

SAFE Program Evaluation

Savings and Financial Education Program year end evaluation:

Overview

Beginning in August of 2009, BCSF began operating a pilot financial education program within the Bethel community known as Savings and Financial Education (SAFE). SAFE was based on the Individual Development Account (IDA) principal in that people with assets are more likely to be successful in the long run. Clients enrolled in BCSF'S SAFE program were required to take ten classes covering such topics as credit cards, home loans, budgeting and saving. Throughout the duration of the SAFE program as clients completed personal finance classes, they would make deposits into a BCSF trust account at First National Bank Alaska. Upon completion of the classes and savings component of the SAFE program, BCSF matched clients' total savings 2:1 up to \$1,000. Thus if a client saved \$1,000 over the course of the program, BCSF would match the saved \$1,000 with \$2,000 of our foundations money and the client would have \$3,000 to go towards the purchase of an asset. For purposes of the SAFE program, BCSF considers an asset to be something of importance to the client and something capable of having a long-term positive impact in the individuals' life. Typical IDA programs using public money have significant restrictions as to what the money can and can not be used towards. In order to have maximum flexibility in funding, BCSF used only private foundation money.

Analysis

Financial Education Aspect:

The financial literacy component of the program was a huge success. BCSF staff used the FDIC's Money Smart curriculum as a starting point and further tailored the information to fit the clients' degree of existing financial knowledge. After presenting the SAFE program to various groups around town, Bethel Alternative Boarding School (BABS) asked if BCSF would be interested in teaching the ten-class curriculum to the entire school. BABS decided to count the SAFE classes towards the kids' consumer life skills credit. The end result was a two fold impact; students met school requirements by being present in school as well as taking with them important personal finance skills. Several of the BABS students enrolled in the savings aspect of the SAFE program as well. At the start, seven BABS students were enrolled in the program. Of those seven, two made active deposits and one finished the entire program. She is looking to put her \$3,000 towards college in two years.

One of the initial target populations of the SAFE program was kids aging out of the Office of Child Services (OCS) foster care system. Initial attempts to get a list of foster kids within the Bethel community was slow, but eventually panned out. As a whole, BCSF's success with foster kids was a disappointment. One of the biggest obstacles I found in attempting to recruit foster kids into our SAFE program was an inadequate amount of prep work on OCS's behalf. In general, foster kids are weary of random people calling them and asking them to enroll in another program. I did however begin to have more success with several of the foster kids (initially approached) towards the end of my year as kids in the community began to recognize me and became more aware of BCSF.

Another initial target population was individuals looking to get back on their feet after past abusive relationships. The main pool of participants in our SAFE program came through the Tundra Woman's Coalition (TWC). More specifically the SAFE program looked for individuals leaving the TWC shelter and looking to create a life on their own. In total, we had around five people who showed interest or enrolled in the program through TWC; two of which finished all requirements and met the maximum matched savings goals. One individual is looking to put the majority of her money towards drug and alcohol counseling classes in hopes of becoming a certified counselor here in Bethel.

Savings Aspect:

While many individuals showed interest in the SAFE program, few of the initial candidates were able to keep up with regular deposits into their trust account with BCSF. Various reasons had an affect, but the biggest factor was the lack of self-discipline to save a portion of their paycheck. This was very apparent with our younger high school clients. Many of them had jobs and very few expenses, but repeatedly found themselves unable to part ways with a portion of their paycheck. In most cases, a case of Red Bull or a new cell phone sounded more appealing than saving for a long-term goal.

On the positive side however, we had several clients enrolled in the SAFE program save more money than they ever have in their entire lives. One individual managed to save \$1900 on her own over the course of seven months. Much of her success can be attributed to paying herself first once she received her monthly paycheck. The most successful age group for savings was females in their thirties working full to part time.

Conclusion

BCSF's Savings and Financial Education program had a positive outcome as a first year program. Like many first year programs, there were aspects we can change and improve upon for future years. Regardless of whether clients enrolled in the savings component of the program or simply attended the financial literacy classes, every individual associated with SAFE took away some piece of practical knowledge that can be applied to every day life.

In my opinion, this type of program can be easily duplicated and applied in a variety of settings and socioeconomic circumstances. I feel it best to look at the SAFE program as a two-component program; financial literacy and the monetary or asset matching aspect. Regardless of whether institutions have the capital required to match clients' savings, the financial literacy piece can be easily duplicated. Here are my suggestions of basic requirements needed to duplicated BCSF's SAFE program and more specifically the financial literacy component.

- Basic financial literacy framework (BCSF used the publically available FDIC Money Smart curriculum)
- An individual to run/guide the program who has an above average understanding of personal finances and the economy
- Method of spreading the word/recruiting new participants into the program

While every first year program has trials and tribulations, BCSF's SAFE program had a positive impact within the Bethel community. Not every individual in attendance will show overwhelming interest in personal finance and the economy, but financial literacy is an issue that affects all of us at some point in life. Being prepared to deal with the basic but important issues that come about can mean a world of difference. One final aspect of the SAFE program worth mentioning is that it gave students and adults a look into the business and financial world that plays an important role in our world. While not every client will have a future career in finance or business, it is still very important to know the basics of personal finance. These are practical, important and easy skills to pass along to current and future generations and are the building blocks to financial freedom.