BEYOND CRA CONFERENCE:

Meaningful Collaborations between Financial Institutions and Workforce Entities

REACTIONS AND IDEAS FROM ATTENDEES

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REACTIONS AND IDEAS FROM ATTENDEES

"Beyond CRA: Meaningful Collaborations between Financial Institutions and Workforce Entities," held on September 16, 2016, is the second in a series of collaborative meetings between the US Department of Labor/Employment and Training Administration (DOL) and the Federal Reserve Banks of Boston and New York to jointly support partnership efforts to increase the financial capability of low- and moderate-income individuals. These meetings were held during a moment in which the federal government is beginning to align systems to promote financial capability, particularly among youth. The Workforce Innovation and Opportunity Act (WIOA) has created a mandate for the workforce system to introduce financial capability into its youth services, and the Community Reinvestment Act (CRA) has created significant incentives and expectations for financial institutions to support efforts to build financial capability in low-to-moderate income (LMI) communities. This report captures the key themes and emerging trends discussed throughout the day by participants in "Beyond CRA," including their questions, favorite ideas, and requests for moving forward. The comments and feedback span three basic categories: 1) considerations for effective measures; 2) promising models and activities; and 3) valuable roles for partners from the workforce and financial systems.

This meeting was held at a time that lends itself to discussion and peer learning, because the attendees spanned the full spectrum of experiences in establishing collaborative efforts between workforce and financial institutions. Only 30 percent of participants responded that they had not yet started or that such partnerships were not relevant to them, and a similar number were at the early strategy and initial planning phase. At the other end of the spectrum, almost 30 percent were establishing metrics and outcomes, while the remaining 10 percent were in between and engaged in design or implementation.[1]

[1] See Appendix 2 for complete poll responses. Note that the vast majority of responses for many of the questions was "All of the Above," and responses are only referenced in the text with more specific insight. Similarly, 30 percent of respondents for this question listed this form of partnership development as N/A.

EVENT SUMMARY

"Beyond CRA" balanced presentations and group discussion in order to both build knowledge of strategies to improve financial capability and to catalyze partnerships among attendees (see Appendix 1 for complete agenda). The day opened with reflections on the impact of new CRA and WIOA policies and guidelines and lessons learned from the Department of Labor and Federal Reserve "Leveraging Financial Education to Improve the Impact of the Workforce Innovation and Opportunity Act" event in December, 2015. Morning sessions focused on how to translate greater financial knowledge into behavior that results in greater financial security. Presenters shared both current research and federal resources to support integrating these activities for financial success into workforce programs. Three sessions delved into pilot programs and partnerships among workforce organizations and financial institutions with a focus on financial capability and financial health. Attendees had two opportunities to interact directly with each other in small group discussions – at lunch tables with conversations led by financial institutions and in facilitated discussions at the end of the day focused on developing a mutual agenda.

The meeting was well received, with almost two-thirds of post-event survey respondents indicating that it was "very useful." All but two respondents gained information that they needed, including over one-quarter who mentioned that they met potential contacts and partners during the day. This report synthesizes the audience input from throughout the day, capturing both the questions and comments for presenters and small group discussions.

PARTNERSHIP ROLES

Half of attendees responding to the post-event survey indicated that their primary need was help finding appropriate partners or support in building specific partnerships, while another 18 percent sought tools to build partnerships. This desire was evident in the meeting: Partnership was a key theme of the meeting, and several discussions focused on how to build relationships between workforce and financial institutions. Discussions frequently highlighted the unique roles that workforce and financial institutions can play within a partnership. Several attendees discussed the value that the workforce system (or other neutral environments such as schools) brings in promoting the value of financial services because, when financial institutions make that case to LMI youth, it can appear to be a marketing strategy. The deeper relationships built through workforce programs are helpful in developing the trust needed for youth to begin financially healthy behavior.

Attendees highlighted several potential roles for financial institutions:

- Both workforce and financial industry representatives noted the promise of financial institutions providing financial education, because it often already falls within their scope. However, financial representatives noted that the barrier is that they are not staffed to run financial literacy programs.

- Attendees looked to financial institutions as a conduit between LMI youth and businesses for workforce training or employment.
- Attendees identified financial institutions as a potential funder for these efforts.
- Financial institutions could establish apprenticeship opportunities in school-based banks.

Less discussion focused on new roles for workforce organizations, beyond partnering with financial institutions and more actively incorporating financial capability into programming.

Surprisingly, one-third of those polled did not identify with any of the barriers to partnership such as cultural differences across institutions that were highlighted by presenters (see Appendix 2, Question 5), while only a quarter cited numerous barriers. The remaining 40 percent were spread across barriers of cultural differences, lack of ability to transcend financial relationships, limited capacity, and difficulty agreeing on impact measures. Attendees also mentioned several other key barriers to new partnerships:

- Competing goals, including a profit motive for financial institutions;
- The need to change the perception that LMI youth are too risky;
- The multitude of data challenges;
- Limited staff capacity; and
- Lack of resources available for this work.

EFFECTIVE MEASURES

Much of the discussion in large and small groups focused on defining and measuring financial capability. Attendees noted that measuring financial capability is difficult because there is a lack of consensus about its meaning. During last year's meeting, attendees continued to look beyond a narrow definition of financial capability and were interested in how it supports financial health, ability to successfully participate, engage in, and benefit from workforce training programs, and well-being more broadly.

A number of discussions homed in on what it looks like when someone has achieved financial capability. Recommendations included changed attitudes such as a sense of independence and future orientation, as well as behaviors such as getting a bank account and knowing how to manage resources. Attendees asked the presenters about measuring the integration of financial capability into workforce programs.

- Some of the current workforce metrics featured are the number of:
    - Participants seen by a financial literacy coach;
    - Participants taking action as a result of meeting; and

    - Those actions that resulted in positive change, such as opening a bank account or enrolling in a program to get in good standing for a loan with the Department of Education.

- Emerging financial health metrics by workforce programs include a change in savings over time.
- Several financial institutions track:
    - Deposits of youth they enroll through these programs; and
    - Loans made to low- and moderate-income (LMI) individuals. One financial institution has documented a total of over $100 million in new business generated by approximately one-third of individuals who had participated in a class, program, or other event.
- Attendees were also interested in a number of metrics that looked beyond how “banked” LMI youth become, wanting to figure out how to measure impact such as:
    - Degree to which financial institutions lower the costs of financial inclusion for LMI youth;
    - Increased focus by financial institutions on LMI communities;
    - Spillover effect of financially capable youth on their families and even communities; and
    - Impact of external positive and negative influences on a youth’s financial capability, whether it be the impact of parents, trauma and incarceration, or attendance at community college.

A theme underlying the discussions about metrics was a concern about the difficulty of measuring the long-term impact of financial capability programs. In addition to the challenge of maintaining relationships to track individuals, the workforce organizations often have personal confidential information that cannot legally be shared with financial institutions for outcome tracking across the institutions. Despite the challenges, developing shared and long-term metrics appeared to be a priority for attendees, and it would be valuable to identify best practices and innovative strategies to share with the field.

INNOVATIVE MODELS

The attendees were also excited by a number of the ideas presented throughout the day, while offering up additional innovative models based on their own experiences. Fifty-seven percent of attendees polled indicated that they were definitely planning to implement something that they heard during the meeting. The conversation was nuanced, spanning a wide range of potential activities. While most of the discussion focused on strategies to get youth to use financial products, learning how to budget edged out opening and managing a bank or credit union account as the most pressing financial capability needed among the polled attendees who singled out a specific priority. Three major themes emerged around potential activities:

1) Designing financial products that serve LMI youth;
2) Activities that better connect LMI youth to those products; and
3) Connecting financial literacy to employment such as summer jobs, including hiring by financial institutions.

New and Improved Financial Products

Throughout the day, attendees discussed how to structure financial services to meet the needs of their youth populations. Polled attendees found "blended" product models to be most feasible for the people they serve (29 percent of respondents), although 36 percent were interested in the full suite of potential financial capability services listed. Participants were also interested in features that include:

- Dual savings accounts for youth that require parental approval and effectively serve as separate checking and savings accounts;
- Lack of overdraft and ATM fees; and
- Ability to round transactions and put them the nearest dollar, with the difference being deposited into savings accounts.

Some financial institutions expressed interest in creating new financial products, while others indicated that banks may be disinclined to create new products because of the risk involved. It seemed that smaller banks could more easily create products because they do not have to work across multiple states. Another strategy for involving financial institutions in product development was financial support from their foundations.

Connecting Youth to Financial Products

Attendees also sought to look at past products for strategies that create sustained change in behavior. For example, attendees were interested in exploring what interventions based on behavioral economics increased the likelihood of youth continuing to use their bank accounts or other financial services after the conclusion of their workforce program. One duality that emerged throughout the day was the strategies needed to attract millennials overall vs. those that are effective with LMI youth. Banks have targeted millennials through technology that allows 24-hour access to remote banking. In contrast, and in response to the strategies and programs presented throughout the day, the value that personal interaction plays in reaching youth in workforce development programs resonated with several attendees. This is particularly true because access to technology can be an obstacle for some LMI youth.

> *Attendees suggested that, while many programs currently emphasize technology, personal relationships should be kept at the forefront of program design when possible.*

- Tips for building relationships included details like dressing casually when meeting with youth to be more approachable and to find young trainers or other instructors to which the youth could easily relate.

One small group discussion also highlighted another potential barrier to the use of financial services:

- Attendees wondered whether financial institutions are aware of the nuanced barriers people face to accessing credit, and if the standard set of questions asked when giving out credit could be redesigned to address systemic problems in credit access.

Workforce attendees gained a deeper understanding of how financial institutions are already engaged in promoting financial capability among LMI youth.

- Financial institutions partner with workforce development boards—either in programming or as a board member—and other partners in a number of innovative ways.
- Multiple financial institutions discussed branches that they operate at local high schools as well as their hiring youth interns and employees at the bank.
- Several highlighted the approximately 750 credit fairs around the country in which numerous financial institutions come together, allowing students to sign up for accounts at institutions of their choice during the program.

In one small group discussion, financial institutions expressed an interest in having program design in place before becoming involved, so that their role could be more targeted.

Connecting Financial Capability to Youth Employment

Another common theme was the need to connect financial capability to youth employment, with interest in strategies for financial institutions to hire more LMI youth.

- Attendees suggested that the workforce system use WIOA funding earmarked for on-the-job training and Registered Apprenticeships to support the training needed for these hires.
- Several group discussions highlighted summer jobs programs as a great opportunity to introduce financial literacy because the participating youth could translate lessons directly to their earnings.
    - Some financial institutions were already serving as employers for summer jobs efforts, and could expand their roles by delivering a financial literacy curriculum.
    - Similarly, one speaker highlighted Summer Jobs Connect's efforts in eight states to work with banks to create youth-focused accounts as part of their summer jobs experience.

Other Ideas to Expand Impact

Several other financial capability activities that are already underway were raised in small group discussions. For example, one attendee identified underbanked regions to develop financial literacy and lay the foundation for banking services in these locations, and another had partnered with libraries and after-school programs to introduce financial literacy programming. Participants were also looking for strategies to extend financial capability to youth even younger than the 14 to 21 year olds addressed in WIOA. While the current focus is older youth with a more urgent need, one idea presented by speakers was to work with school boards to expand beyond the 15 states that currently require financial literacy in high school.

REMAINING QUESTIONS

"Beyond CRA" provided critical information about the barriers LMI youth face in achieving financial capability, program and partnership ideas to promote financial capability, and metrics to track success. It also revealed that more work remains in bridging partnerships across the workforce and financial communities. In particular, workforce representatives continue to wonder how the CRA intersects with their work. The most consistent questions across large and small group discussions were about what counts for CRA credit within a broader workforce development engagement. For example, do financial institutions receive CRA credit for sitting on the advisory board of a workforce development program? In another group discussion, attendees asked whether a savings match could fulfill CRA requirements. To address these questions and provide other information to support further partnership, the Fed has made additional resources available on the event website.

NEXT STEPS

Attendees not only shared information but also looked beyond "Beyond CRA" to next steps for DOL and the Federal Reserve System to help build these partnerships. In the post-event survey, forty percent of respondents requested more convenings like this one to continue to the information sharing and partnership building. Attendees also wanted to drill into addressing their remaining questions and one group discussed how a smaller session that brings together financial institutions and workforce providers could focus on the differences in requirements for credit unions. Others requested joint guidance from DOL and the Fed about the regulations and how they differ across institutions. Finally, groups discussed the regulatory constraints not only on program implementation but also on how data can be collected to track results.

Other attendees focused their next steps on making it clear to workforce and financial systems that they are aligned in their goals around financial capability. Two data strategies that could support a shared vision were defining standardized metrics that focus on the point of alignment and figuring out a way to track long-term outcomes.

Attendees expressed interest in continuing to work together in order to further discussion and partnerships. In addition, they requested that DOL and the Fed bring these discussions and partnership lessons to other settings including local audiences as wells as existing forums with big audiences, such as the National Association of Workforce Boards.

APPENDIX 1: AGENDA

8:30am **Introduction**

Tony Davis, Director of Community Engagement, Federal Reserve Bank of New York

8:35am **Welcome Remarks**

Jack Gutt, Executive Vice President, Federal Reserve Bank of New York

8:45am **Lessons Learned & What's Next in WIOA**

Sol Carbonell, Assistant Vice President, Federal Reserve Bank of Boston
Gerri Fiala, Deputy Assistant Secretary of U.S. Department of Labor/ETA

9:15am **Reimagining Financial Inclusion for Greater Workforce Outcomes**

Katy Davis, Vice President, Ideas42

10:00am **Resources for Financial Institutions: Incorporating Financial Capability & Inclusion into Youth Employment Programs**

Louisa Quittman, Director, Office of Financial Security, U.S. Department of Treasury

10:30am **Creative Partnerships to Advance Impact**

Tanya Ladha, Senior Manager, Center for Financial Services Innovation
Ann Solomon, Strategic Initiatives Manager, National Federal of Community Development Credit Unions

11:30am **Break & Lunch Service**

12:00pm **Working Lunch: Collaborating with Financial Institutions**

1:00pm **Partnerships: A Key Ingredient of Per Scholas' Success**

Kelly Richardson, Managing Director, Per Scholas

1:30pm **Lessons of Collaboration from the Field**

Moderator:
Tim Martin, Director of State Systems, U.S. Department of Labor/ETA

Heather Donovan, Young Adult Career Advisor, Career Center of Lowell
Kimberly Beaulieu, Financial Education Office, Jeanne D'Arc Credit Union
Denise Smith, Youth Initiatives Program Manager, Eastern Maine Development Corp.
Kendra Speed, Assistant Vice President, Branch Manager, Bangor Savings Bank

2:40pm **Coffee Break**

3:00pm **Facilitated Group Discussions: Developing a Mutual Agenda**

3:45pm **Emerging Themes**

Jennifer Freeman, Program Director, Jobs for the Future

4:00pm **Next Steps and Concluding Remarks**

Holly C. O'Brien, Regional Administrator, U.S. Department of Labor/ETA
Adrian Franco, Director of Education, Federal Reserve Bank of New York

APPENDIX 2: POLL RESPONSES

1. How far along is your organization in implementing collaborative efforts between financial institutions and workforce entities?

	# of responses	*overall %*
1. Strategy and Initial Planning Phase	17	30.36%
2. Design and Implementation Phase	6	10.71%
3. Establishing Outcomes/Metrics Phase	16	28.57%
4. N/A	17	30.36%
	56	**100.00%**

2. Which one of the solutions proposed in this session resonates the most as being feasible and effective for the people you serve?

	# of responses	*overall %*
1. "Nudges" to close the intention-action gap (e.g., savings commitment plan, tracking tools)	7	12.07%
2. Creating a moment for taking action (e.g., financial health check)	10	17.24%
3. "Blended" product models incorporating spending, savings, and credit (e.g., Borrow and Save loan)	17	29.31%
4. All of the above	21	36.21%
5. None of the above	3	5.17%
	58	**100.00%**

3. Which one of these financial capability needs is most pressing for the youth that you serve?

	# of responses	*overall %*
1. Learning how to budget	9	15.52%
2. Building or repairing credit	0	0.00%
3. Help with financial aid for college	5	8.62%
4. Opening and managing a bank or credit union account	8	13.79%
5. Saving for a goal	3	5.17%
6. Something else	3	5.17%
7. All of the above	29	50.00%
8. None of the above	1	1.72%
	58	**100.00%**

4. What would most help your organization to build or strengthen partnerships for financial capability?

	# of responses	*overall %*
1. Training for staff on financial capability	3	9.09%
2. Funding incentives for financial capability outcomes	4	12.12%
3. Tools to measure financial capability outcomes	2	6.06%
4. Tools to facilitate referrals with partners	0	0.00%
5. Organizational leadership and commitment	1	3.03%
6. Financial products suited to client needs	2	6.06%
7. Help finding appropriate partners	5	15.15%
8. All of the above	16	48.48%
9. None of the above	0	0.00%
	33	**100.00%**

5. What barriers has your organization encountered in trying to build or strengthen partnerships between workforce nonprofits and financial institutions?

	# of responses	*overall %*
1. Relationships that are only about funding, with little programmatic involvement.	5	12.82%
2. Differences in culture of financial institutions and nonprofits	6	15.38%
3. Lack of agreement on how to measure impact of partnerships	3	7.69%
4. Limited capacity of nonprofits to meet expectations of financial institutions	2	5.13%
5. All of the above	10	25.64%
6. None of the above	13	33.33%
	39	**100.00%**

6. If your organization is part of the financial industry: In which way can the public workforce system most help you meet your CRA requirements?

	# of responses	*overall %*
1. Connect disadvantaged populations with financial institutions	0	0.00%
2. Partner with financial institutions on CRA initiatives	3	33.33%
3. Invite financial institution representatives to sit in on state/local boards	0	0.00%
4. Invite financial institutions to provide literacy training to participants	0	0.00%
5. Align financial services, products, and resources to address potential barriers in your target population	1	11.11%
6. All of the above	5	55.56%
7. None of the above	0	0.00%
	9	**100.00%**

7. In which way can the financial institutions most help you meet your WIOA youth financial literacy requirements?

	# of responses	*overall %*
1. Provide literacy training to participants	2	10.00%
2. Sit on state/local boards	2	10.00%
3. Waive fees for youth and young adults	1	5.00%
4. Develop new products targeted at youth and young adults	0	0.00%
5. Develop new products targeted at youth and young adults	0	0.00%
6. Offer savings incentives	0	0.00%
7. Align financial services, products, and resources to address potential barriers in the target population	3	15.00%
8. All of the above	12	60.00%
9. None of the above	0	0.00%
	20	**100.00%**

8. Did you hear an idea that you think can get you from the design phase to the implementation phase?

	# of responses	*overall %*
1. Yes, definitely	16	57.14%
2. Possibly	6	21.43%
3. Good idea, but not sure how to implement	6	21.43%
	28	**100.00%**

APPENDIX 3: LUNCH DISCUSSION NOTES

*The raw notes below were captured during lunch discussions

Ideas for Partnering with local community development efforts

- Creating jobs, CDFI lending, opportunity finance network
- USDA grant to teach soft skills-MS Office, workplace interactions, etc.
- Credit unions reach out to underserved communities

Measuring the impact of CRA activities related to workforce development

- Annual report spells out impact of CRA activities-counties, neighborhoods
- Credit unions aren't necessarily held to CRA, but many target underserved communities
- Through connectivity with Chamber of Commerce groups

Financial education: Potential Outcomes

- Don't go in *expecting* anything, but hope to make an impact (among youth)
    - Back on track, or on a better track; make a connection with the kids
    - Moving beyond financial literacy to connect with the kids
    - Program to educate youth and find jobs for them with local partners
- Teaching financial literacy in homeless shelters
- Challenges in reaching out to Chambers of Commerce that can provide connections to jobs
- Tax incentives for hiring
- Needs to be a more holistic approach to bringing in businesses to CRA/workforce development
- Disconnect between middle class, suburban companies and the underclass; Chambers of Commerce should help bridge that gap and get people hired.
    - Lack of demand in small business to hire
- Remedial education-relationships with community colleges, pathways for internships
    - Limited in how much they can teach

Marketing to millennials

- Mobile apps, Apple Pay, Samsung Pay – Anything online and anything techie
- Mobile deposit by phone, they come to the bank less
- Credit Unions have not done a great job of attracting younger members

    - They are the ones buying cars, first-time home buyers

Do banks have their community engagement priorities lined up in advance?

- Lots of activities lined up in advance, but also leeway that's not planned
- Credit union - have a focus, have yearly goals, but flexible enough to manage concerns as they arise

What are the pitfalls of offering character-based loans?

- We don't do character-based loans
    - No more handshake loans
    - CRA and regulation
    - Thing of the past
    - There's some ability to bend rules and requirements a bit (e.g. credit score, extenuating circumstances) for reputable customers, but not much anymore
        - Exceptions have to be approved by the board

Barriers to diversity in the financial services industry; how to overcome those barriers?

- Some small business folk don't understand why they aren't being approved
    - Didn't understand that to get credit, had to use credit
- Financial services industry can make headway
    - Bank can work with local small business, create connections with community
    - Not a lot of supplier diversity going on in the financial services industry

HS seniors – select ~25/year to participate in program

- Education on financial education
- Classroom & job/ career help
- 32-year partnership→ working with community, financial education

Work with Workforce Investment Board Youth & Learning – summer programs

- Beginning of summer: work with basic skills – how to save, budget
- Capstone at end

How do you select types of workforce development projects?

- Community responses/ request to partner or create program
- Connections from school – word of mouth
- Very little advertising, but large participation
- Criteria for workforce development services?
  - Equal commitment to project

Family members also engaged?

- Financial education programs for bilingual students
  - Parents may not understand banking system
  - Careers in banking; financial education, ex. Balancing checkbook – bring home to parents
- Financial education at daycare center – work with parents & basics with the children
  - Also at lower/ moderate income housing
    - Teens come with parents

What types of entry level opportunities were available for the high school students?

- Typically bank teller
  - See all areas of bank
- Many employees who have grown throughout organization – started from HS
  - 1-2 students each school year
  - 1 every 5 years that ends up having a career
- Tuition reimbursement
- Internal training/ development

Quantitative/ qualitative metrics tracking?

- Track students through program
- Monitor opening account, if they get loan
- 9-year period: >$1 million in deposits
- Youth product: checking account; checking and savings account
    - Cosign w/ parent

Community-based organizations – smaller financial institutions more likely to partner with community organizations – credit unions, community banks

- Partnerships: organization & financial institutions should converse & assess when determining which initiatives to pursue

Challenges learned:

- There is no time in the existing curriculum to incorporate financial literacy.
- Focus on middle and high school because they found there was low attention at the elementary school level
- Access to quality content for financial literacy
- Scaling the program - exploring how the program can be offered online
- Ensuring that the content is relevant for the audience- age, language
- 40-60% of the American populations experience financial troubles. Which mean that despite education level, a certain portion of the population continues to make poor financial decisions and/or lack financial security. How can we encourage more employers to adopt financial literacy resources to their workforce?

Issue Banks are Addressing:

- Delays in Medicare/Medicaid payments
- Veteran housing issues
- Provide free training space/entrepreneur training within bank
- Funding through foundation
- Partner with The Workplace, provide funding to three program initiatives
- Provide financial literacy programming: to ABE, seniors, Reality Check (high school)

New WIOA Requirements/New FAWS for Q&As: Any Impact Yet?

- Opportunity for Financial Institution to fund projects they might not have funded before because of Q&As; example: infrastructure (sewage upgrades, street lighting, power plant upgrades to better need energy needs.) Banks' role: financing
- On service side: financial education (first-time home buyers programs, workforce, applying for Medicaid)
- CRA is looking for innovation that leverages partnerships to address community need; getting more accounts is a great by-product but not the focus—lifting the community is the focus

Product Design through Partnerships

- Depends on institution type and size (easier for smaller banks to maneuver). For larger banks, to create a new product in multiple states is very cumbersome (design, training of staff, roll out). If not economically feasible, banks will turn to other means to get CRA credit.
- Fair lending, state and Fed level regulations need to be checked to make sure the new project is compliant
- Helpful to come to a bank with a product that is already baked and get the key leadership/decision-makers
- Bank foundation could be a way to work on innovative products but depends of capacity (foundation staff of 2 versus over 100) and bank foundation priorities. Would be easier to get buy-in from foundation than to approach the bank institution itself.
- WIB associations and coalitions could help by facilitating meet-and-greets to assess bank and workforce priorities and determine potential alignment

Any Associations of CRA Officers?

- No. A "one-stop" like on the workforce side would be helpful.

Most Important Role Banks Can Play in Increasing Workforce Outcomes?

- Funding (through the foundation)
- Financial education

"It's not the letters that end up in your CRA file. It's the letters that don't get written that are critical to CRA success."

How to balance objectives of mission and financial?

- Can tell whether someone who has been involved becomes a member, so can track whether classes ultimately lead to using the bank.

How to overcome challenges

- Increase partnership
- Public private collaborative
- Partnership/ investment in community colleges
- Not for profits should serve communities
- Foundations should increase their financial support workforce development organization

APPENDIX 4: SMALL GROUP DISCUSSION NOTES

*The notes below were captured during small group discussions

What is the most intriguing or promising idea you've heard today?

- Involvement of banking institutions directly in providing financial training to youth
- Change financial instruments to be sensitive to youth needs – no overdraft features, etc.
- Bank foundation making investments in nonprofit programming: layering in direct services to enable financial wellness and capability. Could be a great way to engage other parts of the Bank in these initiatives, in financial education, diversity and inclusion, sustainability.
- Other ways to interface with the Banks and build relationships and services would be great, such as speakers and other resources, other than only applying for a grant. New way to partner on financial literacy. Will follow up with banks in my area to see if they want to have a financial roundtable and make those connections.
- I learned about new resources: mymoney.gov, not having to reinvent the wheel, training youth to deliver peer-to-peer counseling, other counseling.
- How to incorporate behavioral economics into all of these areas - savings products that work for youth. No charge is great but many still aren't taking advantage of savings products. Matched savings products work but need funding. Need more ways to incentivize youth to save and partner with institutions to help fund.
- Job retention tracking is challenging as well. Financial literacy as a connection to job retention. Have been focused on self-actualizing career goals but very exciting to tie work to a tangible financial goal. Job retention as a connection, breaking the cycle of poverty.
- Theme of building relationships between students/clients and institutions
- Workforce development programs at corporations to develop cohorts of students who can then advance comfortably into the organization; talent pipelines
- Teaching financial literacy and community service among younger employees, interns etc.
- Credit for life fairs that outline the fixed expenses of mortgages/other life events to better identify realistic spending money
- Using relationships to drive infrastructure changes so that attempted changes are sustainable
- Learned so much about CRA from workforce perspective. Thought this was just a forum. Didn't know that so much had changes or that workforce had become available within.

- Just by bringing people together and bring CRA at the beginning was helpful; a smaller version with workforce providers would be helpful with fin. firms, credit unions.
- Credit unions aren't under CRA, but have other things they need to do under mandate; be sure to separate Banks from credit unions.
- Met many valuable knowledge partners during the small discussions.
- We need to really talk about the regulations and what regulations are out there; and how they differ between the two institution types. And how workforce plays into that.
- If we could get Fed to issue joint guidance and send that out. Joint webinars, then roll out in meetings.
- This space is new for us and there is a vacuum, there is a need voice that would be great to set the frame work for this topic.
- Institutions aren't helping because they have to, but because they want to. Strong public service attitude and commitment.
- Need strong and better understanding of regulation.
- Credit building product that Europe used was interesting; 3 different model partnerships; credit building accounts for students
- Reality Fair sounded great and have other banks come so that they can start those relationships
- Importance of relationships in both directions.
- Credit unions in HS as students learn about financial industry; opportunity to develop apprenticeship program.
- Now appreciate the critical nature of financial literacy for young adults; how much financial institutions are already invested in this space;
- Level of comfort LMI young adults have with third-party lenders
- Spread the messages (resources, partnership opportunities, etc.) through existing workforce system convenings (NAWB)
- Idea of tying financial literacy education with job retention
- Proponent of financial education and it needs to be mandated by the school systems
- Bank fair is a wonderful idea with real potential
- Use of testimonials to talk about outcomes; "the human touch"
- Behavioral economics from Ideas42; need more of that to understand how customers operate; why do customers bank or why they don't bank

Have any of you already begun to pursue efforts in this area?

- Worked with libraries, after school gathering locations to develop financial literacy programs. Followed up with these external entities to ensure progress and upkeep of these programs
- Identified underbanked regions to develop financial literacy and lay the foundation for banking services in these locations
- Partner with city govts and organizations to bring financial literacy materials to students
- Developing contacts and sharing these entry points with likeminded organizations so that partnerships can thrive and are effectively targeted
- Offer programs mainly in the summer, but also offer them year-round. We find the cohort programming works very well; also in building relationships, not traditional model in most.
- It’s easier to serve a group of 10-20 than taking appointments in the career center
- Some might not get the training for a month; but electronically onboard them with case manager
- Rely in interagency guidance; rely on the workforce board
- A financial institution sets up only savings account, so that they can pay bills but not overdraft; innovative solutions to support the workforce community
- Take out workforce environment, and people don’t know how to manage money regardless
    - The core problem is that it is not taught
        - Choice has made it very challenging more barriers to entry
        - The digital transition has made it a challenge as well

If you represent a financial institution, what would you like workforce organizations to know about what you have to offer in a potential partnership? If you represent a workforce organization, what would you like financial institutions to know about what you have to offer in a potential partnership?

- Connection of financial literacy to workforce development resonates with both banks and workforce development groups- in terms of the connection to positive financial and work outcomes
- Human capital development. On the workforce side, this is the day-to-day mission and it doesn’t always align with the primary mission of the banks
- Align the goals of the grants and contracts
- Banks think they should maybe speak to their HR organizations to walk the walk in these partnerships
- Seemed about half of the banks here had hired from a WFD org and think that should be higher

- For counseling, we all have the same goals, because want clients to have a job, whether a WFD or a bank. WIOA helped to align objectives in this area; need more incentives to drive more effective partnerships
- Can provide end-to-end solutions
- Want banks to know that nonprofits have confidential information or are unable to support data requests from financial institutions to measure progress or outcomes the way they would like to on an individualized basis
- WFD nonprofits have to be able to document efforts and data to fulfill the grant requirements from banks and it is challenging; that time is not spent on programming.
- The time involved to understand the workflow and organization chart of each different organization is time-consuming
- We can all more holistically serve these customers together with financial products, workforce tracking, support after the fact
- Employees of financial institutions are a fantastic resource. Volunteerism by employees to spread financial literacy can go much further than one time checks written out by financial institutions
- Non-profits and institutions need to more effectively work together and share data. The most lucrative partnerships occur when the two organizations collaborate to act as one entity
- Ensure financial institutions know that improving financial literacy aligns with profitability. Better communities bank frequently and more effectively
- Financial institutions are very open to new credit products. New products could effectively address needs rather than generally asking that credit standards be lowered
- Financial institutions need to be more aware of the nuanced barriers people face to accessing credit
    - Reconsider the standard set of questions asked when giving out credit to address systemic problems in credit access
- Commitment to the kids first and the program second. Willingness to be available and willing to make adjustments when necessary.
- Are senior management aware of these projects and why aren't they doing more?
- Individual very lucky to work for a branch that is willing to make these community commitments; larger institution. Senior management supports both yes and no decisions.

WORKFORCE:

- Level of comfort going into a formal financial institution and sensing that it was "not for them"

- Assume that LMI understand how banking has changed over past 15+ years
- WD development can bring training dollars to financial institutions (OJT, registered apprenticeships) and help diversify their workforce
- Can facilitate/translate value of financial education to young adult population
- We are learning to do it on our own and to learn from them
- Learning to get credit taken care of
- "I am going to go back and see how all of this impacts job retention"
    - "We are struggling with both of these things"
- Who can help us test these things and who are the scalable partners
    - We are already tracking retention because it's part of the grant
    - People who are connected to a bank are less likely to drop out of the tracking pool
        - Sharing of information is difficult
            - Regulatory barriers make it difficult to track people in this way
            - Long term investments are difficult to track because we don't have the resources
                - Many of the outcomes don't show up until 4 years later; we need a framework for tracking these things
- The tracking mechanism is skewed toward incentivizing a person to stay in the same position for a long time
    - The incentives are skewed toward stasis rather than mobility
        - If people get a raise or a promotion, they are removed from the tracking pool
- Banks need to understand that the cost of foreclosure or debt is much higher than the cost of providing financial literacy
- Most of the time, those that go through financial literacy courses keep their houses

FINANCIAL INSTITUTIONS:

- All banks offer low-cost/no frills financial products
- Explain the potential opportunities being financially savvy can bring; building relationships with a financial institution open doors/access to future loans/products (car, mortgage, etc)
- The reality is different from the perception: banks are really local (and not "Wall Street") and are invested in local community development
- Stop thinking about financial literacy as just learning to budget

- Strengths
    - Funding
    - Expertise and insight into how consumers are using services
- Problem
    - Not in the weeds
    - 10,000-foot view of the problem
    - We have our hands in lots of various pies
- We want the Workforce provider to bring a complete package to use
- Financial institutions are looking at a scale of hours, not weeks or months
    - We're not talking about anything sustained; we can't do that
    - Partnership is the key
    - "let people do what they do"
- Banks and the CRA culture
    - Training
    - Reinforcement
    - know what it is to work in the community; "we're in a community bank and we all know each other"

What are the biggest challenges for your organization to pursue that promising idea that you would like potential partners to know about?

- There are no centralized clearing houses of data the way that there are for areas like higher education to have common data sets on employment status
- Banks have requirements for their grants and nonprofits have difficulty measuring the required data and outcomes to fulfill those needs because of privacy requirements and regulations
- How to connect the retention specialist with financial advisors – that bridge is sometimes missing
- The data we are required to report differs across all of our organizations and partners, which causes big issues and competing goals in these partnerships
- Scale and testing don't always line up; big banks have the scale to test new policy while small banks are willing to test initiatives/products but don't have the resources
- Financial institutions are profit driven which means at the end of the day, initiatives need to address how new programs can realistically translate to CRA credits, new account openings etc.

- Changing perceptions. Young people are often easily discredited and seen as too risky by organizations which is often an overstatement
- Data can be hard to access but is imperative to measuring the impact of workforce development programs. This is aggravated when people are scared of the possible results from analyzing this data
- Ensure that while a bank may only have one or a few CRA officer(s), banks need to be mindful that CRA efforts need to be managed comprehensively by all divisions of the financial institution. It's not enough if that one officer is not supported by all other teams
- Data continuity is often an issue, small organizations cannot always follow up when respondents drop off in a program or survey
- Biggest challenges - capacity, staff, financial. Can't do enough with what they have.

WORKFORCE:

- Cliff effects of additional income coming into a household
- Need to focus on how income impacts youth with disability and perceived loss of benefits (SSI/SSDI)
- ID theft is a major issue that needs to be addressed

FINANCIAL INSTITUTIONS:

- Capacity/bandwidth issue at many banks (and competing priorities)
- WD lacks understanding of bank goals/mission/strategy
- Ton of curricula out there, most of which is not useful; need guidelines and standards local WD can use to assess
- Sometimes those higher up don't grasp the importance of boots on the ground workforce development

Conferences like this one can help this topic "trickle up" to those in executive suites

KEY TAKEAWAY FROM THIS DISCUSSION

- We all have the same goal because we all benefit when our clients or customers have jobs. But, what you measure matters and we need standardized, consistent metrics to be able to better partner together.
- Ensure financial institutions’ and non-profits’ are aware of aligned goals. Financial literacy and usage of banking services go hand in hand
- Ensuring these goals are aligned requires that impact of partnerships is known
    - Tracking every account that is opened through a partnership can help measure success and hold partnerships accountable

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