Executive Summary

MyPath powers youth and seeds economic mobility by creating financial empowerment opportunities for low income youth. MyPath Savings engages young people in banking and saving, transforming their first paychecks into an economic mobility pathway. To this end, MyPath Savings seamlessly integrates relevant youth-owned savings accounts, innovative online and in-person financial education, and savings incentives into existing summer and school year programs.

The model uniquely leverages a powerful teachable moment as youth are earning and managing their own income, often for the first time. After delivering financial knowledge and connecting it to real-time financial action steps, MyPath Savings positions youth to connect their personal goals with their finances and achieve behavior change outcomes.

The MyPath Savings Model contains four main elements:

1. Safe savings accounts, auto-save and direct deposit for all youth,
2. Four interactive online modules of our youth savings and banking curriculum, including information about personal finance best practices, financial goal setting, budgeting and tracking, and an overview of financial products and institutions,
3. Youth peer-to-peer coaching, and
4. Direct training and technical assistance to youth-serving organizations to prepare them to implement MyPath Savings.

In summer 2014 MyPath partnered with four youth-serving agencies (Boys and Girls Club of Truckee Meadows, Children’s Cabinet, Community Services Agency, and Community Chest) and United Federal Credit Union to bring MyPath Savings to young people in Reno and nearby rural areas. Using our tested train-the-trainer model, MyPath trained staff and young people at each of the agencies to provide online and in-person tools to set savings goals, support youth to open bank accounts, use their accounts safely, and manage their money. Youth from Boys and Girls Club, Children’s Cabinet, and Community Services Agency opened accounts with United Federal Credit Union. The savings account served as their account to automatically deposit their savings goal, and from which they could not make withdrawals until the end of the program to be eligible for a savings bonus. The checking account was tied to a Debit card, which participants were able to use to practice their money management skills. Staff from UFCU were able to come on site to facilitate account openings, and opened the
branch up for in-person field trips for groups to pick up their debit cards and meet their credit union staff. UFCU staff also provided additional education on using the accounts safely.

Youth from rural areas affiliated with Community Chest did not have access to a financial institution, but did set aside a portion of each check to save for the summer and completed the rest of the program elements. This program-based work around allowed young people to get in the habit of saving from each check, and have a first win when they met a short-term savings goal. However, they were more likely than groups with accounts to use check-cashers and have more negative orientations to financial institutions.

Together the 84 youth participants saved over $9,700 (before savings bonuses) in just over two months, for an average of about $115 each. Several participants saved over $400 this summer. Almost all of our youth met their goals: 80% met their savings goals and 81% completed all of the online MyPath Savings financial education activities. In addition to these savings outcomes, young people also increased their financial knowledge, adopted healthy financial behaviors, and saw changes in their attitudes toward their future.

Evaluation Design

We evaluate the effectiveness of MyPath Savings by collecting data from a variety of sources. To evaluate savings outcomes youth participants provide evidence of saving in their savings account for the entire summer. We also look at increases in financial knowledge, behaviors, and attitudes by using a pre/post survey design. We compared participant answers to survey questions prior to starting the program, and then after completing the program to see how they changed over the course of the summer. We also collected qualitative data through focus groups with participants. The information from surveys and focus groups showed similarities and many differences across groups that participated in the program with respect to financial knowledge, attitudes, and behaviors, but not with respect to savings outcomes.

We report data from the entire initiative below. We do however make a few distinctions, when appropriate, between the rural and urban groups because youth in rural groups did not engage with a financial institution, and we would not expect to see increases in indicators related to using financial products.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Number of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boys and Girls Club of Truckee Meadows</td>
<td>17</td>
</tr>
<tr>
<td>Community Services Agency</td>
<td>18</td>
</tr>
<tr>
<td>Children’s Cabinet – summer</td>
<td>4</td>
</tr>
<tr>
<td>Community Chest</td>
<td>46</td>
</tr>
<tr>
<td><strong>Total Youth</strong></td>
<td><strong>85</strong></td>
</tr>
</tbody>
</table>
**Need for the Program**

The participants in the MyPath Savings Reno program came from very diverse backgrounds. About 33% of participants were male and 67% were female. About 43% identified as being white, 6% African-American, 36% Hispanic or Latino, 1% Native American, and 13% Multiracial. Of those participants that chose to state their annual household income, about 58% came from households with an annual income of $34,200 or less and 82% came from households with an annual income of $57,000 or less. About 94% of participants lived with their parents at the start of the program. About 97% of participants were still in high school at the beginning of the program, and the few other participants had just graduated. About 42% of participants had just finished 10th grade, and about 51% had just finished 11th grade. About 40% of the participants’ households received at least one of the following government services: TANF, SNAP or food stamps, General Assistance, Medicaid, SSI, or public housing. The most common government services received were food stamps (31%) and Medicaid (21%). Only about 37% of participants had a savings account in their name prior to beginning MyPath Savings.

At the beginning of the program, about 13% of participants had used at least one predatory financial service and about 60% of participants personally knew someone who had used at least one of these services in the past year. According to the post survey, the use of check cashing services was significantly higher (p<10%) by the rural group compared to the urban groups while controlling for whether or not each participant used a check cashing service prior to the program.

This is maybe not surprising since many of these participants had not worked before MyPath Savings, and during the program, they were actually getting paychecks. While the urban groups all had bank accounts, the rural group participants mostly did not, which may account for why they were using more check cashing services. This would indicate that getting a bank account is an important part of the MyPath Savings program to encourage use of financial institutions.

**Savings Outcomes**

This summer we had 84 youth savers from Boys and Girls Club, Children’s Cabinet, Community Services Agency, and Community Chest. Together they saved over $9,700 (before savings bonuses) in just over two months, for an average of about $115 each. Each participant set a savings goal that was meaningful for him or her. Overwhelmingly youth were saving for things important to their ability to attend work and school such as: saving for a car (30%), their future/emergencies (14%), college (13%), small electronics/computers (13%), clothes (7%), a trip (7%), or other things important to their lives (13%). Each participant gets to pick the amount of money to save, depending on their goals and the other needs for their money.
Youth set aside a range of 10 – 60% of each paycheck. On average, they decided to save about 20% of their paycheck, a savings rate that is particularly impressive for anyone, and especially for people from very low-income communities (who often say they can’t save). The evaluation results demonstrate that with the right supports and tools, youth from low-income households can and do save; in fact, several participants saved over $400 this summer.

This saving was also new to many. Before the start of the program, 59% of respondents in the pre survey reported had savings of less than $25. At the end of the program, 58% of respondents in the post survey had saved over $100.

We can see this change in Fig.1.

![Savings at Start of Program](image1)

![Savings at End of Program](image2)

**Fig. 1: Amount in savings at the start and end of the MyPath Savings program.**
Although these savings are self-reported, the data seems to be consistent with the savings account history information for each participant we received at the end of the program. The actual account balances in the participants' restricted (savings) accounts at the end of the program are shown in Fig. 2.

![Savings Account Balance at End of Program](image)

**Fig. 2: MyPath Savings restricted account balances at the end of the program.**

We can see the self-reported numbers are slightly higher, but we would expect many participants to have other savings outside of the savings accounts, including “passive” savings in their checking account.

**Financial Knowledge**

**Having a savings account gives youth an opportunity to put their knowledge into practice.** Participants complete a series of multiple-choice questions testing various elements of financial knowledge before starting the program, and again at the end. When we compare the number of correct answers to the test questions on the pre survey with the number of correct answers to same test questions on the post survey, we find the average score to be 56.8% (s.e.=2.3%) on the pre survey and 60.0% (s.e.=3.2%) on the post survey. Although there seems to be a slight improvement in scores, the difference is not statistically significant (two-sample t-test). However, if we look only at the scores from the urban groups, we have an average score of 56.2% (s.e.=3.2%) on the pre survey and 61.4% (s.e.=3.6%) on the post survey, and this difference is significant at the 5% level. The main difference between the two groups is the usage of savings accounts. This could indicate that using accounts helps the participant cement learning about financial knowledge topics.

**Financial Attitudes**

**Participants report that they are more confident about using money in the future, compared to how they felt at the beginning of the program.** This question has five parts on a
scale of 1-5 (1 much less confident, 5 much more confident compared to beginning of program). The mean of this question is 3.40. We can compare the mean to the value 3 (neutral) to estimate if there is a change in confidence after completing the program. A one-sample median test (data is not normally distributed, but is symmetric) shows that the responses to this question were significantly higher than 3 at the 1% level of significance.

**Future Orientation**

MyPath Savings is helping young people to bring their future into focus. A six-item scale asks participants to rate on a 1-4 scale the extent to which they save for a rainy day, think about their future, and plan for their future. In using a two-sample t-test to compare the means to each question, we find that mean on the post survey is significantly higher than the mean on the pre survey at the 5% significance level (2.84 compared to 2.72). This indicates that after the program young people are thinking about their future and how money can help them reach their future goals.

**Money Management Habits**

Participants are adopting personal money management habits that put them on the path to economic mobility. Participants were asked how often they do important money management activities like tracking their spending, using a budget, paying bills on time, and saving money for emergencies or a future goal. We find a statistically significant increase (at the 5% level) of adopting these behaviors from pre to post. This indicates that good money habits were reinforced and practiced more often as a result of this program.

**Engagement with Financial Institutions**

Savings accounts are a key step in youth financial empowerment. United Federal Credit Union has been instrumental to helping young people open what was, for most youth, their first savings account in their own name. UFCU staff visited youth at the program site to complete account opening applications, learn to use online banking, and facilitated field trips for young people to visit the branch. Focus group feedback indicates that this account opening process went smoothly for youth. Youth expressed positive feelings about their accounts and the credit union. Young people from these groups also report more confidence in engaging with financial institutions in general at the end of the program than groups without access to accounts. This increase was not seen in the rural groups that did not have access to accounts. This suggests that having opportunities to engage with the financial institution increased youth learning, above and beyond the money management curriculum.

Focus group data also shows that young people were gaining skills in using their financial institution responsibly. Many participants who used their debit cards were able to identify fee-free ATMs that they regularly used, including co-op ATMs. A few participants lost
their debit/ATM cards over the course of the program and reported going to the local branch to order a replacement. However, most interactions with the financial institution seem to be through ATMs and the mobile banking app through United Federal Credit Union to keep track of their accounts.

The participants enjoyed the convenience and ease-of-use of mobile and online banking. Most of the participants had not had a bank account in their name before the start of the program, and most everyone seemed to agree banking was a useful tool to manage their finances. No one who participated all the way through the program made withdrawals from this account until the program was over. Nobody interviewed reported any problems setting up their accounts and sticking to their savings goals.

Money Management Curriculum

Young people enjoy using MyPath Savings Online’s interactive activities. In focus groups young people expressed that they enjoyed doing the online activities, and 81% of participants completed them all. MyPath Savings had a substantial impact in changing the way the participants thought about managing their money. Most participants reported not saving before the program, and most reported having never made a budget prior to the program. All said that they would recommend the program to their peers. The survey results discussed above confirm these self-reports as we see increases in learning about topics covered in the curriculum.

Peer Coaches

MyPath Savings harnesses the positive power of peers. The MyPath Savings model supports several young people from each program to be leaders. They are selected by adults in their programs for a leadership opportunity, and receive training from MyPath staff about how to lead group discussions about money, and on specific activities designed to complement the interactive MyPath Savings Online components. Each of the agencies implemented the peer component in slightly different ways. Some groups held multiple MyPath Savings sessions led by peers. Others consolidated the sessions into one large session for logistical reasons, though it may have been difficult for peers to lead such long sessions. Having multiple peers trained seemed to be most effective, as they were able to practice and prepare with others. MyPath needs more feedback from partners to understand the challenges and successes in different ways of implementing the peer coaching component.

Discussion and Conclusion

These outcomes highlight the remarkable work that all the MyPath Savings Initiative partners in Reno have done to be on the leading edge of youth financial capability programs in the nation. Reno has proven to be a highly successful first remote implementation site for the
MyPath Savings model, largely due to the strong partner agencies and partner credit union. The high percentage of young people meeting their savings goals, the statistically significant increases in financial knowledge gains, and the shifts in how young people think about their future are especially remarkable given the short nature of the summer youth employment context. These results are on par with programs that last throughout the school year, and are evidence that short-term financial capability programs can have a strong impact. We are currently undertaking research to track longer-term outcomes for participants, and more work needs to be done in this area in the future.

The model has also been successfully implemented in both Reno and surrounding rural areas, a key adaptation that again leads the nation. Rural areas are often further away from financial institutions, and young people can become especially isolated due to lack of transportation. The partners in rural areas were able to make changes in their internal practices to give young people the same opportunities to save and experience the benefits of setting and meeting a goal. There is some evidence though that more work needs to be done to connect young people in these areas to a financial institution so they can avoid check-cashers and have the opportunity to put their new financial knowledge into practice.

This evaluation has confirmed that some key elements of the MyPath Savings model are critical to getting improved financial empowerment outcomes. Connecting youth to accounts and hands on experience using them is important, as is access to the tools to set up auto-saving strategies, direct deposit, and budgeting supports.