Our Goals

• Promote household financial stability of low- to moderate-income residents of the region by strengthening their financial capabilities, defined as:

*The capacity based on knowledge, skills, and access to manage financial resources effectively.*

Source: President’s Advisory Council on Financial Capability.
Our Approach

- Identify platforms for building financial capabilities of LMI residents
- Assess fit with entities
- Make the case for adopting a financial capability strategy
- Spark exploration and action through research, convenings, and engagement
Our Efforts with Community Colleges: 9/2012-present

• Assessing the landscape
• MA-based community college convening
• Multi-campus educational matched savings program pilot
• *Resource Handbook* on building financial capabilities of community college students
• New England-based convening
• Quarterly update calls
• Exploration of task force facilitation
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Educational Matched Savings

• Enrolled students who meet income and asset criteria agree to save $____ over ____# of year(s) and to take ___ hours of financial education in order to earn matching dollars at a rate of ___to___ that they can use for education-related expenses such as tuition, fees, and books/supplies.
Educational Matched Savings

• Enrolled students who meet income and asset criteria agree to save $750 over 1 year and to take 12 hours of financial education in order to earn matching dollars at a rate of 2 to 1 that they can use for education-related expenses such as tuition, fees, and books/supplies.
Educational Matched Savings

Apply for program
↓
Enroll
↓
Learn
↓
Apply learning
↓
Spend less/save more; set financial goals
Educational Matched Savings Program Pilot

- Two years
- 30-40 students per institution per year
- Two sources of matching funds: Health and Human Services Assets for Independence and Institutional sources
- Eligibility criteria (income and asset limits)
Educational Matched Savings Program Pilot – The Role of FRBB

• Convener
• Technical assistance
• Research and evaluation
• Enable and propose technology solutions that support LMI
• Disseminator
A Resource Handbook for Community Colleges

- Level set what it means to build financial capabilities
- Make the case for adopting a financial capability strategy
- Provide tools for informing decision-making
- Share insights for achieving effectiveness
- Develop a baseline for the region
- Spark exploration and action
Level Setting: Which Efforts Qualify?

<table>
<thead>
<tr>
<th>Which do</th>
<th>Which do not</th>
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</thead>
<tbody>
<tr>
<td>Empowerment; skill-building</td>
<td>Financial challenge/crisis management</td>
</tr>
<tr>
<td>Mechanisms for behavior change</td>
<td>Knowledge transfer alone</td>
</tr>
</tbody>
</table>

Courses, workshops, coaching

Opportunities to apply concepts

Efforts that help students address/avoid future challenges

Emergency assistance

Needs-based scholarships

Tax assistance

FAFSA completion
Making the Case: Underlying Logic

Financially capable students

Present orientation

Future orientation

Behavior
- Use money management and savings strategies
- Borrow wisely, repay responsibly, and plan to invest

Short-term
- Increased liquidity/emergency funds

Mid-term
- Increased resiliency to unplanned expenses

Outcomes
- Good credit
- Increased assets
- Increased net worth

Long-term
- Persistence in mobility-generating activities*

*Activities such as completing coursework, being on-time and focused in the workplace, and engaging with mainstream institutions and systems.
# Tools: Case Studies and Decision-making Tools

<table>
<thead>
<tr>
<th>Location</th>
<th>Tool/Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foothill, CA:</td>
<td>Online financial education</td>
</tr>
<tr>
<td>Valencia, FL:</td>
<td>Peer-to-peer mentoring</td>
</tr>
<tr>
<td>Wake Tech, NC:</td>
<td>Virtual financial literacy center</td>
</tr>
<tr>
<td>Mt. Hood, OR:</td>
<td>Educational matched savings</td>
</tr>
<tr>
<td>Mesa, AZ:</td>
<td>Educational matched savings</td>
</tr>
<tr>
<td>CNM, NM:</td>
<td>Financial stability center</td>
</tr>
<tr>
<td>Skyline, CA:</td>
<td>Financial stability center</td>
</tr>
<tr>
<td>CCBC, MD:</td>
<td>Financial coaching</td>
</tr>
</tbody>
</table>
Tools: Case Studies and Decision-making Tools

Tools: Case Studies and Decision-making Tools

Source: Blase, Kiser, & Van Dyke, 2013.
Insights for Effectiveness

- One size does not fit all
- Assessing students’ experiences with money may be helpful for tailoring approaches
- Opportunities for application are critical
- Strive for efforts that are research- and theory-based
- Use tools of evaluation for greater control and optimization
A Snapshot of New England

More than three-quarters of responding community colleges (N=34) agreed that building financial capabilities is considered a priority.

Aside from financial aid, there are specific staff/roles focused on building financial capabilities.

Efforts to build financial capabilities of students are considered a priority within my institution.
A Snapshot of New England

More than 90% of responding CCs (N=31) offered at least one effort focused on building financial capabilities, however 86% did not feel that the right mix nor capacity were in place.
A Resource Intended to Spark Exploration and Action

Promoting Pathways to Financial Stability
A Resource Handbook on Building Financial Capabilities of Community College Students

July 2014 • The Federal Reserve Bank of Boston

Features
- Making the case for adopting a financial capability strategy
- Eight case studies on various efforts implemented at community colleges around the country
- Insights from community college students enrolled in personal finance courses
- A snapshot of financial capability efforts of New England-based community colleges

Description of Contents
- A message co-authored by Senior Vice President Richard Waller and Assistant Vice President and Director of the Financial Capabilities Group, Sol Carson:
  A description is given of how the work with community colleges aligns with the mission of the Federal Reserve Bank of Boston.
- Making the case for adopting a strategy to build financial capabilities of community college students:
  The strategy is assessed against areas of need, available evidence, resource availability, capacity to implement, and readiness of options.
- Eight case studies:
  The case studies describe individual financial capability efforts implemented at community colleges in different parts of the country. The types of efforts include educational matched savings programs, financial stability centers, peer mentoring, financial coaching, online financial education, and a virtual center approach. Each study provides a description of the program, details on implementation, indicators of utilization and effectiveness, and challenges and funding.
- Insights from students in personal finance courses:
  In their own words, students provide details about their backgrounds, financial experiences, perspectives on and attitudes toward money, and ways they apply personal finance concepts to financial goal-setting.
- A snapshot of financial capability efforts at a New England-based community college as of August–September 2013:
  A description of institutional priorities, financial capability efforts, and perceived barriers to building financial capabilities more systematically drawn from surveys completed by 34 community colleges in the region.
- Conclusion:
  An overview and implications for moving forward with financial capability efforts are offered.
www.bostonfed.org/education/index.htm
Summary

• Recommending a financial capability strategy as opposed to a specific option
• Supporting decision-making through information and tools
• Defining our success based on exploration and actions stemming from our collective efforts
• Expanding our role based on additional assessments and input from the community college community