

Financial Capability Evaluation: Helping Practitioners Improve Outcomes

A learning series from the Financial Capability Demonstration Project



Citi Foundation



INTRODUCTION

To help close the gap between financial literacy and long-term financial security, in 2010 the Citi Foundation and NeighborWorks® America launched the Financial Capability Demonstration Project, a major partnership designed to study the best ways to establish and sustain effective financial capability and coaching programs for low- and moderate-income consumers. Over a two-year period, the partnership provided grant support as well as training, technical assistance, peer learning, and evaluation services to a selected group of 30 nonprofit organizations across the nation that were initiating new, or expanding existing, financial coaching programs.

Evaluation of financial coaching services was integrated into program delivery to the greatest extent possible. Each of the organizations in the learning cohort worked closely with Success Measures®, an evaluation resource group for nonprofits and philanthropy based at NeighborWorks America, to plan and implement an evaluation using the comprehensive set of financial capability data collection tools developed by Success Measures with broad field input. This brief describes how practitioners used those tools to improve outcomes during service delivery, and to evaluate results at the end of the demonstration project.

REDEFINING THE GOALS OF EVALUATION WITH PRACTITIONERS IN MIND

Evaluation of programs is crucial to gaining insight into what does and does not work, how best to adjust service delivery, and patterns and trends among clients. Yet, too often evaluation occurs only at the end of a project, is focused exclusively on informing funders and other outsiders, and is designed around the assumptions and language that reflect the culture of the evaluator, with less regard for the client.

For the financial capability field, Success Measures, drawing on the expertise of both practitioners and researchers, designed evaluation tools - including surveys, interview questions, and focus group guides - that met the needs of practitioners, with respect and sensitivity to their clients, and that provided real-time actionable insights. Success Measures team members, using the measurement tools, conducted site visits with practitioners and interviewed clients (both youth and adults) one-on-one, in English and Spanish. After the interviews, valuable feedback from clients about the tools often resulted in important changes, including specific wording, order of questions, or language translation.



Move beyond documentation of outputs (how many clients served) to capture how clients' attitudes and behaviors actually changed as a result of specific financial capability programs (outcomes).



Be culturally relevant to the client base, using language and measures of change that have meaning to them, while being sensitive to the personal nature of the information being asked for.



Be easy for practitioners to customize to their program design.



Provide information that can be used during service delivery to improve outcomes.

QUESTION SETS CAN EASILY BE MIXED TO CREATE CUSTOM TOOLS

The financial capability evaluation tools are designed as short sets of questions that can be used in surveys, one-on-one interviews, or focus groups. These modules are easy to mix and match into a custom evaluation for each organization or program. The financial capability modules are grouped into the following categories:

- Individual/Family/Household Characteristics and Financial Status
- Financial Behavior
- Financial Attitudes
- Non-Financial Aspects of Well-Being and Security
- Informal and Communal Assets
- Asset Preservation - Foreclosure Mitigation

The Success Measures tools, measuring changes in financial behavior and attitudes and how financial capability programs affect personal well-being, security and other non-financial assets, were developed to fill a gap identified by practitioners for easy-to-use, culturally relevant tools to assess these critical outcomes. In addition, while many organizations have existing tools and processes for gathering the basics about their clients' personal and financial data, such as demographics, income and benefits, tools covering these topics were included for organizations just launching financial capability programs. The **financial capability evaluation tools** can be used alone in print via free download or through the **Success Measures Data System (SMDS)**, a cloud-based subscription service that allows organizations to collect and manage data, share it with partners or funders, and analyze and create reports for learning.

“[The tools] are comprehensive, well-thought-out and easy to use. Sometimes I learned things I didn’t know, or that I only knew anecdotally, but never had any way to document.”
– East Bay Asian Local Development Corporation

EVALUATION TOOLS SUPPORT THE PRACTITIONER THROUGHOUT SERVICE DELIVERY

Practitioners in the demonstration project used the tools most relevant to their programs. They found that information was easy to collect at various points during service delivery, rather than waiting only until the end. And, importantly, the data they gathered helped in many ways to improve outcomes for their clients. Some examples of uses, insights, and strategies from the demonstration project practitioners are highlighted below.

1. UNDERSTANDING CLIENTS’ ISSUES AND NEEDS

Many organizations found that systematically collecting data about their clients at the beginning of services through a survey or interview provided them with a much better understanding of their clients’ experiences. This “baseline data” – collected before services start so it can be compared later – informed program design and delivery.

Challenging Commonly-Held Assumptions About Clients and Their Financial Behavior

Many practitioners found that one or more assumptions about their client’s attitudes and behaviors turned out not to be true. Understanding the realities of their clients’ lives helped them adjust content and priorities of coaching and supplemental training.

- *Mission Economic Development Agency in San Francisco* reported that it was surprised that its clients were generally not using payday lending products.
- *The Latino Community Credit Union in Durham, NC* discovered that, contrary to its assumption that the majority of its clients were newly arrived immigrants, the majority had, in fact, been in the United States for five years or more.

- *Brand New Day in Elizabeth, NJ* learned that, contrary to its beliefs, age was not a factor in financial capability. Some of the same issues of spending, overuse of credit and lack of knowledge about money management existed for teens, young adults and seniors.

Uncovering New Financial Issues Facing Clients

Using a more detailed and systematic gathering of information about clients’ financial lives often turned up important new trends – such as acquiring significant student loan debt without actually graduating – which practitioners could immediately address through design of new program content.

- *The New York-based Financial Clinic’s* more detailed data on clients’ debt and savings revealed surprising statistics regarding the sum of its clients’ student loan debt and the pervasiveness of medical debt.
- *North Texas Housing Coalition in Dallas* learned that many clients were carrying student loan debt with no graduation degree because they lacked understanding about transferable college credits, school accreditation, scholarships, and other aid. Coaches were able to provide information about debt management options in a more effective and targeted manner.
- Evaluation data collected by *Brand New Day* showed that most of its clients were not saving for retirement. This knowledge motivated Brand New Day to develop curriculum that included information on retirement savings, and to incorporate that material into financial coaching sessions.

“It was useful to learn that participants are carrying debts from educational loans although they do not have degrees or jobs to substantiate the debt. [As a result, we] plan to create a “Booster Shot” session to educate participants on other sources of financial aid and accreditation standards for schools. We believe the “Booster Shot” will change the patterns of poor decision making when attending post-secondary schools.”

– Urban League of Broward County

2. ENHANCING SERVICE DELIVERY

Based on collected data, several practitioners planned changes aimed at improving client selection processes to ensure that each client was ready to fully benefit from a particular service and, therefore, see much better outcomes. Changes to selection processes include initiating orientation sessions, developing a formal application process, or narrowing criteria for coaching referrals. Others planned to modify the content and focus of their financial capability programs by emphasizing specific topics and skills, spending more time discussing and examining financial behaviors, and adding new content to address specific challenges encountered by coaching clients.

Identifying Clients Ready for Coaching

Financial capability services work best when they are well-matched to each client’s circumstances. Coaching, for example, works best for clients who are ready to take the lead in pursuing their financial goals. Understanding the compatibility between clients and services helps improve outcomes.

- *CASA de Maryland in Hyattsville, MD* learned that its Citizenship Maryland Loan Program clients were better able to take advantage of financial coaching than clients in other programs; they subsequently planned to market coaching services primarily to those participants.
- *Community Housing Works in San Diego* felt that the most useful discovery from the evaluation was that clients who focused on a specific, tangible goal were better able to successfully complete the program and save. CHW plans to refocus its selection process on individuals committed to reaching specific goals.
- *The Latino Community Credit Union* discovered that newly arrived families needed more time to settle before receiving comprehensive financial coaching in a group setting. Instead, the credit union found that these clients had better success by reviewing basic concepts personally with staff in the branch setting.

Understanding Clients’ Needs

Important data collection on clients was merged seamlessly into intake procedures, allowing for real time customization of individual and program-wide expectations, goals, content and coaching.

- *The Urban League of Broward County in Fort Lauderdale, FL* discovered that participants needed additional education on financial topics beyond budgeting. The organization responded by implementing “Booster Shot” sessions on education loans and enlisting community partners to make coaches and participants aware of various insurance options.
- *NeighborWorks Orange County in Anaheim, CA* felt that the information collected helped its staff better understand client needs, including the recognition that its coaching program best suits clients with a desire to begin using a budget, curb impulsive buying, pay off significant credit card debt, and save more money.

Tailoring Curricula to Different Populations

Data collected at the outset of services also helped practitioners quickly identify sub-groups of clients with special interests and needs, such as different life stages including college, business startup or retirement; this allowed for content to be tailored to each group.

- *Cabrillo Economic Development Corporation in Ventura, CA* planned to enhance its curriculum by incorporating more motivational focus group sessions. For example, information about student loans and financial preparation for college would be placed in CASH for College Students. Other focus groups would include CASH for Women or CASH for Couples.
- Evaluation results from *Community Development Corporation of Long Island in Centereach, NY* showed that 67% of its participants had some type of savings, but only 44% felt they could weather a financial crisis, particularly if it was job-related. As a result, CDCLI refocused their efforts on budgeting and spending to better prepare clients to weather a financial setback.

3. INTEGRATING DATA COLLECTION INTO COACHING DELIVERY

Data collection for ongoing client-level evaluation is most sustainable when effectively integrated into program delivery. Demonstration project coaches were able to effectively use the data collection tools in ways that helped them engage their clients in dialogue on a full range of financial issues.

Using the Evaluation to Help Clients

Discuss Personal Issues

Talking about financial matters is difficult for most people. Practitioners found that using the data collection interview tool as part of intake helped break the ice and make it easier for both them and the client.

- *Community Housing Works* reported that use of the data collection tools helped coaches create a constructive dialogue with clients in the first coaching session by moving through a logical series of questions related to goal setting, budgeting, savings, credit, and debt management. This helped to create a holistic picture of the steps the client would be taking in the coaching relationship.
- *Latino Economic Development Corporation in Washington D.C.* discovered that business development staff found administration of the data collection tools useful in providing a window into the personal financial behaviors of clients seeking to become successful business owners.
- *Foundation Communities in Austin, TX* administered surveys during the first coaching sessions and found that this process served as a conversation starter which helped coaches quickly gain a more complete understanding of the client. Staff also became more comfortable having tough conversations with participants at earlier stages of the coaching relationship.

Assessing Timing of Collecting Sensitive Information from Clients

Some practitioners found that asking for information from clients through surveys at different points in the process allowed them to gradually get more data as the clients developed more trust in the coach.

- *Community Housing Works* used a combined approach when getting evaluations completed after learning that some personal financial information is better obtained once a trusting relationship has developed between the client and coach. Clients filled out intake forms and a preliminary ques-

tionnaire prior to their coaching sessions, but completed the Success Measures evaluation tools jointly with their coach. CHW also provided clients with a free tri-merge credit report as an incentive for completing the survey process.

- *Urban League of Broward County, FL* reported that providing the assessment tools throughout the coaching relationships, instead of distributing them at just one point, was responsible for their 78% completion rate.

Collecting Data Through Client Interviews

- *Integrating survey tools into service delivery allows for an interactive method of collecting data that is more personal and builds relationships with clients.*
- *Financial Guidance Center in Las Vegas, NV* found that having a financial coach walk clients through the surveys in follow-up sessions was far more effective than mailing or emailing the surveys.
- *Asian Americans for Equality in New York* also decided to complete the evaluation for the client using an interview process. Clients were more responsive when they didn't need to read through questions and they preferred to answer questions verbally; this was especially useful because many clients needed questions translated.

Ensuring That the Purpose of the Evaluation is Understood by Clients

Another benefit of incorporating data collection throughout service delivery is the opportunity to clarify expectations and commitments of participation early in the process. Ultimately, this clarity can result in greater response rates to post-service inquiries, which allows for more insight into program strengths and weaknesses.

- *Bedford Stuyvesant Restoration Corporation in Brooklyn, NY* initially encountered challenges by not establishing an upfront commitment from clients to participate in, and be accessible for, the entire project, including the follow-up survey. The organization moved to conducting phone assessments in the evenings and on weekends to increase chances of reaching clients who were participating in the project.

“This project has allowed us to rethink how we run our existing financial programs...
prior to coaching only 55% of our clients currently had a savings account.

By the end...we were ecstatic to see that this percentage had increased to 97.44%. “

– Mexican American Opportunity Fund

BUILDING A CULTURE OF EVALUATION AND LEARNING

Using the financial capability evaluation tools to track and analyze changes in financial clients' progress can be done in a practical, systematic way that can lead to improved outcomes for organizations and the people they serve. The evaluation component of the demonstration project allowed practitioners to collect information – on financial status, savings, debt, and credit behaviors – that had direct relevance to their clients' lives.

By learning to document and track change that had been considered hard to measure, nonprofits in the demonstration cohort not only gained a deeper understanding of their clients, but a more nuanced awareness of, and appreciation for, how behavioral change actually takes place. Participating organizations noted that the process of learning about their clients was, in many ways, as useful as tracking the changes in their clients' outcomes over time.

For many of the organizations, this evaluation was the first time they had collected client-level outcome data. Other organizations were sophisticated in the use of data, but were new to adapting their program delivery to include collection of longitudinal data. By the end of the project, many organizations had developed successful strategies for integrating an evaluative approach at all levels of their organization. Practitioners also learned how evaluation data can be used to better serve their clients and, specifically, how the data collection tools themselves can be used to enhance one-on-one coaching sessions.

Finally, practitioners found the data to be invaluable for use in educating their own staff, reporting to funders of the program to enhance trust and partnerships, and to cultivate credibility in proposals for new funding and partnerships.

The Success Measures financial capability evaluation tools are available via free download or through subscription to the **Success Measures Data System**. To learn more about related trainings and technical assistance services, go to www.successmeasures.org