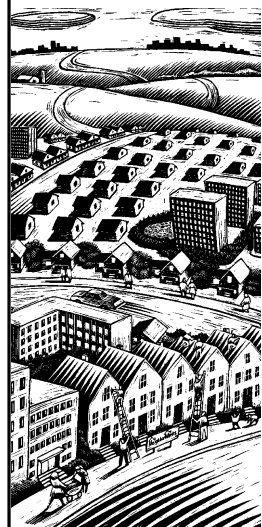




NeighborWorks® Campaign for Home Ownership 2002  
Neighborhood Reinvestment Corporation

# Financial Fitness Education for Potential Homebuyers: A Start-Up Guide for NeighborWorks® Organizations



**NEIGHBORHOOD REINVESTMENT CORPORATION,  
THE NEIGHBORWORKS® NETWORK AND  
THE NEIGHBORWORKS® CAMPAIGN FOR HOME OWNERSHIP 2002**

Neighborhood Reinvestment Corporation was established by an act of Congress in 1978 (Public Law 95-557). A primary objective of the Corporation is to increase the capacity of local community-based organizations to revitalize their communities, particularly by expanding and improving housing opportunities.

These local organizations, known as NeighborWorks® organizations, are independent, resident-led, nonprofit partnerships that include business leaders and government officials. All together they make up the NeighborWorks® network.

The NeighborWorks® Campaign for Home Ownership 2002 is the largest national initiative of its kind: a joint effort by private industry and government working with community-based NeighborWorks® organizations to bring more families into home ownership. NeighborWorks® organizations participating in the campaign use the NeighborWorks® Full-Cycle Lending<sup>SM</sup> system. Under this system, prepurchase education, innovative loan products and early-intervention delinquency counseling are combined into a system that helps create successful homebuyers who take charge of their neighborhoods as well as their homes.

This publication, *Financial Fitness Education for Potential Homebuyers: A Start-Up Guide for NeighborWorks® Organizations*, was written by Christi Baker-Sabino, Chrysalis Consulting, and edited by Doug Dylla, Laurie Strongin, Jean Byars and Amy Christian at Neighborhood Reinvestment Corporation. This publication may be reprinted with permission from the Campaign for Home Ownership 2002 at (607) 273-8374.

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## INTRODUCTION

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### National Trends and Policies

Financial fitness education is a critical piece of community development, given today's socio-economic climate consisting of the deregulation of government institutions and the increasing complexity of financial services. These changes are occurring when personal savings are low and bankruptcy rates are high, with 1.35 million filings in 1997.<sup>1</sup> Twelve million households, one-half of which receive public assistance, do not have bank accounts.<sup>2</sup> Subsequently, in an ever more difficult financial system through which to navigate, there remains a significant number of novice consumers, who would benefit greatly from financial fitness education.

The financial system is not only complex but also laden with institutional barriers and potential pitfalls. Over the years, access to legitimate financial institutions and credit in low-income neighborhoods has become increasingly limited, whereby local bank branches have been replaced by expensive fringe banking outlets, such as check-cashing stores, payday loan outlets and pawnshops. Moreover, some residents face cultural or language barriers that prevent them from fully accessing appropriate financial services. Other dangers include consumer scams and schemes, as well as predatory lending practices — high-cost loans targeted to people who cannot afford to repay them.

Financial fitness education can help families become more aware of common pitfalls and thus avoid them while helping them to learn the financial management and planning skills needed to make the most of their income, savings and assets. Such education is vital for low- and moderate-income families who are fulfilling basic needs currently but are precariously positioned to overestimate the reach of their income, with little or no savings as a cushion.

Recent changes in the national economy and public policy have led to a rise in the number of organizations developing and delivering financial fitness education. Approximately 20 formal curricula are in circulation around the country, being used by Cooperative Extension and education organizations; government agencies; consumer, nonprofit and community organizations; as well as private financial institutions and credit agencies. These organizations often share the objective of helping people to choose and use financial services successfully.

Developing an effective financial fitness education program that will help local constituents move beyond fulfilling basic needs to accumulating savings — and even assets — while avoiding all of the perils along the way requires careful planning. Since each community has a unique target population, goals and resources, there cannot be a “one size fits all” program. Rather, an organization needs to develop a program that matches its goals along with the needs of the target population.

This start-up guide is designed to help NeighborWorks® organizations analyze the local need and their internal capacity for developing a financial fitness education program to increase consumers'

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<sup>1</sup> “Debtor’s Delight,” *Investors Business Daily*, January 15, 1998.

<sup>2</sup> Survey of Consumer Finances, 1995.

money management skills, and in turn, to enable previously underserved markets to attain home-ownership.

## **Challenges**

One of the earliest obstacles faced in developing a local financial fitness education program is finding a curriculum and supportive materials that meet the needs, education levels and goals of local consumers. Each community faces unique challenges, and community-based organizations will need to use a combination of experience and research to determine what financial skills are needed to make informed choices and which teaching methods work best for its target population.

Other challenges cited by organizations that are administering financial fitness education programs are participant recruitment and marketing, collaboration with local programs and fundraising.

## **PROGRAM OVERVIEW**

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The typical structure of a financial fitness education program includes formal classes, individual counseling sessions for personal issues and questions, and peer support groups for continued sharing and learning. It provides general information about today's financial system, so that participants will have the skills and knowledge to access financial products and succeed within the economy. This type of education serves as a necessary precursor to any kind of specific asset-attainment training, such as homebuyer education or microenterprise development. While some of the same information may be covered in a homebuyer education workshop, the difference lies within the two curricula's objectives — one being home-ownership attainment and the other being the development of general financial skills.

## **Key Components**

There are a number of critical pieces that constitute a successful financial fitness program, with the primary one being the combination of classroom teaching and individual counseling sessions. Materials used should include teacher and student manuals; reference materials; information and assignments; teaching tools; and activities to test students' comprehension. The curriculum needs to be learner-centered, use a variety of training and adult education methods, and include a mix of short lectures and participatory exercises. Content should focus on financial education as it relates to the importance of planning, budgeting, spending and saving skills, shared in an environment of support. Trainers should be carefully selected on the basis of past experience, knowledge and training skills, as well as their ability to relate to the target population.

## **BASIC CURRICULUM**

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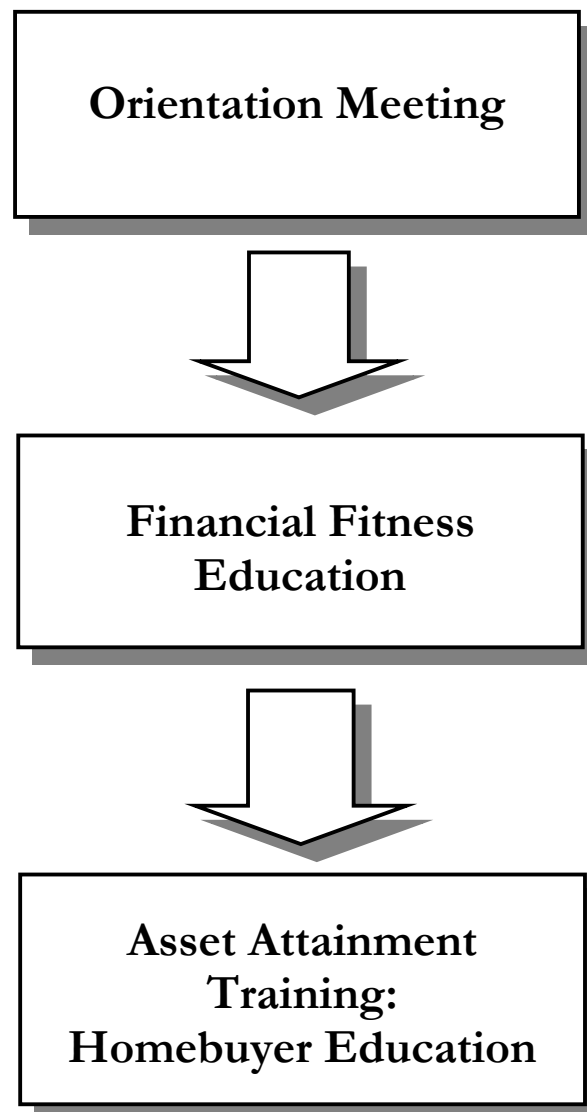
While each community must tailor its curriculum to meet the needs of its local population, there are some key topics that are included in almost every financial fitness curriculum. At the core of

financial fitness training is building consumers' decision-making skills related to financial matters. Common topics include:

- Setting financial goals and making decisions
- Knowing the importance of savings and investing
- Developing a budget and spending plan
- Tracking expenses
- Getting credit and using it wisely
- Understanding and repairing credit reports, stressing the importance of paying bills on time
- Using banking and other financial services
- Protecting oneself against consumer scams and predatory lending

### **RECOMMENDED FINANCIAL FITNESS EDUCATION MODEL**

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## **PROPOSED CRITERIA AND RECOMMENDED STANDARDS**

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### **Definition**

Financial fitness education is money management training or basic budgeting and financial education.

### **Desired Results**

- Consumers who make good financial decisions for themselves by having long-term financial goals while making short-term decisions.
- Consumers who develop new skills to manage their finances wisely.
- Consumers who understand the financial system and can navigate successfully through it, maximizing their income, savings and assets.
- Successful wealth-building for consumers who had not previously owned assets.

### **Recommended Practices**

- Group orientation for all consumers on the organization's services and products.
- Classes that are spread out over time, and topics that are divided into multiple 2-hour segments (12 or more hours in one to three months).

### **Minimum Standards**

- ✓ Financial fitness education occurring before asset attainment training, such as homebuyer education
- ✓ Use of the NeighborWorks® Campaign for Home Ownership 2002's core curriculum for financial fitness education
- ✓ The content, delivery and format of financial fitness education tailored to meet the needs of participants (rather than a one-size fits all approach)
- ✓ Group orientation for potential participants on the organization's products and services to allow participants to understand the breadth of services offered
- ✓ Multiple group education classes plus individual counseling sessions to develop personal action plans and savings goals

- ✓ A certificate awarded to participants upon the successful completion of the NeighborWorks® financial fitness training
- ✓ Upon graduation, referrals to an appropriate asset attainment training program within the NeighborWorks® organization or externally to a collaborating organization

### **Audience**

While financial fitness education can be used effectively for a variety of consumers, the target audiences are:

- Potential homebuyers who face obstacles to home ownership that cannot be resolved within a few months, and
- Youths, seniors and other underserved consumer markets.

### **CORE CURRICULUM**

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Financial fitness education involves a minimum of 12 hours of group classes along with individual counseling sessions as necessary. The training can be broken down into core curriculum topics, but should always include an initial orientation and overview of the financial system; budgeting and saving principles; credit management; bank services and decision-making skills. A suggested outline for topics is:

1. Basic Financial Planning: Overview
2. Basic Financial Planning: Avoiding Common Pitfalls
3. Cash Management
4. Individual Session
5. Saving
6. Banks and Other Financial Institutions
7. Credit
8. Investing
9. Taxes
10. Insurance
11. Record Keeping
12. Consumer Rights and Responsibilities

It is important to cover all of these topics adequately and logically, though not necessarily in the order outlined above.

### **Recommended Standards**

The purpose of recommending standards for financial fitness education in the NeighborWorks® Campaign for Home Ownership 2002 is:



- To establish a national standard for financial fitness education that helps consumers manage their money more effectively;
- To ensure that the core curriculum of financial fitness education programs produces consumers who make wise financial decisions and avoid common pitfalls in the financial system;
- To develop and standardize the use of high-quality training materials; and
- To develop high-quality financial fitness educators and program coordinators with consistent skills in financial fitness and adult education.

## **EXPANDED CURRICULUM**

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### **TOPIC 1: BASIC FINANCIAL PLANNING: OVERVIEW OR ORIENTATION**

Objective: To enhance interest in financial fitness education

Outcome: Participants who are excited about enrolling in a financial fitness education program

- Key Points:
- Overview of organization's goods and services
  - Self-assessment of knowledge and tools
  - Importance of asset ownership
  - How to get started
  - Steps in financial planning
  - How to make spending choices wisely
  - How to set and achieve financial goals

### **TOPIC 2: BASIC FINANCIAL PLANNING: AVOIDING COMMON PITFALLS**

Objective: To warn consumers about potential scams and rip-offs

Outcome: Savvy consumers who know how to recognize and avoid common pitfalls

- Key Points:
- Overview of money and the marketplace
  - Consumer scams and schemes
  - What to do if you get in trouble
  - Local resources

### **TOPIC 3: CASH MANAGEMENT**

Objective: To develop knowledgeable consumers who can make wise financial decisions

Outcome: Consumers who know:

- Their net wealth
- How to track expenses
- How to budget and start saving
- How to set and achieve financial goals

- Key Points:
- How to manage income and spending
  - Wants versus needs
  - Household communications
  - How to track expenses and handle receipts
  - Income
  - Assets, liabilities and net worth
  - How to make a spending plan to meet goals successfully

#### **TOPIC 4: INDIVIDUAL SESSION**

Objective: To set up a personal action plan to overcome any financial challenges

Outcome: Consumers with improved financial plans and records

- Key Points:
- How to set up an individual financial plan
  - How to determine, implement and evaluate spending needs
  - Verified household income and asset holdings
  - Potential to save or reduce debt
  - Anticipated goals
  - Potential challenges
  - Credit report review
  - Tracked expenses review

#### **TOPIC 5: SAVINGS**

Objective: To teach consumers how to set up a savings plan and open a savings account

Outcome: Consumers who can save successfully for financial goals

- Key Points:
- How to make saving a habit
  - Resources to aid saving
  - Strategies for reducing spending and increasing income
  - The importance of money management
  - Tools for saving
  - Challenges of saving

#### **TOPIC 6: BANKS AND OTHER FINANCIAL INSTITUTIONS**

Objective: To teach consumers how to shop for a bank and financial products

Outcome: Consumers who choose and use bank services and products effectively

- Key Points:
- Types of bank accounts
  - Services, products and options
  - How to read bank statements
  - How to balance a checkbook
  - How banks work
  - Basics of lending
  - Loans and grant options
  - Predatory lending
  - Electronic services

### **TOPIC 7: CREDIT**

Objective: To teach consumers about the wise use of credit

Outcome: Consumers who use credit effectively and efficiently

- Key Points:
- How to select a credit card
  - The importance of paying bills on time
  - Harmful and helpful uses of credit
  - How interest works
  - How to obtain a credit report
  - Credit repair
  - Counseling services
  - How to protect credit
  - Life events, such as illness, disaster or divorce, and their impact on credit
  - Debt accumulation and how to reduce it
  - Loan consolidation
  - Bankruptcy

### **TOPIC 8: INVESTING**

Objective: To teach consumers about the benefits of investing

Outcome: Consumers who understand how and why to invest

- Key Points:
- Investment strategies
  - Investment terminology
  - Retirement planning
  - Social Security
  - Planning for education expenses

**TOPIC 9: TAXES**

Objective: To teach consumers about how taxes affect financial plans

Outcome: Consumers who maximize their tax benefits

- Key Points:
- Where federal, income, state and local taxes go and how they are used
  - How to prepare tax forms
  - Earned Income Tax Credits
  - Child-care credits
  - Self-employment taxes
  - Tax benefits of home ownership
  - Tax benefits of education expenditures
  - Other taxes

**TOPIC 10: INSURANCE**

Objective: To inform consumers about how insurance protects them against potential losses

Outcome: Consumers who maintain appropriate and adequate insurance coverage

- Key Points:
- How to protect assets against loss
  - Health insurance
  - Car insurance
  - Renter's or homeowner's insurance
  - Life insurance
  - How to avoid insurance fraud

**TOPIC 11: RECORD KEEPING**

Objective: To show consumers how to maintain complete financial records

Outcome: Consumers who understand what to keep and for how long

- Key Points:
- How to develop a record-keeping system
  - Financial statements

**TOPIC 12: CONSUMER RIGHTS AND RESPONSIBILITIES**

Objective: To teach consumers how to get results from complaints

Outcome: Consumers who know about their rights and responsibilities

- Key Points:
- How to handle complaints
  - Laws that protect consumers
  - Consumer rights
  - Consumer responsibilities

## **PROGRAM PLANNING**

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After understanding the basics of a financial fitness education program, it is time for the NeighborWorks® organization to decide whether to offer such a program and how to begin planning it. The decision to offer financial fitness education should be based on local need and organizational capacity. Local need can be determined by identifying and researching the target population, whereas internal capacity can be assessed by answering a series of key program planning questions.

### **Researching the Target Population**

The organization will need to research the characteristics of its target population to determine if a financial fitness education program is needed and how to design a program that best serves local consumers. Gathering information about the audience will facilitate the selection, development or tailoring of a financial fitness education curriculum. Information about the target population can be obtained through focus groups, surveys, existing data sources or a combination of methods.

Experience:

- What are the **participants' education, literacy and mathematical levels**, and how do you select a curriculum and instructor based on their level of math and reading skills?
- How much **financial knowledge** do participants have at present, and what experience do they have with financial institutions? It is not safe to assume they are all at same level.
- What are the **learning styles** of the individuals and the group as a whole? A mix of teaching methods will help to maximize effectiveness.
- In which **age group, or generation**, are the participants? Goals and issues may vary according to life stages. For example, younger individuals may be worrying about education and jobs while an older person may be planning for retirement.
- Under what conditions were **participants' formal education experiences**? If participants had previous negative experiences in school, these memories could be barriers for them to overcome in the classroom.

Income and Obligations:

- What are the population's **level and source of income**, and are they receiving public assistance? Goals may vary for different groups, e.g., for those just below area median income (AMI) versus those receiving public assistance. It is not advisable to target households below poverty level because they do not have enough income to fulfill basic needs, much less save or accumulate assets.
- What is the population's **debt and credit load**?

Barriers:

- Does this population face particular **discrimination, cultural or language barriers**, e.g., those faced by immigrants or migrants? If so, the organization may need to use a bilingual, bicultural instructor and materials.
- What **logistical issues** are there for the population, e.g., child care or access to transportation?
- Do any of the participants have **special needs**? If so, the organization may need to refer these individuals to an external source for appropriate assistance.

Motivation:

- **For what would the population save**, and how much per month could they save?
- **How long** can the population commit to the program?
- Could **incentives** be used to attract the population to the program?

### Key Questions

In addition to researching the target population, the organization must decide whether the program fits within its mission, as well as answer a series of questions regarding program design, staffing and content to help establish a financial fitness education component:

Mission:

- Does the program fit within the organization's mission?
- What is the organization's current financial situation?
- How does this program fit with other services?

Program Design:

- How many classes should there be?
- Over what length of time will the classes be held?
- How frequently will the classes be held?
- Does the entire family need to attend or just one member?
- What would the optimal class size and composition be?
- Will there be group education classes, individual counseling, peer support groups or a combination of methods?

Staffing:

- What personnel are needed for program planning and implementation?
- Who will facilitate the classes?
- Which organizations in the community can collaborate to provide training, financial fitness education materials or technical assistance?

Content:

- What do local participants need to know?
- Which curriculum and materials will the organization use?
- In what order should the topics be presented?
- What teaching methods should the facilitator use?

- What are the goals for the program as they relate to the community, the customers and the organization?

## **Goal Setting**

The next step for the organization is to set programmatic goals — for the community, the organization and the customer. One method to help set goals and provide guidance throughout the financial fitness education program's development is to assemble a planning committee, or focus group, of potential partners, staff, potential participants and educators. Listed below are possible expectations for various stakeholders:

### 1. Community Goals

- Increased savings and asset ownership
- Increased property tax revenue and additional government services
- Lower foreclosure rate and fewer vacant properties
- More investors and commercial entities and fewer fringe banking outlets
- Better maintained homes and increased property values
- A greater mix of income and ethnic groups
- Better image

### 2. Organizational Goals

- Additional choices for consumers
- Increased organizational capacity
- More people eligible for the organization's products and services
- More stable target communities through higher home-ownership rates
- Low default rate
- More collaboration
- More stable consumers and homebuyers

### 3. Consumer Goals

#### **Choices:**

- More financial choices and opportunities
- Consumer choices that match their priorities

#### **Skills:**

- Increased financial skills and control over own money
- Less debt and more savings
- Creation of feasible family spending plan
- Expanded control over finances
- Fewer credit problems
- Ability to assess, analyze and solve financial problems

**Planning:**

- More long-term thinking and planning

**Support:**

- Increased confidence that financial goals are achievable
- More peer support
- Increased motivation to save
- Higher self-esteem

**Knowledge:**

- Increased knowledge of financial and economic systems
- More awareness of consumer rights and responsibilities

**Costs**

The major costs of a financial fitness education program are the staffing costs, plus additional overhead expenses associated with training materials, supplies and refreshments.

**Start-Up Time**

The start-up time for a financial fitness education program ranges from four to 10 months, depending on availability of funding; hiring and training of staff person; curriculum development or adaptation; and outreach efforts.

**PROGRAM DEVELOPMENT**

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After planning, the organization enters the next phase, program development. The majority of this time is devoted to finding or developing a curriculum that meets the goals of the organization and the needs of the target population. Whether or not an organization chooses to develop its own or tailor an existing curriculum for financial fitness education, the development phase includes the following steps:

1. Organize planning group
2. Identify elements desired in curriculum based on analysis of organizational goals and participant needs, and then develop a new or select an existing curriculum
3. Create action plan with objectives, activities, resource development needs, evaluation methods, staffing assignments, timelines and partner roles
4. Implement the action plan
5. Evaluate and follow up using tests, questionnaires, observations or interviews



## **Developing a New Curriculum**

Developing a financial fitness education curriculum requires a major investment of time and resources, so there are a number of factors an organization should consider before committing to the curriculum development process, such as:

- What external and internal resources are available?
- What is the organizational capacity to do program design, fundraising, in-house training and to modify operations? (If the organization has previous experience with budgeting counseling, then it should have the necessary expertise to internally develop and implement a basic financial fitness education curriculum.)
- Is there someone within or external to the organization that has expertise in developing, preparing and printing teaching and class materials?

The process of developing a curriculum from scratch takes a lot of time and resources and requires expertise in financial fitness training and adult education. The process can take months, even years, without proper planning and staffing. Therefore, in many cases it will make sense not to reinvent the wheel but rather to review, select and tailor an existing curriculum and training materials.

## **Selecting an Existing Curriculum**

Even selecting an existing curriculum can be a daunting task, given the range of materials currently in use — from one-page fact sheets to extensive curricula that include directions for instructors, slides, handouts and other materials, and group and individual activities. In addition to such local resources as Cooperative Extension, financial institutions, Consumer Credit Counseling Services and others, there are national organizations that offer stand-alone curricula or clearinghouses of training materials. To ease the process of selecting a curriculum, the NeighborWorks® Campaign for Home Ownership 2002 published the *Annotated Bibliography for Financial Fitness Education*, which provides a comprehensive guide to curricula and resources that are available nationally. Reviewing and using materials will assist the organization in tailoring and expanding a curriculum to meet local needs. Listed below are some criteria to help select an appropriate curriculum:

- Can it help participants develop financial decision-making skills or can it be adapted to do so?
- Is it appropriate for the target population?
- Is it compatible with the goals of the program and the organization?
- Does it focus on the most critical elements and skills to ensure depth of knowledge — not just present a broad range of topics in a cursory fashion?
- Does it cover the desired topics?

## **Community Resources**

The review and selection of local materials may result in collaboration between two organizations to provide the most effective and efficient financial fitness education program. Possible partners and resources include:

- Consumer Credit Counseling Services (CCCS) and other credit counselors
- Cooperative Extension
- Community colleges
- Local financial institutions
- State housing finance agencies (HFAs)
- Affordable housing consortia
- Real estate boards
- Credit unions
- Legal-services attorneys
- Social-service professionals
- Public utilities
- Trade unions
- Public officials

## **PROGRAM IMPLEMENTATION**

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After the curriculum is selected or developed, it is time for the organization to begin the implementation phase, which focuses on staffing, marketing, logistics and delivery methods.

### **Staffing: Selecting a Trainer**

Finding the right kind of trainer is one of the key components of a successful financial fitness education program. The organization can consider whether to designate an existing staff member or search for a new employee, but either way, the candidate should be evaluated on his or her:

- Familiarity with financial fitness content
- Ability to relate to target population and teach curriculum in a way that is understandable and useful
- Enthusiasm about subject
- Ability to incorporate adult learning principles into training

### **Marketing and Outreach**

Marketing is an essential ingredient to accomplish the organization's goals for its financial fitness education program; however, it takes time, planning and commitment and must be strategic. Below is a quick reference guide for developing a marketing plan for the financial fitness education program.

1. Set goals that are specific, measurable and time-sensitive.
2. Identify target audiences that must be reached in order to achieve goals.
3. Conduct market research on the target audiences, asking who and where they are and what they want.
4. Examine the products being offered, and match them to the demands of each of the markets.
5. Create messages that speak directly to the target audiences by addressing what they want.
6. Design marketing strategies and tools to deliver messages.
7. Train the entire organization to communicate the messages consistently.
8. Make a timetable with assignments.
9. Create a revenue and expense budget.
10. Evaluate the success of the marketing strategies, and adjust the plan accordingly.

For more help in developing a marketing plan, consult *Elements of a Marketing Strategy*, a how-to guide, published by Neighborhood Reinvestment Corporation.

**Marketing Example:**

**Matching Tools with Appropriate Goals, Target Audiences and Messages**

**Goal:** To enroll 50 consumers in financial fitness education classes over the next 12 months.

**Target Audience:** Consumers earning an annual family income of no more than \$30,000, who have relationships with financial institutions and no or bad credit.

**Messages**

- “Learn the secrets of financial fitness that will help you make the most of your income.”
- “Financial fitness is the first step on the road to home ownership.”
- “You can improve your financial know-how and avoid common pitfalls.”
- “If you thought you couldn’t build a financial future with your income, think again.”

**Marketing Tools**

- Develop, print and distribute a flyer to publicize the financial fitness education program.
- Post flyers at businesses that employ low- and moderate-income residents, at community centers, churches and other appropriate community outlets.
- Place ads in community newsletters, local newspapers and local radio stations.
- Develop an incentive program for personal referrals.
- Attend housing fairs and other community events, and distribute flyers and other relevant materials.
- Hold informational sessions during meets of the PTA, church groups and civic organizations.
- Conduct a media campaign to attract coverage of the financial fitness education program, including feature articles and broadcasts of successful customers.

## **Logistics**

Once a curriculum has been selected or developed, it is time to plan the logistics of the program — to determine when, how and where the program will happen. Here are some key logistics to consider:

When?

- How many classes are needed to deliver the content?
- How frequently should the classes be held?
- Should the classes be held on the weekends or evenings, and at what time of day? Different times may work better for different target markets.
- Does it make sense to rotate meetings with multiple and repeating classes to maximize participation?

How?

- What incentives will be provided? Refreshments, door prizes or others?
- What are the attendance requirements for graduation?
- What will be the mix of classes, peer support and individual counseling?
- What is the class size limit?
- How do we create policies that are participant driven?
- Is there a need for field trips or guest presenters?
- What kind of follow-up, such as support groups or peer-led discussions, will occur after the classes end?

Where?

- Is there a central location available?
- Does the site have access to public transportation?
- Is the location accessible for people with disabilities?
- Is the setting comfortable physically and psychologically?
- Are there enough restrooms and public phones?
- Will child care be provided?

## **PROGRAM EVALUATION**

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### **Success Indicators**

After program implementation comes the evaluation stage, which should be viewed as a regular and ongoing process to measure and improve the financial fitness education program's success. There are both short- and long-term indicators of success that can be measured by a number of strategies.

Short-Term:

- Customer satisfaction with class
- Knowledge of basic financial terms and definitions

Long-Term:

- Better money management skills
- Increased savings and investments as a percentage of income
- Improved decision-making skills
- Home purchase

### **Strategies**

The following is a list of possible strategies to measure the success of a financial fitness education program:

Short-Term:

- Written evaluations or customer surveys about satisfaction with training program
- Written or oral exam on program's content

Long-Term:

- Periodic credit report reviews (if the NeighborWorks® organization has a designated relationship with credit bureaus as a counseling agency and has written authorization from the participants)
- Customer surveys
- Customer interviews
- Community level assessment (such as improved neighborhood conditions and citizen participation)
- Other data collection on participants
- Reunions and other incentives

### **BEST PRACTICES**

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Listed below is a summary of the best practices in financial fitness education from organizations that are currently offering programs:

- ✓ Survey potential participants to learn about their needs, interest, knowledge and experience related to finance, and develop or tailor a comprehensive curriculum targeted to the audience.
- ✓ Keep segments short and focused on only a few topics to ensure depth rather than superficial information.
- ✓ Incorporate a variety of training techniques into training program, such as visual aids, worksheets, discussions, lectures and activities to maximize retention of key points.
- ✓ Use an intake form and a computer-based system to track customer information and facilitate customer follow-up.
- ✓ Use evaluation forms to improve the program.

- ✓ Provide refreshments and the supplies needed for participants to complete worksheets and activities as a way to make the learning environment more comfortable.
- ✓ Arrange for tours and field trips or invite guest speakers to the program for hands-on training.
- ✓ Use a mix of group education, individual counseling and peer support to allow for the greatest amount of emotional support for participants.
- ✓ Develop a savings agreement form with realistic goals based on the participants' income and spending plans to keep them on track with savings goals.

## SAMPLES

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### Sample Budget for Financial Fitness Education Classes

Item	Cost
Staff Time (Educator)	\$30,000
Benefits (20%)	\$6,000
Overhead Pro Rata	\$10,000
Advertising and Marketing	\$5,000
Training Materials (\$25 per household)	\$1,250*
Refreshments (\$2 per person per meeting)	\$1,200*
Office Supplies	\$1,000
<b>Total</b>	<b>\$54,450</b>
<b>Per Customer Cost</b>	<b>\$1,089</b>

**Note:** This budget combines information from various sources and does not assume a pro rata share of management's salary for supervision, which should be included for true costs.

\* These costs are based on two 12-session programs with 25 participants each.

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### Sample Revenue for Financial Fitness Education Classes

Source	Revenue Amount
Participant Fees (\$25 per household)	\$1,250
Lender Sponsorships (\$5,000 per lender)	\$20,000
Neighborhood Reinvestment	\$10,000
Local Government (CDBG)	\$12,200
In-Kind Refreshments and Supplies	\$1,000
Local Foundation	\$10,000
<b>Total</b>	<b>\$54,450</b>



## **Sample Job Description for Financial Fitness Educator**

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### **SUMMARY OF POSITION:**

The financial fitness educator's goal is to provide organized opportunities to residents of Anytown to acquire the critical skills, knowledge and confidence to manage money wisely and achieve home ownership. The educator is responsible for overseeing the financial fitness education program, which includes group education classes, individual counseling sessions and peer-led support groups. Other duties include program outreach, customer follow-up and regular reporting requirements.

### **RESPONSIBILITIES:**

#### **Group Education Classes**

- Coordinate education program
- Organize and schedule workshops
- Prepare curriculum for workshop series, adapting to group's special situation and resources
- Secure meeting space
- Prepare agendas, handouts, visual aids and working materials for homebuyer education classes
- Secure and orient guest speakers and trainers
- Schedule field trips as appropriate
- Schedule and notify participants of meetings
- Facilitate workshops
- Evaluate meetings and customer's progress
- Keep materials interesting and current
- Set up and clean up after classes
- Coordinate graduation ceremonies
- Utilize adult-education principles and participatory-training techniques in workshops
- Assist with developing peer-led support groups after classes

#### **Individual Counseling**

- Set up and deliver individual counseling sessions
- Develop personal action plans with savings goals for customers

#### **Marketing**

- Develop and implement outreach strategies according to the business and marketing plans
- Recruit customers for financial fitness education program
- Notify the public of workshop schedule
- Deliver community presentations for customer outreach as appropriate

### **Customer Tracking and Reporting**

- Develop regular reporting systems
- Track customers using NWorks 2000 software
- Maintain customer and program files
- Ensure that program reports are generated in a timely manner for in-house and external requirements

### **General**

- Become familiar with local referral programs and other relevant resources
- Monitor expenses against program budget
- Act as a liaison with local organizations for cross-referrals
- Assist with customer in-take process and tracking

### **RESPONSIBILITIES AS STAFF:**

- Maintain professional relationships in performing job responsibilities and as a representative of your local NeighborWorks® organization
- Provide information on programs and services to prospective customers
- Have a working knowledge of total program operations, goals and objectives, as well as organizational philosophy and mission
- Participate in ongoing training and cross-training activities to increase personal and professional development
- Attend board of directors and committee meetings, at the discretion of the executive director
- Attend special events, such as annual meetings and board retreats, at the discretion of the executive director
- Perform other duties as may be requested from time to time by the executive director and/or supervisor

### **SKILLS, ABILITIES AND ATTITUDES:**

- Knowledge of financial concepts and systems
- Familiarity with community-based nonprofit organizations
- Experience in adult education
- Excellent written and oral communication skills
- Basic computer skills
- Demonstrated organizational skills, with the ability to handle multiple tasks
- Successful skills in working with people of diverse backgrounds
- Highly self-motivated and able to work independently, as well as work as part of a team
- Creative, practical and strategic problem solving skills
- Willingness to work evenings and flexible hours

### **SALARY RANGE AND BENEFITS:**

The annual salary range is from \$27,000 to \$35,000 based upon experience.

## **SAMPLE CURRICULA**

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### **NEIGHBORHOOD HOUSING SERVICES OF NEW YORK CITY**

#### **Financial Life Skills Module One: Basic Finances**

This workbook explains key issues for starting a seminar participant on the road to financial well-being. Chapter topics include:

- How to Set Financial Goals — and Achieve Them
- Keys to Your Financial Health: Budgeting, Saving and Investing
- What Banks Can Do for You
- How to Use Banks Wisely

**Financial Life Skills Module One workbook, 71 pages, spiral bound, \$10**

#### **Financial Life Skills Module Two: Understanding Credit and Related Issues**

This workbook clarifies the more complex issues of credit, insurance and taxes that are seminal to building financial well-being. Chapter topics include:

- Buying on Credit
- What's Good and Bad about Credit
- Insurance
- Taxes

**Financial Life Skills Module Two workbook, 73 pages, spiral bound, \$10**

#### **Financial Life Skills Module Three: Consumer Education and the Road to Home Ownership**

The third workbook in this series explains the final steps to financial stability. Chapter topics include:

- Characteristics of a Wise Consumer
- Handling Your Consumer Complaints
- Rental vs. Home Ownership
- Buying a Home

**Financial Life Skills Module Three workbook, 71 pages, spiral bound, \$10**

(For ordering information on this series, see the *Annotated Bibliography of Financial Fitness Education*, companion piece to this publication, by calling the NeighborWorks® Campaign for Home Ownership 2002, at (607) 273-8374.)

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**Sample Curriculum: WOMEN'S SELF-EMPLOYMENT PROJECT (WSEP)**

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WSEP's guide combines personal financial education with larger economic issues and helps participants understand the financial and economic system. Each session is structured around key objectives and provides activities, exercises and discussion topics to reach these objectives. Session titles and objectives are listed below:

**Session 1: Assets**

- Objectives:**
- To introduce the concept of assets
  - To understand that assets are developed over time
  - To understand the structure of wealth (asset) distribution in the United States

**Session 2: Budgets**

- Objectives:**
- To recognize personal strengths and weaknesses concerning money
  - To understand that a budget is a necessary tool in financial and economic planning
  - To create a budget

**Session 3: Credit**

- Objectives:**
- To understand the concept of credit
  - To understand how credit cards work
  - To discover personal credit status
  - To develop strategies to solve credit problems where they exist

**Session 4: Buying**

- Objectives:**
- To improve participants' ability to make good buying decisions
  - To understand the dynamics of consumption
  - To understand the relationship between purchases and the global economy

**Session 5: Family**

- Objectives:**
- To develop strategies for financial problem-solving
  - To understand the difference between income and wealth
  - To develop ways to share money-management techniques with children

**Session 6: Home**

- Objectives:**
- To see each individual as part of a community with assets and economic forces
  - To understand the homebuying process

**Session 7: Investment**

- Objectives:**
- To understand the basic forms of investments
  - To understand the risks of investment
  - To develop a personal investment philosophy and strategy

**Session 8: Saving**

- Objectives:**
- To connect long-term planning to savings
  - To develop a savings plan
  - To understand asset development as a personal and social strategy

*WSEP's curriculum is available for \$35.00 from WSEP (Chicago, Illinois) at (312) 606-8255.*

**Sample Financial Fitness Education Program Comparisons**

<b>Organization</b>	<b>Curriculum</b>	<b>Instructors</b>	<b>Class Structure</b>
<b>Alternatives Federal Credit Union</b> (Ithaca, NY)	Tailored local Family Self-Sufficiency classes	In-house and partners with Ithaca Housing Authority	Eight two-hour classes that include group sessions, individual counseling and peer support groups
<b>Central Texas Mutual Housing Association</b> (Austin, TX)	<i>Making Your Money Work</i> by Purdue Cooperative Extension and additional materials	In-house in English and Spanish	Once a month for six months in group sessions and individual counseling sessions
<b>Central Vermont Community Action</b> (Barre, VT)	Locally developed <i>Dollar \$ense</i>	In-house	Every two weeks over four months and continued involvement through a peer support group
<b>Shorebank</b> (Chicago, IL)	<i>All My Money</i> by University of Illinois Cooperative Extension	Partners with University of Illinois Cooperative Extension	Five sessions that last two-and-a-half to three hours, with individual counseling offered but not required