



Greater Austin Hispanic
Chamber of Commerce
Expanding Business Culture

Project Summary for

FINANCIAL EMPOWERMENT IN THE WORKPLACE

HAL Financial Stability Team 2010

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Executive Summary

Community Opportunity...*Financial Empowerment for Employers*

HAL FINANCIAL TEAM 2010

Thousands of hard working central Texans lose millions of dollars annually because they do not have a bank account, relying instead on check cashing services. In addition, over \$600,000,000 of Texans' money is lost on "payday" loans every year. Members of the Greater Austin Hispanic Chamber of Commerce's **Hispanic Austin Leadership** (HAL) program have dubbed this a "banking crisis" and developed a program to connect workers to financial services through their employers.

The program, called **Financial Empowerment in the Workplace** was developed in October 2009 to create partnerships with local businesses and organizations to address this crisis. Its unique approach of working with employers fills a void, allowing for exponentially more impact and efficacy.

Financial Empowerment in the Workplace provides businesses with resources and financial education in the areas of financial coaching, financial literature, direct deposit, and personal banking.

The program has garnered commitments from several local business owners to provide financial services to their employees, including **Cleanscapes** and **Serranos**, who together employ over a thousand employees.

The **Financial Empowerment in the Workplace** team is made up of HAL members Rolando Balli, Alejandro Dominguez, Luz Lopez-Guerrero, and Rudy Herrera. They have teamed with the **United Way Capital Area, Suma Orchard Marketing, MPower Labs, and AMADOR Productions** in developing appropriate and useful information.

The long-term impact of the project is highlighted by the **Financial Empowerment Guide for Employers**, a three-step system for employers with one goal in mind:

Drive Central Texans, through their employers, to become financially impactful members of the community.



Project Details and Timeline

Learning the Issue...*The Search for Knowledge*

October 2009

The **Financial Empowerment in the Workplace** project began with research of the financial stability issues in the community. The HAL Financial Team set out to complete two tasks during the research phase:

- Perform exploratory research to structure and identify existing problems.
- Meet with Executive Directors from non-profit organizations which focus on these problems.

The team discovered that a lack of financial education and banking was having a negative impact on the central Texas community.

Specifically:

- Central Texans without bank accounts lose \$40,000 in their lifetime on check cashing fees.
- Over \$600,000,000 of hardworking Texans' money and assets are lost to payday loans every year. Borrowers often pay 500% to 700% annual percentage rate for these loans, and only 2 in 100 can pay back these loans in a year.
- 1 in 4 American workers—30 million— experience financial distress as a result of living paycheck to paycheck. Studies have linked financial distress with a decrease in productivity.
- 80% of financially distressed employees reported using work time worrying about and addressing financial issues.
- Financial illiteracy results in poor benefits utilization and lack of retirement readiness.
- Employees' inability to manage personal money matters affects not only the employee, but the employer. By helping employees better manage their money, employers can increase profits.
- Benefits to employers of focusing on employee financial literacy can include: Increased productivity; Reduced health care costs; Reduced turnover; Reduced absenteeism and presentee-ism; Increased benefit utilization and appreciation; Improved employee retirement readiness and Savings in HR administrative time (especially payroll).
- A 2006 study showed that employers can expect \$450 in positive job outcomes and \$300 in lower health care costs for each employee who improves his or her financial behaviors and financial well-being.
- *Note: List of references and acknowledgements can be found under Tab IX.*

A challenge was identified... how could the HAL Financial Team make an impact in the community and push central Texans to bank?

Project Details and Timeline

Creating Partnerships... *Bridging the GAP*

November and December 2009

The HAL Financial Team partnered with high-level players in the financial industry for Financial Empowerment in the Workplace:

UNITED WAY CAPITAL AREA: The HAL Financial team partnered with the United Way's Bank on Central Texas campaign. The HAL team identified a gap in the community on employer-based initiatives, which allowed for exponentially more impact and efficacy than targeting employees. Instead of targeting one employee at the back-end of the direct deposit process, they would be targeting employers of hundreds to thousands of employees at the front-end of the pay process. At the time of the partnership, United Way did not have an active employer based campaign for Central Texas.

SUMA ORCHARD SOCIAL MARKETING: **Financial Empowerment in the Workplace** benefited from the team's partnership with SUMA Orchard, an Austin based social marketing firm. SUMA was brought into the project by the HAL team, who helped negotiate a partnership between SUMA Orchard and the United Way. The result was three extensive focus groups with deliverable data for United Way Capital Area and the HAL team to use in their campaigns.

CLEANSCAPES and SERRANOS: The HAL team recruited these employers to participate in **Financial Empowerment in the Workplace**. With a **combined staff of over 1000 employees**, these companies allowed access to executive and service staff for focus groups, interviews, and bank products presentations. In addition, they are active partners in the execution of the long-term project product, **Financial Empowerment Guidebook for Employers**, covered later in this summary.



AMADOR PRODUCTIONS: This central Texas production company embraced the concept of **Financial Empowerment in the Workplace** and agreed to shoot, pro bono, four Public Service Announcements to air on Central Texas television. These PSAs are the cornerstone of the project's advocacy component.

MPOWER LABS: A global player in the financial services industry, its MANGO direct deposit pre-paid Mastercard has been introduced in such countries as the United States, Croatia, Vietnam, India, and Kosovo. MPOWER presented MANGO to employees of SERRANOS as part of the **Financial Empowerment in the Workplace** pilot program.

Project Details and Timeline

Evolution of the Focus Group...From Conception...

January – February 2010

The purpose of the focus groups was two-fold: to provide data for the development of **Financial Empowerment in the Workplace** and to provide research for the United Way Capital Area's implementation of the Employer Campaign of Bank on Central Texas. The main objectives were:

- Determine the barriers and enablers of utilizing the workplace to facilitate usage of banking institutions and increasing financially literacy.
- Determine what financial stability strategies, services and products employers would like to provide for their employees' financial well-being and allow them to attract and retain talent necessary for the success of their business.
- Assist in refining recruitment strategies.
- Determine the extent to which employers would pay for such services through the workplace.

This information would help both groups' goal to increase the financial stability of lower-income working families by linking proven financial stability strategies to the workplace.

The HAL Financial Team performed over **250 screenings** of Serranos and Cleanscapes employees. In addition, SUMA Orchard was provided a GAHCC member roster by the HAL team, who in turn screened employers of companies with over 50 employees. The qualified employers and employees were invited to three focus groups: one for employers and two for employees.

FACT: 206 of 206 employees screened at Serranos answered they would be interested in learning more about Financial Coaching in the work place.



Project Details and Timeline

Evolution of the Focus Group... *to Reality*

March 2010

The focus groups and surveys conducted by Hispanic Austin Leadership, United Way Capital Area, and Suma Orchard Social Marketing of employees and employers from medium to small business found that:

- **FINDING #1:** Employees trust banking and financial referrals from their employers and report they would willingly participate in and benefit from financial coaching at the workplace. They overwhelmingly expressed a desire for in-person training and support, but also an unwillingness to lose wages for coaching time.
- **FINDING #2:** Employers report a general lack of education about financial education and planning among their low-wage earners, including difficulties with understanding interest rates, pre-tax issues and ability to put aside money for savings. A majority said they would agree to offer one time onsite financial coaching to their employees, particularly if it could be done during a lunch hour.
- **FINDING #3:** Unbanked employees reported an interest in opening checking accounts to save on check-cashing fees at stores, but a reluctance to do so due to lack of knowledge about how banks work. Some participants, if they are undocumented workers, also report uneasiness with providing personal information to financial institutions for fear of governmental deportation.
- **FINDING #4:** Spanish-dominant employees need a native Spanish speaker to educate them about financial planning and banking services. They do not trust interpreters and find much of the American banking system confusing and intimidating.
- **FINDING #5:** Employees, according to their employers, describe needing the following financial education and planning support the most: how to make their money go further; how to manage their finances; help with taxes; education about how interest works and payments on credit cards.
- **FINDING #6:** Employers report a greater trust in United Way to provide financial education and coaching for their staff than U.S. banks. They would prefer to have a United Way representative provide onsite financial coaching than a commercial bank, and have many questions about the Employer Campaign they need answered before they would partner with United Way.
- **FINDING #7:** Spanish-dominant employees need financial education materials to be very simple, easy-to-read and understand, and provided in Spanish. Low-literacy levels are huge barriers to this population accessing mainstream U.S. banking. However, they express a great willingness to becoming educated and banked if they can be supported to do so, particularly by their employers.
- **FINDING #8:** Direct deposit was an option welcomed by both employers and employees, and one they think would contribute to better financial planning, money management, and establishment of savings accounts. Employees, particularly the men, described how easy it is to spend too much money if they are carrying a lot of pay-day cash; they also thought it would save check-cashing fees and the time they spend waiting in line at check-cashing venues.
- **FINDING #9:** Employers express an interest in participating with the Bank On initiative and need to have the following “costs of participation” identified for them by United Way: how much time and money will it take to administer the program?

Project Deliverables

Financial Empowerment... *Action for Impact*

March and April 2010

As a result of the findings from the research and the pilots, the HAL Financial Team created the outline for **Financial Empowerment Guide for Employers (FEGE)**.

The one page guide outlines three chronological steps for employers to take to drive financial literacy in the workplace. The guideline, as proposed to the United Way Bank on Central Texas campaign, is listed below:

STEP 1: Financial coaching at the workplace tailored to individual needs of clients. List various organizations sanctioned by the United Way Capital Area that provide on-site coaching and materials in native language of workforce. Recommended resources and partners:

- <http://www.foundcom.org/get-financially-stable/financial-coaching/>
- <http://www.flcct.org/programs.php>

STEP 2: Employee Advocates as guides to positive financial well-being. Employee advocates will be "in-house" promoters of the benefits of financial education, personal budgeting, direct deposit and other financial empowerment tips. Recommend that employee advocates would be incented to take coaching classes while "on the clock" in return for providing peers basic financial coaching in the workplace. Target sanctioned organizations by United Way to provide advocate coaching at business site.

STEP 3: Direct Deposit - Encourage simple steps for employers to implement and motivate employees to use direct deposit. Have each bank that participates in United Way Bank On Central Texas program offer easy to use instructions in multiple languages for both employers and employees. Recommended resources:

- http://www.texasworkforce.org/news/eft/electronic_fund_transfer_wages.html
- https://www.wellsfargo.com/biz/payments/direct_pay/

Format: HTML website and downloadable PDF

Suggested websites for promotion: United Way Capital Area, Local Chambers of Commerce, SBA sites, YouTube, FaceBook, and other Social Media sites.

Project Deliverables

Advocacy... A Call for Awareness

March and April 2010

Financial Empowerment in the Workplace was created to address the “banking crisis” in the community. The HAL Financial Team developed a Marketing plan with three key components to address public perceptions:

- **Component #1 Production of Public Service**

Announcements: Four Public Service Announcements were filmed for the project. Adam Gonzales, Executive Chef of Serranos, and Maurillo Nieto, one of his employees, discuss financial and banking obstacles in separate English and Spanish PSAs. The PSAs were filmed at end of March 2010, with estimated airtime on Central Texas television stations in April 2010.



- **Component #2 Report the Issue to the Public through**

Traditional Media: A press release on Financial Empowerment in the Workplace was sent to television and newspaper outlets in Austin. The HAL Financial Team and the Financial Empowerment campaign will be featured on **91.7 KOOP's** radio show “Reflections of Community Outreach” on 4/7/10.

- **Component #3 Report the Issue to the Public through Social**

Media: The Empowerment in the Workplace YouTube Channel was launched on 3/4/10. The Channel features original team videos, videos from other YouTube subscribers, and in April 2010 will feature all of the PSAs. The channel can be found at <http://www.youtube.com/user/HALFinanceTeam2010>.



Through the FEGE and Advocacy components, the HAL Financial Team will continue to educate the public on the benefits of Financial Empowerment in the Workplace.

Team Structure

Team Roles and Responsibilities

Task	Team Lead	Responsibilities
Project Management	Rolando Balli	<ul style="list-style-type: none"> • Management of weekly planning meeting • Weekly action assignments for project schedule • Maintenance of project funds
Research and Gap Analysis	All team members	<ul style="list-style-type: none"> • Meet with Executive Directors from non-profit organizations which focus on Financial Stability • Perform online research on Financial Stability issues • Perform gap analysis to identify project goals
Events staffing	All team members	<ul style="list-style-type: none"> • Staff screener meeting at Cleanscapes • Staff Focus Groups at Tammage Research • Staff pilot program with Serranos
Business Partner Liaison (United Way, MPower Labs)	Rolando Balli	<ul style="list-style-type: none"> • Project liaison with staff of United Way • Project liaison with MPower Labs
Focus Group Partnership (SUMA Orchard)	Rolando Balli Rudy Herrera	<ul style="list-style-type: none"> • Recruitment and Liaison with SUMA Orchard for Focus Group Services
Employer Liaison (Cleanscapes)	Rudy Herrera	<ul style="list-style-type: none"> • Recruitment and Liaison with Cleanscapes for team project • Coordination of Screeners, Focus Group, and Financial Empowerment Guide
Employer Liaison (Serranos)	Luz Lopez-Guerrero	<ul style="list-style-type: none"> • Recruitment and Liaison with Serranos for team project • Coordination of Screeners and Mango Pilot Program
Employee Focus Group Recruitment	Rudy Herrera Luz Lopez-Guerrero	<ul style="list-style-type: none"> • Recruitment of Employees and Employers for Focus Groups
Marketing & Advocacy	Alejandro Dominguez	<ul style="list-style-type: none"> • Create community awareness of banking issue • Market through traditional & social media • PSA development and filming
Binder Preparation	Alejandro Dominguez	<ul style="list-style-type: none"> • Preparation of Project Binder • Presenter of project at Graduation

Financial Summary

Before the team could financially empower the community, the team had to empower itself.

With this goal and a commitment to the **entrepreneurial spirit** of the **Greater Austin Hispanic Chamber of Commerce**, the team accomplished two financial goals:

- To not spend **any** of the \$500 funds provided by the Hispanic Austin Leadership Program.
- To generate funds through partnerships for Financial Empowerment in the Workplace.

The HAL Financial Team spent **ZERO** dollars from the HAL fund. More importantly, the team **secured \$13,300** in funds from SUMA Orchard, United Way Central Texas, and Goodwill. The funds covered costs of all components of the project, from the professionally managed focus groups to the initiation of the Financial Empowerment Guide for Employers.

In addition, the Public Service Announcements, the most vital part of the advocacy campaign, were filmed and produced **PRO BONO**.

*The HAL Financial Team strived to become an economically independent force in Central Texas... and **SUCCEEDED**.*



References and Acknowledgements

References

Our efforts to empower employees to become financially independent are largely due to the partnerships formed during the completion of the project. We are deeply appreciative of their time, support, and interest in helping develop a financial model that we hope becomes a legacy for years to come.

In alphabetical order by Organization:

United Way Capital Area

- Emily De Maria, Vice President Community Development
- Evan Phelps, Intern
- Jill Shaw, Director, Financial Stability



Suma Orchard Social Marketing

- Cathy Schechter, Principal
- Melanie R. Susswein, MSW
- Jennifer Van Gilder, M.A., Project Manager



Mpower Labs

- Rene Gonzalez, Senior Vice President of Finance
- Suzi Sosa, Chief of Staff

El Buen Samaritano

- Lil Almonte, Director of Outreach

HAL

- Brittany Brunson, HAL Program Manager
- Myndi Garrett, HAL Chair
- Armando Garza, HAL Mentor
- Gabriel Gomez, HAL Mentor
- Melissa Martinez, HAL Mentor

Community Action Network

- Vanessa Sarria, Executive Director

Cleanscapes

- **Ivan Giraldo, President**



Amador Productions

- Michael Amador
- Kevin Stillman

Serranos

- **Adam Gonzales, Executive Chef / VP of Operations**
- Augustin Martinez, Café Services Incorporated
- Maurillo Nieto

Foundation Communities

- Melanie Curiel, Outreach and Education Coordinator
- Erika Leos, Financial Coaching Coordinator

KOOP 91.7 FM

- Rachel Portnoy



EXECUTIVE CHEF - ADAM GONZALES

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