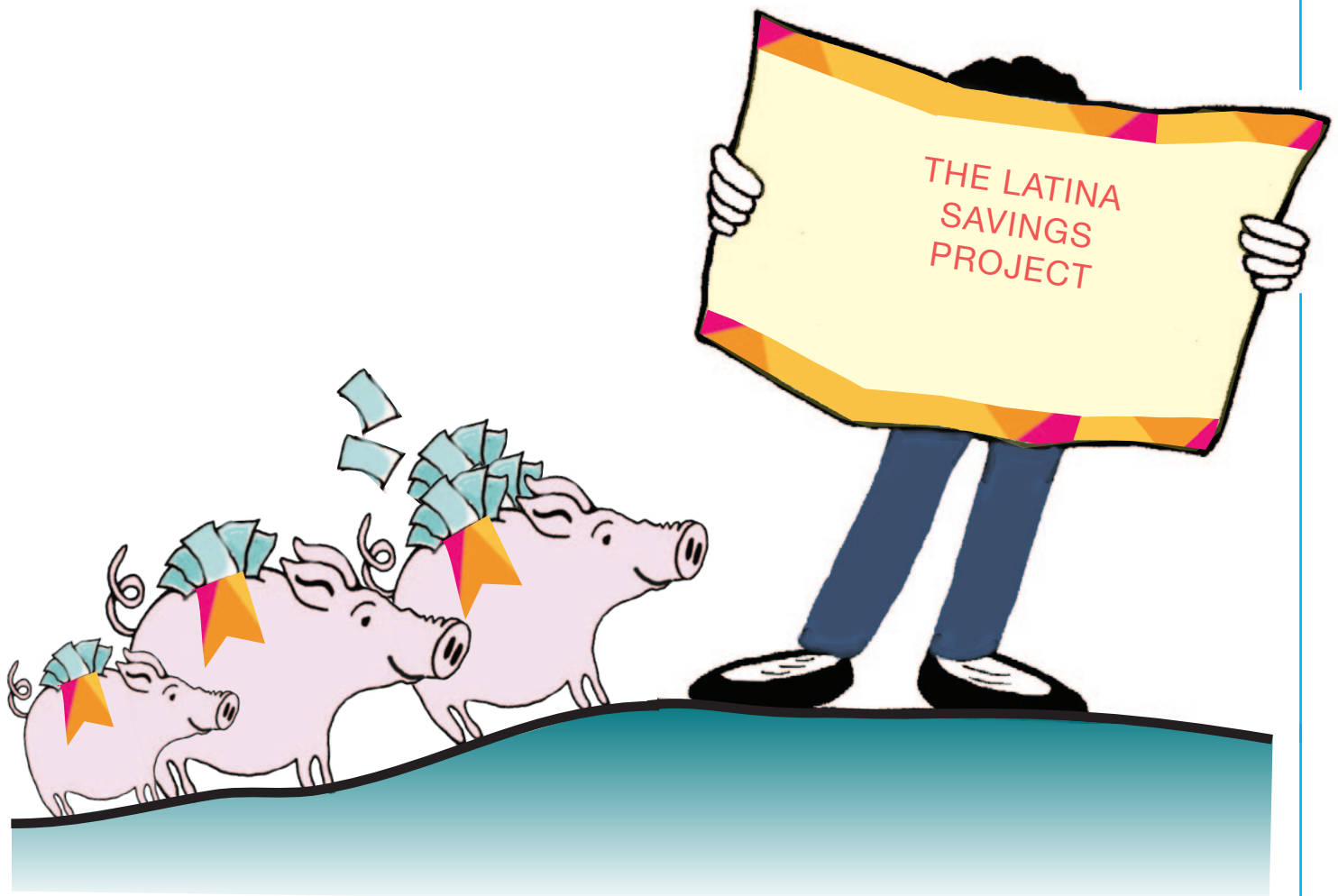


THE LATINA SAVINGS PROJECT

Changing the Savings Behavior of Latina Women



WISER® • Women's Institute for a Secure Retirement

Project Partners

The **Latina Retirement Savings Project** is a collaboration between the Women's Institute for a Secure Retirement (WISER) and MANA, a National Latina Organization (MANA). The project was supported by a grant from AARP Foundation.



WISER is a nonprofit organization dedicated to the education and advocacy that will improve the long-term financial quality of life for women. As the only organization to focus exclusively on the unique financial challenges that women face, WISER supports women's opportunities to secure adequate retirement income through training workshops, strategic partnerships, research, education materials, media outreach, policy analysis, and advocacy. WISER provides basic programs to help women take financial control of their lives and overcome the barriers that prevent their participation in the nation's retirement system.



Founded in 1974, **MANA** is a national grassroots membership organization with chapters, individual members and affiliates across the country. MANA's mission is to empower Latinas through leadership development, community service, and advocacy. MANA represents the interests of Latina women, youth and families on issues that impact our communities. MANA contributes the leading Latina voice on many of the major issues in the public sphere, particularly in the areas of education, health and well-being, financial literacy, equal and civil rights, and immigration reform.



AARP Foundation serves vulnerable people 50 and older by creating and advancing effective solutions that help them secure the essentials. The Foundation is tackling senior poverty by sparking bold, innovative solutions that help vulnerable older adults build economic opportunity and social connectedness — fostering resilience, strengthening communities and restoring hope. For 57 years, AARP Foundation has aided America's poor and isolated seniors. As AARP's charitable affiliate, the Foundation serves AARP members and nonmembers alike.

The National Resource Center on Women and Retirement Planning

The Administration for Community Living's Administration on Aging in partnership with WISER operates the Center as a national clearinghouse of tools and information on retirement planning. The goal of the Center is to provide financial workshops and create a variety of consumer publications, that explain in easy-to-understand language such complex issues as Social Security, Medicare, retirement plans, savings, caregiving, divorce and widowhood, health and long-term care, and elder financial abuse. The Center reaches and assists women and their families especially moderate and low-income women, women of color and women of limited English-speaking proficiency, to advance their decision-making capacity and improve their economic security later in life.

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The Latina Savings Project was directed by M. Cindy Hounsell, JD, President of the Women’s Institute for a Secure Retirement (WISER®).

Why Latinas?

- ✿ Longevity: Latinas have the highest life expectancy of any other demographic in the US (88 years).
 - Living longer places Latinas at a higher risk of outliving their assets
 - Potentially living in poverty later in life (nearly 20% of Latinas age 65 years and older live below the federal poverty level).
- ✿ Low earnings
- ✿ A lack of savings
- ✿ Pay Inequity:
 - Latinas earn \$.53 for every dollar white men earn. This equates up to a loss of more than \$600,000 over a career.

Understanding how to plan for retirement and save for short-term goals can help lessen financial burdens Latinas may face. Utilizing a low-cost savings tool provides participants with access to emergency funds. Having emergency savings can increase confidence to make long-term financial goals.

PROJECT SUMMARY

The Latina Savings Project was designed to encourage and facilitate savings among moderate and low-income Latinas by conducting financial workshops with MANA, A National Latina Organization, in four cities – Baytown, Texas; Albuquerque, New Mexico; Fort Worth, Texas; and Topeka, Kansas.

While financial knowledge is a part of the solution, the opportunity to save and the motivation to establish and sustain saving habits are also important to building financial security. The Latina Savings Project was designed to provide all three – **knowledge, opportunity and motivation** – to help moderate and low-income Latinas build financial security.

Participants were offered the opportunity to open an account with a local credit union. Three-quarters (75.2%) opted to enroll in an emergency savings account. Of those enrolled, a majority (51.9%) successfully saved during the six-month period following enrollment.

The project provides insights into how to help Latinas overcome barriers to saving, create achievable savings goals, and establish consistent savings habits. Evaluation of the project points to several factors influencing this outcome: accessible, actionable financial information delivered by trusted messengers; an appropriate financial product offered by a trusted institution; and a heightened motivation to save that comes from an empowering experience undertaken with peers, combined with the offer of a financial incentive.

“[The project] encouraged me to make a commitment to save money out of my paycheck each month. This is something I’ve wanted to do but just never fully committed to it.”

– Latina Saver

LATINA SAVINGS PROJECT

For this project, the Women’s Institute for a Secure Retirement (WISER) partnered with MANA, a National Latina Organization (MANA), building on a long-standing relationship between the two organizations. Four Chapters – in Baytown, Texas; Albuquerque, New Mexico; Fort Worth, Texas; and Topeka Kansas – were selected to launch the program. Working together with WISER, these MANA chapters offered Latinas in their communities

“The presentation was very interesting, very easy to understand what next steps I needed to do to accomplish my financial goals.”

– Latina Saver

the opportunity to attend a financial education workshop, receive hands-on assistance to sign up for a no-fee, simple to understand savings account, and a financial incentive to save in the form of a savings match.

Seven financial education workshops were conducted across the four sites. The program for the workshops was based on WISER’s Train-the-Trainer approach and Financial Knowledge and Retirement Curricula, which provide accessible, actionable financial information to participants. WISER’s model emphasizes the use of trusted messengers in the delivery of these curricula, and the need to tailor

programs to meet local needs. MANA and their local chapters were instrumental in achieving both aims.

The project’s savings accounts were offered by local credit unions in each community that had been recruited by the MANA chapters. Credit union representatives attended the workshops and provided onsite, guided assistance with account sign-ups, in order to capitalize on the heightened motivation to adopt “financially healthy” behaviors that the workshop was expected to instill in participants.

“It opens your eyes about what YOU can do to plan your financial future.”

– Latina Saver

To receive the match, participants were asked to save at least \$20 a month for six months, and the project would match half of that amount (\$10) each month, up to \$60. The goal for each participant was to have a total savings of \$180 after six months (\$120 saved plus the \$60 match). After nine months of participation, an additional \$20 bonus incentive was offered if participants had maintained that savings balance. The approach is premised on the idea that by creating consistent savings habits, participants will gain confidence over time in their ability to save and be better able to eventually meet long-term financial goals, such as retirement.

SAVINGS OUTCOMES

The project demonstrated that moderate and low-income Latinas can overcome formidable obstacles to saving. Evaluation of the project points to several factors influencing this outcome: accessible, actionable financial information delivered by trusted messengers; an appropriate financial product offered by a trusted institution; and a heightened motivation to save that comes from an empowering experience undertaken with peers, combined with the offer of a financial incentive.

- ☒ Of the participants offered the opportunity to open an account with a local credit union, three quarters (75.2%) opted to enroll.
- ☒ Of those who enrolled, a majority (51.9%) successfully opened an account and saved during the six-month period following enrollment.
- ☒ Approximately four in five of those who saved did so consistently for six months and saved enough to earn a match, while about one in five saved for at least a portion of the six months, but were not eligible for (or did not claim) a match.
- ☒ Match-eligible participants in the program saved an average of \$167 during the six month period following enrollment (before the match).
- ☒ Including the match, the average amount accumulated in participants' accounts after six months was \$225.
- ☒ Those who consistently saved for six months uniformly reported very high or extremely high degrees of confidence in their ability to maintain their savings habits in the future.
- ☒ Participant surveys indicated a high degree of satisfaction with the content and delivery of workshops and strong intentions to use the information presented therein to improve financial well-being in the future.
- ☒ Surveys also documented gains in financial knowledge and confidence among participants.
- ☒ When asked their main financial goal right now (6 months after participating in the workshop), 41% of match-eligible savers chose the response "short-term savings." This represented a substantial change from the pre-workshop session survey results, when only about a third as many selected that as a response (15%).

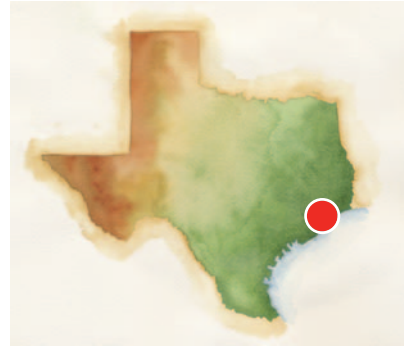
The project demonstrated that moderate and low-income Latinas can overcome formidable obstacles to saving.

PROJECT SITE PROFILES

Baytown, Texas

MANA de Texas Gulf Coast Chapter (Baytown, Texas)

hosted both the first set of project workshops, in January 2018, and the last, in November 2018. The first set of workshops featured an online retirement savings platform/app. Despite drawing a combined audience of 52 individuals from diverse backgrounds who gave positive feedback on the workshop itself, none signed up for the savings program. A variety of reasons were cited by attendees – from discomfort with the “virtual” nature of the account to financial difficulties in the wake of Hurricane Harvey. Afterwards, project partners closely re-examined what worked and what didn’t at these initial workshops. They incorporated those lessons into subsequent sessions at other project sites and ultimately returned to Baytown months later to try again.



KEY STATS: ATTENDANCE, ENROLLMENT, AND SAVINGS AMOUNTS

MANA de Gulf Coast – October 2018

- ✓ 32 workshop attendees
- ✓ 17 enrolled in saving program
- ✓ 53.1% take-up rate
- ✓ 7 savers reporting eligibility for a match at 6 months
- ✓ 1 saver not eligible for a match at 6 months
- ✓ n/a average — account balance at 6 months (before the match)

The project returned to Baytown in October 2018, this time offering accounts through Community Resource Credit Union (CRCU). CRCU also offered participants an additional \$150 incentive for individuals who opened a new savings account with at least \$400. (One participant was able to take advantage of this additional incentive.)

Other partners were the iPromise Center, Lee College, Goose Creek Independent School District, United Way, and BARA Coalition. The target audience for this session was low-income Latinas whose children attended an after-school homework help program at a local community center. Many of these women were new immigrants to the U.S. and face numerous obstacles to saving. (Other workshop attendees were volunteers at the center and members of the local MANA chapter.) As a result, take-up of the accounts and project retention were lower here than other project sites.

Albuquerque, New Mexico



MANA de Albuquerque (Albuquerque, New Mexico) hosted two workshops in March 2018. The partnering financial institution was Nusenda Credit Union, the largest credit union (by membership) in the state. The sessions, held at the University of New Mexico were attended by 55 people, most were members of the MANA chapter, or had family who were members. This was the first project site to use a local credit union, with strong results on enrollment – 47 people opted to open accounts. Session organizers noted attendees’ high level of engagement and participation in the sessions. They also noted that attendees seemed to

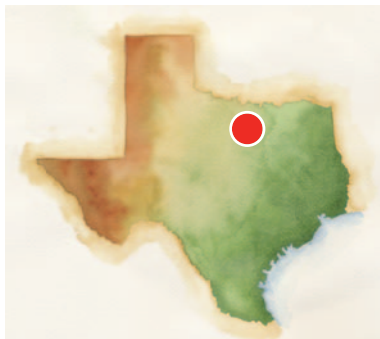
“organically” make the connection that getting to a certain level in short-term savings would allow them to begin transferring money into long-term savings or an IRA.

KEY STATS: ATTENDANCE, ENROLLMENT, AND SAVINGS AMOUNTS

MANA de Albuquerque – March 2018

- ✓ 55 workshop attendees
- ✓ 47 enrolled in saving program
- ✓ 85.5% take-up rate
- ✓ 13 savers reporting eligibility for a match at 6 months
- ✓ 7 savers not eligible for a match at 6 months
- ✓ \$210 average account balance at 6 months (before the match)

Fort Worth, Texas



MANA de North Texas (Fort Worth, Texas) hosted a workshop in October 2018. Fort Worth was the most urban and affluent of the project sites. The Hispanic Women’s Network of Texas partnered in the project and assisted with outreach and recruitment. The financial partner, EECU Credit Union, provided the venue for the event, making it a very easy transition to sign up for an account onsite. The credit union had 5 staff members available to accommodate the process for signing people up. Thirty-four people were reached by the session, despite poor weather that

day (extreme flooding). In total, 29 people signed up for project; 20 enrolled immediately after the session and an additional 9 individuals who had not been able to attend the session because of the weather signed up in the days afterward.

KEY STATS: ATTENDANCE, ENROLLMENT, AND SAVINGS AMOUNTS

MANA de North Texas – October 2018

- ✓ 34 workshop attendees
- ✓ 29 enrolled in saving program
- ✓ 85.3% take-up rate
- ✓ 18 savers reporting eligibility for a match at 6 months
- ✓ 2 savers not eligible for a match at 6 months
- ✓ \$140 average account balance at 6 months (before the match)

Topeka, Kansas



MANA de Topeka (Topeka, Kansas) hosted a workshop in October 2018. Topeka is a blue collar community in the midst of revitalization, with a growing Hispanic population. Azura Credit Union was the financial partner for this site. Azura offered an additional \$25 bonus to participants who successfully saved \$120 through the program, and ultimately,

five participants were eligible for this bonus. Other partners were the Topeka City Council, Washburn University, and Downtown Topeka, Inc. The majority of people who attended and participated in the project have a connection to the MANA de Topeka Chapter. Twenty people attended the workshop and 13 signed up for the savings program.

KEY STATS: ATTENDANCE, ENROLLMENT, AND SAVINGS AMOUNTS

MANA de Topeka – October 2018

- ✓ 20 workshop attendees
- ✓ 13 enrolled in saving program
- ✓ 65.0% take-up rate
- ✓ 5 savers reporting eligibility for a match at 6 months
- ✓ 2 savers not eligible for a match at 6 months
- ✓ \$143 average account balance at 6 months (before the match)

Growing your short-term savings

Short-term savings are your emergency funds



Your short-term savings account is money that is for life's emergencies and kept with a safe financial entity.

- ☒ Withdrawals are without penalties
- ☒ Helps avoid credit card debt
- ☒ Use for life's "OMG" emergencies (medical bills, car repair, loss of job, etc.)
- ☒ Try to save 3-6 months worth of expenses

CONCLUSIONS

The WISER model combines: 1) financial education delivered by trusted messengers, 2) access to low-cost, easy-to-understand financial products, and 3) modest financial incentives in the form of savings matches. This project suggests this model can be effective in supporting moderate and low-income Latinas to improve their financial well-being. The project reaffirmed some of what WISER learned in prior, similar projects and also revealed some new insights.

1. Strong community partners and trusted messengers are important, and trusted (local) financial institutions are too.

- ❏ ***WISER’s partnership with MANA was pivotal in reaching the target audience for this project.*** MANA’s national and chapter leaders played an important role, not only in outreach and logistics, but in engaging community members and tailoring the project to meet Latinas’ needs in each project site. This was especially true when it came to the choice of financial institutions.
- ❏ ***Local institutions were seen as engendering a greater sense of trust in the target audience,*** thereby reducing an important obstacle to saving for this population. And once such institutions were engaged, their involvement made a clear difference, boosting enrollment from 0% to an average of 75.2%. For their part, the credit unions involved in the project noted a clear alignment between the project’s objectives and their organizational missions. They were ready and willing to participate in making the project a success.
- ❏ The involvement of ***local, trusted organizations also helped foster a supportive sense of community among the participants,*** with some participants reporting that it provided additional motivation because they felt like they were part of something as a group.

“Go local. Local seems to work better. It helps build that relationship and it makes it easier.”
– MANA Chapter Leader

“It aligns with what we are trying to accomplish in the community ... It just makes sense. It was a no-brainer. We were very happy to partner with them [MANA].”
– Credit Union Representative

2. Incentives and immediate opportunities to take action are effective when combined with financial education, but maintaining savings over time will continue to be a challenge for some savers.

- ☒ The savings match was singled out in key informant interviews as providing a strong motivation to participants to enroll. The opportunity (at most sites) to sign up for the program right away and open an account onsite made it simple for those interested to translate that motivation into action.
- ☒ *The credit union savings account take-up was impressive – 75.2% take-up across all sites, with two sites exceeding 85%.* In spite of this, maintaining the saving effort over time proved challenging for many.
- ☒ Just over half (51.9%) of those who enrolled in the program were still saving six months later. This suggests that *sustaining participants' motivation and ability to save in the face of obstacles may have proved to be one of the biggest challenges of the project.*
- ☒ Financial demands that compete with saving are real, even when the savings targets are modest (\$20 per month), especially for those with moderate and low-incomes.

3. Flexibility throughout the delivery of the program is critical to its success.

- ☒ There were different challenges and opportunities that presented themselves at each site, and it will often take more than doing just one event for a program like this to really take off within the community as each site figures out what works best to reach their local audience.
- ☒ Each event needs to be tailored to each site with extra time and room for flexibility built in at every step of the process:
 - scheduling
 - outreach
 - messaging
 - program content
 - choice of savings vehicle
 - speakers, and
 - follow up activities.

“This was a great way to save, especially if you have your bank set up an automatic draft each month. I had \$20 put into my special MANA account each month. ...I am going to continue to let it set \$20/month aside.”

– Latina Saver

Flexibility and customization are critical even with a turnkey program.

4. Success breeds confidence and sustains motivation

- ☒ *Those who successfully maintained their savings for six months and earned a match reported higher confidence in their ability to keep up their savings habit, as compared with participants overall. When asked, “On a scale from 1-7, how confident are you that you will be able to continue saving money over the next year?” more than three-quarters (77%) responded with a rating of “7,” with all others choosing “6.” The mean response was 6.8.*
- ☒ *The experience of successfully achieving a savings goal appears to have been highly empowering to participants.*

5. Savings incentives can have a “signaling” effect.

- ☒ *In order to receive the maximum match of \$60, participants needed to save \$120. Across all sites, fully 60% of match-eligible savers saved an amount between \$101 and \$150. Only in Albuquerque was there a wide dispersion in amounts saved. At all other project sites, two thirds or more of participants saved between \$100 and \$150.*
- ☒ *Participants may have interpreted the suggested amount as a “signal” of how much they “should” be saving. For some, this amount may have been a stretch, but for others, a higher savings target might have been attainable.*

The Latina Savings Project shows that a supportive, community-based program with easy access to a savings vehicle proved an effective approach for many of the project’s participants. These savings represent an important step for participants on the road to financial well-being. Most project participants, if they successfully maintain the savings built up so far and keep up their savings habit going forward, will be on track to accumulate \$400 in liquid savings by the end of one year. While amounts saved over the course of the project may seem modest, these funds can provide a buffer against unexpected expenses or declines in income. In post-project surveys, savers indicated a high degree of motivation and intent to continue their savings behaviors.

For More Information

Complete details of the evaluation and research results are included in the report, *Latina Retirement Savings Project Evaluation Report*. The report was written by Beth Almeida, Principal, Cove Research for the Women’s Institute for a Secure Retirement. Download the report at wiserwomen.org.

WHAT THEY ARE SAYING!

Participants — About the savings program:

This is a great program. I'm just sorry I didn't start sooner.

It was a great program. I already had the knowledge just needed the motivation.

This program is excellent. It was my fault alone that I failed. My daughter needed the money so we used it and I never started saving again. But I will do it. I know it's very important to save. I'm embarrassed that I didn't follow through to the end. Thank you for this program and trying to help us.

Participants — About the workshop:

WISER's presenter is a storyteller and ... It's not like she's preaching to people about "you should do this." She talks about her own life experiences and the stakes and things that happened along the way that happen to a lot of people, everyday people. So, it's not like you are going to a workshop and you have the suited bank person talking to you about what you should and shouldn't do.

I thought it was really good. It puts out some really good, thought-provoking questions. And at the same time it gives you some answers.

And that's the part I like. I mean, it's great to have all those questions, but if you have no answers, you know, no problem-solving, it really doesn't do you much good. So, I was pretty pleased with that.

The workshops did a good job of creating a "safe environment" where participants felt their privacy would be protected and were under no pressure to share sensitive, personal information.

WHAT THEY ARE SAYING!

The Financial Partner:

Our goal is to educate people on making good financial decisions. And we're here as a resource for our members to reach their goals financially. And so MANA fits into it because ... the program is built on educating them and teaching them how to save and the importance of saving, and those kind of things. So it fits in really well with what our mission is.

The MANA Chapter Leaders:

From the very beginning [non-local, "virtual" financial institutions], that didn't go over at all. Everybody was kind of, hesitant about, hey I'm going to put this money on the internet somewhere. You know, that's how they looked at it. And that, kind of turned off people from the beginning...

I think they were just excited and pumped about the program. I think the message was well-received and people get excited in the moment and the opportunity that they didn't have to pay a fee, that they got money back. I mean, why not take advantage of that?

Oh I think that was a very big part of it, the incentive to get started. I'm not sure that a lot of them understand about investing, but when you put it down in simple numbers, you know, if you do this at \$20 a month, over 6 months you'll get the match of \$60. They understand that. They don't see that as investing, they just say, hey, somebody's giving me something [laughs] you know?



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