



Promoting Financial Empowerment
Through Building Native Communities

Financial Skills for Families



info@oweesta.org



Acknowledgments

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We believe in widely sharing best practices, key findings, and successful or promising models with practitioners in Indian Country, government entities (federal, state, local, and tribal), mainstream philanthropy, and the public at large. For more information, or to order additional copies of this report, please email info@oweesta.org.

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Financial Skills for Families





Contents

Acknowledgements	2
Table of Contents	4
Executive Summary	5
Introduction	5
Methods	8
Information about Survey Respondents	8
Key Findings and Observations	9
Recommendations	20
Conclusions	22
Appendix	23



Executive Summary

It is not uncommon for financial capability practitioners in Indian Country to be stopped in the grocery store by our students and told how the class they attended changed their lives—that they now have *an emergency fund*. This has inspired us and prompted meaningful dialogue around what conditions improve long-term outcomes, and how to conduct follow-up that supports financial behavioral change.

This report is intended to launch the long-standing and much-loved *Building Native Communities: Financial Skills for Families* (BNC) curriculum into all areas of this national dialogue. This report will argue that the BNC financial education program not only works, but that it has been critical in promoting long-term behavioral change. This report will also argue that financial education curricula, uniquely adapted to the culture and needs of the intended audience, such as the BNC curriculum,

is the cornerstone of effective financial education. Lastly, it will make recommendations, such as how to maximize the impact of financial education by using it as the foundation on which to build other financial capability programming.

FINANCIAL CAPABILITY is the combination of attitudes, knowledge, skills, and self-efficacy needed to make money management decisions that best fit the circumstances of your life, within an enabling environment that includes access to appropriate financial services.

Put more succinctly: **FINANCIAL CAPABILITY IS NOT JUST WHAT YOU KNOW, BUT WHETHER YOU HAVE THE WILLINGNESS, CONFIDENCE, AND OPPORTUNITY TO ACT.**

Source: Center for Financial Inclusion.

Introduction

In the past 40 years since the passage of the *Indian Self-Determination and Education Assistance Act* in 1975, Native nations have adopted a variety of economic development strategies to address years of underdevelopment. Increasingly, leaders across diverse Native nations have focused on strategies to increase financial education and financial access for community members, with the goal of increasing financial empowerment. Unfortunately, on most major measures of financial capability and financial well-being, American Indians and Alaska Natives score lower than most other Americans.¹ A range of challenges, including underdeveloped economies and intergenerational poverty, mean many Native Americans have less experience with managing finances and financial products.²

A 2017 report revealed that on the four main components of financial capability (1. *Making Ends Meet*, 2. *Planning Ahead*, 3. *Managing Financial Products*, and 4. *Financial Knowledge and Decision Making*), American Indians and Alaska Natives scored lower than most other Americans.

On average, American Indians and Alaska Natives were more likely to find it difficult to cover their expenses each month and less likely to save for future expenses. In addition, they were also less likely to use formal financial products, such as a bank account or savings account, and they scored lower on knowledge of financial concepts.

For the past 18 years, Oweesta and First Nations Development Institute have worked together

FOUR MAIN COMPONENTS OF FINANCIAL CAPABILITY

1. Making Ends Meet
2. Planning Ahead
3. Managing Financial Products
4. Financial Knowledge and Decision Making

Source: FINRA Investor Education Foundation. (2016). *Financial Capability in the United States 2016*. Washington, DC: FINRA Investor Education Foundation.

1 Dewees, S. & Mottola, G. (2017). *Race and Financial Capability in America: Understanding the Native American Experience*. Washington, D.C.: FINRA Investor Education Foundation.

2 Dewees, S. (2015). *Building Assets and Building Lives: Financial Capability in Native Communities*. Longmont, CO: First Nations Development Institute.

Financial Skills for Families

to address this issue by providing innovative financial education programs to diverse Native communities in Indian Country. The foundation for this work is the *Building Native Communities: Financial Skills for Families* (BNC) curriculum, now in its fifth edition. Responding to a need for a culturally relevant financial education curriculum in Indian Country, Oweesta and First Nations Development Institute created a student workbook, a teacher development program, and an instructor guide to help teach

financial education in an accessible, effective, and culturally responsive way.³ The current curriculum builds on the first edition, which was published in 2001.

The BNC curriculum is now the most commonly used financial education curriculum in Indian Country.⁴ The curriculum is free to the public and designed to empower Native individuals to take control of their financial lives, while building upon and reinforcing traditional values and knowledge.

The BNC curriculum is broken into six major sections, all with content that is uniquely focused on Native communities:

1. Building a Healthy Economy;
2. Developing a Spending Plan;
3. Working with Checking and Savings Accounts;
4. Understanding Credit and Your Credit Report;
5. Using Credit; and
6. Being a Smart Consumer.

DATA COLLECTION PARTNERS

1. Leech Lake Financial Services
2. Omaha Nation Community Response Team
3. Warm Springs Community Action Team
4. Smith River Rancheria
5. Tlingit Haida Regional Housing Authority
6. Bristol Bay Native Association
7. Northwest Indian Opportunity Industrialization Center
8. Native 360 Loan Fund (formerly First Ponca Financial)
9. Seneca Nation of Indians

Since 2001, over 35,000 individuals have been taught to manage their finances with confidence using the BNC curriculum. Oweesta offers an intensive three-day train-the-trainer workshop, and today there are nearly 2,000 instructors nationwide who have been certified to teach the BNC curriculum. Participants in the workshop must pass a knowledge-based certification exam before receiving accreditation. Once an instructor has been certified, he or she receives access to a range of teaching tools and can order workbooks and teach the curriculum in his or her tribal home community.

In partnership with KeyBank Foundation, Oweesta was able to work with nine partner sites to collect survey information from BNC students, both before and after they had completed the BNC course over the course of five years. This report provides a detailed overview of the findings from this evaluation research. Despite the long history of the curriculum, both the scale and long-term nature of this evaluation make it the first of its kind using the BNC program. Our evaluation suggests that participants in the BNC curriculum see statistically significant changes in their financial confidence and knowledge. They also change their behavior in a way that supports financial empowerment and financial well-being.

3 This work was guided by an Advisory Committee of Native financial education professionals.

4 Langholz, Krystal. First Nations Oweesta Corporation. *Snapshot 2014: Financial Education and Asset Building Programs Serving Native Communities*.

Partner

PARTNER SPOTLIGHT: LEECH LAKE FINANCIAL SERVICES

Leech Lake Financial Services, Inc. (LLFS) is a Native Community Development Financial Institution (CDFI) based in Cass Lake, Minnesota. LLFS serves the Leech Lake Band of Ojibwe tribal members and other Native Americans in Minnesota, with a focus on the Leech Lake Reservation. LLFS responds to economic distress and creates a viable economy on the Leech Lake Reservation and surrounding area by offering consumer and small business loans. To complement these financial products, LLFS offers business technical assistance, business training, and through the KeyBank initiative, financial education in the form of BNC classes. Robert Aitken, a Leech Lake Band of Ojibwe citizen and LLFS's Executive Director, had the following to say about using the *Building Native Communities: Financial Skills for Families* curriculum and partnering with us on this project:

“Leech Lake Financial Services, because of its participation in the KeyBank initiative, benefits its reservation community members with higher credit scores, greater access to capital, and basic financial education. The quality of life is getting better and better here at Leech Lake. We know this from our impact tracking. In sum, our participation in this program results in our clientele's increased standard of living and reduced dependence on government.”





Methods

To test the effectiveness of financial education programs, we partnered with nine Native organizations, mostly Native Community Development Financial Institutions (CDFIs), to collect data from their financial education clients. A CDFI is a specialized financial institution that directs its financing products, development services, or financial services to low-income people who are underserved by traditional financial institutions. Many Native CDFIs use the *Building Native Communities: Financial Skills for Families* curriculum to grow the financial skills of their clients and community members.

The nine partner sites asked participants to complete surveys before they took the *Building Native Communities* course (“pre-surveys”) and after the course was over (“post-surveys”). They then sent these surveys to Oweesta, and we

called or emailed clients to track their financial behaviors at four to six weeks, six months, and 12 months after completion of the financial education program. Working together with partner sites, we were able to collect responses from 425 people with both pre- and post-survey data, which we utilized for this analysis. For the extended survey intervals of four to six weeks, six months, and 12 months, each interval had 30 to 40 cases. Collecting responses after the course proved difficult, especially after we accounted for incomplete responses and duplicate entries. The questions on the survey covered the four major themes identified by the Financial Industry Regulatory Authority (FINRA) Investor Education Foundation⁵ that comprise a measure of “financial capability.” For a more detailed discussion of our methods, please see Appendix A.

Information about Survey Respondents

Nearly two-thirds of our 425 tracked respondents were women. There was good representation from all age groups, with a slight skew to those aged mid-20s to mid-40s. Students came from a variety of different household sizes, with families having over 6 members in the household making up 28% of the sample. The majority of participants were employed either full-time (48%) or part-time (12%). While the BNC students came from a variety of different economic backgrounds, over

half the students earned less than \$20,000 a year, and only 19% had a salary over \$40,000. To learn more about survey respondent demographics, please see Appendix B. Overall, the variation across the different demographic indicators illustrates the diversity of BNC course participants, and the ability of the curriculum to be used by individuals with a variety of different backgrounds and socioeconomic experiences.

5 FINRA Investor Education Foundation. (2016). *Financial Capability in the United States 2016*. Washington, DC: FINRA Investor Education Foundation.

Key Observations and Findings

UNIQUELY ADAPTED TO NATIVE AMERICA

Despite numerous revisions over its almost 20-year history, the BNC curriculum remains deeply committed to a culturally relevant approach to financial education. The content is culturally relevant in many ways, such as: (1) using relevant examples and imagery, (2) focusing on the financial capability concerns most relevant to Native communities, (3) using empowering examples that draw on Native American history and culture, and (4) understanding wealth and personal finance from a community-focused perspective that resonates with Native American cultural values.

Creating culturally relevant and community-embedded curriculum is an innovative and promising practice for successful financial capability programming.⁶ Cultural relevancy in a curriculum can serve as a cognitive gateway to learning, while also helping to cement new knowledge into a culturally orientated mental map.⁷

One teacher shared her thoughts on the cultural relevancy of the BNC curriculum:

“When I attended a ‘teach the teacher’ workshop ... I saw how it [this curriculum] could help me to bridge the cultural gap I had already seen my Native American students struggle with due to the differences between their traditional culture and European-based modern American society. Each session ... is introduced by a culturally relevant vignette: either a recounting of the ancestral economy and how it compares to our modern market economy, or a dramatization depicting how fictionalized characters deal with the problems that we all face living in this market economy.... I have enjoyed using these to introduce lessons by showing how our current economy is not that different from the traditional economy and how everyone is equally able to participate, regardless of ancestry. I have had great success using these to develop students’ self-esteem and motivation.”

Oweesta also teaches instructors how to further adapt the curriculum to their community needs, empowering local community members to utilize a community-embedded approach. In a post-class survey, one participant noted:

“I feel that [the presenter] conducted the class in such a way that she kept my interest. She could relate to the struggles that we sometimes face.”

Culturally relevant curriculum, along with a knowledgeable teacher from within the community, can make all the difference for the student.

“The BNC curriculum takes the potentially drab subject of financial education and marries it to our traditions and culture. The result is that our clients are engaged and have fun, while they see how modern financial skills can be gleaned from how our ancestors flourished hundreds of years ago.”

—Leech Lake Financial Services

6 Santos, J., Vo, A. & Lovejoy, M. (2017). *Foundations for the Future: Empowerment Economics in the Native Hawaiian Context*. Waltham, MA: Brandies University. See also Danes, S., Garbow, J. & Hagen Jokela, B. (2016).

7 “Financial Management and Culture: The American Indian Case.” *Journal of Financial Counseling and Planning*. Vol 27(1), pp. 61-70.

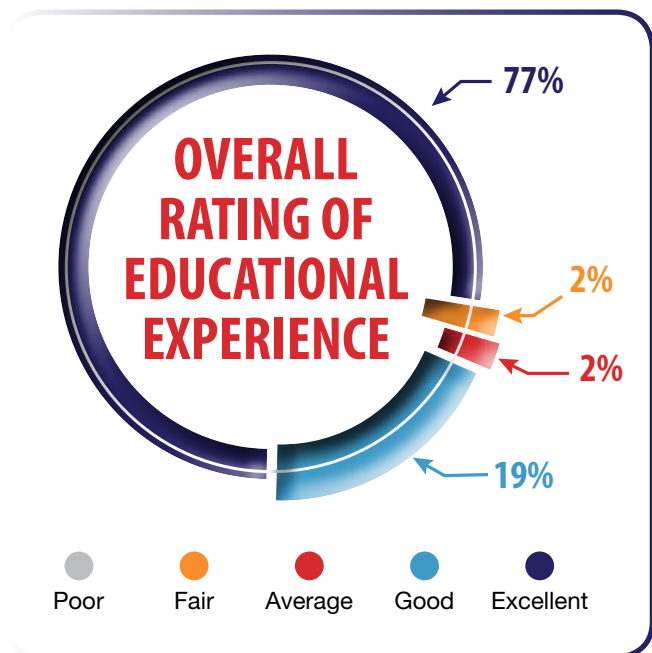
FINANCIAL EDUCATION THAT WORKS: BUILDING FINANCIAL CAPABILITY

Participants love the BNC class. Given that financial education was mandatory to receive benefits or to be loan eligible at many of our sites, this enthusiasm is notable. When all the students who participated in the BNC course across the nine sites were asked to rate their educational experience, **a remarkable 96% said that it was “good” or “excellent.”** In fact, 77% of students rated their educational experience as “excellent,” and no one—out of 425 people—selected “poor.” There can be no doubt then that, in general, participants enjoyed the BNC class and felt positively about their educational experience.

Making Ends Meet

Participants experienced statistically significant changes in their confidence in managing their money and on the first measure of financial capability (as defined by the FINRA Investor Education Foundation): *Making Ends Meet*. This financial capability marker looks at an individual’s ability to manage their money to adequately pay for expenses.⁸ Our survey included questions that measured how good participants were at *Making Ends Meet*, using topics such as tracking spending each month, saving money regularly, paying bills on time, and using a spending plan (or budget),

BNC students were also much more likely to develop a spending plan after taking the class, as there was more than a 40% increase in the use of this tool. This likely had a positive impact on the other indicators in this category. The percentage of BNC students who were “likely” or “very likely” to know how much they spent each month went from **51%** before taking the class to **87%** afterwards. Before taking the class, only **36%** reported that they “always” or “usually” try to “save money as a routine or habit,” but after the class, **76%** reported that they would. Similarly, BNC participants were significantly more likely to say they pay their bills on time after taking the class.

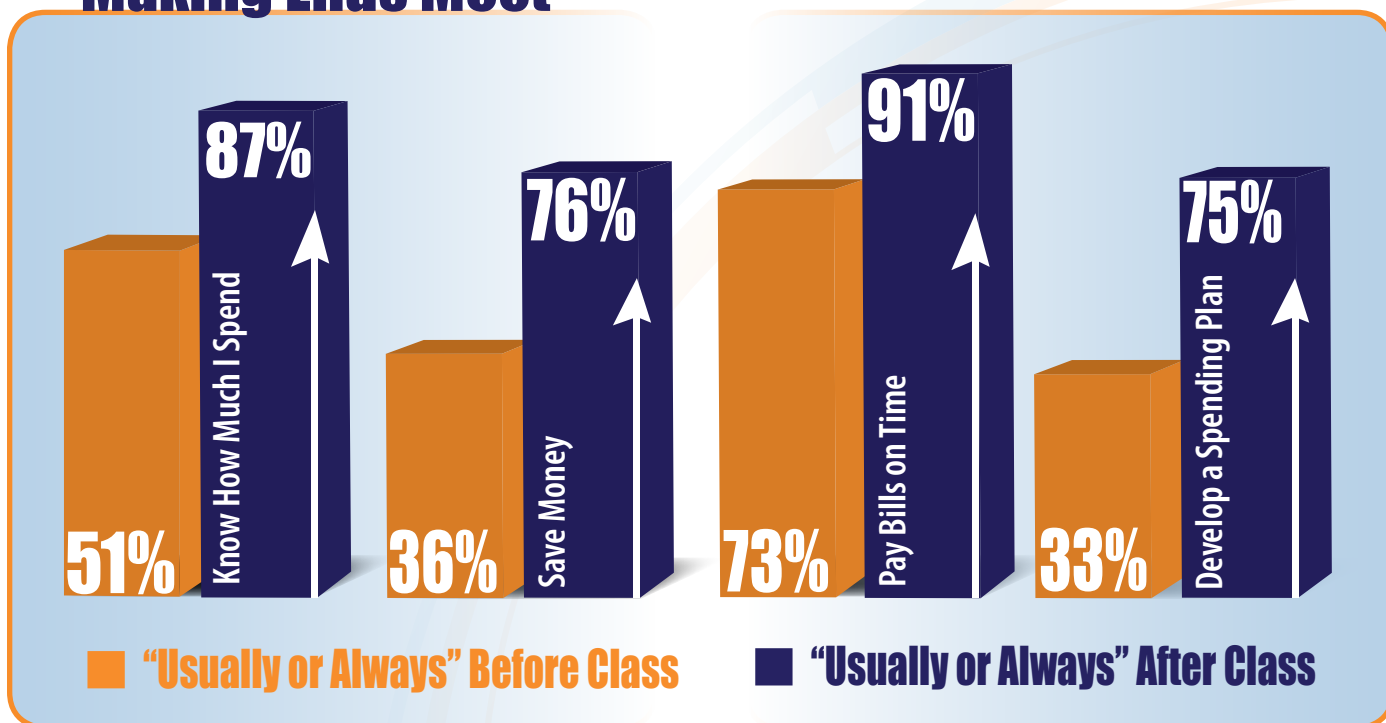


MAKING ENDS MEET

1. I know how much I spend each month.
2. I save money as a routine or habit.
3. I pay my bills on time.
4. I use a spending plan.

8 FINRA Investor Education Foundation. (2016). *Financial Capability in the United States 2016*. Washington, DC: FINRA Investor Education Foundation.

Making Ends Meet



Planning Ahead

Participants feel more confident *Planning Ahead*, another integral measure of financial capability, after taking a BNC class. This marker of financial capability includes making good financial decisions and taking actions to save for both predictable and unpredictable expenses.⁹ All four questions that assessed financial capability around *Planning Ahead* demonstrated a statistically significant improvement in average response from before the class to after it.

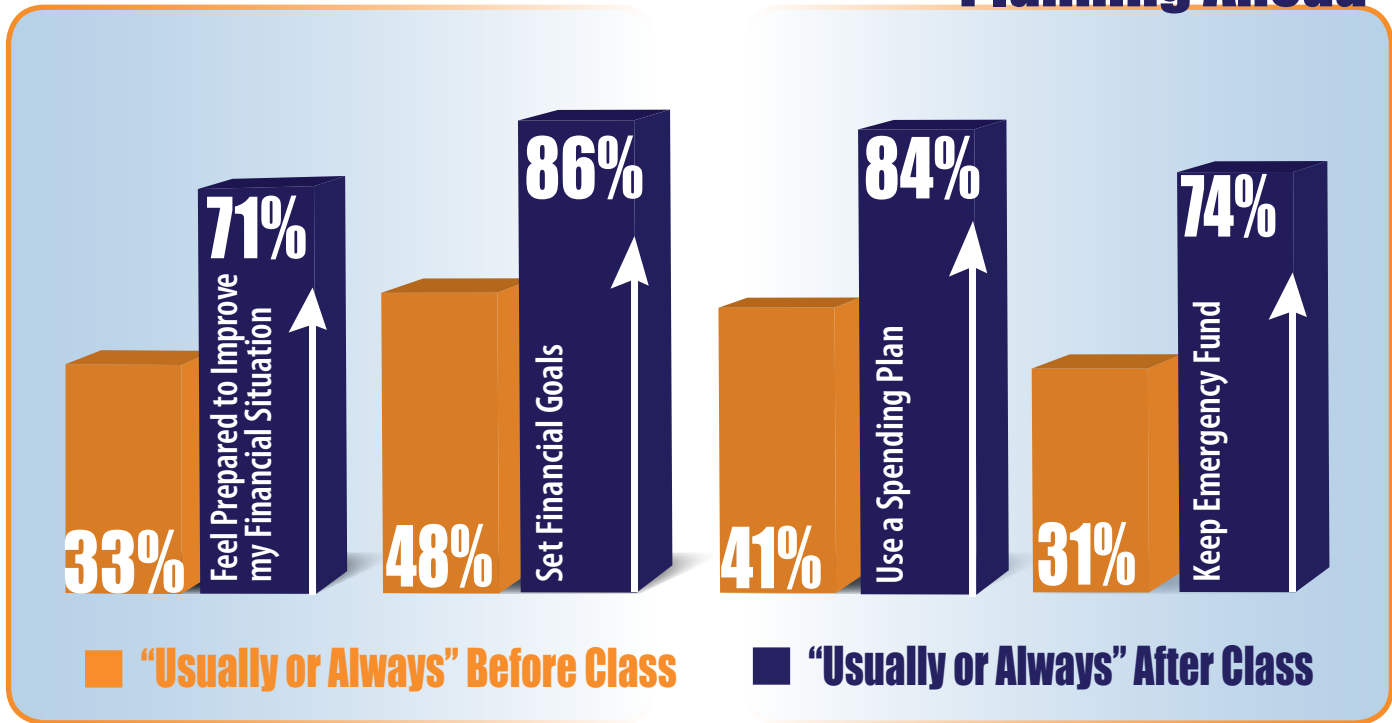
Capturing the sense of empowerment individuals feel when taking a BNC class, the indicator, “I feel prepared to improve my financial situation in the near future,” serves as a reliable measure for one’s overall confidence in exerting control over one’s financial future. **BNC students showed a significant increase in this sense of empowerment, jumping from 33% to 71% of students feeling prepared or very prepared to improve their financial future.** In all other markers of *Planning Ahead*, BNC participants showed substantial gains in financial capability, including setting financial goals, developing a spending plan, and keeping an emergency fund.

PLANNING AHEAD

1. I feel prepared to improve my financial situation in the near future.
2. I set financial goals.
3. I use a spending plan.
4. I keep an emergency fund that is not used for daily expenses.

9 FINRA Investor Education Foundation. (2016). *Financial Capability in the United States 2016*. Washington, DC: FINRA Investor Education Foundation.

Planning Ahead



Managing Financial Products

After taking a BNC class, students were more confident in their ability to manage the large range of financial products that are marketed and available to use as tools for saving, investing, cashing checks, opening a line of credit, and making payments. This particular aspect of financial capability, *Managing Financial Products*, was measured by 13 questions¹⁰ on our pre- and post-surveys (see text box for a truncated list; see Appendix C for a full list). Each question revealed a statistically significant improvement in average response from pre- to post-survey, demonstrating growth in (1) credit report awareness and action, (2) loan smarts, (3) avoiding predatory lenders, and (4) increased wariness of scams.

MANAGING FINANCIAL PRODUCTS (TRUNCATED LIST)

1. I review my credit report annually.
2. I compare interest rates and fees before taking out a loan.
3. I calculate the credit I can afford.
4. I consider whether a lender is predatory before working with them.
5. I avoid lenders and services that charge high fees for check cashing, loans, etc.
6. I use a checking and savings account to manage money and pay bills.
7. I know actions to keep personal information safe. daily expenses.

Participants left the class much more likely to review their credit reports annually and correct any errors they found. Participants also felt more prepared to assess loan terms to make sure they are getting a fair deal and demonstrated greater interest in being smart consumers when applying for a loan. BNC students reported a greater ability to steer clear of predatory lenders after taking the class, further demonstrating their capacity to better manage financial products. Similarly, participants were more capable of taking action to avoid lenders and services that charge high fees, and to use safer financial products.

¹⁰ At the start of this project, surveys were developed to measure the change in areas of financial behavior that correspond to teachings in the BNC curriculum. It is simply by happenstance that much of the content in the curriculum falls into the *Managing Financial Products* category of FINRA's financial capability definition.

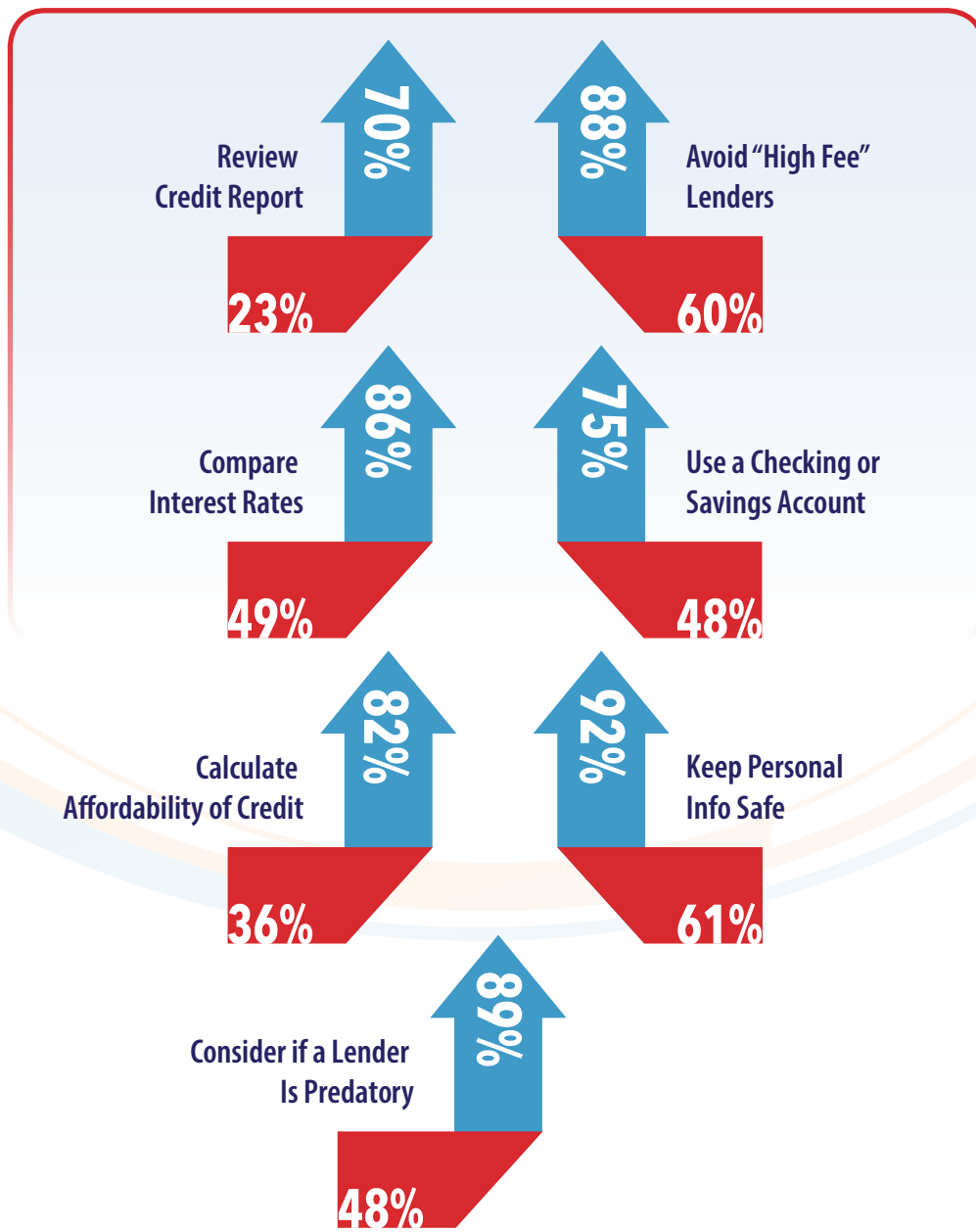
Financial Skills for Families



Financial Skills for Families

Because Native individuals are the least likely to have a checking or savings account of any population in the United States¹¹, the growth in comfort with using these accounts is of particular note. **Only 48% of BNC students said they “always” or “usually” use a checking and savings account to manage money and pay bills. But, after taking the class, this number jumped to 75%.** Lastly, in an age when financial scams, hacking, and stealing financial information is a growing problem, consumers need to take care to protect their personal information. BNC participants greatly improved their understanding of how to keep their personal information safe due to the class. Overall, after taking a BNC class, students were much more confident about managing financial products, and indicated they were planning to change their behavior to better manage their money.

Managing Financial Products



■ “Usually or Always” Before Class

■ “Usually or Always” After Class

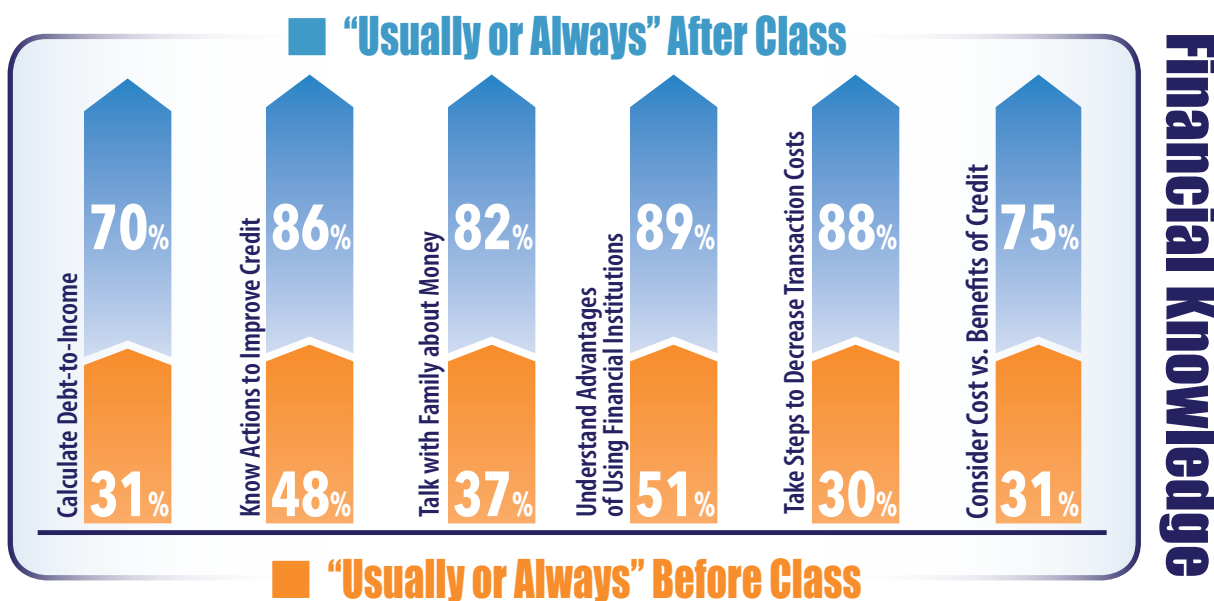
11 FINRA Investor Education Foundation. (2016). *Financial Capability in the United States 2016*. Washington, DC: FINRA Investor Education Foundation.

Financial Knowledge and Decision Making

BNC participants improved their financial knowledge and decision making—another important measure of financial capability. The concept of *Financial Knowledge and Decision Making* captures an individual’s aptitude regarding a variety of financial information, as well as their ability to transmit that knowledge into practice with sound decision making. In our survey, the six questions we used to measure *Financial Knowledge and Decision Making* (see text box) all indicated statistically significant improvements in average response from pre- to post-survey.

concepts. For example, students were much more likely to calculate their debt-to-income ratio before applying for credit and know what actions to take to improve their credit score. Participants also began showing signs that they were primed to put financial knowledge into practice. Students showed a marked increase in their likelihood to speak with their family about money and to understand the advantages of using a financial institution. They also reported that they were much more likely to take steps to decrease the cost of financial transactions and consider cost versus benefits before using credit.

BNC students showed considerable improvement in their understanding of financial



Financial Knowledge

FINANCIAL KNOWLEDGE AND DECISION MAKING

1. I calculate debt-to-income ratio before applying for credit.
2. I know actions to take to improve my credit score.
3. I am likely to talk to family about money choices.
4. I understand the advantages of using a financial institution to manage money (e.g., savings account, check cashing, bill payment).
5. I take steps to decrease the cost of financial transactions.
6. I consider costs versus benefits before using credit.

FINANCIAL CAPABILITY IMPROVEMENTS

The assessment results of our 425 students across our nine partner sites demonstrate that the BNC financial education curriculum improves financial capability in all four major areas: (1) *Making Ends Meet*, (2) *Planning Ahead*, (3) *Managing Financial Products*, and (4) *Financial Knowledge and Decision Making*. The data provides strong evidence that the BNC curriculum has helped participants increase their knowledge about financial topics, improve their confidence for making financial decisions, and be more prepared to take important actions to improve their financial security. In addition, students increased their financial knowledge overall. Finally, participants also indicated that they would use their new knowledge to make better financial choices and manage their money more effectively in the future.

The BNC curriculum provides participants with a strong foundation of financial skills and a high level of confidence to improve their financial future. BNC participants are thus better poised for financial success, as exemplified by home ownership, entrepreneurship, and financial self-sufficiency, after taking the class.

PLANTING THE SEEDS OF LONG-TERM BEHAVIORAL CHANGES

Participants who completed a *Building Native Communities: Financial Skills for Families* class clearly demonstrated immediate improvements in financial knowledge, attitudes, and behavior. In addition to short-term changes, it is important to understand the long-term impacts of the curriculum and whether the reported modifications in knowledge, attitudes, and behavior continued in the year after the class. Thus, Oweesta sent surveys to BNC students four to six weeks, six months, and 12 months after the class was completed. While poor response rates limited the statistical significance of this data (to learn more about our recommendations for longitudinal research projects that involve surveying in Native communities, please see Appendix D), Oweesta has included an abbreviated discussion of the results.

In the analysis below, we present data for the 12-month interval. Because each 12-month survey was matched to previous post-surveys with a confidential ID code, we were able to compare change immediately after the class to 12 months later **in the same participant**, rather than just comparing changes in averages.

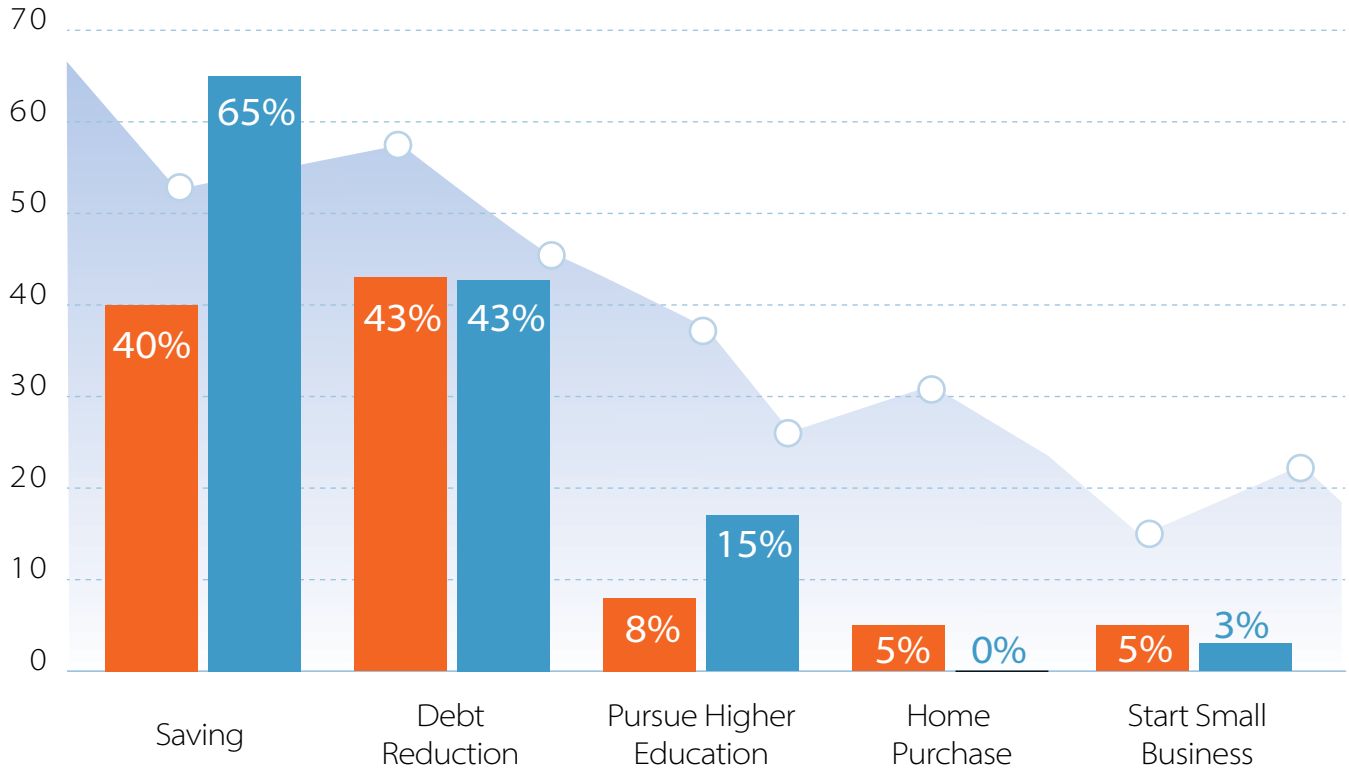
Participants' Growing Assets

BNC participants reported having grown assets 12 months after they had taken the BNC class, as measured by increased savings, reduced debt, or investment in an appreciating asset (such as a home, a higher education, or a business). Twelve months after the class, **65% were saving money, compared to 40%** immediately after completion of the class. Drawing conclusions from this is



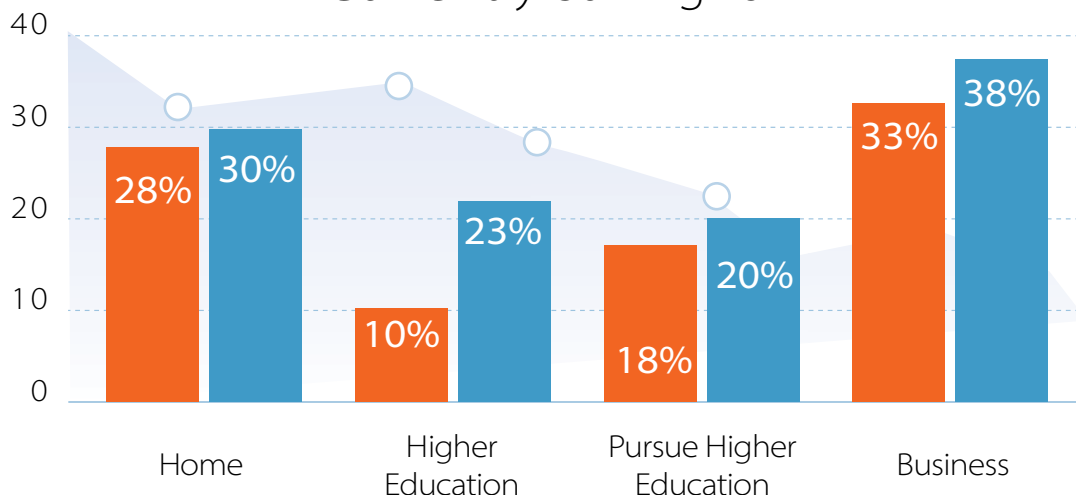
difficult: many respondents likely take a financial education class with a Native CDFI as a prerequisite to applying for a loan, while others do it to reduce debt or learn about credit. Understandably, some of the asset growth categories remained low, since they are substantial investments.

Over The Last Three Months I Have Grown Assets By



The chart below provides data on the items participants are saving for. This reveals that many are making strides to contribute to these long-term savings goals. The rate of saving for all assets—a home, higher education, starting a business, and retirement—increased from the time of the BNC course to 12 months following the class. Saving for a house and retirement was the most common activity. The largest change in savings activity occurred in the higher education category, with an increase from 10% to 23%.

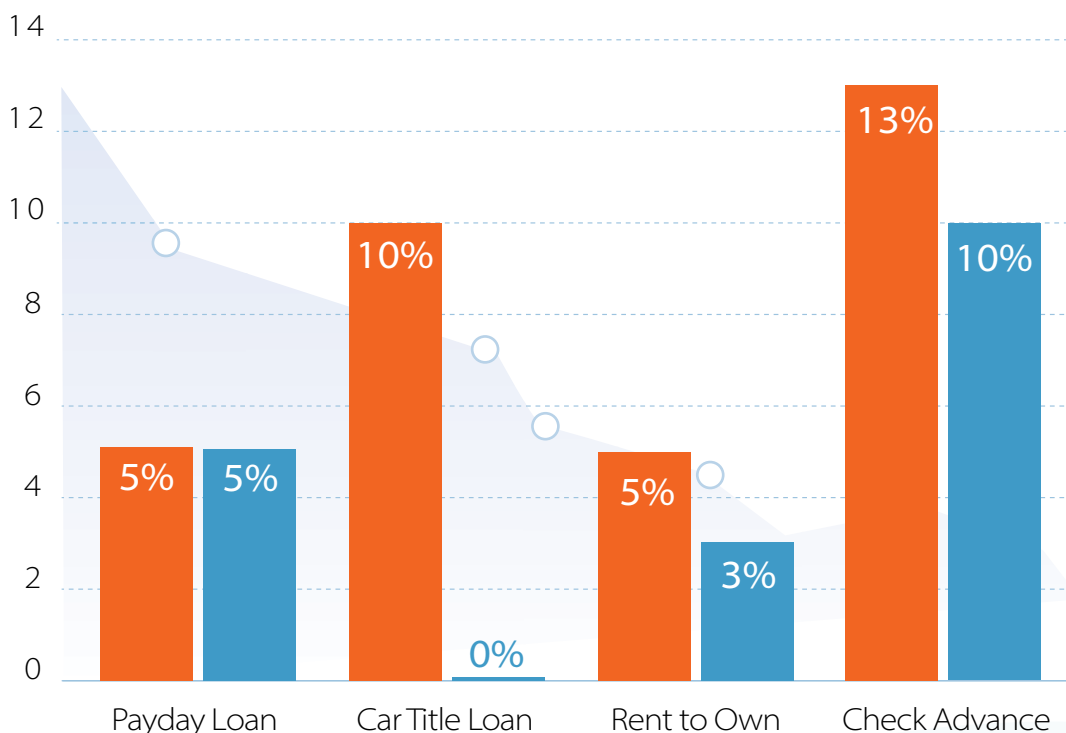
Currently Saving for



Decreased Use of Predatory Products

An important aspect of developing financial capability is steering away from risky financial products and loans with high interest rates and fees. The 12-month survey asked participants if they had used any high-cost financial products over the last three months. Use of loans and other services such as car title loans, rent-to-own stores, and check advances all decreased for the groups 12 months after taking the class. Payday loan usage remained low (i.e., at the same rate of usage) over time. Overall, however, participants demonstrated a lower propensity to use predatory loans and products after taking the BNC class.

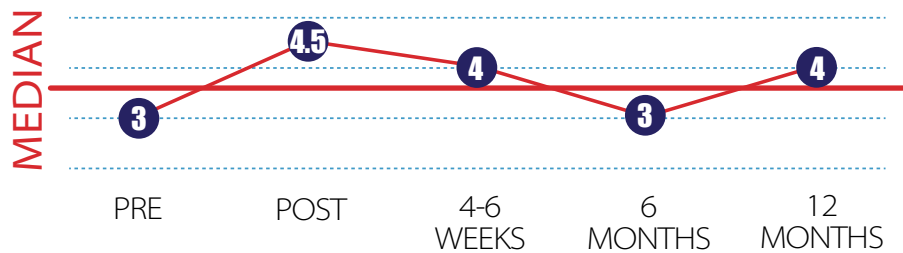
Use of Predatory Products



We're All Human

On the questions associated with the five-point scale (pre, post, 4-6 weeks, 6 months, 12 months), an obvious trend emerged among the results over time. One five-point question (see Chart: Use of a Spending Plan) highlights this trend by demonstrating that median scores improve from the pre-survey response of 3 ("sometimes") to a peak of 4.5 (in between "usually" and "always") at post-survey, then level out at 4 ("usually") over time. This trend appeared on almost all questions that used the five-point scale, illustrating a recurring theme that we see throughout the study. Specifically, right after completing the curriculum, participants' confidence surges. However, over time, interest and resolve appears to wane, although BNC participants still demonstrate an improvement in knowledge, attitudes, and behavior following the curriculum.

Use of a Spending Plan



FINANCIAL EDUCATION SUPPORTS FINANCIAL EMPOWERMENT

The *Building Native Communities: Financial Skills for Families* curriculum is effective in increasing financial capability. Graduates of the BNC class have statistically significant changes in their financial confidence and knowledge, supporting their financial empowerment and well-being. Financial education, thus, can be an effective tool for helping students take control of their financial lives. First, it builds confidence that forms a strong foundation for behavior change to take place. Comparing responses from before to after the class, our data shows that participants feel more confident to make ends meet, plan ahead, manage financial products, and make financial decisions. Individuals build upon the financial foundation developed during the BNC course to implement change in their lives. Participants also appear to save more frequently, reduce their debt, participate in higher education, and reduce their usage of predatory loan products after the BNC class. Taken as a whole, students who graduate from a BNC class have a strong foundation on which to build a stable, secure, and independent financial life, which will help launch them toward goals such as home ownership and financial self-sufficiency.



Recommendations

1. INVEST IN CULTURALLY RELEVANT FINANCIAL EDUCATION CURRICULA

The BNC curriculum is so effective partially because it is uniquely adapted to the financial capability challenges prevalent in Native communities. It relies on culturally relevant methods to communicate with its participants, using applicable examples and images with values that connect to the audience. These deeply embedded cultural values are the reason the BNC has been used for almost 20 years and students still connect with the curriculum. Financial education programs that struggle to connect with their participants should reevaluate the cultural relevance of the curriculum, as well as whether the method of delivery resonates with the audience. Quality culturally relevant financial education such as the BNC program acts as a crucial first step for individuals to grow their assets, improve their financial lives, and integrate into the mainstream economy and financial system.

2. EVALUATE PROGRAM QUALITY AND IMPACT

While carrying out this evaluation initiative, it became obvious how very difficult impact tracking can be for CDFIs and non-profits. This is especially true for Native CDFIs and Native non-profits, where resources that enable data and impact tracking are sparse. In Oweesta's *Snapshot 2014: Financial Education and Asset-Building Programs Serving Native Communities*,¹² a recommendation was made to encourage program evaluation and outcome data tracking. While much progress has been made in that area over the years, we are making that recommendation again, now.

With effective data tracking systems, Native organizations can promote the development of new financial education and asset-building programs in Native communities and provide justification for the programs already in existence. For example, one of our partner sites was able to use their site-specific data to encourage their tribal council to further invest in their financial education programs. Also, with outcome tracking, program assessment is easier, and it is possible to make evidence-based changes to a program when needed. For instance, one of our groups discovered the need for offering a more advanced financial education class from recurring program evaluations and is now offering the *Building Native Communities: Investing for the Future* curriculum as well. To better support this work, funders can provide extra resources for organizations wishing to invest in program evaluation, so that they have the ability to report the direct community and social impacts of their programs.

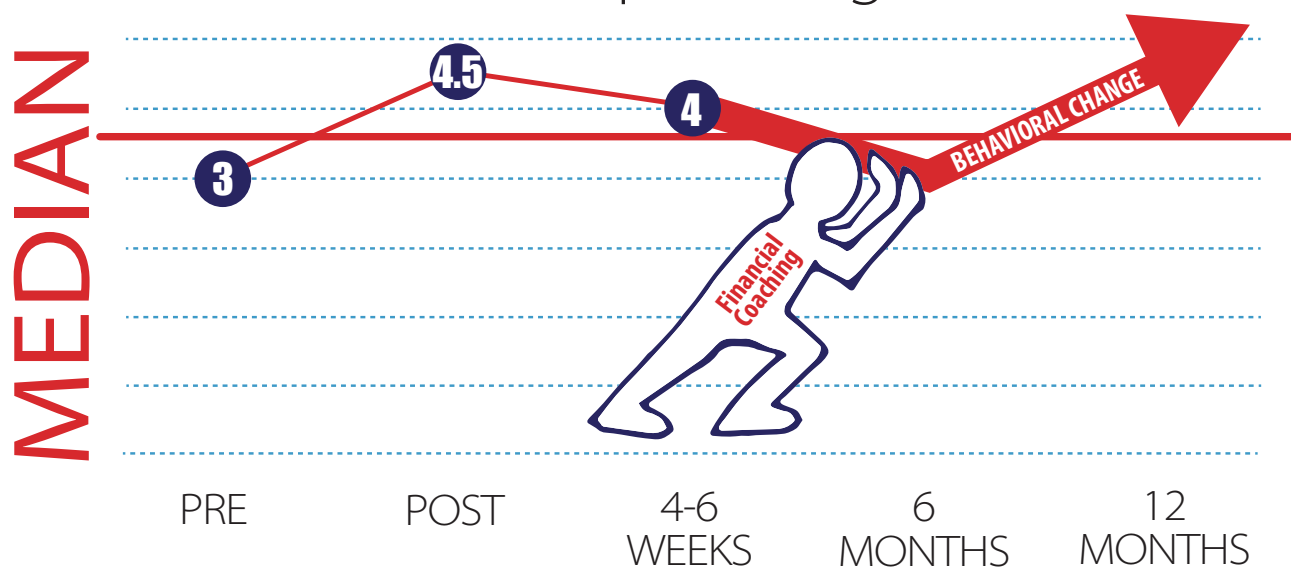
3. CONTINUE PROVIDING AND SUPPORTING FINANCIAL EDUCATION

There has been much discussion in recent years over whether financial education “works.” As a time-intensive, and thus expensive, program for non-profit and tribal organizations, it is wise to have dialogue about this. However, culturally relevant, well-delivered financial education does work in conjunction with other program services and is worthy of continued investment. As a majority of tribal communities have lived in cash economies for generations, this growth in financial skills is imperative for their financial well-being.

It is also important to invest in training for financial education providers, including those who teach continuing education. The high quality of the BNC education experience is clearly intrinsically tied to the strength of the certified BNC instructors. Local level financial educators need support systems, such as professional networks, continued training, and financial support, to deliver this much valued community training.

¹² Oweesta. (2014). *Snapshot 2014: Financial Education and Asset-Building Programs Serving Native Communities*. Longmont, CO: Oweesta.

Use of a Spending Plan



Pre and Post Medians are Averages of 3 Longitudinal Samples

4. USE FINANCIAL EDUCATION AS A SEED TO BUILD OTHER FINANCIAL CAPABILITY PROGRAMING

Although the results of this research are overwhelmingly positive, we also identified the need for interventions that may help support students on their road to financial security and independence. As previously discussed (see *We're All Human*), although BNC participants were initially very excited to implement behavioral changes, this excitement ebbed around the six-month mark. While many still went on to implement behavioral changes, their commitment level never rebounded to the level it was at immediately following the class.

This suggests that Native CDFIs and other organizations can capitalize on this energy immediately after classes through follow-up support services, such as financial coaching. Financial coaching provides students with regular, one-on-one sessions in which a coach can provide encouragement, support for continued skill development, and goal monitoring. If groups are not able to provide one-on-one support services such as financial coaching, our survey results suggest that a behavioral intervention, such as a quick check-in, would be the most valuable at the six-month mark, when excitement is lagging the most.

Conclusion

Almost 20 years ago, the First Nations family of organizations envisioned the creation and delivery of the *Building Native Communities: Financial Skills for Families* program to contribute in assisting tribal nations to re-create and strengthen the financial landscape of Indian Country. Embedded in our values as national Native organizations is the belief that when armed with the appropriate resources, Native peoples hold the capacity and ingenuity to ensure the sustainable, economic, spiritual, and cultural well-being of their communities. As this research strongly supports, and as we've firmly believed and supported over the last two decades, financial education has acted as a catalyst for financial empowerment and has allowed communities and individuals to flourish in attaining and reaching their financial goals.

The Building Native Communities: Financial Skills for Families training program changes lives—one class, one student at time—throughout Native communities across the United States. With its creation and implementational most 20 years ago, thousands of tribal communities have changed the financial direction of their members' lives. Tribal members have gained the skills to further their financial future by breaking cycles of predatory lending, managing credit, saving for their future, and building personal assets.

The BNC program empowers Native communities to tackle financial capability challenges on their own terms, using a curriculum that resonates with community members by honoring and respecting the deep cultural values all Native communities. These programs also often act as a bridge for tribal members to enter the financial mainstream, creating thousands of new first-time account holders entering the conventional credit and banking system.

These local training efforts also have a direct effect on, and act as a seed for long-term growth and sustainably for a community when paired with further asset-building opportunities. When clients are paired with affordable consumer, small-business, and home ownership lending products, tribal communities across the nation are able to revitalize their private sector economies and become true stakeholders in their communities. When provided with an opportunity to learn financials skills and tools, Indian Country has proven that the possibilities for success and continued growth are endless.





Appendices

APPENDIX A: DETAILED STUDY METHODOLOGY

The nine partner sites asked participants to complete surveys before they took the BNC course (“pre-surveys”) and after the course was over (“post-surveys”). These surveys contained fields for the financial education client to write their email address or phone number, and a user ID.

The collection of contact information and a unique user ID was important for two reasons:

1. It gave Oweesta a way to reach out to the client again, and
2. It enabled Oweesta to tie each survey to a specific financial education client while still maintaining their confidentiality.

The ability to reach out to clients again was paramount to this initiative, as it allowed Oweesta to collect the longitudinal data. Oweesta called or emailed clients in order to track their financial behaviors at four to six weeks, six months, and 12 months after completion of the financial education program.

In total, there were 425 cases with pre- and post-survey data that we utilized for this analysis. For the extended survey intervals at four to six weeks, six months, and 12 months, each interval had 30 to 40 cases. Collecting responses after the course proved difficult, especially after we accounted for incomplete responses and duplicate entries. Also, Oweesta utilized longitudinal surveys only if they had a unique identifier that matched an entry from the original pre/post-surveys.

All surveys contained a variety of five-point scale ordinal questions, yes/no nominal questions, and questions requesting that participants check all that applied. The ordinal questions ranged from “unlikely” to “very likely” and “never” to “always.”

Pre- to Post-Survey Methods: To assess the impact of the BNC course immediately following instruction, we calculated descriptive statistics and compared variation between pre- and post-surveys. We converted all ordinal and nominal answer choices to numerical responses (1-5 for ordinal scales, and binary 0-1 for nominal responses), which enabled us to compute mean, median, and mode for ordinal questions and mode for nominal questions. Additionally, we conducted an

explanatory analysis from pre- to post-survey utilizing the Wilcoxon Signed Rank Sum Test, which is the non-parametric version of a paired samples t-test appropriate for ordinal-level data. This assessment can be used to compare two related observations (in this case, identical sample at two distinct time intervals) to see if the average response significantly differs between pre- and post-assessment. All changes were tested at the .01 level of significance to denote a very high level of statistical significance.

Pre- to Longitudinal Survey Methods: Again, with the same methodology described above in the pre- to post-survey methodology, we matched all answer choices on the four-to-six-week, six-month, and 12-month surveys to corresponding IDs to run descriptive statistics. We assessed the change in frequency of various answer selections across time. We also computed each participant's change in response between pre-survey and matching longitudinal survey. We averaged these changes to calculate an average change in response for all participants in each time interval sample. The sample sizes were not large enough to meet the requirements for conducting various explanatory statistical tests such as those we employed to compare the pre- and post-surveys.

APPENDIX B: PARTICIPANT DEMOGRAPHICS

Demographic Composition of Sample

n = 425								
Gender	Male	Female						
	36%	64%						
Age	Under 25	25-34	35-44	45-54	55-64	65 or over		
	12%	260%	23%	19%	12%	7%		
Number in Household	1	2	3	4	5	6	7	Over 7
	8%	19%	14%	16%	15%	9%	6%	13%
Work Status	Unemployed	Student	Part-Time	Full-Time				
	34%	7%	12%	48%				
Income	Under \$10k	\$10k-\$19,999	\$20k-\$29,999	\$30k-\$39,999	\$40k-\$49,999	\$50k-\$59,999	\$60,000+	
	32%	19%	18%	11%	7%	5%	7%	

APPENDIX C: PRE-TO POST-SURVEY DESCRIPTIVE STATISTICS AND ALL FIVE-POINT QUESTIONS

The tables below are arranged so that readers can see descriptive statistics together for all the questions we grouped in each of the financial capability categories.

MAKING ENDS MEET TABLE

GROUPING 1: Making Ends Meet					
(Likely to) Know how much I spend each month					
	Med	Mean	Mode	Stat Sig Change	
Pre	4	3.4	4		
Post	4	4.26	4	Yes	p < 0.01

(Currently/Now I will) Save money as a routine or habit					
	Med	Mean	Mode	Stat Sig Change	
Pre	3	3.14	3		
Post	4	4.13	5	Yes	p < 0.01

(Currently/Now I will) Use a spending plan					
	Med	Mean	Mode	Stat Sig Change	
Pre	3	2.97	3		
Post	4	4.1	5	Yes	p < 0.01

(Currently/Now I will) Pay my bills on time					
	Med	Mean	Mode	Stat Sig Change	
Pre	4	3.98	4		
Post	5	4.51	5	Yes	p < 0.01

PLANNING AHEAD TABLE

GROUPING 2: Planning Ahead					
I feel prepared to improve my financial situation in the near future					
	Med	Mean	Mode	Stat Sig Change	
Pre	3	3.04	3		
Post	4	3.94	4	Yes	$p < 0.01$
(Likely to) Set financial goals					
	Med	Mean	Mode	Stat Sig Change	
Pre	3	3.43	3		
Post	4	4.28	5	Yes	$p < 0.01$
(Likely to) Develop a spending plan					
	Med	Mean	Mode	Stat Sig Change	
Pre	3	3.24	3		
Post	4	4.19	4	Yes	$p < 0.01$
(Likely to) Keep an emergency fund that is not used for daily expenses					
	Med	Mean	Mode	Stat Sig Change	
Pre	3	2.93	3		
Post	4	3.98	4	Yes	$p < 0.01$

MANAGING FINANCIAL PRODUCTS TABLE

GROUPING 3: Managing Financial Products					
(Likely to) Spend money on needs before wants					
	Med	Mean	Mode	Stat Sig Change	
Pre	4	4.01	5		
Post	5	4.4	5	Yes	$p < 0.01$

(Likely to) Have my paycheck deposited directly into my bank account					
	Med	Mean	Mode	Stat Sig Change	
Pre	4	3.37	5		
Post	4	3.97	5	Yes	$p < 0.01$

(Likely to) Correct errors I find on my credit report					
	Med	Mean	Mode	Stat Sig Change	
Pre	3	2.77	2		
Post	4	4.11	4	Yes	$p < 0.01$

(Likely to) Know the information that is needed to complete a loan application					
	Med	Mean	Mode	Stat Sig Change	
Pre	4	3.41	4		
Post	4	4.28	5	Yes	$p < 0.01$

GROUPING 3: Managing Financial Products cont.**(Likely to) Compare interest rates and fees before taking out a loan**

	Med	Mean	Mode	Stat Sig Change	
Pre	3	3.2	4		
Post	5	4.32	5	Yes	$p < 0.01$

(Likely to) Read and understand loan terms and agreements before signing documents

	Med	Mean	Mode	Stat Sig Change	
Pre	4	3.56	4		
Post	5	4.43	5	Yes	$p < 0.01$

(Likely to) Consider if a lender is predatory before working with them

	Med	Mean	Mode	Stat Sig Change	
Pre	3	3.25	4		
Post	5	4.45	5	Yes	$p < 0.01$

(Likely to) Know actions to take to keep my personal information safe

	Med	Mean	Mode	Stat Sig Change	
Pre	4	3.65	4		
Post	5	4.52	5	Yes	$p < 0.01$

GROUPING 3: Managing Financial Products cont.**(Currently/Now I will) Use a checking or savings account to manage money and pay bills**

	Med	Mean	Mode	Stat Sig Change	
Pre	3	3.19	5		
Post	4	4.1	5	Yes	$p < 0.01$

(Currently/Now I will) Review my credit report annually

	Med	Mean	Mode	Stat Sig Change	
Pre	2	2.44	1, 2		
Post	4	3.93	5	Yes	$p < 0.01$

(Currently/Now I will) Contact lenders immediately if I am having payment problems

	Med	Mean	Mode	Stat Sig Change	
Pre	4	3.45	5		
Post	5	4.35	5	Yes	$p < 0.01$

(Currently/Now I will) Calculate the credit I can afford

	Med	Mean	Mode	Stat Sig Change	
Pre	3	2.96	3		
Post	4	4.22	5	Yes	$p < 0.01$

(Currently/Now I will) Avoid lenders and services that charge high fees for check cashing, loans or other financial services

	Med	Mean	Mode	Stat Sig Change	
Pre	4	3.66	5		
Post	5	4.48	5	Yes	$p < 0.01$

FINANCIAL KNOWLEDGE AND DECISION MAKING TABLE

GROUPING 4: Financial Knowledge and Decision Making**(Likely to) Talk to my family about money choices**

	Med	Mean	Mode	Stat Sig Change	
Pre	3	3.1	3		
Post	4	3.99	5	Yes	p < 0.01

(Likely to) Understand the advantages of using a financial institution to manage money (e.g., savings, check cashing, bill payment)

	Med	Mean	Mode	Stat Sig Change	
Pre	4	3.41	4		
Post	4	4.22	5	Yes	p < 0.01

(Likely to) Take steps to decrease the cost of financial transactions

	Med	Mean	Mode	Stat Sig Change	
Pre	3	3.24	3		
Post	4	4.16	4	Yes	p < 0.01

(Likely to) Consider costs versus benefits before using credit

	Med	Mean	Mode	Stat Sig Change	
Pre	3	3.1	4		
Post	4	4.1	4	Yes	p < 0.01

(Likely to) Calculate my debt-to-income ratio before applying for credit

	Med	Mean	Mode	Stat Sig Change	
Pre	3	2.75	2		
Post	4	4.12	5	Yes	p < 0.01

**GROUPING 4: Financial Knowledge and Decision Making
cont.****(Likely to) Know actions to take to improve my credit score**

	Med	Mean	Mode	Stat Sig Change	
Pre	3	3.25	4		
Post	5	4.39	5	Yes	p < 0.01

**APPENDIX D: RECOMMENDATIONS FOR THOSE CONDUCTING
LONGITUDINAL RESEARCH**

We have learned several lessons about collecting data. Data collection can be challenging, especially over time. Contacting participants of financial education classes while maintaining their confidentiality is a tricky process. Oweesta staff encountered several challenges while reaching out to BNC participants to complete follow-up surveys at the four-to-six-week, six-month, and 12-month post-class intervals. These challenges included messy handwriting, which lead to the inability to contact a participant, invalid phone numbers, and old email addresses that bounced back when we attempted to contact the participant. Additionally, if contact attempts were successful, some participants were unwilling to complete the survey.

Oweesta found that the following strategies optimized the survey response rate as we reached out to participants of the pilot sites' BNC classes:

1. Contact the participants early in the week, and early in the day;
2. Make recollection of the user ID optional (track each survey using email addresses instead);
3. Use a more personal, rather than professional, tone in your email;
4. Highlight the benefits completion of the survey would have on Native financial education classes all across Indian Country; and
5. Make sure practitioners conducting financial education highlight the follow-up process in their classes.

Oweesta noted higher survey completion rates when these strategies were followed. We hope these lessons learned help other researchers.



First Nations Oweesta Corporation
2432 Main Street • Longmont, CO 80501
303.774.8838 • www.oweesta.org