



A Financial Empowerment Toolkit for Youth and Young Adults in Foster Care

National Resource Center for Youth Development

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Contents

Introduction to the Toolkit and How to Navigate It.....	1
Section I: Importance of Financial Capability for Young People.....	3
Common Barriers for Youth in Foster Care.....	5
Section II: Financial Capability Core Concepts and Application to Programs.....	6
that Work with Youth in Foster Care	
Core Competencies in Financial Capability	6
Section III: Service Delivery Strategies.....	11
Financial Capability Integration Opportunities	11
Steps to Integration.....	13
Financial Capability in Practice.....	14
Importance of Collaborations.....	16
Appendix I: Tools	17
Tool 1: Financial Capability Assessment: How Ready Are You To Work With Youth?	17
Tool 2: Leveraging Partnerships with Financial Institutions	22
Appendix II: Educational Theory.....	26
Learning Styles.....	26
Models of Financial Education Delivery	26
Levels of Learning.....	28
Appendix III: Resources	29
Referral Resources for Youth with Financial Issues	29
Financial Capability Resources Specifically for Youth.....	30
General Financial Capability Resources.....	32
Resources for Program Developers.....	33
References.....	34

Introduction to the Toolkit and How to Navigate It

For many of us, financial education has consisted primarily of basic money management skills, such as budgeting, maintaining a checking account, managing credit, and perhaps saving. However, with the increasing complexities and availability of financial products and the impacts they have in all aspects of our lives, it is important for all of us to become more financially savvy and capable. Technology has changed the way people do banking and credit, and also made us vulnerable to identity theft and other financial risk. The increased influence of credit scores, and availability of commercial products, such as payday loans and high cost check cashing services, have made it important that we take a more comprehensive approach to achieving and maintaining financial security. What we don't know *can* hurt us.

This is also a need in the child welfare arena. Youth and young adults in foster care often do not have access to biological parents or other family members who can teach them the skills they need to become financially secure adults. Young people who spend a significant amount of time in out-of-home care, homeless, or in juvenile detention have not received the financial socialization and modeling that contributes to an adequate understanding of money management or to developing sound financial habits. Some learn that, as a result of identity theft, they have poor credit histories before they reach the age of majority, and often don't have the social capital necessary to assist them in resolving problems, placing them at a higher risk for poor, long-term outcomes.

It falls upon child welfare systems to ensure that these skills are taught and practiced and that youth are prepared to put those skills into action when they leave care. This process often happens through life skills instruction provided through independent living programs across the country. However, often the focus of the instruction is on the basic money management skills and not on a comprehensive approach that would more effectively equip young people with the skills and tools they need to navigate financial systems and become financially secure adults. The key to a really great financial capability program is meeting young

people “where they are” with respect to finances and then providing them with the information, skills building opportunities, tools, resources, linkages, and supports that lead them to where they want to be and to new places they may not have known were possible.

This Toolkit is designed to provide caseworkers, independent living skills providers, congregate care providers, foster parents, and other supportive adults with strategies and resources to critically evaluate and improve their current approaches to financial capability. It is designed for those working with youth under the age of 18 and young adults over the age of 18 who are preparing to transition out of the foster care system. This Toolkit is a compilation of lessons learned, best practices and practical tools, which can be used together or separately, to help service providers methodically choose and integrate new strategies, programs, or interventions to improve the financial capability of the youth they serve. Additionally, content and tools can be tailored to meet stakeholder needs based on the intended outcomes of their services and the characteristics of the populations they are serving. As you navigate the Toolkit, you'll find:

- Background information on the financial capability field;
- An explanation about why financial capability skills building is needed;
- Information about the target population and barriers youth in care face;
- Assessment tools;
- Planning tools to help with execution; and
- Tangible resources.

The tools and resources are intended for a number of different actors in a child-welfare system and can be used in multiple situations. For example, service providers can use the:

- Financially Capability Assessment tool (pg. 17) to identify gaps in their own financial knowledge and pinpoint resources to fill those gaps;

- Resources identified in Appendix III (pg. 29) to locate partners that can assist youth with financial capability skills building;
- Leveraging Partnerships with Financial Institutions tool (pg. 22) for concrete advice for approaching banks and credit unions for collaboration; and
- Credit, taxes, and insurance tip sheets when directly communicating with youth about filing taxes, building and repairing credit, and purchasing insurance.

Although this Toolkit is designed to help youth and young adults aging out of foster care, the information, tools, resources and approach to developing financial independence can be utilized by other youth serving systems such as runaway and homeless youth networks, the juvenile justice system, mental health institutions, and other out-of-home care settings. The contributors of this Toolkit also recognize that some members of this Toolkit's audience may not feel comfortable about their own level of financial knowledge, let alone conveying financial concepts to youth and young adults. Your expertise is working with youth and young adults; you are not expected to become a financial expert. This Toolkit will arm you with a host of tools and resources to help you spot financial issues, enhance some of the services your program already provides, and support you to develop effective referral networks to address the financial needs of the youth and young adults you serve.

This Toolkit contains three main sections and three appendices:

I. The Importance of Financial Capability for Young People

Purpose: Convey financial capability terms and concepts; explain why financial capability is particularly important for youth in transition.

Intended Audience: All stakeholders that work with youth in foster care

II. Financial Capability Concepts

Purpose: Explain how core financial capability concepts apply to youth and young adults transitioning out of foster care.

Intended Audience: All stakeholders that work with youth in foster care

III. Service Delivery Strategies

Purpose: Strategize about how to seamlessly integrate financial capability into programs that work with youth and young adults in foster care.

Intended Audience: Service providers

Appendix I: Tools

Purpose: Provides tools targeted to youth and young adults, programs that work with youth and young adults, and supportive adults to support the integration of financial capability strategies.

Intended Audience: All stakeholders that work with youth and young adults in foster care

Appendix II: Education Theory

Purpose: Discusses theoretical educational concepts that are important to consider as programs formulate financial capability integration strategies.

Intended Audience: All stakeholders that work with youth and young adults in foster care

Appendix III: Resources

Purpose: Describes additional outside resources, tools and other supports that will assist programs as they integrate financial capability approaches into programs that work with youth and young adults in foster care.

Intended Audience: Service providers

Section I: Importance of Financial Capability for Young People

Even before the financial crisis and Great Recession¹, there was a field emerging to address the issues Americans faced with respect to their personal finances. The changes brought about by the welfare reforms of the 1990's, the declining real wages of many American workers, rising prices, the deregulation of many aspects of the financial industry, and increasing income inequality have attracted many academics, policy makers, and nonprofits to develop frameworks to address the growing number of Americans that face significant financial challenges. This field has coined a number of different terms to define its work, including financial capability, financial education, financial literacy, and asset building.

This Toolkit's focus is to build the financial capability of youth in foster care. Financial capability is the ability of individuals "to understand, assess, and act in their best financial interest" (Johnson & Sherraden, 2007, p. 124). It is the combination of the financial knowledge needed to make good choices, the ability to apply that knowledge in day to day life, and the necessary access to financial products and services. Financial capability is particularly critical for youth in foster care because upon transitioning out of the foster system, they will often immediately be responsible for all aspects of their finances. While youth outside the foster system may more often have access to an array of supports, both financial and otherwise, from their families as they transition to adulthood, many youth transitioning out of foster care are expected to immediately manage all aspects of their finances independently when they reach the age of majority. This transition would be difficult for anybody, but it is especially difficult for youth that have been in foster care who have already faced a host of other challenges. For this reason, focusing on financial capability while youth are still in care is critical to ensuring that these individuals make a smooth transition to adulthood.

While this Toolkit's focus is on financial capability, it is important to recognize that other strategies play a role. For example, a requisite aspect of financial capability includes financial education² so that individuals have knowledge of budgeting strategies, understand the importance of credit and credit scores, and are aware of different financial products and how they work. But financial education is by itself insufficient to ensure sound financial footing. For example, one can know all about banking products, but that does not ensure that in practice the person will be able to manage a bank account to avoid overdraft fees. Financial capability focuses not just on the education but also on skills building so the individual can put the knowledge, or financial education, to use to enhance their financial well-being. Similarly, financial literacy³ is a necessary component to financial capability, but does not ensure sufficient skills development to guarantee that the person receiving training or instruction will be able to execute the actions necessary to become financially secure and know how to contend with internal and external changes to their financial environment. The following diagram illustrates the process of reaching financial capability. Financial capability requires the attainment of information and skills, the ability to use and act upon those skills, and the opportunity to practice those skills.

1 Michael Sherraden proposed a shift from income supports toward asset-based policies and practices to combat personal poverty in his 1991 book *Assets and the Poor: A New American Welfare Policy*.

2 Financial education is a strategy that helps people build financial literacy or financial capability. Financial education is information and skills building opportunities that build individual capacity to get, manage, and use resources and access the tools, products and services to maintain a healthy existence and achieve goals.

3 "The ability to use knowledge and skills to manage financial resources effectively for lifetime financial security" (Jumpstart Coalition, 2007). Lois Vitt and colleagues (2000) define financial literacy as "the ability to read, analyze, manage, and communicate about the personal financial conditions that affect material well-being. It includes the ability to discern financial choices, discuss money and financial issues without (or despite) discomfort, plan for the future, and respond competently to life events that affect every day financial decisions, including events in the general economy" (p. xii).

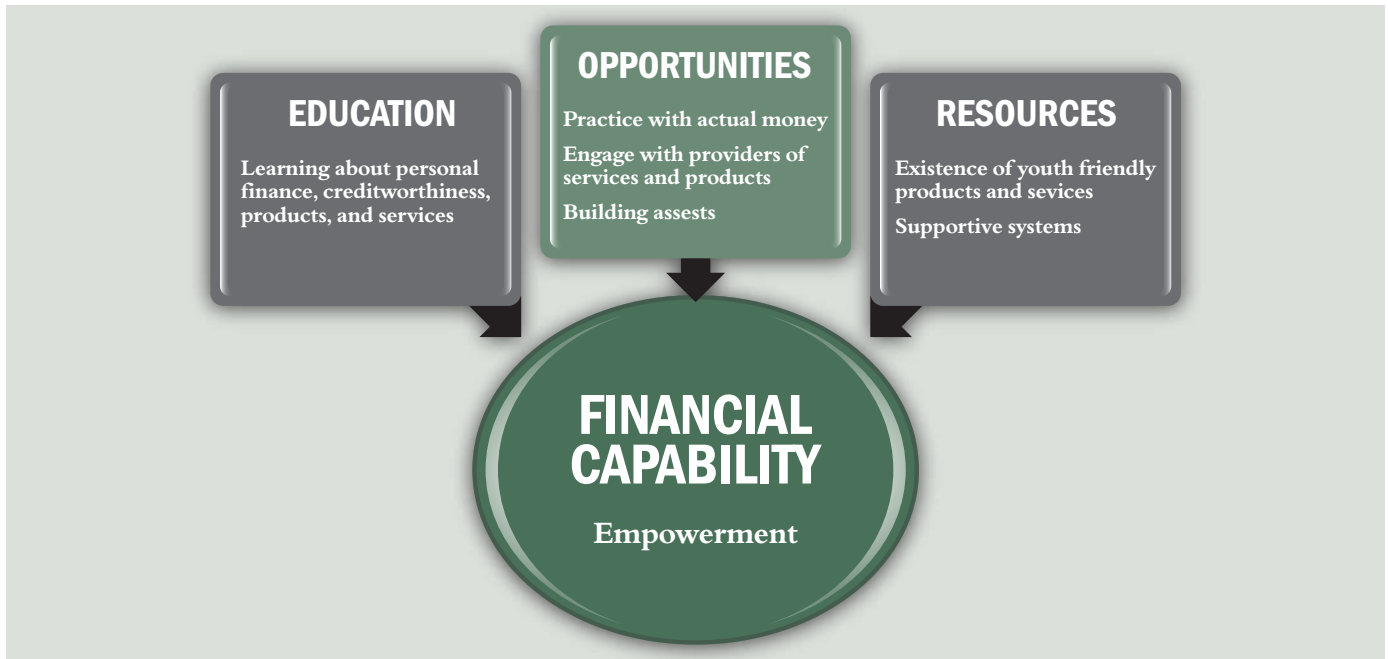


Figure 1: Components of Financial Capability

Asset building is another key component of financial capability that focuses on the importance of building assets (e.g. long-term and emergency savings, homes, and education), recognizing that income from employment and/or benefits alone is insufficient to ensure financial security.

Young people transitioning from foster care face many challenges as they strive to become financially secure adults. The findings of the *Midwest Evaluation on the Adult-Functioning of Former Foster Youth* (Courtney, 2011) indicate that young people who have exited from foster care fare worse than their counterparts in the general population. In terms of self-sufficiency outcomes, former foster youth have a lower level of educational attainment, a higher level of unemployment, and a lower level of annual earnings. The study also showed that former foster youth experienced a higher number of economic hardships (not having enough money to pay rent and/or utility bills, having utilities shut off, being evicted, etc.) and accumulated fewer assets than youth who were not in foster care.⁴ Certainly, not all of these outcomes are attributable to foster care. Many are the result of abuse and neglect

that youth experienced. However, providing youth in care with a comprehensive financial capability strategy to practice financial skills may improve their self-sufficiency outcomes.

The increasing complexity of financial products and services requires all of us to understand personal finances in ways that we may not have had to in the past. As with all of life skills instruction, the earlier we begin to teach and learn financial skills, the more financially capable we are likely to be. While some secondary and early education programs have begun to integrate financial literacy skills in a limited fashion, youth in foster care may not be able to reap the benefits from participating in these programs because they often frequently change schools. Furthermore, youth in foster care often do not handle actual money, so it may be difficult to put what they learn into practice. Many of us learn about managing money as we manage our own finances – learning from successes and failures along the way. This is true for adults as well as young people. Consequently, it is critical that programs that work with youth in foster care think of ways to introduce simulated activities that will give youth a chance to experience financial decision-making. Additionally, the tool *Leveraging Partnerships with Financial Institutions in*

⁴ <http://www.chapinhall.org/research/report/midwest-evaluation-adult-functioning-former-foster-youth>

Appendix I provides tips and suggestions for working with banks to provide youth real experience with bank accounts, saving for special purposes, and managing cash flow.

Common Barriers for Youth in Foster Care

Youth in foster care face a number of different barriers to becoming financially capable. Table 1 below summarizes some of these barriers and features some

illustrations for program interventions based on promising practices. The purpose of this table is to convey the correlation of the barrier with the promising practice. Strategies for implementing these interventions will be discussed in greater detail in Section III: Service Delivery Strategies.

Many young people do not understand the multi-faceted impacts of poorly managed finances. The immediate consequences may be felt by expe-

Table 1: Barriers to Financial Capacity Paired with Interventions and Promising Practices to Address Them

Barriers to Learning Financial Capability Strategies Youth in Foster Care Face	Program Interventions and Promising Practices to Address Barriers
Young people in care often experience multiple placements leading to inconsistent financial role models.	Train child welfare workers, youth workers, and caregivers to involve youth in financial decision-making when feasible and appropriate. Create simulation activities to engage youth in authentic financial management. Some programs have created simulated activities where youth are assigned a role of an adult with a number of barriers and then they need to visit businesses and government offices to address issues, open bank accounts, and engage in other critical financial capability activities. One example is Mad City Money developed by the Great Lakes Credit Union (https://www.glcu.org/about_us/community/mad_city_money/)
Foster parents or other role models do not share financial information with youth in their care, excluding them from any discussions involving money. As a result, youth transition from care with little knowledge or understanding of how the financial system operates.	Caregivers should experiment with including youth in household financial discussions, making clear to youth why certain decisions are made (e.g., I'm buying the generic tomato sauce because it is \$0.50 cents cheaper than the name brand; I really like this bank because they don't charge me any ATM fees if I direct deposit my paycheck). This can be done without disclosing personal financial information (i.e., account numbers, account balances). Some foster-based financial capability programs have successfully employed mentoring programs where youth work closely with a mentor who was formerly in foster care.
Young people in congregate care settings may have more limited opportunities to learn and use financial education skills because of program rules and requirements.	If youth cannot be given real money, devise realistic activities using fake money (e.g., Monopoly money). Award small prizes or certificates to youth that use their allotted (fake) funds most successfully. For a more high-tech approach, try EverFi, a multimedia platform targeted to youth in grades 9-12, which covers many financial topics using video, animations, 3-D gaming, avatars, and social networking (http://www.everfi.com/everfi).
States often do not have a mechanism for co-signing for youth under 18 to open checking or savings accounts.	Explore bank account opening options available under state law. For example, Kids Central Inc. (http://www.kidscentralinc.org/independent-living/independent-living-services/faqs/) in Florida takes advantage of a recent change in Florida law which created an exception allowing youth in foster care to open bank accounts at age 16 if they take a financial management class and obtain a court order. Other programs have developed relationships with credit unions, local banks, and local branches of national institutions to streamline the account-opening process. Taking into account the transient living situations and multiple placements many youth in care experience, the availability of online banking is an important consideration when identifying local financial institution partners.
Young people who exit care often do not have the safety net of biological family or other support systems to assist them financially.	Encourage youth to start an emergency fund while they are still in care, so they have money to cover emergencies. Support youth to have appropriate insurance products in places (health, renters, car) to protect against major losses before they leave care. Some independent living programs require youth to pay a percentage of what they earn as rent (on a sliding scale), which is put into an escrow account that is returned to them when they leave the program.

riencing a loss of housing, transportation, food, etc. However, young people also need to have an understanding of how these circumstances can impact them in the future. Poor credit history and scores now, even if they are the result of identity theft that is not the youth's fault, can result in the inability to obtain safe and affordable housing, employment, car loans, insurance, and other assets for several years.

In today's complicated financial marketplace, young people face an array of financial products and services. Sorting through their options without some guidance and information is difficult. While regulated payday loan services, credit repair companies, debt settlement companies, auto title loans, check cashing services, rent-to-own stores, and other fringe services may tempt youth with aggressive marketing practices however, mainstream options are often best. Young people need information about the terms of these fringe services to identify what financial products and services are best for them.

In addition to managing their personal finances in the present, young adults also need information and

tools to prepare for the future. The responsibility for benefits such as retirement, and health and life insurance are also important considerations. While employers often offer these benefits, some require employee contributions. Understanding how these services or lack of these services can impact their lives over a lifetime is another area that needs discussion. Young people whose employers do not offer health insurance and retirement benefits also need to know how to enroll in health insurance programs and individual retirement accounts on their own. For young people who are healthy and not necessarily thinking about retirement, which is decades away, convincing them of the importance of retirement savings and health care can be difficult. While the implementation of the Affordable Care Act will create incentives for companies to offer health insurance and for uninsured individuals to purchase it, it is likely that the American public in general, and young people in particular, will have difficulty navigating the law and the health care exchanges.

Section II: Financial Capability Core Concepts and Application to Programs that Work with Youth in Foster Care

Core Competencies in Financial Capability

In 2011, the Financial Literacy and Education Commission (FLEC)⁵ developed a set of Financial Education Core Competencies. FLEC is an intergovernmental working group of agencies created by the 2003 Fair Access to Credit Transactions Act ("FACTA") that promotes financial literacy efforts across the United States. These competencies provide a simple framework for understanding what people, including youth in foster care, should know about managing money to enhance their financial wellbeing.

There are five core concepts which encompass the principal components of what it means to be financially capable:

1. **Earn**
2. **Spend**
3. **Save and Invest**
4. **Borrow**
5. **Protect**

Within each of the core concepts are a number of core competencies. For example, under the core concept "Earn" is the core competency "benefits and taxes," and under the core concept "Borrow" is the core competency "if you borrow now, you pay back more later." Each of the five core concepts are discussed in more detail in Tables 2-6. The first column relates the

5 Financial Literacy and Education Commission (FLEC): <http://www.treasury.gov/resource-center/financial-education/Pages/commission-index.aspx>.

different types of knowledge required within each core concept. The second column conveys the actions and behaviors that flow from that knowledge.⁶ The third column contains suggestions for how this framework can be applied to and discussed with youth and young adults in foster care at developmentally appropriate and relevant times to help them become financially capable in each of these areas. These suggestions emphasize teachable moments and exposure to real-life situations in one-on-one interactions and/or well-executed,

realistic simulations in order to reach financial capability over classroom training situations. Resources and tools to support programs using these suggestions appear in Appendix I; Appendix II provides background information on learning styles that will be important to take into consideration in applying any of these suggestions.

A service provider may not be able to implement all of these suggestions on his or her own – there will be situations where he or she may not have all the answers a youth may have on the topic. Work together to find out the answers, or refer the youth to a more knowledgeable source that can help address the issue.

6 The first two columns come from FLEC and are available here: <http://www.treasury.gov/about/organizational-structure/offices/Domestic-Finance/Documents/FLEC%20-%20Core%20Competencies%20-%20FRN.pdf>.

Table 2: Financial Capability Core Competency 1-Earn

Knowledge	Action/Behavior	Opportunities for Youth to Become Financially Capable
Gross versus net pay	Understand your paycheck, including deductions	Support youth to obtain jobs. Once a youth has a job, sit down with them and decipher and analyze their paychecks together. Ensure that youth properly complete their W-4 (http://www.irs.gov/Individuals/IRS-Withholding-Calculator), which affects the amount withheld from their paycheck, when they start a new job by helping them complete an example they can bring with them or let them know they can ask to turn in the W-4 at a later date.
Benefits and taxes	Learn about taxes and any workplace benefits	When youth obtain jobs, support them to review their benefits package and enroll in all appropriate benefit programs. At tax time, take youth to free tax preparation sites, especially if a youth is expected to get a refund. Support youth who receive tax refunds to save a portion of their tax refund toward a pre-identified goal.
Education enhances your earning power	Invest in your education	Provide youth with hands-on assistance and/or referrals to finish secondary education through GED or traditional programs. Develop in-house capacity to encourage students to pursue low-cost, high-impact higher education opportunities. When youth and young adults are applying to post-secondary, arm youth with tools to understand how to access educational grants, how student loans work, and how to avoid incurring excessive student loan debt. Here are some links to handy calculators and other resources from the Department of Education, the CFPB, and the College Board that will help youth calculate how much they can afford and repay: http://www.direct.ed.gov/calc.html ; http://www.consumerfinance.gov/paying-for-college/ ; and https://bigfuture.collegeboard.org/pay-for-college/tools-calculators .
Sources of income	Make informed decisions about work, investments, and asset accumulation	Partner with mentoring programs to expose youth to an array of career options so they can strive towards careers that are of interest and provide a wage or salary that will enable youth to become self-sufficient adults. Outside of participating in employer-sponsored plans, other tax-advantaged savings programs, and establishing an emergency fund in a savings account, a significant focus on investments and asset accumulation is likely not appropriate for youth transitioning out of foster care who have more immediate basic living needs.

Table 3: Financial Capability Core Competency 2-Spend

Knowledge	Action/Behavior	Opportunities for Youth to Become Financially Capable
<p>Know how to prioritize spending choices given available resources</p> <p>Long-term versus short-term implications of spending</p>	<p>Set financial goals</p> <p>Track spending habits</p> <p>Develop a spending plan (budget)</p> <p>Live within your means</p> <p>Comparison shop</p> <p>Understand the effects of spending decisions on yourself and others</p>	<p>Provide realistic simulations to teach youth how to create a spending plan. Encourage youth to formulate a post-transition spending plan accounting for all expenses and realistic projection about sources of income, which includes budgeting for the attainment of short and long-term financial goals. If the youth’s plan shows higher expenses than income, discuss adjustments the youth might make to either reduce their expenses or to find a higher wage position. Explore with them options to supplement their income. Simulations should also demonstrate the impact of mis-managing funds. To the extent possible create an environment in which youth can actually plan, spend and learn from their successes and disappointments.</p> <p>Many states offer “teen grants” where youth can apply for funds to purchase items. This is an opportunity for youth to comparison shop, articulate why the item is needed, calculate tax, and actually purchase the item.</p>
<p>Appropriate purpose and use of transaction accounts (checking accounts)</p>	<p>Establish and effectively maintain a relationship with a government-insured financial institution</p>	<p>Partner with local banks to offer youth free or reduced-cost checking accounts. Take youth and young adults to banks. Programs report that some banks require co-signers for minors, but some credit unions, local banks and branches of large national banks may be willing to waive that requirement, depending on state laws and other factors. Developing relationships with local branch managers is helpful in these cases.</p>
<p>Education enhances your earning power</p>	<p>Invest in your education</p>	<p>Provide youth with hands-on assistance and/or referrals to finish secondary education through GED or traditional programs. Develop in-house capacity to encourage students to pursue low-cost, high-impact higher education opportunities. When youth and young are adults are applying to post-secondary, arm youth with tools to understand how to access educational grants, how student loans work, and how to avoid incurring excessive student loan debt. Here are some links to handy calculators and other resources from the Department of Education, the CFPB, and the College Board that will help youth calculate how much they can afford and repay: http://www.direct.ed.gov/calc.html; http://www.consumerfinance.gov/paying-for-college/; and https://bigfuture.collegeboard.org/pay-for-college/tools-calculators.</p>
<p>Sources of income</p>	<p>Make informed decisions about work, investments, and asset accumulation</p>	<p>Partner with mentoring programs to expose youth to an array of career options so they can strive towards careers that are of interest and provide a wage or salary that will enable youth to become self-sufficient adults. Outside of participating in employer-sponsored plans, other tax-advantaged savings programs, and establishing an emergency fund in a savings account, a significant focus on investments and asset accumulation is likely not appropriate for youth transitioning out of foster care who have more immediate basic living needs.</p>

Table 4: Financial Capability Core Competency 3-Save and Invest

Knowledge	Action/Behavior	Opportunities for Youth to Become Financially Capable
<p>Understand how compounding helps saved money to grow</p> <p>Understand the time value of money</p>	<p>Start saving early</p> <p>Pay yourself first</p> <p>Compare different saving and investing options</p>	<p>Structure lessons using online saving calculators (e.g., http://apps.finra.org/calcs/1/savings or http://www.bankrate.com/calculators/savings/simple-savings-calculator.aspx) to enable youth to see the impact of savings over time.</p>
<p>Know about federally insured savings accounts/certificates of deposit</p> <p>Know about non-deposit investment products (bonds, stocks, mutual funds)</p>	<p>Build an emergency savings account</p> <p>Balance risk, return, and liquidity when making saving and investment choices</p>	<p>Partner with local banks to support youth to open savings accounts.</p> <p>Match youth’s savings to incentivize savings behavior where they can see their money grow quickly.</p> <p>Explore programs that banks may offer such as free workshops for youth, IDA⁷ programs, or other activities that contribute to their community reinvestment requirements.</p> <p>Request local bank partners to give a presentation on other financial products youth can invest in for their futures.</p>
<p>How to meet financial goals and build assets</p>	<p>Save for retirement, education, and other needs</p> <p>Save/invest for short-term and long-term goals</p> <p>Track savings/investments and monitor what you own</p>	<p>Support youth to identify and prioritize their own financial goals – even for smaller items such as buying new clothes or electronics. See “teen grants” above.</p> <p>Create savings plans and a timeline for achieving those goals. Celebrate when they are able to achieve the goal and encourage setting the next goals.</p>

⁷ IDAs are Individual Development Accounts. These accounts support saving for a specific purpose and usually include matching incentives. For example, an IDA for transitioning youth may match their savings to purchase their first car. Matches can range from 1 to 1 to as high as 8 to 1 depending on the program and the savings goal.

Table 5: Financial Capability Core Competency 4-Borrow

Knowledge	Action/Behavior	Opportunities for Youth to Become Financially Capable
If you borrow now, you pay back more later	Plan, understand, and shop around for a loan with the lowest rate and best terms for you	Use realistic simulations with youth (e.g. buying a car) to discuss how to shop for credit, the cost of credit, and the tradeoffs between saving for an item and using credit to purchase. Use online auto loan interest calculators (http://www.bankrate.com/calculators/auto/auto-loan-calculator.aspx) to facilitate this process.
The cost of borrowing is based on how risky the lender thinks you are (credit score)	Understand when and how to use credit effectively Understand how information in your credit report and your credit score impacts you Plan and meet your payment obligations Track borrowing habits Analyze renting/leasing versus owning assets (e.g. home or car)	In 2011, a provision in federal law was created that requires child welfare agencies to obtain annual credit reports for youth in foster care starting at age 16; in 2014, it was lowered to age 14. Once credit reports have been obtained, support youth to interpret their reports. Refer youth to financial coaches or credit counselors to resolve credit issues. It should be noted that some states have already implemented specialized programs for pulling and resolving credit reporting issues for youth in care under 18. See resources in the Appendix for more details. Evaluate if credit-building products may be appropriate for youth. See Tip Sheet Series for more details.

Table 6: Financial Capability Core Competency 5-Protect

Knowledge	Action/Behavior	Opportunities for Youth to Become Financially Capable
How to manage risks from potential losses or unexpected events	Choose appropriate insurance Build up an emergency fund Consult a qualified/ appropriate professional for help when needed	Discuss the importance of creating an emergency fund to save for unexpected expenses. Provide real-life examples of how emergency funds can be used. Partner with a local bank to give a presentation (or one-on-one meetings) on savings accounts and insurance products. Discuss post foster-care health care options for transition planning.
If it sounds too good to be true, it probably is	Avoid practices that are not in your financial best-interest Critically analyze advertisements and offers before acting Evaluate advertisements or offers before acting	Provide activities for youth to strengthen critical thinking. They can scour all forms of media (TV, print, radio, online) for ads related to financial products, and analyze these advertisements for what they may imply. Take field trips to fringe and mainstream services (e.g. check cashers v. banks) to have youth compare the options. Facilitate a discussion for youth to analyze what they learned in these trips. Have youth and/or program alumni share stories about how they fell prey to scams and bad deals or managed to avoid them.
Fraud/Scams/ Identity theft	Protect your identity Avoid fraud and scams Review your credit report every 12 months	Support youth to pull credit reports at least annually. If at a higher risk for identify theft, explore other methods to monitor a credit report more frequently. Refer youth to financial coaches or financial counselors or other services providers, such as credit counselors that are members of the National Foundation for Credit Counselors (http://www.nfcc.org/), to resolve ID theft issues. Advise youth on how they can proactively protect their identity by being careful about sharing personal information (online – including on social media platforms - and not online), and mindful of protocols to protect the security of their financial documents. Provide examples that you use to protect your identity.
Sources of income	Make informed decisions about work, investments, and asset accumulation	Partner with mentoring programs to expose youth to an array of career options so they can strive towards careers that are of interest and provide a wage or salary that will enable youth to become self-sufficient adults. Outside of participating in employer-sponsored plans, other tax-advantaged savings programs, and establishing an emergency fund in a savings account, a significant focus on investments and asset accumulation is likely not appropriate for youth transitioning out of foster care who have more immediate basic living needs.

Section III: Service Delivery Strategies

It would be a luxury for programs to be able to devote immense resources and focus to developing youth financial capability, but the reality is that programs that work with youth have many other outcomes they are required to achieve. Service providers need to think very strategically about how they are going to integrate financial capability work, how that work relates to their mission and vision, and what barriers youth face with respect to financial capability. Service providers may even want to consider how their own colleagues, in addition to the youth they serve, can benefit from financial capability services. In many cases, a service provider who feels financially capable himself or herself will be more comfortable advising youth and young adults in transition. At the end of that analysis, service providers can work on designing a plan for how they will provide financial capability services to the youth they serve. Many service providers opt to work closely with outside partners because the work tends to be technical in nature. Others take on significant work on their own, but may need to seek out outside training to become optimally effective. Once decisions have been made about what strategies will lend itself to a program, the program will need to devise a concrete plan for how it will deploy its resources to reach specific objectives. This section provides service providers⁸ with guidance to develop a customized plan for integrating financial capability strategies into your program.

Financial Capability Integration Opportunities

Financial capability work can play a key role in helping youth achieve program outcomes in many critical areas, but is ideally implemented in a manner and at a time when it directly connects to another need being faced by the youth in question. Table 7 outlines several program areas already being addressed by programs and the opportunities to integrate financial capability strategies that can support youth to attain outcomes in each area. Use this table as a starting place to think about how integrating financial capability strategies can help your program achieve other core outcomes better, faster, and cheaper.

⁸ Although this section is geared towards service providers in organizational settings, service-delivery strategies and financial capability integration opportunities should be considered by all who work with youth, including foster parents.

Table 7: Financial Capability Integration Opportunities

Program Outcome/Focus	Financial Capability Integration Opportunities
Employability	Review credit reports to improve employment outcomes. Checking credit reports and resolving issues now can prepare youth for successfully passing pre-employment credit checks, which entry-level-position employers often use to screen out candidates.
Housing	<p>Checking credit reports and resolving issues now can also prepare youth for successfully passing a landlord's credit check.</p> <p>Focusing on saving can allow youth to save money for the security deposit for a new apartment, while a focus on spending plans can help transitioning youth determine exactly how much rent they can afford to spend.</p>
Education	Learning about how student loan and grant programs work and what loan repayment terms are can help youth determine how much they can afford to borrow as they pursue post-secondary education opportunities.
Life-Long Connections	Forging life-long connections with a trusted supportive adult can help youth in foster care weather financial emergencies and get valuable advice, guidance, and assistance that can help on their path to financial security. Work with supportive adults to identify ways they can be a better financial role model.
Social Capital	By working on creating relationships with family, school, community, and peers, youth in foster care have access to varied networks that can help them in many ways as they transition to adulthood. For example, they can rely on a guidance counselor at school for FAFSA assistance and ensuring they receive all the financial aid and other education benefits to which they are entitled. They can also tap into services offered by community nonprofits and religious groups for a host of different services, including accessing benefits, college preparation, housing assistance, and workforce development services.
Banking	Opening their own bank or credit union account not only gives youth a safe place to keep money but can also support them to save money for emergencies. A good relationship with a local bank or credit union can also loop youth into accessible and affordable credit-building products that may help to establish a credit history they may be lacking.
Healthcare	<p>Starting January 1, 2014, the Affordable Care Act (ACA) allows youth who were in foster care and enrolled in Medicaid at the age of 18 to continue receiving Medicaid coverage until the age of 26. However, proposed regulations released by the Department of Health and Human Services (HHS) make it a state option to cover youth who aged out of foster care in a different state. States can also determine whether young adults formerly in foster care will need to re-apply for Medicaid coverage every year they are eligible. Due to these nuances, it is very important to reach out to your state agency overseeing Medicaid for more specific guidance and clarification.</p> <p>While youth transitioning from foster care may be eligible for Medicaid benefits until age 26, they should focus on a plan for ensuring they have health insurance after Medicaid benefits terminate. Health insurance may come through an employer or, if not provided by the employer, through purchase of one from a health care exchange.</p> <p>It is also important for youth to focus on paying all their medical bills and addressing bills that aren't correct. Medicaid does not necessarily cover everything, and billing mistakes happen frequently, so youth need to be proactive about paying and/or addressing their medical bills to prevent bills from going to collections, which can severely damage credit reports.</p>

Steps to Integration

Successful integration will require significant effort and collaboration from many stakeholders. It is critical to involve youth throughout the process. The steps below outline the key stages of the process.

How to Integrate Financial Capability Programming for Young People

Step 1: Program Orientation and Assessment

- (a) Clearly define organizational mission, vision, and outcomes.
- (b) Identify gaps in staff knowledge around financial skills and develop a plan to prepare staff for working with youth to become financially capable. Use the tool Financial Capability Assessment: How Ready Are You To Work With Youth? in Appendix I to help identify these gaps.
- (c) Determine the unique financial barriers that youth and young adults you serve are currently facing. When applying youth development principles, it is also important to discuss barriers with current program members and alumni to get a rich picture of the financial barriers youth face.

Step 2: Program Design

- (a) Using the financial barriers identified in Step 1, refer to Tables 2-6 (pgs. 7-10) and Table 8 (pg. 15) to identify financial capability strategies for youth to develop. Hold brainstorming sessions with youth to determine what their financial capability priorities are and how they match up with those of program staff. At the outset, it might be best to focus on activities that easily fit within the scope of existing services. In a subsequent wave of integration, you can focus on more complex financial capability activities.
- (b) Define a clear list of financial capability activities (what specifically do you want youth to be able to do). Using the tool Leveraging Partnerships with Financial Institutions, strategize with staff about what activities they can commit to undertaking with youth and which are more appropriate for referrals to other organizations that are currently

performing similar services. Be mindful that while referral partners may have specialized financial expertise, they lack the established trust and rapport your staff has developed with youth. Consequently, referral partners might only be appropriate for discrete activities and it will be important to connect program staff to the referral partner to ensure an efficient and effective hand-off. Young adults formerly in care and older youth in foster care can be a valuable asset when building a referral pipeline due to their intimate knowledge of the local system and stakeholders.

- (c) Identify your referral partners and develop efficient systems for screening youth at your site for referrals and providing useful information to your partners during the referral transition. It is important to be mindful of the consequences that may arise if a youth's personal information is passed on to a referral partner. Consent from the youth should be considered.

Step 3: Program Tactics and To-Dos

- (a) After determining the financial capability activities your program will implement, what you will take on yourself, and your referral partner strategy, determine how you will measure impact. Identify data collection points, specific competencies youth should develop, and how you will measure and assess the data. Examples of data you may collect include:
 - a. Number of youth establishing checking or savings accounts
 - b. Number of youth actively saving towards a goal
 - c. Number of parenting youth screened for eligibility for the Earned Income Tax Credit
 - d. Number of youth who took action against fraudulent credit issues

You may wish to look at other examples of how organizations analyze financial capability among their clients. The Success Measures program offers a variety of tools you may find useful for measuring financial capability, available here: <http://successmeasures.org/ftools>.

- (b) Develop a staff training program and determine whether it makes sense to conduct the training in-house or bring in a consultant to conduct the training. Update communication materials for funders, program participants, and referral partners to encapsulate the financial capability elements.

Financial Capability in Practice

Table 8 outlines a variety of potential financial capability integration strategies organized by each of the financial capability core concepts. As you proceed down the table, each row of strategies requires more resources and intensity to integrate. Each core concept covers significant ground, so feel free to pick and choose among the different strategies recommended to arrive at a customized integration plan.

Table 8: Financial Capability Integration in Practice

Resource Level	Earn	Spend	Save and Invest	Borrow	Protect
Low	<p>Hold a workshop to help youth interpret paychecks.</p> <p>Refer working youth to VITA sites⁹ for tax preparation.</p> <p>Refer to outside organization to screen for government benefit eligibility.</p>	<p>Introduce youth to creating spending plans and financial goals.</p> <p>Discuss the importance of opening bank or credit union accounts.</p>	<p>Introduce youth to the importance of saving as early as possible and different goals to save for (cars, retirement, education, etc.).</p>	<p>Download credit reports with youth.</p> <p>Discuss what credit is, how borrowing and interest work, and why they are important to transitioning youth.</p>	<p>Introduce youth to creating an emergency fund, obtaining renters and health insurance, and how to avoid scams, bad products, and identity theft.</p>
Medium	<p>Support youth to take advantage of employer benefit programs and strategize about how to leverage tax refunds to achieve financial goals.</p> <p>Have at least one staff member become VITA certified.</p> <p>Develop in-house capacity to screen for government benefit eligibility and support youth to apply as appropriate.</p>	<p>Hold frequent collaborative workshops with youth on spending plans and financial goals.</p> <p>Develop a relationship with a local bank or credit union to facilitate youth account openings.</p> <p>Assist youth to pull ChexSystems¹⁰ reports. Refer to financial counselors or coaches for resolution if there are issues.</p>	<p>Expose youth to the different types of products that support savings and what are the pro and cons for each type of product.</p>	<p>Support youth to interpret their own credit reports.</p> <p>Engage youth in activities to evaluate credit offers, compare credit products, and learn key credit terminology.</p>	<p>Engage successful program alumni to lead sessions for youth on their experience with insurance products and why they think it is important, how they became savvy consumers, and, if appropriate, how they dealt with identity theft.</p>
High	<p>Host a mobile VITA at your program that does tax preparation once per year.</p> <p>Discuss taxes with youth at least once outside of tax season.</p> <p>Strategize with youth about how they can optimally use their benefits.</p>	<p>Support youth to understand how to manage bank accounts and leverage their automated features to meet basic expenses and achieve financial goals.</p> <p>Develop in-house capacity to resolve youth ChexSystems issues.</p>	<p>Engage youth in simulation activities to measure the outcomes of different savings strategies using online retirement calculators and education savings calculators.</p>	<p>Refer youth to financial coaches or counselors or NFCC member credit counselors¹¹ to address issues on credit report, including reporting errors, ID theft, and excessive debt.</p>	<p>Support youth to identify (1) appropriate accounts for establishing an emergency savings and (2) how to select optimal renters and health insurance plans.</p> <p>Engage youth in activities using advertisements in multiple types of media (print, radio, Internet) to critically evaluate advertisements for a range of different types of products.</p>
Very High	<p>Host a permanent VITA site at your program.</p> <p>Engage youth in year-round tax planning discussions to enhance savings outcomes and the achievement of financial goals.</p>	<p>Engage youth, program staff, and nonprofits or banks to develop financial products specifically tailored to optimize youth spending habits.</p>	<p>Prepare youth to dissect an employee retirement benefits package and determine which investment options are best suited to their objectives and risk tolerance.</p>	<p>Train staff members in credit and debt issues to enable them to work intensively to support youth to engage in a regular process to review their credit reports and manage and/or plan their debt.</p>	<p>Formalize a curriculum that includes specialized tools and activities to support youth to learn about insurance products, avoiding ID theft, and become discerning consumers.</p>

9 VITA stands for Volunteer Income Tax Assistance, a program by funded by the IRS that trains volunteers to prepare free tax returns for low-income individuals at thousands of sites nationwide. <http://www.irs.gov/Individuals/Free-Tax-Return-Preparation-for-You-by-Volunteers>

10 A consumer report used by the banking industry to assess the risk of individuals applying for bank accounts. Banks report overdraft history, fraud, and other negative banking information to Chex Systems. Individuals applying for bank accounts who have a negative Chex Systems history may be prevented from opening accounts. Some financial institutions will allow participants with negative Chex Systems history to open an account given they take a class on banking. Chex Systems reports can be obtained for free (consumercredit.com), disputed and corrected just like credit reports.

11 National Foundation for Credit Counseling, a membership organization for reputable programs that provide credit counseling services. You can find one by clicking here: http://www.nfcc.org/FirstStep/firststep_01.cfm

Importance of Collaborations

Forming collaborations with other nonprofit organizations can be a great way to enhance the efficiency and the effectiveness of a program's efforts to integrate financial capability into programming for youth in care. Even with collaborations, it is important that staff at foster programs have adequate training to ground them in the core concepts, enable them to spot issues, and make good referrals to the programs that specialize in addressing financial matters.

A great place to begin searching for collaborators is to contact your local United Way and ask about personal finance-related programs that might exist in your area. You might also see if your location is one of the Cities for Financial Empowerment: <http://www.cfcoalition.org/where-we-work>. If it is, chances are there are programs in your area that will work with you to forge collaborations. Note that programs in this field use a variety of different terms to refer to their work, so phrase your inquiries broadly (financial coaching, financial counseling, financial education, financial literacy, financial management, and asset building are all potential terms that programs might use). An additional resource to help you identify potential collaborators is the national Assets & Opportunity Network, a movement-oriented group of advocates, practitioners, policymakers, and others working to expand the reach and deepen the impact of asset building. Network members are on the frontlines of advocacy, coalition-building, and service delivery. To find a coalition in your area visit: <http://asset-sandopportunity.org/network/>.

In forming collaborations, be mindful about informing staff and participating youth at all programs involved about what the objectives are, how the collaboration is meant to work, and how referrals are to proceed. It is also important that all members of the collaboration are firmly committed to improving youth financial capability, understand the unique challenges of the population, and are willing to invest in the young people's individual needs. As you formulate the collaboration, have a very clear plan and distinct roles for each member of the collaboration to avoid inefficiencies, duplicative work, and frustration. For example, a referral partner may agree to assist youth to resolve identity theft, but the partner

may require your program to only make a referral once the youth has obtained all three credit reports. If your staff routinely refers youth without the credit reports, the referral partner will expend time and resources to pull the reports, which could damage the relationship with the partner and prolong the time necessary to resolve the identify theft issues.

Members of the collaboration need to meet frequently and be flexible during the initial stages of implementation to address unanticipated problems that arise. Client flow, referral protocols, messaging, and other aspects of the program may all need to be changed to best meet the needs of the youth the collaboration is meant to serve. That is why choosing partners that are clearly committed and passionate about improving youth financial capability is so critical. A partner that is only marginally committed will often not be willing to make the adjustments necessary to ensure a successful collaboration. Members of a collaboration will also need to clearly understand their roles when measuring and evaluating programmatic impact. An agreement among members outlining data collection and analysis responsibilities is recommended.

In addition to nonprofit organizations, many banks, credit unions and their foundations are potential collaborators. In some cases, such foundations can play a major role by convening partners of collaborations and providing critical dollars to address gaps in funding. Separate from their foundations, developing relationships with banks can also smooth the account-opening process for youth tremendously. For more details, see the Leveraging Relationships with Financial Institutions tool in Appendix I.

Appendix I – Tools

Tool I: Financial Capability Assessment: How Ready Are You to Work With Youth?

Introduction

Working with youth in foster care on their finances can have a huge impact on ensuring they have a smooth transition to adulthood. The more financially capable they are, the greater likelihood they will have a successful transition from the supportive services your program offers. Please answer the following questions by selecting the answer choice that best matches your knowledge and experience. Then score yourself to see how ready you are to support youth to reach financial capability. Additional resources are featured at the end to support your efforts to help youth become more financially capable.

Assessment Tool

1. How comfortable do you feel downloading and interpreting your own credit report?

- (A) **Very uncomfortable:** I don't know what a credit report is or where to get mine.
- (B) **Uncomfortable:** I've seen my credit report before but it was a while ago and I didn't understand all of it.
- (C) **Neutral:** I check my credit report from time to time and I kind of know what to do with the information.
- (D) **Comfortable:** I check my credit report about once a year and I mostly know what to do with the things.
- (E) **Very comfortable:** I check my credit report at least once a year, I know what it says, and I know what to do if there's something wrong.

2. How much experience do you have helping youth open bank accounts?

- (A) **None:** I don't have a bank account myself.
- (B) **A little bit:** I've spoken with youth about the importance of becoming banked.
- (C) **Moderate:** I somewhat understand what check cashers are and why banks are a better option, and I'm sometimes able to work with youth to get them to open their own bank accounts.
- (D) **Good amount:** I'm able to assist youth to open up their own bank accounts instead of using fringe services (such as check cashers, payday loans, pawnshops, and prepaid debit cards).
- (E) **Extensive:** I can support youth to make determinations about the costs involved in being banked versus being unbanked, and how to evaluate different bank accounts so they can make appropriate decisions for themselves on where to bank.

3. How comfortable do you feel talking about taxes with youth?

- (A) **Very uncomfortable:** I don't really understand how taxes work and I wouldn't know how to explain to youth what they need to know.
- (B) **Uncomfortable:** Taxes are confusing to me, but I tell youth that they may need to file taxes.
- (C) **Neutral:** I have a basic understanding of how taxes work and I can give youth a general picture of what the deductions on their paychecks mean and what they should do to file their taxes.
- (D) **Comfortable:** I have a good understanding of how taxes work and the credits and deductions available to low income people. I can explain to youth what the deductions on their paychecks mean and refer them to Volunteer Income Tax Assistance (VITA) sites at tax season.

- (E) Very comfortable:** Taxes are a year-round conversation topic for me when I meet with youth. I make sure youth are taking advantage of all available tax advantages including retirement savings, flex spending accounts, and the Earned Income Tax Credit (EITC). I also have discussions about how youth can use their tax refund to achieve financial goals.

4. How often do you talk to youth about the importance of saving and financial goals?

- (A) Never:** There are way too many other things going on in youth's lives and they have no money to save.
- (B) Infrequently:** From time to time I get into a discussion about goals and saving with very motivated youth.
- (C) Sometimes:** Saving and goals conversations sometimes come up with youth and I feel somewhat comfortable engaging in the topic.
- (D) Frequently:** I try to engage all youth in a conversation about what their goals are and how important it is to save money, but I don't try with some youth.
- (E) Very frequently:** I make a point of broaching the topic of savings and goals with all youth and support youth to develop detailed plans to save and achieve their goals. I'm knowledgeable about Individual Development Account (IDA) programs.

5. How much does your program focus on supporting youth to become savvy consumers?

- (A) Not at all:** We really don't discuss with youth how to search for good deals or how to critically analyze advertisements.
- (B) A little bit:** Infrequently we discuss with youth how to prepare to be savvy consumers, but our discussions are very theoretical and not based on specific examples.
- (C) Somewhat:** We sometimes engage youth in various activities (field trips, speakers, group activities) to learn about becoming a knowledgeable consumer, but these activities aren't frequent and youth are not that engaged.
- (D) Strong focus:** We frequently engage youth in different activities to support them to interpret advertisements, shop for deals, and know how to spot scams, but youth are not always engaged.
- (E) Extensive focus:** Youth drive the process of becoming savvy consumers by paying close attention to advertisements in different types of media and bringing them to group sessions to discuss and analyze. Youth make decisions about different field trips and are able to ask the employees probing questions to deeply understand how different markets operate and what they need to look out for.

6. To what extent does your program screen youth for government benefits?

- (A) Not at all:** We don't discuss benefits with youth.
- (B) A little bit:** We refer youth to other programs for assistance with benefits.
- (C) Somewhat:** We screen youth for Chafee Education and Training Grant, housing assistance, food stamps, and educational benefits, but we don't ensure youth always connect to benefits.

- (D) A good degree:** We screen youth for all appropriate benefits and refer youth to programs that will help them access those benefits. We also have a youth-informed system in place to ensure that when youth don't receive benefits, there are supports in place to ensure youth are referred to organizations that can support them to obtain all the benefits to which they are entitled.
- (D) Extensively:** In addition to supporting youth to obtain all appropriate benefits, as part of transition planning, youth work on developing spending plans to take into account the government benefits they anticipate, create emergency funds for benefit lapses, and learn where to go and how to resolve issues that frequently arise with the benefits they anticipate receiving.

# of A responses	_____	x 1 =	_____	
				+
# of B responses	_____	x 2 =	_____	
				+
# of C responses	_____	x 3 =	_____	
				+
# of D response	_____	x 4 =	_____	
				+
# of E responses	_____	x 5 =	_____	
TOTAL =			_____	

13 or less:

Keep up what you're doing, but try to learn more about different financial topics. The resources below will help you get started. For every question where you answered A, B, or C, check out the additional resources and work with your colleagues on a plan for implementing those new resources at your program.

14 to 21:

You have a solid foundation of personal financial knowledge, but you could still learn more to ensure your program meets youth's needs. See the resources below for some ideas on how to move forward. Focus on adopting a few strategies in the near term with the goal to adding more as time goes on.

23 to 30:

Congratulations! You are a financial wiz. Keep up the good work. If you haven't already done so, take some of the specific activities you're doing and weave them into a cohesive curriculum. You can also get youth involved by measuring and tracking specific data outcomes such as progress towards savings goal and/or number of bank accounts opened. Without posting personal information, these data points can be posted in a public area to engender friendly competition. Check out the resources below for any questions where you answered A, B, or C.

Additional Resources

If you weren't pleased with your score, you can review these resources (organized by question number) to enhance the financial capability services you provide to youth.

Question 1: Credit Reports

The following three resources will be very helpful as you develop a plan for how to work with youth on addressing credit report issues. For full descriptions of each of these resources, see Appendix III of the Toolkit.

- a. National Foundation for Credit Counseling (“NFCC”) (<http://www.nfcc.org/>).
- b. Annie E. Casey Foundation, Accessing Credit Reports for Foster Youth: A Reference Guide for Child Welfare Agencies <http://www.aecf.org/resources/accessing-credit-reports-for-foster-youth/>.
- c. Credit Builders Alliance, Accessing Credit Reports for Foster Youth: A Reference Guide for Child Welfare Agencies: <http://creditbuildersalliance.org/whats-new/resources/accessing-credit-reports-foster-youth-reference-guide-child-welfare-agencies/>.

Question 2: Bank Accounts

To begin opening bank accounts for youth, you first need to know what state laws apply and then you can work on forging partnerships.

- a. **What Are the Applicable Rules?** Before embarking on any effort to open bank accounts for youth under 18, it is important to determine what your state’s law is on bank accounts for minors. There are many variations. States may:
 - Allow minors to open accounts on their own before they turn 18
 - Require a co-signer and have certain requirements about who that co-signer may be
 - Allow youth in foster care to open accounts on their own before they turn 18 if certain conditions are met.

The government foster care agency (state or county) should be able to provide you with further information on your state’s rules. You can also contact your state banking commissioner or agency.

- b. **Bank On:** A national movement that supports the formation of public/private partnerships between governments, banks, and nonprofits to support low-income and underbanked individuals to open low-cost starter bank accounts and access financial education. This site <http://joinbankon.org/programs/> will help you locate a Bank On program in your area if it exists or give you guidance on how you can bring Bank On to your community. Bank On programs can provide a critical pipeline to getting youth bank accounts.

Question 3: Taxes

For employed youth, filing tax returns is very important. See Appendix III for more details about Volunteer Income Tax Assistance (VITA) sites or go to this link <http://www.irs.gov/Individuals/Free-Tax-Return-Preparation-for-You-by-Volunteers>.

Question 4: Savings and Goals

The Assets for Independence Resource Center contains information on establishing partnerships with financial institutions, in addition to information on applying for and managing an AFI grant. The AFI Resource Center is available here: <http://www.idaresources.acf/hhs.gov>. Also see Appendix III of the Toolkit for more information about the Jim Casey Youth Opportunity Initiative “Building Assets for Your Future Curriculum,” which is available here: <http://jimcaseyyouth.org/opportunity-passport-financial-literacy-curriculum>.

Question 5: Becoming a Savvy Consumer

Appendix III contains many different materials to help youth develop skills as consumers, including some web-based programs, such as EverFi (<http://www.everfi.com/financial-education>), which leverage advanced technologies. Similar programs can be found in the Resources section. The more hands-on and realistic the curriculum is for youth, the more it will help them develop sophisticated skills as consumers.

Question 6: Benefits

See Appendix III for more information on how to access virtual and physical benefit screening sites (here's an example of a virtual one <https://commonhelp.virginia.gov/access/>) and for more information about how to refer youth to Legal Services Corporations (<http://www.lsc.gov>) to contest benefit denials.

Tool 2: Leveraging Partnerships with Financial Institutions

Youth transitioning out of care will need to develop trusted relationships with a variety of financial institutions to become financially capable adults. The core concepts of financial capability introduced in the Toolkit create a helpful framework for thinking about the types of partnerships your program might forge with financial institutions to support youth to become financially capable.

Many of the suggestions referenced here involve reaching out to different types of professionals in the community. Depending on youth interest in particular fields and the professionals' comfort level, it may be appropriate to leverage these partnerships not only to help build financial capability, but also to support youth to explore specific careers.

Partnership to Promote Competency 1 – Earn

The Need

As youth transition to the workforce, there are many things that they need to understand about how paychecks work, what deductions are, and how to access the different types of employee benefits available. Most young people rely on familial support networks as they navigate their first jobs, paychecks and benefits. In many cases, youth transitioning out of care will not have these networks so identifying professionals who can provide this guidance to youth is critical.

Who Can Help

Individuals who work in human resources have an in-depth knowledge of these workplace earning-related topics and can also give youth helpful guidance on how to conduct themselves at the workplace during their first years of employment to ensure successful long-term careers. The Society for Human Resources Management is a national organization of human resource professionals, which does promote volunteer opportunities for its members, <http://www.shrm.org/Communities/volunteeropportunities/Pages/default.aspx>. You may also be able to identify human resource professionals through local nonprofit organizations such as United Way, <http://www.unitedway.org/content/home>. If your program or organization has a dedicated human resource professional, that individual may be able to help as well.

Implementation Guidance

These topics are wide-ranging and complex, so a series of financial education workshops for youth is often the best approach. Some topics to cover include:

- paycheck literacy;
- employer benefits, what to look for and look out for;
- job retention strategies: key strategies youth should employ during their first few weeks at a job to ensure long-term retention by the employer. Delaware's Economic Development Office has created a helpful guide called *Job Survival: Strategies for Job Success*, which is available here: http://dedo.delaware.gov/dedo_pdf/BusinessServices_pdf/WorkforceDevelopment/softskills/soft_skill_training_curriculum.pdf.

In deciding on topics and how to structure these sessions, it is a great idea to contact program alumni to find out what their biggest challenges were transitioning to the workforce to ensure that the sessions will cover those topics. It is also helpful for workshops to feature tangible artifacts (e.g. real pay stubs and real benefits packets). These sessions should also include scenarios that require youth to grapple with issues that frequently arise, such as initial delays in getting paid, resolving errors in withholding, delays receiving benefit program enrollment materials. Guidance on how youth can tactfully resolve these issues is essential.

Partnership to Promote Competency 2 – Spend

The Need

Getting youth connected to bank accounts as part of transition planning is critical to help them manage their spending. Youth also need to become accustomed to using detailed spending plans to build sound habits for staying on top of cash flow. This will also help them determine whether youth are meeting their financial obligations. Many youth have necessities provided for them while they are in care, so will need to rapidly acclimate and incorporate new spending and budgeting mechanisms to effectively manage their own money upon aging out of care.

Who Can Help

For accounts, banks and credit unions are natural partners. Depending on your state's laws there may be various challenges to opening accounts for youth while they are still minors. Regardless of those challenges, scheduling field trips to banks or credit unions for youth to understand how banking works and what type of services are available will help youth feel comfortable using financial institutions as young adults. Many banks and credit unions may be particularly interested in working with foster programs because they may be able to receive Community Reinvestment Act credit. You should also check to see if there are any Bank On programs in your area, <http://joinbankon.org/>, and contact your local school system to identify any school-based banking opportunities. With respect to spending plans, working with local credit counselors can be really helpful. These professionals work extensively with individuals on financial goals, and how to manage spending and debt. To find nonprofit credit counselors in your area, go to <http://www.nfcc.org>. The local branches of many national banks and local credit unions may also be able provide financial capability curricula that cover spending.

Implementation Guidance

First find out what your state's law is with respect to accounts for minors. Then work with local banking partners to develop a series of site visits where youth can tour a bank during business hours and speak with different professionals at the bank about what their roles are and learn about the different accounts offered. Have youth bring back literature about each bank's account offerings after each site visit and analyze it to determine which accounts are best. Many banks and websites now offer prepaid debit cards, which youth should also consider and evaluate (some cards have significantly higher fees than others). It may also be productive to visit check cashers so youth have a contrasting reference point. Credit counselors and/or banks that have financial capability curricula may be willing to work with youth in a one-on-one setting or in group workshops on creating forward-thinking spending plans that anticipate post-transition income and expenses.

Partnership to Promote Competency 3 – Save & Invest

The Need

Many young people, including youth transitioning from care, find it hard to envision long-term financial goals and may find it difficult to get excited about savings unless it is for particular consumer goods (the latest phone, jeans, music, skateboard, etc...) that they really want. Saving to purchase these items is actually a very valuable habit for youth to build because it focuses them on the activity of saving and setting aside money to attain a particular short-term goal. But there is also a tremendous opportunity for youth to see their savings for longer-term goals (education, retirement, buying a home) grow if they start saving early. It may seem premature, for youth to start saving for retirement as they are transitioning out of care, but building the habit of savings for the future when they are young can help them establish long-term assets to pay for further education, retirement, or save for emergencies. As youth transition from care, it is also likely they will encounter money emergencies, so it is important for youth to set up a designated emergency account they can access in times of need. At this stage, it may not be a priority for youth to develop a deep understanding of investments, but they should at least know how to make informed decisions

about where to invest their retirement and education savings. Furthermore, by saving for their future, youth may be inclined to take a more proactive and decisive role in all aspects of their future, which will definitely support their transition into financially capable adults.

Who Can Help

To get youth started on saving for small short-term goals, there are a number of interesting new platforms, such as Capital One 360 (<https://home.capitalone360.com/kids-savings-account>) and SmartyPig (<https://www.smartypig.com/>). Banks and credit unions, described in Spend, offer many different types of savings accounts and investment products and may also be willing to partner with foster care or independent living programs to create and manage Individual Development Accounts for youth. Certified Financial Planners (CFPs) can also offer youth a wealth of information about how to plan for their futures. It is important to limit CFP exploration to those that are fee-only CFPs, which don't have any incentive to pitch particular products. In contrast, CFPs that are not fee-only receive commissions from companies that offer the various products CFPs sell. You can locate fee-only CFPs in your area here: <http://www.napfa.org/>.

Implementation Guidance

First, start by having youth set a short-term savings goal for a tangible object. Bank accounts may not be necessary for these financial goals. Once youth have accomplished these short-term savings goals, you can work with youth on saving for goals with longer time horizons (two to six months). For these longer-term goals, if you have already been able to form productive relationships with financial institutions to encourage youth to open accounts, (see Spend above) you may be able to leverage those relationships to cover savings and other investment products. But youth may get a one-sided view. Developing a relationship with a local CFP might be better because these individuals are well versed in working closely with clients on their goals and savings ideology. They also have a deep understanding of the different types of investment products and have no interest in pitching any particular product. The topics in this area are complex, so identifying someone who is able to lead a series of sessions with youth would be ideal. Some potential topics include: (1) Why should I save and what should I save for?; and (2) How and where can I save? It is very important that youth participate in the agenda-setting process for these sessions.

Partnership to Promote Competency 4 – Borrow

The Need

New federal law requires that youth transitioning from care have access to their credit reports beginning at age 14. Youth credit reports should be free of accounts and they should enter adulthood with a clean slate. But many youth will discover after they pull their credit reports that they are victims of identity theft and have negative information on their reports. This negative information can be a barrier to both housing and employment, as landlords and employers engage in credit screening processes to weed out applicants. Youth will have a significantly smoother transition to adulthood if they can resolve identify theft while they are in care. For programs serving youth in foster care past the age of 18, it is still very important to take care of any credit report issues prior to turning 18.

Even youth with clean reports need to prepare for how to use credit, which has become increasingly common in today's economy. Youth need to know how to use credit wisely, what the costs of credit are, how to access good credit products, and what steps they can take to establish and maintain good credit scores.

Who Can Help

Credit counselors (<http://www.nfcc.org>) and nonprofit legal service providers are natural partners to work with youth on resolving identity theft issues and on how to use and manage credit wisely. Banks and credit unions can be very helpful partners to link youth to secured credit cards, which can help youth establish a credit profile. To find credit unions in your area, use <http://culookup.com/>. To read more about how secured cards work, see <http://www.bankrate.com/finance/credit-cards/10-questions-before-getting-a-secured-credit-card-1.aspx>.

Implementation Guidance

Credit counselors can work with youth in one-on-one sessions to resolve identity theft issues. But providing financial education on how to use and manage credit wisely is probably better suited to group sessions. Youth won't be eligible for secured credit products until they turn 18, but programs can work with banks and/or credit unions to establish a partnership so that youth can easily obtain accounts when they are eligible.

Partnership to Promote Competency 5 – Protect

The Need

Youth transitioning from care should weigh purchasing auto insurance, renters insurance, and health insurance to ensure they have a safety net. Especially with the implementation of the Affordable Care Act, there are many programs available to make health insurance affordable for youth. Starting January 1, 2014, the Affordable Care Act (ACA) will allow youth who were in foster care and enrolled in Medicaid at the age of 18 to continue receiving Medicaid coverage until the age of 26. However, proposed regulations released by the Department of Health and Human Services (HHS) make it a state option to cover youth who aged out of foster care in a different state. States can also determine whether young adults formerly in foster care will need to re-apply for Medicaid coverage every year they are eligible. While auto insurance and health insurance may be required by law, renters insurance is generally affordable and can be a real lifesaver in the event of fire, water damage, burglary, or other types of losses related to rental housing. Some policies even cover theft from your car.

Who Can Help

Many major insurance companies offer an array of different insurance products and can help lead sessions with youth to familiarize them with the features of different types of insurance products. It may also be helpful to reach out to program alumni to see what their experience has been with different types of insurance products. Due to the variability in implementation of some Affordable Care Act provisions across states, it is very important to reach out to your state agency overseeing Medicaid for more specific guidance and clarification.

Implementation Guidance

It's important to focus on identifying an insurance professional that can make these topics engaging for youth. Insurance can be a very dry topic, and there are a lot of complicated terms that youth need to understand and use to be savvy consumers in the insurance marketplace. Having program alumni present with an insurance professional could be particularly effective in giving youth different perspectives on how different insurance products work and how they can make optimal choices.

Appendix II – Educational Theory

Learning Styles

Everyone learns differently. When approaching any type of learning, it is important to consider the different ways people learn and tailor the training to ensure that a variety of different modalities and instructional techniques are used to convey the content.

With any type of instruction or training, including financial education, it is important to know how a person learns best. This knowledge provides guidance on the types of activities that will be most effective. There are many learning theories but one of the most common and practical ones to use when working with young people is based in Bandler and Grinder’s (1975) Neurolinguistic Programming (NLP). This theory is recognized as facilitating learning in formal education, professional development, informal learning, and coaching (Churches & Terry, 2007; Henwood & Lister, 2007) through a subjective experience. Learners and professional educators utilize NLP as a technology, a methodology for approaching how learners take in the most information through three of our five senses – sight, sound, and touch. Depending on a person’s primary learning strengths, an individual is defined as a Visual, Auditory, or Kinesthetic style learner. Visual learners like to see things, such as writing on a flip chart, videos, and handouts. Auditory learners absorb and retain more through hearing and talking about things through lectures or small group discussions. Kinesthetic learners like to feel things and prefer hands-on activities, simulations, and games that involve movement. When providing instruction in a group setting, it is important to choose activities that meet the needs of all three of the styles. When working with an individual, it may be most effective to teach using activities that address the primary learning style. The chart below indicates the types of activities that address the three learning styles.¹²

Activities That Address the Three Learning Styles		
Visual	Auditory	Kinesthetic
Posters	Discussions	Hands-on activities
Pictures	Music	Crafts
Video	Video	Field trips
Flip chart	Lectures	Games
Handouts	Tapes	Drawing
Charts	Storytelling	Note taking
Demonstrations	Making presentations	Simulations
Role play	Role play	Role play

Models of Financial Education Delivery

Much like any type of education there are several models to deliver financial education. Using a combination of these models provides greater opportunities to teach to all three learning styles and to the highest level of learning which is likely to lead to improved outcomes. It is also important to consider how youth in foster care will respond to the different models of financial education delivery. Some youth in care may not respond well to classroom-based instruction and will need to be offered alternative delivery methods to acquire the same skill set. When designing financial education training for youth, programs should carefully consider the specific learning styles of the youth they serve and how to most effectively deliver a training that will reach youth at various stages of development. Ideally, participant and program outcomes should drive delivery approach, NOT vice versa. However, resources are often the driver of what is done. Some common models of financial education delivery include:

¹² There are many learning style assessments available. One example can be found at http://www.odessa.edu/dept/govt/dille/brian/courses/1100Orientation/LearningStyle-Inventory_survey.pdf

Classroom-based/group-based

- Financial education that is delivered in-person to a group where the financial education is organized around specific objectives, competencies, a curriculum or a lesson plan
- Some classroom-based/group-based approaches are not curriculum driven, but participant issue driven—support groups, accountability groups and savings groups
- Classroom based/group-based approaches
- A one-shot workshop
- A non-cohort based seminar/workshop series
- A cohort based workshop/seminar series
- Within the public school curriculum or other program such as Independent Living
- Stand-alone financial education class(es)
- Financial education topics woven throughout a non-financial curriculum
- A non-cohort or cohort-based workshop within an asset building program or another program
- Support groups (facilitated peer support groups; peer led groups)

Curriculum-driven models via remote delivery

- Distance education approaches—conference calls or webinars (these may involve groups)
- Self-study with workbooks or on-line, often with testing and review options included, sometimes with the option to ask questions via email or via phone
- Using social media

One-on-one services

- Financial education that is delivered through one-on-one assistance, distance learning or self-study
- Personal coaching
- Personal financial counseling
- Often one-on-one approaches are participant-led instead of curriculum or competency led
- What can be expected in terms of outcome attainment or impact depends on approach but is also a function of
- Design of Financial Education—content, delivery, number of hours, number of sessions, opportunities for reinforcement, support
- Facilitator/Coach—ability to animate financial education in a way that resonates with participants
- Participant—pre-existing knowledge, pre-existing experience, readiness to apply new knowledge and skills, complexity of life circumstances, influence of family and peers, and participant’s attitudes and beliefs about money and financial issues

Levels of Learning

Another element of delivering financial education is considering learning as a process. Most people learn in a progression of four naturally occurring sequential levels (Rycus and Hughes, 2001). Training and education strategies are most effective when the intended competencies are consistent with and support this sequence. The goal of instruction is to assist the young person to achieve the highest level of learning possible. Many young people will have some knowledge about money and money management, so it is important to learn “where they are” with that knowledge and what their interests and goals are in this area so that you can tailor activities and interventions to meet their specific needs. Design activities that can build on their base knowledge. Remember that learning takes place over time. The table below outlines four levels of learning that are based on Rycus and Hughes’ stages of learning, with examples as they apply to a topical area of financial education and how they relate to the definitions of financial education, literacy, opportunities, and capability as discussed in the overview section of this toolkit. You can be creative in applying these to other financial topics to achieve desired outcomes.

Levels of Learning Applied to Strategies for Financial Empowerment		
Learning Level	Description	Strategy
Level 1: Awareness	The learner is becoming aware of information that is new – had no idea that credit reporting agencies exist and what they do	<i>Financial Education:</i> Information building
Level 2: Knowledge and understanding	The learner is acquiring more information - can identify, describe, or explain information on what credit reporting agencies are, what a credit report is, and how it can impact his/her future	<i>Financial Education:</i> Information and skill building
Level 3: Knows how	The learner is beginning to apply knowledge with supervision – can access their credit report with assistance	<i>Financial Literacy:</i> Ability to use skills through practice
Level 4: Can or is able to	The learner is applying the skills in the real world without assistance – can access his/her credit report, interpret the information on the report, address errors on the report, and maintain a good credit score	<i>Financial Capability:</i> Ability to use skills and opportunity to use skills

Often, adult service providers expect young people to perform at the “can, or is able to” level while only teaching to the “knowledge and understanding” level. This gap emphasizes the importance of providing opportunities for young people to receive the experiential or hands on learning activities that will move them to a higher level of learning. For young people in care to become financially capable, they need to be provided with knowledge and a variety of opportunities to build and practice those skills. This can only be accomplished through a comprehensive system of instruction, practice, and feedback.

Those youth who have had the opportunity to engage in activities making financial decisions with real money tend to understand the concepts and retain the experience better than through lessons that focus on arbitrary exercises. Making the exercise or lesson relevant to the young person’s daily life or his or her long-term goals which they perceive as attainable has also shown to have more positive impact on sustained involvement such as saving money and budgeting. If program rules preclude giving youth real money, there is a range of simulation activities that one may conduct with youth. The more authentic the simulation, the more likely it will be to build youth financial capability. A number of different simulation options exist. There are already-existing curricula, such as *Mad City Money* (<http://www.cuna.org/Marketing-And-Member-Education/Products/Mad-City-Money-workshop-and-simulation-kit/>) and *Real Money Real World* (http://youthsuccess.osu.edu/?page_id=626). Whenever possible, youth should be able to work with real money in real situations, however.

Appendix III – Resources

Referral Resources for Youth with Financial Issues

Nonprofit credit counseling organizations: These organizations can provide help to youth that have questions and issues with their credit and should be effective referrals for youth facing identity theft issues. It is important to approach only nonprofit organizations that are members of the National Foundation for Credit Counseling (“NFCC”) (<http://www.nfcc.org/>). Credit counseling organizations that are NFCC members are more likely to be reputable and competent than credit counseling organizations that are not NFCC members. These organizations may be willing to partner with foster programs to educate groups of young people.

Tax preparation

Youth who are employed may be eligible for a tax refund, especially if they are also parents. From February to April 15, there are thousands of sites across the country staffed by IRS-certified volunteers to help low-income people file taxes. The program is called Volunteer Income Tax Assistance (“VITA”). To find a VITA site near you, go to <http://www.irs.gov/Individuals/Free-Tax-Return-Preparation-for-You-by-Volunteers>.

Benefits screenings

For programs that work with transitioning youth, it is important to ensure that youth are accessing all available benefits. SingleStop, an organization with sites at many community colleges nationwide, provides benefits screenings at a single site: <http://www.singlestopusa.org/program/>. Many states have online benefits screening sites, such as this one for Virginia, <https://commonhelp.virginia.gov/access/>.

Legal services

Most youth in foster care and transitioning from care will likely be eligible for civil legal services from local community nonprofit organizations or from the Legal Services Corporation, <http://www.lsc.gov/>, to address a range of legal issues. Such organizations generally specialize in securing access to public benefits (especially if youth have been rejected for benefits) and can help youth deal with other legal issues such as debt collection lawsuits, identity theft,¹⁴ some immigration issues, and tax issues. To address very complicated legal issues (such as complex immigration cases), youth may be able to approach the pro bono departments of large law firms for pro bono representation. Most major law firms commit substantial time and resources to pro bono for clients in extreme need. Here are a few examples: <http://www.skadden.com/citizenship/activities> and <http://www.mofo.com/community/pro-bono/>.

¹⁴ For more in-depth information about helping youth resolve identity theft issues, including specific initiatives in certain states, refer to this link. <http://identitytheftnetwork.org/>

Financial Capability Resources Specifically for Youth

Annie E. Casey Foundation, Accessing Credit Reports for Foster Youth: A Reference Guide for Child Welfare Agencies

<http://www.aecf.org/resources/accessing-credit-reports-for-foster-youth/>

This guide describes the basic processes for requesting credit reports for youth in foster care from the three credit bureaus. It introduces some key benefits and challenges associated with interpreting different types of credit reports and presents decision makers with ideas and approaches to consider in helping youth review their credit reports, resolve inaccuracies and protect against future errors, identity theft or fraud. Finally, it reinforces the importance of good credit as a financial asset that youth can begin to build as they transition out of foster care and into successful adulthood. The guide also contains a number of helpful tools for youth to use as they work on establishing their credit or recovering from ID theft.

Annie E. Casey Foundation, Foster Youth Money Guides

<http://www.aecf.org/KnowledgeCenter/PublicationsSeries/FosterYouthMoneyGuides.aspx>

Annie E. Casey Foundation has a number of resources available on its website for working with foster youth created in collaboration with the National Endowment for Financial Education (“NEFE”). NEFE (<http://www.nefe.org>) created a series of five financial education booklets for foster children and their caregivers. The topics include a handbook for caregivers and a number of different resources for youth of different ages.

Credit Builders Alliance, Accessing Credit Reports for Foster Youth: A Reference Guide for Child Welfare Agencies

<http://creditbuildersalliance.org/whats-new/resources/accessing-credit-reports-foster-youth-reference-guide-child-welfare-agencies>

This publication describes the basic processes for requesting credit reports for youth in foster care from each of the three credit bureaus. It introduces some key benefits and challenges associated with interpreting different types of credit reports and presents decision makers with ideas and general approaches to consider when determining how to help youth review their credit reports, resolve inaccuracies and protect against future errors, identity theft or fraud. Finally, it reinforces the importance of good credit as a financial asset that youth can begin to build as they transition out of foster care and into successful adulthood. CBA will continue to update the Guide as relevant information changes or becomes available.

Everfi

<http://www.everfi.com/financial-education>

EverFi is a multimedia platform targeted to youth in grades 9-12, which covers many financial topics using video, animations, 3-D gaming, avatars, and social networking (<http://www.everfi.com/everfi>).

Financial Soccer

<http://www.financialsoccer.com/>

This provides a fast-paced, interactive video game created by Visa Inc. and the Federation Internationale de Football Association, which incorporates soccer’s structure and rules to teach children and young adults the knowledge and tools they’ll need to establish and maintain sound financial habits over a lifetime. Financial Soccer is free and can be played online.

Goodwill Community Foundation

<http://www.gcflearnfree.org/money>

Goodwill Community Foundation offers learning modules and activities on a number of subjects, including finances. This website offers a wide range of tutorials and interactive learning modules from basic money skills to retirement planning.

Hands on Banking

www.handsonbanking.org

This interactive online teaching program developed by Wells Fargo can be used with a group or individually. It has different portals for different age groups and covers credit, saving, investing, and other financial topics in addition to banking.

Jim Casey Youth Opportunity Initiative, Building Assets for Your Future: A Financial Literacy Curriculum for Youth Transitioning Out of Foster Care

<http://jimcaseyouth.org/opportunity-passport-financial-literacy-curriculum>

With support from the Jim Casey Youth Opportunity Initiative, The Finance Project (TFP) developed and tested the “*Building Assets for Your Future*” financial literacy curriculum. The curriculum was specifically designed for youth transitioning out of the foster care system seeking to enroll in the Jim Casey Youth Opportunity Initiative’s Opportunity Passport. This program is an innovative approach designed to help participants learn financial management; obtain experience with the banking system; save money for education, housing, health care, and other specified expenses; and gain streamlined access to educational, training, and employment opportunities.

Jump\$tart

<http://www.jumpstart.org/>

Jump\$tart is a national coalition of organizations dedicated to improving the financial literacy of pre-kindergarten through college-age youth by providing advocacy, research, standards, and educational resources. The site features a large clearinghouse of free materials to support financial education with youth. Jump\$tart also has a state-by-state guide to financial education requirements and best practices for selecting and using financial education materials.

Mymoney.gov for Youth

<http://www.mymoney.gov/Pages/for-youth.aspx>

This section of MyMoney.gov is specifically for youth and features games, fun activities, websites, video games, and information about money for kids and youth. It has links to information on how to save money, what to think about when shopping and buying, and how to make a budget. MyMoney.gov contains additional financial education materials for a general audience.

My Money Handbook

http://www.investedok.org/MyMoneyHandbook/2012_My_Money_Handbook.pdf

Although written with Oklahoma youth in foster care in mind, the My Money Handbook, by Invest Ed Oklahoma, is applicable to all youth, regardless of background or region. It is a youth friendly workbook filled with practical knowledge about the essential skills of personal finance. Use it to complement existing financial literacy curriculum or to build a curriculum for beginner courses.

Moneythink

<http://www.moneythink.org>

Moneythink is a nonprofit that deploys college students to mentor youth in high-need communities on their finances. The program uses its own Economic Opportunity Curriculum (EOC), which aims to increase economic opportunity and enable social mobility by teaching students how to make and manage money. The program typically works with schools directly, but can lead sessions with other community youth groups. Mentors conduct Moneythink sessions weekly during the academic year. These are small group settings with no more than five students to each mentor.

NEFE High School Financial Planning Program

<http://www.hsfpp.org/>

The NEFE High School Financial Planning Program® is sponsored by the National Endowment for Financial Education® (NEFE®) in partnership with the Cooperative State Research, Education, and Extension Service (CS-REES), USDA, and participating Land-Grant University Cooperative Extension Services, and Credit Union National Association (CUNA), and America's Credit Unions. The NEFE HSFPP is intended for use as a public service to enhance the financial literacy of youth. These materials can also be used outside the high school setting.

Practical Money Skills

www.practicalmoneyskills.com

This website, sponsored by Visa, includes several free online games for groups or individuals. Games include a Quiz Show, Financial Football, and Financial Soccer. These interactive games have practical questions for 16-21 year old youth. They offer several budget calculators that are useful tools for understanding credit and debt, finding out how much you can afford in an auto loan, etc. There are also lesson plans and resources for teaching.

You Are Here

<http://www.consumer.ftc.gov/media/game-0020-you-are-here-consumer-education-mail>

This animated site is offered by the Federal Trade Commission, where 5th through 8th graders wander through a virtual “mall,” playing games and learning key consumer concepts such as the impact of advertising, how to spot scams, and protect personal information. It's fun for older youth, too. You'll learn key consumer concepts, such as how advertising affects you, how you benefit when businesses compete, how (and why) to protect your information, and how to spot scams.

General Financial Capability Resources

Assets for Independence

<http://www.idaresources.acf.hhs.gov/>

Assets for Independence (AFI) enables community-based nonprofits and government agencies to implement and demonstrate an assets-based approach for giving low-income families a hand up out of poverty. AFI projects help participants save earned income in matched savings accounts called Individual Development Accounts (IDAs). The site contains a wealth of resources for programs implementing financial capability work; such as train-the-trainer resources, links to financial education curricula, and strategies for working with youth.

Auto Loan Calculator

<http://www.myfico.com/myfico/CreditCentral/LoanRates.aspx>

FICO or Fair Isaac Corporation creates the algorithms that bring us credit scores. This FICO site has a loan calculator for learning how a credit score affects the cost of a car or a mortgage when taking out a loan. The site does sell products, but using the calculator is free.

Change Machine

www.change-machine.org

Change Machine is a product of The Financial Clinic, a financial development organization. The site houses an online community of practice that supports practitioners from many different human services fields to learn, coach, share, and elevate promising practices to address financial insecurity barriers facing the nation's poor. The site contains many tools to support organizations to engage in financial capability work and significant guidance to assist practitioners to use those tools with clients. There are different pricing packages for these services.

National Credit Union Foundation

<http://www.ncuf.coop/>

The National Credit Union Foundation (NCUF) raises funds, makes grants, manages programs, and provides education empowering consumers to achieve financial freedom through credit unions.

Better Money Habits

<http://www.bettermoneyhabits.com>

Better Money Habits, developed by Bank of America and Khan Academy, offers free online personal finance education videos. Topics covered include: using credit, home buying, saving, and budgeting.

Resources for Program Developers

California Connected by 25

<http://www.stuartfoundation.org/californiaconnectedby25.aspx>

California Connected by 25 Initiative (CC25I) was a six-year collaborative (2005-2011) effort of five foundations assisting public child welfare agencies and their communities to build comprehensive transition-aged foster youth supports and services for youth 14 through 24. The core focus areas of the project were permanency, education, housing, employment, and financial literacy. The site contains two reports describing the compelling outcome data for youth that resulted from this collaboration as well as detailed information about best practices and strategies to implement to achieve better outcomes with youth. A number of the resources bear directly on financial capability. The reports themselves contain links to additional resources that detail the implementation strategies of a number of different programs.

Paving the Way for Self-Sufficiency: IDAs for Foster Youth in Transition

<http://idaresources.acf.hhs.gov/servlet/servlet.FileDownload?file=01570000001bJOg>

The Assets for Independence (AFI) "Tools for Success" Case Study Series is intended to highlight successful programmatic strategies that AFI grantees might find relevant and helpful to their work. This is the third case study in the series, examining how Individual Development Account (IDA) programs can provide a path to self-sufficiency for transitioning foster youth, thereby increasing program recruitment, asset purchases and the ability to raise non-federal funds (2012).

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