

The Key to Family Success and Stabilization



LITERACY BRINGS CAPABILITY, ECONOMIC & SOCIAL RETURN TO COMMUNITIES

In partnership with Center for Urban and Regional Affairs, University of Minnesota

A study of Build Wealth Minnesota's Family Stabilization Plan

Financial Literacy Programming at Build Wealth Minnesota

About Build Wealth MN

Build Wealth MN, Inc (BWM) is a 501(c)3 non-profit agency. Our primary mission is to "Strengthen Under-served Communities by Empowering Families to Build Sustainable Social and Economic Wealth." BWM partners with private, state and local government, foundations and other social service providers and organizations.

We focus on changing the mindset of communities facing challenges caused by current economic conditions and other factors that fuel poverty in our neighborhoods.

Through relationship building and the use of years of experience, the programming aims to help families embrace a new approach regarding giving, spending, saving, banking, investing and creating generational wealth instead of generational poverty.

Family Stabilization Plan Program

BWM delivers and administers the Family Stabilization Plan program (FSP), as its primary product/service in partnership with a network of financial institutions, social service providers, faith-based groups, churches, state and city government agencies and other community groups including; City of Minneapolis, Habitat for Humanity, MN Housing Finance Agency, Model Cities, Aurora St. Anthony NDC, Camphor Fiscally Fit, Urban Home Works, Twin Cities Community Land Bank, City of Lakes Community Land Trust, Housing Opportunities Made Equitable Collaborative (HOMEEO) and others.

The Family Stabilization Plan addresses the issues of financial capability, asset building, affordable housing, and poverty exacerbated by economic conditions, by focusing on changing the mindset of individuals, families and communities.



What does the Family Stabilization Plan Offer?

FSP is a two-year counselor assisted program directed at changing the entire family through:

- Financial Literacy Education
- Budget Planning
- Credit Awareness & Debt Reduction Planning
- Healthy Credit Usage
- Savings
- Investing for the Future
- Homebuyer Education (Pre & Post)
- Giving to Build Community
- Social Wealth and Relationship Building
- Consumer Loan Products (Restructure High-Cost Debt)
- Affordable Housing Strategies and Funding
- One-on-One Financial Coaching
- Technical Assistance for Entrepreneurs
- Personal and Family Goal Setting



The FSP program is administered through a value-based applied learning delivery model to encourage an in-depth comprehension of materials. Participants begin in a classroom setting for the first 10-12 weeks that administers a comprehensive financial capability and literacy curriculum. Then they are paired with Certified Financial Coaches for up to two (2) years to help them apply the learned principles to life situations. The class course covers standard subjects found in most financial literacy courses such as budgeting, credit, saving, homebuyer education and financial planning. However, the classroom course curriculum provides opportunities for lecture, peer learning and applied learning through homework assignments, quizzing and testing.

Three notable unique characteristics of the classroom curriculum are:

- 1** Value-based relationship and behavior analysis,
- 2** Framework of operating in a workable and financially capable manner,
- 3** Tying societal human behavior habits/patterns together to explain financial systems, programs, products, and processes.

Evaluating FSP

Methodology of the Study

The study compared two groups: an experimental group of people who had completed the FSP program, and a control group of people who did not participate in it but were demographically comparable to those who did. Both groups answered the same survey questions by either phone or email. The researchers compared the results from these two groups to better see how FSP changed outcomes for people who participated in the program. Finally, the researchers interviewed program participants for more in-depth information about their experiences through multiple focus groups.

The study found that participants and their families benefited greatly from the program, not just financially but in many aspects of their well-being. This packet details those benefits.



Evaluation Findings

- Favorable shifts in behavior and spending patterns
- Increase in asset building and wealth accumulation
- Positive change in social and financial health
- Measurable impact on quality of life for entire family

Financial Concepts Comprehension

Financial impacts on program participants were analyzed through many methods in order to get a holistic view of how the FSP program helped.

Quiz	Budgeting to Create Savings	Debt Reduction/Asset Building	Building a Good Credit Rating	Consumer Protection & Financial Institutions
Averages	91%	78%	95%	82%
Credit Smart	Module 1-3	Module 4-6	Module 7-9	Module 10-12
Averages	89%	83%	85%	85%

Comprehension of information covered in curriculum test and quiz scores averaged over 85% correct.

Households Reaped Lifelong Benefits from Their FSP Experience

Summary of Survey Results

Build Wealth MN received over 360 responses to surveys about participants' experiences in the Family Stabilization Plan program (FSP). The results showed that the participants experienced significant benefits from their involvement in FSP.

Higher Homeownership Rate

By 14% among participants

Lower Stress & Anxiety

By 28% for participants

17% Increase in Credit Scores

On average 107 points higher

Higher Life Satisfaction

By 30% for participants

Increased Annual Sales to more than \$250,000*

For top 10% of business owner participants.

Generated \$15,938 in homeownership equity per family

Over three times the national average of wealth for the target group.

Lower Housing Cost Burden

65% of households that were over-burdened by housing cost

***82% of client families seeking business technical assistance completed business plans**

Created nearly \$2 million in total financial equity in six years between 120 families in the Affordable Homeownership strategies.



"I'm not afraid to answer the phone anymore because of the fear of it being a bill collector."

"Since coming to [FSP], I have become a better parent, father and man of God."

"Yes, definitely, stress-free now. We communicate better, no one's fussing with each other...Everyone has their role now. It's more stable."

What can other Financial Literacy providers learn from this study?

Family Stabilization Plan Delivery Model is Worth It

The study revealed a Social Return on Investment of \$14.01 for every \$1 invested in the Family Stabilization Plan program

40% participated in other financial literacy counseling programs prior to enrollment in the Family Stabilization Plan program.



- It is important to include relevant cultural competence in financial education and ensure that training is family-centric
- Link up with emotional and psychological health care service providers to provide holistic intervention opportunities
- Advocate, promote and support a “One-Stop Shop” perception for participants through effective collaboration and resource alignment with partners
- Socially relevant behavioral analysis content



Based on the knowledge gained from this study, Build Wealth MN plans to take FSP to the next level by:

- Expanding its capacity to have **smaller classes with more personalized attention**
- Offering specific cohorts (women, youth, singles, employment, etc.) **to broaden coverage of the delivery model**
- Further developing evaluation tools **to capture and measure social and overall community wealth**
- Explore how FSP **affects health and wellness**
- Expand FSP curriculum to **service more communities**



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