

Bien-\$tar-\$avers – Final Outcome Report

November, 2011



Bien-\$tar-\$avers is a youth Individual Development Account (IDA) program for children and teens in grades 1st through 12th, who live in a Bienestar apartment. This pilot program was developed by an AmeriCorps VISTA volunteer obtained through a grant from the Oregon Micro Enterprise Network (OMEN) and from financial and administrative support from CASA of Oregon.

IDAs are matched saving accounts that help low-income individuals overcome the barriers to productive assets while also encouraging their development of financial literacy knowledge and healthy saving habits. *Bien-\$tar-\$avers* provides a 3:1 match for every dollar saved towards a productive asset relating to academics, athletics and art. Participants agree to complete financial literacy training and make monthly deposits into their IDA accounts. During the course of the program, participants stay engaged through fundraisers, IDA workshops and one-on-one support from the

IDA coordinator.

In December, 2010, 20 children in grades 2nd through 12th opened IDA accounts at Wells Fargo in Hillsboro. Each participant developed a saving plan which outlined what asset the participant would save for, the approximate cost of the asset, and the minimum monthly deposit required to reach their saving goal – which range from \$100 to \$200. Parents, participants, and the IDA program coordinator each signed this saving plan which acted as a contract agreement. Each participant, in order to receive their matching funds, agreed to attend 10 hours of financial literacy training and make a monthly deposit into their account. Bienestar promised to match their saving 3:1 and provide support. Parents agreed to support their child with transportation to program events and monthly trips to the bank.

In order to achieve long-term results it is important for an IDA program to provide more than just access to productive assets. Therefore, financial literacy training is the crux of the IDA program. Students gain a better understanding of personal finance issues early enough in life to make smart decisions now that will help them achieve financial security in the future. The



Financial Literacy training was held only for participants in grades 6th- 12th as the children in grades 1st-5th were required to have already completed this course before opening their IDA account. The students were divided into two groups, grades 6-8 and 9-12 and each group met for one hour every other week for 10 sessions (January 18th through June 14th, 2011). Resident services program coordinator Maria Moreno and IDA coordinator Aleksi Merilainen taught this course using the *Financial Fitness for Life* curriculum developed by Council for Economic Education which is based on national financial literacy standards. Notable outcomes include:

- 100% improvement on post-test scores
- 93% attendance rate
- test score improved an average of 24%
- teen post-test average was 83%

The *Bien-\$tar-\$avers* program lasts for 10 months and is currently ongoing through October, 2011 when participants must make their final deposit and purchase their asset. Beginning in May, 2011, participants were allowed to begin withdrawing their money as long as they have reached their savings goal, and completed financial literacy training. As of August, 2011 9 children had withdrawn their funds and have made their asset purchase. Notable asset related outcomes include:

- \$2,927 saved by 18¹ participants as of November 2011 (average of \$162.61 each)
- 102 deposits were made January through October 2011 (average of 5.67 deposits by each)
- \$2,822 of personal saving used for asset purchases
- \$8,466 of matching funds have been used for asset purchases
- Purchases made included several laptop computers, sports equipment, cameras, and a trumpet.



IDA program Coordinator, Aleksi Merilainen wrote 23 grant proposals to foundations, and corporations to raise the matching funds. Approximately \$4000 has been raised with 9 grant requests still pending.

An individual donor campaign was designed based on the “save the children” model. Each IDA participant was featured in a baseball card that highlighted

their saving goal, desired asset, interests and goals for the future. This has proved to be an effective fundraiser that raised \$2250.

During this pilot year, fundraisers were held for the participants to earn money to deposit into their accounts. In April a “friends and family” night was held at Burgerville where 10% of sales were donated to the IDA program. \$188 was raised. In July, the *Bien-\$tar-\$avers* sold handmade piñatas and fruit cocktail at the downtown Hillsboro Tuesday Market raising \$220. All proceeds from these two fundraisers went to the accounts of the children that participated.

¹ 2 participants were dropped due to their inability to meet monthly saving goals

Pre and Post Test Results

Question	Pre test responses	Post test responses
Have you saved money in the past?	50% indicated no	100% indicated yes
Have you held a savings account in the past?	25% indicated no ²	100% indicated yes
Are financial matters discussed at home?	12 out of 18 said no	N/A
How would you rate your present financial situation?	4.88*	6.71*
How would you rate your confidence in a strong financial future?	7.59*	7.79*
How would you rate your spending and saving habits?	6.23*	7.43*

*Average response on a 10 point scale where 1 is terrible and 10 is excellent

Matching Fund Donors

Bien-\$tar-\$avers was unique in that it is a privately funded IDA program. Grants and private donors provided the match funds and account seed money that made the participants and the program so successful. Seven private donors “sponsored” a child by providing a partial or full match (ranging from \$100 to the full \$600) to one or more participants. Those donors were Diane Kinkade., Lisa Neal-Graves, Sheila and Carl Seger, Rob and Linda Fotheringham, Mark Lawton, and an anonymous donor. Our generous corporate funders were: Key Bank for \$2,000; Columbia Community Bank for \$250; Banner Bank for \$1,000; Fred Meyer for \$500; and PNC Mortgage for \$5,000.

Unexpected Obstacles

IDA matching funds were paid out via Business Check written by CASA of Oregon—the fiduciary institution managing Bien-\$tar-\$avers accounts. Many retailers were unfamiliar with the business check model and many participants had difficulty using the business checks. Typically, a phone call by IDA program coordinator, Aleks Merilainen, allayed any confusion and allowed the transactions to be processed as normal. Notably, three participants (a group of siblings) were turned away from Best Buy with their business checks 3 separate times. The final instance of being turned away was after multiple phone calls by Bienestar staff to the Best Buy store in question with Best Buy employees assuring that they do in fact accept business checks. The participants were not only turned away but subsequently accused of check fraud because of the store manager’s apparent lack of recognition for business checks.

Future Recommendations

Future recommendations are both programmatic and administrative in nature. On the administrative end, it is recommended that program staff have a solid previous relationship with retailers before purchases are made. Educate retail managers about the program and the fact that the participants will be using Business Checks. Approve a sample of the Business Check ahead of time so retailers are aware of what the check looks like.

There are two recommendations for program execution. First, while participants in grades 1-5 were successful in saving, the concept and benefit of an IDA program seemed too advanced. It is recommended that the youth IDA serve 6th-12th graders only in the future. Second, nearly all of the youth said that the classroom time was not interactive enough. Many complained of being bored and having a hard time

² Eight of the youngest children in the program had previously opened savings accounts after participating in financial literacy program offered by Bienestar.

following the material. So, the recommendation is for a more activity based financial literacy program and more opportunities for hands-on self-directed learning.

Respectfully Submitted,

Aleksi Merilainen, September 2011

Updated and Respectfully Submitted,

Samantha Dillman, November 2011