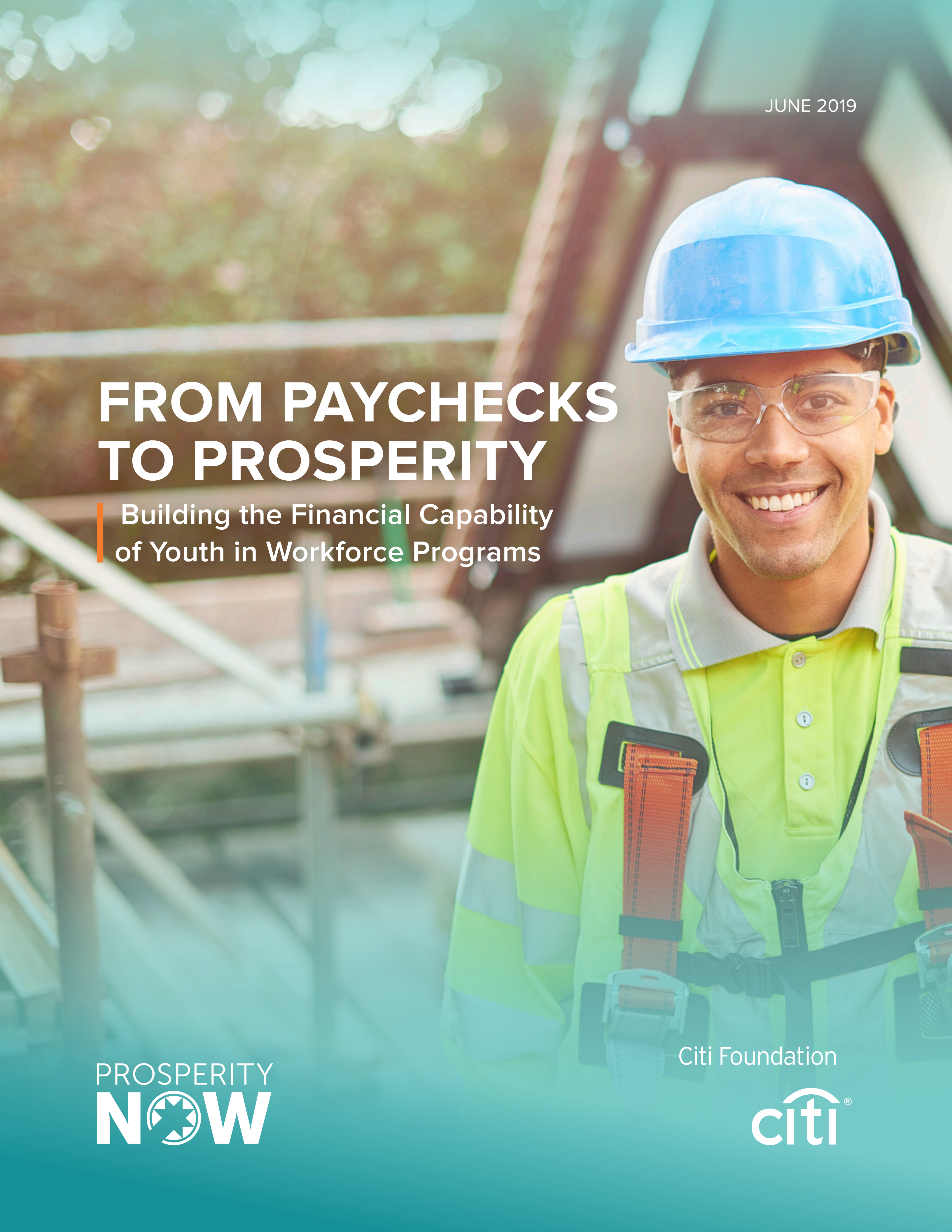

JUNE 2019

FROM PAYCHECKS TO PROSPERITY

Building the Financial Capability of Youth in Workforce Programs

PROSPERITY NOW

Citi Foundation

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Building the Financial Capability of Youth in Workforce Programs

Authors | Hiba Haroon, Dominique Derbigny, Ola Wadibia and Kasey Wiedrich

About Prosperity Now

Prosperity Now believes that everyone deserves a chance to prosper. Since 1979, we have helped make it possible for millions of people, especially people of color and those of limited incomes, to achieve financial security, stability and, ultimately, prosperity. We offer a unique combination of scalable practical solutions, in-depth research and proven policy solutions, all aimed at building wealth for those who need it most.

About the Citi Foundation

The Citi Foundation works to promote economic progress and improve the lives of people in low-income communities around the world. We invest in efforts that increase financial inclusion, catalyze job opportunities for youth and reimagine approaches to building economically vibrant cities. The Citi Foundation's "More than Philanthropy" approach leverages the enormous expertise of Citi and its people to fulfill our mission and drive thought leadership and innovation. For more information, visit **www.citifoundation.com**.

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EXECUTIVE SUMMARY

In 2017, 4.6 million young people ages 16-24 nationwide were disconnected from work or education—referred to as 'opportunity youth'. Youth workforce development and training programs create on-ramps to economic opportunity for young people by equipping them with job skills and connecting them with employment or education opportunities. Given that employment and career decisions and success are greatly impacted by finances, youth workforce development and training programs present a prime moment to help youth build financial capability—the financial knowledge, skills and access to resources they need—to not just succeed in their jobs, but to successfully manage their finances while earning a paycheck.

To support youth workforce development organizations to embed financial capability services—including financial education, access to safe and affordable accounts and savings opportunities—into their existing workforce programs, Prosperity Now partnered with the Citi Foundation to launch the Youth Financial Capability Fund (YFCF). The YFCF involved five national youth workforce development organizations: Genesys Works, Juma Ventures, NPower, STRIVE International and Urban Alliance.

After receiving financial capability services, YFCF participants had higher levels of savings (average increase of $260), increased savings behaviors and higher rates of checking and savings account ownership. Two-thirds of participants also increased their financial capability, frequency of positive financial behaviors, and almost half reported more positive financial attitudes.

Over the course of the 18-month YFCF engagement, Prosperity Now gleaned 11 key insights across five categories that can help agencies working with youth to develop financial capability programs that meet their needs.

A. Preparing for organizational change

INSIGHT 1 | ENGAGE STAKEHOLDERS IN CREATING A VISION. Organizations should engage stakeholders at all levels to establish a clear and compelling vision for financial capability services before designing and delivering them. Additionally, leadership must determine when and how they will communicate with key stakeholders throughout the planning and implementation process.

INSIGHT 2 | SUPPORT STAFF THROUGH THE CHANGE PROCESS. Staff should be well supported through the change process as financial capability services become part of the organizational culture. Staff should have the opportunity to identify their current pain points in delivering services—such as staff capacity, recruitment, data tracking or engagement—and explore how existing challenges will impact the delivery of new services.

B. Putting young people at the center

INSIGHT 3 | RECOGNIZE YOUNG PEOPLE AS AGENTS OF CHANGE. Create authentic spaces in which young people can inform the design and delivery of financial capability services. Focus groups, internship opportunities, peer-led components of financial capability services, or feedback sessions are strategies workforce programs can use to engage young people in shaping effective services.

INSIGHT 4 | USE HUMAN-CENTERED DESIGN. Human-centered design allows program staff to better understand the context in which people make decisions about their finances; collect input directly from youth participants to develop a baseline understanding of young people's financial lives; and understand their financial goals so organizations can provide targeted support and resources.

INSIGHT 5 | IDENTIFY THE RIGHT POINTS IN TIME TO OFFER FINANCIAL CAPABILITY SERVICES. Explore where there might be natural opportunities within the program workflow to provide additional financial capability services, so they are centered around youths' needs. Leverage the points in time where financial conversations and topics are naturally happening.

INSIGHT 6 | ENGAGE YOUNG PEOPLE ON AN ONGOING BASIS. Programs should determine how and when they will hear from young people about their experiences with services and their future desires and build feedback loops into the process so that they can continually iterate and optimize service delivery.

C. Exploring the role of partnerships

INSIGHT 7 | PARTNER WITH OTHER SOCIAL SERVICE ORGANIZATIONS TO PROVIDE FINANCIAL CAPABILITY SERVICES. Organizations can partner with social services providers to offer financial capability services that they may not be able to provide in-house, such as credit counseling, benefits access and free tax preparation through Volunteer Income Tax Assistance (VITA). They can also partner with local organizations to offer additional services, like legal support, to address other unmet needs of youth participants that impact their financial health.

INSIGHT 8 | VET POTENTIAL FINANCIAL SERVICES PARTNERS FOR MISSION AND PRODUCT FIT. It is important to distinguish reputable partners and to ensure that young people engage with products and services that best align with their financial needs. Youth workforce development programs can explore which financial institutions are trusted in their communities, invite institutions that are invested in youth to their organizations, establish parameters around product offerings and empower young people to have conversations with representatives in a space where they feel comfortable and welcome.

D. Measuring progress to tell your program story

INSIGHT 9 | CREATE A THEORY OF CHANGE AND IDENTIFY WHAT OUTCOMES YOU MUST MEASURE TO TELL YOUR STORY. A theory of change can be used as a visual aid to summarize an organization's intended plan and impact and for case-making to encourage the involvement of relevant stakeholders. Organizations can use a theory of change to identify appropriate metrics to track progress toward the vision, while also describing services in a compelling way.

INSIGHT 10 | STREAMLINE DATA COLLECTION FOR BOTH WORKFORCE AND FINANCIAL CAPABILITY INDICATORS. Measurement and evaluation strategies require strong data collection practices. Organizations can seamlessly integrate data tracking for financial capability services into their existing workforce data collection platforms, reduce duplication of data collection, and develop and administer pre- and post-surveys.

E. Managing organizational change and sustaining financial capability work

INSIGHT 11 | SUSTAIN FINANCIAL CAPABILITY SERVICES OVER TIME. Operational changes may be necessary to ensure that financial capability services are sustainable, such as: infrastructure, technological tools and systems, internal processes, partnerships and revenue to support long-term programming. Participating organizations in the YFCF noted the importance of bringing staff into the design process, ensuring alignment with new and existing partners, determining the actual costs of the program, securing unrestricted funding and telling compelling stories.

Many learnings and opportunities emerged from the YFCF, and Prosperity Now developed three recommendations for the field:

A. Partner with employers to advance the financial well-being of workers.

B. Offer multi-generational financial capability services to support household financial empowerment.

C. Collaborate across sectors to change the systemic barriers that lead to disconnection among youth and comprehensively address financial well-being.

Young people face many challenges, and their financial lives are inextricably linked to their overall well-being. While financial capability services are not a silver bullet to address all the challenges facing opportunity youth—who are disproportionately youth of color—these services can help youth build financial confidence, develop financial goals, learn to evaluate and assess financial products and services based on their needs, and understand the impact of their financial choices.

INTRODUCTION

Youth workforce development programs provide opportune moments to connect young people with resources that help them gain a financial foothold. Although many young people face challenges accessing high quality jobs, education and economic opportunities, youth workforce development programs provide paid work experiences, mentoring, training and professional development to young people ages 16-24 (many of whom are disconnected from education and employment opportunities, referred to as "opportunity youth"). While earning a paycheck, young people can practice financial skills, develop positive habits and access valuable tools and resources to help them navigate financial systems and make informed financial choices early on.

In July 2017, Prosperity Now, in partnership with the Citi Foundation, launched the Youth Financial Capability Fund (YFCF) to engage practitioners from five national youth workforce development organizations in an initiative to bolster youth financial capability. Participating organizations in the YFCF included: Genesys Works, Juma Ventures, NPower, STRIVE International and Urban Alliance. The YFCF is part of the Citi Foundation's Pathways to Progress initiative, which focuses on career readiness initiatives that provide youth job seekers, ages 16-24, the full range of services needed for long-term employment and economic success. The YFCF is designed to help young people entering the workforce connect with the mainstream financial system and develop sound money management skills that will set them on a pathway for future financial success.

Over the course of 18 months, Prosperity Now provided technical assistance, peer exchanges, actionable tools and resources to support the national organizations through a deliberate planning and design process to embed financial capability services—including financial education, access to safe and affordable accounts and savings opportunities—into their existing youth workforce programs. The YFCF was designed as a train-the-trainer model in which Prosperity Now worked in partnership with national youth workforce organizations to design and implement financial capability services at 2-3 of each organization's affiliate sites. Affiliate sites across seven states piloted the delivery of these services during 2018 and surveyed their participants before and after receiving services to track outcomes related to savings, financial capability and financial behaviors. Prosperity Now also provided support directly to the affiliate sites, including virtual peer exchanges, virtual trainings and in-person regional convenings where staff could share insights, experiences, tips and promising practices.

After receiving financial capability services, YFCF participants had higher levels of savings, increased savings behaviors, and higher rates of checking and savings account ownership. Two-thirds of participants also increased their financial capability, frequency of positive financial behaviors, and almost half reported more positive financial attitudes.

ABOUT OPPORTUNITY YOUTH

Far too many young people, particularly young people of color, are denied access to high quality jobs, education and economic opportunities. In 2017, 4.6 million young people ages 16-24 nationwide were disconnected from work or education (referred to as opportunity youth).[1] While 9.4% of white young adults in the U.S. age 18-24 were disconnected from school and work, 17.9% of Black young adults and 13.6% of Latino young adults were disconnected.[2] Most of these young people are from low-income households, some are involved with the foster care system or criminal legal system, and others are caring for families or children of their own. Although opportunity youth face a myriad of challenges, they demonstrate resiliency and self-determination to overcome obstacles, and they are motivated toward financial stability and independence.

Opportunity youth face many financial challenges, which are often initiated and exacerbated by arrest and incarceration. Suspension and expulsion from schools is a gateway to the criminal legal system for students of color, as policing, courts and carceral systems disproportionately push Black and Latino youth from the classroom to prisons. According to the Department of Education's Civil Rights Data Collection, Black students are suspended and expelled at a rate three times greater than White students,[3] and students who have been suspended or expelled are three times more likely to come in contact with the juvenile probation system.[4] Researchers estimate that by age 23, nearly one in three Americans will have been arrested.[5] However, Black juveniles are more than four times more likely to be committed than White juveniles, and Hispanic juveniles are 61% more likely to be committed than White juveniles.[6] Opportunity youth experience higher rates of incarceration and involvement with the criminal legal system and may be disconnected (from employment and education) due to this involvement.[7] Having a criminal record has significant implications for future economic security and mobility, and it has damaging effects on housing and employment options. Opportunity youth—including youth who have been involved with the criminal legal system—are untapped talent and potential that deserve investment, access to meaningful education and career pathways, and opportunities to participate in the 21st century economy.

THE ROLE OF FINANCIAL CAPABILITY FOR ADVANCING ECONOMIC OPPORTUNITIES FOR YOUTH

Financial capability is defined as the capacity, based on knowledge, skills, and access, to manage financial resources effectively.[8] Financial capability services—like access to safe and affordable financial products, financial coaching and credit building—can help young people navigate financial systems, set financial goals and establish credit that can help them expand employment and housing options. Financial capability services also help young people navigate existing financial systems and structures and can help young people identify their financial options and make the best decisions for their circumstances as they prepare to enter the workforce. A list of the ten most common financial capability services and their descriptions is available here.

THE ROLE OF YOUTH WORKFORCE DEVELOPMENT PROGRAMS IN DELIVERING FINANCIAL CAPABILITY SERVICES

Youth workforce development and training programs create on-ramps to economic opportunity for young people by equipping them with job skills and connecting them with employment or education opportunities. In order to do this, youth workforce development and training programs must often focus on building authentic and trusting relationships with their young people to better understand their responsibilities, values and personal and career goals. Given that so much of employment and career decisions and success are impacted by finances, youth workforce development and training programs are prime moments for helping youth attain financial knowledge, skills and access to resources they need to not just succeed in their jobs, but to successfully manage their finances while earning a paycheck. Programs that are funded by the U.S. Department of Labor under the federal Workforce Innovation and Opportunity Act (WIOA) are required to include financial literacy in their curricula, but financial literacy is only one aspect of financial capability. Without access to services and products, and opportunities to put knowledge into practice, efforts to improve financial literacy may have limited impacts on financial decision making and financial well-being. Integrating financial capability services into youth workforce development and training programs capitalizes on the "teachable moments" of earning a paycheck and helps bridge knowledge and skills gaps to support holistic youth financial well-being.

ABOUT THIS BRIEF

This brief shares key insights based on the experiences of the organizations participating in the YFCF. This brief is aimed at youth workforce development programs that serve low-income young people ages 16-24 and provide paid work experiences. It is designed for managers and staff who are responsible for planning and executing new programs and services. This brief may be particularly helpful for national youth workforce development organizations or intermediaries that have local sites or networks. The insights shared in this brief may also be helpful for other organizations serving opportunity youth—young people ages 16-24 who are disconnected from education and employment—seeking to support their financial well-being.

This brief is organized into four parts and highlights examples and lessons learned during the YFCF. Part one provides an overview of the project, participating organizations and the results of the survey on YFCF participant savings and financial behavior. Part two offers key considerations that organizations should keep in mind as they decide to design and implement financial capability services. Part three shares key insights gleaned from the YFCF: centering youth voices, pursuing partnerships, measuring progress, managing organizational change and sustaining financial capability work. Part four concludes with recommendations for the field to consider.

PART 1

ABOUT THE YOUTH FINANCIAL CAPABILITY FUND

PARTICIPATING ORGANIZATIONS IN THE YOUTH FINANCIAL CAPABILITY FUND

Five national youth workforce development programs were selected to receive an 18-month, $160,000 grant and technical assistance from Prosperity Now to build financial capability services—including financial education, access to safe and affordable accounts and savings opportunities—into their existing youth workforce program infrastructure. Prosperity Now provided one-on-one and group technical assistance, peer learning opportunities, actionable tools and resources to support the national organizations through a deliberate planning and design process to determine which services to offer and how to best offer them. Prosperity Now also convened the national organizations and their pilot sites for in-person learning visits and regional conversations. Thirteen local sites across seven states began piloting the delivery of these services in early 2018. The participating organizations were:

GENESYS WORKS aims to provide pathways to career success for high school students in underserved communities through skills training, meaningful work experience, and impactful relationships. Genesys Works is integrating financial literacy topics into their college and career workshops, as well as an in-house incentivized savings program. In addition, they are connecting young people to local free tax preparation services and have added money management discussions to their one-on-one touch points with young people as part of the YFCF.

- **Youth Served |** Economically disadvantaged young people ages 17-18 who are entering their senior year of high school
- **National Headquarters |** Houston, TX
- **Pilot Site Locations |** Chicago, IL; Bay Area, CA
- **Number of Youth Enrolled in Workforce Services in 2018 |** 546
- **Number of Youth Who Engaged in Financial Capability Services in 2018 |** 546

GENESYS WORKS.
WHERE TOMORROW'S WORKFORCE BEGINS

JUMA strives to break the cycle of poverty by paving the way to work, education and financial capability for youth across America. Juma employs youth in customer-facing, socially engaging employment opportunities through its Pathways program, and offers training and career-focused support services to help youth overcome barriers to employment through its new YouthConnect program. As part of the YFCF, it tailored the array of financial capability services it was already providing—including financial education, financial coaching and access to bank accounts—to opportunity youth in its YouthConnect program.

- **Youth Served |** Young people ages 16-24 who have been exposed to the foster care and/or criminal legal system and have been disconnected from school and/or work for at least six months
- **National Headquarters |** San Francisco, CA
- **Pilot Site Locations |** Seattle, WA; Oakland, CA; Sacramento, CA
- **Number of Youth Enrolled in Workforce Services in 2018 |** 1,135
- **Number of Youth Who Engaged In Financial Capability Services in 2018 |** 489

JUMA

NPOWER creates pathways to economic prosperity by launching digital careers for military veterans and young adults from underserved communities. Its Tech Fundamentals program prepares students to begin careers in the field of information technology by offering free tech training, mentoring, paid internships, career development workshops, certifications and job placement services. As part of the YFCF, it decided to partner with community organizations to integrate financial capability services—such as basic savings and checking accounts, enrollment in health insurance and budgeting, saving and long-term financial planning strategies—into its Tech Fundamentals program.

- **Youth Served** | Low-income young people, majority African-American or Hispanic/Latino, ages 18-25 (average age 21) and unemployed
- **National Headquarters** | New York, NY
- **Pilot Site Locations** | Baltimore, MD; New York, NY; St. Louis, MO
- **Number of Youth Enrolled in Workforce Services in 2018** | 411
- **Number of Youth Who Engaged In Financial Capability Services in 2018** | 382

npower

STRIVE INTERNATIONAL is a job training and career development services agency. It recently launched the STRIVE Future Leaders program designed for use with STRIVE clients ages 24 and under, through which it provides case management and holistic career services. Through the YFCF, STRIVE embedded financial literacy, financial coaching and accesses to safe and affordable products into the Future Leaders program in three cities.

- **Youth Served** | Young people ages 18-24 with a history of involvement with thecriminal legal system
- **National Headquarters** | New York, NY
- **Pilot Site Locations** | Baltimore, MD; Hartford, CT; and New York, NY
- **Number of Youth Enrolled in Workforce Services in 2018** | 428
- **Number of Youth Who Engaged In Financial Capability Services in 2018** | 148

STRIVE®
PREPARED TO WORK
DETERMINED TO SUCCEED

URBAN ALLIANCE is a national youth development nonprofit that provides economically-disadvantaged young people with the exposure, opportunity, support, and training needed to prepare them for lifelong economic self-sufficiency. Urban Alliance's core year-long program matches underserved high school seniors with paid, professional internships, job skills training, one-on-one mentoring, and ongoing post-program support to expand their idea of what is possible in the future.

- **Youth Served** | Low- or moderate-income young adults ages 17-18, majority of whom are African-American and are from single parent families. 64% of youth live in a single parent household; 56% of UA alumni planning to attend college after the program are first-generation college students; 90% of interns received free or reduced-price meal
- **National Headquarters** | Washington, DC
- **Pilot Site Locations** | Baltimore, MD; Chicago, IL
- **Number of Youth Enrolled in Workforce Services in 2018** | 187 (youth served in pilot sites through internship program)/ 441 (including nonpilot sites)
- **Number of Youth Who Engaged In Financial Capability Services in 2018** | 169

URBAN ALLIANCE

ABOUT THE YOUTH PARTICIPANTS IN THE YOUTH FINANCIAL CAPABILITY FUND

Listed below are the demographics of the youth participants served by the YFCF organizations. We include the age ranges, race, and gender of participants (percentages reflect averages across all pilot sites). The majority of participants served by the YFCF organizations are low or low- to moderate-income people of color, predominantly African-American.

GENESYS WORKS

AGE(S) | High school program students are ages 17-18, interns are ages 18-22

RACE(S) | 93% of youth served are people of color
(36% Latino, 33% African-American, 20% Asian)

GENDER | 54% female, 46% male

JUMA

AGE(S) | 16-24

RACE(S) | 92% of youth served are people of color
(32% African-American, 30% Latino/Hispanic, 30% Asian)

GENDER | 50% female, 50% male

NPOWER

AGE(S) | 90% of youth age 24 and under, average age of 21

RACE(S) | 75% either African-American/Black or Hispanic/Latino

GENDER | 32% female, 67% are male

STRIVE INTERNATIONAL

AGE(S) | 18-24

RACE(S) | 98% of youth served are people of color
(81% African-American, 16% Hispanic, 1% American Indian)

GENDER | 50% female, 50% male

OTHER

100% of youth are, or have been, justice-involved; 20% of youth report to be a parent

URBAN ALLIANCE

AGE(S) | High school students ages 17 and 18

RACE(S) | 98% of youth served are people of color
(76% African-American, 13% Latino, 5% Other, 4% Asian)

GENDER | 57% female, 43% male

YFCF YOUTH OUTCOMES & RESULTS

To measure the outcomes related to integrating financial capability services into their existing youth workforce programs, the YFCF organizations agreed to survey their youth participants on the following topics:

- Banking and the use of financial products
- Regular savings behavior and savings balances
- Financial capability, behaviors and attitudes

Prosperity Now designed a survey (see Appendix C) and worked with each organization to integrate the survey into its existing data collection practices. Sites administered the survey to youth upon or near enrollment in their programs before they had received financial capability services. Youth were then asked to complete the survey again at the end of their time in the program, which was approximately six months, although the length of youth's participation in each program varied. The organizations matched the pre- and post-survey data for each participant, which allows us to measure the change in outcomes for individual youth after receiving financial capability services.

During 2018, each organization collected data from two cohorts of youth, which resulted in a sample of 614 participants. The organizations also provided demographic data for some participants, including race, gender and age. The characteristics of survey respondents are summarized in Table 1. The average age of respondents was 19, and the gender distribution was roughly equal between men and women. Almost half of respondents for which we had demographic data were Black or African-American, and nearly one-third were Latino. Fifteen percent identified as Asian and the remaining 9% of participants identified as White, two or more races or some other race, which includes Native American and Pacific Islander.

TABLE 1 | Matched Participant Demographics

	%	N
By Race & Ethnicity		
Black	47.8%	205
Latino	27.7%	119
Asian	15.4%	66
Two or More Races	4.9%	21
White	2.3%	10
Other	1.9%	8
By Gender		
Female	48.3%	207
Male	51.9%	223
Average Age	**19**	**Range: 15-25**

Notes | 185 respondents had missing demographic data, and percentages are calculated out of the 429 respondents with data.
Other race includes youth identifying as American Indian and Alaskan Native, Native Hawaiian and Pacific Islander, and some other race.

Overall, we found improved outcomes in most areas we measured for the YFCF participants after receiving financial capability services. Key findings include:

- Ownership of accounts with financial institutions—and savings account ownership in particular—increased. The use of alternative financial services was low for all participants, but we found a slight increase in the frequency in using products such as check cashers and money orders in the follow-up survey.
- Savings increased by an average of $260 after receiving services, and more participants reported saving regularly. Those who saved regularly saved their money in accounts compared to informally at home or elsewhere, and those who used their savings to make purchases had higher levels of savings in the follow-up survey.
- Nearly two-thirds of respondents had increased financial capability[9] and increased frequency of positive financial behaviors, and almost half of respondents had more positive financial attitudes.
- We found differences in baseline characteristics and outcomes when analyzing the data by race.
    - Black participants had low rates of opening checking accounts, higher use of alternative financial services and the lowest median savings levels in both the pre- and post-surveys. However, Black participants also had the greatest increase in savings for respondents who were actively using their savings during the program.
    - Latino participants initially had the lowest rates of account ownership but experienced the greatest increase from baseline to follow-up. Latino participants also had a higher average increase in savings compared to Black and Asian participants.
    - Asian participants reported a median savings balance over six times higher than that of the overall group at baseline, however saw no statistically significant change in their savings from the baseline survey to the follow-up. They also demonstrated the same positive growth in checking account ownership that Latino youth did.

BANKING AND FINANCIAL PRODUCT USE

We measured participants' connections to mainstream financial institutions, and we found that account ownership increased after their time in the program (See Table 2). Savings account ownership was lower than checking account ownership upon entry into the program, with fewer than half (45.3%) reporting that they had a savings account compared to 64% reporting a checking account. While ownership increased for both account types, savings account ownership increased at a greater rate, increasing by over 10 percentage points from when participants entered to when they completed their program. Overall, 104 participants reported having a savings account who did not have one at baseline, representing 36% of those without a savings account or 17.4% of all respondents. Similarly, 99 participants opened a checking account during the program, which is 55% of respondents who did not have a checking account at baseline or 16.4% of all respondents.

We also asked participants about prepaid cards, as we wanted to capture whether youth were using other types of accounts to manage their money. Compared to bank or credit union accounts, prepaid card ownership was far lower, and ownership decreased slightly after participating in the program.

TABLE 2 I Bank Account Ownership		
	Baseline	**Follow-up**
Have a Checking Account	63.7%	66.7%
Have a Savings Account	45.3%	56.0%
Have a Prepaid Card	18.5%	15.2%

We did see differences in account ownership by race, both at baseline and post. Latino respondents had the lowest rate of savings account ownership at baseline, but the rate increased by 20 percentage points at follow-up to over half (53.9%) of respondents with savings accounts. Latino and Asian participants both increased checking account ownership by 30 percentage points, but Black participants only increased account ownership by 10 percentage points. The result is that at follow up, checking account ownership for Black respondents was 20 to 15 percentage points lower than for other participants. The highest rates of both savings and checking account ownership were found in respondents categorized as "Other" race, which in this analysis includes those identifying as two or more races, White, Native American, Pacific Islander or some other race. This group represents the smallest sample of participants by race (only 39 participants total) and is included in charts for comparison purposes, but the results should be interpreted with caution.

CHART 1 I Change in Savings Account Ownership by Race

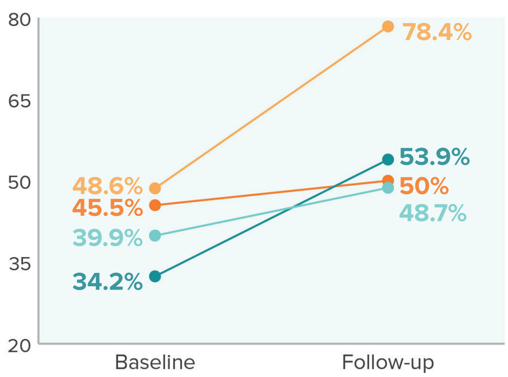
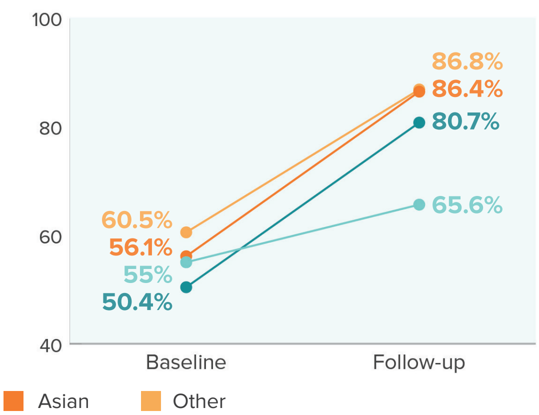


CHART 2 I Change in Checking Account Ownership by Race



In addition to measuring connections to mainstream financial institutions, we also wanted to measure youths' use of alternative financial services (AFS). We surveyed youth on how often—on a four-point scale from "never" to "always"—they got cash from a payday lender, sold items to a pawn shop, cashed a check at a place that charged them a fee or used a money order. Overall, use of AFS was low for all participants at baseline as well as follow-up; 43.3% of respondents reported never using any AFS at baseline and that number increased slightly to 46.9% at follow-up (see Table 3). For those participants that used AFS, the frequency of use was low, but did increase slightly at follow-up. We calculated a score of AFS use in which 16 points would be the highest possible score and indicates that a respondent always uses the four different types of products or services. At baseline, the average score was 1.9, but it only rose to 2.6 points at follow-up.

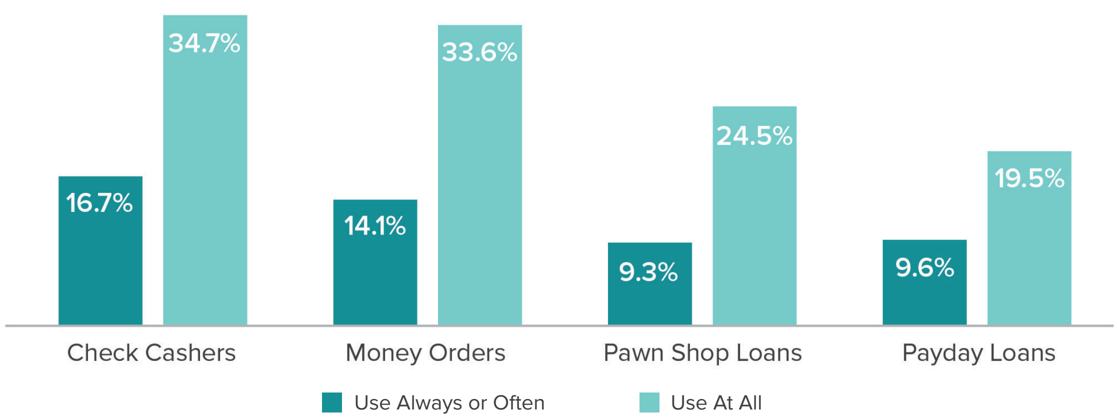
TABLE 3 | Alternative Financial Services Use

	Baseline	Follow-up
Average Frequency of AFS Use Scale (out of 16)	1.9	2.6
Never Used AFS	**43.3%**	**46.9%**
Black	33.2%	37.6%
Latino	51.3%	58.8%
Asian	56.1%	59.1%
Other	41.0%	53.9%

Notes | Alternative Financial Services include payday loans, pawn shop loans, check cashers and money orders.

We also saw a difference in AFS use by the race of participants. Black respondents were more likely to report having used AFS than participants of other races or ethnicities, although the percent reporting never using any AFS types did increase slightly to 37.6% in the follow-up survey. The higher AFS use by Black respondents can be partially explained by the lower rates of account ownership by Black participants reported previously. Transaction AFS—paying a fee to cash a check and using money orders—were more frequently used than payday or pawn shop loans (see Chart 3).

CHART 3 | Frequency of AFS Use at a Follow-Up by AFS Type



We also surveyed youth on their use of credit cards and student loans to measure their experience with credit and managing debt. Student loans were not common among respondents, and the rate of ownership did not significantly increase during the program. Credit card ownership was more common but still at far lower rates than checking accounts, and ownership didn't increase significantly during the program. Rates of making frequent purchases with credit cards (i.e., those who reported using them often or always) were also low with just a slight increase at follow-up.

What did increase after receiving financial capability services is knowledge of and use of credit reports. Knowledge of credit reports increased by 16 percentage points to over half of respondents indicating that they know how to obtain a credit report. While the percent reporting that they had seen a copy of their credit report also increased from baseline, the rate was still 24 percentage points lower than those who report knowing how to, which indicates that knowledge of how to get a credit report alone does not translate into accessing one.

TABLE 4 | Credit Product Use and Knowledge

	Baseline	Follow-up
Have a Student Loan	12.8%	13.3%
Have a Credit Card	29.4%	30.1%
Make Purchases with a Credit Card (Always or Often)	20.3%	23.0%
Know How to Get a Credit Report	39.0%	55.2%
Have Obtained a Credit Report	21.5%	30.9%

SAVINGS AND SAVING BEHAVIOR

Measuring the savings of YFCF participants was a key outcome of interest, as even a small amount of savings can protect a person against hardship when experiencing a financial shock.[10] We wanted to know both about the savings participants accumulated during the time they received financial capability services, but also their savings behaviors, i.e., how often and where they saved. Recent research has demonstrated that when you measure savings as more than just a numerical target, you get a more complete picture of a participant's efforts to save as well as give both participants and programs more achievements to celebrate.[11] In our analysis, we found that YFCF participants increased both their savings as well as their savings behaviors after receiving financial capability services. On average, participants not only reported having more savings, but also saving more frequently and using formal accounts (savings and checking accounts).

In our survey, we asked respondents to self-report the amount they had in savings the day that they completed the survey and asked them to think broadly about savings in accounts, but also cash on hand and money they had set aside at home. With this definition of savings, participants reported a median current savings of $125, with almost one-third (31.5%) reporting not having any savings. In the follow-up survey this median doubled to $257, and only 24.7% reported current savings of $0. When we looked at the changes in savings amounts for individual participants from program entry to exit, we saw an average increase in savings of $260. This result was found to be statistically different from zero at the 1% confidence level.

There were differences in savings levels by race, with Black participants reporting the lowest level of savings at baseline and at follow up. At the median, Black participants had savings of $1 and $50, respectively. However, savings were much higher if you looked at the average change in savings per participant. On average, Black participants had $175 more after receiving financial capability services. Latino participants had an average of $232 more in savings, slightly below the overall average for all participants. Asian participants reported the highest level of savings at baseline and follow-up, but the average change in savings for participants was not statistically significant, indicating that Asian participants were successful at maintaining the high level of savings with which they entered the program. The highest average increase in savings was found for participants categorized as “Other” race but, as stated above, caution should be exercised when looking at this group's results. Because the sample size is so small, their cumulative average change can be more easily skewed by one or two respondents with unusually high savings.

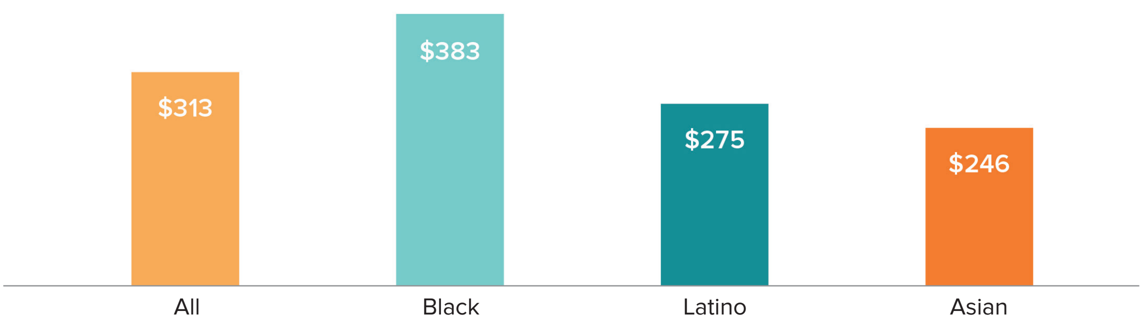
TABLE 5 | Current Savings by Race and Use of Savings

	Median Current Savings Baseline	Median Current Savings Follow-up	Avg. Change in Savings per Participant
Total	**$125**	**$257**	**$260****
Black	$1	$50	$175*
Latino	$150	$347.5	$232*
Asian	$800	$1,000	-$46
Other	$230	$500	$1,485*

** Significant at 1% level
* Significant at 5% level

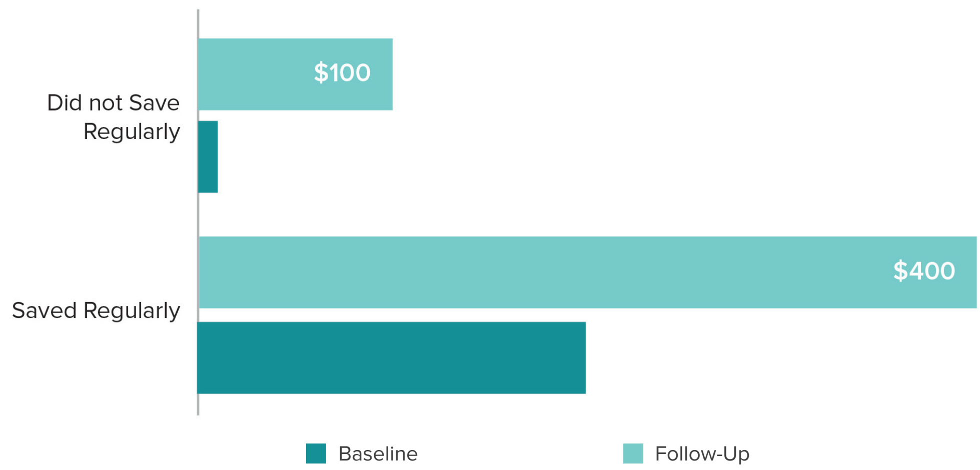
We did not have access to savings account transaction data for YFCF participants, so we were unable to measure changes to savings throughout the period youth were participating in financial capability services. Youth were not saving in a restricted account, and we anticipated that savings would fluctuate as youth used their savings for short-term needs. To capture the flows out of savings balances and not just in, we asked participants if they had used their savings in the past six months. In the follow-up, almost half (46.5%) of participants reported that they had used some of their savings to make a purchase or pay an expense in the past six months. We had hypothesized that those who reported using savings would have lower savings amounts in the follow-up survey, but we saw the opposite in the data. Of the 224 participants who reported using their savings in the past six months in the follow-up survey (and thus potentially during the program) and for which we had savings data, respondents saw an average increase of $313 in current savings. This is in comparison to the average $219 increase for those who did not report using their savings at follow-up. The results held when we analyzed the data by race, and in fact Black participants who reported using their savings saw larger savings increases than Latino and Asian participants.

CHART 4 | Credit Product Use and Knowledge



The frequency with which respondents reported saving also made a difference to the amount that participants saved during the program. We asked participants how often they set money aside as savings. At baseline, just over half (53.5%) reported always or often saving. This increased to almost two-thirds (64.8%) of respondents in the follow-up. Respondents who reported saving regularly at baseline started with a median $200 in current savings versus the median $10 for participants who reported not saving regularly. At follow-up, respondents who reported saving regularly had a median $400 in savings, while those who did not save regularly had a median $100 in savings.

CHART 5 | Median Savings at Baseline and Follow up, By Savings Frequency



Where participants saved was also related to how much participants saved. In the survey we asked participants where they put the money they set aside and asked about both formal savings methods—in a checking or savings account—and informal savings at home, with another person or elsewhere. At baseline, nearly half (47%) reported saving formally and informally, but more respondents reported only saving informally (30%) than only saving in a checking or savings account (23%). After receiving financial capability services, saving in an account increased significantly; 76.9% reported saving in an account overall compared to only 63.4% at baseline. The majority of people continued to also save informally, but the percent saving only in an account increased. The share of people only saving informally decreased by 11 percentage points.

Participants who reported saving money in both informal and formal ways at baseline had the highest median savings at $300 (n=221). This is in contrast to the median of $100 in current savings that participants who reported only saving in a checking or savings account (n=110)—and the $60 participants who reported only saving in informal ways—i.e., keeping their savings at home, with someone else or someplace else (n=142)—had at baseline. The difference in savings levels could reflect a difference in actual dollars saved or the fact that participants who noted saving informally considered broader stores of money when calculating their current savings. This supports research showing that defining savings more expansively reveals more resources and successes to celebrate.

CHART 6 | Savings Methods at Baseline

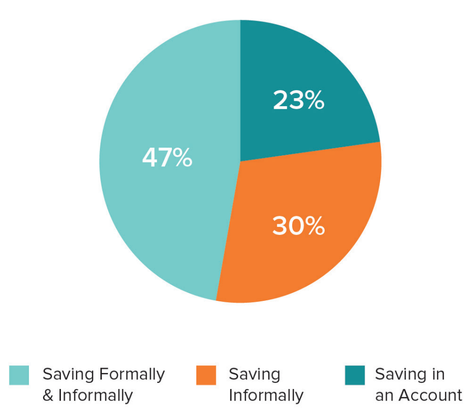
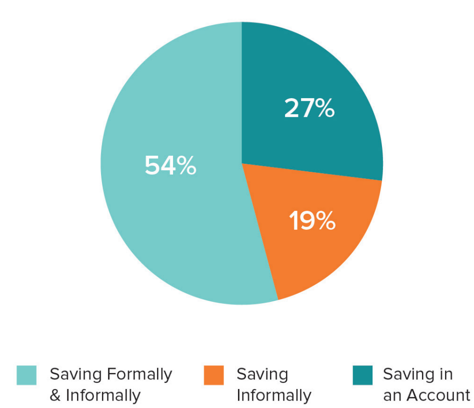


CHART 7 | Savings Methods at Post



In the follow-up, however, the participants who reported saving only in formal ways had the highest median current savings at $500 (n=141), but those saving formally and informally were not far behind with median savings of $450 (n=283). Those who reported only saving informally (n=97) had a median savings balance of $25. In fact, when we looked at the change in savings for participants, we found that the 45 participants who only used informal methods to save throughout the program saw an average decrease in their savings of $99.

FINANCIAL CAPABILITY, BEHAVIORS AND ATTITUDES

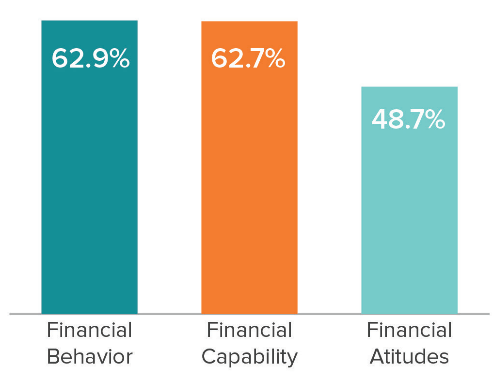
In addition to savings and financial products use, we also surveyed participants on their financial management behaviors and attitudes. The day-to-day decisions that people make about their money are strongly related to their overall financial situation (e.g., amount of savings or credit history) and financial well-being.[12] During young adulthood, a person's financial behaviors and attitudes become more relevant, as they begin making consequential financial decisions for the first time. The habits and norms a person develops in youth can set up the patterns they follow in later adulthood.[13]

In the YFCF survey, we measured financial behaviors and attitudes with three scales (see Appendix C for the full survey). We used the University of Wisconsin Center for Financial Security's Financial Capability Scale modified for young adults,[14] which asks about having a budget, confidence to meet goals and ability to cover an unexpected expense. For financial attitudes, we used a scale from an evaluation of the MyPath Savings program.[15] It measures confidence in financial decisions, comfort in doing business with a bank or credit union, and feelings about managing money. Finally, we asked additional questions about specific financial behaviors we believed would be relevant to the financial capability services being integrated into YFCF sites' workforce programing, including how often youth track their spending, comparison shop and pay their bills on time.

Youth reported increases in the frequency with which they practiced positive financial behaviors and held positive financial attitudes after receiving financial capability services. At exit from their workforce program, 77.1% of respondents reported tracking their expenses always or often, up from 67.8% at baseline. Setting money aside also increased from 53.3% reporting saving always or often to 64.8% at follow-up. Additionally, 73.6% of youth reported always or often paying their bills on time compared to 66.9% at baseline. Almost one-third (30.4%) felt more confident in the follow-up survey in their ability to come up with money to make ends meet if they were faced with an unexpected expense.

Combining these individual questions into indexes of financial behavior and attitudes and comparing the means from program beginning to end (see Table 6), we find that there were significant changes in financial capability, positive financial attitudes and the frequency with which youth carried out positive financial behaviors. At the median for each scale, the scores increased by a point. Looking at the change in individual scores over time (see Chart 8), we find that nearly two-thirds of respondents increased their financial capability and positive financial behavior scores, and almost half of respondents had more positive financial attitudes.

CHART 8 | Percent Improved on FInancial Scales



The results from our survey of YFCF youth before and after they received financial capability services for approximately six months are very promising. Youth were able to build financial capability, increase the positive financial decisions they made—including paying bills on time and saving more frequently—and increase their ownership of accounts with mainstream financial institutions. Most importantly, youth were able to increase their savings and build a bigger financial cushion for themselves, which they can use to cover expenses or put toward their financial goals. The youth achieved these outcomes while the organizations and pilot sites were just beginning to integrate financial capability into their workforce programing, and further analysis is needed over time to assess which financial capability services help youth most on their path to financial security.

TABLE 6

	Baseline	Follow-up	Average Change
Median Financial Capability Score (out of 8)	5	6	.51**
Median Financial Attitudes Score (out of 16)	12	13	.45**
Median Financial Behavior Score (out of 20)	14	15	1.03**

** Significant at 1% level

ABOUT THE YOUTH COUNCIL: PROSPERITY YOUTH

Inspired by the model of human-centered design, Prosperity Now convened its first Youth Council in May 2018 to ensure that youth voices were centered in the YFCF and in the design and implementation of financial capability services at pilot sites. This was the first time Prosperity Now engaged directly with program participants on an ongoing basis. The Youth Council allowed us to hear from young people directly to challenge our assumptions about them and their financial experiences.

Prosperity Now's Youth Council comprised of eight young adults enrolled in workforce programs at organizations that are part of the Youth Financial Capability Fund (YFCF). Ranging from 18 to 24 years of age and located in cities across the country, the Council represented various perspectives, ideas, interests and career goals.

The Youth Council members engaged with each other through group calls and social media platforms to discuss personal goals and interests, financial topics and career plans. All Youth Council members also attended Prosperity Now's biennial conference, the Prosperity Summit, during which they had the opportunity to network, visit their representatives at Capitol Hill and spend time with each other. A few of them also spoke about youth financial empowerment during plenaries and concurrent sessions.

OUR 2018 YOUTH COUNCIL MEMBERS INCLUDED:

- **Antoinette Hui, San Jose CA (Genesys Works)**
- **Darius Owens, Seattle WA (Juma Ventures)**
- **Dayzhonna King, Kent WA (Juma Ventures)**
- **Luisana Estevez, Bronx NY (NPower)**
- **Ranye Mclendon, Baltimore MD (NPower)**
- **Marshaune Burris, St. Louis MO (NPower)**
- **Jonathan Jenkins, Hartford CT (STRIVE International)**
- **Kiyea Milledge, Baltimore MD (Urban Alliance)**

MEMO FROM PROSPERITY YOUTH

The following memo was written by several Youth Council members to youth workforce organizations to help them understand their perspective when designing workforce and financial capability services.

Dear Reader,

We think it's important for organizations to provide financial capability services to support us with the following:

HELP BUILD OUR CONFIDENCE

We need the tools to make progress, to develop a certain skill set to contribute to the community. Once we work with you to have a plan, we will be more willing to positively interact with others and feel confident that we can achieve our goals.

We need to develop skills to contribute to our communities, which means your program should challenge us to exceed expectations. Don't make excuses for us, and don't treat us like "teenagers" who need to be coddled. Hold us accountable to support other team members in our cohort and make connections with what we are doing to individuals in the community. At the same time, balance this challenge with providing a space for us to fail comfortably without the harsh repercussions we would experience outside the program.

GUIDE US THROUGH NEW CHANGES

Teenage years can be difficult times, because we are dealing with so much at once. Having support from a third party, like your program, aids in our self-development and self-assuredness, which we will need in times of uncertainty.

Because we, as young adults, have so many other responsibilities, it will be helpful for us to know how your program will shape our experiences. For example, if your plan is to enroll us in training, connect us to internships and place us in jobs, we should know this in advance. That way, we will be committed and prepared to tackle what's coming.

SUPPORT US IN SUPPORTING OTHERS

Change is contagious. If we are able to achieve our financial goals, we may be able to show other people how they can achieve meaningful change. Our success and results will speak for themselves.

To establish trust with us, you have to teach us technical skills and knowledge we can actually apply. Sometimes, our family members and/or friends may tell us that your program sounds too good to be true, so make sure we have plenty of opportunities to talk with you and make the case to ourselves, family members and friends that your program is worth it. Whether it's at your offices, our schools or community centers: be available and transparent.

Once we have graduated from your program, send us alumni email blasts and hold events on specific topics we are interested in, like opening our own businesses or other certifications and programs you may know of. You can also check in with us to see if we are available to mentor new young adults in your program.

Finally, make sure to include the youth opinions on how to design your program and make it better. Youth could fill out a feedback survey on improvements and features they would like in a program. This could also help other youth who want to hear directly from their age group before joining a program.

Sincerely,

Luisana, Antoinette, Ranye and Kiyea

PART 2

KEY CONSIDERATIONS

The following section includes key considerations for youth workforce development programs before deciding to deliver financial capability services, including understanding the implications of the racial wealth divide for opportunity youth, understanding the opportunities and limitations of financial capability services, and understanding the role of national and intermediary organizations in planning to deliver financial capability services.

UNDERSTANDING THE IMPLICATIONS OF THE RACIAL WEALTH DIVIDE FOR OPPORTUNITY YOUTH

Opportunity youth are negatively impacted by growing economic inequality in the US. Given that Black and Latino youth are disproportionately represented among opportunity youth, it is critical to understand the extent to which these groups have been economically disadvantaged.

The racial wealth divide is driven by generations of discriminatory and wealth-stripping practices, including public policies that have disadvantaged households of color. As a result, the median household wealth (without durable goods) for White households is $116,000 compared to $1,700 for Black households and $2,000 for Latino households.[16] Even earning what is considered middle-class income ($42,000 per year) and completing college education does not guarantee economic security for Black and Latino households. White high school dropouts own more wealth than Black and Latino college graduates,[17] and White households have more wealth than Black and Latino households across all income levels. But education is valuable to boost lifetime earnings, so ensuring opportunity youth have access to education opportunities to build knowledge and skills that can expand their job prospects is critical.

Wealth helps families get ahead, covers gaps in income, pays for college expenses, purchases homes and stimulates economic mobility. Opportunity youth do not receive the benefits of intergenerational wealth transfers and face the growing chasm of wealth inequity in this country. Therefore, it is necessary to invest in these young workers to ensure that they can obtain good paying jobs, education and economic opportunities to help mitigate the impacts of economic inequality and the racial wealth divide.

UNDERSTANDING THE OPPORTUNITIES AND LIMITATIONS OF FINANCIAL CAPABILITY SERVICES

Opportunities for Financial Capability Services

Financial capability integration involves incorporating financial capability services, resources and tools directly into other programs and systems, such as workforce development, housing and education. Integration capitalizes on times when people are already interacting with a social service agency, workforce organization or another formalized system. It's about connecting people to relevant, timely and accessible services that will support them in achieving their financial goals. Positive moments such as exploring career options, acquiring a first job and receiving a first paycheck are opportune times to integrate financial capability services. Research finds that these are ideal moments to support sound financial decision-making because the participants are more likely to put what they have learned into action immediately. Integrating financial capability services into workforce programs allows young people the opportunity to connect their employment and career goals to their financial goals and vice versa.

For example, as their integration planning process began, Urban Alliance staff realized they were already offering a basic introduction to financial topics. They could make the most of the relationships they build with young people by offering financial coaching and incentivizing savings so that young people could connect their financial and career goals.

Integrating financial capability services into workforce services has been shown to not only improve financial outcomes but workforce outcomes as well, such as number of hours worked, wage increases and retention.[18,19] Engaging in safe and relevant financial capability services can support young people in managing their new income and addressing their financial responsibilities or challenges that may impact their ability to be successful on the job. Connecting young people to financial capability services as they are getting employed can enhance their performance at work.[20]

Limitations of Financial Capability Services

Effectively integrating financial capability services into workforce programs requires that workforce programs first meet the employment or career needs of young people. Talking about finances is uncomfortable for many people, and young people are no exception. Current successes and challenges organizations have with building relationships and engaging young people will affect the delivery and impact of financial capability services. Organizations should reflect on their relationships with youth participants and identify the strengths and pain points. Organizations should also think about their approach to service delivery for young people and whether service delivery is focused on transactional or transformative change. Given that conversations around finances require a tremendous amount of trust, patience and vulnerability, strengthening how and what types of relationships are built with young people will be key to securing their buy-in to engage in financial capability services.

The U.S. has a legacy of public policies that have kept communities of color from equal access to quality education, employment, housing and health opportunities that could be used to mitigate the financial hardships caused by these very policies.[21] Moreover, communities of color are often unable to reap the benefits of intergenerational wealth transfers that White households often do.[22] It is important that organizations recognize that deeply rooted mistrust of the U.S. financial system, intergenerational trauma, and justified anger and resentment exist.[23] While these attitudes can't be eradicated overnight, open discussions about these concerns along with relevant financial education, coaching, and access to safe and appropriate financial products and services can begin to address these concerns.

Finally, financial capability services cannot address every unmet need that impacts overall financial health and well-being. Whether it is mental health, involvement with the criminal legal system, substance abuse or housing, these barriers impact an individual's overall health and well-being and, if unmet, can result in significant employment and financial challenges. NPower and STRIVE, for instance, relied on their extensive network of social service providers to support young people in connecting to other timely and relevant services related to housing, food and legal needs. When thinking about integrating financial capability services, organizations should acknowledge the barriers that prevent young people from thriving financially, and how they can adapt their program models to meet youth's needs. Many young people may need a holistic set of services to truly achieve financial stability.

UNDERSTANDING THE ROLE OF NATIONAL AND INTERMEDIARY ORGANIZATIONS IN FINANCIAL CAPABILITY SERVICE DESIGN AND DELIVERY

National organizations and intermediaries are uniquely positioned to support their networks and affiliate sites in implementing financial capability programming. They can play a variety of roles including:[24]

- **Capacity builders** | Providing technical assistance and supporting training and development. National organizations and intermediaries can support affiliates with acquiring the tools necessary to plan for integration as well as the tools and staff training necessary to implement services in an effective way. They can share promising practices that work across their network.

- **Conveners** | Facilitating connections between organizations, coordinating organization-wide activities and tying together national, regional and local conversations. National organizations can identify connections and opportunities, so they are well-positioned to facilitate relationship-building and events such as peer learning opportunities; national, regional or local meetings; and professional development opportunities that maximize the work that's being done.
- **Thought leaders** | Building support for integration between various stakeholders, supporting data and outcome-tracking efforts, and supporting sustainability planning.

Before designing new services, it's important for national organizations and intermediaries to assess current relationships with their networks, considering factors such as: distribution of responsibilities; communication frequency, methods and processes; and processes for changing program structure or policies. Assessing these factors can support national organizations in identifying the strengths and limitations of current relationship structures and determine the roles they and their affiliates will play in designing and implementing new programs.

> “While it may be tempting as a national organization to take ownership of most project duties in an effort not to overburden site staff, individual site engagement in the work promotes their buy-in and eagerness to contribute to its success.”
>
> **AMANDA NATHAN, STRIVE INTERNATIONAL**

National and Intermediary Relationship Structures

YFCF national partners have different affiliate relationship structures, which impacted the approaches they took in supporting pilot sites. While some have more centralized relationship structures in which the national organizations oversee all programs/sites, others have more decentralized structures in which affiliate sites have their own leadership and decision-making processes. After assessing their relationship structures, some national organizations were able to improve their capacity to support their affiliates in implementing financial capability services.

STRIVE International implemented the Future Leaders program at 10 different organizations located across the country that vary in size and scope. While the national team has control over how the Future Leaders program is implemented, it doesn't control or address barriers that each organization may be facing, such as changes or challenges with leadership/staffing; approach to service delivery; or policies that may impact the delivery of the Future Leaders program. Moreover, the Future Leaders program comes pre-designed to affiliates, meaning that the national organization creates program content for affiliates to use. Given how the Future Leaders program is rolled out at affiliate sites, STRIVE International realized that it had to be more intentional with including site participation and feedback throughout the design and implementation process. Instead of taking ownership over the entire process, it engaged affiliates throughout the process to promote ownership and excitement for the work. It decided that each affiliate should be made responsible for its own implementation decisions, such as whether to use a do-it-yourself, referral or partnership approach; and which community partners and financial institutions to work with. At the same time, the national team would be a thought partner and support affiliates in acquiring the resources needed to implement those decisions. The national team took responsibility for creating resources—i.e. the financial education curriculum and building national partnerships, such as with EARN (SaverLife)—and determining the data-tracking infrastructure for staff to seamlessly capture both the workforce development and financial capability outcomes.

Unlike STRIVE, Juma Ventures' Youth Connect Program is not housed within different organizations but is a standalone program at six sites across the country with financial capability services already built in. Juma's model looks similar across the six sites. All young people:

- Complete a financial literacy workshop
- Engage in one-on-one career and financial coaching
- Participate in job readiness workshops

Even though Juma has been providing financial capability services for some time to young people, it only recently begun to serve opportunity youth. In assessing its current relationship structure, Juma recognized that it didn't have formal communication structures with its affiliates in place. Sites would receive one-on-one support as needed, but rarely had opportunities to connect with the other affiliates. Since one of Juma's goals for the YFCF was to enhance financial capability service delivery to opportunity youth, it incorporated more group technical assistance with its affiliates to keep a pulse on what challenges sites were facing in serving their new demographic. The national organization also supports affiliate sites in acquiring tools (such as a relevant financial education curriculum) and creating city-specific directories of financial capability service providers for opportunity youth.

Assessing their current relationship structures also allowed YFCF organizations to identify their strengths. For instance, STRIVE International identified some of its relationship strengths to be:

- One-on-one technical assistance provided to Future Leaders staff by the national team
- A designated national training manager
- A standardized workforce training model

Because the national program manager was already responsible for providing one-on-one technical assistance to Future Leaders sites, STRIVE International decided that it made sense to use this one-on-one time to provide hands-on, tailored financial capability support to each affiliate. Whether it was cultivating community partnerships or providing financial coaching in-house, the national program manager created space in her check-in time to be a thought partner to affiliates for addressing these challenges. In addition to a national program manager, STRIVE International also has a national training manager who is responsible for supporting sites in one-on-one and group settings in their efforts to implement the Future Leaders curriculum. When the pilot sites identified financial education as one of the financial capability services they wanted to provide, the national training manager worked in partnership with the affiliate sites to identify and modify a financial education curriculum that would be integrated into the Future Leaders workshop curriculum.

NPower also has a national training director who provides training and support to affiliate staff. Given that the training director already has relationships and communication processes in place with affiliates, she took the leadership role in working with pilot sites to integrate financial capability services. This supported NPower's national team and affiliate sites to more seamlessly weave planning for their financial capability work into its existing communication infrastructure. NPower also designated its national social service support staff to work with its national training director so that the responsibilities of leading the national financial capability work did not fall on one person.

PART 3

KEY INSIGHTS

Over the course of the 18-month YFCF engagement, we gleaned 11 key insights that can help agencies working with youth to develop financial capability programs to meet their needs. Those insights were identified across the following five categories: 1) preparing for organizational change; 2) putting young people at the center; 3) exploring the role of partnerships; 4) measuring progress to tell your program story; and 5) managing organizational change and sustaining financial capability work.

PREPARING FOR ORGANIZATIONAL CHANGE

Prior to effectively integrating new programs and services into existing service delivery models, organizations must communicate their vision to multiple stakeholders (such as frontline staff, leadership and youth) and support staff in preparing for the changes that may take place at multiple levels within the organization. It's important for organizations to develop a strategy for how and when their vision will be shared and then ensure that staff at all levels—but particularly those who will be responsible for implementing the vision—are part of the design, implementation and reflection stages.

> “We need to be more intentional about cultivating awareness and desire about new initiatives, because organizational change requires buy-in from both management and staff.”
>
> LEAH CULLUM, NPOWER

INSIGHT 1

Engage Stakeholders in Creating a Vision

Organizations must lay the groundwork for change to effectively implement new services and cement best practices for long-term program sustainability; this involves establishing and communicating a clear and compelling vision to relevant stakeholders before delivering financial capability services. True integration often requires a culture shift within an organization and a reframing of its goals. For youth workforce development organizations, it can mean shifting the goal from connecting young people to jobs to helping them achieve greater financial security and economic mobility. It may mean recognizing that providing job placement services without proper support for youth to manage their new income and navigate the financial landscape may not be enough. Leadership must determine when and how they will communicate with key stakeholders—such as the board of directors, staff, youth participants and external partners—throughout the planning and implementation process.

NPower's national training director served as the lead for the integration planning and pilot process. The national training director was familiar with the similarities and differences across NPower's regional sites, managed ongoing relationships with regional program staff and understood the national organization's priorities. A month after the technical assistance engagement began, she developed a presentation and resource guide for each of the regional pilot sites, which outlined the basics of financial capability, the goals of the integration process, the roadmap for the planning and pilot phases and an emerging theory of change for the work. She incorporated this presentation into standing check-in meetings and calls with program staff, providing an opportunity for them to review the materials, hear directly from her and ask any questions. Staff appreciated being involved in the process. As the planning process advanced, staff were informed of and understood the roles that NPower's national office expected them to play in supporting the financial capability planning and implementation process.

> "The process is a journey on which you are about to embark. Be prepared for discoveries and all of the "ahas" it may bring. Be open [to new ideas and activities]. But know you will have to knock on a lot of doors before one opens. Keep at it, it pays off."
>
> **TANIA GUTIERREZ, GENESYS WORKS**

After initially piloting financial capability services, STRIVE and Urban Alliance each engaged their broader networks more deeply. Once they decided to expand financial capability services beyond their pilot sites, they wanted to share the pilot program experience and hopes for the future. At its national conference, STRIVE presented the process affiliates took in implementing its financial capability services and how financial capability services support STRIVE workforce outcomes. Urban Alliance developed a virtual webinar to present the planning and pilot phases, train staff on internally-developed documents—like the Urban Alliance financial coaching guide—and explain the target outcomes for the program. Urban Alliance positioned regional program managers to share their learnings, successes and challenges from the pilot process with other affiliates.

The YFCF organizations took different approaches to gain staff buy-in on financial capability services and learned that they needed to engage stakeholders at all levels to set the vision for this work. National organizations that have local or affiliate sites should engage local staff in the planning and implementation process in a manner that promotes feedback loops, engagement in decision making and clarity around roles and expectations.

INSIGHT 2

Support Staff Through the Change Process

In addition to communicating the vision, organizations must also support staff in preparing for change. While financial capability services are often integrated into an existing program model, some changes to program operations must be made to more seamlessly embed these services so that they work for both staff and participants.

Organizational change requires buy-in from staff at all levels. To that end, the Prosperity Agenda, a Seattle-based organization that supports local nonprofits and government agencies in determining solutions to current challenges, shared a helpful model for organizational change—ADKAR—which stands for Awareness, Desire, Knowledge, Ability and Reinforcement with YFCF organizations.[25] Moving staff through each aspect of the model helps build institutional knowledge, reinforce the work over time and smooth staff changes and transitions. Staff must be well-supported through the change process as financial capability services become part of the organizational culture. As Donnell Hill of STRIVE International noted, "burnout equals resistance." It's important to also provide staff the opportunity to identify their current pain points in delivering services, as these pain points will most likely impact the delivery of financial capability services. Whether the challenges are with staff capacity, recruiting young people, data tracking or engagement, supporting staff in naming and addressing current challenges helps cultivate buy-in for delivering financial capability programming.

A	AWARENESS OF THE NEED FOR CHANGE
D	DESIRE TO SUPPORT THE CHANGE
K	KNOWLEDGE OF HOW TO CHANGE
A	ABILITY TO DEMONSTRATE SKILLS & BEHAVIORS
R	REINFORCEMENT TO MAKE THE CHANGE STICK

Urban Alliance invested in financial coaching training for its staff and created space for staff to provide feedback on outcome measurement and service delivery approaches. When the organization determined that financial coaching had potential to help young people meet their financial goals and increase their comfort in making financial decisions, it wanted staff to feel equipped to provide financial coaching. As a professional development opportunity, it paid for relevant staff (including regional program managers, program coordinators and the national head of curriculum) to attend a financial coaching training together. Following the training, the national team conducted debrief calls with all training attendees to identify valuable tools and lessons from the training, as well as any necessary modifications to best suit young people. The overarching feedback received by the national team was that the coaching approach and tools needed to be modified to relate to a younger audience. The regional staff feedback helped inform the national curriculum director's idea to develop an Urban Alliance coaching guide. In this way, Urban Alliance cultivated buy-in by inviting staff to shape the content and the approach to delivering the new financial capability services.

Culture is instrumental to success—and making cultural change inside organizations can be hard work. By focusing upfront on how communication and changes will take place, organizations can set themselves up for success in their financial capability integration journeys.

PUTTING YOUNG PEOPLE AT THE CENTER

Putting young people at the center of the work, and determining how to best serve them, is critical to success. Opportunity youth often navigate tenuous circumstances—such as employment and educational barriers, parenting and caregiving responsibilities, documentation and legal issues, and past involvement with the criminal legal system. They also often lack a financial cushion or a support system. YFCF organizations are helping these young people gain financial independence by putting financial capability services in the context of youth's lived experiences and needs, as well as building on their existing strengths to improve their financial circumstances. For instance, with financial education workshops, YFCF organizations took into account young people's financial responsibilities to their families or children. Financial coaching centered on the creativity and resilience young people had demonstrated in the past in challenging circumstances. They highlighted the importance of being non-prescriptive to support young people in establishing self-determined financial goals and creating a safe environment where youth can "make mistakes, learn and start again."

INSIGHT 3

Recognize Young People as Agents of Change

Centering young people means recognizing their power and seeing them as agents of change. In addition to tailoring services to meet young people where they are, it's crucial to create authentic spaces in which young people can inform the delivery of financial capability services. To sustain financial capability services within youth workforce programs, young people must be stakeholders—not merely recipients—of those services. Whether it's through focus groups, internship opportunities, peer-led components of financial capability services, or feedback sessions, workforce programs must recognize the value of engaging young people in shaping effective services.

INSIGHT 4

Use Human-Centered Design

Participating organizations in the YFCF were encouraged to seek direct input from young people to determine which services were most relevant to meet their needs. One way to include youth participants in the design and implementation process is by adopting human-centered design.[26] Human-centered design allows program staff to better understand the context in which people make decisions about their finances. It also levels the playing field by centering and including participants in the design and decision-making process. Programs can shift from a transactional interaction with participants towards transformational service delivery that recognizes participants as powerful, resourceful and knowledgeable.

Young people are not a monolith; they have unique financial needs and may require different tools and services to help them build financial capability. It's incumbent on program staff to develop a baseline understanding of young people's financial lives, and also to understand their financial goals so they can provide targeted support and resources. There are numerous strategies for engaging young people (interviews, for example), and staff must weigh the best options for gathering information to support human-centered design.

To collect input directly from youth participants, each of the YFCF organizations worked with their pilot programs to issue an initial assessment survey. Some programs also facilitated client interviews and/or focus groups to gather youth input, which provided additional nuance to the survey results. Staff at STRIVE International supported their affiliate sites in conducting one-on-one interviews and focus groups with young people to learn more about their current financial lives, their financial goals and their interests. Based on previous interactions, both national and affiliate site staff carried a few assumptions about what they might hear back from youth—and were surprised when several of those assumptions were challenged. For example, STRIVE staff assumed most of the young people were not banked, but they learned that approximately 60% of their young people had a checking account before they enrolled at STRIVE. Program participants also expressed a lot of curiosity about how to build credit, read credit reports and address situations in which family or friends had opened credit lines in the young person's name without their consent.

Urban Alliance staff also conducted one-on-one interviews and distributed surveys to program participants. Urban Alliance was surprised at how many questions students had about building credit. In follow-up conversations, conducted in Urban Alliance's weekly workshops with program coordinators, young people shared the negative credit experiences they observed in their families and communities. They wanted guidance around how credit works; whether opening a credit card after high school graduation would be helpful to them; and how one could develop a plan to pay off credit card and/or student loan debt. Urban Alliance used that direct feedback to develop a credit module that allowed young people an opportunity to pull their credit report, outline options for credit building and understand the relationship between credit and debt. Additionally, youth participants at Urban Alliance stated that they wanted more opportunities to assess their own financial lives, instead of learning using hypothetical situations. Participants wanted to graduate from the program feeling confident that they could navigate the complex financial system. Urban Alliance responded to young people's feedback by adjusting their workshops. They started showing sample credit reports in class to provide participants an opportunity to practice reading credit reports and began walking young people through the process of pulling their own credit reports.

Collecting participant input is a helpful process that should not be taken for granted. STRIVE and Urban Alliance realized that there were financial questions that did not often come up in existing program surveys or workshop conversations, which prevented their staff from having a full picture of their participants' financial lives. Ultimately, YFCF organizations learned that digging deeper and challenging their assumptions could directly impact which financial topics to cover, what services they decide to deliver and how they are delivered.

INSIGHT 5

Identify the Right Points in Time to Offer Financial Capability Services

Integration involves embedding services into an existing program rather than creating a new standalone program. Relatedly, it is important for programs to consider where there might be natural opportunities within the program workflow to provide additional financial knowledge, skills and access to tools and financial services, so they are centered around youths' needs.

During interviews with youth participants, Urban Alliance heard from many young people that they feel more comfortable talking about their finances one-on-one. Urban Alliance's program coordinators agreed that they learn the most about their program participants during their bi-monthly one-on-one meetings. The organization decided it would integrate financial topics into these check-ins to routinize money conversations. Based on this, Urban Alliance decided that financial coaching would be an important service to bring to their high school internship program. Program directors decided to plan how they could extend the length of these meetings to create more space for financial conversations and problem solving.

Urban Alliance's High School Internship Program is delivered on an academic schedule, with programming beginning in September or October, and running through July. The final year of high school brings certain priorities and milestones (e.g., preparing and submitting college applications, final exams, senior prom, etc.), so Urban Alliance intentionally organized its financial capability curriculum around these high school events. For example, Urban Alliance prioritized conducting a financial goal-setting workshop and supporting young people with establishing their bank accounts prior to receiving their first paycheck. They felt it was important to prime young people to be intentional about managing the new stream of income. Later in the fall, when young people have been placed in their internships, Urban Alliance decided to conduct a workshop on money management and budgeting. The following spring, while young people are learning about college acceptances or have solidified an alternative post-high school plan, program coordinators would facilitate a workshop on credit and debt so youth participants can prepare before transitioning to life after graduation.

While planning for financial capability integration requires creativity and new investments, it doesn't mean that any program needs to start from scratch. Leveraging the points in time in the workforce model where financial conversations and topics come up can support a smooth transition for staff and support program sustainability. This approach is another way that programs can design truly youth-centered financial capability services.

INSIGHT 6

Engage Young People on an Ongoing Basis

Continuing to incorporate client input after the design process allows programs to stay relevant and effective. After each workshop where financial capability services or products were delivered, NPower staff issued a survey or asked participants about their opinion on the session. They asked whether the content was helpful and whether the speaker was engaging to determine whether they should continue to incorporate those sessions. Based on the rapid feedback sessions, NPower had accessible data to determine whether they should continue to partner with a service provider during the next program cycle. Since piloting, NPower has institutionalized this feedback loop so they can regularly gather young people's feedback on workshops.

The design and delivery of services should be grounded in clients' needs and experiences. Programs should determine how they will hear from young people about their desires and feedback to identify design aspects young people can drive. Once that plan has been established, programs should build feedback loops into the process so that they can continually iterate and optimize service delivery.

EXPLORING THE ROLE OF PARTNERSHIPS IN FINANCIAL CAPABILITY INTEGRATION

Financial capability services can be integrated into an organization's program model in three different ways: do-it-yourself (DIY), referrals and/or partnerships.[27] Once YFCF organizations decided which financial capability services to offer, they assessed the benefits and disadvantages of each of these implementation strategies to determine the best approach for their organization and youth participants. It's important to assess the implementation strategy for *each* financial capability service an organization wants to offer.

> "If an organization is already providing a service effectively and has built trust and relationships, there is no reason we should go and offer that same service. Our interest is not to accrue as many services as possible at Juma but to serve our youth well."
>
> **DAVID MILLER, JUMA VENTURES**

Implementation Strategy	Advantages	Disadvantages
DIY	◆ Can ensure that goals and activities contribute to your organizational mission ◆ Provides all services at one location, thus lessening the potential for a young person to drop-off between services	◆ The most resource-intensive option ◆ Requires leadership and staff buy-in, funding, training and support for staff, new infrastructure or tools and changes to operations
Partnership	◆ Can maximize the strengths of each organization and support both organizations in achieving their goals	◆ May involve making compromises and giving up some autonomy over how services are provided and branded ◆ Can take time to establish, especially when deciding where to locate services and how to brand them
Referral	◆ Less resource intensive since it relies on the capacity of other organizations	◆ Young people may have to travel to another location, which may limit take-up of services ◆ Referral partners may have different goals and outcomes, or their services may not be designed, accessible or an ideal fit for youth participants

In deciding when to provide a service in-house versus through a trusted partner, it's important to consider the following:

1. An organization's capacity to offer a new service in-house.
2. The advantages and disadvantages to the organization for offering a new service in-house.
3. The advantages and disadvantages to the organization's participants for receiving a new service at your organization.
4. The availability of providers in the community who have experience offering the new service and the degree of access young people will have to that organization.

If an organization does not have the capacity to offer a new financial capability service in-house that other organizations in the community provide, it may want to consider a partnership model. Partnerships can support organizations in maximizing their strengths and leveraging each other's resources to better serve young people.

YFCF partners decided to pursue partnerships for a variety of reasons. Genesys Works' Chicago and Bay Area sites decided that given their current responsibilities, it was best to partner with other service providers to offer financial capability services. Genesys Works Bay Area was also mindful of providing services equitably; they knew that not all staff had the capacity to deliver services, which may lead to inconsistent delivery to program participants. Strive International's pilot sites decided to partner for some of the more intensive financial capability services (such as credit counseling) because it didn't have the time or resources to train its staff to offer these services. NPower's pilot sites decided to pursue partnerships because it wanted to make sure its young people were connected to professionals. The NPower New York site also recognized that, given its location, it had access to many service providers it could partner with. Ultimately, partnering to provide financial capability services can support organizations in effectively using limited resources to ensure that young people receive services in a timely, relevant, consistent and accessible way.

INSIGHT 7

Partner With Other Social Service Organizations to Provide Financial Capability Services

YFCF partners engaged social services providers to offer financial capability services, fulfill other unmet needs of young people and/or offer training to their staff. Several YFCF organizations partnered with social services providers to offer financial capability services they couldn't provide in-house, such as credit counseling and free tax preparation through Volunteer Income Tax Assistance (VITA). For example, staff at STRIVE Baltimore discovered that its young people were unaware of many debts that had been taken out in their names. STRIVE Baltimore felt that its own case managers were unequipped to address this challenge, so it partnered with Operation Hope to provide credit counseling to young people. STRIVE Hartford partnered with the local Department of Social Services (DSS) to support young people in signing up for local and state benefits on-site so they could access additional resources to supplement their income. NPower's Maryland and New York sites relied exclusively on partners in their communities to offer financial capability services, such as budgeting and savings strategies and enrolling in health insurance, and unpack complex financial questions. YFCF partner organizations also partnered with national organizations like MyPath and EARN (SaverLife) to offer young people financial education and matched savings incentives, as well as the University of Wisconsin's Center for Financial Security to offer financial coaching training to staff.

YFCF organizations also partnered with local organizations to offer services that address other unmet financial needs of young people. For example, STRIVE Hartford partnered with the Connecticut Association of Human Services (CAHS) to offer legal services to its young people (in addition to financial coaching training for staff), many of whom are formerly incarcerated or have had some contact with the criminal legal system. By providing legal services to youth participants, in conjunction with employment and financial capability services, STRIVE is better able to address the multiple factors that can impact young people's financial lives.

It is important to vet external social service providers prior to forming partnerships to ensure that services and their delivery will be valuable and accessible to youth participants. Organizations serving youth should consider the following when trying to establish partnerships with external social service providers:

- Capacity of the partner to serve more people
- Mission alignment
- Experience serving young people or willingness to be trained
- Location of services and hours of operation

Before proceeding with a partnership, programs should ensure that partnership expectations are clear and that partner organizations understand how they can best support young people. National workforce organizations, like the YFCF partners, can support affiliates with these discussions as well.

INSIGHT 8

Vet Potential Financial Services Partners for Mission and Product Fit

Participating YFCF organizations helped connect participants to the financial mainstream by working with reputable financial institutions to provide access to safe and affordable financial products and services, such as checking and savings accounts, matched savings programs and direct deposit. Young people learned about the products' features and how to use these products to manage their money safely and effectively. In some instances, YFCF partners were already connecting young people to safe and affordable checking and savings accounts, but this wasn't happening consistently across all sites and program participants.

It's important for organizations to vet financial service providers to identify reputable partners and ensure that young people engage with a product that best aligns with their financial needs. In addition to considering partnerships with national banks with local branches, YFCF organizations considered local credit unions, community development financial institutions (CDFIs) and community banks. Genesys Works Bay Area staff personally visited financial institutions to assess how they treat customers, what kinds of products they have available and what information young people needed to open an account. Genesys Works Chicago asked community partners which financial institutions they trusted before pursuing a partnership. Juma Ventures conducted market research on products available at local banks and credit unions before reaching out to them. Both Juma Ventures and Genesys Works shared the MyPath youth account standards with young people to equip them with the skills to open accounts that meet their needs, including no regular monthly fees and no overdraft. NPower Missouri worked with financial institution partners to ensure that students qualified for accounts with no or low fees and could get a second chance account if they previously made a mistake. YFCF partners served as the gatekeepers to ensure that young people were connected to products that made the most sense for them given their needs.

The YFCF organizations saw an increase in checking account ownership from 63.7% at baseline to 66.7% at the end of the program. Similarly, there was an 11 percentage point increase in savings account ownership from 45.3% at baseline to 56.0% at program end. Despite this success, approximately one third of participants chose not to open an account. Although the pre- and post-surveys didn't ask what drives young people's decisions about whether or not to sign up for accounts, anecdotally, staff at the organizations reported some youth expressed concerns about predatory practices by some financial institutions in their communities, particularly around home loans, and they worried about wage garnishment and being charged fees (such as for overdraft) or for not meeting minimum balance requirements. Organizations serving opportunity youth should be prepared to address young people's concerns about using traditional accounts to manage their money. Staff can play an important role by providing guidance on selecting financial products that are safe, affordable and best meet the young person's needs, as well as how to use financial products appropriately to minimize or avoid fees.

YFCF partners recognized that prior experiences, practices and perceptions don't change overnight and that it's critical to find financial services providers that are aligned in their mission to support youth and gain their trust.

YFCF partners also had some success supporting financial institutions in building trust and rapport with young people. Juma Ventures invited several local banks and credit unions to orientations and community fairs at their organization, during which young people could ask questions and raise concerns in the presence of staff and peers. Inviting financial institutions to its organization (versus *sending* young people to financial institutions) supported Juma in shifting power to its young people who were able to have conversations with representatives of financial institutions, often for the first time, in a space where they felt comfortable and welcomed. Juma Ventures also invited financial institution representatives to visit its organizations in other roles, such as volunteers at service events or orientations and as speakers, so that young people had the opportunity to engage with them outside of opening accounts.

When partnering with financial institutions, it's also crucial to discuss what products and services are most appropriate to offer young people. YFCF partners utilized financial institutions for several different services (such as financial education and safe financial products) and were clear about their expectations. For instance, Juma Ventures partners with a few financial institutions to offer financial literacy workshops and access to checking and savings accounts. However, Juma Ventures is very clear with each of its financial institution partners about the components of the partnership and what they can offer: only financial literacy, financial literacy with product access, or only product access.

Similar to partnerships with social service providers, it's important that organizations seek to partner with financial service providers that are invested in youth's success and their relationship with the organization. It's also crucial that expectations between the partners are clear.

NPower Missouri recognized early on that their students had a diverse range of needs related to financial education, credit and banking and that their staff were not equipped to provide guidance on these subjects. After identifying and assessing dozens of organizations in the community as potential partners, they decided to partner with Regions Bank for financial education, Operation Hope for one-on-one financial coaching and Justine PETERSEN for credit building and counseling. They then assessed these partnerships, based on student surveys, at the end of each cohort to determine what was working well and made adjustments from their first cohort to their second. Regions Bank and Operation Hope had staff who came to NPower to provide workshops, open accounts and provide credit education. Their staff was relatable and passionate about working with NPower's students and were able to develop a high degree of trust and rapport with the students. NPower's students and staff particularly appreciated that the Regions staff presented information about different types of accounts across several financial institutions so that students could compare them. Operation Hope's staff then built on that knowledge base to help youth identify the right account for them. Justine PETERSEN provided more advanced services, such as access to credit builder loans for students with low or no credit file. NPower Missouri prioritized partnerships that were mission-aligned, sustainable and would help youth over the long run, in addition to providing services on site to students.

MEASURING PROGRESS TO TELL YOUR PROGRAM STORY

Programs must clarify the changes they want to see by offering financial capability services and then communicating their story to key stakeholders. This requires identifying target outcomes and then developing a mechanism to track indicators toward those outcomes. Prosperity Now recommends that programs develop a theory of change[28] as they explore the process of integrating financial capability services into their programs.

As described in Part 1 of this report, Prosperity Now asked each YFCF organization to track a standard set of financial capability outcomes through surveys of their participants. Prosperity Now also worked with each organization to identify additional indicators to track depending on the services it decided to offer. The following section outlines key insights about measuring progress and how some of the YFCF organizations built this into their program operations.

> "Robust data collection and monitoring helps ensure that we are delivering the highest-quality training possible to the youth we serve. This work is too important to leave any part of it to chance."
>
> **DANIEL TSIN, URBAN ALLIANCE**

INSIGHT 9

Create a Theory of Change and Identify What Outcomes You Must Measure to Tell Your Story

A theory of change is a framework that serves as a roadmap for how clients "get from here to there"—showing where they are now in terms of financial stability, where they can and want to be financially and what financial capability services will help bring about the desired change.[29] It is a powerful tool that can assist programs in several ways: it can be used as a visual aid to summarize an organization's intended plan and impact; it can be used for case-making to encourage the involvement of relevant stakeholders; and it can be refined if clients' current circumstances or intended impact change. For these reasons, Prosperity Now encouraged each of the YFCF organizations to develop a theory of change.

Urban Alliance established early on that it would be important to have a standardized financial capability strategy across its regional sites, so it was eager to collect information about young people's needs and goals from the pilot sites. The national organization collected data from the financial needs and goals assessment completed by both pilot sites. It identified much overlap between youth's financial experiences and needs and had a long list of potential outcomes it could track. Urban Alliance engaged its measurement and evaluation team to determine whether the organization was already tracking some of the data and to help prioritize the long list of outcomes. Three overarching outcomes emerged as priorities:

- Youth demonstrate improvements in financial self-efficacy and financial well-being
- Youth demonstrate positive financial behaviors
- Youth make progress toward their self-identified financial goals

Urban Alliance further specified the financial behaviors that were important to youth, such as tracking income and spending regularly or saving money from each paycheck, and each of these outcomes were tied to indicators over the short-, medium- and long-terms. For some of the behaviors, Urban Alliance was able to leverage existing financial capability measurement scales such as the University of Wisconsin Center for Financial Security's Financial Capability Scale and the Consumer Financial Protection Bureau's Financial Well-being Scale.[30] Then, Urban Alliance identified services that would support young people in achieving each of these outcomes. The theory of change was shared with regional pilot site staff who helped the national organization reflect on how the identified services (e.g., financial capability workshops, one-on-one coaching, incentivized savings plan and post-high school planning) could be delivered and established targets for each cohort.

This process allowed Urban Alliance to build a financial capability strategy that fit into its organizational strategy and was informed by young people and staff on the ground. In this way, everyone—including national staff, frontline staff at the pilot sites, leadership at pilot sites and youth—was engaged in defining the end vision and understood what it would take to get there. Organizations can use a theory of change to identify appropriate metrics, while also describing services in a compelling way.

INSIGHT 10

Streamline Data Collection for Both Workforce and Financial Capability Indicators

Programs rely on data to tell stories about their impact to prospective participants, funders and partners. Youth workforce development programs often track a lot of data, as program leaders and relevant stakeholders want to understand young people's performance across many modes—like academic performance, workplace professionalism, classroom behavior and self-confidence—and are often required to report this data to funders. Measurement and evaluation strategies require strong data collection practices. Even when all the outcomes have been identified, challenges in collecting data may still arise, especially when data collection systems are not streamlined. While a few of the YFCF organizations were collecting some basic financial information, Prosperity Now encouraged them to identify additional financial capability outcomes to measure the effectiveness of the pilot.

STRIVE International focused on seamlessly integrating data tracking for financial capability services into its existing data collection platform, Apricot, so that case managers could administer the pre- and post-surveys in conjunction with the other surveys they administer. Given that STRIVE staff were already collecting extensive amounts of data for the Future Leaders program, the national team first focused on identifying which workforce metrics were the most important to measure and when. It also identified if and when data collection was duplicated. Once it completed reviewing its workforce development data processes, it integrated the YFCF pre- and post-surveys into its data management system. STRIVE's national performance manager and national program manager worked together to support sites in determining when and how to administer the pre- and post-surveys.

Urban Alliance integrated its financial capability data collection into its standard evaluation plan. For example, it added the YFCF survey questions to surveys it was already administering to young people. Urban Alliance decided to take this approach instead of administering two different surveys to maintain a high response rate from its participants. All survey questions regarding financial capability were either taken from the YFCF survey or field resources from the CFPB and Success Measures on measuring financial capability outcomes for young people.[31] Urban Alliance also used financial coaching sessions as a means of data collection. When young people shared financial information (bank statements, progress towards savings goals, etc.), the program coordinator would log this information into their data system. Organizations should consider the amount of data they collect and how they collect it to streamline data collection for staff and young people.

MANAGING OPERATIONAL CHANGES AND SUSTAINING FINANCIAL CAPABILITY WORK

INSIGHT 11

Sustain Financial Capability Services Over Time

Culture is instrumental to success—and making cultural change inside organizations can be hard work. Operational changes may be necessary to ensure that financial capability services are sustainable, such as: infrastructure, technological tools and systems, internal processes, partnerships and revenue to support long-term programming. Community Wealth Partners, a Washington, DC-based consulting firm, named six key drivers of sustainability: social impact, focused business strategy, economic viability, capacity to deliver, partnership building and stakeholder engagement, and adaptability. During the YFCF engagement, participants explored each of these drivers and shared key insights, like the importance of bringing staff into the design process, ensuring alignment with new and existing partners, determining the actual costs of the program, securing unrestricted funding and telling compelling stories. They also reflected on their staff's current roles and responsibilities to determine how to offer financial capability services while being mindful of their staff's well-being. Although organizational change can be difficult to implement, sometimes it is needed to sustain new programming, and the opportunity to help young people develop lifelong skills and confidence to manage their financial lives is a powerful motivation to keep at the task!

PART 4

RECOMMENDATIONS FOR THE FIELD

Prosperity Now developed the below set of recommendations based on opportunities we see emerging from the Youth Financial Capability Fund and other youth financial capability work we have supported.

PARTNER WITH EMPLOYERS TO ADVANCE THE FINANCIAL WELL-BEING OF WORKERS

Employers advance economic opportunity by supplying jobs and income for young workers, but they can play a larger role to support all workers in improving their financial well-being.

The national youth workforce development organizations participating in the YFCF each work with employer partners that provide paid jobs or internships to youth participants. However, variations in pay and labor hours persist across employers. Providing living wages and adequate labor hours is a first step to improving financial stability for young workers. In addition, employee benefit plans that include paid time off, medical and dental benefits, and retirement options are also critical to boosting financial well-being because they reduce out-of-pocket expenses for employees and enable them to build long-term savings.

Youth workforce development programs can partner with employers to understand the financial challenges facing young workers and determine opportunities to better support them. For example, if youth participants raise challenges with transportation to and from work, youth workforce development programs can work with employers to provide transportation subsidies. Additionally, if youth participants are juggling multiple priorities (like caring for children and taking education courses), youth workforce development programs can encourage employers to be flexible with their schedules.

Interviews conducted by Prosperity Now revealed that young workers generally expressed interest in receiving workplace-based financial wellness services.[32] Employers can support all workers—not just young workers—by providing access to financial wellness services beyond basic employee benefits and retirement. Employers have a unique opportunity to support the financial well-being of young workers, which provides a return on investment for them. According to the Society for Human Resource Management, McLeod Health in South Carolina claims a return on investment of $6.60 for every dollar spent on 12-week financial education classes.[33] Additionally, early reports link the offering of financial wellness services at work to reduced absenteeism, improved productivity, reduced distraction, and increased employee engagement and organizational commitment.[34]

Youth workforce development programs and employers can deepen their partnerships beyond job placement by working together to provide financial services—like financial coaching or counseling—and allowing young workers time to engage in financial wellness activities, such as by co-locating services at the job site and offering them during breaks or at the start or end of the work day. Youth workforce development programs can work with employer partners to establish financial wellness programs that are tailored to young workers' needs.

OFFER MULTI-GENERATIONAL FINANCIAL CAPABILITY SERVICES TO SUPPORT HOUSEHOLD FINANCIAL EMPOWERMENT

Household members play a critical role in shaping youth's views about money. Parents are a key influencer in financial socialization, which influences the financial values, attitudes, skills and habits developed by youth.[35] Parents impart lessons about money through both explicit and implicit communication through directly sharing their attitudes or advice and by modeling financial behaviors.[36] For example, parents of children ages 12-17 may impart lessons about spending, saving and earning money. Additionally, parents were found to have the greatest influence on college students' financial attitudes and knowledge of personal finance compared to the relative influence of employment and classroom-based financial education.[37] This means that while youth workforce programs might provide financial education on assorted topics like credit and banking, youths' families or household members may have a greater influence in shaping young people's beliefs—which could either strengthen or thwart the efforts of the program.

For example, if a youth participant has a parent or household member who makes regular savings deposits at a bank or credit union, then that participant may be more likely to save at a financial institution. Conversely, if a youth participant has a parent or household member who distrusts banks because their wages have been garnished, then that participant may fear that their money will be taken if they keep it in a traditional bank account. Many young people, including some at Urban Alliance, are fearful of incurring debt—even student loan debt—due to their parents' experiences, leading many to forego college to avoid student loans.[38] Programs like Urban Alliance that offer comprehensive financial aid and scholarship application guidance along with financial capability services are able to help students overcome that fear and attend college at a high rate (80%).

In addition to the influence parents and household members have in shaping the financial values of young people, the household structure and/or needs may be influential. Many opportunity youth may be caring for their family or household members and are expected to contribute to the household financially.

One strategy that youth workforce development programs can explore is a whole-family or two-generation approach to financial empowerment. Two-generation approaches address the needs of two or more generations at the same time: they focus on education or creating economic stability for the family by creating opportunities for and addressing the needs of multiple generations in a family together.[39] Youth workforce development programs can explore opportunities to offer financial education workshops for youth participants and their families, and provide financial services and options for the whole family/household. Family and household members should also be engaged in the design process to ensure that the services are relevant and responsive to their circumstances (e.g., accessible during nontraditional working hours, provide child care coverage, transportation supplements, etc.).

COLLABORATE ACROSS SECTORS TO CHANGE THE SYSTEMIC BARRIERS THAT LEAD TO DISCONNECTION AMONG YOUTH AND COMPREHENSIVELY ADDRESS FINANCIAL WELL-BEING

To support opportunity youth through the YFCF, Prosperity Now focused on pairing financial capability services with youth workforce development programs that offer job skills training and the opportunity to connect to a paid job or internship. We hoped that connecting young people to services and tools to build financial knowledge and skills and apply them while earning a paycheck would improve their financial well-being and set them on a pathway to future economic success. However, when working with these organizations, it became clear that the financial capability services only addressed a part of the complex set of issues excluding young people from financial opportunity in the first place.

Many opportunity youth are people of color, and we unfortunately know that race is one key determinant of a person's long-term financial well-being. This is not due to any moral or cultural failing among people of color, but rather the policies that have built a system that advantages White people while producing chronic adverse outcomes for people of color.[40]

As a first step toward holistically addressing the financial well-being of young people, partnerships should be pursued with stakeholders that seek to (1) change the systems, infrastructure and policies that are responsible for disparate outcomes along racial lines; and (2) broaden access to supportive services for youth. For example, workforce agencies can partner with policy advocacy groups, civil rights organizations and government agencies to better understand and address drivers of inequality, such as education inequality, neighborhood segregation and disinvestment in communities of color, the school-to-prison pipeline, intergenerational poverty, denial of access to resources and institutional discrimination. Workforce agencies can also partner with other social service providers to ensure young people have access to services such as child care, mental health, housing, legal and substance abuse services, which are often needed and affect young workers' financial decisions and ability to engage with financial capability services.

CONCLUSION

Youth workforce development programs present powerful opportunities to connect young adults with employment and education pathways while also helping them build knowledge and skills to navigate their financial lives. While financial capability services are not a silver bullet to address all the challenges facing opportunity youth—who are disproportionately Black and Latino—these services can help youth build financial confidence, develop financial goals, learn to evaluate and access financial products and services based on their needs, and understand the impact of their financial choices.

Over the course of 18 months, we gleaned key insights from YFCF organizations about providing financial capability services for young people, including:

- **Preparing for organizational change.** Engaging stakeholders at all levels to establish a clear and compelling vision for financial capability services, and support staff throughout the change process.
- **Putting young people at the center.** Financial capability services must be relevant, suitable and tailored for youths' needs. The best way to ensure this is to involve young people directly in the design and implementation process.
- **Exploring the role of partnerships.** Financial institutions and social service providers can be effective partners to build capacity and support service delivery if they are vetted and young people have opportunities to practice using them in a structured environment with guidance from supportive adults.
- **Measuring progress to tell your program story.** Creating a theory of change can help organizations demonstrate what changes they hope to impact through financial capability services. Identify the financial capability indicators to track and determine clear methods for collecting data to measure progress.
- **Managing organizational changes and sustaining financial capability work.** It may be necessary to change organizational operations to ensure that new program elements are sustainable over the long haul. Organizational change requires buy-in from staff at all levels, as well as operational changes, such as infrastructure, technological tools, internal processes, partnerships and revenue.

Young people face many challenges, and their financial lives are inextricably linked to their overall well-being. Youth workforce development programs can improve opportunities for young people by helping them establish a sound financial foundation as they enter the workforce.

We are grateful to our YFCF partners for giving us the opportunity to work alongside them as they embarked on their journeys to integrate financial capability services into their programs. We are also grateful to our Youth Council members for their time, effort and honesty. Thank you so much for sharing your insights and wisdom and allowing us to learn from you.

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