

# FINANCIAL CAPABILITY PROGRAM

## Annual Survey Results

Capstone's 2018 Annual Financial Capability survey, sent to individuals who had received counseling or attended financial education classes, shows:

- 50%** of respondents have set aside money for savings
- 76%** of those respondents have started saving regularly
- 62%** of respondents have taken steps to improve their credit score
- 42%** of those have increased their score
- 87%** reported that working with a financial coach or attending a class was helpful in reducing their debt

### Testimonials:

*"This was a great experience for someone who struggles with their finances. Before, I was afraid of dealing with these issues. Now I'm more confident with how I handle my finances. Thank you!"*



*"The classes are GREAT. My meetings with (my counselor) have been invaluable. I leave with a clear list of goals and expectations. (My counselor) is thorough and answers all of my questions/concerns."*

CVOEO's 2018 Annual Financial Futures Program survey reports:

- 83%** of respondents feel more financially secure after working with a Financial Coach
- 56%** of respondents started saving money after working with the Financial Futures program
- 79%** of respondents reduced spending after working with Financial Futures Program

### Testimonials:

*"Before my involvement with Financial Futures, I didn't know about all the different steps I actually could take to improve my situation—but your coaches and advisers have helped so much."*

*"After taking the two classes and working with (Financial Futures) I went from a mid-500 credit score to a very high 700 credit score!"*

## An Overview

Most Vermonters can agree that between paying for housing, childcare, transportation, food, loan obligations and utilities, there's often not a lot of income left over for saving.

That's where Vermont's Community Action Network can help. With our comprehensive financial education and financial coaching services, which vary by agency, our staff work directly with low and moderate income Vermonters to help them assess their financial situation's, determine their options, and create financial goals.

Our statewide staff, which consists of program coordinators, financial coaches, and accredited financial counselors, are trained to provide appropriate and meaningful personal finance guidance to Vermonters who are having difficulties paying down debt, saving money, or managing their transportation or housing costs.

By assessing the situation and meeting the client where they are financially, our staff work with individuals and families to help them build economic opportunity and a better financial future.

## Programs and Services

Programs and services vary by Community Action Agency (CAA) based on current funding and include:

- Budgeting support
- Debt reduction planning
- Savings strategies
- Credit Building services
- Financial education classes
- Student Loan repayment counseling

Two of the five CAAs offer dedicated financial coaching and counseling services. Capstone Community Action and CVOEO have a combined three full time AFCPE® Accredited Financial Counselors and two part time financial coaches. The Vermont CAA Network is requesting \$500,000 to support continued services at Capstone and CVOEO and to expand services to SEVCA, NEKCA, and BROC.

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## \* A SAMPLING OF THE WORK WE'RE DOING NOW \*

### **BROC Community Action in Southwestern Vermont (BROC)—life after incarceration**

Shelly Faris, Team Leader of the Economic and Workforce Development Program at BROC, offers a monthly financial capability workshop to inmates at Marble Valley Correction Facility in Rutland. Financial topics include credit building, managing student loans, and opening up a bank account after incarceration. Inmates are also educated on the community resources available to them after they are released from jail, such as housing supports and fuel assistance. Faris works in small groups and allows the inmates to drive the financial conversation according to their interests and questions. Faris states, "BROC's mission, as 'community action' is to improve people's lives, and this is definitely a sector of the community that I feel we can help."

### **Capstone Community Action—student loan counseling and support**

Amanda is in her mid-thirties and recovering from opiate addiction. Through a partnership with Vermont's Reach Up Program which offers financial incentives to work with a financial coach, she met with Capstone to work on budgeting and credit building. After reviewing her credit report she saw that she had just under \$6,000 in federal student loans in default. Amanda did not know that the balance was increasing due to interest, and she didn't understand that eventually she would have to pay back the loans either through a payment plan or worse, through forced wage or tax return garnishment. Amanda and her coach met for several weeks to resolve the problem. She is now in a 9-month rehabilitation program, paying \$5.00/month. Once the 9-months is up, she will begin paying on an income-based repayment plan. By then, she anticipates that she will be working. Amanda said, "you helped me more than I knew I needed with my finances, so thank you very much!"

### **Champlain Valley Office of Economic Opportunity (CVOEO)—debt management support**

NG, a single mother on Reach Up, worked with Financial Futures to meet several goals related to savings, debt, and credit. CVOEO's Financial Coach found two mistakes on her credit report that she successfully disputed. When she received her 2017 tax refund, she worked with her coach to make a plan to use some to settle high priority debts and put some money in savings. She paid off a \$2,000 debt to CCV, allowing her to access her transcript and continue school and paid down the remaining \$2,400 of her car loan. In addition, she saved \$500, of which \$250 was matched dollar for dollar through the Reach Up Financial Incentive Program.

### **Northeast Kingdom Community Action (NEKCA)—budgeting assistance for seniors**

Seniors in the Northeast Kingdom often live on a limited income and depend on the resources of their local Community Action Agencies. Mary, who spent her entire career as a nurse and caretaker, was now unable to work at the age of 60 due to back pain. She had already created a network of support with help for subsidized housing, SNAP benefits, SSDI and medical care. She came to NEKCA for additional budgeting assistance. She was frustrated as she felt she was doing all she could and still could not make it through the month financially. She had to use her credit card to pay for medication, and as a diabetic she felt limited using the food shelf. Mary benefited greatly from one-to-one financial coaching: she wanted to maximize her income and figure out how to ease her cash flow. She had to make some tough choices and compromise on things that most people take for granted. For example, going to the library to take out a free movie instead of having cable, might not seem that significant, but it is to someone who has spent their entire life working.

### **Southeast Vermont Community Action (SEVCA)—financial coaching in recovery**

SEVCA's part-time matched savings program coordinator offers financial fitness classes and workshops to local non-profit programs serving vulnerable populations. SEVCA is currently working with the executive director of Turning Point of Windham county to arrange financial fitness workshops. Turning Point provides services, free of charge, that help improve the health and welfare of people whose lives have been affected by addictions and who are pursuing recovery. Most guests are low to moderate income and not only recovering from addiction, but also may be navigating other life transitions and dealing with the aftermath of their addictions. Financial coaching and workshops are services that can support people who are returning to the community after incarceration, seeking shelter or employment, or reuniting with their families.