



**Massachusetts Financial
Education Collaborative**

Building on a Wealth of Knowledge

2009 Financial Educators Survey Report

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By Rosa Hong, the Midas Collaborative

Research Team: Rosa Hong, Golnaz Tabatabai, & Gosia Tomaszewska, the Midas Collaborative; Leanne Martin & Christina Anders, The Office of Massachusetts State Treasurer & Receiver General; Ashley Amicangioli, FDIC; Lynn Sanders, MassINC

Introduction

The Massachusetts Financial Education Collaborative, a coalition of professionals from the public, private, and nonprofit sectors of the Commonwealth, was formed with the goal of improving the delivery and content of financial education throughout the state. Members of this project include representatives from a number of organizations involved with financial education programs, including:

Action for Boston Community Development, Inc. (ABCD); AFL CIO; Bank of America; Boston Alliance for Economic Inclusion; Boston Earned Income Tax Credit Coalition; Boston Private Bank; Cambridge Housing Authority--Resident Services Department; Citi; Citizens Bank; Commonwealth of Massachusetts Deferred Compensation SMART Plan; Community Teamwork, Inc.; Crittenton Women's Union; DotWell; Federal Reserve Bank of Boston; Financial Planning Association of Massachusetts; Greater Boston Interfaith Organization; Institute on Assets and Social Policy, Brandeis University; Internal Revenue Service; Life Skills Productions; Massachusetts Association for Community Action Programs; Massachusetts Association of Older Americans, Inc.; Massachusetts Bankers Association; Massachusetts Community & Banking Council; Massachusetts Council on Economic Education; Massachusetts Credit Union League, Inc.; Massachusetts Department of Elementary and Secondary Education; Massachusetts Department of Housing and Community Development; Massachusetts Educational Financing Authority; Massachusetts Jump\$tart Coalition; Massachusetts Money Management Program; Massachusetts Society of CPAs, Inc.; Office of the Comptroller of Currency; Social Security Administration, Boston Regional Office; Start Money Smart; The Massachusetts Institute for a New Commonwealth (MassINC); The Midas Collaborative; The Commonwealth of Massachusetts Office of Access and Opportunity; The Office of Massachusetts State Treasurer & Receiver General; United Way of Massachusetts Bay and Merrimack Valley; Valmo Ventures; Women's Bureau - U.S. Department of Labor; YWCAs of New England.

Executive Summary

In the summer of 2009, the collaborative conducted a survey of financial education providers and practitioners in Massachusetts. In addition to introducing the Massachusetts Financial Education Collaborative to practitioners, the preliminary objectives of the survey were to determine: (1) what financial education activities are being undertaken in the Commonwealth; (2) how activities and services are being delivered; (3) how a coalition can strengthen and support the work of current providers.

It is clear from the survey results that a wide array of financial education programs is taking place in the Commonwealth. However, the effective delivery of financial education resources to the entire population of Massachusetts is less certain. The availability and accessibility of resources are distributed unevenly, predominantly within differing income brackets and age groups. A significant majority of the respondents asserted the need for a centralized entity to facilitate and organize the delivery of financial education.

Methodology

The survey team composed of representatives from the following organizations: the Office of Massachusetts State Treasurer & Receiver General, the Federal Deposit Insurance Corporation, the Midas Collaborative and MassINC. The survey team collaboratively compiled a list of 699 contacts, effectively reaching out to the financial education practitioners in all sectors of the Commonwealth. An electronic survey was designed via an internet platform, which also served as the online database for all survey responses.

The data collection process spanned three weeks and was divided into three phases. The first phase was the initial outreach in which an email was sent out containing the link to the survey followed by a brief description of the Massachusetts Financial Education Collaborative. Phase two consisted of email reminders to organizations who had not yet responded to the survey one week past the initial outreach. The

third phase consisted of follow up phone calls to organizations that had not yet responded to the survey two weeks past the initial outreach. During this last phase, phone interviews were also conducted as an additional mechanism to collect data.

In total, we received 185 surveys with a total response rate of 26.4%. The Councils on Aging throughout the Commonwealth had a much higher response rate than other nonprofit and government agencies, constituting 33.5% of the survey respondents.

Findings

The survey was divided into three sections and the following findings and arranged accordingly.

Section I: Organization/Agency

What is your organization's annual budget?

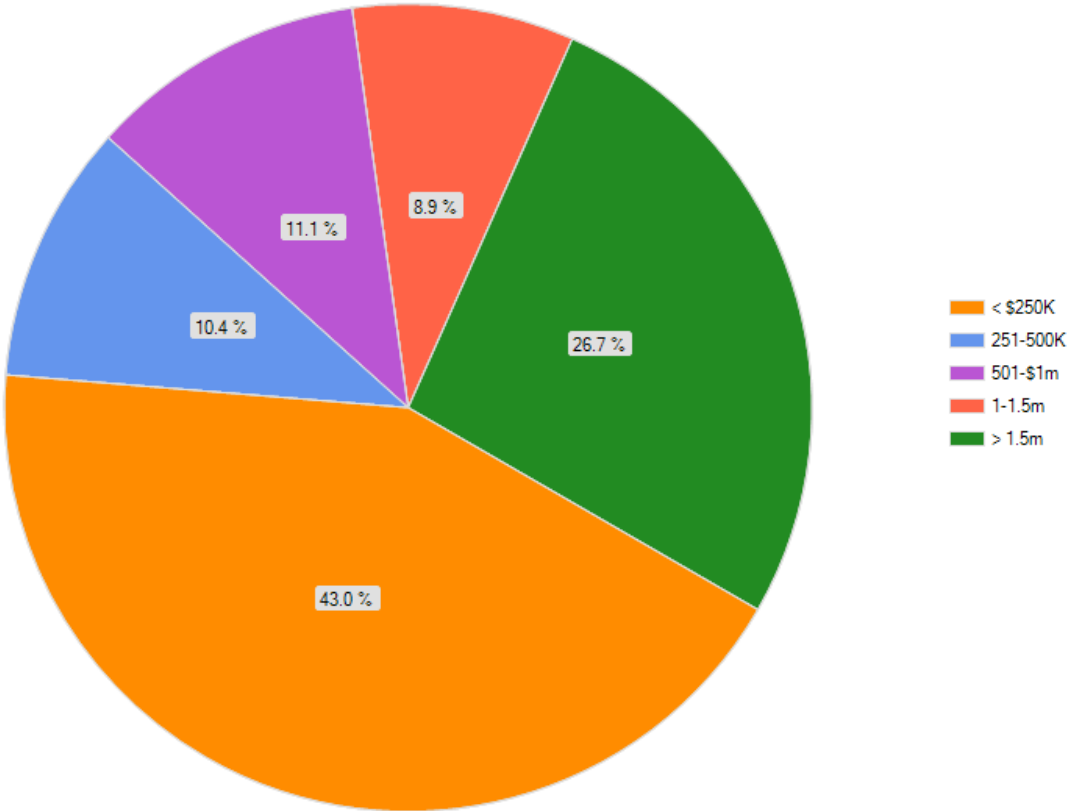


Figure 1: The Annual Budget of the Respondents

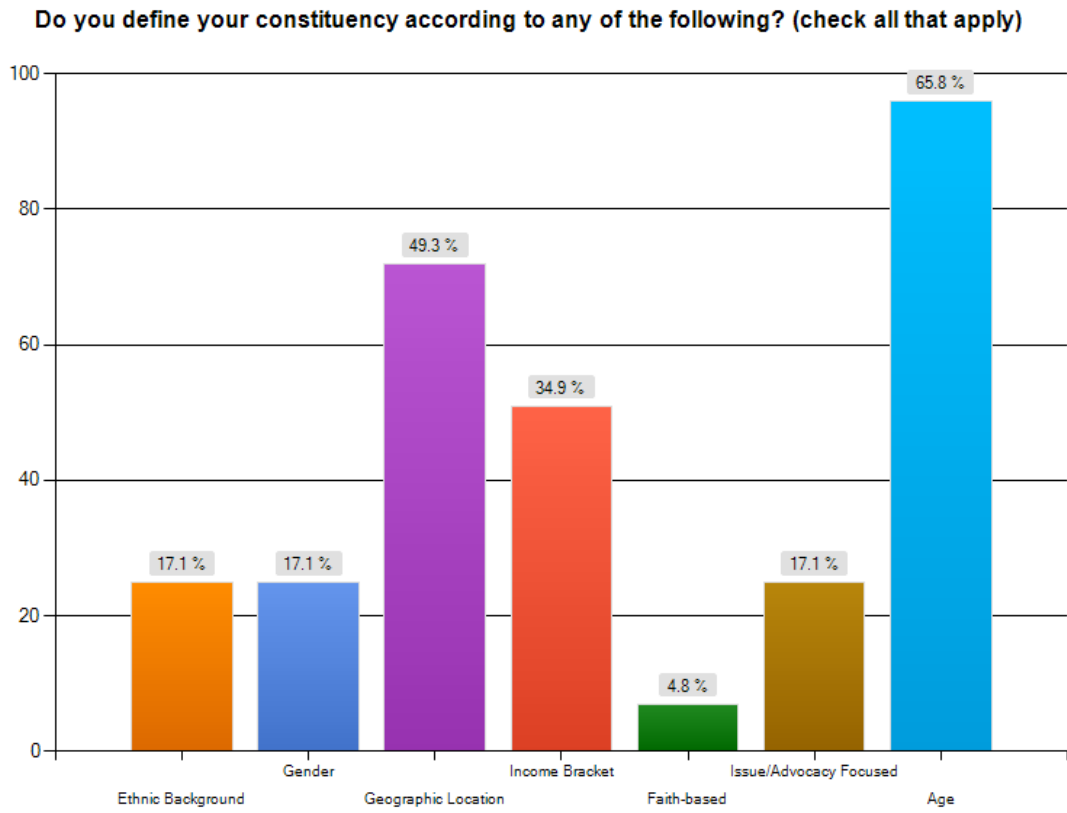


Figure 2: How Organizations Defined their Constituency

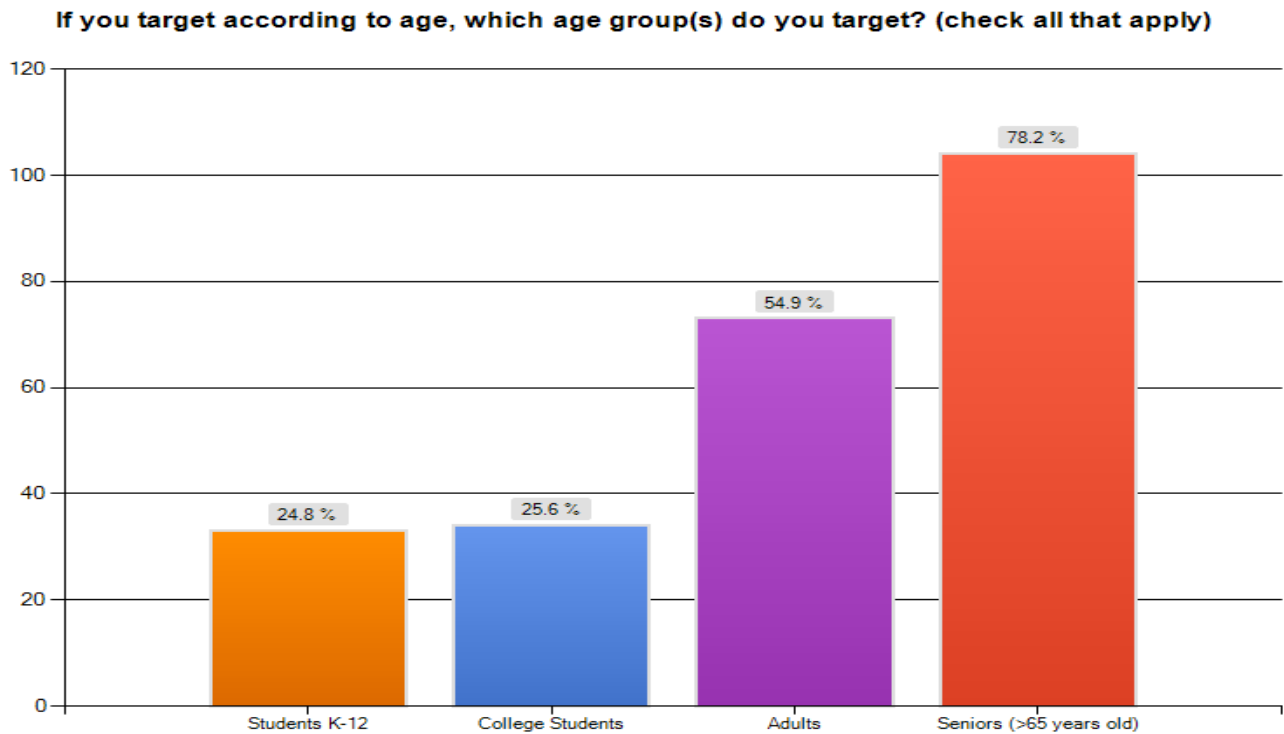


Figure 3: Age Groups Targeted by Survey Respondents

*A 33.5% of the survey respondents were the locals Councils on Aging across Massachusetts. Therefore, the predominant majority of organizations that target the “Seniors (>65 years old)” age group may be a reflection of the unequal composition of the original contact list.

Section II: Providing Financial Education

Does your organization provide any of the following Financial Education, Financial Stability or Asset Development services? (check all that apply)

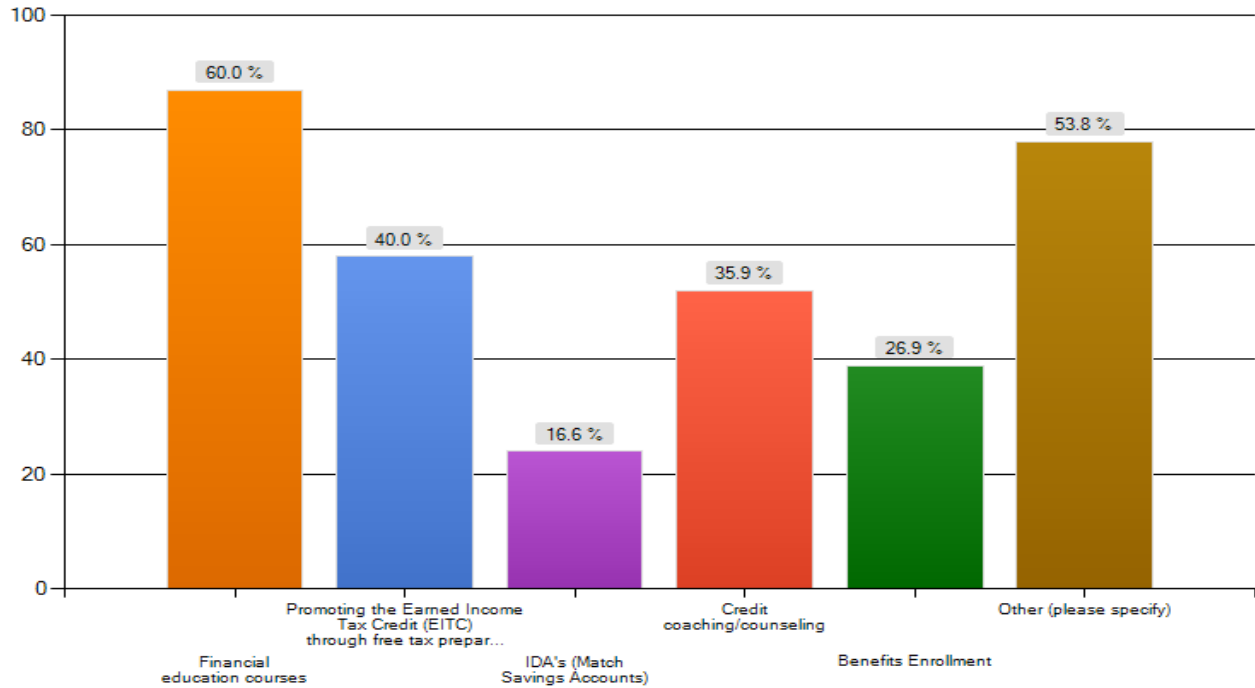


Figure 4: Types of Financial Education Services Offered by Survey Respondents

* Other services include: health insurance counseling, home ownership and foreclosure counseling and connecting clients to legal services.

If you offer financial education classes, do you use a particular curriculum? (check all that apply)

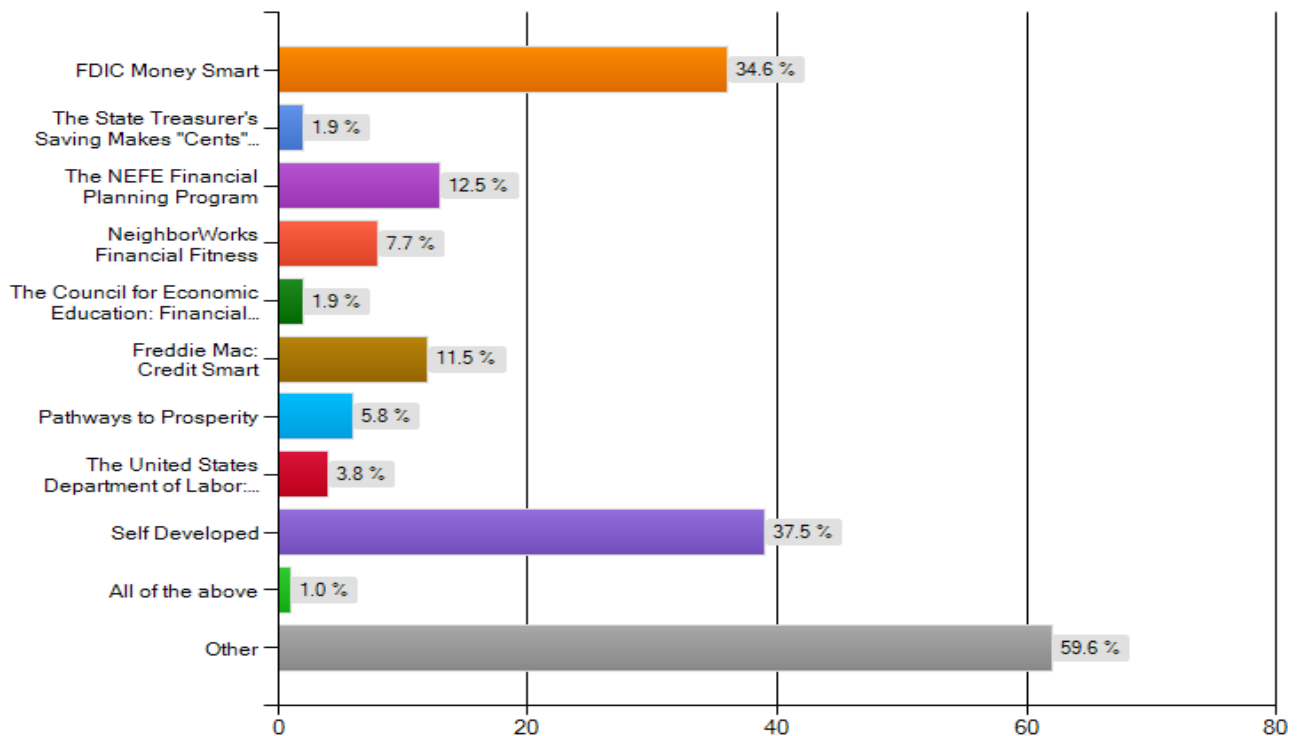


Figure 5: Different Types of Curriculum That Survey Respondents Use

* Other Curriculum mainly consists of self-developed curriculum

Approximately how many people does your organization reach with its financial education efforts each year?

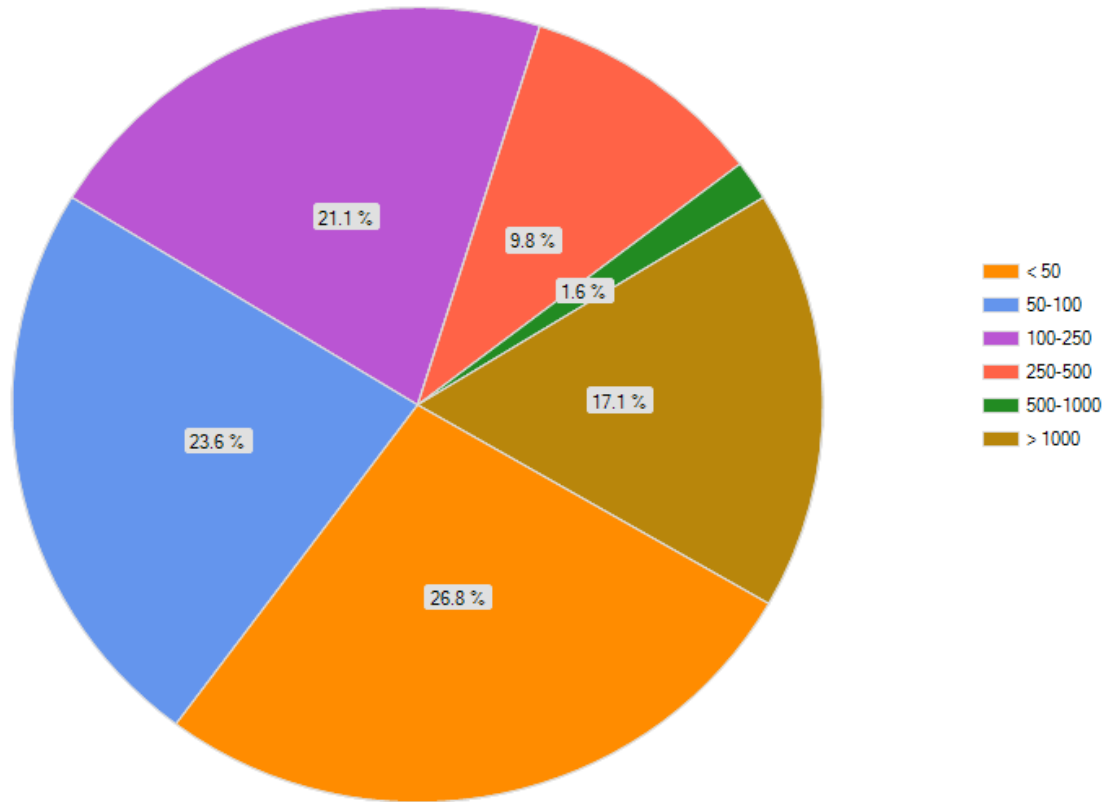


Figure 6: The Number of People Each Organization Reaches Out To Per Year

Which annual income bracket(s) would the majority of your attendees identify with? (check all that apply)

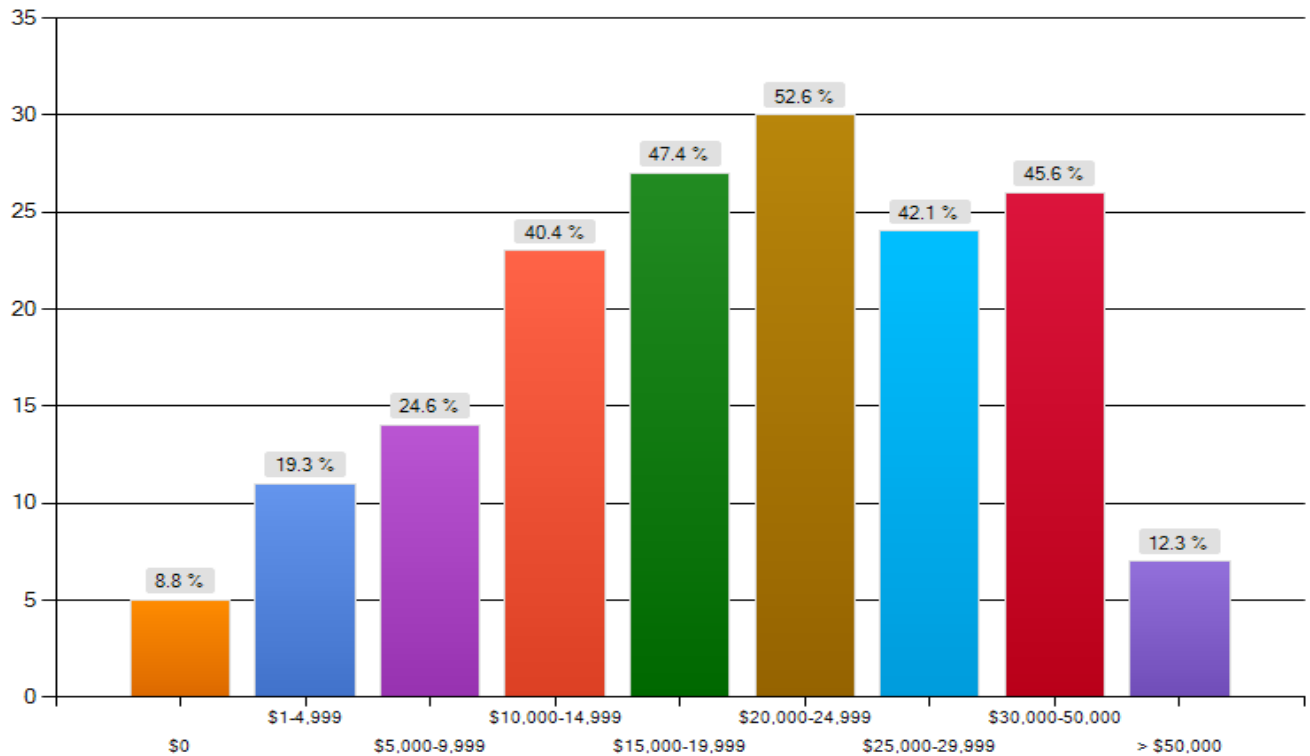


Figure 7: Annual Income Brackets Targeted by Survey Respondents

How does your organization outreach to potential participants? Or, how do participants learn about your programs?

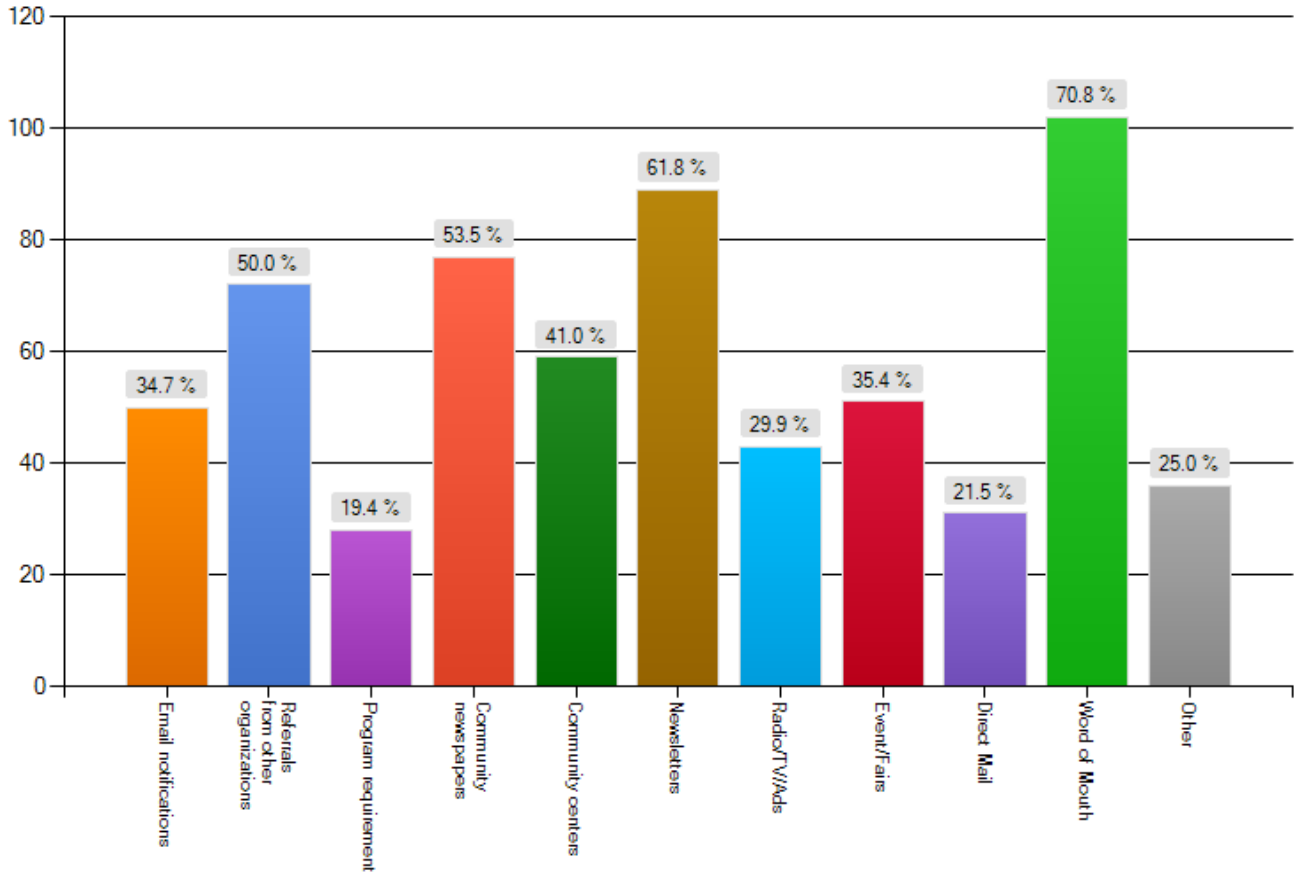


Figure 8: Type of Outreach Survey Respondents Use to Contact Potential Participants
 * Other includes use of websites, press releases and local or national conferences.

Section III: Organization Connections

Do you know of any other organizations in Massachusetts that do the same kind of work you do?

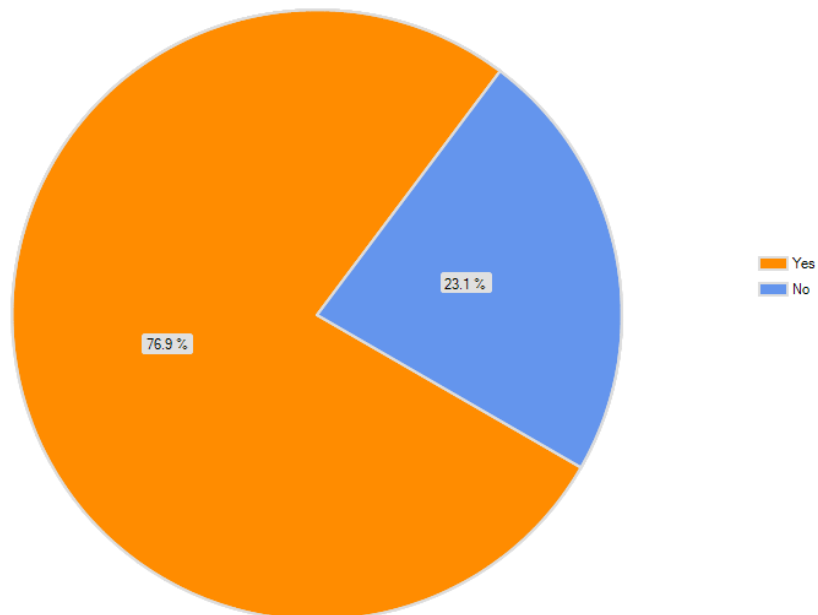


Figure 9: The Percentage of Organizations That Are Aware of Existing Similar Organizations

Do you currently partner with any of these organizations in your financial education/asset building programs?

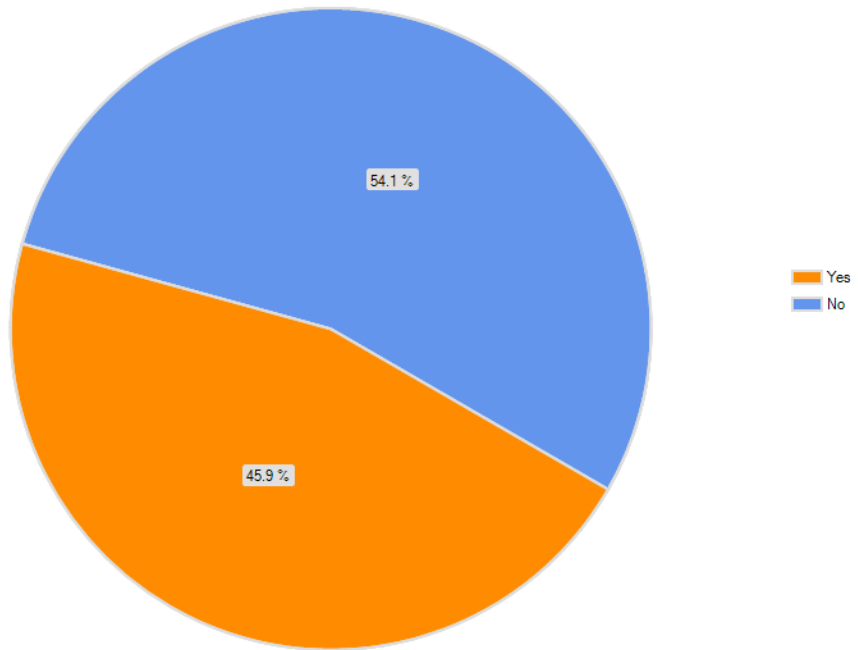


Figure 10: Percentage of Organizations that Already Collaborate With Other Organizations

Do you refer your clients to other organizations or businesses for financial education or asset building services?

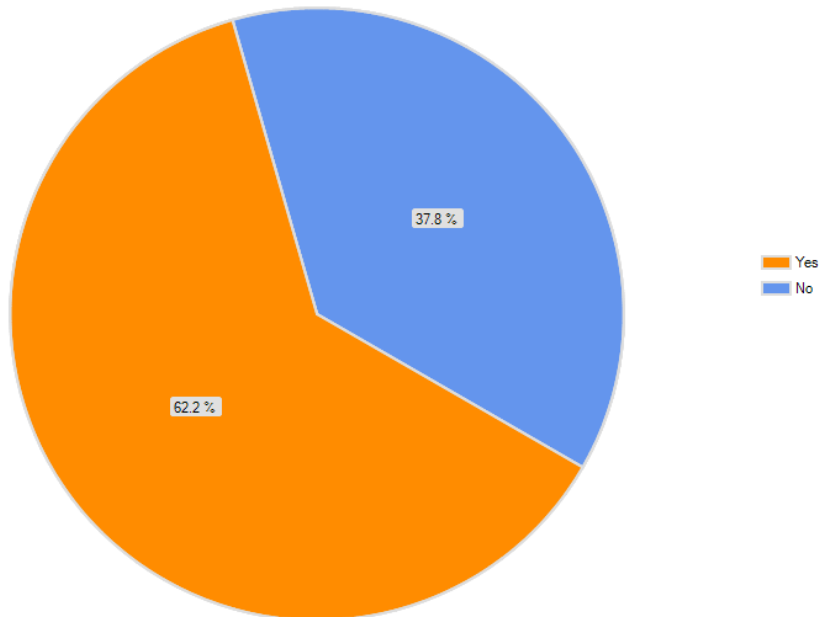


Figure 11: Percentage of Organizations that Refer Clients to Other Organizations

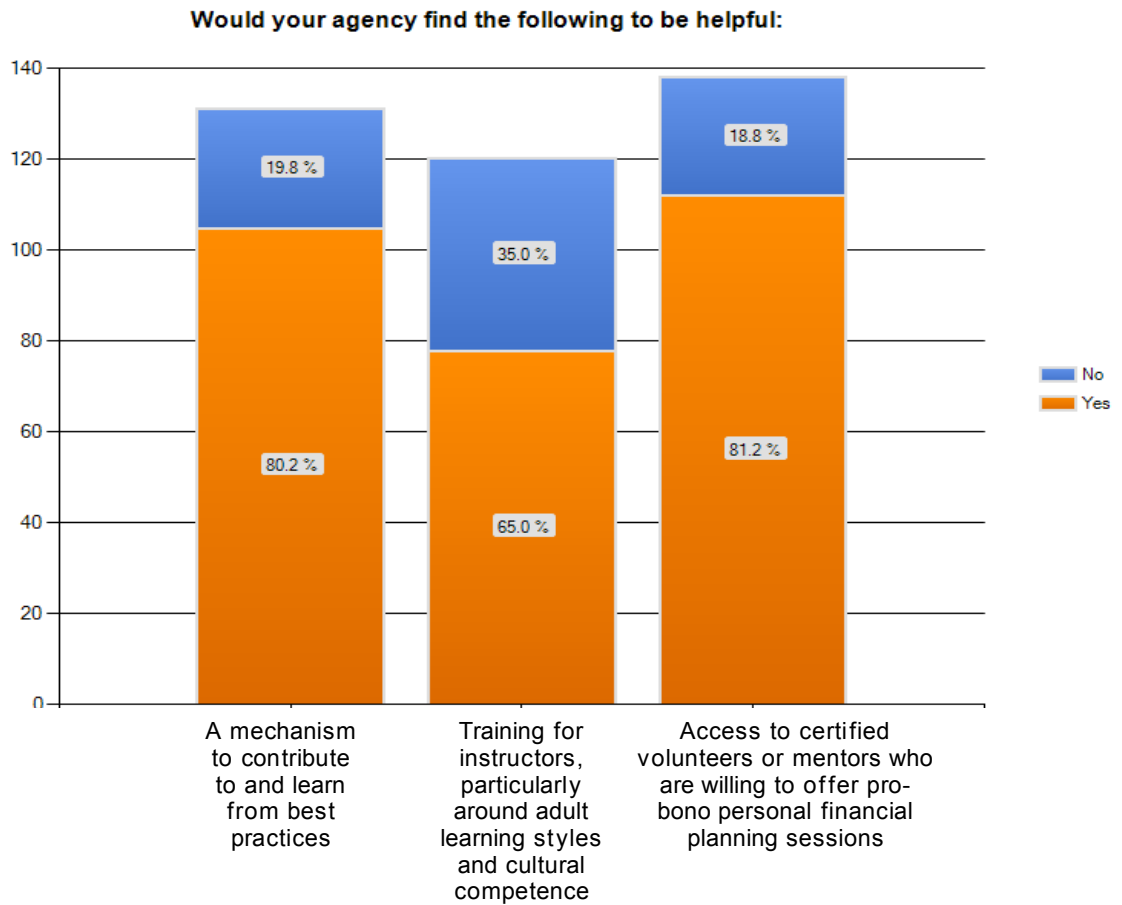


Figure 12: Possible Mechanisms to Facilitate the Delivery of Financial Education

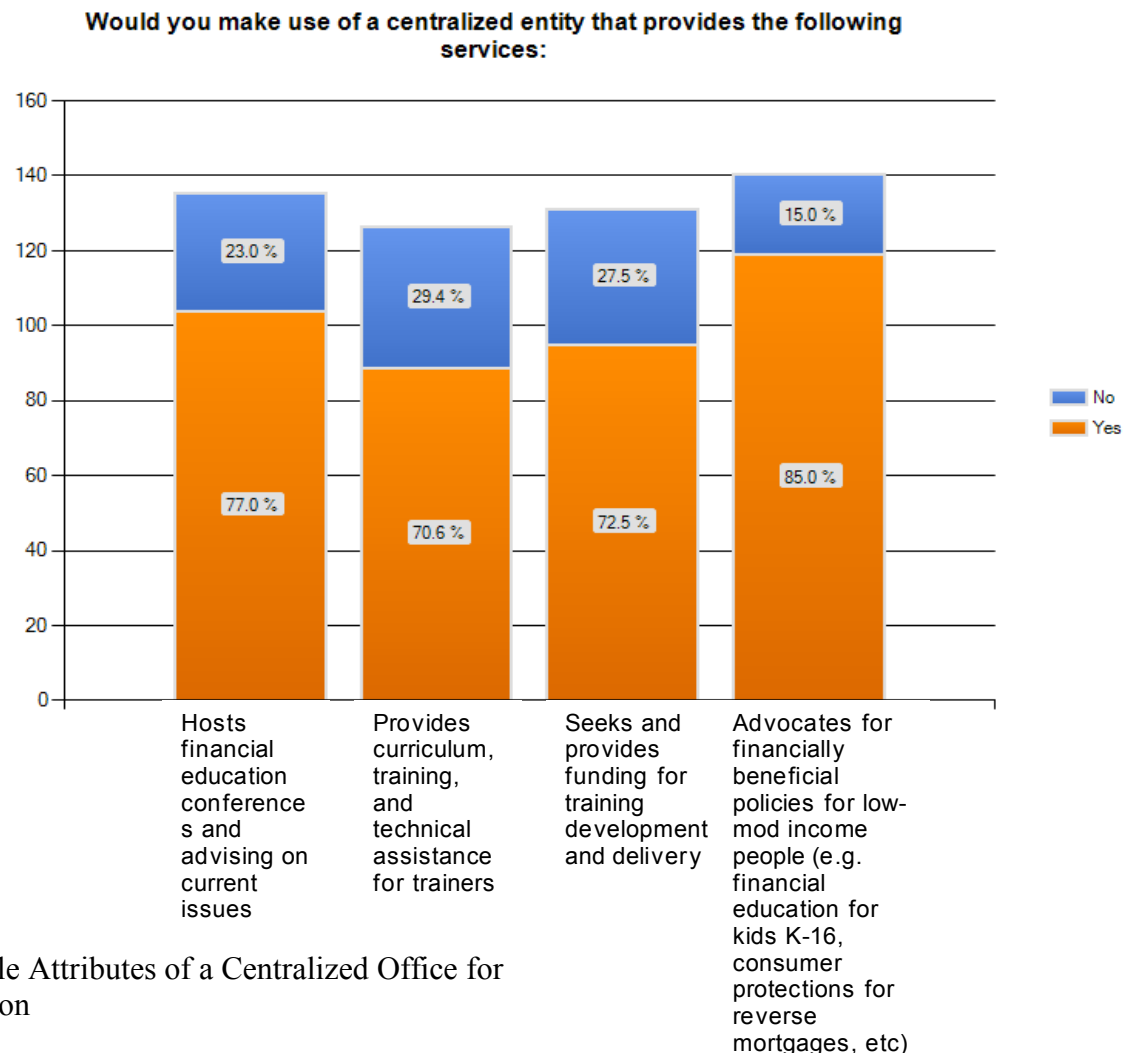


Figure 13: Possible Attributes of a Centralized Office for Financial Education

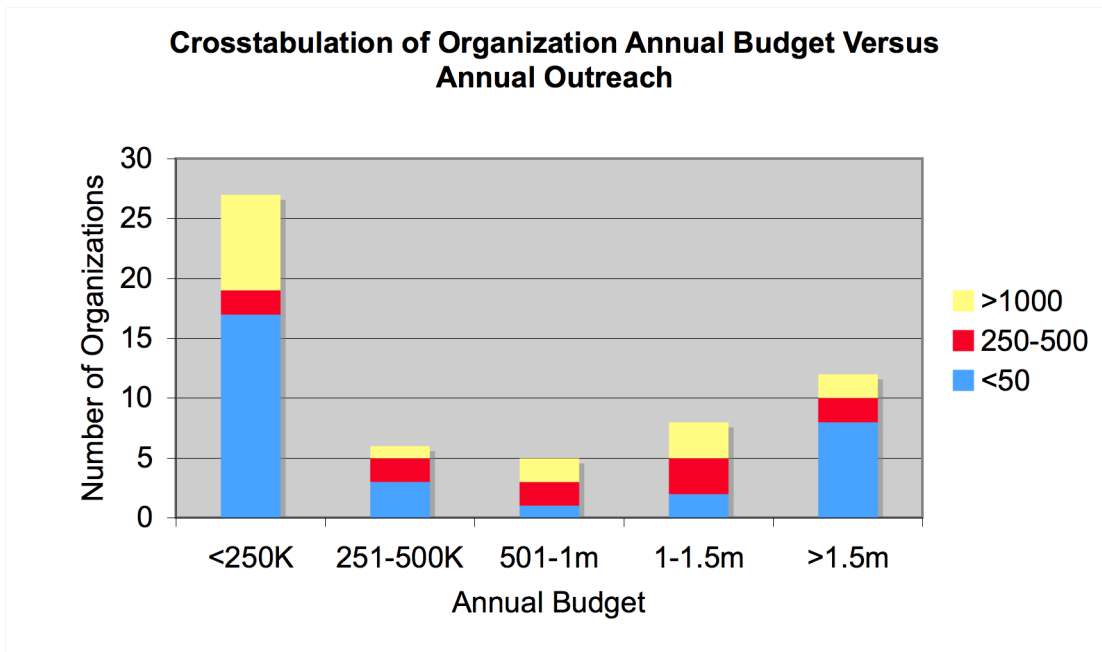


Figure 14: A Cross Tabulation Of How The Organization’s Budget Affects The Program’s Annual Outreach

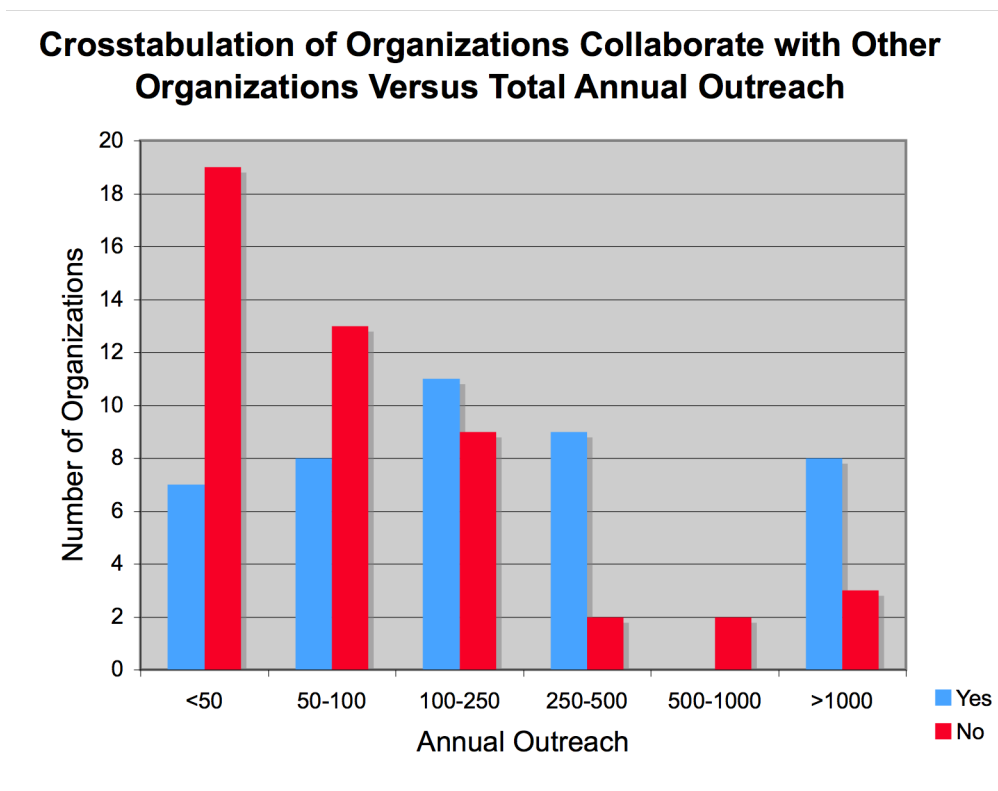


Figure 15: A Cross Tabulation of How Collaboration Affects Organization’s Annual Outreach

Preliminary Conclusions

Based on the sheer number of responses to this survey, it is evident that financial education is a topic of interest in the Commonwealth. According to the U.S. Census Bureau, Massachusetts reported a statewide population of 6,497,967 in 2008. Based on Figure 6, all the survey respondents in total reach out to an average of 55,550 people per year, which is approximately .855% of the total population. This figure reflects the baseline percentage of people who benefit from financial education services in the Commonwealth, as there are surely organizations that were not included in the survey. However, it is an indication that the delivery of financial education has room for significant expansion.

The surveys indicate significantly more financial education programs serve adults and seniors over the age of 65, while K-12 and college students may be underserved (Figure 3). Similarly, the majority of financial education programs, approximately 40-50.2%, are designed to serve individuals between the income brackets of \$10,000-50,000, rather than 8.8-12.3% of programs that serve the very low-income and middle to higher income families.

Figure 14 shows that a correlation between the size of an organization's budget and the number of people served in financial education does not exist. Regardless of annual budget, both majority of high budget and low budget organizations reach less than <50 people per year.

Recommendations for the October 28th Summit of Financial Education

The option of a centralized entity to facilitate the collaboration between the numerous financial education providers surveyed very favorably among the respondents. More than 65% agreed that they would find a centralized entity helpful and would take advantage of its services (Figure 12, 13). Furthermore, data shows that organizations that already have begun to collaborate with each other have a higher annual outreach (Figure 15).

However, the deeper questions related to a centralized office cannot be answered in the survey format. The following questions could be addressed in a larger dialogue format and with further study:

- Where will the office be housed?
- How will it be structured?
- What services will it provide?

Furthermore, as the survey has illustrated, the new delivery mechanism for financial education in the Commonwealth must attempt to reach all age groups, K-12 to seniors, and all income brackets, very low income to higher income. Summit participants may want to consider spearheading a statewide outreach campaign.