hour session on basic budgeting in their month-long job readiness training.⁶⁶

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Classes held outside the workplace on the participants' own time tend to occur weekly on weekday evenings. Operation Frontline-Colorado's financial education class runs for four weekly sessions lasting 1½–2 hours each, e.g., from 6:00–8:00 PM.⁶⁷ 3PF's classes run in 8 weekly sessions lasting 2½ hours each.⁶⁸ Donnie Wright's financial seminars in Lubbock, Texas were 9:00–11:00 on Saturday mornings.

Logistical Support Services

If financial classes are to be held outside of work hours or existing education and training programs, participants may have difficulty attending without certain support services. In focus groups conducted for the FLLIP program, participants named child care and transportation as “essential elements for participation.”⁶⁹ Lack of transportation options will lower attendance. Lack of child care would keep some parents from attending, but others might bring their children to class, which may distract other participants.⁷⁰

Depending on the children's ages, it may be appropriate to offer them their own financial education sessions concurrent with the adult classes. 3PF saw the need to educate young people about budgeting and saving when many adult participants complained of pressure from their children to overspend. The Cornell Cooperative Extension helped them develop educational activities for children age 3–13, and they are currently working on a curriculum for teens.⁷¹

On-site translation has been provided for participants with limited English skills at 3PF and at financial education classes sponsored by the FDIC Boston Office in Worcester, Massachusetts.⁷² Similarly, your program should have arrangements making a sign language interpretation available if there are any participants with hearing impairments.

Marketing

Financial education that occurs with a “captive audience” may not need to be publicized, but sessions that participants attend on their own time need to be marketed to their target audience.

In addition to fliers and targeted mailings or phone calls, another method is to insert reminder slips with regular mailings or handouts (paychecks, public assistance or unemployment insurance checks, school report cards, etc.). Sessions designed for a larger audience including “walk-ins” can also be announced at the locations where they will take place via the sign board in front of the building, such as at many schools and churches.⁷³

Another recommendation, from the FLLIP focus groups of welfare recipients, is to offer incentives for attending financial education sessions. Ideas include refreshments, certificates, and cash incentives.⁷⁴



Evaluation

To ensure its continued success, your financial education program should include a mechanism for measuring its strengths, its areas for improvement, and its results. Most financial education programs researched for this booklet survey participants at the end about the course (e.g. what they found most useful and what could be improved). 3PF also asks participant halfway through the course whether it is meeting their needs.

American Community Partnerships (ACP) is measuring participants' financial knowledge via pre- and post-testing. ACP's evaluation will measure improvement on test scores, and participants' demographic data may detect any significant improvements that may occur in participants' incomes.⁷⁵

PART III

Financial Education Resources

FINANCIAL EDUCATION CURRICULA

- *All My Money*, developed by the University of Illinois Extension, is an 8-part train-the-trainer curriculum for staff and volunteers of organizations who work directly with limited-resource clientele. For more information, see <http://web.aces.uiuc.edu/cfe/mymoney/index.html> or call Evelyn Prasse at (815) 397-7714.
- *Finding Paths to Prosperity* is a curriculum for IDA (Individual Development Account) programs, developed jointly by the Corporation for Enterprise Development (CFED), National Endowment for Financial Education (NEFE), and Fannie Mae Foundation. It will become available in Fall 2001. For more information, see <http://www.idanetwork.org> or contact Inger Giuffrida at (202) 408-9788 or inger@cfed.org.
- *Money Smart* is a free 10-part curriculum developed by the Federal Deposit Insurance Corporation (FDIC) for July 2001 release. FDIC is also offering free orientation sessions for State and local One-Stop staff. For more information, call (202) 942-3404.
- National Community Reinvestment Coalition (NCRC) Financial Literacy Campaign offers train-the-trainer courses; training resources including a 6-part curriculum; and technical assistance on collaborations between CBOs and financial institutions. For more information, see <http://www.ncrc.org/FinLit/Finlitindex.html> or call Gail White-Moore at (202) 628-8866, x3016.
- NEFE (National Endowment for Financial Education) High School Financial Planning Program is a 7-part curriculum offered free to



teachers and youth program staff. A Braille version is available for persons with visual impairments. See <http://www.nefe.org/pages/highschool.html> or call (303) 224-3511.

- *Your Money & Your Life*, developed by the University of Illinois Extension with the FLLIP Coalition for July 2001 release, contains 8 new modules that can be used separately or in conjunction with *All My Money*. For more information, contact Dory Rand at doryrand@povertylaw.org.

ON-LINE COLLECTIONS OF OTHER FINANCIAL EDUCATION MATERIALS

- Economic Independence Clearinghouse, maintained by the National Endowment for Financial Education (NEFE) and funded by American Express, is a database of financial education programs and curricula that target under-served populations, at <http://www.nefe.org/amexeconfund/>.
- The Federal Reserve Bank of Atlanta's community relations program has a collection of links to instructor tools for teaching financial literacy to middle-school students at http://www.frbatlanta.org/consumer/personal_finance/.
- The IDA Network, a project of the Corporation for Enterprise Development, lists financial education curricula and other resources for Individual Development Account programs at http://www.idanetwork.org/index.php?section=resources&page=financial_education.html.
- The Jump\$tart Coalition for Personal Financial Literacy promotes the teaching of financial education through youth organizations and K-12 schools in order to improve the personal money management skills of youth and young adults. Their website, at <http://www.jumpstartcoalition.org> includes on-line databases of training programs, guest speakers, and educational materials.

Teaching Dollars & Sense

- Project Money\$mart by Federal Reserve Bank of Chicago offers consumer publications about a variety of topics, including budgeting and saving, financial institutions, credit, and fraud. Available at <http://www.chicagofed.org/consumerinformation/projectmoneysmart>.

ADDITIONAL CONSUMER INFORMATION ON FINANCIAL LITERACY

- Fannie Mae Foundation: guides on Borrowing Basics, Credit, Home-Buying, and Mortgages. Available in English, Spanish, and 7 other languages at <http://www.homebuyingguide.org> or (800) 611-9566.
- *Savings Fitness: A Guide to Your Money and Your Financial Future* is a brochure on retirement savings developed by the Pension and Welfare Benefits Administration and the Certified Financial Planner Board of Standards. Available at <http://www.dol.gov/dol/pwba/public/pubs/part2.pdf> or by calling (800) 998-7542.

RESOURCES ABOUT FINANCIAL EDUCATION PROGRAMS

- *Individual Development Account Program Design Handbook: A Step by Step Guide to Designing an IDA Program* by the Corporation for Enterprise Development. Fourth edition currently available on CD-ROM. Fifth edition to be printed in Fall 2001. For more information, contact Freddie Wiggins at (202) 408-9788 or freddie@cfed.org.
- *Tools for Survival: An Analysis of Financial Literacy Programs for Lower-Income Families*. Woodstock Institute, January 2000. For more information, see <http://www.woodstockinst.org/survival.html> or call (312) 427-8070.
- *Reaching the Immigrant Market: Creating Homeownership Opportunities for New Americans* by Andrew Schoenholtz and Kristin Stanton. Fannie Mae Foundation, 2000. Available at http://www.fanniemaefoundation.org/programs/pdf/rep_immigrant.pdf or by calling (202) 274-8000.

About This Booklet

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The opinions and conclusions expressed herein are solely those of the authors and should not be construed as representing the opinions or policy of any agency of the Federal Government. The resources listed in this booklet are for informational purposes only and are not intended as an endorsement of the materials or their contents.

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To obtain additional copies of *Teaching Dollars & Sense*,

- Go to <http://wtw.doleta.gov/dollarsandsense> to download a printer-ready copy.
- Call the WtW representative for your State to request printed copies (available mid-July 2001). For a list of regional representatives for the Money Smart financial education partnership with FDIC, go to <http://wtw.doleta.gov/financial.asp>.

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