Promoting a Financial Capability Strategy to Increase the Financial Stability of Community College Students

October 9, 2014

Organized by the Federal Reserve Bank of Boston

William Watson  
Director  
SparkPoint at Skyline College

Sarah Savage  
Senior Evaluation and Learning Specialist  
Federal Reserve Bank of Boston

Sonya Caesar  
Money Matters @ CCBC  
Program Director  
Community College of Baltimore County

The Connecting Communities® audio conference series is a Federal Reserve System initiative intended to provide timely information on emerging and important community and economic development topics with a national audience. The audio conference series complements existing Federal Reserve Community Development outreach initiatives that are conducted through our regional Reserve Bank offices and at the Federal Reserve Board of Governors in Washington, D.C.
Thank you for attending today's session. How to join (remember, this session is being recorded)

- Call-in number: 888-625-5230
- Conference code: 73759111
- Webinar link: https://www.webcaster4.com/Webcast/Page/584/5731

You have two options to ask questions today:
*These questions may be part of the recorded archive for this session.*

- Email us at: communities@stls.frb.org.
- Type your question into the chat box of the webinar.

An archived recording of this session will be available on the Connecting Communities® web site shortly after the session ends. Please visit www.stlouisfed.org/connectingcommunities/

In connection with this session, you can find a variety of additional resources on this topic, available at www.fedcommunities.org. We encourage you to browse through this site and to contact your regional office if you would like additional information on any of these items.
The information, analyses, and conclusions set forth are those of the presenters and do not necessarily indicate concurrence by the Board of Governors of the Federal Reserve System, the Federal Reserve Banks, or members of their staffs.
Community Development

The Community Development (CD) function within the Federal Reserve System – consisting of individual departments at each of the twelve Federal Reserve Banks as well as at the Board of Governors – promotes economic growth and financial stability for low- and moderate-income (LMI) communities and individuals through a range of activities, including:

- **Convening stakeholders**, including practitioners, financial institutions, nonprofits, governmental agencies, and the philanthropic and private sectors,
- **Conducting and sharing research** to examine economic challenges facing low- and moderate-income communities and attendant policy implications; and,
- **Identifying emerging issues**.
Today’s Presenters and Agenda

- Sarah Savage, Senior Evaluation and Learning Specialist, Federal Reserve Bank of Boston
- William Watson, Ed.D., Director, SparkPoint at Skyline College
- Sonya Caesar, Money Matters @ CCBC Program Director Coordinator of Developmental Education Community College of Baltimore County scaesar@ccbcmd.edu

- The following will be discussed:
  - Helping community college students achieve financial stability
  - An overview of SparkPoint centers and SparkPoint at Skyline College
  - CCBC’s commitment to financial empowerment and capability
Helping Community College (CC) Students Achieve Financial Stability by Increasing Their Financial Capabilities

Sarah Savage
Senior Evaluation and Learning Specialist
Federal Reserve Bank of Boston
sarah.savage@bos.frb.org
Why Is the Boston Fed Working with CCs?

• Alignment of goals related to financial stability and economic mobility of low- to moderate-income populations

• Poor educational and financial outcomes of many students of two-year public institutions

• Need for strengthened financial capabilities of students and individuals served by CCs

• Fit of financial capability work with community colleges
Some Facts about CC Students

- They are more likely to be nontraditional (financially independent, attending school part-time, delayed enrollment, working full-time, having dependents, being a single parent, having a GED or no high school diploma) than public 4-year students.

Source: Students with nontraditional characteristics by sector, 1999-2000 (Choy, 2002).
Some Facts about CC Students (continued)

- They are more likely to stop/drop out than public 4-year students.

Source: Six year outcomes by starting institution for fall 2006 cohort (Shapiro et al., 2012)
Some Facts about CC Students (continued)

- They are less likely to borrow student loans than public 4-year students.

Source: Non-borrowing Students Who First Enrolled in 2003-04 and Left Without Completing a Degree or Certificate by 2009 by Sector (U.S. Department of Education)
Some Facts about CC Students (continued)

- They borrow lesser amounts than public 4-year students.

Source: Amount borrowed among those enrolled at least 24 months (U.S. Dept. of Education)
Some Facts about CC Students (continued)

- They are more likely to default on student loans than public 4-year students.

Source: Official national cohort default rates by sector (Calculated July 26, 2014) (BPS, 2009)
Institutions Spend Ample Time Addressing Non-Academic Challenges

Percent of Community College Faculty Survey of Student Engagement (CCFSSE) Respondents, Who Indicated that Their Institution Spends “Quite a bit” or “Very much” time on the Following:

- Provide the financial support students need to afford their education
- Provide students support they need to thrive socially
- Help students cope with non-academic responsibilities (work, family, etc.)

Source: University of Texas at Austin, Community College Faculty Survey of Student Engagement (2013).
The Bottom-Line: CC Students Need Help Making Informed Financial Decisions Tied to Institutional Outcomes
What Are We Doing?

• Convening CC stakeholders and potential partners, supporters, and decision-makers to generate buy-in and foster connections and partnerships.

• Evaluating a two-year integrated asset-building, financial education/coaching, and college affordability pilot at three CC to assess viability and scalability.

• Exploring the development of an institutional-level indicator of a financially capable student body.
What Are We Doing? (continued)

• Deepening our engagement with CCs across New England to identify needs and opportunities.

• Disseminating resources and research to help inform this work at the institutional-level.
A Resource Handbook for CCs

Promoting Pathways to Financial Stability
A Resource Handbook on Building Financial Capabilities of Community College Students

July 2014 • The Federal Reserve Bank of Boston

Features
- Making the case for adopting a financial capability strategy
- Eight case studies on various efforts implemented at community colleges around the country
- Insights from community college students enrolled in personal finance courses
- A snapshot of financial capability efforts of New England-based community colleges

Description of Contents
- A message co-authored by Senior Vice President Richard Walker and Assistant Vice President and Director of the Financial Capabilities Group Sol Carbonell: A description of how the work with community colleges aligns with the mission of the Federal Reserve Bank of Boston.
- Making the case for adopting a strategy to build financial capabilities of community college students. The strategy is assessed against areas of need, evidence, resource availability, capacity to implement, and readiness of options.
- Eight case studies: The case studies describe individual financial capability efforts implemented at community colleges in different parts of the country. The types of efforts include educational matched savings programs, financial stability centers, peer mentoring, financial coaching, online financial education, and a virtual campus approach. Each study provides a description of the program, details on implementation, indicators of utilization and effectiveness, and challenges and funding.
- Insights from students in personal finance courses: In their own words, students provide details about their backgrounds, financial experiences, perspectives on and attitudes toward money, and how they apply personal finance concepts to financial goal-setting.
- A snapshot of financial capability efforts at New England-based community colleges as of August–September 2013: A description of institutional priorities, financial capability efforts, and perceived barriers to building financial capabilities more systematically is drawn from surveys completed by 34 community colleges in the region.
- Conclusion: An overview and implications for moving forward with financial capability efforts are offered.

Source: Federal Reserve Bank of Boston (June 2014).
What Outcomes Are We Seeking?

• CCs to commit to building the financial capabilities of their students.
• CCs to implement efforts that align with promising practices in the field of financial capabilities.
• For CCs to observe gains in the financial capabilities of their students.
• For efforts that demonstrate effectiveness to be institutionalized and brought to scale.
References


• Beginning Postsecondary Students Longitudinal Study (BPS), 2009; calculations by the authors.

• University of Texas at Austin, Center for Community College Student Engagement, Community College Survey of Student Engagement, 2013.
SparkPoint at Skyline College: Resourcing College Connection & Completion

William Watson, Ed.D.
Director
SparkPoint at Skyline College
william.watson @smccd.edu
Skyline College

• Mission: to empower and transform a global community of learners
• One of the 112 community colleges in California.
• Most diverse college in the system.
• Headcount = 10k per semester.
• “Jewel in the California Community College System” (Recent Accreditation Site Visit Team)

Source: [http://skylinecollege.edu/skylineshines/2013/10/24/skyline-shines-through-accreditation/](http://skylinecollege.edu/skylineshines/2013/10/24/skyline-shines-through-accreditation/).
What Is SparkPoint?

• SparkPoint is modeled on the Annie E. Casey Foundation’s Centers for Working Families.

• A SparkPoint Center integrates services provided by multiple organizations, which low-income families use to achieve financial stability.

• SparkPoint at a college campus supports institutional effectiveness/mitigates economic disparities.

• The Regional SparkPoint Initiative is a strategy of the United Way of the Bay Area to reduce poverty in the Bay Area by half by 2020.
SparkPoint at Skyline College

• Financial Education and Coaching Center supporting financial self-sufficiency (Annie E. Casey model: Centers for Working Families, now Working Families Success Network)
• Launched in January 2010.
• Skyline College provides primary staffing and administration. Integrated in Student Services Division.
• Bundles services to increase income, grow assets, build credit for students and others in San Mateo County (INCOME < 200 percent of Self Sufficiency Standard).
SparkPoint at Skyline College

**Program Logic Model for SparkPoint at Skyline College**

### Inputs

**What it takes**
- Context: A. Commitment and Vision of Executive Level Leadership 
- B. Strategic planning 
- C. Institutional effectiveness 
- Risk tolerant manager who excels in organizational complexity 
- Partnerships with community based organizations, government agencies, and foundations 
- Innovative funding strategies 
- Integrated student services & institutional programs 
- Human resources 
- Working Families Success Network 
- Simplified Basic Practice Model 
- United Way of the Bay Area 
- Regional SparkPoint Network 
- A. Technical assistance 
- B. Funding 
- C. Impact [Scale] 
- MDC / AEC National College Learning Network 
- A. Technical assistance] 
- B. Impact [Scale] 
- Efforts to Outcomes Database to inform strategy 
- Community informed cultural competence 
- Social justice framework 
- Behavioral economics 
- Household emphasis

### Activities: Coaching and Bundling 2 or more Service Categories

- Workforce/Education: 
  - Acquire Vocational Skills 
  - Increase Education Level 
  - Obtain Employment 
  - Workshops
- Finances: 
  - Access Banking/Financial Products 
  - Decrease Debt 
  - Individual Development Accounts 
  - Establish & Increase Credit Score 
  - Manage Finances (Including Savings) 
  - Education & Workshops
- Benefits Access: 
  - Advocate for Benefits 
  - Food Pantry 
  - Obtain Academic Financial Aid 
  - Obtain Affordable Housing 
  - Obtain Benefits 
  - Tax Preparation 
  - Workshops

**Participation:** Who we reach?
- Diverse population with household incomes below the self-sufficiency standard* for San Mateo County 
- Students (regardless of county residence) and 
- Other San Mateo County residents not entitled
- Other San Mateo County residents not entitled

### Outputs

#### Short Term – Economic Mobility
- (1 – 3 years)
- Clients will achieve Economic Mobility* by:
  - Increasing Income by at least 5% 
  - Increasing Credit Score by at least 5% (5% increase in at least one credit reporting agency score) 
  - Reducing Debt by at least 5% 
  - Reducing Savings by at least 5%

#### Long Term – Financial Stability
- (4 – 6 years)
- Clients will achieve Financial Stability* by:
  - Achieving Self-Sufficient Income 
  - Achieving a Credit Score of 700 or Above 
  - Eliminating Revolving Debt 
  - Accumulating Savings Equivalent to 3 Months of Living Expenses

### Outcomes – Impact

**Impact (7 – 10 years)**
- Clients will achieve Regional Impact: 
  - Along with other community/collective impact initiatives, cut Bay Area poverty in half by 2020 
  - Influence public policy to promote collaboration and improve service delivery to increase financial stability

**SparkPoint at Skyline College Impact:**
- Increase access to certificates and degrees 
- Improve college affordability 
- Strengthens persistence toward achievement 
- Expand accountability

---

Skyline College Mission: To empower and transform a global community of learners.

Source: [http://www.skylinecollege.edu/sparkpoint/about/LogicModel.php](http://www.skylinecollege.edu/sparkpoint/about/LogicModel.php)
SparkPoint at Skyline College (continued)

Personalized Financial Coaching

Bundling Services/Resources/Products

- Career and Technical Education + Integration with Student Services at Skyline College
- English Language Institute
- Financial Coaching and Education (Community Financial Resources; Opportunity Fund; San Mateo Credit Union; SAGE Financial)
- Grove Scholars Program ($90k, 2013 - 2014)
- Employment Services Center (Skyline College Career Center, CA Employment Dev Dept.)
- Assistance accessing public benefits (benefitscalwin.org CLASP AACC)
- Volunteer Income Tax Assistance Center
- Paralegal Studies Program | Legal Clinic
- Food Pantry ($150k distributed 2013-2014)
- Individual Development Accounts (44 students – savings + match = $86,862 | 2013 - 2014)

Bundling Services/Resources/Products (continued)

http://wfsncollegeguide.org/
Leadership

Skyline College President Regina Stanback Stroud. Member, President Obama’s Advisory Council on Financial Capability for Young Americans.

Skyline College Vice President of Student Services, Dr. Joi Lin Blake. Board member of the Chief Student Services Officers of the California Community Colleges.

Source: President’s Photo by Raul Guerr. Vice President’s Photo by William Watson.
Final Takeaways

• Fall/spring persistence rates for students who take up three SparkPoint services = 94 percent.

• Now part of Working Families Success Network – Community College Expansion

• Mitigating economic disparities to improve college connection and completion = institutional effectiveness and promotes inclusive excellence.
Community College of Baltimore County’s (CCBC) Commitment to Financial Empowerment and Capability

Sonya Caesar

Money Matters @ CCBC Program Director
Coordinator of Developmental Education
Community College of Baltimore County
scaesar@ccbc.edu
Macro View

Source: FY’12 CCBC Data
Bellwether Awards Presentation delivered by Sonya Caesar, Susan Delker, Sheldon Caplis, and CCBC President Dr. Kurtinitis, 2014
Photograph courtesy of Clark Vandergrift
CCBC’s Financial Empowerment and Capability Initiatives

MacMacro/Light Touch Intervention

Spring 2011
CCBC’s Financial Literacy Journey Begins:

• Secured Grant
• Created mini documentary
• 350 Freshman Students in Money Matters @ CCBC Pilot
• Not Content Specific/Micro savings Project

Fall 2012
Money Matters @ CCBC at Scale:

• 17,706 Students have been exposed to the Financial Literacy Curriculum.
• Collectively, students report saving close to $80,000 over the past six semesters.
• Financial literacy Program: 2014 Bellwether Award Recipient
The Journey Continues

Deeper Touch/Technology Infused Interventions

Fall 2012 - present
AtD/MDC/Bank of America Grant
• Created CCBC CARES (Community and Academic Resources for Education Success) Financial Coaching Program

Fall 2013 – present: ‘Save Me’: Virtual Reality Project
• Students in the ACDV 101 course will see ‘future’ avatar versions of themselves when they log into Blackboard (CCBC’s online learning portal).

• It is theorized that a person's future self is typically someone you are not acquainted with yet – a stranger (e.g., yourself with greyed hair) which can lead to diminished long-term/ future planning.
The CCBC Perspective

• An estimated 41 percent of our students live at or below the poverty level.*

*CCBC Planning, Research, and Evaluation department
FY 2014 PAR Documentation Report
Free Application for Federal Student Aid (FAFSA)/Pell eligibility is used as the proxy
Taking a Closer Look: CCBC C.A.R.E.S

Financial Coaching Program

Financial Coaching: Program Rationale and Overview

• Each semester a number of our students experience economic crises (e.g. job loss, eviction, utility turn-off notices, auto emergencies, etc.) that negatively impact their academic goals and ability to be successful.

• These ‘money worries’ may cause them to lose focus, affect concentration, drop out mid semester, and/or stop out.

• The CCBC CARES financial coach provide a one-on-one partnership with the student to develop attainable financial goals to overcome the adversity and create a realistic plan of incremental steps towards achieving them. The program works in partnership with the financial aid office and the CCBC Emergency Assistance Fund.

• SMART goals serve as the coaching framework – A smart financial goal is one that is Specific, Measurable, Achievable, Realistic, and Timely.

• Part of this intervention may include connecting them to institutional and community financial resources.
Taking a Closer Look: CCBC C.A.R.E.S Case Study

BB is 28 years old and a fulltime student on the basketball team.

• Student lives with elderly grandmother and mother.
• Mom suffers from multiple sclerosis and has five children ages 29, 28, 27, 21, 20.
• Mom lost her house and moved in with her mother and son.
• During coaching intake discovered that student was diagnosed with ADD as a child and bipolar disorder while incarcerated. Student disclosed that he has been self-medicating (marijuana) approximately every two days.
• When asked why he had not sought treatment he stated that he was embarrassed and doesn’t want to be called crazy.
• On two year probation for a felony charge of 1st degree assault/robbery, served six months.
• Student was stressed due to his living situation and caring for his sick mother.
• His current living situation is making it very difficult to study and save.
• SMART GOALS: He wants to help his mother with her deposit for a bigger place, save for an apartment and car, get a job and pass all of his classes. Student wants to learn how to maintain a house account and how to save for goals, medication and therapy, disability appeal, savings account, pay restitution, and pay off medical bills.
Lessons Learned

• Training/replication - Bank of America and Community College of Central New Mexico Financial Coach Training program did not fit ‘neatly’ into the community college environment.

• Assessment - The metrics used to measure outcomes was in need of adaption.

• Culturally responsive approaches language - Characterization/categorizing the partnership between student and the financial coach (e.g. novice, competent, etc. vs. tier of service needed).
# CCBC CARES Glimpse

<table>
<thead>
<tr>
<th>Data Item</th>
<th>Fall 2012</th>
<th>Spring 2013</th>
<th>Fall 2013</th>
<th>Spring 2014</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>The total number of students enrolled in your college during given semester</td>
<td>25188</td>
<td>22320</td>
<td>24275</td>
<td>TED</td>
<td>70023</td>
</tr>
<tr>
<td>The total number of students participating in financial capability activities*</td>
<td>5889</td>
<td>1884</td>
<td>3953</td>
<td>1783</td>
<td>11,509</td>
</tr>
<tr>
<td>The number of students receiving one-on-one financial literacy training or financial coaching</td>
<td>82</td>
<td>80</td>
<td>84</td>
<td>171</td>
<td>367</td>
</tr>
<tr>
<td>The number of students participating in financial capability workshops**</td>
<td>25</td>
<td>34</td>
<td>44</td>
<td>45</td>
<td>149</td>
</tr>
<tr>
<td>The number of students taking student success courses including portions of courses focusing on financial literacy</td>
<td>3832</td>
<td>1770</td>
<td>3825</td>
<td>1556</td>
<td>10,993</td>
</tr>
<tr>
<td>The number of students receiving income supports or work supports***</td>
<td>21</td>
<td>61</td>
<td>45</td>
<td>40</td>
<td>167</td>
</tr>
<tr>
<td>Number of volunteers assisting in financial capability program activities</td>
<td>0</td>
<td>7</td>
<td>11</td>
<td>8</td>
<td>26</td>
</tr>
<tr>
<td>Number of Bank of America volunteers assisting in financial capability program activities</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Number of students (percentage) who participated in financial capability programs in Semester who were returning in the next semester retention rate (Only for Fall to Spring)</td>
<td>N/A</td>
<td>92%</td>
<td>85%</td>
<td>TED</td>
<td>93%</td>
</tr>
<tr>
<td>Retention rate for all students compare to last year’s primary student success course &amp; all students</td>
<td>N/A</td>
<td>60% Fulltime</td>
<td>42% Fulltime</td>
<td>TED</td>
<td>51% Fulltime</td>
</tr>
</tbody>
</table>

Source: Prepared by Sonya Caesar  
MDC/Achieving the Dream/Bank of America CCBC CARES Final Report Fall 2012 - Spring 2014
Questions?
You have two options to ask questions today:

1. Email us at: communities@stls.frb.org.
2. Type your question into the chat box of the webinar.
Thank you to today’s presenters and to all participants for joining this session.

Next steps:

- All session materials are available on our web site and in the next few days we will be posting an audio file of today’s session.
- If you have topical suggestions for future sessions, or any questions about this program, please feel free to contact us at communities@stls.frb.org
- Information about future sessions will be posted on our website along with archived materials from past sessions: www.stlouisfed.org/connectingcommunities/
In connection with this session, you can find a variety of additional resources on this topic, available at www.fedcommunities.org.

It provides an array of practical resources to help you in your role as a community development professional, whether you work involves supporting people, places, the practice of community development, or small business development.