

2008 Beacon Youth Financial Education Award

Financial Literacy at Travis Air Force Base

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

In 1951 Travis Federal Credit Union was founded to serve the military and civilian personnel at Travis Air Force Base. In 1999 we changed to a community charter that allows anyone who lives, work, worships or attends school in twelve Northern California counties. At that time the Board of Directors re-affirmed their commitment to our members at Travis Air Force Base and continues to do so today.

Four years ago officials at TAFB asked TCU to provide financial literacy workshops for their military personnel, focusing on the young adults who typically are now stationed at their first base after basic training. Typically these are young men and women who are 18 – 20 years old and away from home for the first in their lives. Since these personnel do not have family nearby or a community support system yet TCU agreed to help with this need for basic financial education.

As is typical when military personnel reach their first duty assignment purchasing cars, furniture, electronic equipment is foremost in their minds. Due to the serious mistakes that happen everyday when young people buy cars we saw the immediate need to focus on managing credit including financing a car, furniture, taking out payday loans and applying for numerous credit cards. We also use this workshop to talk about handling checking accounts, the advantage of direct deposit, etc.

These financial workshops are held four times a month on the base and reached over 700 airmen who, hopefully, now will be able to manage their financial matters in a positive way. And, if they do find themselves in financial trouble they will know that they can trust TCU provide help or resources to fix their problems.

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

Young men and women who are serving their country in our service area now have access to a trusted source, their credit union, to advise them on good money management. So many times these young adults dig financial holes for themselves once they are, thankfully, out of basic training.

With used car dealers, check cashing stores, furniture stores and electronic stores right outside the main gate of most military facilities it is easy and painless (at the time) to succumb to the temptation of shopping. Price is most likely not an issue nor is the rate of the financing. When buying a car young consumers only question what is the monthly payment? Nor do they consider the additional expenses of driving their own vehicle like insurance, maintenance, and unexpected expenses.

Payday lenders make getting a short loan easy. Just sign here and we will give you money. Very quickly young people are in a tangled web of paying off payday loans every time they get paid.

All of these practices are legal and abundant. Our public schools do not teach financial literacy and the majority of parents do not address this topic either. So, these airmen are out in the real world at last and they can't make good decisions about their spending because they haven't been given the skills to do so. They deserve better than that.

Options for sound financial advice are scarce for these young adults. Credit unions that serve military installations must step up to the plate and create and deliver comprehensive age appropriate financial literacy program that will benefit these military members before damage is done to their credit record or their standing with the military.

3. What was unique and/or innovative about the project.

This program was created at the request of officials at Travis Air Force Base. Besides resulting damage from poor financial decisions military personnel who have compromised credit cannot be granted a government security clearance. This limits the number of active duty personnel who can take tours out of the country and results in them serving double or triple duty in high risk areas. As a result a military person without a security clearance becomes a liability to their units. A simple but effective financial literacy program can mitigate this problem when it is addressed when young service members reach their first base.

Other financial literacy programs are being developed now to focus on building assets, protecting their identity, planning for home ownership, etc. While the military cannot require these classes we believe that as our program grows the issues of bankruptcy, loan defaults, etc. will begin to show. Our commitment is for the long term so that hopefully we will be recognized as a trustworthy partner who understands the unique needs of the military and we will remain being their PFI no matter where their military career takes them.

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

Four plus years ago a Financial Readiness Consultant at TAFB approached TCU requesting our assistance to provide basic financial literacy information for military members stationed at Travis Air Force Base. As described above a program was organized and has been presented weekly in the Airman and Family Readiness Center on the base.

These classes are “advertised” on the base only through several channels including direct e-mailing, notification in the weekly newspaper that is specific to military members, and calendars posted throughout the installation.

Very simply, these classes are presented by consumer lending managers for one hour each week. The curriculum is focused mainly on credit issues as that was the area where the young entry level airmen overstepped their capabilities. The presentation is lecture style with questions and answers at the end of the program. If attendees have already overstepped their ability to pay their debts TCU offers Balance, a program developed by Consumer Credit Counselors. Balance can be accessed by telephone and offers personal counseling as well as a library of publications that are available on their website.

Now that TCU has a full time Financial Education Officer on board more programs are being developed for presentation at TAFB including:

10 Steps to Financial Success
Drive Away Happy: Car buying Decisions
CreditAbility: Build a Strong Credit History

And more!

These programs are aimed at the young adults at the base hopefully to get them off to the right start in their financial life.

5. Outline the Project and/or Curriculum:

The curriculum for our financial workshops at Travis Air Force Base was customized in-house for our unique audience. To meet the request from Air Force officials the manager of Consumer Loan Underwriting Department responded with a one hour presentation focusing on the lending aspect of financial literacy.

Since we are not officially a Department of Defense organization we cannot use our program as a marketing/sales presentation. We are allowed to explain who we are but can only give them a simple overview of what we offer for products and services. Our focus is on education only. Following that criteria we do discuss our free checking account with direct deposit, relating it to safety issues (i.e. should an airman get orders to outside the country they can always be sure they have access to their payroll on the pay date). We talk about using Home Banking/bill pay, again for protection when they are deployed, etc.

These issues then move into the lending part which was where they have been making damaging decisions that will follow them for years. To cover all questions we include the following questions:

- How can you establish credit?
- TCU offers special loans to help establish credit. These include share secured credit cards, credit builder credit cards, starter loans, and computer loans.
- How can Travis Credit Union help you purchase an automobile?
- The credit union has a First Time Buyer program that qualifies any first term airman for an automobile loan.
- What are the guidelines for our First Time Buyer program?
- Remember, the most important thing you can do is educate yourself before you go out looking for a vehicle. Do your homework!
- What does Travis Credit Union look at when we grant a loan to someone with limited credit?

Cal Grant and “Cash for College”

1. Who was the target audience and number of individuals the project reached? And, evidence of same?

Having worked with the Nefe High School Financial Planning Program for the past three semesters and presenting a Cal Grant program in 2006 the Financial Education Officer and the Community Outreach Officer began to recognize the need to integrate financial literacy and community outreach to provide better ways to meet the needs of the underserved in our community high schools.

As a result of the success of our first Cal Grant presentation in 2006 a second Cal Grant program was held in February this year for the high schools in Napa and Vallejo County where the minority population is over 40%. Cal Grants are state-funded monetary grants provided to students from low income households to pay for college expenses. Students who qualify can get their full tuition paid if attending a community college, a California university or a Cal State college. This program was initiated by then Lt. Governor Cruz Bustamante to stem the tide of Hispanic high school students from dropping out of schools in the San Joaquin Valley, Los Angeles, Sacramento, etc.

Realizing that the majority of minority students didn't consider going to college was possible for them the GPA requirement was set at 2.0 and the household income required was limited to \$62,000 annually.

While preparing for the second Cal Grant presentation, to be held on February 7th, we became aware of a similar program called “Cash for College” that implemented a program to support the efforts of Cal Grant. Again this was to stem the high school drop out rate and reach students, who without understanding the resources available to them, may think their future is hopeless.

Through these two programs TCU is promoting the importance of continuing education after high school, not only to continue their learning, but to be able to increase their career earnings which will give these students a truly better life and avoid the cycle of poverty. While we are using the Nefe HSFPP with nine schools we feel we are limited in reaching the underserved students in high schools due to the college prep classes that are usually presenting the Nefe curriculum. Partnering with the Cal Grant and “Cash for College” programs gives us, albeit a more limited opportunity, to reach this market to promote continuing education and to teach them if they invest their time and money in school the benefits will be with them their entire life.

Through our second Cal Grant program in February we directly reached over 130 students who were brought to Touro University in Vallejo for an assembly where they not only listened to but were able to directly speak with a motivational speaker, Wil Cason. Will was a minority student who did drop out of school, did go back to school, got his degree, is now a motivational speaker, author of “Visualizing Your Victory” and facilitates leadership conferences for youth world wide.

Finally by partnering with Napa Valley College we presented 16 multi bilingual “Cash for College” workshops in Napa and Solano Counties beginning in December 2007 and concluding in May 2008. Over 1780 students and their parents were reached with these workshops. Due to the demand additional workshops were held but were not officially considered to be “Cash for College” as they were added as necessary response to meet the demand. The Financial Aid Commission has a deadline to officially provide this program and the added workshops went past their deadline. However, it was decided to still provide the information to students as a “non-official” Cash for College. These additional events reached approximately 700 more students and parents.

2 What was the greatest benefit of your financial literacy program?

Developing and implementing programs that focus on continuing education and financial literacy issues can only be a win-win situation when the benefits affect the underserved and minority students who are the future workforce and the potential business and community leaders of tomorrow. The story of Wil Cason's life gave hope to these students. His willingness to talk to the students independently, by giving them his direct telephone number, showed them someone cared and how they too can succeed in life. Indeed, students did call him directly for his advice on staying on track in school.

Giving students hope that they can be first generation high school graduates who can go to college, and as a result, be able to provide a better life for their families. We feel this commitment is a perfect example of "People Helping People".

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

Merging the Cal Grant and “Cash for College” programs to reach more eligible grant candidates is unique to Travis Credit Union. The Cal Grant program was passed on to TCU when Lt. Governor Bustamante left office in 2006. It was in late 2007 that we discussed including the “Cash for College” program the sponsored solely by Napa Valley College at that time. By doing this our potential audience increased from 130 students to over 2500 students and parents.

TCU also provides \$1,000,000 laminated non-negotiable checks to all students who participate in these workshops to take home as a reminder of their potential, not only for their own financial benefit but to become fiscally solid citizens. These made quite an impression on these students who were proudly waving them as they left the event. Having worked with school officials with the NEFE program, reaching over 1600 students in the last school year, we see Cal Grant and “Cash for College” as unique programs that meet a different need for the underserved, a market that will go unbanked unless credit unions are willing to provide similar resources across the country.

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

To implement the Cal Grant program TCU worked with high school administrators, counselors and individual teachers to select the student participants who would qualify for the Cal Grant program. We felt it would be more impressive to the participants if the assembly would be held on a college or university campus. As the majority of participating students were from Vallejo, a bankrupt community, we approached Touro University, a medical school that recently opened a campus on Mare Island. Flyers were sent out to the participating schools along with the required permission slips to the parents of students selected. Press releases were also put out as were public announcements both print and radio. After a presentation of our program to the administration at Touro they graciously offered their facility at no cost to TCU.

On agreeing to partner with Napa Valley College for the “Cash for College” the college already had a communication tree in place, including public service announcements, contacts in area high schools and school administrator’s support. With their contacts and ours from our first Cal Grant we had an abundance of communication channels that were at no cost to the credit union.

While Napa Valley College had the contact resources they did not have any funding for other costs. TCU hosted the “Cash for College” all day training for the high school counselors and teachers who were participating in the program for the 2008 school year. This included providing lunch and using our Financial Education Officer as a speaker to promote our resources for financial literacy including the Nefe HSFPP. Additionally, TCU provided book bags for all participants with information on more financial resources.

As TCU is now committed to presenting Cal Grant and “Cash for College” each year we feel that our contacts will broaden and open doors for other financial literacy programs in our extended service areas.

5. Outline of the project and/or curriculum:

An overview of the Cal Grant Presentation is submitted as it was written and an agenda of the actual program. When it was determined that TCU would continue the Cal Grant program annually as a way to commit to the underserved in our area high schools, research was then done on choosing those schools. The objective was to reach at risk high school students which typically are minority students who have never considered the value of continuing education.

Schools were chosen from the Napa Unified School District which has approximately 40%+ Hispanic students and Vallejo Unified School District which has an even higher density of these students. As the Vallejo District was taken over by the State of California we approached the interim Superintendent of Schools with our program. Understandably the districts financial resources were extremely limited. However, Dr. D'Aurillio welcomed the program into four of their high schools as he perceived the presentation as being "real world" information for those students. As a result the superintendent's office was very willing to work with TCU to make this program happen by distributing the information and providing free transportation for the students participating.

The presentation included representatives of the two school districts, as well as distinguished guests including legislative representatives. Both superintendents were featured speakers as was the Commissioner Lorena Hernandez, California Student Aid Commission, the division that oversees the Cal Grant program.

President and CEO Patsy Van Ouwerkerk of Travis Credit Union welcomed the students and guests, acted as the Mistress of Ceremonies, recognized the distinguished guests and introduced the featured speaker Wil Cason.

Students then had access to counselors from both Napa Valley College and Solano Community College to ask questions about Cal Grant, request more information about the program and were given references to access more information on-line at applicable websites.

