**Evaluation of the $tand By Me Financial Empowerment Program with the Telamon Head Start Program in Delaware**

**Prepared for the Annie E. Casey Foundation by**

**The University of Maryland School of Social Work**

**Financial Social Work Initiative**

***Executive Summary***

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**Introduction and Study Purpose**

$tand By Me ($BM) is a financial empowerment program in Delaware that is being incorporated into a number of human service settings with the purpose of helping Delaware residents achieve their financial goals. Current settings in which the program is implemented include state agencies, workplaces, educational institutions, and non-profit and community-based agencies providing housing and social services. It is also being implemented in early child-care settings as an employee benefit for child-care teachers and providers to assist them with personal financial issues, along with the goal now of offering it to parents (or primary caregivers of children) in these centers. Services to Head Start parents began in fall 2014 in programs throughout the state, including the Telamon Head Start program, which offers services to children and parents, including Head Start providers, in Kent and Sussex Counties in Delaware. The Telamon Head Start program is the focus of this exploratory research study.

The major goal of this study was to understand parents’ needs, issues, and progress toward financial goals as they received financial coaching services through $BM. Specific study objectives included:

* Document the implementation of the program as it expands from serving child-care providers to include the parents of children receiving care through the centers;
* Understand the program experiences of $tand By Me staff, child-care providers, and parents of children in the child-care centers
* Identify challenges and barriers to parents’ participation in the services; and
* Analyze program outcomes collected through the program’s management information system, by establishing baseline data and assessing preliminary descriptive outcomes for participating parents
* Develop a logic model for the $BM program that can be used to highlight successful policies and features that can be tracked with specific outcomes from $BM services over time; and
* Identify opportunities for more rigorous evaluation activities for the future.

**Methods**

The researchers employed a mixed-methods research design for this study. They conducted a series of interviews and focus groups with Telamon Head Start parents, Telamon customers and non-customers, Telamon financial coaches, and stakeholders over a period of six months. Researchers also analyzed data from the $BM database to compare Telamon and non-Telamon child-care financial coaching customers.

***Interviews:***Two interviews were conducted with 19 Telamon Head Start parents to delve into their stated financial goals; their reasons for pursuing financial coaching through $BM; and their experiences. At the end of each interview, the researchers administered a brief survey to ascertain financial behaviors, attitudes, and challenges to program participation. The researchers also conducted two sets of interviews with Telamon financial coaches to better understand their work with customers. Additional interviews were conducted with Head Start stakeholders, such as state agency high-level administrators and Head Start directors to ascertain characteristics that fostered positive partnerships between and among $BM and those organizations and entities interested in offering financial empowerment services to children, adults, families, and communities served. Methods to take the program to scale were also discussed.

***Focus Groups:***Two focus groups with parents were held to gain their feedback on programmatic aspects of $BM and their recommendations for strengthening the program and replicating it in other areas.

***CMIS Data:*** The researchers conducted analysis of the CMIS data on Telamon customers (including the 19 research participants) and non-Telamon customers to understand their stated needs and reasons for coming to financial coaching and to compare characteristics and progress towards financial goals.

***Logic Model*:** The researchers met with $BM coaches, managers, and administrators to develop a logic model that laid out goals and a vision from $BM’s perspective in how it is serving its customers and partners and fostering financial empowerment and greater financial stability.

**Key Findings**

**Interviews with Parents**

For the full results, researchers grouped responses around the numerous content areas delved into through the interview scripts. The following broad themes were identified through coding and discussion among the researchers:

***Progress towards Financial Goals:***  The most common goals included credit repair, debt, and pursuit of home ownership. Often participants were managing and prioritizing several goals, some of which were short-term and designed to facilitate the long-term or future goal. Progress towards financial goals and the larger process of change involved factors related to customers’ motivation, willingness to delve into difficult areas related to personal finances, and refusal to let discouragement take hold. The self-directed nature of coaching was difficult for some customers who were struggling with the U.S. financial system (given that they grew up in other countries), and/or who for various reasons needed much more hands-on guidance and structure and who grew easily discouraged or overwhelmed. Customers for whom the $BM program seemed to be working well often found positive change in others areas of life, found better quality of life, and seemed to find psychological benefit as well. Financial coaches’ support and willingness to listen and share their own personal stories were also key factors.

Often participants expressed exhaustion with responsibilities of work, sustaining income, and caring for their children. At times medical issues became barriers to working on financial goals. Continued (and perhaps expanded) flexibility with scheduling can serve these sometimes difficult-to-reach customers. $BM’s “open door” policy (i.e., never closing a case and ensuring that customers can return for coaching) is encouraging for those for whom coaching is not the right time or intervention.

***Increase in Self-Sufficiency and Confidence:*** Through active participation in the program and through the duration of the study, many participants expressed increased feelings of confidence and financial capability. Work towards goals was going faster for some as compared to other participants, but many of the participants reported feeling hopeful and encouraged by their coaches as they experienced even small successes, such as increased credit scores, corrections on credit reports, submission of housing applications, and increased savings. Moreover, many found newfound success in other areas of life, including resuming college studies and finding psychological strength to be an effective advocate for one’s self and one’s family.

***Impact on Children and Families:*** For many participants whose children were old enough to begin learning about simple financial interactions, such as saving and budgeting, and who were fostering financial empowerment and learning within their families, the impact on children seemed to be positive, according to these participants. Example were given of greater excitement and learning at school, and these children were often participants at $BM events and workshops. Participants also talked about less stress within the family due to finances as they began to realize some of their financial goals.

***Documentation Status and Other Legal and Tax Issues:*** Several participants were dealing with documentation, legal, and tax difficulties. Some with hopes of stable employment were able to make better progress towards legal status; not having this option posed frustration and despair for some participants. All spoke of the barriers presented to them in terms of pursuing home ownership and securing loans and access to sound financial products and services, even when they were paying taxes and possessed tax ID numbers. This theme was also discussed by the financial coaches in their dialogue about lack of resources and services for those in the country without legal documentation, yet who were contributing through work and taxes to the communities.

**Focus Groups**

***Individual vs. Group Coaching Models:*** Participants were open to a group coaching model, as long as it was a hybrid and included individual financial coaching. For them, personal contact was valuable (similar to feedback also gleamed from the financial coaches) as they were reluctant to share personal financial information and struggles in a group setting.

***Improving the Program:*** There often seemed to be a tension or difficult balance between the self-directed nature of the financial coaching program and some participants’ needs for more hands-on intervention. Manyparticipants voiced the need for more direction and structure, especially when they felt overwhelmed, discouraged, or stuck. Questions asked of the groups prompted dialogue about some people’s needs for step-by-step instructions and frequent personal contact. It may be that many people need a lot of guidance and more structure and follow-up initially, but once they grow more comfortable and confident, they can adapt more to the person-centered and self-directed nature of coaching.

**Interviews with Financial Coaches and Stakeholders**

***Background Needed for the Job:*** To do their job effectively, $BM coaches stated that both training and skills in finances and human service are needed. Regarding financial issues, coaches needed training to learn about emerging needs, e.g., educational loans and student debt, but that empathy and capacity for listening were just as important, especially in customers who have been shut down and neglected by others. They used technology in varying degrees to facilitate their work with customers, but acknowledged that the personal, one-on-one contact was the most important thing in building rapport and sustaining a coaching relationship, which was critical in helping customers address and complete their financial goals.

***The Importance of Partnerships:*** Stakeholders believed in partnering with those organizations that were also committed to financial empowerment and who were seeking to build this within their respective missions and visions (if it was not there already). This worked well when they could turn to $BM for financial coaching and financial empowerment services. They could easily recognize the shared values. Stakeholders also saw financial empowerment as a way to strengthen their employee and/or client base and believed it was a valuable service. They all believed in the value to Head Start parents and providers.

**CMIS Data**

The researchers compared data from the $BM database for Telamon Head Start customers and non-Telamon Head Start customers. They also compared pre- and post-test scores from research participants’ surveys. Telamon and non-Telamon Head Start customers were similar on most variables, except that non-Telamon customers were more likely to report, at intake, that they had difficulty covering monthly expenses / paying bills in the last six months prior to their intake appointment. Additionally, Telamon customers scored significantly higher at intake on their self-rating of financial control, but also scored higher on a question regarding financial worry.

Data reflected in the $BM database included activity for all possible 11 financial goals (Establish or improve credit, Increase educational attainment, Asset development / retention, Create and use a financial plan, Decrease debt, Workforce development / employment opportunities, Financial products / services, Increase income, Retirement planning, Increase savings, and Referrals outside of $BM).

Many customers were working on multiple goals at the time of this report. The average number of goals noted in the database for customers was 2.37, with Telamon customers reporting working on a slightly higher number of financial goals at any given time.

Among customers who had activity listed within the various goals, there were some significant differences for Telamon vs. non-Telamon customers. Telamon customers were significantly more likely to be working on goals related to decreasing debt and referrals outside of $BM. Non-Telamon customers were statistically more likely to be working on goals related to creating and using a financial plan or budget and increasing savings.

**Survey Results for Research Participants**

The 19 $BM participants were asked to complete a brief survey after their two interviews. The average score for research participants on the University of Wisconsin-Madison financial coaching outcomes scale at Time 1 was 4.64 out of a total possible score of 8. Higher scores suggest better financial coaching outcomes. The average score at Time 2 was 5.14 and this increase was not statistically significant. The average score for participants on the Financial Self-efficacy Scale (Lown, 2011) was 15.7 out of a total possible score of 24. Higher scores indicate higher levels of financial self-efficacy. The average score at Time 2 was 15.9 and this increase was not statistically significant.

While not statistically significant, participants’ self-ratings of credit scores increased from Time 1 to Time 2. When asked about the “hardest part about participating” in financial coaching, the most common challenges were “scheduling problems,” “lack of transportation,” “not enough time,” and “can’t get off of work.”

**Conclusion**

Through mixed methods, this evaluation suggests that financial coaching is a useful intervention for Head Start parents and staff, but may need to be modified to some extent for parents who feel overwhelmed and discouraged by financial realities in their lives and what can be done about them. Additionally, coaching may not be for everyone, all of the time. Some participants and coaches talked about customers needing more guided direction and advice, which is more common in financial counseling and case management than coaching. When motivated to make change, coaching does appear to be an important intervention that can lead to success in reaching financial goals. Many people embraced financial coaching and even for those who were struggling with the nature of coaching, they seemed to readily see the critical relevance that finances were playing within their lives and within their families.

Partnerships between and among $BM and local organizations have been built and nurtured, and even more are needed to assist customers who are dealing with difficult documentation, legal, and tax issues to ensure continuity of services and collaboration, as customers strive to achieve their financial goals. Many were dealing “on the ground” with systemic issues with which the U.S. is grappling, and their words demonstrate how divisive issues are affecting people at the individual and family levels. Regardless of income, all recognize that money is an undeniable force, and Head Start parents see their families’ lives not necessarily as chronically destitute and hopeless, but as opportunities for fulfillment and growth, especially for their children.

Recommendations for next steps are as follows:

* Modify the coaching model, or refer to complementary services, such as financial counseling and case management, to address needs of customers in crisis and/or customers who need more hands-on guidance and structure;
* Expand partnerships with schools and agencies dedicated to children and child-care in order to integrate financial education with other learning;
* Further expand coaching services during hours outside of typical school/business hours;
* Explore options for group coaching and/or a hybrid model of individual and group coaching;
* Continue providing coaching training in cultural competence, along with further hiring of coaches who speak languages in addition to English;
* Expand partnerships with referral resources to address needs of customers dealing with documentation and other legal issues;
* Continue coaching training to work with customers who are ambivalent about financial coaching;
* Continue to champion the integration of financial empowerment as a benefit and component of well-being and quality of life throughout agencies and settings, both non-profit, public, and private;
* Evaluate the $BM experience in other Head Start populations as well as other populations and locales;
* Modify the $BM database, along with data collection procedures, so that they more accurately reflect documentation on outcomes needed for future evaluation research; and
* Assess scalability of $BM.