



# **SUCCESS STORIES: INTEGRATING FINANCIAL EMPOWERMENT AND SOCIAL SERVICES**

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*The views and conclusions of this report are those of National CAPACD alone and do not reflect the opinions of our funders.*

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## INTRODUCTION

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National CAPACD's financial empowerment program began in 2014 as a way to strengthen the financial well-being of low-income Asian American and Pacific Islander (AAPI) families and communities. Because many low-income and immigrant AAPI communities need to build their credit, our financial empowerment programs started with a focus on this topic. We support our member organizations which provide culturally appropriate credit building financial products coupled with financial coaching and financial education workshops.

Over the past five years National CAPACD's member organizations have served clients across the US, many of whom are extremely vulnerable due to their very low incomes, limited English proficiency, and status as immigrants. Across the board, the data from these organizations shows an increase in financial capability among those served by the programs. Clients and families have learned to budget, opened savings and checking accounts, started to save on a regular basis, and learned their credit scores.

Integrating credit building or more general financial empowerment programming into other types of social service programs is highly effective. This is intuitive for work such as housing counseling and small business coaching because these are services based on finances. Less immediately intuitive is coupling financial empowerment work with issue (e.g. domestic violence) or constituency (e.g. senior services) focused work. However, trusted relationships between service providers and their communities allow for successful integration of financial empowerment work. Integrating elements of financial empowerment services increases the number of clients who receive high-demand services such as English as a second language classes in immigrant communities.

This report highlights three member organizations that have successfully integrated credit building into other types of programs, including small business, housing counseling, and senior services. National CAPACD hopes that the examples provided by these three organizations will be helpful to other organizations which are considering how to integrate credit building and other types of financial empowerment into their other social service work.

# HISTORY OF FINANCIAL EMPOWERMENT PROGRAMS AT NATIONAL CAPACD

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At the height of the foreclosure crisis, National CAPACD supported some of its member organizations to become housing counseling agencies to reduce the number of low-income AAPI families who were losing their homes. National CAPACD knew that addressing only the foreclosure crisis was treating a symptom but not working to address the much larger problem of financial instability in low-income AAPI neighborhoods. National CAPACD could intervene against financial instability long before families are at risk of foreclosure. In 2014, the Citi Foundation provided initial funding to launch a pilot program supporting four member organizations to develop credit building financial empowerment programs. Each organization offered in-language financial education and financial coaching with access to credit building financial products. Over time, this work has also been supported by the W.K. Kellogg Foundation and the JPMorgan Chase Foundation.

Over the past five years National CAPACD worked with 12 organizations to provide their clients with credit building financial empowerment services. Five of the organizations participated for only one year while the other seven took part in the program for two or more years. Seven members currently serve a range of AAPI communities across the country. Each organization has significantly increased its ability to provide financial empowerment services to its clients, with a focus on accessing credit building financial products. At the start of the project, each of the participating organizations learned to operate Lending Circles™. Mission Asset Fund (MAF) administers Lending Circles™ that build on the foundation of informal lending circles which are culturally familiar in many AAPI communities. In MAF's Lending Circles™, each on-time payment to the circle is reported to credit bureaus, so participants build their credit while they save money. Since 2014 National CAPACD's member organizations have operated 107 Lending Circles™ in 9 cities with a total of 686 participants.

The member organizations built their capacity to run Lending Circles™ and delved deeper into their clients' needs. Some organizations found that Lending Circles™ met their clients' needs to save and build credit while other organizations found that other financial products were a better fit for their clients' needs. Additional credit building products offered by member organizations include secured credit cards and matched savings products. Since 2014, National CAPACD's credit building initiatives alone have supported organizations to serve over 1,750 clients. This does not include several other types of financial empowerment programs run by National CAPACD during this period.

At the start of the program, member organizations integrated financial empowerment into their housing counseling programs. As the program expanded, some member organizations also found innovative ways to integrate their financial empowerment work into other types of social service programming. This makes

## FINDINGS FROM DATA

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the programming more accessible and appealing to community members. Because of the financial aspects of buying a home or starting a business, integrating credit building and financial empowerment into housing counseling and small business programs made sense to both organizations and clients. Other organizations found that building on clients' trusted relationships with staff in programs such as senior services or gender empowerment make integration an effective way to introduce these clients to financial empowerment. Still other organizations find clients eager to engage in financial empowerment services that are integrated into other programs that clients have a high demand for, such as English as a second language or job readiness. National CAPACD continues to fund organizations as they integrate credit building and other forms of financial empowerment into their work.

### FINDINGS FROM DATA

Over five years National CAPACD has supported five cohorts of organizations to build their financial empowerment programs. Each of these cohorts was asked to administer pre- and post-surveys to the families they served to measure changes to family financial stability and well-being created by the financial capability programs. The data in this section represents four of the five cohorts. There was an insufficient number of post-surveys from the second cohort to include it. The data from the most recent cohort is included in the demographic information about families served (charts 1-3), but excluded from the outcomes charts (charts

4-7) because National CAPACD used a different data collection tool. These data are discussed separately.

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*The clients served are some of the most vulnerable in the AAPI community. Three out of four clients present with limited English proficiency and almost ninety percent are immigrants... More than half of clients are not US citizens and more than three out of every five clients have an annual family income of less than \$30,000*

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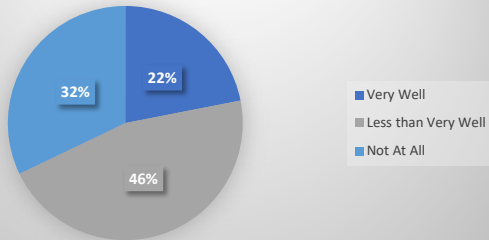
The typical client served in this program by National CAPACD member organizations is a woman in her 40s who is an immigrant to this country and has limited proficiency in English. She is not a US citizen, and she has an income of less than \$30,000 per year. Overall, clients served are three quarters female and one quarter male, with the majority (nearly 60 percent) being 30 to 50 years old. One in five clients is between 18 and 30 years old and just fewer than one in five clients is older than 50.

The clients served are some of the most vulnerable in the AAPI community. Three out of four clients present with limited English proficiency and almost 90 percent are immigrants. As seen in Charts 1, 2, and 3, more than half of clients are not US citizens and more than three out of every five clients have an annual family income of less than \$30,000, with nearly two out of those five earning less than \$20,000 per year. This is especially stark because most of these families live in some of the most expensive rental and housing markets in the country.

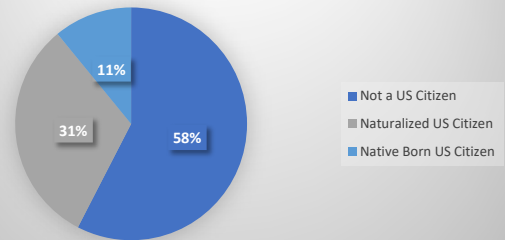
# FINDINGS FROM DATA

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**Chart 1: Percent of Clients who Speak English**

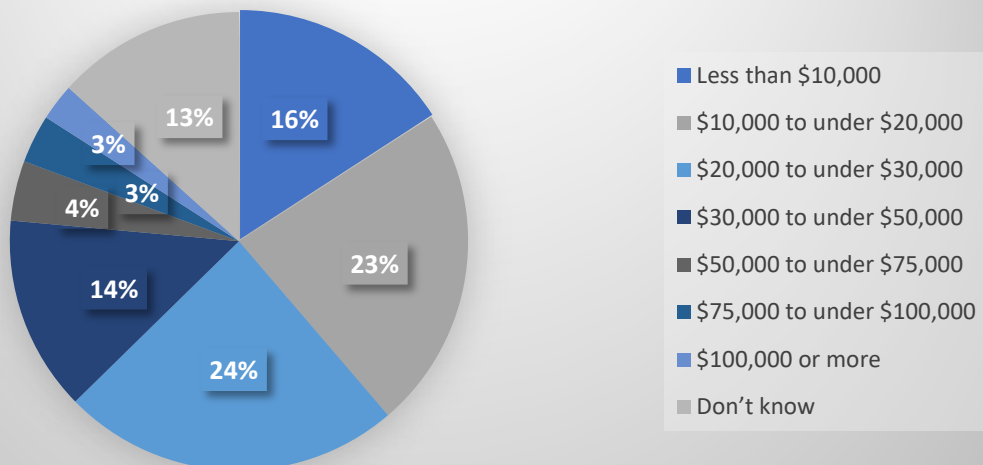


**Chart 2: Percent of Clients by Citizenship Status**



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**Chart 3: Percent of Clients by Total Family Income, Before Taxes**

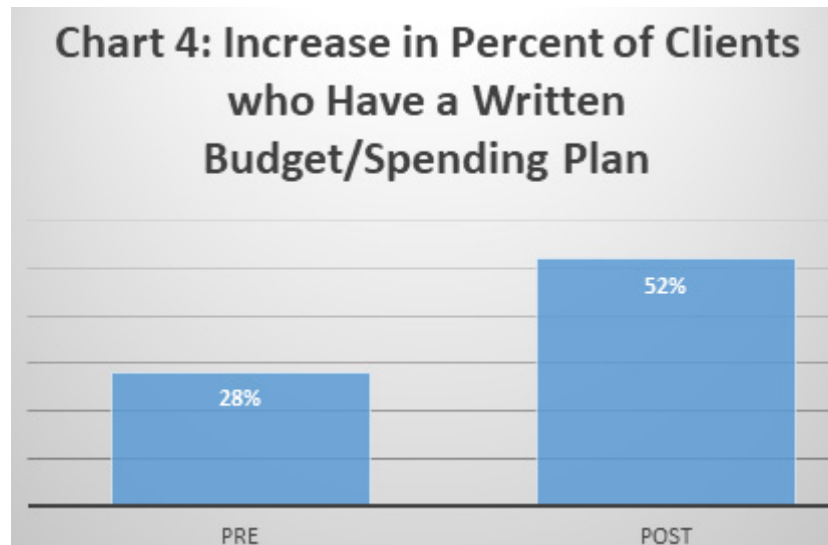


## FINDINGS FROM DATA

An analysis of changes in behavior demonstrates clearly that financial empowerment services have a significant impact on the financial lives of these vulnerable families. A detailed analysis of improvements in financial behavior related to financial empowerment work is below.

### BUDGETING

Developing a written family budget is one of the first things that clients learn when they work with a financial coach. It can be an eye-opening tool to record and measure how the family is spending their money. By analyzing their budget, a family can identify areas where they can reduce their spending so that they can save money or pay down debt. As seen in Chart 4, a significant number of families created budgets for the first time.



### BANK ACCOUNT OWNERSHIP

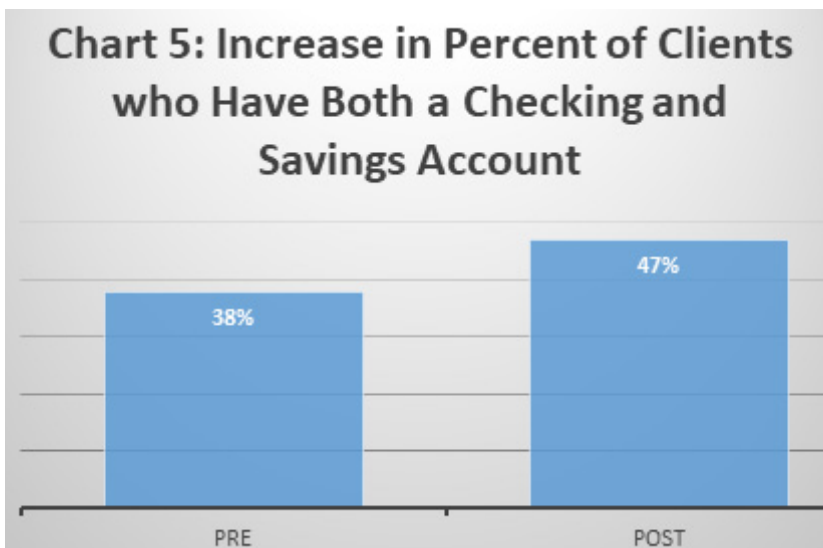
Having a bank account is also an important marker of financial stability because keeping money in a bank account protects against theft or loss of cash. Savings accounts help families with larger purchases or emergencies, and any kind of account ownership gives families access to other financial services (e.g. check cashing and debit cards which they might otherwise have to pay high fees for). Recent AAPI immigrants and those with limited English proficiency rely heavily on cash so providing access to bank accounts is especially important for this community<sup>1</sup>.

<sup>1</sup> Condon, A., Duong, J., Pisanont, J., Pech, C., Ong, P., and De La Cruz-Viesca, M. (2015). Scrimping + Saving: A report on financial access, attitudes and behaviors of low- and moderate-income Asian Americans and Pacific Islanders (pp. 1-26, Rep.). National CAPACD.

## FINDINGS FROM DATA

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Overall, AAPIs have higher rates of bank account ownership than many other communities of color. Many access banks so that they can wire money to family overseas. Many are still underbanked, however, and do not utilize all the services they could access at a bank<sup>2</sup>. After participating in financial empowerment programs a greater number of families opened both checking and savings accounts. Families recognized the value of being banked, and received access to bank accounts with help from providers. Staff sometimes interpreted for clients at the bank in addition to orienting clients to the US banking system.



## MONTHLY SAVINGS

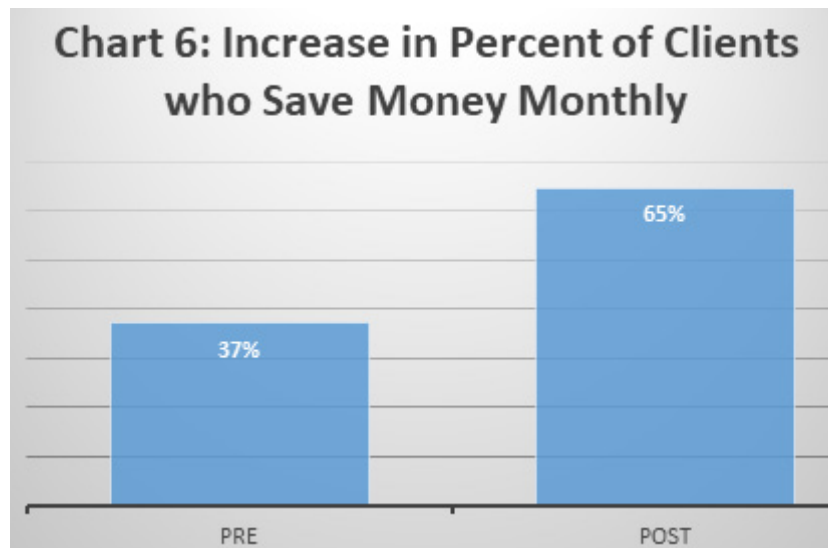
Many financial empowerment programs focus on increasing a family's savings, either to achieve a financial goal like a home, car, or college education, or to have a savings cushion for emergencies. While most families served by National CAPACD member organizations started to save at least some of the time, the largest increase is in the number of clients who started to save on a regular monthly basis (28 percentage points).

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<sup>2</sup> Ibid., 3.

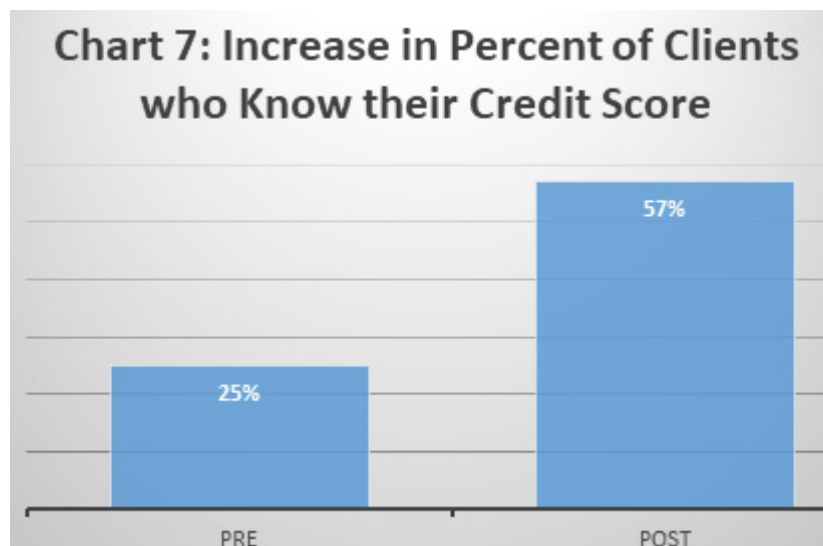
## FINDINGS FROM DATA

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### KNOWLEDGE OF CREDIT SCORES

Many financial empowerment programs routinely pull a client's credit report and teach the family about the importance of building credit. Credit is an asset that allows families to borrow money to pursue their dreams such as home ownership or higher education. Credit is also becoming increasingly important to landlords and employers who sometimes require certain credit scores to rent a home or be hired for a job. Most new immigrants need to establish credit in the US and others need to rebuild their credit. Sometimes pulling a client's credit report can also show if they have been a victim of identity theft and their credit has been used without their knowledge. Member organizations in the program help with all of these issues. As seen in Chart 7, clients leave the program knowing their credit score in much higher numbers.



# FINDINGS FROM DATA

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## FINANCIAL WELL-BEING SCORES

Data from the most recent cohort of clients served, Cohort 5, cannot be combined with the findings from the previous 4 cohorts. This is because in 2017 National CAPACD changed its data collection method to measure financial well-being. Organizations are now asked to administer the Consumer Financial Protection Bureau's (CFPB) Financial Well-Being questionnaire to evaluate the effectiveness of their program's services<sup>3</sup>.

The Financial Well-Being Scale is a list of ten questions designed to measure the degree to which an individual has financial security and financial freedom of choice in the present and in the future<sup>4</sup>. The scale produces a financial well-being score that falls between 0 and 100 and this score allows an organization to benchmark a client's financial well-being and measure its changes over time. National CAPACD changed its data collection method because the Financial Well-Being survey is simpler, faster to administer, and more clients are able to complete the survey independently. These advantages alleviate the administrative burden on clients and front-line staff to completing the survey process and increase the accuracy and completeness of data collection.

The CFPB survey is also a standardized and validated measure of financial well-being that was developed using a pool of 55,000 people with a representative distribution mirroring that of the US population<sup>5</sup>. Research has linked a client's Financial Well-Being Score to their experience of material hardships and degree of difficulty making ends meet<sup>6</sup>. In other words, the Financial Well-Being score is actually an effective indicator of a person's overall financial status.

Among clients of member organizations who took the survey, the average pre-score was 51 and the average post-score was 52. According to the CFPB, even a small change in CFPB scores represents a significant change in financial wellness for clients and increases a client's likelihood to pay for basic expenses. The CFPB found that the average Well-Being Score is 54 for adults in the US with 51 percent of the US adult population falling between 40 and 60. A score of 52 places a client in the Medium High Score Range (50-57). More than half of people with scores in this range have automated deposits into a savings or retirement account and few experience food insecurity or hardship on a regular basis. Credit can still be a struggle

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<sup>3</sup> Readers can view the CFPB Financial Well-Being Scale in Appendix A of this report.

<sup>4</sup> [https://files.consumerfinance.gov/f/201512\\_cfpb\\_financial-well-being-user-guide-scale.pdf](https://files.consumerfinance.gov/f/201512_cfpb_financial-well-being-user-guide-scale.pdf)

<sup>5</sup> [https://files.consumerfinance.gov/f/documents/201709\\_cfpb\\_financial-well-being-in-America.pdf](https://files.consumerfinance.gov/f/documents/201709_cfpb_financial-well-being-in-America.pdf)

<sup>6</sup> Ibid.

## SUCCESS STORIES

for people in this range because only a minority are able to pay off their credit cards in full each month<sup>7</sup>. 32 percent of people with scores in this range have difficulty making ends meet and 21 percent experience material hardships<sup>8</sup>.

### BOOSTING ENTREPRENEURSHIP THROUGH FINANCIAL EMPOWERMENT

#### ASIAN ECONOMIC DEVELOPMENT ASSOCIATION'S INTEGRATION OF FINANCIAL EMPOWERMENT AND SMALL BUSINESS

AEDA Organizational Profile	
Year FE Program Started	2015
AAPI Languages Spoken	Hmong, Vietnamese
AAPI Populations Served	Asian Indian, Cambodian, Chinese, Filipino, Hmong, Tongan, Vietnamese, Other
# of FT business counselors	2
# of FT staff organization wide	6
Credit Building Products Offered	Credit builder loans Small business loans

Asian Economic Development Association (AEDA) is a community-based economic development association and micro lender. Its mission is to increase economic opportunities for low-income Asian Americans in Minnesota's Twin Cities, many of whom are first and second generation immigrants. The organization's small business program began in 2008 in

response to transit-oriented development that threatened to displace the Twin Cities' AAPI small business community. In Minnesota, AAPIs account for 5% of the total population; within that, Southeast Asians comprise half of all AAPIs. AEDA's founders were concerned that the business development agencies in the area were not serving the AAPI community in culturally appropriate ways and created AEDA in response to the growing needs of their community. AEDA has found it challenging to find the right allies and partners in governmental and financial institutions who recognize the needs of AAPIs in their community.

#### WHY PROGRAM INTEGRATION?

AEDA provides business counseling, training, technical assistance, credit assistance, and small loans to new and existing small business owners. In recognition that financial empowerment is key to the success of its entrepreneurs' ability to un-

7 [https://files.consumerfinance.gov/f/documents/cfpb\\_financial-well-being\\_toolkit.pdf](https://files.consumerfinance.gov/f/documents/cfpb_financial-well-being_toolkit.pdf)

8 [https://files.consumerfinance.gov/f/documents/201709\\_cfpb\\_financial-well-being-in-America.pdf](https://files.consumerfinance.gov/f/documents/201709_cfpb_financial-well-being-in-America.pdf)

## SUCCESS STORIES

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derstand their finances, qualify for traditional loans, and operate a business, AEDA expanded its community development work to include financial empowerment and credit building services in 2015. Serving over 150 entrepreneurs annually, AEDA offers access to credit building financial products and one-on-one coaching to entrepreneurs who have little to no access to capital or services. AEDA staff go the extra mile to assist their clients, many of whom are limited English proficient or lack financial literacy, to gather documentation or create individualized business plans.

### BEST PRACTICES AND CHALLENGES

For micro-entrepreneurs who eventually want to start a small business, AEDA provides a \$300 credit builder loan combined with one-on-one financial coaching to help clients build their credit. Through this approach, AEDA helps its clients better understand their own finances, build credit, and demonstrate their readiness to apply for AEDA's larger small business loan.

This is a micro-loan of between \$10,000 and \$20,000 for startup or business expansion. AEDA's small business loans are targeted at first-time borrowers who would otherwise have no opportunity to receive a loan at traditional financial institutions, often because many of AEDA's clients are immigrants and refugees who previously lacked access to credit and financial empowerment services.

AEDA's financial capability programming started within its small business program and then expanded into other programs offered by the agency. However, integrating financial empowerment into AEDA's creative placemaking and civic engagement programs posed significant challenges due to different levels of staff buy-in. For example, artists from the creative placemaking program did not at first understand how financial empowerment was relevant to their work and their program. To break down silos between the programs, AEDA facilitated difficult conversations among staff to build understanding. The organization also had to standardize its processes for managing clients and cross-train the team on client intake, methods for coaching, and available financial products. Because of AEDA's commitment to integrating its programs, clients now receive more comprehensive services that



*Sai Xiong working in his booth at the Little Mekong Night Market*

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always include an opportunity to enroll in financial products.

AEDA's advice on successful program integration is to clearly define the reasons that the organization wants to integrate and the advantages that integration will bring. For AEDA, the decision to integrate programs was made to create better infrastructure within the organization, reduce inefficiencies, and bring financial empowerment to entrepreneurs who lacked credit. Ultimately, AEDA hopes to continue integrating its programs and creating more sustainable programming in pursuit of its mission to increase economic opportunities for AAPIs in the Twin Cities.

### SUCCESS STORY: FINDING COMMUNITY AND BUILDING A BUSINESS IN THE TWIN CITIES

Sai Xiong, age 32, was born in Laos during the turbulent times of the Secret War. At an early age, Sai and his family crossed the deadly Mekong River and sought refuge in Thai refugee camps. The family finally obtained passage to the United States in 1993.



*A model displaying Sai's clothes*

In the United States, Sai founded Pov Haum Studios (pronounced: Baw How Studios), a lifestyle urban clothing brand that hopes to weave the world closer together through self-expressive clothing based on hip hop, pop, sports, and fitness culture. He started by vending at community events and building an online presence through his unique t-shirt designs and products.

Sai first came to AEDA in 2018 because he wanted to be a vendor at AEDA's Little Mekong Night Market, an annual night market that attracts 20,000 people each year to see hundreds of vendors offering a taste of Southeast Asian culture with a Minnesota twist. When Sai heard about AEDA's financial literacy program and extensive network of businesses through its Little Mekong Night Market, he wanted to learn more about how he could improve his company's profitability. He had no formal business training and everything he knew about business was self-taught. At AEDA's financial literacy workshop, Sai learned more about budgeting, tracking cash flow, debt reduction, and how the credit system works. The training helped solidify his awareness of his financial situation and better

prepared him for unexpected financial situations. After about a month of one-on-one coaching with AEDA's financial coach, Sai was armed with a debt reduction

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plan and ready to apply for the credit builder loan.

AEDA provided a \$300 credit builder loan with zero interest to help pay down some past due accounts. While he pays it back, Sai is building his credit. In the future, Sai plans to apply for AEDA's small business loan to expand his business. With AEDA's help, Sai hopes to push his business and brand to be more mainstream.

## SUCCESS STORIES

### CREATING HOMEOWNERSHIP OPPORTUNITIES FOR IMMIGRANTS AND REFUGEES

#### ASIAN SERVICES IN ACTION, INC.'S INTEGRATION OF FINANCIAL EMPOWERMENT AND HOUSING COUNSELING

ASIA Organizational Profile	
Year FE Program Started	2012
AAPI Languages Spoken	Burmese, Cantonese, Mandarin, Nepali, Thai, Urdu, Mon
AAPI Populations Served	Burmese, Chinese, Nepalese, Other
# of FT counselors	2
# of FT staff organization wide	86
Credit Building Products Offered	MAF Lending Circles™ Secured credit cards <sup>9</sup>

Asian Services In Action, Inc. (ASIA) is a community-based organization that provides social and health services to underserved, low-income, and immigrant communities in Northeast Ohio. Through its Newcomers Family Support Center, immigrant and refugee families access a wide range of services including housing counseling, small business development, and financial empowerment. This wide breadth of services supports its clients' economic well-being and acculturation to the United States as newly arrived immigrants. Between 2007 and 2012, Ohio saw a large influx of refugees from Burma (Myanmar) and Nepal. As time went on, Ohio became a popular destination for refugee families to move to because they found a familiar community and an affordable area in which to live.

#### WHY PROGRAM INTEGRATION?

In 2012, ASIA began its financial empowerment program because a client was denied a mortgage loan from a bank for having no credit score. ASIA discovered that nine out of 10 client applications for traditional loans or credit cards were getting denied by financial institutions. ASIA decided that integrating financial empowerment and credit building services with its housing counseling program was important because it made the connection that its clients needed higher credit scores and financial education in order to purchase homes.

The decision to integrate the programs made sense as most of ASIA's clients are Southeast Asian immigrants and refugees who are critically underserved by traditional financial institutions.

<sup>9</sup> Secured credit cards are credit cards backed by a secured payment used as collateral on the account. These cards are offered by traditional financial lending institutions. These credit cards help borrowers improve their credit profile with little to no existing credit history. National CAPACD member organizations connect their clients to secured credit cards from financial institutions.

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## BEST PRACTICES AND CHALLENGES

ASIA works with refugee clients who have no understanding of the US financial system. Clients often need to start by learning what credit is and how it works before they can work towards attaining financial goals like homeownership. While refugee resettlement agencies require all refugees to open a bank account within 90 days of arriving in the US, many refugee clients do not understand how to use their bank account. Some of them feel the bank may be stealing their money when they do not meet the requirements to avoid penalties or service fees on their accounts. ASIA provides clients with group or one-on-one financial education and teaches its clients to utilize credit building and other financial products.



*Thet Win, housing counselor & financial coach, meeting with the Zan household*

Through their use of financial products, clients see big credit score improvements. Many clients are able to move on to other services that ASIA offers such as starting businesses or purchasing homes, all while learning strong savings habits. To build its clients' credit scores, ASIA primarily utilizes Lending Circles™ because they are culturally familiar and easier for clients to use effectively. For other organizations considering integration of financial empowerment into other areas of work, ASIA recommends program integration where there is a need in the community to build credit and long-term financial independence.

Program integration also created challenges for ASIA staff. ASIA's housing and financial services are in such high demand that clients were leaving because of long wait times. To create greater efficiencies, ASIA created protocols for how to assign clients to its staff based on the client's immediate needs. If a client already has a strong credit score, they are automatically assigned to a housing counselor and if the client has a weak or nonexistent credit score, the client meets with a financial coach. Through this process, ASIA is able to benefit from program integration by creating efficient ways to screen clients for the unique needs of each individual. Lastly, ASIA is able to serve its community's needs because it is a culturally competent provider. By speaking to its clients both in-language and in culturally appropriate ways which clients can understand, ASIA builds trust with its clients, many of whom are skeptical of the US financial system, and walks clients through the process, step by step.

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### SUCCESS STORY: ATTAINING HOMEOWNERSHIP THROUGH FINANCIAL EMPOWERMENT

Nay Zan, age 57, immigrated to Akron, Ohio as a refugee from Burma (Myanmar) through the US Refugee Resettlement program in June 2008. Nay, his wife, and children, settled in Akron's traditional immigrant neighborhood of North Hill. He secured a house to rent, a job, and schools for his children to finish high school.

Nay walked into ASIA in January 2018 for an appointment with a Housing Counselor. After seeing his rent payments increase over the years, Nay wanted to purchase a home. But while Nay had secured a stable life in the US during the 10 years that he lived here, he had not yet established any credit history. In fact, Nay had no idea what a credit score was. ASIA staff walked Nay through his credit report. They provided financial coaching on budgeting, banking, making on-time payments, and credit cards.



*Nay Zan standing in front of his new home in Ohio*

By March 2018, Nay enrolled in one of ASIA's Lending Circles™ consisting of five other Burmese immigrants. Currently, ASIA is the only organization in Northeast Ohio that uses Lending Circles™ as a tool for immigrants and refugees with limited English proficiency to move toward financial independence. Lending Circles™ are practical credit building tools for the AAPI population because they rely on individuals to support the group which resonates with the cultural value of responsibility towards the community.

Nay's six-month participation in the Lending Circle™ raised his credit score from 0 to 665. This score qualified him for a home mortgage loan without needing a co-signer. Nay and his family purchased a home in the North Hill neighborhood in November 2018, less than 10 months after he first came to ASIA to learn how to buy a house. Nay says that one day he may return to ASIA for a business loan as the next item on his list of dreams is to own his own grocery business or Indian restaurant.

# SUCCESS STORIES

## SENIORS NEED FINANCIAL EMPOWERMENT TOO

### CHINESE COMMUNITY CENTER'S (CCC) INTEGRATION OF FINANCIAL EMPOWERMENT AND SENIOR JOB TRAINING PROGRAMMING

CCC Organizational Profile	
Year FE Program Started	2010
AAPI Languages Spoken	Chinese
AAPI Populations Served	Chinese and other AAPI, Other
# of FT business counselors	4
# of FT staff organization wide	43
Credit Building Products Offered	LISC Twin Accounts™ MAF Lending Circles™ Esusu Secured Credit Cards

Chinese Community Center (CCC) is a comprehensive social service community center in Houston, Texas. It provides educational and social service programs that help new immigrants become economically self-sufficient and acculturate to their communities to become productive, contributing members of American society. CCC's financial empowerment program primarily serves the

AAPI population of Houston but has begun to serve a more multi-ethnic clientele over the past three years to include African Americans, African immigrants and refugees, and Latinx people.

CCC runs a Financial Opportunity Center (FOC)<sup>10</sup> and a THRIVE Center<sup>11</sup> that function as a career and personal financial service center, focused on creating financial opportunities for low-to-moderate income individuals. It does this by changing people's financial behaviors in ways that encourage them to make long-term commitments to increase income, decrease expenses, and acquire assets. The FOC provides families with services across three areas: job placement and career improvement, financial education and coaching, and public benefits access. The FOC model integrates these core services and provides them to clients in a bundled fashion. Offering the services as a bundle is a holistic approach where the individual services reinforce each other and provide a multi-faceted approach to income and wealth building. At the FOC, clients can enroll in LISC Twin Accounts™ and Lending Circles™ to build their credit and access the EARN Savings platform to build matched savings and develop savings habits. Through word of mouth from

10 CCC's Financial Opportunity Center is one of 80 Local Initiatives Support Corporations' FOCs across the country that embeds quality career and financial services in local community organizations. National CAPACD provides leveraged support for CCC's FOC.

11 CCC's THRIVE Center is a United Way initiative that also provides financial and employment assistance, vocational training opportunities, and access to wrap-around services, in one location.

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friends and family, CCC's clients often refer one another to the FOC to build credit, open credit cards, and purchase homes.

### WHY PROGRAM INTEGRATION?

CCC's Senior Job Training program assists seniors to learn job skills so that they can return to the workforce and remain active and engaged members of their community. In recognition that seniors had a financial literacy gap and had not kept up with the rapid pace of societal change, CCC staff began having conversations internally about integrating their FOC programming with the goal of helping seniors to reach financial stability.

CCC's FOC staff learned that most seniors (ages 55 and older) served by their Senior Job Training program had very little knowledge or trust in the US financial system for a variety of reasons: being dependent on their children to take care of them financially, living off their savings, having previously lived in cash-based countries, or having bad experiences with financial institutions in their home country.

Without adequate financial knowledge, seniors are extremely vulnerable to identity theft, scams, and fraud. The greatest challenge to providing financial education to seniors was getting them to understand the importance of credit simply because most seniors are unfamiliar with the concept of credit and how the US financial system works. Many seniors are also reluctant to share financial and personal information because they do not have a relationship with the FOC staff. Some seniors are adamant that they do not have financial challenges and many seniors operate solely on cash by stashing away money in security deposit boxes rather than depositing money in accounts. The FOC and Senior Job Training program staff worked collaboratively to address these challenges in an integrated fashion and were confident in their ability to reach the senior population with whom CCC has built trust over time.

### BEST PRACTICES AND CHALLENGES

At first, a key challenge was finding the best staff person to deliver the financial education and services to seniors. When FOC staff first approached seniors to talk about their finances, seniors were uncomfortable because they were used to interacting only with the Senior Job Training program staff with whom they had already built trust. With an understanding that discussing finances is taboo in general and that trust needs to be built with seniors, the FOC staff worked internally with the Senior Job Training program staff to tailor their approach to seniors. Between the two departments, CCC launched a collaborative financial education workshop to address the financial challenges that most seniors face and tailored their approach

## SUCCESS STORIES

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by discussing topics that seniors were interested in such as identity theft, fraud prevention, and good savings habits. Each workshop was limited to only a small group so that seniors felt more comfortable sharing their financial information. Staff also added value to the financial education by providing one-on-one coaching. In addition, they offered affordable credit building product opportunities so that seniors could improve their individual financial situation. Together, CCC staff from different programs presented information to seniors through small groups, using simple lay terms to describe financial concepts and products, and focusing on the advantages of receiving financial education or enrolling in financial products.

To sell seniors on the idea of enrolling in financial products, CCC enrolled their Senior Job Training program staff into the financial products they promote to their clients. As a result, the Senior Job Training program staff were able to accurately convey the process for financial product enrollment and its advantages. The seniors responded differently to hearing about financial products from Senior Job Training staff and were more enthusiastic to try the financial products being offered by staff they had a relationship with.

This approach generated more positive feedback and seniors started to apply for credit cards and learn how to use them properly. Seniors also mentioned to CCC staff that they better understood budgeting and saving as well as the importance of building credit. This is critical since most seniors are on a fixed income.

CCC's advice to organizations considering program integration is to take extra time to learn about the specific needs of each group of clients and avoid making assumptions about what they need. This is especially true when communities and client populations change and a program has to adapt to best serve the new client population. Finally, CCC recommends building greater buy-in from staff in different departments by having them try out financial products and services themselves. This is important because organizations often work in silos and when everyone in the organization can speak to the newly integrated program, clients are more likely to try the new program.



*A CCC staff member conducts a group education workshop*

## SUCCESS STORIES

### SUCCESS STORY: BUILDING CREDIT AT ALL AGES IN HOUSTON

Ms. E, age 60, and her adult son are recent immigrants to the US and were connected to the Senior Job Training program at the Chinese Community Center through their neighbors.



*Seniors taking a class at CCC*

With limited knowledge of the banking system, Ms. E and her son had a steep learning curve to understand the importance of credit. Ms. E's goal is to acculturate into American society and purchase a home. Without knowing much about the US financial system, Ms. E believed she could purchase a home immediately, without credit. When she attended CCC's financial workshop she was surprised to learn that she needed to establish credit to purchase a home.

Ms. E felt discouraged when she was denied a credit card because of her lack of credit history. She came to CCC for help and was excited to join a Lending Circle™ to help her establish credit history.

The concept of a lending circle is not new to Ms. E because she previously participated in informal lending circles with her relatives in China. She was so excited about the opportunity that she encouraged her son to participate and they both joined the same Lending Circle™ to motivate one another. They made it a family affair and always reminded each other to make the monthly payment. When she completed the Lending Circle™, Ms. E. was able to secure a credit card with the help of CCC staff. Ms. E's story illustrates that financial empowerment and credit building are important at any age. Ms. E and her son continue to work with CCC to increase their credit scores and learn about the home buying process to attain their goal of homeownership.

## CONCLUSION

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National CAPACD believes strongly in the importance of helping low-income AAPIs to build and improve their credit. Financially stable families and communities need strong credit scores and a robust understanding of how credit works as a part of their financial empowerment. This belief in the importance of credit building led to the start of our credit building financial empowerment work five years ago. During this time, National CAPACD has learned the effectiveness of integrating financial empowerment programs into other types of services because it makes these services easier, quicker, and more appealing to clients. Program integration also improves service delivery as demonstrated by offering financial empowerment programs with other services such as housing counseling and small business coaching.

The three organizations highlighted in this report show different approaches to integrating financial empowerment programming with social service programs. National CAPACD releases this report with the hope that these examples will be helpful to organizations that want to integrate financial empowerment with other types of programming.



# APPENDIX A: CFPB FINANCIAL WELL-BEING SCALE QUESTIONNAIRE AND SCORING GUIDE



CFPB FINANCIAL WELL-BEING SCALE

## Questionnaire

NAME OR NUMBER

### Part 1: How well does this statement describe you or your situation?

This statement describes me	Completely	Very well	Somewhat	Very little	Not at all
1. I could handle a major unexpected expense	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I am securing my financial future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Because of my money situation, I feel like I will never have the things I want in life	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. I can enjoy life because of the way I'm managing my money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. I am just getting by financially	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. I am concerned that the money I have or will save won't last	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Part 2: How often does this statement apply to you?

This statement applies to me	Always	Often	Sometimes	Rarely	Never
7. Giving a gift for a wedding, birthday or other occasion would put a strain on my finances for the month	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. I have money left over at the end of the month	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. I am behind with my finances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. My finances control my life	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Part 3: Tell us about yourself.

11. How old are you?	<input type="checkbox"/> 18-61	<input type="checkbox"/> 62+
12. How did you take the questionnaire?	<input type="checkbox"/> I read the questions	<input type="checkbox"/> Someone read the questions to me

# APPENDIX A: CFPB FINANCIAL WELL-BEING SCALE QUESTIONNAIRE AND SCORING GUIDE



CFPB FINANCIAL WELL-BEING SCALE

## Scoring worksheet

NAME OR NUMBER \_\_\_\_\_

1. Select the person's answers, record the response value in the right hand column and add up the total values for each part of the questionnaire.

This statement describes me	Completely	Very well	Somewhat	Very little	Not at all	Response value
1. I could handle a major unexpected expense	4	3	2	1	0	
2. I am securing my financial future	4	3	2	1	0	
3. Because of my money situation, I feel like I will never have the things I want in life	0	1	2	3	4	
4. I can enjoy life because of the way I'm managing my money	4	3	2	1	0	
5. I am just getting by financially	0	1	2	3	4	
6. I am concerned that the money I have or will save won't last	0	1	2	3	4	
<b>Part 1 subtotal:</b>						_____

This statement applies to me	Always	Often	Sometimes	Rarely	Never	Response value
7. Giving a gift for a wedding, birthday or other occasion would put a strain on my finances for the month	0	1	2	3	4	
8. I have money left over at the end of the month	4	3	2	1	0	
9. I am behind with my finances	0	1	2	3	4	
10. My finances control my life	0	1	2	3	4	
<b>Part 2 subtotal:</b>						_____

**Total response value:** \_\_\_\_\_

# APPENDIX A: CFPB FINANCIAL WELL-BEING SCALE QUESTIONNAIRE AND SCORING GUIDE

## 2. Find the financial well-being score

How old is the person?

- 18-61       62+

How did the person take the questionnaire?

- Self-administered  
 Administered by someone else

Because scores vary based on age and how the questionnaire was administered, you must convert the total response value to a financial well-being score.

- Find the row that corresponds to the total response value.
- Follow that row across to the column that corresponds to the person's age and how the questionnaire was administered.
- Record the final score.

Financial well-being score:

Total response value	Questionnaire self-administered		Questionnaire administered by someone else	
	18-61	62+	18-61	62+
0	14	14	16	18
1	19	20	21	23
2	22	24	24	26
3	25	26	27	28
4	27	29	29	30
5	29	31	31	32
6	31	33	33	33
7	32	35	34	35
8	34	36	36	36
9	35	38	38	38
10	37	39	39	39
11	38	41	40	40
12	40	42	42	41
13	41	44	43	43
14	42	45	44	44
15	44	46	45	45
16	45	48	47	46
17	46	49	48	47
18	47	50	49	48
19	49	52	50	49
20	50	53	52	50
21	51	54	53	52
22	52	56	54	53
23	54	57	55	54
24	55	58	57	55
25	56	60	58	56
26	58	61	59	57
27	59	63	60	58
28	60	64	62	60
29	62	66	63	61
30	63	67	65	62
31	65	69	66	64
32	66	71	68	65
33	68	73	70	67
34	69	75	71	68
35	71	77	73	70
36	73	79	76	72
37	75	82	78	75
38	78	84	81	77
39	81	88	85	81
40	86	95	91	87

Learn more at [consumerfinance.gov/financial-well-being](https://consumerfinance.gov/financial-well-being)









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