

Federal Reserve Bank
of Boston
Financial Capability Group

New England Community College
Convening
June 6, 2014

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

- Five partners: Bunker Hill, Springfield Tech, Northern Essex, The Midas Collaborative, and the Federal Reserve Bank of Boston
- 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

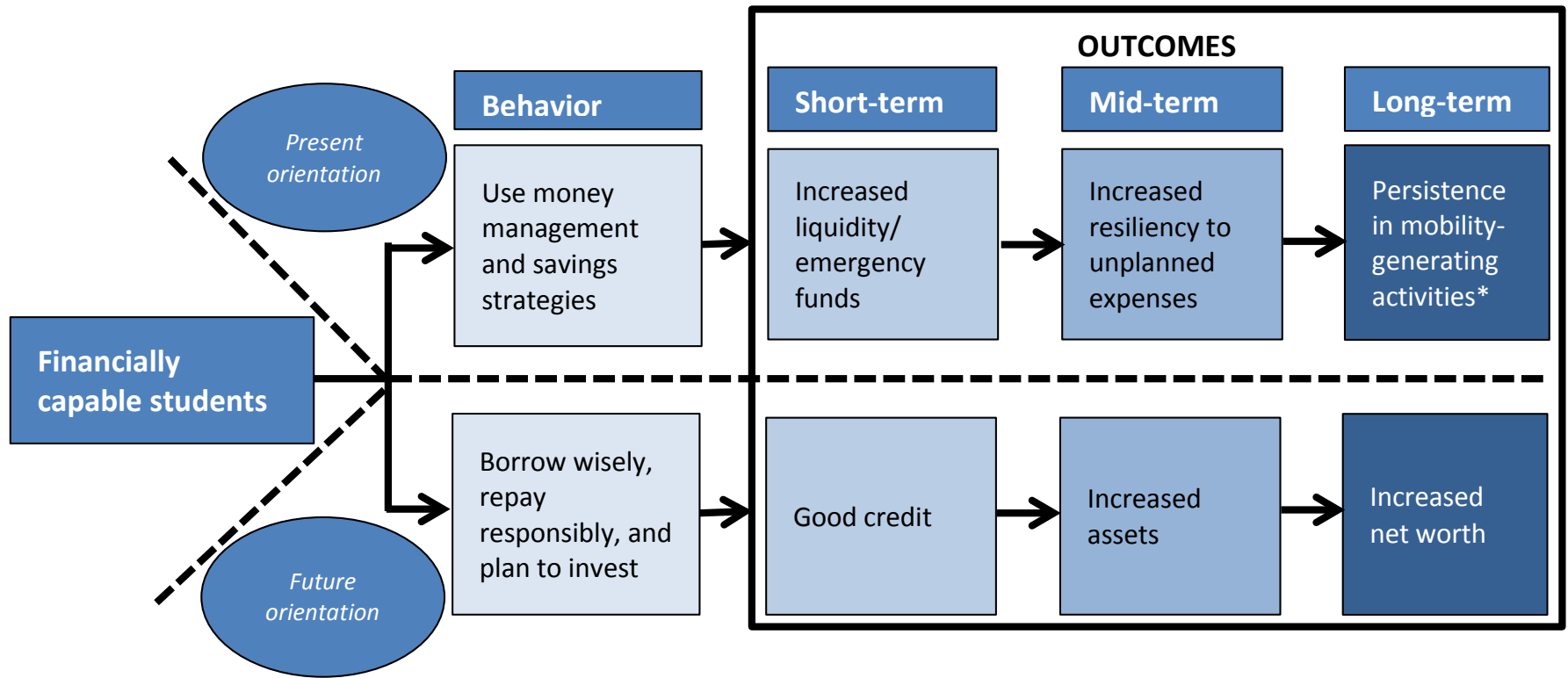
A Resource Handbook for Community Colleges

- 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?



Making the Case: Underlying Logic

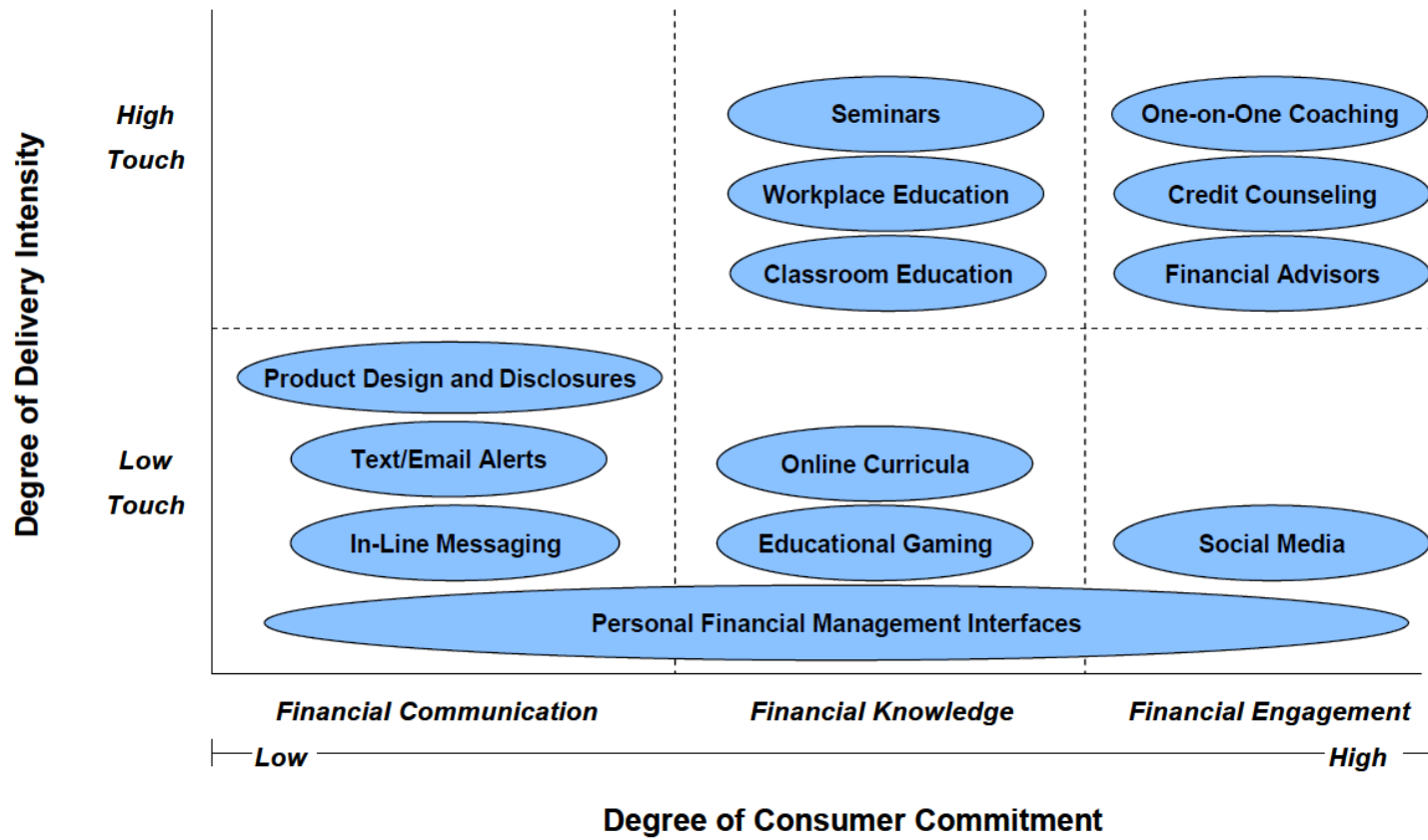


*Activities such as completing coursework, being on-time and focused in the workplace, and engaging with mainstream institutions and systems.

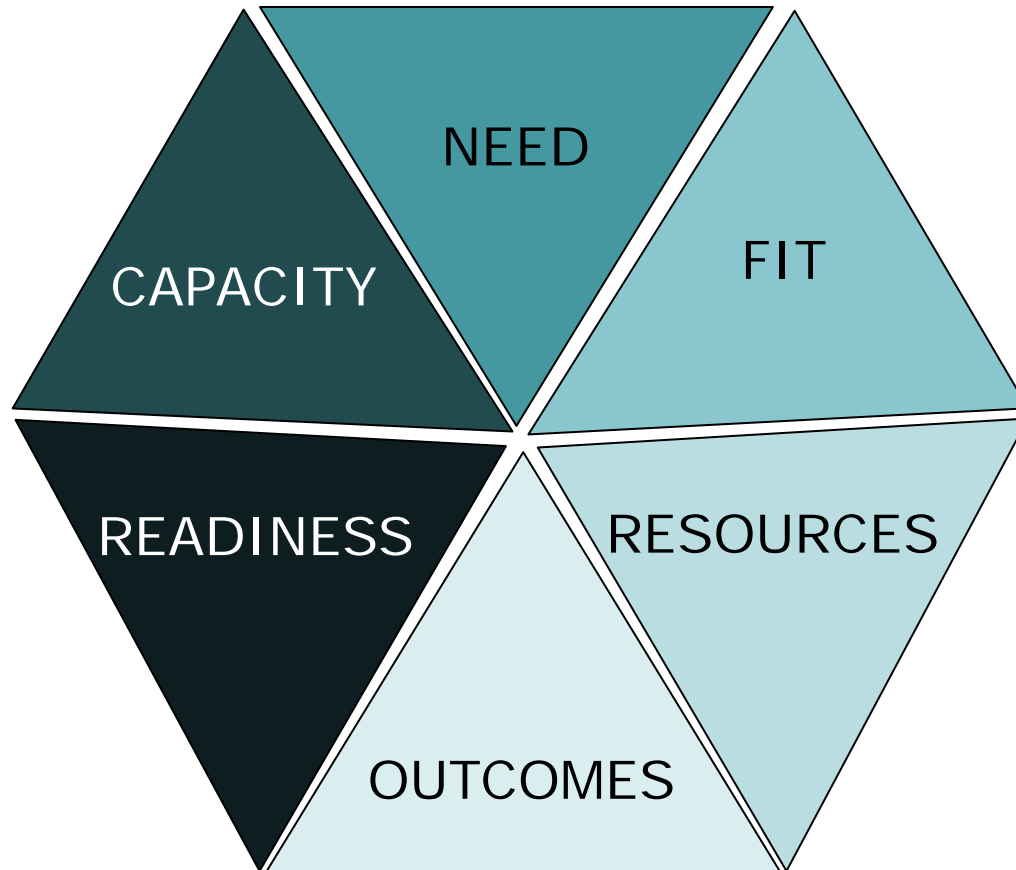
Tools: Case Studies and Decision-making Tools

Foothill, CA:	Valencia, FL:	Wake Tech, NC:	Mt. Hood, OR:
Online financial education	Peer-to-peer mentoring	Virtual financial literacy center	Educational matched savings
Mesa, AZ:	CNM, NM:	Skyline, CA:	CCBC, MD:
Educational matched savings	Financial stability center	Financial stability center	Financial coaching

Tools: Case Studies and Decision-making Tools



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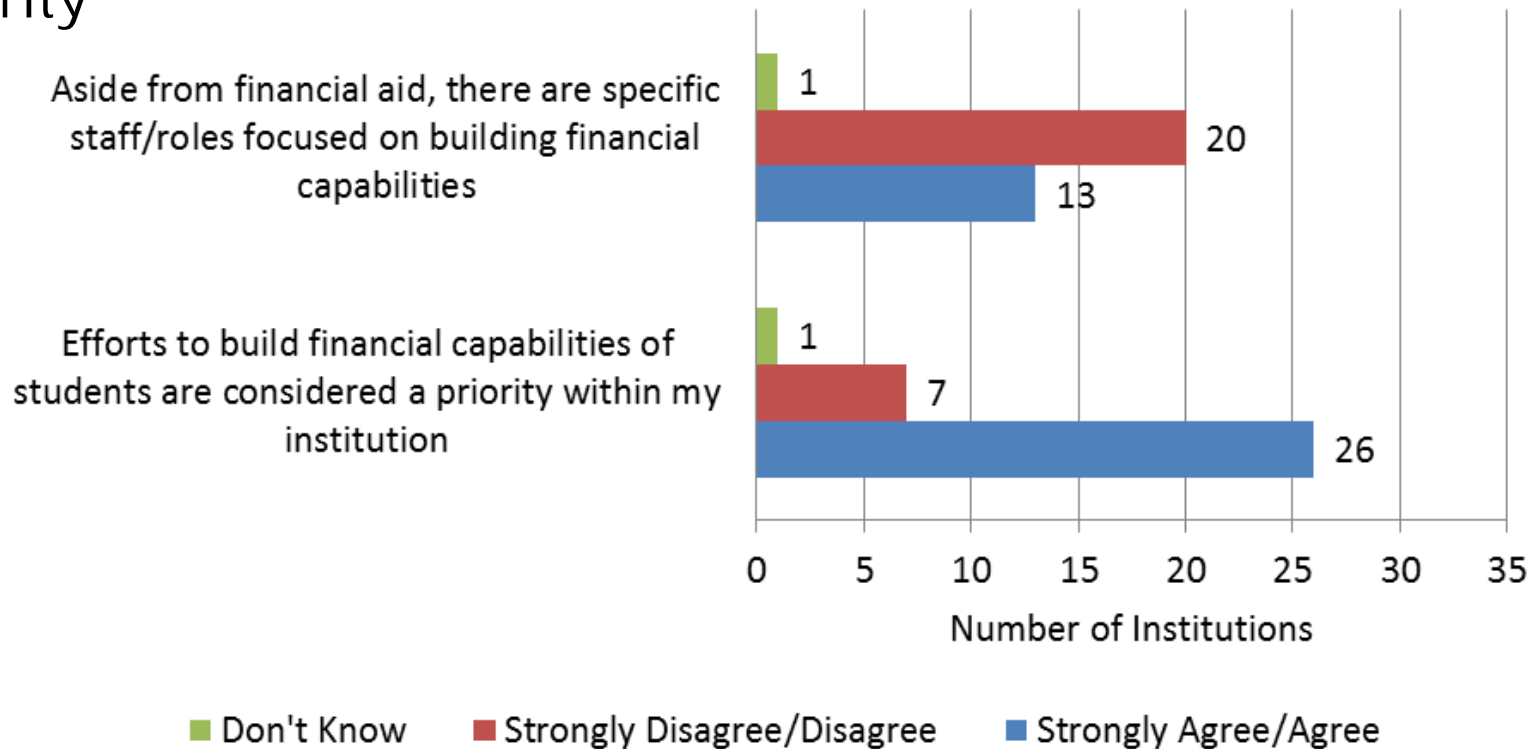


Insights for Effectiveness

- 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

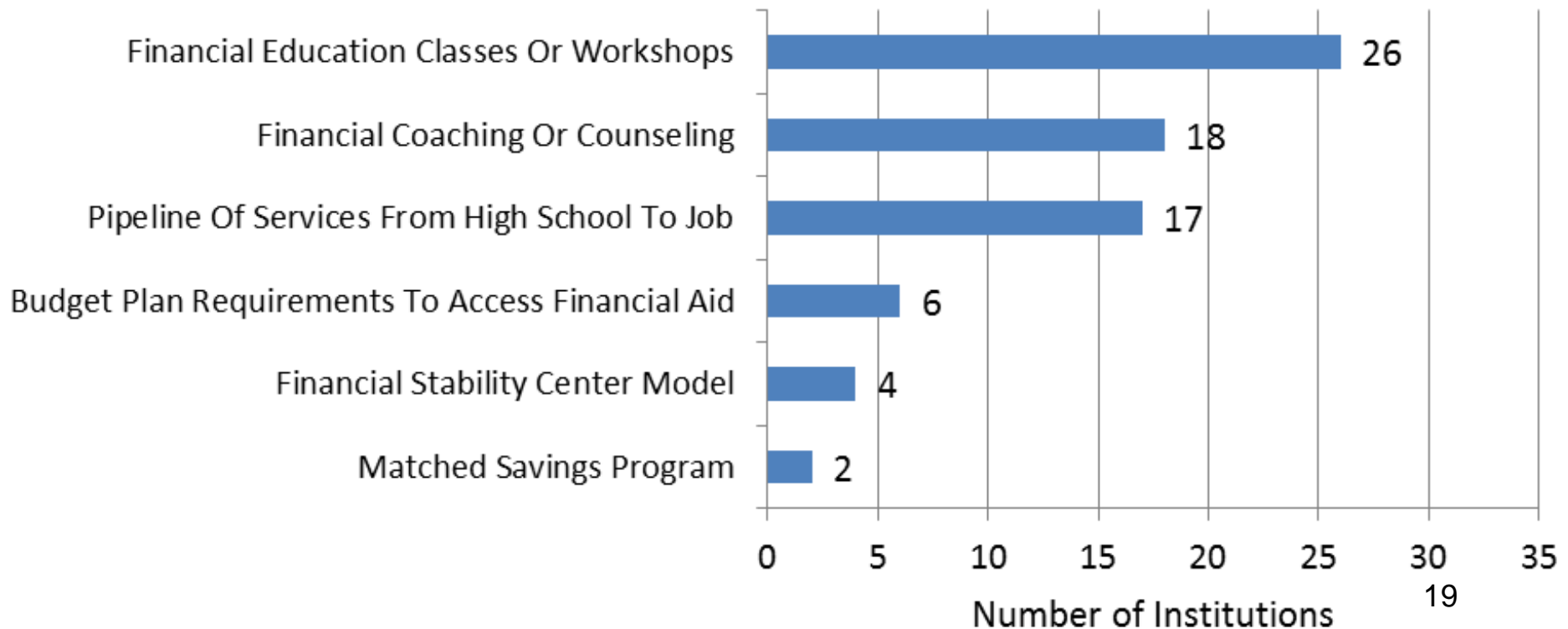
A Snapshot of New England

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



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

July 2014 • The Federal Reserve Bank of Boston

Promoting Pathways to Financial Stability

A Resource Handbook on Building Financial Capabilities of Community College Students

Description of Contents

- A message co-authored by Senior Vice President Richard Walker and Assistant Vice President and Director of the Financial Capabilities Group Sol Carbonell:
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, fit, 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 New England-based community colleges as of August–September 2013:
A description of institutional priorities, financial capability efforts, and perceived barriers to building financial capabilities more systematically is 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.

Financial Capability: the capacity based on knowledge, skills, and access to manage financial resources effectively.

Source: President's Advisory Council on Financial Capability



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