

2010 Beacon Youth Financial Education Award

Nomination Form

The Beacon Award recognizes individuals, credit unions, and other organizations making a difference in their community with outreach efforts focused on youth financial literacy.

Complete Nomination Form from Richard Myles Johnson Foundation Website at <http://www.rmjfoundation.org/043010BeaconGuidelines.pdf>

Scroll down the nomination form to see the Guidelines for Submitting Nominations that follows the form.

For question contact:

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NOTE: The financial education support materials submitted with the application should feature both quantifiable elements (number of persons impacted, measurable ways in which the program or projects communicated its message, etc.) and how it made a difference in people's lives. Special consideration will be given to innovation, creativity, and risk-taking activities that have a broad impact on financial education in the community.

PROCEDURES: Submit Application form, Summary Statement, and Support Documentation. Use application form provided. Support document should be in the most concise format possible. (Please send a hard copy and an electronic version, including supporting documents.)

INSTRUCTIONS: Please answer the following questions, limiting your answers to a maximum of 300 words for each question:

I. Who was the target audience for this project and how many individuals did the project reach (with evidence of results)?

Fifty Solano County, California, foster youth ages 15 to 21 were the target audience for this pilot program aimed at providing them with knowledge and tools for financial independence. For the project, Travis Credit Union partnered with county social services agencies, child welfare advocates, a charitable organization, and a foster youth advisory group to launch *Money Matters* and its three components: a financial literacy education program, innovative custodial savings accounts, and personal financial mentors.

Travis Credit union became aware of the financial needs of foster youth when we heard of a young woman who was the guest speaker at a county training class. She asked that her speaker's check be

made payable through the county, so she would not have to give a portion of the money to a cash cashing business. We learned that many foster youth had difficulty cashing employment checks. They had no bank accounts because they had no parent to sign for them, and they were reluctant to relinquish control of their funds to temporary guardians. Thus, they were forced to pay costly fees to check cashing stores and to keep their funds in cash and risk having them lost or stolen. We also recognized that these young people often did not have family support systems and would soon graduate from high school without the knowledge to avoid costly financial mistakes.

On March 20, 2010, 34 Solano foster youth became the first *Money Matters* graduates. Eighteen custodial savings accounts were opened and three regular savings accounts for youth who were age 18 or legally emancipated. Eight of nine youth eligible for a personal mentor elected this service and are now working with their mentors to repair poor credit reports, recover from identity theft, and obtain funds for college educations. See complete results in Appendix A.

2. What is the greatest benefit of your financial literacy project?

The obvious benefit of *Money Matters* is financial literacy and independence for the 34 foster youth who completed the program. Gains, however, go far beyond this small pilot group. The California Connected by 25 Initiative, a program partner, reports the following alarming statistics about foster children in our country: “Nationally, 46% of foster youth drop out of high school, 25% become homeless and 51% are unemployed. Ensuring that the 4,000 foster youth transitioning out of California’s foster care system become successful adults will require significant new investments, partnerships, and innovative approaches.” (<http://www.f2f.ca.gov/res/CACConnected.pdf>).

Most teenagers do not manage their money wisely. They usually rely on their families for advice or financial support. Yet we expect foster youth, who often do not have support, to become self-sufficient when they emancipate. Travis CU plans to continue the *Money Matters* program in Fall 2010 and to expand it into other areas we serve. We hope it will be a model for other credit unions to serve foster youth in their communities.

Money Matters also demonstrates the importance of community partnerships and the spirit of credit union volunteerism. Eighteen Travis Credit Union executives and staff donated more than 160 hours to the program. Travis CU also contributed more than \$900 for program expenses, and employees

personally contributed \$1,500 to purchase 160 duffle bags to replace the garbage bags foster youth used to move their belongings from one foster home to another.

Finally, the program increased awareness among California legislators of the need for youth financial literacy education. Travis Credit Union received recognition from U.S. Congressman George Miller, 7th California Congressional District and Chairman of the House Committee on Education and Labor; California State Senator Lois Wolk (5th Senate District); and California State Assembly Member Mariko Yamada (8th Assembly District) for its role in *Money Matters*.

3. What was unique and/or innovative about this project?

The *Money Matters* program consists of three unique components: a customized financial literacy curriculum, custodial savings accounts in the foster youths' own names, and personal financial mentors. We believe these elements make the program the first of its kind in the nation.

Program partners felt strongly that developing basic financial education and savings accounts for foster youth was essential and would provide a critical first step to financial independence for them. However, establishing personal savings accounts for minor foster youth posed significant challenges to both child welfare advocates and financial institutions.

In the past, because many of these youth are minors, banks and other financial institutions would not open savings accounts for them unless a parent or guardian co-signed. Since they had no legal parents or guardians, many foster youth were not eligible for these accounts. In some cases, when a financial institution allowed a foster parent or guardian to co-sign, the youth had monies they earned from part-time jobs or received from other sources stolen or controlled by the co-signers, or the youth became a victim of identity theft. Understandably, many foster youth were not eager to open such accounts.

Through an innovative arrangement with county officials, in the *Money Matters* program the county provides funds to open the accounts, and Alternative Family Services (AFS), a county contractor, is designated as co-signer. As a result, these foster youth now control their own funds. Armed with the budgeting and financial management skills they learn in the financial literacy education program and with a personal mentor to help them, they can make the transition to adulthood with the financial literacy and skills they need to successfully manage their finances.

4. **How was the project communicated and/or presented to reach the target audience (i.e., medium used and forms of communication)?**

Communicating the *Money Matters* program posed some challenges, including the need to protect the confidentiality of program participants, many of whom were subject to heightened security due to family crises or had their identity shielded through a witness protection program. This challenge affected our ability to publicize the program and required cooperation and coordination with a number of government, private, and public entities.

As a result of heightened confidentiality and security, promotional materials and press for the program were minimal. No photographs of participants were taken, and their names and ages were not publicized to protect their identity. The project was promoted primarily through the foster care system in the county and cooperation and coordination among project partners. It was also publicized by foster youth themselves, and foster parents were invited to participate through an article in a foster parent monthly newspaper, a Foster Parent Education meeting, and a workshop at a Foster and Kinship Education conference in March 2010. In spite of our efforts to reach foster parents, only three attended the financial education courses.

Five financial education sessions were presented on consecutive Saturdays from 10:00 a.m. to 1:30 p.m., with a final all-day session, for a total of 20 hours. Content was adapted by Travis Credit Union, with approval, from material developed by National Endowment for Financial Education (NEFE), and could be taken for high school credit. A motivational speaker began the program, and sessions were presented by trainers from partner organizations, including a former foster youth now employed by Travis Credit Union.

In spite of minimal promotion, the impact of *Money Matters* was significant, as outlined in articles published in the *Credit Union Times Magazine*, *The Credit Union Digest*, *the Defense Credit Union Council's ALERT*, *The Davis Enterprise*, and *The Vacaville Reporter* and included in Appendix B.

5. Outline of the Project and/or Curriculum:

This project was developed with the Financial Literacy Work Group of the Solano County Connected by 25 Initiative, a community partnership that includes Travis CU. The initiative's goal is to connect foster youth, by age 25, with opportunities, experiences and support to help them succeed as independent adults.

1. **Financial Literacy Education:** Courses were held in February and March 2010. Foster youth earned \$5 for each session attended. If they attended all five sessions, they received an additional \$25, for a total deposit of \$50 to a savings account at Travis Credit Union.

Sessions topics included

Session 1: Developing Your Own Financial Plans and Setting SMART Goals

Session 2: Building a Budget, Savings, and Investing

Session 3: Good Debt, Bad Debt, and Using Credit Wisely

Session 4: Your Money: Keeping it Safe and Secure: Banks, Credit Unions, Debit and Credit Cards, and Identity Theft

Session 5: Planning Ahead for Your Education and Your Career

2. **Custodial Savings Accounts:** After the final class, attendees visited Travis Credit Union branches, accompanied by county Child Welfare Services staff. They received an orientation to the credit union, applied for membership, and had their class earnings verified by a county official, who wrote a check and handed it to the student to open his or her account. When students reach age 18, the county will notify them that the custodial account must be changed to an adult account.

3. **Personal Financial Mentors:** Foster youth 17½ years of age or older or within six months of emancipation and have completed the *Money Matters* class are eligible to build an ongoing relationship with a personal financial mentor. The mentors, Travis Credit Union managers and executives, have volunteered to work one-on-one with foster youth to develop trusted financial relationships and to provide financial guidance on financial issues.