



United Way Financial Stability Partnership™

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The Facts...



67 % of students borrow money to pay for college

The Facts...



Students graduate college with an average debt of

\$19,200

The Facts...



In 2004-2005, students borrowed approximately **\$14 billion** in private loans.

The Facts...



Borrowers who graduated in 2004 had more than \$25,000 in student loans.


1 out of 4

The Facts...




Young adults, aged 18 to 24, have a median savings of

\$700

The Facts... 


32% 18 to 24 year-olds income was spent on housing costs in 2006, up from 26% in 1980.

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The Facts... 


In 2002, the average college senior had credit cards with an average balance of just over **6 \$3,200**

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The Facts... 


1 out of 5 Students has credit card debt between \$3,000 and \$7,000

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The Facts... 

25% Students report using credit cards to pay for tuition and books.

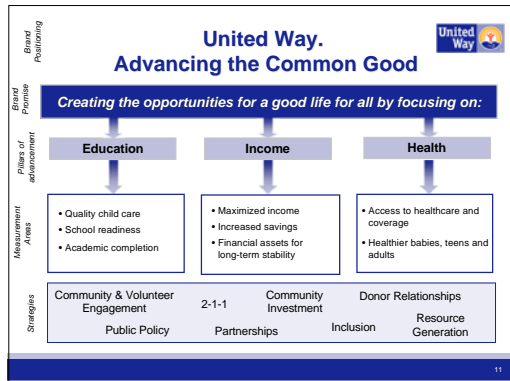
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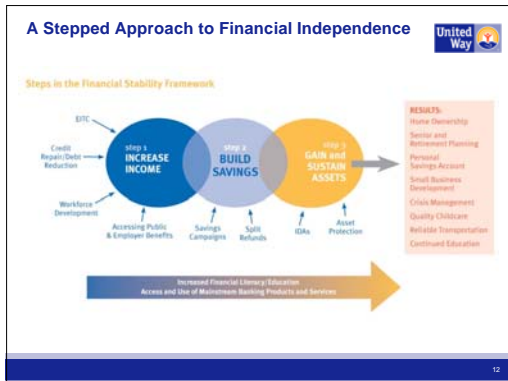
The Facts.... 

Between 1989 and 2004, young adults (18-24) had an increase in credit card debt.

11%

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Impact of Financial Stability

Research shows that savings and assets have far-reaching impacts on family, health, and educational outcomes.

- **Married couples with savings/assets are less likely to divorce**
- **Couples with savings/assets have lower rates of domestic violence**
- **Adults are less likely to smoke or have fewer chronic illnesses**
- **Children of parents with savings and assets are:**
 - **Better prepared to succeed and stay in school**
 - **Less likely to have children out of wedlock**
 - **More likely to go to college**

Assets, Health and Well-Being:
 Neighborhoods, Families, Children and Youth
 Center for Social Development – Washington University

Financial Stability Initiatives

United Way of Salt Lake

Through the creation of Utah Saves, the **United Way of Salt Lake** developed an effective infrastructure for creating an interconnected, statewide network of financial services.

The infrastructure includes marketing support, volunteer recruitment, partnership and resource development, and access to financial products and services – all aimed at encouraging savings and enrolling Utah Savers.

Financial Stability Initiatives

United Way of Allegheny County

Increase the number of low-income people securing & maintaining employment

- Training and work placement that prepares potential employees to meet needs of regional employers and high growth employment sectors
- Support on-the-job workers to overcome barriers to maintaining employment

Increase the number of low-income working families accessing benefits

- Information and referral services to link families with community resources
- Free tax preparation to help eligible families access the EITC
- Enrollment in public and/or private health insurance

Increase the number of families able to avoid financial crises

- Weatherization of homes to reduce utility costs
- Emergency utility assistance and other basic needs/safety net services
- Financial literacy and credit repair programs and one-on-one financial counseling to assist families in budgeting and planning

Financial Stability Initiatives

Financial Stability One-Stop Centers

To develop and sustain with strategic partners, state-of-the-art financial stability one-stop centers in targeted communities.

- A community institution for neighborhood residents
- Offer comprehensive, accessible and integrated services for the community at large
- A solution to the fragmented, inaccessible programs currently offered in various communities
- A trusted and confidential environment
- Provide the coordination of key services, coaching, and education necessary to reach financial stability and economic independence for individuals and families

Financial Stability Initiatives

United Way of Central Iowa

Create streamlined, employer-driven training and supports to remedy Iowa's workforce shortages in manufacturing, construction, healthcare and financial services

Utilize employers as access points for benefits screening and enrollment

Use of benefits bundling software to streamline screening and enrollment process within targeted census tracts

Mobilize volunteers and resources to provide free tax prep and financial coaching

Financial education mandatory in K-12 curriculum

Financial Stability On Campus



- Educational Campaign: Credit Card Usage
- Workshops with High School Seniors re: student loans and FAFSA
- Adopt a VITA Site
 - Coordinate Rides for Free Tax Preparation
 - Provide Supplies – Paper, Ink Cartridge
- Marketing for VITA Sites
- Opening No Fee Savings Accounts – LUW Partnership with Financial Institutions

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Issues and Strategies – Income

Financial Stability MAD ☺ LIBS ¹

1. ____% of students borrow money to pay for college.
2. Students graduate college with an average debt of \$_____.
3. In 2004-2005, students borrowed approximately \$_____ in private loans.
4. ____ out of ____ borrowers who graduated in 2004 had more than \$25,000 in student loans.
5. In 2002, the average college senior had _____ credit cards with an average balance of just over \$_____.²
6. ____ in ____ students has a credit card debt between \$3,000 and \$7,000.³
7. ____% of students report using credit cards to pay for tuition and books.⁴
8. ____% of 18 to 24 year-olds' income was spent on housing costs in 2006.
9. Young adults, those 18 to 24 years-old, have a median savings of \$_____.
10. Between 1989 and 2004, young adults between the ages of 18 and 24 had a ____% increase in credit card debt.

¹ Tamara Draut, "Economic State of Young America," Demos: A Network for Ideas and Action, May 2008. Online at <http://www.demos.org/pub1568.cfm>.

² Economic Opportunity Program Staff, "Generation Debt: Student Loans, Credit Cards, and Their Consequences," Demos: A Network for Ideas and Action, November 2006. Online at <http://www.demos.org/pub1158.cfm>.

³ Ibid.

⁴ Ibid.