Joining Forces to Better Serve Military and Their Families —

Customized financial education and counseling

February 2, 2016
Webinar Agenda

• Welcome
• NFCC Background
• NFCC Engagement with Military Community
• Sharpen Financial Counseling & Education
• Library Partnership
• QA
• Wrap up and Next Steps
• Contacts
Why Partner with NFCC?

• Vision
  > NFCC and its members empower people to take charge of their finances. And their futures.

• Mission
  > The NFCC and its members offer people solutions and support to address financial challenges and take charge of their own financial futures.

• Reputation
  > The NFCC is recognized as the gold standard in the non-profit sector with more than 60 years experience in delivering high quality, holistic counseling and educational services.
  > Member quality standards and independent accreditation establish a foundation for quality.
    • Set of 18 Quality Standards to which all members must adhere
    • All members must obtain and maintain accreditation by the Council on Accreditation
  > Counselor Certification ensures a consistent consumer experience across all agencies.
    • Comprehensive training program consisting of nine part curriculum along with tests
    • Initial certification must be achieved within one year of employment
    • Counselors must earn recertification every two years, annually for student loan counseling certifications

• Membership-wide Service Goal
  > NFCC and its members will empower 5 million people to improve their financial well-being by 2020.
NFCC Footprint and Reach

- Member Agencies: 74
- Office Locations: 592
- Certified Counselors: 1,597

Agency Type:
- Freestanding Agencies: 61%
- Multi-service Agencies: 39%
Benefits of Holistic Financial Counseling

**For the Consumer**
- Sound advice to address and resolve financial challenges
- Improved financial literacy
- Better equipped to build and maintain a solid financial position

**For the Financial Institution**
- Increased financial returns
- Strengthened reputation
- Expanded efforts to fulfill regulatory compliance requirements
NFCC Brand and Communications Reach

- Market Approach
  - An extensive public relations effort garners national media coverage including *The Washington Post, The Wall Street Journal, CNN, MSN Money* and *USA Today*
  - Consumers are motivated to take action through NFCC national public service announcements, digital marketing and social media
  - NFCC member agencies extend reach and impact in local markets
  - NFCC builds national partnerships to drive consumer financial health
NFCC Identified Segment Focus Groups

• Vulnerable Segments
  > Military service members, veterans and their families
  > Women heads of household (“Breadwinner Moms”)
  > Student loan borrowers
  > 50+ population, with retirement at-risk
  > Hispanic/Latino audience
  > Others
Military Consumer Financial Challenges

• In October 2012, Secretary of Defense Leon Panetta stated, “The number one reason people in the service lose their security clearance is because of financial problems and that’s something that we absolutely now have to address. The financial health of our force is absolutely critical to our overall military readiness.”

• Through our Sharpen program and research conducted by The Ohio State University it was found that:
  > Unsecured debt balances for members of the military averaged 7.1% higher
  > Tangible assets for military consumers were 16.2% less than the Sharpen participant average.**

**The Ohio State University (OSU) survey of Sharpen participants**
TARGET: MILITARY

Transitioning out Officer Overwhelmed
- From troop to individual responsibility
- Wants to do it right but unsure how
- Cost-of-living shock
- Job market reality check

Active military Private Paycheck-to-Paycheck
- Young, naive, follower
- “Play money” now needed for real expenses
- Uncertain about what comes next
- Took on debt like fellow soldiers

Spouses / Family Home-Base Hannah
- Proud to support spouse
- Managing constant change
- Challenged to maintain sense of home in temporary quarters
- Seeking financial balance with near-term uncertainty

Veterans Buck Private Bad Breaks
- Feels service deserves a better paycheck
- Trouble transitioning to civilian life
- Victim of financial scams
- Not trusting others’ advice
- Believes should know how to do this
Sharpen Your Financial Focus

- In September 2013 the NFCC joined leading financial services companies and other national partners with $13M in funding to launch a nationally-driven, grassroots supported campaign focused on American consumers becoming financially stable.*
  - Over 54,000 clients have enrolled in the program
  - Conducted 49,920 financial reviews
  - Completed 18,004 targeted education sessions
  - Total of $6,690,142 in agency reimbursements for delivered services

- **Sharpen Alliance:** American Express, Bank of America, Chase, Synchrony Financial, and Wells Fargo

- **Components**
  - National Awareness
  - Third Party Endorsement
  - Program Delivery – Three Step Stabilization Program
    - Step 1: A Financial Stress Test
    - Step 2: A Customized Financial Review
    - Step 3: A Targeted Education Course and Follow-up
    - Step 3b: Individualized Financial e-Coaching *(New with Sharpen 2.0)*

- **Outcomes Measurement and Evaluation** *(The Ohio State University)*

* As of 10/31/15. Figures rounded to the nearest whole number. Due to funding allocation limits, some steps were only partially funded.
Sharpen 2.0 – The Next Generation

• Building on Sharpen Your Financial Focus
  > Appeal to each audience’s specific emotional and rational needs as they deal with their immediate financial issues
  > Use high-engagement, targeted media to attract attention and drive audiences to contact NFCC agencies
  > Provide a clear and simple pathway to getting help
  > Help audiences understand how NFCC member agencies can assist in solving problems today

• Including longer-term retention tools tailored to the unique needs of Sharpen clients
  > Technology-enabled e-coaching with automated text messages and/or email reminders
  > Introduced as a means to increase long-term retention and engagement of clients and to help facilitate behavior change
Sharpen Key Findings

• **Unsecured Debt Levels**:  
  > The average decrease in total debt across all clients is $13,000  
  > The average decrease in revolving debt is $6,800  
  > Those in the 10th percentile of credit score reduced their revolving debt by two-thirds  
  > Those in the bottom half of the credit score distribution reduced their revolving debt by 50%  

• **Credit Scores**:  
  > Clients in the 10th percentile saw an average increase of 55 points over 1 year  
  > Clients in the 25th percentile saw an average increase of 39 points over 1 year  
  > The average credit score for the full sample reflects an increase of 4.2 points one year after enrollment in the Three-Step Program  

• **Money Management Behaviors**:  
  > 67% of clients reported that Sharpen helped them better manage their money  
  > 68% of clients responded that Sharpen helped them set financial goals  
  > 70% of clients have improved their overall financial confidence  
  > 73% of clients report paying their debt more consistently

*Reflects results from credit report data collected from 11,118 Sharpen clients through November 2014.  
Sharpen Key Findings

• Faced with the loss of income or the need to handle unforeseen expenses, clients commonly turn to counseling to manage their personal financial crises in the short-term.

• Evidence suggests that Sharpen helps clients handle these crises
  > Client self-reports indicate they are:
    • Managing their finances better
    • Paying debt more consistently
    • Have more financial confidence
  > Credit data shows that client’s:
    • Credit scores return to normal a year after counseling
    • Revolving debt levels fall well below the comparison group even accounting for bankruptcies, charge-offs, and closed accounts.
  > Sharpen clients are developing access to liquidity at higher rates than the comparison group, better enabling them to weather shocks and utilize debt as necessary.
LOCAL WORKSHOPS

- **The Library:**
  - Collaborate with the NFCC agency to schedule the workshops
  - Assist in the marketing efforts
  - Provide space and any tools available for use
  - Continue to reach out to the agency contact for any additional or ongoing workshops

- **The NFCC Agency:**
  - Collaborate with the Library to schedule the workshops
  - Prepare and conduct the workshop (may assist in marketing)
  - Work directly with consumers as necessary
  - Provide reporting to NFCC on attendance, topics.
  - Work with the library contact on additional opportunities, including identifying other needs within the community
When a Workshop Uncovers A Need

• NFCC Member Agencies May:
  > Work directly with the consumer to conduct one-on-one counseling to address specific needs using our Sharpen counseling protocol
  > Make recommendations based upon the counseling session for other reputable community, state, and national resources/programs.
ALA/NFCC Partnership
Benefits to Libraries Across Our Country

• Continuing to build positive brand image as libraries provide additional reputable resources for community needs

• Assurance that consumers are connected to non-predatory, reputable, and certified counseling agencies who provide holistic results

• Providing financial education for the military consumers within the community through workshops and one-on-one counseling

• Recognition for actively making a difference for military families to help them become and remain financially stable

• Increased awareness of additional resources that community libraries offer on a regular basis

• Media/marketing opportunities – locally, regionally, nationally
ALA/NFCC Partnership Goals

- Build local networks of support for serving military community through NFCC and ALA members
- Increase awareness of NFCC and library services to military community
- Allow for, support and capture learnings from local innovation and experimentation in terms of technology use, program and collection integrations, etc. for future implementations
- Reach 5,000 military service members, veterans and their families
- Demonstrate measureable changes in participants’ knowledge and behavior
Q&A
Wrap Up & Next Steps

• Confirm pilot locations and begin local introductions by end of January 2016
• Share template media materials and promotion resources
• Public announcement of participating local communities in February 2016
• Local programs run March-July 2016
• Evaluation/feedback
Begin a brighter financial future today.

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