



"Tools for Success" webinars for Assets for Independence grantees:

Resources for Enhancing Financial Education

Thursday, July 18, 2013

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Jimmy Crowell: Good afternoon everyone. Welcome to our webinar **Resources for Enhancing Financial Education**. This webinar is the next in our series of "Tools for Success" webinars designed for Assets for Independence grantees and sub-grantees. This is also the first in a three part series of webinars focused on financial education. This first webinar is meant to give a general introduction to financial education resources available to AFI grantees. The next two webinars in this series will be more focused on specific financial education topics. My name is Jimmy Crowell, and I'd like to welcome you to our conversation today.

Before we start today's presentation, I'd like to begin with a few housekeeping items. If you're having trouble dialing in, you can listen through your computer using speakers or connecting a headset to your computer.

If you're having technical difficulties such as trouble connecting to the visual portion of the webinar, send us an e-mail and we'll send you the Power Point file as an attachment so that you can follow along. The e-mail address is tmurphy@cfed.org.

Today's webinar is being recorded, so you will be able to review it on demand. You will receive a follow up email in a week or two with details on how to access the recording. We will also send a copy of the PowerPoint presentation that is being used today and a transcript.

We have a number of participants registered today, so your phone lines have been muted to ensure sound quality.

We encourage you to send questions at any time during this presentation by using the Questions box in your GoToWebinar Control Panel as you see on your screen. We will try to answer as many of your questions as we can after the presentation.

Our presenter for today's conversation is Denise DeVaun who works for the AFI Resource Center. Denise, would you like to say "hello?"

Denise DeVaan: Hello everybody. I just want to share with you how glad I am to be with you today. I have a 30 year background in helping families in communities reduce poverty and the last fifteen years have been devoted to asset-building. I've had the privilege of working with a fabulous team in Minnesota to launch an 87 county AFI project collaborative. Today, over \$2.5 million in deposits have been made. Since then, I've been working with the federal Department of Health and Human Services for many years providing support to grantees and especially large and small network projects. I've also done a lot of financial education training and teaching and design work and I am delighted to be with you today.

Jimmy Crowell: Well, we are delighted to have you, Denise. And this is me. I'm Jimmy Crowell and I work for the AFI Resource Center, as well. The AFI Resource Center provides training and technical assistance to AFI grantees, their project partners, and other organizations that are providing asset-building services across the nation.

With that, I am going to pass it over to Denise.

Denise DeVaan: Thank you, Jimmy. We're going to focus on a couple of core objectives today. I had the chance to see the registration list and I am delighted, we are all delighted, that there are so many of you across the country from a variety of organizations and, from what I can tell, at different levels. This particular first ever webinar is going to focus on a couple of things; one, we want you to be very comfortable with the kind of financial education resources that are available to you. They're free and they're on the AFI Resource website as well as a lot of other information about asset-building that would be helpful to you to put financial education in the context of saving and building assets. So that's the first thing we want to focus on. The second thing we want to focus on is we want to make sure that you are well aware of the kind of financial education services that can be given to participants and that you can use the resources that are available to you. There's so much there. I think you'll be challenged to just pick and choose what works best for your particular group and your region or community.

So the thing we want to think about today is what is financial education? Really, the whole issue of financial education is, and it's important first to focus on this, it's about how money works, it's about how personal financial decisions are made and the goal here is to really think about financial education and the knowledge that comes from financial education. It's financial literacy knowledge that comes from financial education, so what we want to do is really be able to support families and communities having more and more knowledge about their finances. And we want them also to feel confident in taking actions that best meet their needs and build their own capacity to make the best financial decisions for themselves and when we talk about financial stability there's many different kinds of definitions but in short financial stability is being able to pay the monthly bills on time, having manageable debt and, ideally, having a very small cash reserve. The research shows \$500 to \$1,000 dollars makes a huge difference. So financial education increases literacy knowledge about financial topics and about how money works and the process of financial education encourages people to build skills around making the best financial decisions. There are so many

resources that focus on different aspects of financial education and how to teach it and what components to use. We'll focus in on some of them today.

Now, Assets for Independence is a demonstration program and the AFI legislation is very specific about financial education. It simply asks participant to acquire the knowledge, so again we are getting to literacy knowledge, to acquire the knowledge and the skills, that's the confidence and competence, necessary to achieve economic self-sufficiency. That's what the law says. AFI grantees typically, the best practice, is that they provide general financial education on a core set of topics and they add to the general education with asset-specific education, either for first time home-buyers or for higher education or for microenterprise, small business development. The general education is often done first followed by specific asset education. All of that is also financial education.

Why is it important? Many people in our country, whether rich or poor, whether they're old or young, any kind of cultural background, any kind of religious background, so many people in our country are financially illiterate, financially illiterate. Those who are in the Assets for Independence program have the privilege to bring a bunch of skills together and a bunch of learning together that will help them feel confident in purchasing an asset whether it's a first home, a higher education or to begin a small business. And our families are best equipped to do those asset purchases if they feel comfortable with credit, debt, cash-flow, consumer protection, etc. The other thing is that it's very difficult to become financially stable unless we know the various elements of our own personal financial condition and what we can do to improve that condition and often it's been described in the AFI program that we don't want any of our folks to just get by anymore. We want all of us to get ahead. And that's financial stability. Next slide, please.

The AFI Resource Center has created a website that has really been received positively throughout the country and in the website, the idaresources.org, you will find extensive toolkits and guides that you can use. You'll pick and choose what will be best for your community. There are live recorded webinars with slideshows that you can use with your staff, there are interactive e-learning modules that you can use yourself and with your staff and volunteers. There are links to official AFI reports and guidance, the congressional report to Congress, and you'll be able to take that information and use that as a way to build support for your program. There is also live one to one assistance through the AFI help desk. So this particular website has grown over many years. A lot of people have helped to build it and it's very user-friendly but the tab we'll use most today is the financial education tab; delivering effective financial training. Next slide please

So as you look at the website, this is where it is located. We are going to focus now on a couple of things. One is, we are going to talk about, what does it take to equip a financial education trainer? Those of you on the call may be trainers yourselves or you're project managers and you need to hire a trainer or you need to find a trainer at the university or the community college who could enhance your program. So, how is a good trainer equipped? What are the core competencies of a good financial education effort? And then, what are the

various curricula that can be used in your financial education program? Let's go to the next slide please.

Let's focus first on equipping the financial education trainer. Now this is what, I've learned this over many years and I want to offer this lesson to you. It's one thing for a trainer to be able to relate to the audience, to relate to the participants. That's very important. It's another thing also for a trainer to have enough knowledge about the topics so that he or she can communicate that topic easily in a way that can be understood. The other thing that's really important is that we're dealing with, and I'm going to get into this in a minute, adult learners in the AFI program. Adult learning principles means that none of us can sit and listen for an hour or two. It just doesn't work. So a good trainer has to not only know the information, be able to relate to the people in front of them, but they have to be able to engage those that they're working with participatory methods or ways. Those three aspects, if they come together that will make a dynamite trainer. Next slide, please.

So money is a very difficult topic to talk about. Money causes conflict, there are differences in culture around how money is handled or thought about. There are differences in households about how money should be spent or how it should be brought in. Some are spenders and some are savers. There are differences in priorities about what we should do with money. The downturn in the economy in the last few years has really caused many households to not have enough money even to take care of the basics. It's loaded. It's very difficult to talk about. So the trainer has to have ways to bring up this topic in a way that's safe, in a way that's fun, in a way that's not boring and in a way that captures the hopes and aspirations of those participants so they can do what's really hard which is to take the next step to improve their money lives. So the environment has to be a safe environment and it has to be a participatory environment where all are welcome and everybody has something to say about this topic. The other thing that's really important is that the project and the trainer has to be able to evaluate which of the many curricula is best. And which of the many curricula provides the core competencies that AFI would really like and, of course, the message too? Next slide, please.

So on the AFI website there are a couple of things you could look at. There is a financial education training manual for trainers. You could take this particular training manual for trainers, at level 1, and you could go through this whole thing together as a staff and as a team so that your training yourselves on these topics. It's all there for you, it's been done for AFI, it's been tested and tried in the community, people love it and it's online and you and your colleagues can simply go through each module together. You could also go through a level 2 training. So, level 1 is a level that is easier content-wise to understand. Level 2 takes on some of the more complicated topics and I know many staff who have gone through both level 1 and level 2 together and by the end they will say, "I never knew these things even for myself." And they had the confidence to be able to turn around and work with some toolkits. We will get into Money Smart in a minute, produced by the FDIC, but you could use Money Smart as a curriculum in your IDA project. So you would have the modules there to use. Pick up the Money Smart curriculum and use it. Next slide, please.

So, on the website you can see level 1 and level 2. There are always openers and frameworks around asset-building, the psychology of money, adult learning principles, new approaches, media and economic literacy, using credit. Those are initial topics that any trainer ought to be able to know and the second level is a little bit deeper. It will get into some of the behavioral economics, some of the consumer rights and responsibilities, the life stage of budgeting. These are some of the deeper topics a good trainer should know. And I know people who have had no training background who have gone through this and they were able to learn enough to work with participants and they would say if a tough question came up they would say "I don't know but I'll find out," and they've been able to find out on this website. Next slide, please.

As we've mentioned, because of adult learning principles, it is not good to just sit and lecture. So, using these participatory training techniques is very important and let me give you a couple examples; one example might be a small group might be asked to just simply write down, what is financial stability? And they'll brainstorm it together. Another group, either in a learning circle, which is a big circle together or a one-on-one meeting, there might be a question we would answer which would be a simple question; what did you learn about money as a child? Another question might be, what do you want for yourself or your family involving money? These energizing ice breakers get everyone talking. The second thing is to really know your audience. The audience is an audience with new immigrants who have come from one of the countries which trade in grains and goats. Of course the whole curriculum has to be geared that way. Or another situation where English is being learned as a second language. There are curriculums with pictures, so simply know your audience. In a lot of programs, there are assessments that can be done at the beginning of the class so you can get a sense of what people know. They might know about cash flow but might know nothing about credit and why it's important. Pre and post tests are often used. The other thing is that it's really important to know the constraints. There are so many rural communities that have to drive 60 miles to go to a financial education class and this is simply not an option. So, to use the online options or in-person on the phone is a good idea. The other important thing is to address specific topics. A good curriculum is going to deal with cash flow, budgeting, credit and debt, consumer protection; these are the key topics covered in most general courses. Next slide, please.

Now, on the website that we've just talked about there is a whole list of effective strategies and tips. One of the ones that I like to use often is teaching participants how to use cash flow. Each of us has experienced doing a monthly budget and we've probably all experienced that it doesn't work very well because things come up. The car has a flat tire, a child falls and has more health care costs, something at school causes an extra expense we didn't plan for so we really often like to work with cash flow. It is money in and money out and tracking it every day and every week. There are lots of different strategies and tips you could use and bring into your financial education process and curriculum. Next one, please.

Now one of the things that we want to be able to really encourage you to think about are adult learners and how many times a particular concept needs to be the idea that's taught. Then there's the exercise that's done that reinforces the idea or some people start with the

exercise first, like how do you reduce debt by using the snowball method, let's say, you start with that then you get to the debt topic; what is good debt that helps us to get ahead and bad debt that spirals behind? And so, in the website, there are small articles that will talk about adult learning education or they'll have different icebreakers you could just take and use and you'll find this also in the financial education training manual for level 1. Let's go to the next one, please.

Jimmy Crowell: So we are going to poll the audience now and see what training methods you guys use for your program. So the question is; which of these training methods does your program typically use?" facilitated discussion, small group discussion, exercises/games, informational seminars or learning circles? So we are going to launch the poll and if you could just take a quick minute to answer that question.

So we are going to close the poll and share the results. Ok, and Denise, do you want to speak to the results.

Denise DeVaan: Yes I do, I'm not surprised by these results a lot, it would be great if you could share some of the exercise and games you use. We have facilitated discussion at 33%, informational seminars, 29%, small group discussion, exercise and games. That's a nice mix. Let me say something quickly about learning circles. Learning circles come from indigenous Native American experience. Often those circles limit cross talk and you might ask the question "what did you learn about money as a child?" and it's a great opener for the first time and everybody will go around and answer one thing and then you might ask the question "what do you want for yourselves and your family?" and then they'll come up with that and then you have a room that's able to talk to each other. You may want to learn more about learning circles. But this is a nice mix and I'm glad to see that it is interactive and not just all lecture. Ok great, let's go to the next slide.

I want to focus in a little bit on resources for trainers and many of you know about the FDIC Money Smart curriculum. This particular curriculum is free and it's online. It's got 40 minute videos for instruction of trainers and it's written in nine languages. I really like that about it. Additionally, in many communities there are train the trainer courses. Most states and cities have them and you can put in your search engine in your states and type "asset-building coalition or network" in your city or state and asset-building resource will be there and it is possible they will do train the trainer courses that are free. Everything we've done so far is online so it is available to the whole country but, if you want an in-person option, I encourage you to try to do that. The other thing is that the Center for Financial Education does a certification program for under \$400 dollars and we'll get into that in a second. There are other training institutes such as NeighborWorks for those of you in the housing area and the CDC field. You'll do a lot of NeighborWorks courses. Also, Money Skill is good. Next slide, please.

One of the questions that comes up throughout the country is, how do I know that there is quality? It's one thing to look at a curriculum and say "well, the topics are covered." It's another thing to look at the trainer and say "well, yeah, they look like they have experience."

And one of the things that's come up is, and it comes up from the field, people have asked "can we get some certification, can we get some quality so that we know and can be a better judge of both the curriculum and the trainer and be able to bring in the best into our programs?" And so there are certification programs and AFI does not have a position on which certification is better than another. That's something for the field to kind of discuss with each other but on the website there is a summary of the certifications in a grid. I'd like us to go to the next one.

We won't go over this now but on the website you will see a grid that shows where there is certification, where you can get certification and what's required. You can at least use this as a way to look at quality. Let's go to the next slide, please.

I want to speak for a moment about core competencies. It's important to have literacy knowledge but it's quite another thing to have the skill and confidence to be able to take action. Next slide, please.

The AFI staff and many people throughout the country went through a process of determining what would be the core competencies for this program and I want to just talk with you about this for a second. Next slide, please.

AFI believes, and I support this 100%, that AFI savers and, of course the staff who work with them, ought to know how to develop financial goals. That's really critical. You can't get anywhere unless we know where we want to go. It's also important to know how to develop and manage a budget either using a cash flow tool but at least include income, expenses and room for savings in that budget. It's also really important to know what credit is, how to build credit, how to repair credit, how to get something off of a credit report. So many families have gone through bankruptcy and in a divorce situation that bankruptcy may show up on someone else's credit report or the same names, there are things on credit reports that are just not accurate. That's a competency, knowing what to do with that.

Financial services. So many people use alternative financial services and it's a core competency to know about a bank and a credit union and the products that are there and mostly about the low interest products. It's also important to know about taxes, where to go to free tax sites, how to get any tax credit that's available, federal and state tax credits that are available. It's also important to know about how to save for the future, how to put away some of the earned income tax credit, how to use that in a matched savings account. So developing goals, managing the budget, and remember you can't manage it unless you build it, knowing about credit, and that includes debt, knowing what the financial services are that are safe and affordable, knowing what taxes are, so many people are on a cash system, paying taxes and saving for the future. These are competencies that are part of a financial education core. It is really important. And some curricula will touch three of these or four of these and not all of them and that's a mistake. AFI wants a curriculum to cover all of these and if you have a curriculum you really like you may consider adding other elements of other curricula to make sure that every core topic is covered. Next one, please.

So let's go into curricula for a second. Alright, so as I mentioned before, AFI doesn't have a specific curriculum that they say "use this." AFI says use whatever curriculum will match your participant needs and look at the curricula and apply the core competencies and the appropriateness and the benefits and the length of course. This is important because in some communities people are working two and three jobs and, as we know, they don't have time to come to class and there may be some combination of in-person by conference call and online and one class a month. So the design of how it's done, either Saturday mornings, at the end of the day, at the beginning of the day, online, all of that's has to be worked out locally. Now, for the number of hours of financial education training, AFI has no position on the number of hours. But those topics do need to be covered. Next slide, please.

The MoneySmart curriculum that I've mentioned to you is one that is used throughout the country. That is a great curriculum, again in 9 languages. MoneyWise is by CapitalOne, Freddie Mac has got Credit Smart, NEFE has got the Family Money Skills, Finding Paths to Prosperity is NEFE and CFED, and these are the most widely used curricula. And then in some states, I'll use Minnesota as an example, there is a curriculum developed called Four Cornerstones that was written out of the AFI experience in a couple languages and is very participatory. So there may be really good state and local curricula you have access to. Or you're working with your university extension office and they cover the core competencies and you simply want to add in some modules, these are some examples for adult learners. Next slide, please.

Now young people and children, of course, can't do what adults do and there are curricula for young people, teenagers, like the Money Smart curriculum for young adults. Many programs use that for youth savings and youth IDAs. Money Skill, the Council of Economic Education has Financial Fitness for Life and these are all good for youth and young adults. For our friends who are in Native communities, there's a good curriculum called Building Native Communities that's done by the First Nations Development Institute used across the country. And here's an example where indigenous values and spiritual beliefs are integrated into this curriculum to best meet this cultural need. Next slide, please.

Now we've been covering general curricula and that's often done as a best practice at the beginning of an AFI project. After enrollment, the general curriculum is done. Some projects will do the curriculum before enrollment and use it as a screening tool so that when there is enrollment then people are really ready to go. A lot of programs start their general financial education curriculum as soon as that first deposit is started and they're ready to go. After the savings goes on for a while and that's up to programs locally, AFI has no position on that, then it's times to really focus in on the asset-specific education for the asset that's being saved for. And as we know, there are specific curricula for each of those. There are specific first time homebuyer curricula to buy a house. There are specific curricula that are good for starting a small business, so a microbusiness, something very small and there are, I wouldn't say curricula, but there are aids to how you really look at higher education. What kind of higher education is going to help somebody get to where they want to go, a career path curriculum, a workforce effort or sometimes there are curricula that focus in on specific jobs and specific careers that can be used. Next slide, please.

This asset specific curriculum is important because many programs learn that if somebody wants to buy a house, they have to get ready for that sooner than later. They have to increase their credit score, they have to be credit worthy to get a loan and at the beginning of a project, if they're interested in buying a house, there's often an assessment done at the beginning so they know what they have to do to be ready to buy a house. But they're still taking their general financial education classes with the AFI program. Then they would launch into a first time homebuyer class or a set of classes. Some are a one day class on a Saturday that will help them know how to be ready to buy a house. What's really involved, what are the costs that no one ever knows, how do I go about buying a house, how do I know who a good real estate broker is, how do I know where I get the best loans, how do I know who I can trust when everybody is trying to sell me their product, how do I work with a bank on the first purchase, where do I get a home loan? All these things you can check in Finding the American Dream curriculum through NeighborWorks or Credit Smart with Freddie Mac. Another thing that goes on in these first time homebuyer classes is, how do I save for the roof that needs to be fixed and the furnace that may go out someday, where do I find rehab funds? Let's go to the next slide.

When we think about business, it's one thing to think, "I can start a business, I have a great idea, I know how to market it" but it is so hard to know what the financial side of starting a business is so, for example, how do I develop a business plan that has in that business plan, what is my product cost. Who is going to operate? What's the operations plan, what's the marketing plan, what's the short term and long term financial plan. That's all part of a business plan. What are the costs, both that I know and the costs that I don't know. How do I know when my business will be sustainable and when can I start paying myself? And what are all the business resources, the mentors that I could get through a score of volunteers who have been at it a long time and can be on call when I need them, when I've come up against a problem. Where do I get the best and safest and cheapest first business startup loans. Those are all available in local communities so people can check out fence international or self-employment: from dream to reality. Next slide please

Then when it comes to the higher education or training in AFI it's really tough sometimes for AFI savers to know where to go to school and that's huge because many people have not been, their families have not been through higher education. These are first generation learners and so how do I select the right school and program? What is the application process? What is financial aid? And one program I'm aware of, somebody went to a bank to get an education loan but it was at 11% instead of a guaranteed government loan at 4% or today's 6% that hopefully will go back down. So how do I know about financial aid processes? How do I balance work and school? I am going to add a couple here; how do I know which career path will give me the best paying job? Which certificate program, short-term, in a year, could I get done with my AFI funds or two years? Could I get an AA degree with my AFI funds? So the curricula that you might want to look at here is the financial aid u training institute, mapping your future and every community college and university has got counselors and the AFI participant often will go there and sit down with them and look at what their options are. Let's got to the next slide.

Now this will be a time for us, since we've gone over a lot of information, this is meant to be a level 1 introduction to what a good trainer is, what it takes to be a good trainer, a level 1 introduction to where there are resources that are free and available to you no matter where you live in the country, an introduction to how staff could get themselves educated about personal finance and about some of these topics before working with savers. This would be a time to ask a question, make a comment and go ahead and do that now. And Jimmy is going to help me be able to manage these so that we can try to be as responsive as possible.

Jimmy Crowell: We've gotten quite a bit of questions in from the audience so I'll just jump right into it. I have someone who wants to know if any of the curricula that's been presented today would be appropriate for English language learners who might have low literacy levels or if you have a suggestion for another curricula?

Denise DeVaan: Yes. On the AFI website, there is curricula that would be good for English not as a first language. There is a picture curriculum and I am going to differentiate immigrants who come to our country, they may have degrees from other countries, they are very smart about finances and they may not know the American system and they may not know English as a first language. The curriculum that we went over today is just great. It would be just fine for the new immigrant. For those who are refugees and who come to this country from worn-torn countries where they've lived in camps, they are not literate in their own language, they come from countries where there isn't a banking system or it's been taken over by terrible situations and English is not a first language. I want to work with the AFI staff and get some support that we could send to you like picture curriculums where the concepts can be covered, the concepts can be covered, the interpreter can help with the concepts. And the trainer can share resources about where to go after the concept is taught. And we do not, on the AFI website, have picture curricula. Those are also really used well for persons with intellectual disabilities. We have many people in group homes that are saving, pulling it together for a microwave or something like that so a picture curriculum is really good. Persons with intellectual disabilities and refugees, we don't have anything like that now but I know of two of them and will work with our staff to see if we can get that out to you. But otherwise in terms of immigrants yes absolutely.

Jimmy Crowell: Thanks. I have a grantee that provides financial education classes in house, place based ones and they are wondering if you have any recommendations for an ideal size in terms of the amount of students?

Denise DeVaan: Yes, that's a really good question and I will give you a best practice answer to that. So because it is adult learning, 20 to 25 is about it. If it is going to be participatory and interactive, 20 to 25 is about the max number. 25 is great and anything over that is difficult, especially if it is a mixed group. And if it's all savers and everybody in the room is all savers you could go to 30 but 25 in my own experience is really max. If it's a mixed group where you have people from the community along with your savers, that's a good mix too because people all learn from each other but because you want it participatory 25 to 30 is max. One trainer has to be really good at interaction and small group exercises and covering the topic

involving people. But that would be a best practice suggestion. AFI doesn't have a position but that is a best practice. It is a common practice.

Jimmy Crowell: Before you leave today I am going to ask people to respond to an evaluation question that will pop up on your screen. It will only take a few seconds and it will help us assess the quality of the webinar. I want to thank everyone again and I hope everyone has a wonderful weekend.