Helping Underbanked Consumers Avoid Excessive Debit Card and Overdraft Fees: A Cy Pres Success Story

Consumer Financial Education Fund
Impact Report 2012 - 2016

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Introduction

This report describes the progress and impact of the Rose Foundation’s Consumer Financial Education Fund from its launch in 2012 through its 3rd round of grantmaking in 2016. The Consumer Financial Education Fund was enabled by a cy pres payment from a court-approved settlement of Closson, et al. v. Bank of American, N.A., et al. Per the terms of the settlement agreement, the funds were used for consumer financial education and literacy programs, and no funds were used to finance, promote or facilitate litigation or lobbying activities against financial institutions. The Clossen cy pres enabled the Rose Foundation to distribute more than $3.8 million dollars to 58 nonprofit organizations around the country. To avoid “oversaturating” the field and to allow for adjustments and fine-tuning based on grantee experiences, the Foundation spread the distribution of funds over four years via three separate competitive national grantmaking rounds. This report reviews the administration of those funds, the Foundation’s grantmaking process with cy pres funding, and the outcomes that have resulted. It looks at both quantitative and qualitative outcomes and provides “lessons learned” and recommendations about what more could be done to enhance the financial well-being of under-banked and un-banked American consumers that are the focus of the Fund.

This report also describes the Rose Foundation’s efforts to focus the broad consumer financial education mandate in the court order creating the cy pres towards maximizing benefits to the Clossen class and addressing the needs for consumer education around debit card usage and overdraft fees that were at the root of the Clossen matter. The Foundation’s initial Request for Proposals (RFP) was broadly comprehensive in addressing financial education and literacy. However, as the Foundation reviewed grantee reports, it was clear that the most impactful education programs focused towards serving disadvantaged and vulnerable communities, and gave these consumers clear guidance and tools to avoid exposure to overdraft fees and other short-term, high-interest rate credit products. Consumers served through these programs received high quality financial information and education – as well as hands-on assistance in many cases – that laid critical groundwork for greater individual and household financial security. Consumers learned banking basics, household budgeting and debt management, as well as the importance of and how to get started with saving, repairing/building credit, avoiding high cost loans, and taking advantage of free tax preparation services to get the maximum refund. All of these issues were part and parcel of the services supported under the Consumer Financial Education Fund and they had a direct bearing on helping low-income individuals and families become savvier and more financially secure.

Most of the projects in the first two grant rounds have been completed, while some of the third round of projects funded in 2016 are still in their opening phases. However, even with the completed projects, the grantees’ reports demonstrate that beneficial ripple effects continue through the grantee organizations themselves and the training provided to staff and volunteers of community-based, nonprofit and public sector agencies that persist in this work.

Most fundamentally, this report showcases a successful cy pres process in action – broad national outreach that penetrated deeply into disadvantaged communities and targeted organizations serving vulnerable underbanked consumers in all 50 states; a user-friendly, yet rigorous and highly-competitive grantmaking process that identified the most capable applicants and strategic approaches; and the guidance of an expert funding board. While the Clossen cy pres
has now been full disbursed, the Consumer Financial Education Fund is prepared to continue the grantmaking program and is ready for the next infusion of cy pres.

Background and Grantmaking Process

The Rose Foundation for Communities and the Environment plays a unique role as a bridge between philanthropy and the community. It has been recognized by state and federal courts, which have appointed the Foundation as trustee over 400 restitution and cy pres funds related to consumer and environmental issues. Through this program, the Foundation has been entrusted with more than $35 million in cy pres and restitution funds and has been named as recipient of additional awards that are anticipated to total over $5 million. Based on this track record, in 2012 the Rose Foundation received $4.2 million from a cy pres settlement between Bank of America and consumers “to support projects that relate to consumer financial education, with an emphasis on issues related to large financial institutions and retail banking accounts.”

Expert Funding Board

Before launching the Consumer Financial Education Fund, the Rose Foundation recruited a funding advisory board comprising of respected experts from the corporate and nonprofit sectors with deep experience in consumer finance, banking class action suits, investment banking and personal finance (see Appendix A for a list of current board members) to help guide the development of the Fund’s overall grantmaking strategy and to provide content expertise in vetting funding proposals. The funding board also helped develop a notice list of consumer education organizations with financial expertise. The initial 2012 notice list encompassed some 400+ organizations; the 2016 notice list has expanded to over 750 groups across the nation.

Defining the Bullseye for Potential Applicants

The funding board assisted the Rose Foundation to further define the Fund’s broad aim and help craft Request for Proposals (RFPs) targeted to financial education groups. The first RFP cast the net the most broadly and invited proposals related to educating consumers about financial issues and/or increasing consumer financial literacy, including but not limited to projects particularly focused towards customers of large retail banking institutions and retail banking accounts. Applicants were to be based in the United States and their projects targeted toward consumers residing in the United States. The scope of the projects could be regional, statewide or national and could target a wide range of eligible focus areas, issues or activities, including, but not limited to the following:

- Help consumers compare the services offered by financial institutions, including on-line banking; and fees and choices related to debit cards and overdrafts, monthly account maintenance, credit cards, check cashing, loans, advances, lines of credit, mortgages and/or other charges related to banking operations and/or use of services by consumers.

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1 Rhonda J. Clossen et al v. Bank of America N.A et al, CCG 04436877
• Educate banking customers on issues such as understanding monthly bank statements, how to balance their accounts and generally keep their accounts in good standing.

• Educate consumers about credit ratings, credit agencies, and how to maintain good credit scores; the impacts that poor credit scores may have on their eligibility for services offered by financial institutions and the effect of credits scores on the costs of those services; and personal and family budgeting, and how to respond to overextended credit and debt collection.

• Educate consumers about financial institution privacy practices and privacy notices; as well as protecting against identity theft and fraud.

• Help consumers understand FDIC deposit insurance coverage, and the differences between FDIC-insured retail banking institutions and affiliated investment managers or brokers.

• Education regarding the range of savings and investment options available to consumers, such as savings accounts, money-market accounts, stocks, bonds and mutual funds, and retirement accounts such as 401Ks and IRAs.

The RFP encouraged multi-year proposals where appropriate and offered a wide range of grant dollars—from 25,000 to $250,000 (total) — for which respondents could apply.

Before announcing the second funding round in August 2014, the funding board led an extensive review of grant reports from grantees who had received initial funding. Although the 2014 RFP had the same overall thrust as the first round, it articulated a more defined target population (the “underbanked and/or vulnerable populations”) and set of preferred financial products and practices. The 2014 RFP also gave greater specificity to the types of project activities and methodologies that might be employed by grantee organizations and new knowledge that consumers might gain. Preference was given towards projects that highlighted banking products that increased the availability of affordable banking services to low-income customers, such as no minimum balance and no overdraft accounts, and safe mobile banking applications. Projects able to utilize existing curricula and that integrated financial education into other social services were also emphasized as were projects able to document longer term impact and/or behavioral changes as a result of the education, such as improved family budgeting, increased savings, reduced overdraft or other penalty fees, or improved credit scores. The 2014 RFP also called out the importance of respondents being able to document the impacts and behavioral changes that resulted from the projects. Additionally, the 2014 RFP incorporated consumer education related to financial institution privacy practices and privacy notices, as well as how to protect against identity theft and fraud. As in the first round, the 2014 RFP allowed for multi-year funding, but encouraged 12 month projects. In line with the latter shortened grant period, the level of available funding was reduced to a maximum of $100,000.

As this report goes to press, a third and final funding round (September 2016) of $1.28 million was recently granted to 21 grantees. It focused even more narrowly on the issue of overdraft fees and high cost, short term credit and incorporated lessons learned from the first two rounds regarding measurement of project results. This latest grants distribution also reflects how much the overall consumer financial education landscape has changed and become more robust since the original launch of the fund in 2012. For example, the Federal Deposit Insurance Corporation
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( FDIC) has created very good, broadly available financial education curricula that simply did not exist four years ago, and the emergence of the Consumer Financial Protection Bureau (CFPB) has led to a host of complementary resources that are readily available to consumers. These fundamental changes in the overall field enabled the Foundation to more closely focus on debit and overdraft and overdraft issues rather than on broad financial education.

As a result, Rose Foundation’s 2016 RFP called out the need to quantify the “specific actions and behavioral changes to reduce exposure to overdraft problems…” and gave preference to organizations whose “long-term engagement with their constituents will allow follow-up tracking that will educate future project delivery long past this specific grant period…” The RFP also noted that pre- and post-test related to individual training sessions would not be sufficient to document the reduced overdraft exposures…” Most important was Rose Foundation’s understanding that consumers need more than just financial education: they need support to change financial habits over the long term. Rose also clearly understood that the latter requires an ability by grantee service providers to engage with consumers over time and build a relationship of trust, which also enables those grantees to track and measure project results in a rigorous manner. By incorporating this knowledge into its current Consumer Financial Education Fund RFP and project oversight, the Rose Foundation has become a more skilled grantmaking intermediary in this space. Its Executive Director expects to be even better able to demonstrate the value of the Foundation’s grantmaking over time as these best practices become increasingly “baked in” to the project selection and final evaluation processes. The funding board’s leadership has been instrumental throughout this entire process due to members’ deep understanding of the consumer financial education field and its players. (See Appendix B for the 2016 RFP.)

Fund Administration: Process and Results

In each grants round, the Rose Foundation widely disseminated the RFPs to hundreds of nonprofit and community based financial education and asset building organizations around the country. And the deep reach into consumer education circles and disadvantaged communities did not stop there – for example, numerous other national networks including the Consumer Federation of America rebroadcast Rose’s RFPs to their full distribution lists. Overall, Rose conservatively estimates that each RFP reached 1,000 - 1,500 consumer organizations, a level of community penetration that helped maximize applicant response. In Round 1 (2012) the Foundation received 101 Letters of Interest (LOIs) from 31 states plus the District of Columbia. (Top states were CA-30, NY-13, DC-7, TX-5, MI-4, MA-3, IL-3, CO-3, AZ-3, AL-3). Demand was even higher in Round 2 and the geographic coverage was greater: the Foundation received 141 applications from 38 states plus the District of Columbia (Top states were CA-22, FL-14, VA-12, TX-8, NC-7, NY-6, NJ-6). The third funding round, launched in April 2016, resulted in an even higher number of applications and broader geographic coverage: 193 LOIs were received from 45 states plus the District of Columbia (Top states were CA-23, NY-19, IL-12, NC-11, MI-9, DC-8, and MA, FL, MN & TX all had 7).

Although the notification process expended each round (even as the applicants focus got smaller), the process for vetting the proposals was the same for all three grantmaking rounds: Foundation staff reviewed and ranked the LOIs according to the strength of the proposals with regard to organizational track record, alignment with the RFP criteria and potential for impact, and with an eye toward the overall diversity of each of the grantee cohorts concerning project
activities and geographic scope. The funding board was tasked with conducting final vetting and making the formal grant recommendations.

Grants Awarded

In 2012 the Rose Foundation made 14 grants totaling $985,000 in Round 1 of the Consumer Financial Education Fund. The grants ranged from a low of $30,000 to a high of $100,000, covering 13 different states, plus the nation as a whole through four of the projects. In addition to the nationwide projects, projects targeted consumer financial education and related activities at the city, regional, statewide and multi-state level.

In 2014, with the “scoping process” of Round One complete, the Rose Foundation nearly doubled the number of grants it awarded to 23 and similarly more than doubled the amount of funding awarded to $1,587,500. All but one grant\(^2\) ranged from a low of $35,000 to a high of $100,000 and covered 14 states, including Hawaii, and the District of Columbia. Similar to the first round, project scopes were diverse in their geographic location, with the majority targeting either specific communities/localities, or the nation as a whole. Rural America also figured prominently.

In 2016, the Rose Foundation made 21 grants totaling $1.28 million. In sum, the Clossen cy pres enabled the Rose Foundation to distribute over $3.8 million through the Consumer Financial Education Fund. (See Appendix C for a full list of grants awarded under the 2013, 2014, and 2016 funding rounds.)

Primary Theme: Direct Education to Underbanked and Vulnerable Populations

Both grantmaking rounds reflect an enormous amount of diversity in terms of the type of underbanked and under-banked populations reached and projects supported. In addition to racial and ethnic diversity (e.g., Native Americans; Native Hawaiians and Pacific Islanders; Latino, African Americans), the populations included: veterans—both male and female; seniors; people with disabilities, survivors of domestic violence, students (high school and college); young adults (16-24 years old) participating in employment training program; medical patients, affordable housing residents; entry level workers in small businesses; recently incarcerated individuals; the homeless; teen parents; residents of Section 8 rental housing; and first-time homebuyer counseling clients.

The unifying thread among these grants was the focus on rigorous financial education and financial capability more broadly. The largest segment of projects delivered direct financial education through workshops and other sessions and follow-on one-on-one financial counseling or coaching, including train the trainer sessions in certain cases. Another smaller segment of projects focused primarily on development and dissemination of financial education materials and information in various formats – print publications, and digital, audio, and TV media presentations. The financial education workshop content typically included information on: money management; banking basics and how to reduce bank fees; developing a budget and spending plan; understanding your credit score and how to repair/build credit; debt reduction;

\(^2\) This does not include one grant “outlier” of $7,750.
and consumer protection. In many cases, the workshop setting was only the first step for consumers; those motivated to address their individual or family’s banking and financial challenges had an opportunity to receive follow-on one-to-one financial counseling or coaching from trained personnel. The projects that focused on print and media development generally included some subset of the same financial education topics and relied on an array of dissemination techniques and multiple foreign languages to reach a broad audience of individuals who have been left out of the financial mainstream.

Type of Projects and Quantitative Impacts

A breakdown of the most common types of grant activities and their corresponding quantitative impacts are as follows:

Out of 37 grantees

- 22 grantees reported delivering some 595 stand-alone financial education workshops or consumer clinics on some or all of the topics listed above (as well as others in some cases), to nearly 15,000 consumers. Most of these workshops were at least several hours to half a day in length, with some grantees offering financial education courses to the same individuals over an extended number of weeks or months.

- 15 grantees reported delivering financial counseling or coaching support to help nearly 4,800 consumers manage debt, repair or build credit, begin to save, open a new checking or savings account, avoid predatory loans or otherwise address financial challenges.

- 11 grantees, six of which had also delivered financial counseling/coaching, focused on savings, helping 1,242 consumers to establish a savings habit, open a savings account, or add to their savings, which resulted in reported savings of $11,760 during the project period.  

- 10 grantees focused on credit repair, or establishing or building credit, helping more than 500 consumers and resulting in an increase in credit scores between 10 and 171 points. In the case of one grantee, Self Help Economic Development, 127 primarily Latino credit union borrowers who had no score before taking on a credit builder loan saw their credit scores increase by an average 643 points.

- 8 grantees focused on aiding consumers to open an appropriate and affordable checking, or savings account, resulting in 5,857 new accounts, which includes some consumers who opened both type of accounts.

- 7 grantees focused on ‘train the trainers’ activities to extend the reach of the financial education/counseling/coaching services to more consumers, thereby multiplying the

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3 Note that the number of grantees adds up to more than 37 because their projects included multiple activities in most cases.

4 The low amount of savings can be explained by the high level pre-existing indebtedness of many of these consumers, as well as their low incomes.
benefits. Some 573 individuals/community based organizations—both staff and volunteers—either were trained or received education materials and facilitator guides and other training support for use with consumers.

- 6 grantees focused on conducting research and analysis and/or producing written materials and publications, or media content (TV, radio, website) in multiple languages to disseminate financial education information to a variety of underserved populations throughout the country.

- 5 grantees focused on assisting consumers access the Earned Income Tax Credit (EITC), serving 28,904 consumers and assisting them to receive tax refunds totaling $14,701,350.

- 4 grantees focused specifically on assisting consumers to reduce their individual or household debt, reaching 387 reported individuals. This is in addition to the 15,000 consumers who received new knowledge on debt issues through the financial education workshops and a portion of the more than 3,000 individuals (includes duplicated numbers) who received one-on-one financial coaching or counseling.

- 4 grantees focused on assisting 522 consumers with budgeting and “reducing their monthly expenses,” while another 13 grantees provided budgeting as part of their financial counseling and coaching support. Similar to the footnote corresponding to the debt issue above, these data under-represent the attention to budgeting as it was a key component of the content delivered at workshops and financial counseling/coaching sessions.

Debit Cards and Overdraft Fees
Since the debit card and overdraft issue were at the heart of the class action suit, the Foundation has particularly tried to track these elements as part of its grantees’ overall financial literacy efforts in the first two grant rounds. However, few grantees specifically called out their assistance to consumers around debit cards and overdraft fees as separately tracked project impacts. Typically, these elements were a critical component of the overall financial education curriculum delivered in the workshops, and in one-on-one counseling and coaching, and by those grantees dealing with consumers’ budgeting and debt challenges. These will be a larger focus in the third grant round. One example can be found in a project undertaken by Anew America, described below:

- **Anew America Foundation (CA)**, received a $50,000 grant to initiate a Financial Literacy Fundamentals Program that helped low-income participants from underbanked communities in the Bay Area learn about financial literacy fundamentals, getting banked and optimizing use of financial institutions. Through a combination of orientations, workshops on specific financial education topics, and one-on-one case management, 225

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5 This number under-counts the debt reduction support received by consumers as it relies on reported impacts only. Nearly all of the financial education workshop and financial counseling and coaching participants received new knowledge and support to reduce their debt.
participants received an introduction to the mainstream banking systems and how to shop for financial services, including how to monitor accounts to avoid overdraft fees and how to create and monitor budgets—among other topics. Of those participants, 186 developed a Family Action Plan with support from case managers and 61 participants opened business bank accounts, completed a Savings Match program and took a number of other concrete steps to enhance their families’ financial security. Anew America’s focus on helping participants avoid overdraft fees through careful banking, budgeting and savings practices in their Financial Literacy Fundamentals program provided a strong foundation for helping individuals learn how to navigate mainstream financial services to avoid predatory practices and overdraft fees. The organization has indicated it intends to continue these activities, and commented: “Anew America is looking forward to continuing its successful savings match program to provide tools to avoid overdraft fees and get [its clients] banked with vetted financial institution partners.”

**Linking Financial Education with Community Legal Services**

Community legal service providers often have well-established networks of clients who are underbanked and ripe for financial education services. In addition, the nature of these client services relationships leads towards the trust needed to reach consumers on sensitive financial topics and the stability need to track impacts over time.

- **Housing and Economic Rights Advocates** (HERA), a legal services and advocacy organization that works statewide in California received an $80,000 grant. Among other impacts, it helped eliminate a whopping $1,678,533 in high cost debt from the lives of its clients as a result of legal assistance provided. Grantee staff worked with 63 individuals to review, successfully contest and remove the primarily student debt, but also credit card, medical and mortgage debt. HERA’s successful focus on student debt, in particular, is critically important and still timely as demonstrated in a recent New York Times column on financial issues related to the topic which stated: “debts have wrecked borrowers’ credit scores, making it impossible for many to rent an apartment or buy a car.” Another quote from this article concerning one failed school and its indebted former students demonstrates the need for information and support: “…more than 50,000 people out there have no idea that the discharge application exists.”

**Serving our Nation’s Veterans**

The demographics of the men and women who provide military services to our nation, combined with their extreme mobility, makes both veterans and active service members prime candidates for financial literacy training. VeteransPLUS is a financial literacy organization that assists service members, veterans and their families through classroom and one-on-one financial education in 38 states with the aim of improving their financial security and quality of life and supporting their economic goals. As of the 2013 Rose Foundation funding round, it was the only military and veteran focused nonprofit in the nation providing Department of Defense and Veteran’s Administration approved financial education classes aimed at financial literacy.

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• **VeteransPlus** received two grants totaling $150,000 from the Rose Foundation to conduct financial literacy events in a total of five states (Florida, Texas, Virginia, California, New York) and provide access to one-on-one financial counseling via telephone. The purpose of the projects was to help low-to moderate veterans (male, under the first project, and female, under the second project) and their family members understand their credit scores; undertake strategic budgeting; analyze their debt-to-income ratio; gain savings skills; and avoid predatory lending. The results were noteworthy in that 1,766 attendees were served under the first grant with pre- and post-test evaluation data showing good gains in knowledge, and 967 were served under the second grant, with similar results.

**Impact in Rural Areas**

Other significant impacts are from grantees in Southern states, including rural localities, which are regions of our country that are frequently overlooked by institutions and whose residents are often the poorest and most financially underserved:

• With a one-year grant of $40,000, **Southern Bancorp Community Partners** helped its clients in rural Arkansas and Mississippi to: open 182 Individual Development Accounts\(^7\), which required establishing a habit of savings for many who had not had a savings account previously; take out eight credit builder loans to establish a credit score, resulting in an average increase of 59 points from 601 to 660; reduce debt by more than $2,000 (12 of 40 clients measured were on-track to do so after 6 months); and access to free tax preparation services resulting in tax refunds totaling over $6 million, of which more that $3 million (over $1,000 per return) were from the EITC.

• **Latino Community Development Center (LCDC)** based in Durham, North Carolina received a $35,000 grant that has helped make its financial education workshops and curriculum more accessible and relevant to low-income under-banked and un-banked Latino and other immigrants. In 2015, LCDC conducted 100 workshops in 10 locations across the state, reaching 300 participants. While the project is still in progress, working with the Center for Advanced Hindsight at Duke University, LCDC has integrated behavioral economics principles into the curriculum and workshop facilitation in order to increase impacts and encourage positive behavior changes toward managing money. Additionally, LCDC reported in its interim report that an “unanticipated outcome of the Rose Foundation funding [thus far] is a “new focus on youth” of various ages. For example, in partnership with another local nonprofit, Partners for Youth Opportunity, it piloted a matching savings program that helped 30 student interns open and hold accounts with LCDC’s affiliated credit union and receive a match for their savings. At the other end of the age spectrum for youth, LCDC designed a kit for children, including items such as a coloring book to highlight the importance of savings and other materials and games, in preparation for a future children savings account initiative. LCDC’s vision

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\(^7\) These are matched savings accounts used for the purchase of appreciable assets, with mandatory 12 hours of financial education. In this case, consumers used them for home repair, home purchase, entrepreneurship, and higher education.
is to develop a specialized portion of its website to engage youth from an early age, which is slated for late 2016.

- **West Virginia Alliance of Sustainable Families** (WVASF) discussed the following outputs from its 12-month, $100,000 grant: working throughout the state it conducted 105 on-line ‘train the trainer’ consumer financial education workshops/classes at Regional EITC Coalitions in combination with local credit unions, Housing Authorities and Head Start programs, reaching 173 individuals. In turn, those trained delivered in-person workshops to 2,183 consumers, providing them with tools needed to improve budgeting skills and resulting in lowered debt and improved credit scores. Additionally, WVASF assisted 823 state residents to enroll in WV Saves, a program dedicated to “helping West Virginians build wealth through saving and reduction of debt.”

Outcomes were measured by pre- and post-test surveys and focus group discussions, and showed that 81% of participants demonstrated an increase in knowledge and improved financial decision-making skills, while only 41% demonstrated improved financial behaviors. While the drop off in the percentage of improved financial behaviors as compared to improved knowledge and skills appears high, the percentage is still rather impressive—and unsurprising—given the project’s short time duration. It takes time for consumers to adopt and practice new financial skills and make long-term behavior change. Having an ability to stay with consumers is key to address the need for continued services and build trust. Toward that end, WVASF brokered new partnerships with organizations able to provide long-term case management credit counseling and short-term budgeting/financial education. This is all the more critical in a state where 49% of residents don’t have sufficient liquid assets to subsist for more than three months in the absence of income.

**Helping Banks Reduce EBT Fees**

Research, education, advocacy, and partnerships with financial institutions can lead to game-changing solutions for welfare recipients as illustrated below:

- **California Reinvestment Coalition** (CRC), a nonprofit coalition and policy advocacy organization whose mission is to build an inclusive economy that meets the needs of communities of color and low-income communities received two awards, totaling $110,000, to help welfare recipients fully access their limited benefits without using those funds to pay ATM surcharges and check cashing fees. CRC started by educating a broad group of nonprofit, public, and private sector stakeholders on a research report on how ATM fees are draining $19 million annually from the pockets of low-income individuals who rely on ATMs to access public benefits through Electronic Benefit Transfer (EBT) cards. By expanding the education to include policymakers, CRC then encouraged California state officials to choose an EBT vendor that would waive fees for public benefits recipients. CRC’s work to highlight the impact of these ATM fees on EBT card holders resulted in the state issuing an RFP that required the next EBT vendor to increase access to fee-free options, as well as to reduce the overall amount of benefits lost as ATM fees. CRC was also successful in advocating that Community Reinvestment Act credit be
considered for banks that voluntarily waive those ATM fees for low-income consumers using EBT cards; federal banking regulators have confirmed that they will review voluntary ATM fee waivers as part of periodic CRA evaluations. Additionally, with Rose Foundation support, CRC created a mini-website (www.ebtforfree.com) showing where people can withdraw their funds at fee-free ATMs. In a little less than a year of its launch, the website had 5,269 visitors and had grown organic search traffic to the site every month through Google AdWords. CRC expects a quadrupling of visitors to the website by the end of 2016 based on the traffic thus far (14,446 visitors). CRC has seen huge upticks of traffic at the beginning of each month, which it believes result from individuals looking for free ATMs to access their benefits.

A quote from the CEO of one participating bank partner highlights the projects’ important impacts on vulnerable members of our community who rely on public assistance:

"Waiving ATM fees will give families the full use of their public assistance dollars for household needs. It also helps low-income families to better manage their funds, as they will no longer be incentivized to withdraw all of their money at the beginning of every month in order to limit ATM fees."

-- Steven Sugarman, CEO, Banc of California

More broadly, the importance of the CRC projects lays in the power of disseminating rigorous policy-focused data and advocating for policies—in this case an administrative “fix”— that can change the way government does business with financial institution intermediaries, which in turn affects vulnerable consumers. Additionally, developing a mini-website to make it easier for those individuals to locate fee-free ATMs goes a step further in creating a supportive infrastructure. The grantee’s experiences have demonstrated that sometimes it takes both big and little “fixes” to lead to significant change. While future research will be needed to fully assess the impact of CRC’s “fixes,” the results are promising to date.

**Mini-Case Studies**

The next section contains three mini-case studies that provide even greater detail about project impacts and their significance with regard to consumer financial education. One of the mini-case studies features a holistic “financial development” approach of education, counseling, coaching and legal services delivered by recent college graduates in working poor neighborhoods of New Jersey and New York; a second focuses on financial education along with credit counseling and access to a pre-paid debit card and safe bank accounts for low-income individuals in the Greater Philadelphia region of Pennsylvania; and the third centers on the development and nationwide distribution of print materials on how to access good bank accounts and avoid overdraft fees for use by CBOs with their underbanked or financially vulnerable clients.
The mission of the Financial Clinic ("the Clinic") is to build working poor families' financial security, which it does through a comprehensive approach that addresses their immediate financial challenges and helps them create a trajectory for long-term goals and financial mobility. In addition, the Clinic sees itself as a laboratory for change in this arena and seeks to transform lessons learned on the ground into large-scale, system-level solutions and social innovations that will have an impact on working poor people nationwide.

The basis of the Clinic’s approach is the five pillars of financial security: Assets, Banking, Debt, Credit, and Taxes. The Clinic provides a full range of educational and legal services known as “financial development” to its customers based on an understanding of the myriad challenges they face in achieving greater financial security in the short term and making the necessary behavioral changes in financial habits over the long term.

A one-year $100,000 grant from the Consumer Financial Education Fund enabled the Clinic to employ recent college graduates, “Financial Fellows,” to provide financial development services to 1,866 customers in high poverty neighborhoods of New York City and Newark. Through these services, the Clinic helped these individuals achieve the following indicators of financial security:

- Created 1,866 goal-oriented financial action plans;
- Pulled and analyzed 847 credit reports;
- Completed 326 income and expense worksheets;
- Opened 53 new accounts (checking, savings, online, investment); and
- Decreased banking costs for 32 customers.

The Clinic retained 35 percent of its initial customers for ongoing financial coaching services, a high rate due in large part to the quality of the training the Clinic provides its staff and the high-touch coaching approach in which they engage with clients. Ongoing financial coaching is critical for establishing trust and helping individuals to manage the ups and downs from practicing new financial behaviors.
Pathways PA, Grant Activities in Greater Philadelphia Region

The mission of Pathways PA is to help women, teens, children and families achieve family well-being and economic independence. This social service organization fulfills that mission through its award winning child welfare activities, and over time has also become recognized as one of the Greater Philadelphia Region’s foremost leaders in financial education and building self-sufficiency.

PathWays PA offers a mix of services, including self-sufficiency and workforce development; child welfare; and advocacy. Under the former area, it offers financial literacy education, financial and credit counseling, GED courses and employment training in a way that leads from skills development to employment and financial asset building.

Through an $80,000 grant from the Rose Foundation, PathWays PA expanded its successful financial literacy program, Financial Path$, to provide targeted financial education and counseling to help participants review their credit histories and dispute inaccurate accounts on their report, get banked or use a pre-paid card, and apply for public benefits and other supports that promoted stability.

Pathways, PA Impacts on Families

- 337 financial and credit counseling participants received one-on-one support
- 64% accessed their credit score and of those, 70% increased their credit score by 19 points in 150 days
- 71% created a detailed spending plan, of whom participants tracked for 90 days saved $6,475
- 258 negative accounts were removed from credit reports through Pathways PA’s dispute process
- 62 bank accounts were opened (25 checking and 37 savings accounts)
- 35 participants opened a Community Financial Resources pre-paid card

"(The) Rose module [on checking and savings accounts] was very effective in improving the ability of, for example, the disabled or recently incarcerated to handled their finances and gain entry to the banking mainstream."

--Ken McEldownev. Executive Director. Consumer Action
Consumer Action, Nationwide Grant Activities

With offices in San Francisco, Los Angeles and Washington, DC, Consumer Action empowers underrepresented consumers nationwide to assert their rights in the marketplace. It does so through multilingual education materials, community outreach and grassroots advocacy. Consumer Action’s renowned consumer education programs include the creation, production and dissemination of quality multilingual materials through a national network of close to 7,500 community-based organizations (CBOs).

The Rose Foundation provided two grants to this organization: one was match funding of $100,000 that helped Consumer Action launch an 18 month project to create and distribute a new educational module on getting and maintaining a bank account and to train CBO staff members on its use at community roundtables in California, Texas, Maryland, Washington, DC, and Louisiana; the second was $100,000 000 in funding to distribute additional multi-lingual publications, create a new brochure on avoiding overdraft fees, and award $5,000 mini-grants to six CBOs to use its Checking and Savings module in conducting classes for up to 15 low and moderate income, unbanked and under-banked consumers.

“We are grateful for the grant opportunities that Consumer Action has provided our agency. We successfully used the Rose financial literacy publications during not only tax season but as a part of our financial literacy program and have educated more than 200 individuals as the result of a Rose mini-grant from Consumer Action and the Rose Foundation. We look forward to the new training activities and updated supplemental publications that are proposed for this project. It will provide us with additional tools to assist our clients to get their financial house in order.”

-- Ora Welch, President /CEO, HOPES

National Impacts of Consumer Action


- Conducting of training the trainer roundtable sessions with CBOs in five cities (Fontana, CA; Oakland, CA, Visalia, CA; Rockville, MD, and Washington, DC)

- Distribution of 175,000 of the multi-lingual brochures to 353 CBOs that requested them, with the majority in English and Spanish. Of these, nearly 30,000 were the *Avoiding Overdraft Fees* brochure

- Completion of mini-grant educational programs reaching 242 participants.
While we are unable to gauge the efficacy of the materials as distinct from the role of the CBO financial education providers, given the ethnic and cultural background of target clients, it is safe to conclude the materials played at least a minor positive role in affecting participation and impacts: Of the 242 participants who received the financial education:

- 75 participants opened checking accounts and 67 participants set up savings accounts
- 53 participants added money to savings accounts and 48 participants chose not to opt in to courtesy overdraft
- 32 participants took steps to reduce account fees and/or switched to a lower cost account
- 25 participants signed up for the true overdraft protection linked to a savings account or credit card
- 22 participants switched to a prepaid card with lower fees

Conclusions

A number of elements are critical to helping consumers deal with the host of financial challenges many face daily, including debit card and overdraft problems:

**Maturity of Financial Education Field** — As mentioned in the Background section above, a great many changes have occurred in the field of financial education and consumer financial protection over the course of the Consumer Financial Education Fund. In a word, the field has matured. For example, the FDIC’s Money Smart financial education curriculum was developed and has become widely recognized as the gold standard among financial education providers. As a result, there is no need to develop new curricula, but rather to customize curricula according to the needs of the specific population being served. Additionally, the Consumer Financial Protection Bureau (CFPB), a federal regulatory agency, has been established to help make consumer finance markets operate more fairly and to help empower consumers to take more control over their economic lives. It serves not only as a rule maker and watch dog, but also as an educator and information/resource provider. It is addressing long-standing issues that have been detrimental to the public’s financial well-being and is doing so in a thoughtful and inclusive way. The CFPB is also supporting technical assistance activities that further its consumer empowerment mission—for example, by helping workforce development agencies around the country integrate financial education and financial products and services into their summer youth employment programs.

**Linking Educational Curriculum to Community Need** — As mentioned above, while good financial education curricula are now widely available—Money Smart, as well as others—there is still a need to ensure that the curricula used is appropriate for the age, language, and cultural characteristics of the population(s) being served. The projects supported by the Rose Foundation did not re-create the wheel in terms of developing new curricula out of whole cloth, but rather

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8 There were also a number of other important impacts reported, such as consumers who tried to open an account but were denied due to a negative banking history or lack of proper ID.
they supplemented/customized/framed/disseminated the materials and information in more user-friendly and innovative ways to fit the needs of their particular unbanked or under-banked consumer population. Rose Foundation selected grantees that had a deep understanding of their communities and therefore were able to customize materials as needed.

**Going beyond financial education to “financial capability”** — We know that it takes more than just imparting financial education to change the lives of financially vulnerable consumers; consumers need a chance to practice new skills and gain access to safe, appropriate, and affordable financial products—all of which we see in the projects supported by the Rose Foundation. The desired result of long-term financial behavior change takes time, which was a reporting challenge for most of the grantees.

**Meeting consumers where they are, emotionally and physically** — by offering them “just in time” financial education that supports a current, real life need, such as integrating financial education/counseling/coaching into workforce development programs (especially those focused on youth) so that when a client receives a first paycheck she will also get banking and direct deposit support, and maybe even the opportunity to split the pay into a checking and savings account. This is the approach of the Financial Clinic and many other Rose Foundation grantees. Integrating financial and other key services and creating a holistic set of financial and legal supports for low-income consumers can go a long way toward enhancing their financial security. However, as the experience of the Rose Foundation grantee, Clarifi demonstrates, integration is not successful in all situations, such as when medical patients are too distracted by their health condition to have sufficient emotional “space” to focus on financial education messaging.

**Power of financial counseling/coaching** — Research from the asset building and financial capability world show the positive impacts financial coaching, in particular, has on helping individuals to make behavioral change. This is due to its “client directed” methodology whereby clients set their own goals, in contrast to counseling, which is directed by the counselor. Both can be highly effective however, and nearly all of the projects supported by the Rose Foundation that used either a financial counseling/coaching approach reported positive impacts. The nut still left to crack is the high cost of financial coaching given its more customized and time intensive nature.

**Repetition of financial messages and a long term relationship between educators/counselors/coaches and their clients** — We know that it often takes individuals multiple times to “hear” a new message before they act on it. That is why indicators of financial behavior change lag behind indicators of acquisition of new financial knowledge. This lag is also seen in utilization of beneficial financial products. A trusting relationship is also key, given the emotional character of money matters and feelings of shame that many individuals experience related to personal financial challenges. The emotional element is why trust between clients and their financial counselor or coach is so important.

**Using behavioral economics principles as a guide** — Based on the 2008 path-breaking book, *Nudge: Improving Decisions about Financial Health, Wealth and Happiness*[^9], we now know much better how to structure programs (and public policies) to help consumers make prudent financial decisions, such as changing an “opt in” to an “opt out” to create a default savings

[^9]: Written by Richard H. Thaler and Cass R. Sunstein
program that automatically enrolled employees into a 401(k) plan. We can expect greater success from financial capability programs that incorporate these principles than from those that do not.

**Bundling financial capability and related economic security supports** — Research and program interventions first supported by Annie E. Casey Foundation and later implemented throughout the U.S. over the past decade by many groups have demonstrated the power that comes from a holistic set of program interventions in this sphere. Many of the Rose Foundation grantees followed this approach in their projects, for example, including legal services along with financial education, counseling and access to public benefits.

**Complexity of financial products in today’s marketplace** — This reality makes support for rigorous financial education, counseling/coaching to create awareness of and opportunities for consumers to access safe financial products and practice their use over time extremely important—along with appropriate regulation of those products. The mortgage crisis and resulting devastation for millions of families across the U.S. who lost their homes, in particular those in communities of color, is a stark reminder of what can happen when “exotic” and not well-understood products become part of the mix.

**Income—it’s often forgotten** — Yet without adequate income it can be impossible for vulnerable consumers to reduce their expenses to a significant enough degree or “save their way out” of their difficult financial circumstances. For too long, financial literacy has been the sole focus of many policymakers. A smarter approach is making sure programs combine financial literacy with workforce development, income support programs, and access to tax credits by working poor tax payers. Attention to raising the minimum wage around the country, in tandem with all of the project interventions supported by the Rose Foundation, for example, would go a long way to giving consumers a better shot at financial stability in the short term.

**Final Thoughts and Recommendations**

The Rose Foundation’s decision to support a highly diverse set of projects over the three Consumer Financial Education Fund grant cycles had a powerful effect. Not only did it bring financial education and capability benefits to a broad segment of the unbanked and under-banked American public, it also enabled a great deal of innovation on the part of the grantees it selected. Grantees tested hypotheses about how best to deliver financial education, and at project completion, they analyzed both the process and results achieved and how to modify their approach in the future, if needed. Evaluation of the detailed reports submitted by grantees from the two grantmaking rounds provided an effective “learning lab” that helped Rose refine the Consumer Financial Education fund’s strategic bulls eye, and our grantees are also continuing to evaluate how to improve their outcomes going forward. For example, the Philadelphia-based organization working on the connection between financial well-being and health, Clarifi, commented: “We began to broaden our scope of education workshops in health settings to include a number of different partners, including an HIV and AIDS service organization, Philadelphia FIGHT, and a local Veterans Affairs Clinic. Through these efforts, we saw improved outcomes in education workshop participation.”

A quote from Hawaiian Community Assets’ (HCA’s) report to Rose Foundation demonstrates the leverage and continued ripple effects created by its funding of one financial product: “The Youth MATCH Savings Account product created with Rose Foundation funding has received interest from the Federal Deposit Insurance Corporation, nationally, and from the Hawaii State
Legislature and Bank of Hawaii, locally. HCA will seek to expand the product in the coming years as a potential vehicle for the state's universal children's savings account program.”

As the HCA project promises for the future regarding youth savings and the CRC project has already demonstrated concerning public benefits, public policy “fixes” at the local, state and federal levels are an even more critical element in this picture. For example, support for the Consumer Financial Protection Bureau’s proposed new rules regulating payday and other high cost/short-term loans is one important and very timely example of how we might support low-income consumers nationwide. A number of Rose Foundation grantees included financial education on high cost/short-term loans at their events and one-on-one interactions with consumers, and in their materials and media presentations. And coming full circle on the educational side, it makes sense for state policy makers and local school districts to seriously consider incorporating financial education and financial capability curricula during the school day—whether in middle school or the earlier grades. While some states have done so, most have not. Exposing youth to personal finance and the banking world cannot start too soon. In fact, published research shows that “school-based financial education appears to have a long-term positive impact on financial behavior, manifesting itself when students are adults.” This research discusses the “emotional response to materials presented in class, which appear to play out years later when former students have the financial ability to engage in a range of financial choices.”

Given that acquisition of skills in so many other fields has proven to be best gained and maintained when accomplished at an early age, it may behoove Rose and other funders to focus on youth financial education and capability in order to change the trajectory for our economically struggling communities. And because parents are key influencers in their children’s financial capability, especially with regard to learning about spending (including planning), saving and earning, investment in parent engagement and training strategies would be a strategic, complementary investment to make. Given the complexity of the financial system, we must educate ourselves and our next generation on these important matters.

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http://www.aspeninstitute.org/sites/default/files/content/docs/pubs/Two%20Cheers.pdf

11 Ibid

12 http://cfed.org/knowledge_center/events/past/engaging_parents_in_their_childrens_financial_development/
About the Author

Pat Krackov has more than 30 years of experience in community development finance and international development working in philanthropic, non-profit and public sectors. She has particular expertise in grantmaking strategy design, implementation and evaluation, management of peer learning circles, training, and nonprofit capacity building. Ms. Krackov is currently a Principal at Lighthouse Philanthropy Partners, a full-service philanthropic consulting and advisory firm, where she provides customized, in-depth support to foundations, families and individuals in all stages of giving. Previous to co-founding Lighthouse, she worked as a grantmaker with Silicon Valley Community Foundation and Ford Foundation in the Bay Area and Mexico respectively. She holds an M.A. from Johns Hopkins University and a B.A. from UC Berkeley and is fluent in Spanish.

Rose Foundation for Communities and the Environment

The Rose Foundation for Communities and the Environment is a grantmaking public charity with extensive experience in receiving and administering cy pres and restitution funds. The Foundation has been named by the courts to receive funds from more than 400 consumer and environmental settlements, and each year these settlement funds enable the Rose Foundation to award millions of dollars to consumer, educational, community and environmental organizations in California and nationally. The Rose Foundation treats the settlement documents as the equivalent of a Deed of Gift in governing its use of these funds, and all grant awards enabled by cy pres or restitution funds must strictly conform to the specific nexus of the enabling settlement. Through these funds, the Rose Foundation has awarded more than $35 million to community-based consumer education, conservation and environmental justice projects. For more information about the Rose Foundation, please visit www.rosefdn.org.
Appendix A: Consumer Financial Education Fund, Funding Advisory Board

Jean Ann Fox
Jean Ann Fox is director of financial services for the Consumer Federation of America (CFA), an association of nearly 300 nonprofit consumer groups that was established in 1968 to advance the consumer interest through research, advocacy and education. Ms. Fox specializes in high-cost small dollar lending, banking services, and payment devices. She is the author or co-author of numerous reports on check cashing and payday lending, refund anticipation loans, car title loans, prepaid debit cards and bank overdraft loans.

Before joining the staff of CFA, she served as President and Vice President of CFA, and also worked as volunteer President and lobbyist of the Virginia Citizens Consumer Council. She is a member of the Financial Policy Committee of the Trans Atlantic Consumer Dialogue. Her past community service includes 33 years on the Board of Directors of Consumers Union, publisher of Consumer Reports, as well as serving a term on the Federal Reserve Board’s Consumer Advisory Council, and other consumer affairs and utility oversight organizations.

Michael G. James
Michael James is currently affiliated with Backstrom McCarley Berry & Co. LLC., a national investment bank and securities brokerage firm that specializes in municipal finance, where he is a Senior Vice President responsible for the daily sales trading and underwriting activities of this firm. With over 30 years of experience within the financial sector and the securities industry, he began his career at Merrill Lynch and Bache, Halsey, Stuart, Shields as an Account Executive where he managed the trading accounts of several retail and institutional clients. Over the course of his career, Mr. James has served in various capacities that included sales, management, trading, underwriting, and investment banking.

His experience as a trader includes trading at an institutional level, municipal, corporate, treasuries and government agency bonds, equities, and derivatives. As an underwriter and investment banker he has been involved with the sale, structure, and/or distribution of more than 200 transactions. His clients have ranged in size from the State Treasurers to school districts and nonprofit organizations, and the individual retail investor. Mr. James is respected for his breadth of knowledge, analytical approach and client-oriented service. He is a seminar lecturer, classroom instructor, and former newspaper columnist having developed presentations, curricula, and manuals/handbooks covering a variety of topics relating to money management and investing. The audiences for these gatherings ranged from middle school to industry professionals and clients.

Greg McBride, CFA
Greg McBride, CFA, is Senior Vice President, Chief Financial Analyst, for Bankrate.com, providing analysis and advice on personal finance. With two decades of experience in personal finance, he has the unique ability to provide both in-depth commentary and practical advice to consumers. Through Bankrate.com’s Money Makeover series, he has helped consumers plan for retirement, manage debt and develop appropriate investment allocations.

McBride has appeared on hundreds of national cable and network broadcasts including NBC’s “Nightly News,” CBS’ “Evening News” and ABC’s “World News Tonight.” He is a frequent guest on CNBC, CNN, Fox News Channel and Fox Business Network. McBride is routinely quoted by major print outlets such as The Associated Press, Wall Street Journal and USA Today, serves as a Wall Street Journal Expert Panelist, and is a regular radio guest on financial talk shows throughout the United States. He is also an accomplished public speaker, having appeared before audiences at the Federal Reserve Board, Federal Trade Commission, American Association of Individual Investors and at the China Times Golden Cicada Awards in Beijing.

McBride is Treasurer for the Board of Directors of ClearPoint Credit Counseling Solutions, an Atlanta-based nonprofit credit counseling agency accredited by the National Foundation for Credit Counseling. He is Chairman of ClearPoint’s Finance and Investment Committee, and also serves on both ClearPoint’s Executive Committee and ClearPoint’s Development Committee. McBride is a graduate of the University of Florida and has earned the right to use the Chartered Financial Analyst designation.

Fred Selinger
Fred Selinger has served as a corporate CEO, and on the boards of directors of numerous public, private and nonprofit enterprises. He holds both securities and real estate licenses, and has been licensed in life and property and casualty insurance. Since 1995, he has served as Senior Managing Director of Corporate Finance and Business Consulting at Sutter Securities Incorporated, a private investment banking and consulting firm. He was previously a
founder and Managing Director of Jackson Square Capital Corp, and was Managing Director and a member of the Board of Directors of Richard C. Blum & Associates, a private merchant banking firm which acts as a general partner and investment advisor to investment partnerships and institutional accounts. He also spent many years at E.F. Hutton & Company, Inc., a Wall Street investment firm which is now part of Morgan Stanley.

Mr. Selinger has a passionate interest in improving financial literacy and serves as a consultant with the Financial Services Volunteer Corporation, where he has worked on projects in India and Egypt. He has volunteered as an economics teacher at inner-city high schools in Alameda, San Francisco, and Marin counties, and created a practical college level course in Personal Financial Management at UC Berkeley. He has also participated in Cal’s Alumni Mentoring Program, Cal Performance’s Ailey Camp, and he co-founded the Cal Independent Scholars Network, a program which supports Cal students who have lived under foster care, are orphans or have been wards of the court.

Mona Masri

Mona has more than 15 years’ experience in corporate social responsibility and community economic development, including involvement in the public, private and nonprofit sectors. Her passion for working on solutions which address pressing community needs, is expressed through creative problem solving, conceptualizing innovative solutions, and driving execution to deliver results.

She co-founded Summit Co-Lab, a consulting collaborative, where she strives to advance positive social change by activating human, social and financial capital through collaborative, integrated expertise and a focus on outcomes.

Her previous experience includes leading the statewide efforts of Citibank’s Community Development Group in California as well as heading the Northern California office of the International Rescue Committee (IRC), a leading international non-profit humanitarian aid organization. At the IRC Mona spearheaded efforts to integrate financial capability into existing programming for refugees and immigrants.

By working closely through strategic partnerships with leading organizations such as Mission Asset Fund, Opportunity Fund, and Self-Help Credit Union, Mona has developed a proven track record of identifying and executing innovative financial inclusion initiatives. Most recent examples include linked emergency savings accounts and culturally appropriate peer lending circles. Mona currently serves on the boards of Mission Asset Fund and the Silicon Valley Community Foundation’s Economic Security Advisory Committee.

Mona holds both a BA in Finance and a Master’s in Urban & Regional Planning from the University of Southern California.
Appendix B: Consumer Financial Education Fund 2016 Request for Proposals

Purpose of the Fund
The Consumer Financial Education Fund supports projects that relate to consumer financial education, with an emphasis on issues related to large financial institutions, basic banking, access to financial services, retail banking accounts, and underbanked and/or vulnerable populations. It is anticipated that the application process will be highly competitive. It's anticipated that most proposals will be for 12-month grant periods; however, multi-year proposals are encouraged where appropriate. Proposals of up to $100,000 (total) will be considered. Letters of Inquiry are due April 8, 2016. Invited Applications (based on Letters of Inquiry) will be due June 24, 2016.

Eligibility Criteria
Applicant must meet all criteria in order to qualify for this fund.
- The applicant must demonstrate expertise in consumer education or information, or financial literacy or education.
- The applicant must be a 501(c)(3) non-profit.
- None of the grant funds may be used to finance, promote or facilitate any litigation or lobbying activities whatsoever against financial institutions.

Scope of Allowable Projects and Proposals
Focus on Overdraft Fees:
Within the overall framework of educating consumers about financial issues and/or increasing consumer financial literacy, **eligible projects must specifically relate to teaching consumers how to manage their finances to avoid overdraft fees.** Eligible project content could include, but is not limited to, the following:
- Personal and/or family budgeting;
- Increasing savings;
- How to avoid high cost short-term credit;
- How to use bank services like phone apps and text messaging to avoid overdraft fees;
- Educating consumers to not opt-in to overdraft protection when fees will be charged;
- Basic banking services, comparing the types of services offered by different financial institutions, how to maintain and balance a bank account, and generally how to minimize bank fees and charges;
- Fees and choices related to debit cards and pre-paid debit cards that lead to high interest rates;
- Credit scores, overextended credit, and debt collection, and their impact on eligibility for and costs of services offered by financial institutions.

**Preference will be given toward the following:**
- Projects that give consumers actionable steps to avoid overdraft fees.
- Projects that highlight banking products that increase the availability of affordable banking services to low-income customers, such as no minimum balance and no overdraft accounts, and safe mobile banking applications.

Geographic Scope and Community Focus:
Applicants must be based in the United States, and projects must be focused towards consumers residing in the United States. **Organizations from all 50 states are encouraged to apply.** These projects may be
regional, statewide or national in scope. Projects benefiting underserved communities are encouraged. Community-based and grassroots-oriented proposals are encouraged.

Preference will be given toward the following:

- Projects that specifically serve vulnerable and/or underbanked populations including low-income communities of color, individuals and families, students, veterans, and non-English speakers.
- Organizations that have a demonstrated track record of working with low-income communities of color, and are proposing to work with low-income communities of color for this project.

Allowable Project Activities

Allowable activities include, but are not limited, to the following:

- Individual coaching or counseling;
- Group trainings (especially if these trainings lead to a more in-depth individualized financial counseling);
- Research on bank fees and charges;
- Education about choices in banking products such as differences between banks and credit unions and how to access free ATMs;
- Broadly disseminating educational materials;
- Train-the-trainer models.

Preference will be given toward the following:

- Projects that utilize and adapt existing curricula. Groups proposing to create entirely new curricula are highly discouraged from applying.
- Projects that integrate financial education aimed at reducing overdraft fees into existing social or financial services that are already being provided to clients.
- Projects that can demonstrate strong leverage such as matching funds.
- Projects designed to affect long-term consumer behavior by changing habits and teaching clients how to independently maintain good financial standing for future years
- Projects that disseminate information in multiple languages.

Measuring Results

Successful applicants will also be able to clearly define their desired outcomes and express metrics that will measure progress made towards these outcomes during the grant period. Successful applicants will be able to articulate and quantifiably measure the following:

- The specific actions or behavioral changes to reduce exposure to overdraft problems in the constituency served by the project;
- How many people the project will serve;
- The specific nature of the service, including number of hours of engagement for each participant.

Preference will be given toward the following:

- Organizations whose long-term engagement with their constituents will allow follow-up tracking that will educate future program delivery long past this specific grant period.
• Projects with evaluation methods beyond pre- and post-surveys. Simple pre- and post-tests related to individual training sessions will not be sufficient to document the reduced overdraft exposures that are the goal of this grants program.

Application Process
It is anticipated that the application process will be highly competitive. It's anticipated that most proposals will be for 12-month grant periods; however, multi-year proposals are encouraged where appropriate. Proposals of up to $100,000 (total) will be considered. To apply, applicants must complete a 2-step process using our online grant system. The first step is to submit a letter of inquiry. Any group that meets the eligibility criteria is welcome to submit a letter of inquiry. We expect to receive a large number of letters of inquiry. Because of limited funding, only a limited number of applicants will be invited to submit a full proposal.

Step 1) Submit Letter of Inquiry
All interested applicants must submit an online letter of inquiry as an initial step. This letter allows Rose Foundation to determine if the proposal appears to be a good fit for the Consumer Financial Education Fund. If you are new to our online grants software, you must first register with your organization’s name, tax ID number, website address, telephone numbers, email address, mailing address, contact person’s name, and position. Your email address will be your logon ID and you will set up a password. The letter of inquiry is an introduction to the applicant and the proposed project. There will be some questions regarding the applicant's history, and questions about the project itself. Please use this opportunity to give us an idea of who you are and what you want to do.

Step 2) Submit Application
If invited, applicants should submit the full application. This is where the applicant will have the opportunity to provide detailed descriptions of the project, its outcomes, strategies, organizational and project financials, etc. Applicants will also have the opportunity to attach references and publications.

Deadlines and Submittal Process

Letters of Inquiry
Submit your Letter of Inquiry to Rose Foundation’s online grant application portal at http://www.rosefdn.org/onlineapplication
The deadline for letters of inquiry is: April 8, 2016 at 5:00 PM PST

Full Proposals
After review of all Letters of Inquiry, a limited number of applicants will be invited to submit Full Proposals. If a full proposal is invited, it will be due: June 24, 2016 at 5:00 PM PST

What Happens Next
Applicants may or may not be contacted for follow up information or interviews. Final funding decisions will be announced in August 2016.

For Further Information
Tim Little, Executive Director, tlittle@rosefdn.org or 510-658-0702 x301
Please visit Rose Foundation’s website: http://rosefdn.org/consumer-financial-education-fund
Appendix C: Grants Awarded

2016 Funding Round

Baltimore CASH Campaign
Baltimore CASH Campaign Employer Based Financial Education
Maryland
50,000 over 18 months
With nearly 40% of people in Baltimore unbanked or underbanked due in part to high account fees and overdraft charges that have forced many out of the financial mainstream, the Baltimore CASH Campaign proposes expanding its comprehensive financial education and coaching program through employer partners to further target low-income consumers who need support to avoid overdraft fees, and better manage their finances. CASH believes that person centered, real time financial education can effectively support clients to implement better financial practices.

California Reinvestment Coalition
Direct Deposit of CalWorks Into Safe Bank Accounts
California
60,000
California public benefit recipients lose $19 million a year using state EBT cards to access their aid at ATMs. The campaign to protect these benefits as income, the California Reinvestment Coalition (CRC), secured CRA credit for banks that waive the fees and a new state EBT contract that will provide free access at NYCE network (including Bank of America) ATMs. Now that several banks offer accounts that are 100% safe from overdraft fees, CRC will identify and help break down the barriers to enrolling benefits recipients in these accounts so they can get their aid by direct deposit, a safer, less expensive option.

Capital Area Asset Builders
Pay Yourself First
Washington, D.C.
$100,000 over 18 months
Capital Area Asset Builders (CAAB) will integrate financial assessment, education and individualized coaching services into adult literacy offerings available through the District of Columbia Public Library (DCPL) system. Library patrons will be offered non-biased information and individualized support to empower them to take action to better manage their finances, increase savings, and build wealth. CAAB's financial coaches will consistently highlight strategies to avoid overdraft and high interest fees when assisting consumers in developing and implementing a realistic financial plan. Additionally, they will gain access to LifeCents, CAAB's online financial capability tool that assesses individual financial health and provides personalized content and action plans to improve financial well-being.

Community Financial Literacy
Community Financial Literacy for New Mainers
Maine
$100,000 over two years
Community Financial Literacy (CFL) will provide classroom-based financial literacy instruction and one-on-one financial management coaching with New Americans living in greater Portland and greater Lewiston, Maine. The instruction will use a version of FDIC’s Money Smart curricula modified for use with limited English proficient new Americans. CFL has delivered financial literacy education with new Americans in Maine since 2009. The project establishes a goal of enabling low-income refugee and immigrant consumers to successfully manage their finances and avoid overdraft fees.

Consumer Credit Counseling Service
Smart Checking
New York
$97,000 over two years
The Smart Checking project impacts 3,000 low-moderate-income (LMI) consumers in Western, New York, through targeted education and accountability aimed at reducing and eliminating recurrences of account overdraft. Through a partnership between Consumer Credit Counseling Service of Rochester and ESL Federal Credit Union the project engages ESL (English as Second Language) members struggling with issues relating to overdrawn accounts. Leveraging proven curriculum - CheckWise - the program delivers on-site counseling at ESL branches and enrolls participants in ongoing electronic reminders to encourage positive banking behavior.

East LA Community Corporation
Building Eastside Stability through financial Education and Literacy
California
$58,610
East LA Community Corporation’s Community Wealth programs support low-income residents working toward financial goals by building financial knowledge and increasing financial capability. For the low-income Latino immigrant communities - overdrafting, predatory lending, and consumer avoidance of, or ineligibility for - mainstream financial services prevents many residents from becoming self-sufficient. Work in consumer education and financial literacy helps residents take ownership over their finances and contribute to the economic stability of Los Angeles’ Eastside.

East Side Organizing Project dba Empowering and Strengthening Ohio’s People
Senior Financial Empowerment Initiative
Ohio
$100,000
The Senior Financial Empowerment Initiative (SFEI) is an integrated suite of financial capabilities programs for vulnerable low-to-moderate income seniors. SFEI has two goals: to stabilize the financial health of seniors to help them age in place with a more secure financial future and to minimize the risk of financial exploitation targeting the senior population. Through an integrated approach, ESOP addresses the root causes of a client’s financial problems, helping them gain access to traditional banking services and avoid pitfalls such as bank overdraft fees and payday lenders.

EMERGE Community Development
EMERGE Community Development Financial Education & Coaching Services
Minnesota
$80,000 over two years
EMERGE Financial Education and Coaching Services is a program to support over 250 low income individuals a year (approximately 60-75% unbanked) in managing their family budget, assisting them to establish and repair credit once they have regular income, opening and responsibly maintaining bank accounts, and increasing people’s overall savings and wealth. A specific focus of this request is strengthening financial education and coaching support for clients who are unbanked or at-risk due to poor understanding of overdraft and other bank fees and/or unresolved overdrafts.

George Watch
Georgia Consumer Financial Education Project
Georgia
$50,000 over two years
The Georgia Consumer Financial Education Project is a statewide initiative to educate and empower Georgia consumers to successfully manage basic retail bank accounts. Georgia Watch will leverage existing strategic partnerships in six regions across the state. By empowering community-based advocates to educate vulnerable, underbanked populations across the state, the project aims to provide thousands of Georgia consumers with the tools and resources they need to maintain a bank account, manage personal finances and avoid costly overdraft fees.

Housing and Economic Rights Advocates
My Financial Wellness-Central Valley
California
$50,000
Through multilingual workshops and individual financial coaching, the project will teach 200 people from a range of groups (vulnerable, low income residents, including people of color, women, immigrants, veterans, service members, people with disabilities, seniors, LGBTQ, and youth) living in Sacramento and Central Valley (1) to avoid high cost short-term credit, bank overdraft and other fees (2) about credit building, overextended credit, debt collection, their impact on cost/access to financial services, (3) how to address student loan debt, and shop for college/other post-secondary education, and (4) the existence of and how to use mobile and online tools that make it much easier to budget and track expenditures real-time and easier to save money automatically on a regular basis. This project helps people avoid overdraft fees by targeting our education to address reasons for why overdraft occurs and appropriate strategies to address each reason.

**Jamaica Plain Neighborhood Development Corporation**  
**Family Prosperity Initiative**  
**Massachusetts**  
**$25,000**  
The Family Prosperity Initiative (FPI) provides financial education, financial coaching, job readiness, job placement, career counseling, and small business technical assistance primarily to low-income Latino immigrants. The project will integrate overdraft fee avoidance into the current comprehensive curriculum and coaching, research local banking services, create a living document that outlines and compares banking options including overdraft fees, create bilingual handouts, adapt our outcomes measurement system, and track impact.

**Kentucky Coalition Against Domestic Violence**  
**Economic Empowerment for Domestic Violence Survivors**  
**Kentucky**  
**$100,000 over two years**  
The 12-year-old Economic Empowerment Program uses financial education, individual credit counseling, IDAs and other asset-building tools to help domestic violence survivors and low-income community college students become self-sufficient. The project integrates training about avoiding overdraft fees and developing good banking practices into our existing program. It would reach at least 4,000 participants. One fourth of the participants live in five underserved, impoverished rural areas.

**Michigan State University Extension**  
**MSUE and Muskegon County Financial Capability and Coaching Program for Underserved Audiences**  
**Michigan**  
**$100,000 over 18 months**  
Michigan State University Extension (MSUE) will offer financial capability in two underserved adjoining counties – Kent and Muskegon. Participants will receive, at minimum, six hours of instruction in developing financial goals, creating a spending and savings plan (focus on reducing overdraft fees), using credit wisely and paying off debt. Of the projected participants, at least 50 will receive in-depth financial coaching from trained staff. An evaluation protocol will be used to assess knowledge and behavior change beginning with baseline and periodic samplings over an 18-month period.

**Mission Asset Fund**  
**Empowering Consumers Through Integrated Financial Education**  
**California**  
**$50,000**  
Mission Asset Fund will improve the financial capability of low- to moderate-income consumers across the nation by delivering a proven combination of credit-building loans and financial education, including specific education on overdraft fees. Leveraging a network of 53 nonprofit partners and an online financial education platform, the project will support over 2,000 individuals to overcome economic exclusion by learning about the financial system, changing financial behaviors, and deriving the credit-building, debt-reducing benefits of the Lending Circles social lending program.

**Mission Economic Development Agency**  
**Financial Capability Program**  
**California**
$50,000 over two years
Mission Economic Development Agency (MEDA) will further integrate overdraft fee education into the established Financial Capability Program. This will be facilitated by the innovative mobile app, MEDAPulse, which will provide clients with a menu of equitable banking options without overdraft fees, and link clients to affordable financial products to foster financial health. In particular, MEDA will connect its clients with EARN’s matched savings products to launch their progress to asset accumulation.

PathWays PA
Financial Path$/nPennsylvania
$65,000
The expansion of Financial Path$ to Philadelphia and Chester through the addition of a full-time Financial Educator provides a combination of group financial literacy education workshops and individual financial counseling services. The program helps low-income individuals and families achieve economic independence by building financial assets; reducing and eliminating bank fees including overdraft fees and debit card fees; and building positive credit.

RISE Foundation
Financial Literacy of Bank on Memphis
Tennessee
$70,000 over two years
Supports the one key ingredient missing from Financial Literacy of Bank on Memphis, which is the provision of financial literacy to the over 108,000 unbanked families in Shelby County who are economically vulnerable and without access to banking services. The engagement of these families in financial literacy is done where they live, have social interaction (churches, community centers, neighborhood/civic meetings, etc.) at the time when they are available (weekends and at night).

Triangle Literacy Council
Focus on Financial Freedom
North Carolina
$25,000
By expanding Focus on Financial Freedom to include adults in the Triangle area in need of instruction, starting with Wake and Durham Counties, the program provides group workshops and one-on-one coaching to low-income adults and youth, covering topics such as how to open a bank account and minimize bank fees, budgeting and saving, and building good credit. The efforts focus on administering financial literacy courses to 150 Triangle area adults, while maintaining our youth component by serving an additional 100 students in the first year.

United Way of Pioneer Valley
THRIVE: Financial Success Centers
Massachusetts
$50,000 over two years
The four Thrive Centers operating in western Massachusetts provide employment services (job placement, retention, re-attachment, and advancement); financial coaching tailored to the needs of low-income people; access to income supports (public benefits, tax credits, tax return preparation); and, the well-planned integration of these cores services. The goal of the project is to provide targeted financial education to consumers on how to manage their finances to avoid overdraft fees. The Financial Success Centers have adapted the FDIC’s Money Smart - A Financial Education Program curriculum in providing financial literacy service to consumers.

2014 Funding Round
Abayomi Community Development Corporation
Center for Financial Advancement
Michigan
$50,000 over 3 years
Supports a 3-year program to target low to moderate income families to provide education and training that will expand their vision of wealth and financial stability.

AnewAmerica Community Corporation
Financial Literacy Fundamentals Program
California
$50,000
Helps 240 low-income participants from underbanked communities in the San Francisco Bay Area learn about financial literacy fundamentals and getting banked and optimizing use of financial institutions through a combination of orientations, workshops on specific financial literacy topics, and 1:1 case management. As a result, participating families will develop an asset-building plan with specific goals for managing their debt, starting their savings, building or repairing credit, and other financial goals.

California Reinvestment Coalition
No Fees for EBT
California
$50,000
Supports consumer education to address the effects of high costs of common financial services that impede family efforts to develop assets, such as overdraft fees, payday loans and, for government benefits recipients that rely on state issued “electronic benefits transfer” cards, ATM fees to raise awareness of fee-avoidant services and lower the cost of existing financial services (including CalWORKs EBT cards).

Center for Economic Integrity
Rural Financial Capability Workshops
Arizona
$40,000
Supports Financial Capability workshops in rural border communities lacking access to traditional banking services. Facilitated peer support group financial education workshops in English and Spanish will utilize concepts developed, tested and deemed to have long-term positive effects on individual and family finances through facilitated peer support and experiential learning.

Clarifi
Medical Financial Partnership
Pennsylvania
$75,000 over 2 years
Supports the implementation of a Medical-Financial Partnership (MFP) model which will integrate the financial counseling and education services provided by Clarifi and the health services provided by the Rising Sun Health Center, a community health center in North Central Philadelphia. Clarifi will help those who are struggling financially due to chronic or acute medical conditions increase their financial capability at a time when it is pertinent and actionable.

Community Empowerment Fund
Building Consumer Financial Literacy to Enable and Sustain Transitions out of Homelessness
NC
$50,000 over 2 years
Helps homeless and near-homeless individuals to access affordable banking products, manage household budgets, and achieve personal savings goals. The project will deliver critical, timely financial education services to homeless and near-homeless individuals while simultaneously enhancing and documenting an innovative model of integrating financial capability services into social services for vulnerable households.

Consumer Action
National Community-Based Financial Literacy Project
California
$100,000 (15-month grant)
Supports a national project to distribute 175,000 multilingual publications to under-banked consumers. In the first six months, Consumer Action would create a new brochure entitled Avoiding Overdraft Fees as part of our Phase One Rose-funded educational module. During the last nine months of the proposed project, Consumer Action will award $5,000 mini-grants to six CBOs to use our Checking and Savings module in conducting classes for up to 15 low and moderate income, unbanked and underbanked consumers.

**Cypress Hills Local Development Corporation**  
**Cypress Hills Financial Literacy Initiative**  
**NY**  
**$100,000**  
Supports financial literacy education and counseling to residents of Cypress Hills/East New York, Brooklyn, a low-to-moderate income community with a large immigrant population. This education and counseling will be integrated into our housing counseling, college access and employment programs, so that participants can apply what they’ve learned to help them on their long-term goals of homeownership, college, and career.

**East Bay Community Law Center**  
**Consumer Financial Education Project**  
**California**  
**$50,000**  
Help provide individualized consumer screenings to 1,750 of EBCLC’s low-income clients, 200 follow-up consultations for those most in need, 40 consumer clinics, 10 trainings for other community groups, and 5 media presentations to reach unbanked and underbanked consumers in Alameda County and California generally. Primary project goals are to: (1) integrate financial education into the other services that EBCLC provides in partnership with social service agencies; and (2) train students and community partners to provide consumer education and information in Alameda County, and across California. Some programs are offered in Spanish in conjunction with La Raza.

**East LA Community Corporation**  
**Community Wealth Building Program**  
**California**  
**$75,000**  
Helps provide families with individualized guidance, tools, and information that will help them stabilize their household finances and reduce their dependency on alternative services to help them grow their assets and wealth to pass on to the next generation.

**Family Counseling Center of Mobile, Inc. (dba Lifelines Counseling Services)**  
**Bank On South Alabama**  
**Alabama**  
**$100,000 over 3 years**  
Supports Bank On South Alabama, a multi-partner anti-poverty asset building initiative to promote low and no cost products and services to unbanked and under-banked households that are offered by mainstream financial institutions. Program participants will be able to eliminate reliance on alternative financial services such as payday and title loans. Along with the products and services offered through Bank On South Alabama partners, financial education utilizing the FDIC "Money Smart for Young Adults" curriculum will be taught as a means to assist participants in gaining financial skills so they can make informed financial decisions. Programs will be conducted in several languages to English-speaking, Spanish, Vietnamese and Laotian residents.

**First Nations Development Institute**  
**Empowering Native Communities to Build Financial Futures**  
**Colorado**  
**$40,000 over 18 months**  
Supports an update of a culturally-appropriate suite of financial education resources that will be used nationally to increase the financial capability of Native American consumers. An Advisory Committee of experts in Native American financial education will guide the process and content for updating First Nations Development Institute’s
Building Native Communities: Financial Skills for Families basic financial education curriculum (last updated in 2010) and a trainer’s toolbox that will support financial education trainers in teaching the curriculum.

Four Directions Development Corporation  
Moving Women & Families from Economic Crisis to Stability  
Maine  
$60,000  
Supports an initiative that builds upon existing FDDC programming to create a pilot program designed for Native Americans that includes an increased and targeted culturally-appropriate focus on financial education services. The grant fund the first and most critical year of this long-term initiative, where new partnerships and services are explored in the Penobscot community before expanding services to all five Maine tribal communities (collectively known as the Wabanaki) by 2017.

Hawaiian Community Assets  
Kahua Waiwai Financial Education Project  
Hawaii  
$100,000  
Support educational programs to increase the financial literacy of 500 low-income Native Hawaiians & Pacific Islanders residing in communities with limited or no access to mainstream financial services. HCA will achieve the goal through the provisions of training/technical assistance, culturally-relevant financial education workshops, financial counseling, & referral to no- & low-cost financial products. Place-based workshops & counseling will be conducted in or near underbanked Native Hawaiian & Pacific Islander communities, specifically at homeless shelters, schools, affordable housing developments, government buildings, & HCA offices across the state. Workshops will feature HCA’s own Kahua Waiwai: Building a Foundation of Wealth© curriculum developed for & by low-income Native Hawaiian families to instill the foundational knowledge deemed necessary for re-establishing sustainable, self-sufficient, & healthy local economies.

Housing and Economic Rights Advocates (HERA)  
My Financial Wellness  
California  
$80,000  
Supports multilingual financial education workshops that train primarily underbanked, underserved low and moderate income residents on how to address: (1) debt collection (rights as to verification of debt, proper treatment by the collector, fees and payment plans); (2) credit reporting problems (from common reporting errors to identity theft); (3) finding and qualifying for more affordable credit alternatives to high-cost, “fringe” services (e.g., payday loans, pawnshops), (4) finding and accessing more affordable financial institutions accounts (e.g., savings and/or checking); and (5) mindfulness, identification and avoidance of fees associated with accounts, borrowing and collections. Funds also support individual financial literacy counseling that helps workshop participants get in-depth, individualized help on these topics. The workshops and counseling will be conducted by HERA’s attorneys and use multilingual materials from the Federal Trade Commission, supplemented by Consumer Financial Protection Bureau (CFPB) materials.

InnovAge Foundation  
Money Management Education Program  
Colorado  
$7,500  
Helps seniors develop core financial competencies and provides them with tools and knowledge that they need to make informed decisions that empower them to maximize their financial resources.

Latino Community Development Center  
Latino CDC Financial Education Program  
North Carolina  
$35,000 over 18 months  
Supports revision of existing financial education workshops and curriculum designed for both underbanked, low-income Latino immigrants, as well as immigrants that are more integrated into the US financial system. Activities
include revision of the existing bilingual curriculum, additional training for workshop facilitators, implementation of a new series of workshops, integration of behavioral economics principles within the curriculum and workshop facilitation, as well as ongoing evaluation of both content and participant outcomes.

**National Community Reinvestment Coalition**

**Enhancing Older Adult Economic Security Through Financial Empowerment Partnerships**

**Washington, DC**

$100,000

Supports NCRC’s partnership with the Stand By Me Financial Empowerment Program - a joint venture of the state of Delaware and United Way of Delaware, to administer a financial coaching model that targets low-to-medium-income older adults. NCRC will further partner with the California Coalition for Rural Housing (CCRH), Western Maine Community Action (WMCA), and Northwest Side Housing Center (NWSHC) to deploy this educational program, and financial coaches, in their communities (Sacramento/Central Valley for CCRH; Western Maine for WMCA; and Chicago, IL for NWSHC). Together, these regional partners will provide financial coaching to 400 LMI older adults. Stand By Me® ($BM) is a statewide coaching program that links state agencies, nonprofits, employers, and educational institutions to provide one-on-one financial coaching to students, older adults, people with disabilities, military personnel, day care providers, immigrants, and employees. Both $BM and NCRC will provide training for financial coaching, webinars, technical support, and materials that regional coaches will adapt in the three regional sites.

**Self-Help Economic Development, Inc.**

**Community Programs**

**California**

$100,000

For several years, Self-Help Federal Credit Union has used its West Oakland branch as a testing ground for best practices in using counseling and community programs to increase the financial capability of low-income consumers, and these programs annually assist over 1,000 people each year with free tax preparation, financial literacy workshops, and individual credit report review sessions. Funds help support the expansion of these to Self-Help’s 20 branch network and 40,000 membership base in California.

**Tabor Community Services**

**Lancaster Financial Empowerment Center**

**Pennsylvania**

$100,000 over 3 years

Supports a long-term partnership between County municipal governments and other social service providers to increase the financial literacy and skills of economically vulnerable citizens.

**VeteransPlus**

**OEC- The Female Veteran Consumer Protection and Financial Education Outreach Proposal**

**Florida**

$50,000

Supports financial literacy and education through outreach with a focus on reaching female military and Veterans. The outreach will be conducted in three states with the greatest military / Veteran populations: (Florida, Texas, California). As follow up to the outreach events, participants may be engaged for long term counseling with a VeteransPlus certified financial counselor.

**Virginia Poverty Law Center**

**Car Title and Payday Loan Hotline for Virginia Consumers**

**Virginia**

$75,000

Supports a hotline for citizens of Virginia who call with their concerns regarding payday, Internet and car title loans. Activities also support a public awareness campaign of predatory lending in Virginia, including billboards, information sessions and town hall meetings.

**West Virginia Alliance for Sustainable Families**
Financially Fit in the Mountain State
West Virginia
$100,000
Supports the financial stability of West Virginia communities via three research proven strategies: (1) Train-The-Trainer Financial Education provided online and onsite, (2) Consumer Financial Education workshops and classes provided online and onsite, and (3) Financial Education Case Management trainings provided online and onsite.

2012 Funding Round:

California Reinvestment Coalition
SafeMoney Project
California
$60,000
To convene welfare advocates, financial education service providers, county and state agencies, credit unions, and banks to conduct an outreach and education program to increase the number of welfare recipients receiving their benefits (CalWorks) via direct deposit into affordable bank accounts. CRC’s model account – the SafeMoney account – is affordable and accessible for very low income consumers. CRC members will advocate for banks to offer accounts with SafeMoney features to unbanked and underbanked public benefit recipients who sign up for an account with direct deposit through their county office. CRC will also work with county and state offices to effectively change staff protocols and ensure that a continuum of financial education and account management services and necessary resources and information are available to these families. This project will help California’s most vulnerable individuals and families fully access their limited and much-needed public benefits without using these funds to pay ATM surcharges and check cashing fees. By educating banks about the opportunity of direct deposit from benefit recipients, CRC aims to improve bank products and features to better serve the neediest households and bring them into the financial mainstream.

Capital Area Asset Building Corporation
Financial Capability and Integrated Service Delivery Project
District of Columbia
$50,000
To launch a pilot project to provide Integrated Service Deliver (ISD) in the District of Columbia in partnership with Health Families/Thriving Communities (HF/TC). The project will offer financial coaching and education services to the clients of the HF/TC collaborative, with a special focus on HF/TC’s Fatherhood Education, Empowerment, and Development (FEED) participants. CAAB will provide a full-time Financial Coach to work at each of the five collaborative sites one day a week, beginning in January 2013. The coach will meet each client “where they are in life,” helping them to understand their financial situation and to plan out a reasonable solution for implementation of a financial program. Clients will determine their own goals, and, with guidance from the financial coach, create a road map to achieving them. In doing so, they learn how to advocate for themselves and become their own financial stewards.

Center for Digital Democracy
Guides for Consumers and Online Financial Marketing
Nationwide
$60,000 over 2 years
The online landscape has permanently reshaped how consumers research, apply for, and secure critical financial services, including credit cards, mortgages, and college loans. Although today’s online world offers convenience and greater access to information and competition, there is also a growing capability to discriminate on price; to make offers based on race/ethnicity; and to identify “under-banked” consumers vulnerable to high-interest payday loans. Thus the new digital landscape poses fresh threats to vulnerable consumers and others that have historically faced racial and class discrimination in the financial services marketplace. The project will publish a series of accessible guides over the next two years (including some reports in Spanish) covering the following topics: an overview of the online financial marketplace; real-time online credit scoring and its impact on the prices a consumer
may pay; the effect of mobile phones, “e-wallets,” and geo-location targeting on financial decision-making; and how private, for-profit colleges identify and target consumers.

**Consumer Action**

**Getting and Maintaining Checking and Savings Accounts**

**Nationwide**

$100,000 over 18 months

Provides match funding to help Consumer Action launch an 18-month national project to distribute 275,000 multilingual publications to under-banked consumers. In the first nine months, Consumer Action would create a new education module, containing a multilingual brochure and training packet, titled *Getting and Maintaining Checking and Savings Accounts*, and would print and distribute 100,000 publications from the module to hard-to-reach consumers through their national CBO network. The other 175,000 financial literacy brochures would be funded by other sources. During the remaining nine months of the project, Consumer Action would train 150-175 CBO staff members on how to use the publications effectively at the community level in six roundtables in California, Texas, Maryland, Washington DC and Louisiana.

**Consumers Union**

**Personal Finance Video Project**

**Nationwide**

$100,000

The project will utilize Consumer Reports’ TV production division to develop and distribute at least 10 short financial education videos in English and Spanish on high-priority consumer financial topics for broadcast and/or web distribution. Each video would be accompanied by two-page downloadable fact sheets in English and Spanish, with links and referrals to related English and Spanish language information. The videos, fact sheets and related Spanish language personal finance content will be distributed widely through broadcast outlets and the Web, in partnership with other media and public interest organizations. Dissemination outlets for the initiative would include: Consumer Reports TV, ConsumerReports.org, Consumer Reports en Español, Consumerist.com, DefendYourDollars.org, Univision Network, Univision.com, MSNVideo.com, National Urban League and the NAACP Financial Freedom Center.

**The Financial Clinic**

**Fellowship Program**

**New Jersey and New York**

$100,000

The Financial Clinic’s Fellowship Program is a high-impact year of service that deploys recent college graduates – our emerging business and financial leaders – to provide the full range of financial development services—education, coaching, counseling, and planning— to underbanked families in the New York metropolitan area. The program will provide life-changing financial development services to at least 1,250 working poor individuals. Through these services, the Clinic will help its customers achieve the following indicators of financial security:

- Create 1,250 goal-oriented financial action plans;
- Download and analyze 1,000 credit reports;
- Complete 420 income and expense worksheets;
- Open 150 new accounts (checking, savings, online, investment); and
- Decrease banking costs for 150 customers.

In addition to helping working poor individuals and families build long-term financial security, Financial Fellows will gain an invaluable, hands-on experience, as they become our country’s next generation of financial change makers.

**Louisiana Budget Project**

**Louisiana Fair Lending and Financial Literacy Campaign**

**Louisiana**

$100,000

The Financial Literacy Campaign is focused on payday lending because Louisiana ranks sixth-highest in the country for the percent of households that rely on check cashers, pawnbrokers and payday lenders to meet their financial
needs. Many loan borrowers experience annual percentage rates above 600%, and approximately 23% of households filing for bankruptcy in this state possess payday loan debt. These predatory lenders take advantage of low-income residents who lack financial sophistication and persuade borrowers to accept loans that are not in their best interest. Key outcomes will include raising statewide awareness about the dangers of payday lending; increasing the financial literacy of low-income residents; and educating state legislators, faith-based organizations and community leaders on how stricter payday lending regulations can improve financial outcomes for residents. LBP will accomplish this work by publishing updated policy briefs on payday lending throughout the 2013 calendar year and hosting community presentations and outreach in every region of the state with the support of community partners like AARP Louisiana and Louisiana State University’s School of Social Work.

Maine Centers for Women, Work and Community
Financial Capacity Building Project
Maine
$30,000 over 15 months
The project will bring up to date consumer financial education to 250 rural, low-income, and special needs individuals – people with disabilities, veterans, and victims of domestic violence, and older workers through training and individual coaching. The funding will also help the Maine Centers to develop staff capacity to help guide individuals to adopt and adopt mobile banking technologies securely and competently, add distance learning modules/capacity and expand partnership with financial institutions. New curriculum materials will be developed as staff research and expand their understanding and knowledge; materials will be tested at pilot sites, evaluated and then revised based on participant feedback, staff assessment, and outside expertise. The most important outcomes will be better informed and financially literate consumers and knowledgeable staff.

Pathways PA
Financial PathS Program
Pennsylvania
$80,000
PathWays PA will expand upon its successful financial literacy program, Financial PathS, to provide targeted financial education and counseling for under-banked individuals and families. PathWays PA will employ one full-time Financial Educator and a contracted Financial Educator (1.20 FTE) who will be responsible for providing small group educational workshops and individual financial and credit counseling. Significant outcomes will include increased knowledge related to financial management, increased participation in mainstream financial products and banking, and increased financial asset development. Participants will demonstrate an increase in knowledge through pre and post tests. PathWays PA will also assess the program’s effectiveness by tracking the number of negative accounts removed from credit histories; increases in credit scores; the number of new accounts opened (savings, IDA, 529, retirement accounts); and a reduction in the number who use service providers other than banks, credit unions, or mainstream debit cards for banking services.

RISE (Responsibility, Initiative, Solutions, Empowerment) Foundation, Inc.
Common Cents Financial Literacy Program
Tennessee
$35,000
Common Cents, a workplace financial education program, was launched in 2007 in response to broad based concern about poor credit/bankruptcy issues in the Memphis area, the number of unbanked households coupled with the predatory lending market that adversely impact on our most vulnerable citizens. Common Cents was developed to offer area employers the opportunity to give hourly workers the gift of financial literacy and in doing so increase productivity, decrease absenteeism and create greater workforce productivity. The curriculum features topics such as banking, budgeting and spending strategies and debt management. Funding will allow the RISE program to expand beyond 3,000 Memphis-based employees from 50 companies/organizations who have successfully completed the curriculum to reach 320 additional entry level workers in small businesses that lack the resources to provide financial literacy skill development as an employee benefit. RISE will also partner with the University of Memphis, College of Education to provide additional modules to the curriculum with specific information relative to key financial life decision points (e.g. preparing single individuals to face financial decisions as married couples and
couples changing roles back to individuals following divorce, preparing youth for college, renting vs. homeownership, etc.

Self-Help Economic Development
Financial Education for Underserved Communities
California
$30,000
funding will support work with members and potential members in Napa and American Canyon to build their credit, as well as preparing 1000 tax returns at Self Help Credit Union’s VITA Site in West Oakland. Outcomes will include the creation of 150 Credit Action Plans with clients -- at least 20% of these will be follow-up reviews and half of them are projected to increase their credit scores as a result of the project. Activities also include 10 presentations and 10 financial education workshops, reaching about 200 individuals, mostly youth.

Southern Bancorp Community Partners
Asset Builders Program
Arkansas and Mississippi
$40,000
SBCP’s Asset Builders Program targets low-income and low-asset families in a 19-county area in Arkansas and Mississippi. Asset building services are provided to over 2,500 individuals and families annually. SBCP’s Asset Builders Program includes financial education, credit and housing counseling, credit-building financial products, matched savings accounts and no-cost tax preparation; services are delivered by SBCP’s certified housing and credit counselors, and experienced financial educators. Asset building services help low-income individuals stabilize their finances and improve their credit scores through group education, one-on-one counseling, and specialized financial products. SBCP works closely with local employers, community based organizations, churches, schools, and other groups to recruit participants and facilitate their success. Outreach is anticipated to result in 200 new counseling and financial education clients. Participants and program evaluation records are stored in web-based data systems, permitting data to be analyzed through SBCP’s social metrics program, ensuring effective program delivery and measurable outcomes. The most important outcome of SBCP’s Asset Building Program is empowering low-wealth families to build credit and grow assets in order to move out of poverty.

Student Organizing Inc.
Campus Financial Empowerment Campaign
Nationwide
$100,000
With more than $300 billion a year in spending power and potential for decades of brand loyalty, college students are prime targets of financial institutions. Therefore, college students, many of whom are making major financial decisions for the first time in their lives, are vulnerable to abusive business practices and uninformed financial management decisions. The consequences of this vulnerability are clear; bank overdraft fees alone cost students one billion dollars each year. The goal of the Campus Financial Empowerment Campaign is to provide college students with the information and tools they need to take charge of their financial futures. The campaign will leverage the outreach capacity and student engagement expertise of the Student PIRGs to maximize the depth and breadth of the campaign’s reach. Student PIRG staff, with input from a national advisory board of university faculty experts, will develop educational resources including a Student Financial Empowerment Booklet, a 50-minute workshop curriculum and a Blueprint for Action toolkit for campaign volunteers, and will use these resources to teach a series of workshops at 30 campuses around the nation.

VeteransPlus, Inc.
Operation Economic Compass
California, Florida, New York, Texas and Virginia
$100,000
The “Operation Economic Compass” outreach initiative will facilitate financial literacy workshops, seminars and events in Florida, Texas, California, New York, and Virginia. By targeting areas with significant Veteran and military populations in close proximity to VA facilities, military bases and Department of Defense events, VeteransPlus will join forces with multiple national and local partners in order to provide no-cost financial literacy
education to men and women who face financial challenges related to reintegration from military to civilian life. Utilizing proprietary, DoD approved curriculum, Ready, Aim –FIRE (R.A.F.) and other resource materials, the project’s goal is to help 1,250 low to moderate income individuals understand their credit scores, strategic budgeting, debt to income ratio, savings skills, and avoiding predatory lending.