Building Capability, Empowering Students, and Achieving Success: The Financial Empowerment for Student Success Initiative

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Executive Summary

In 2011, Achieving the Dream, Inc., the leading national organization focused on student success and equity in community colleges, and MDC, a nonprofit with nearly 50 years of experience in developing economic and workforce development strategies for communities, institutions, and individuals, joined together, with funding from the Bank of America Charitable Foundation, to support community colleges in scaling programs aimed at increasing the financial capability of their students.

The Financial Empowerment for Student Success (FESS) initiative was a two-year initiative focused on increasing student success through the provision of financial services. Three community colleges – Los Angeles Harbor College, the Community College of Baltimore County, and the Houston Community College System – received funding and substantial technical assistance for their financial capability programs.

The colleges designed their programs to capitalize on the expertise of Bank of America (BOA) staff serving as volunteers. In addition, these three colleges joined with several other Achieving the Dream colleges in a learning network aimed at increasing knowledge about how to implement these programs.

Los Angeles Harbor College (LAHC), Wilmington, California: LAHC developed a program to provide financial literacy training and financial coaching to its students. The college focused on two particular student cohorts in its initial efforts: veterans and students who had previously been part of the foster care system.

Houston Community College System, Houston, Texas: The Houston Community College System, which has six colleges under its purview, added a financial literacy module to its student success class and created a series of financial literacy fairs to reach a wide range of students.

The Community College of Baltimore County (CCBC), Dundalk, Maryland: Of the three grantee colleges, CCBC had the longest-standing financial capability program, which included financial literacy as part of student success classes. Through the FESS initiative, CCBC added financial coaching to its program. Each of the three participating institutions received $65,000 to support their work over two years, and all used internal resources to supplement the BOA investment in the form of funding and in-kind supports, such as space for on-site financial literacy centers. MDC provided direct support in the form of technical assistance and coaching, which included: regular consultation with MDC staff, including site visits; peer-learning opportunities; participation in a larger learning network of 10 additional Achieving the Dream colleges engaged in financial empowerment activities; and access to intensive financial coaching training offered by Central New Mexico Community College. MDC also served as an advisor on the design and 2014 launch of the Working Families Success Network Community College expansion, which is funded by several national foundations.

Important Lessons Learned

Any institution looking to scale its financial empowerment programs can benefit from the three grantee colleges’ experience and lessons learned. These lessons have resonance whether a college is starting a program from scratch or building upon an existing structure to offer additional programmatic offerings to its students.

Financial capability training is effective

The most important lesson from the FESS initiative is that these types of programs can have a lasting impact on both the college and the students served. And other institutions are catching on quickly. The three grantee colleges are now part of a national initiative working to make financial capability an integral component of community colleges’ activities. The experience of the three community colleges involved in the FESS
initiative has brought important knowledge to a national effort to increase educational and employment success for individuals and families who struggle to earn family-sustaining wages.

Solutions must be specific to the college
Financial capability programs can be adapted to meet the particular needs and culture of a college. Ultimately, there is no-one-size-fits-all model that should be applied to every institution. A particular college's financial capability offerings are dependent on the circumstances of its environment, availability of funds, and, most importantly, the needs of its student body.

Staged development may make sense for implementing financial capability programs
The three grantee colleges began the initiative at different stages of development. The Community College of Baltimore County had embraced the notion of financial literacy for a few years prior to FESS, while the Houston Community College System and Los Angeles Harbor College were newer to the subject matter. Rather than using the initiative to try to implement a high-intensity program that reached all students from the beginning, the less experienced colleges embraced an approach whereby they added services in stages and, in some cases, tested products on campus.

Institutional buy-in is critical
The success of the three grantees was due, in large part, to vocal support from college administrators, including college presidents. However, even more important than words was commitment to sustainability. The FESS grant was a modest investment in the college. Recognizing the impact of these services, all three institutions have continued their programs beyond the grant period by seeking additional funding or by allocating resources to the programs. These efforts may play a role in improving student persistence, which can lead to more students benefitting from the services.

Higher intensity services require more resources
As colleges develop financial capability programs, they should be realistic about the intended reach depending on the strategies pursued. Higher intensity services are more hands-on, and colleges need to be aware of both their costs (time, resources, and staffing) and ultimate benefits to students.

Collecting data is difficult but critical
Evaluation is pivotal to measuring the effectiveness of financial empowerment strategies. It is often difficult to identify which data best represent the impact of such initiatives. The grantee colleges assessed their program’s impact by collecting data on how many students they reached with each initiative and whether students reported an increase in financial ability and confidence, which helped inform the colleges’ decisions about modifications to interventions.

Additionally, the way these data are collected can impact their quality and value. As the FESS initiative evolved, the colleges identified ways to improve data collection and analysis to determine the effectiveness of financial capability strategies. The ways in which these more qualitative measures are collected and integrated with existing data systems will be paramount as the programs grow in future years.

Community partnerships increase program impact
Colleges can extend the breadth and depth of available student support services by leveraging external partnerships. These partnerships range from very informal connections to formal arrangements with memoranda of agreement, depending upon the size and scope of colleges’ financial capability activities and student needs. Most essential is for partners and colleges to develop an understanding of each other’s capacity during the project’s planning phases, which should build on existing strengths of each organization. At the beginning of the project, partners should develop a list of what services and technical assistance each organization can provide to each other and the students.
Achieving the Dream, Inc., is a national nonprofit that is dedicated to helping more community college students, particularly low-income students and students of color, stay in school and earn a college certificate or degree. Evidence-based, student-centered, and built on the values of equity and excellence, Achieving the Dream is closing achievement gaps and accelerating student success nationwide by: 1) guiding evidence-based institutional improvement, 2) leading policy change, 3) generating knowledge, and 4) engaging the public. Conceived as an initiative in 2004 by Lumina Foundation and seven founding partner organizations, today, Achieving the Dream is leading the most comprehensive non-governmental reform network for student success in higher education history. With over 200 institutions, more than 100 coaches and advisors, and 15 state policy teams – working throughout 34 states and the District of Columbia – the Achieving the Dream National Reform Network helps nearly 4 million community college students have a better chance of realizing greater economic opportunity and achieving their dreams.

MDC is a nonprofit with an extensive history working to improve the effectiveness of community colleges around the nation. For nearly 50 years, MDC has managed programs that connect education, employment, and economic security to help people “learn, earn, and save” their way to a place in the middle class. MDC’s strategies, aimed at removing the barriers that separate people from opportunity, include: using data to define gaps and mobilize leaders to create a will for change; demonstrating sustainable solutions and developing them into effective models; and then incubating them so they can be replicated at scale for maximum impact. For more information on MDC programs focused on the implementation of financial education and support services at community colleges, please visit www.mdcinc.org.