

Money School

Elizabeth Freeman Center and the American Institute for Economic Research

Economic Justice for Survivors Summit

June 8, 2016

Why Money School?

- ▶ DV/SV are consistently identified as a primary cause of poverty
 - ▶ In one MA study, 2/3 thirds of all respondents in family shelter had been victims of domestic violence sometime in their lives; more than a third had been the victims of domestic violence within the last year (MA Dept. of Transitional Assistance, 2006).
- ▶ The connection between violence and poverty is not a coincidence
 - ▶ Abusers often sabotage a victim's work, education, and community supports to isolate and control the victim. A Minnesota study by Employee Assistance Providers estimated that 25% of workplace problems such as absenteeism, lower productivity, turnover and excessive use of medical benefits are due to domestic violence.
 - ▶ Most victims who leave abusive relationships suffer an immediate and precipitous drop in income due to the loss of the abuser's income, interruptions in employment, disruption of school and family support, or loss of child care.
 - ▶ Survivors are often left with debt and bad credit.
- ▶ This is not happening to “other people”
 - ▶ In the US, 1 in 3 women and 1 in 10 men will experience intimate partner violence in their lifetimes, and nearly 1 in 5 women and 1 in 71 men will be raped (Black, et. al., 2011).

Why Money School? cont.

- ▶ Poverty traps victims in abusive relationships
 - ▶ Survivors will suffer abuse longer or return to the abuser if they cannot feed and shelter themselves or their children. In recent national studies, 74% of survivors report staying with an abuser longer for financial reasons. (Mary Kay report, 2012). No one should have to choose between basic needs and safety.
- ▶ The impact of DV/SV can last well beyond the immediate crises, trapping survivors in a cycle of trauma and poverty
- ▶ Existing “financial empowerment” courses do not meet the needs of victims of violence, and were therefore poorly positioned to ‘move the needle’ on poverty
 - ▶ Focus on small interventions (e.g. budgeting) that are often unrealistic and rarely the drivers of class mobility
 - ▶ Do not address the unique and complex safety and trauma concerns of survivors
 - ▶ Do not incorporate comprehensive advocacy services
 - ▶ Do not locate their efforts in a wider social justice context

A different approach to building financial independence

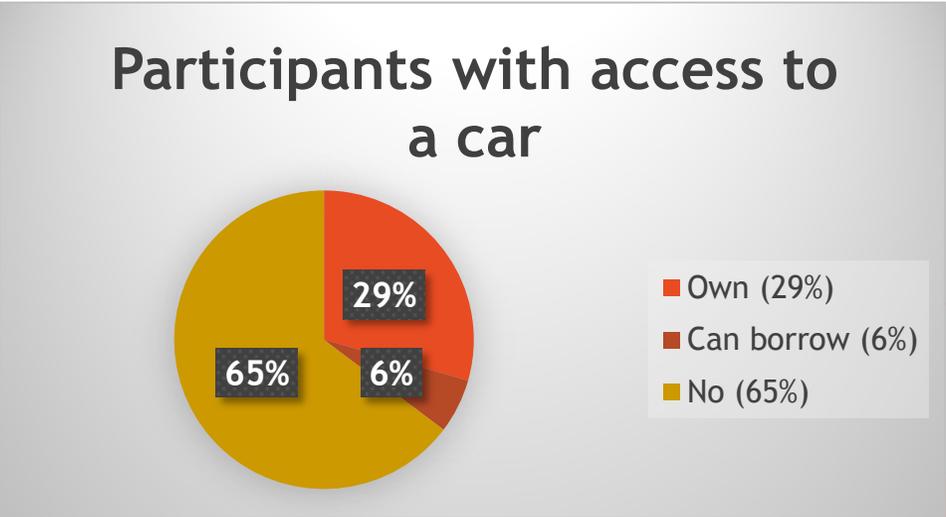
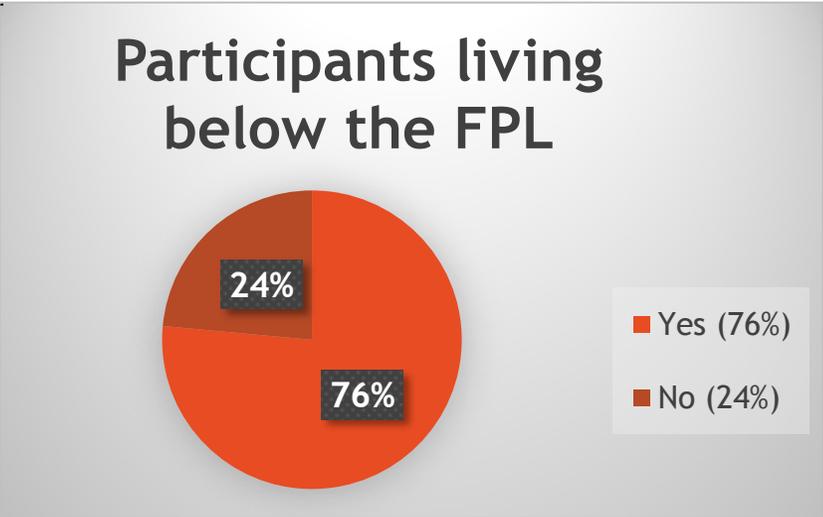
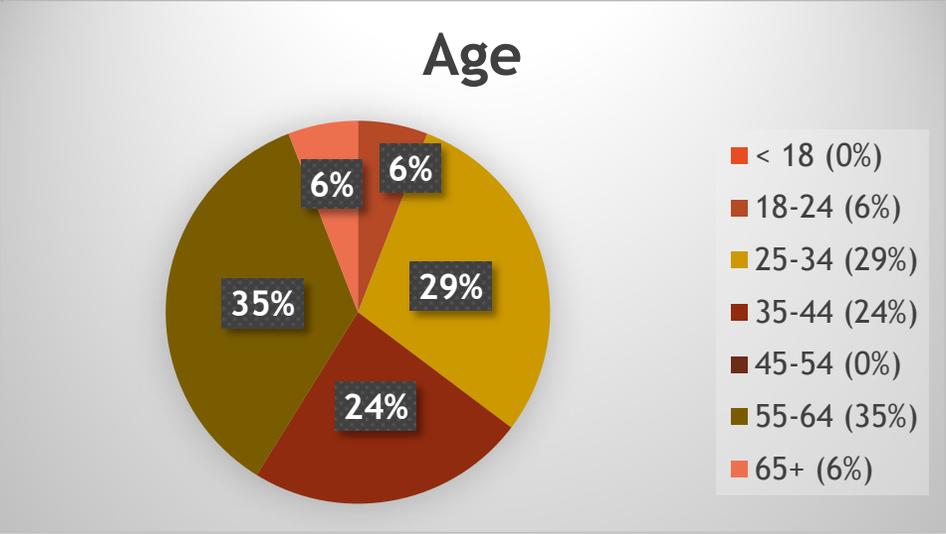
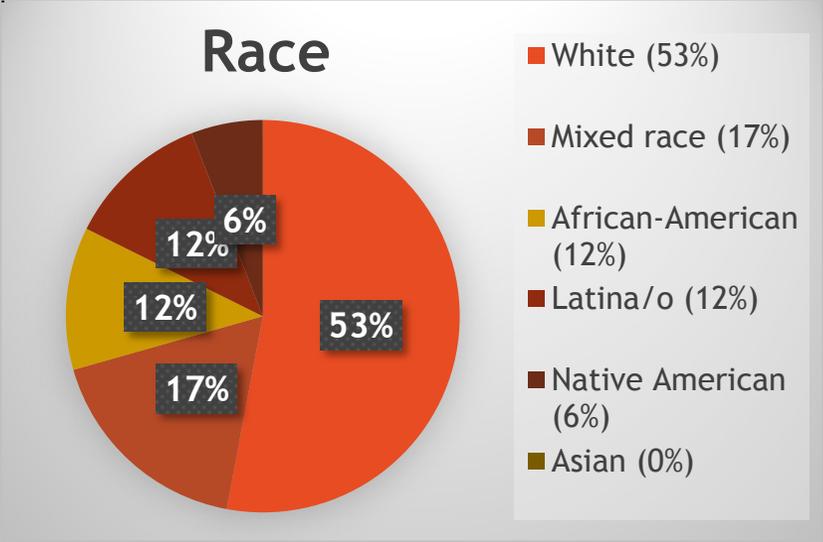
▶ 10 chairs



▶ Money School philosophy:

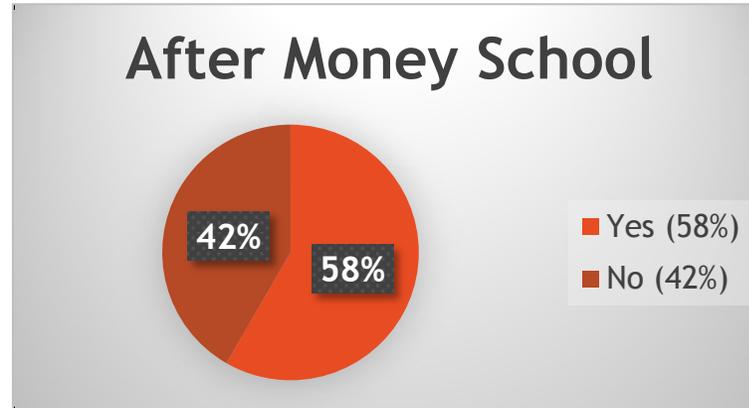
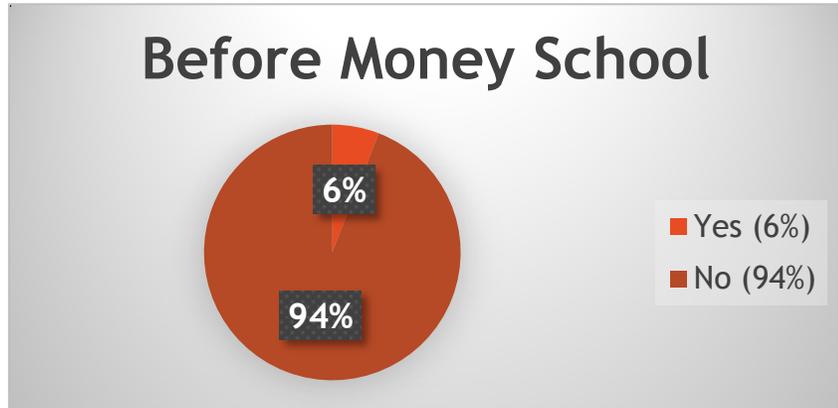
- ▶ Social justice lens
- ▶ It's not you, it's the system
- ▶ Your money, your choice
- ▶ Building financial security is a long process - we are here for the long haul
- ▶ You are already doing more than you think

Impact: Money School participants

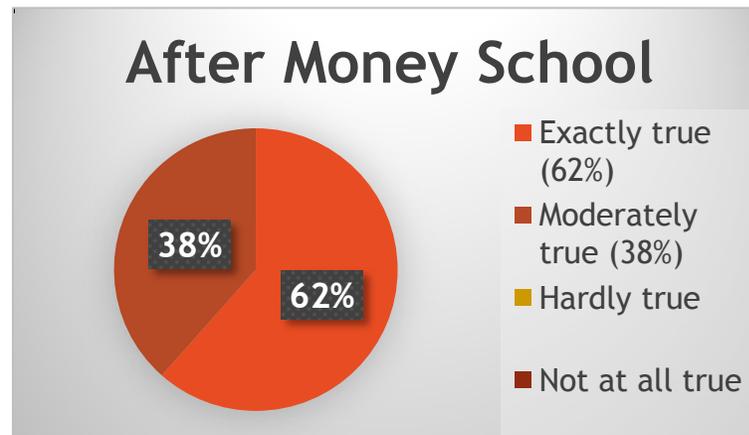
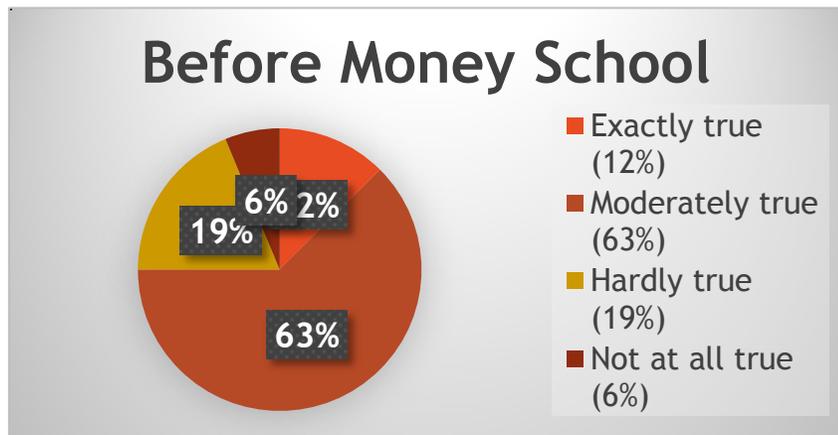


Impact

- ▶ % pursuing or continuing in an education or training program

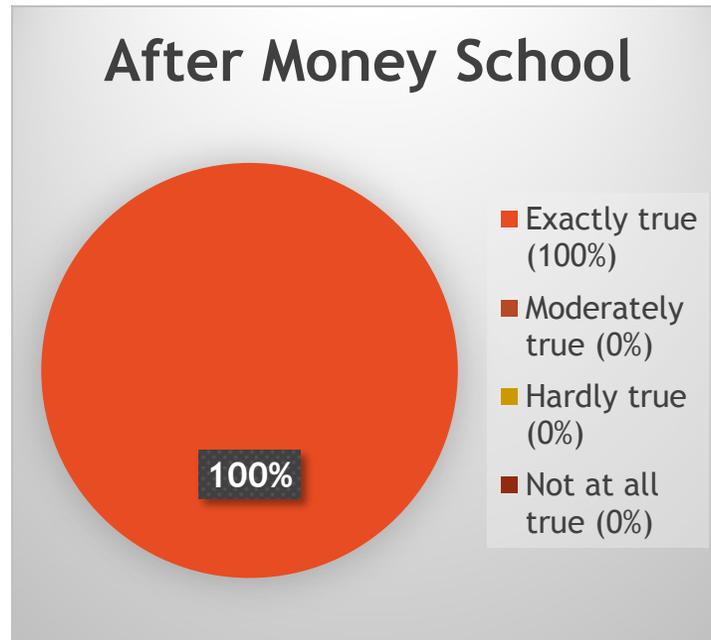
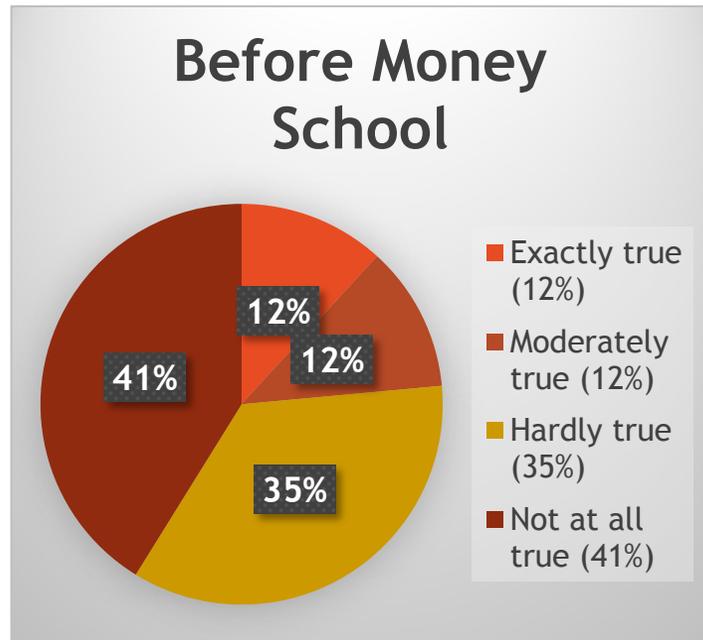


- ▶ % who reported feeling confident in their ability to manage their finances



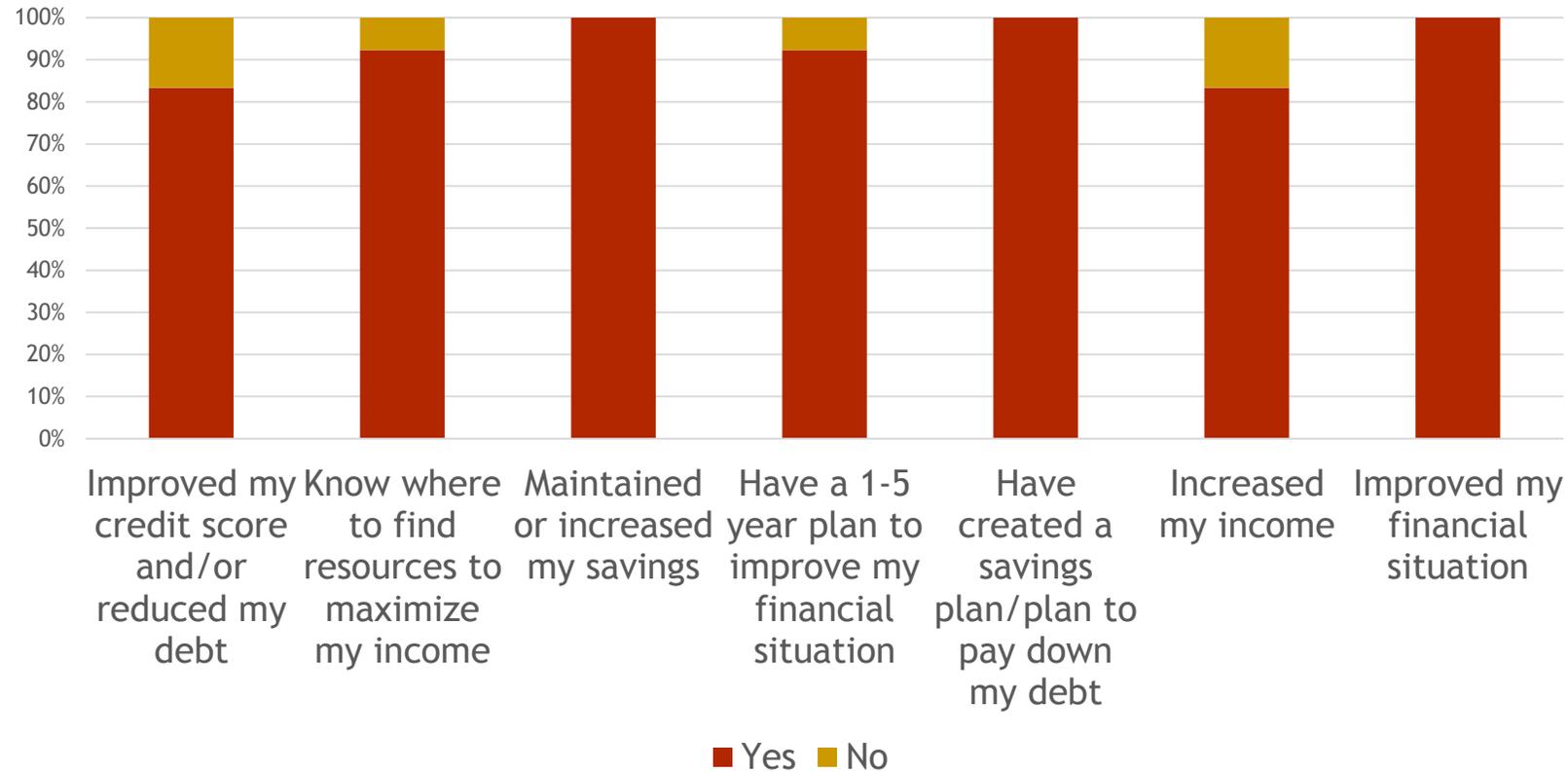
Impact

- ▶ 87.5% completion rate
- ▶ % who report having people to turn to for financial advice



Impact

Participants reported that graduating from Money School, they...





Series I: Workshops
March 15 until April 12
Every Tuesday, 5-8 p.m.

- **March 15:**
Setting Your Financial Goals
- **March 22:**
Getting Where You Want to Go
- **March 29:**
Getting By Now
- **April 5:**
Big Goals, Small Steps
- **April 12:**
Looking Ahead, Building Support



**ADDITIONAL MONEY SCHOOL
 SERIES COMING IN
 APRIL & MAY 2016!
 LOCATIONS TO BE DETERMINED**

Money School

for domestic & sexual violence survivors
 who want to build their financial futures

Participants will receive:

- \$125 Stipend
- Free childcare during workshops
- Free dinner & snacks
- Resources to building your network, including a local banker to serve as a coach
- Ongoing supports

Details:

- Series I workshops will be in Pittsfield, MA
- Tuesdays, March 15 through April 12, 5:00 pm—8:00 pm

For More Information & To Apply:

- Contact Donna at 413.499.2425 x613 or donna@elizabethfreemancenter.org



in partnership with:



Food, Stipend & Childcare Provided

WITH ADDITIONAL IN-KIND SUPPORT FROM:

SUPPORT PROVIDED BY:

How does Money School work?

- ▶ Consists of 5 workshops (3 hours each) with dinner, childcare, and a stipend included; pre-interview; mid-series check-in; continued wraparound follow-up services
- ▶ Leverages EFC's social assets on behalf of participants
 - ▶ Partners with financial institutions, whose staff serve as one-on-one financial coaches and mentors to provide individualized advice and connect participants to local resources and opportunity
 - ▶ Partners with education and employment resources, whose staff present on resources and connect participants to opportunity
- ▶ Treats poverty as a systemic problem rather than an individual failure
 - ▶ Accounts for the emotional and financial costs of abuse
- ▶ Provides wrap-around ongoing individualized support, economic advocacy, tangible resources
 - ▶ Last year, obtained \$8,135 in mini-grants for participants' matched savings, car repair, self-employment tools, education costs, etc.
- ▶ Is a living initiative: feedback from participants drives improvements

Participant experience



Series outline

- ▶ Pre-interview includes establishing where the potential participant is in their recovery journey; reviewing Money School benefits and expectations; connecting to appropriate resources immediately. If series seems right for them, gathering information on childcare needs and pre-workshop survey snapshot and starting income & expense tracking.
- ▶ Workshop 1: Who we are, why we're here, classroom norms, Money School philosophy, why getting ahead can be so hard, you are doing more than you know, assets and networks, education as self-investment, dreaming big, setting goals.
 - ▶ How many people here are lenders?
 - ▶ How much money do American borrowers lose every year to predatory lending?
 - ▶ \$50 million, \$500 million, \$900 million, or \$9 billion
 - ▶ 70% off is 30% on
 - ▶ What would you guess are the top two big goals of participants in Money School?

Series outline

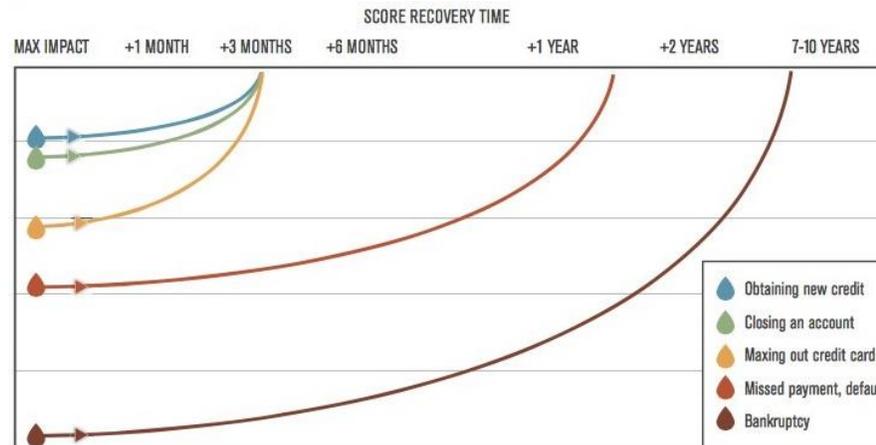
- ▶ Workshop 2: Credit and debt (understanding your credit report, building credit, score recovery, applying for a loan, and understanding interest rates, protecting your credit, dealing with identity fraud and common financial abuse tactics), action planning, education connections, tracking expenses
 - ▶ How much does a credit score drop after one 30-day missed payment?
 - ▶ How long does it take your score to recover from a missed payment?

Series outline

- ▶ Workshop 2: Credit and debt (understanding your credit report, building credit, score recovery, applying for a loan, and understanding interest rates, protecting your credit, dealing with identity fraud and common financial abuse tactics), action planning, education connections, tracking expenses
 - ▶ How much does a credit score drop after one 60-day missed payment?
 - ▶ How long does it take your score to recover from a missed payment?

SCENARIO		Starting Score	
		High Score 900	Medium Score 760
MISSED PAYMENTS		SCORE DROP RANGE	
Bankcard	30 days	70 - 90	60 - 80
	60 days	85 - 105	70 - 90
Auto	30 days	80 - 100	60 - 80
	60 days	100 - 120	70 - 90
Mortgage	30 days	80 - 100	60 - 80
	60 days	100 - 120	70 - 90
Charge-off or Foreclosure		130 - 170	80 - 110
Charge-off, placed at collections agency		165 - 185	105 - 125
Filing bankruptcy		350+	200+

Source: moneynation.com



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Workshops outline

- ▶ Mid-series check-in: participant feedback, credit report, economic advocacy, resume support
- ▶ Workshop 3: Income maximization, one-on-one financial coaching (debt/credit), interactive budgeting exercise, resume building exercise
- ▶ Workshop 4: Preparing for the long haul, action planning and budgeting revisited, one-on-one support to merge action plan and budget
 - ▶ Name a time when you were a fierce self-advocate.
- ▶ Workshop 5: interview skills review, interactive mock interview of the facilitator, employment resources, one-one-one financial coaching (planning, budgeting, and resume building), wraparound follow-up offers, graduation, post-workshop survey
 - ▶ What do you think some of the questions are that I hear frequently when we do these mock interviews?

Financial coach experience



Wraparound and follow-up services

- ▶ Five weeks is just the beginning
- ▶ Housing advocacy, debt advocacy, credit repair, school resources and support, employment assistance, help with bumps in the road, legal services
- ▶ Mini-grants, flex funds, grants and scholarships

Cost

EXPENSES for 1 series (18 participants)

Salaries (.65 FTE total for 4 months)

Fringe and taxes

Child care (5 workshops, 3.5 hrs each, \$16/hr)

Food (25 participants, children, staff * 5 workshops * \$7.5/person, plus snacks for coaches)

Supplies

Client stipends to offset costs of attendance (18 participants * \$25 * 5 workshops)

Staff travel

Occupancy, phones, internet

Administrative costs (14%)

TOTAL EXPENSES

Cost per participant (minus direct stipend), 1 series

Cost per participant (minus direct stipend), 5 series

In-kind volunteer labor

7,500
1,508
280
1,000
650
2,250
525
2,950
2,270
18,933
927
851
7,350

What's next?

- ▶ Improving accessibility: language, culture, and disability
 - ▶ Offering the initiative in Spanish
- ▶ Developing a deeper anti-oppression framework
 - ▶ “You can’t talk about inequality without talking about racism, sexism, and homophobia”
- ▶ Exploring community partnerships to extend the series
 - ▶ “[Money School would be improved if] it didn’t end after 6 weeks.”
- ▶ Increasing our capacity to provide ongoing individualized support
 - ▶ “More time to explore different aspects of needs of the individual.”
- ▶ Expanding our employment resources and readiness unit
 - ▶ “Employment resources.”
- ▶ Offer 5 series of Money School in FY17, reaching 65 participants in Berkshire County
- ▶ With partners, develop low-interest loan and credit repair programs
- ▶ Support other DV/SV agencies in western MA who are looking to launch their own Money School initiatives
- ▶ Continuous improvement through evaluation and feedback

Impact: Participant stories

- ▶ “Money School gave me hope, hope, hope in changing my situation. This has been an amazing experience and life-changing. Very helpful.”
- ▶ “[Money School taught me] how to make a detailed monthly budget, make goals, execute an action plan, foresee bumps in the road, and save money. [I learned] I was not alone. I acquired a network of assistance for my needs. Great experience.”
- ▶ “Money School gave me confidence in [my] goal to be completely independent and a process in how I am going to get there. A perfect mix that balances what I need. More people should get the opportunity to participate!”

