Lane County Financial Education Needs Assessment

Final Report for:
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Executive Summary

Background and Purpose

The Lane County Financial Education Needs Assessment is part of an ongoing process attempting to address the financial education needs of Lane County residents. The Oregon Urban and Rural (O.U.R.) Federal Credit Union is the sponsor of this study. This study originated from the participation of both O.U.R. and the Community Planning Workshop in the Community Outreach Partnership Center of Eugene-Springfield Program (COPC). Research and public input resulting from this program have indicated that financial education is a need among low-income residents of COPC communities. This need for financial education is currently being addressed by a number of organizations in Lane County. One of these organizations is LifeLine, a program that is affiliated with O.U.R., and provides financial education as well as access to legal advocacy, case management, and financial services to families struggling to pay monthly bills.

LifeLine currently serves residents in the Eugene-Springfield metropolitan area, but the program wishes to expand into the more rural communities in Lane County, as well as to provide better services to its current participants in the Eugene-Springfield area. In order to make this expansion possible, it was necessary for O.U.R. to identify more explicitly the needs for financial education and other financial services that exist throughout the county. This needs assessment is the first step in a three-phase project that will enable both the improvement of the LifeLine program and an expansion of its services.

The Lane County Financial Education Needs Assessment will assist O.U.R. to better serve the financial education needs of all Lane County residents. By identifying the gaps in services currently available as well as specific financial education needs, assets, and barriers facing Lane County residents, this needs assessment will help to strengthen and streamline the LifeLine program, so that it may even more effectively serve the financial education needs of the community.

Methodology

CPW accomplished the goals of this study through the development and implementation of a needs and assets assessment, which was designed to identify and measure the characteristics of a sample of Lane County residents on the following topics:

- Demographics;
- Awareness and use of existing services;
- Gaps in use of services;
- Barriers to accessing services;
- Financial needs;
• Financial goals and assets;
• Interest in financial education programs and small business training; and
• Outreach opportunities.

The study utilized the following four methods to obtain information:

1. A household survey, which mailed to 1500 Lane County residents through the use of mailing lists from the Department of Motor Vehicles and the Housing and Community Services Agency of Lane County, and received 253 responses for a rate of 17.5%.

2. A series of seven focus group meetings conducted with citizens and “service providers” across Lane County. The service providers were individuals whose occupations put them into contact with members of the study’s target population of individuals or households that have experienced financial challenges, while the citizen focus group participants were generally members of this target population.

3. Twenty-two phone interviews, which were conducted with additional service providers beyond those who were invited to the two service provider focus groups. In these interviews the service providers were asked the same questions as were asked in the service provider focus groups.

4. CPW employed a literature review and supplemental research, to gain a better understanding of the issue of financial literacy and how it is being addressed in Lane County and elsewhere. This included a review of current studies, websites, and articles pertaining to financial education, as well as interviews with local financial education service providers.

Findings of the Study

CPW organized the findings of this study into eight chapters, with the following titles: Demographics of Survey Respondents; Awareness and Use of Existing Services; Gaps in Services Used, Barriers to Accessing Services; Financial Needs; Financial Goals and Assets; Interest in Financial Education Programs and Small Business Training; and Outreach Opportunities.

Demographics of Survey Respondents

This chapter displays the demographic information gathered from respondents to the Lane County Financial Services and Education Survey. CPW divided the survey respondent pool into six geographic regions: Eugene (R-1), Springfield (R-2), North/Northwest (R-3), West (R-4), East (R-5), and South/Southwest (R-6). Regions 3-5 each had less than 25 respondents, so these regions were combined into Metro (Eugene-Springfield) and non-Metro categories for use in further
analysis. Fifty-six percent of survey respondents were from the Metro area, and 44% were from the non-Metro area.

The respondents to the household survey reported very low incomes, on average, as 48% of respondents reported incomes of less than $10,000 a year. CPW cross-referenced respondents' income with their household size to create categories of "low-income" and "non-low-income" respondents (as defined by their income as a percentage of the federal poverty level). Fifty-six percent of survey respondents fell into the low-income category. This distinction between Low-Income and Non-Low-Income is used as a basis for further analysis in the remaining findings chapters.

The respondents' ages were well distributed within the range of 18 to 89. The younger survey respondents were much more likely to be low-income. In general, the low-income respondents reported a lower level of education than the non-low-income respondents. Finally, the ethnic breakdown of the respondent pool was similar to that of Lane County as a whole.

**Awareness and Use of Existing Services**

CPW found a high level of general awareness of existing financial among all groups analyzed in the study. In addition, many citizen focus group participants described positive experiences when using these financial services. However, the findings indicate that although many citizens are aware of the full range of financial services that are available in their community, they may not know how to access these services. The service providers contacted for the study were aware of a number of financial literacy and counseling programs that assist low-income populations in Lane County, including LifeLine.

Information on use of existing financial services primarily came from the household survey. The use of services varies greatly among the low-income, non-low-income, metro, and non-metro survey categories. There is greater variance between low-income and non-low-income categories than between the metro and non-metro categories. Low-income respondents were found to be more likely to use some of the more expensive financial services, such as pawnshops, check cashing agencies and money orders, and were also more likely to report no use of financial services at all.

**Gaps in Services Used**

In terms of gaps in financial services, the survey results indicate that low-income respondents have a substantially higher level of interest in accessing checking, savings, and retirement accounts than their non-low-income counterparts. The level of interest in first-time homebuyer loans was nearly twice as high as that of any other service. About 25% of the low-income respondents expressed interest in obtaining advice concerning budgeting and using financial services. CPW interprets these findings to mean that there is a gap in providing these services to low-income individuals, and that these are issues that a financial education
program should address. Both survey and focus group results indicate that the needed financial services are available in Lane County, but there is some lack of awareness on how to access these services.

In terms of gaps in financial education services, CPW's analysis of service provider and citizen focus groups indicated that existing services are scattered across many different programs, and are often restricted to participants in these programs. LifeLine provides one of the only comprehensive financial education programs offered as a single course and geared toward general financial stability. In addition, many service providers and citizens identified a need for services that are not directly related to financial education, such as job counseling and general life skill programs, to lay the foundation for success in money management.

**Barriers to Accessing Services**

One of the primary barriers that prevent people from accessing existing services is a simple lack of knowledge of the services available in one's community. Others include a lack of understanding of the terms and/or technologies used in banking today and a lack of confidence in one's ability to get a loan or even open a checking or savings account due to either a poor credit history or a lack of funds. All of these barriers were identified in the household survey, as well as in service provider analysis and the citizen focus groups.

Bad financial experiences, such as having property repossessed or having a bill sent to a collection agency, created psychological barriers for the survey respondents who had these experiences their recent history, as these individuals were much more likely to agree that this would keep them from opening a new account or getting a loan. Again, the service provider analysis and citizen focus groups agree with these findings.

CPW found transportation issues to be more of a barrier for the non-metro respondents, and those who have not had a car loan in the past five years, but in general people did not identify this as a major barrier. The same is true for childcare issues, which were not identified as a major barrier among survey respondents, even those who were low-income single parents. These survey findings conflict with the results of the service provider analysis and citizen focus groups, which note transportation and childcare as potential barriers.

**Financial Needs**

Over half of the survey respondents indicated that they had some experience with debt, as they had taken out loans during the past five years. CPW distinguished between types of debt that indicate positive financial situations, such as debt from a home or auto loan, and forms of "bad debt" such as from high-interest title or pawnshop loans. Thirty-two percent of CPW's low-income survey respondents displayed some form of "bad debt." Other indicators of financial instability, such as having a bill sent to a collection agency, were quite high among the low-income survey respondent population. Most respondents felt that,
if faced with a sudden loss of income, they could only continue to meet their basic needs for a very short time. A great need exists for a financial education program that would enhance residents’ ability to either work themselves out of such circumstances, or avoid them altogether.

The service providers contacted by CPW discussed the underlying causes that produce these financial needs, specifically jobs and lifestyle. They most frequently identified information on job opportunities and training as important educational items. They also mentioned the effect that certain lifestyle habits can have on financial stability.

Financial Goals and Assets

Most of the information that CPW gathered on the subject of financial goals came from the citizen focus groups. Survey findings show that close to half of all respondents’ future goals include having a first-time homebuyer loan. Acquiring a real estate loan and a retirement account are also future goals. Citizen focus group participants agreed, and included a variety of additional goals. Responses included being debt free, having a living wage job, starting a business, finishing school, and becoming independent of social services. None of the service provider questions were related to this topic.

Survey results indicate that the majority of respondents have very little in the way of tangible financial assets, such as savings. CPW then looked at some less tangible forms of assets, such as prior experience with financial education programs. Survey respondents who participated in a money-management program were more likely to develop and follow a monthly household budget. However, financial education awareness does not appear to effect survey respondents’ savings, financial instability or “bad debt.” These survey findings are inconsistent with results from our service provider analysis and citizen focus groups. Citizens and service providers alike see benefits to financial education.

Interest in Financial Education Programs and Small Business Training

CPW asked survey respondents to indicate their interest, or lack thereof, in the topics that are currently covered in the LifeLine program. “Your Rights as a Consumer”, “Money Saving Tips”, and “Financial Resources Available Locally” proved to be the most popular topics, and these preferences varied little over the categories of metro, non-metro, low-income, and non-low-income respondents. However, interest in all financial education topics was significantly greater amongst low-income as opposed to non-low income respondents. “Learning to Resist Advertising” was by far the least popular of topics. Citizen focus group participants suggested additional topics, including home ownership, debt consolidation, smart spending/shopping, talking to creditors, how to save, how to find other sources of income, and budgeting.
Survey respondents also expressed a preference for financial education classes that met once a week, and in the evenings, which is consistent with the current structure of the LifeLine program. Participants in both the survey and the citizen focus groups identified videotapes, the Internet, and reading materials as some of the more popular non-classroom instructional formats.

Other ideas put forth by citizen focus group participants had to do with suggested meeting locations in their communities, other needs that could be met by a financial education program (particularly developing skills and knowledge that would assist participants in finding better jobs), and the concept of pitching LifeLine as an opportunity for “peer group counseling,” in which participants could provide each other moral and psychological support while at the same time sharing tips and ideas on how to spend more wisely and otherwise make one’s money go farther.

Survey responses indicated a significant level of interest in small business training programs, particularly among low-income respondents. These findings were supported in the citizen focus groups, in which several participants expressed small business ownership as a goal.

Outreach Opportunities

Two categories of suggested outreach opportunities emerged from CPW’s service provider focus groups and interviews. The first category can be described as “supplying of the right information.” Service providers repeatedly recommended supplying the right information in the form of a guidebook or comprehensive list. They also emphasized offering this information in bi- or multi-lingual formats. The second category was how O.U.R. and LifeLine can identify individuals in need of services. Service provider and citizen focus groups as well as the survey provided information on this category. The strongest recommendation was to “cross-promote,” and build partnerships between agencies as well as the private sector. Service providers also recommended that O.U.R. and LifeLine do outreach in schools, at both the high school and college level. The final recommendation was advertising through traditional media. More specifically, recommendations were made to advertise at locations such as food box dispersal sites, libraries, bankruptcy courts, public buildings, Parent Teacher Association meetings, high school completion program sites, granges, churches and country stores.

Conclusions and Recommendations

CPW examines the findings and presents conclusions and recommendations in the following four areas: Meeting Lane County’s Financial Education Needs; Curriculum and Program Structure; Outreach; and Small Business Training Opportunities.
Meeting Lane County’s Financial Education Needs

Budgeting assistance and advice on using financial services were among the greatest needs identified in this study. Specific financial education topics identified in the citizen focus groups how to consolidate debt, how to avoid credit traps and unnecessary banking charges, and how to establish a good credit history and save for the future. Most focus group participants also identified a need for better and more consistent jobs that provide better wages. Service providers indicated that, for many of their clients, programs focused on building basic life skills were prerequisites for attaining some level of financial stability, as were job retention and retraining programs. Service providers also indicated that such programs needed to be available to those not yet in crisis.

The LifeLine program fills a major gap in the range of financial education services in Lane County, by providing general financial education that is not limited to participants in specialized programs and is not cost prohibitive. It is the only program that offers free classroom education geared to building financial skills and also free individualized counseling and advice on personal financial management. Additionally, the LifeLine program is able to offer participants access to the financial services of the O.U.R. credit union, as well as legal advocacy and case management expertise.

The predominate need that is currently unmet in Lane County is that of a single program that comprehensively addresses not only financial management skills, but also incorporates basic life and job enhancement skills. The opportunity currently exists for LifeLine to fortify its current strengths and meet this need through slight modifications in approach and program design.

CPW recommends three approaches that LifeLine may take to meet this need:

1. Expand the LifeLine curriculum to incorporate educational materials and class sessions that address life and job enhancement skills
2. Seek out new collaborative partners who already offer training on life and job skills, and integrate these programs into the LifeLine curriculum
3. Refer LifeLine participants to LCC and other programs that offer training on life and job skills

Curriculum and Program Structure

The results of CPW’s Lane County Financial Services and Education Survey show that 53% of metro residents and 40% of non-metro residents favor a curriculum based upon a traditional classroom setting, with smaller class sizes preferred. Respondents also expressed interest in a wide range of non-traditional educational formats. This included a high level of interest in formats that encourage group interaction and
mutual counseling. Many participants stated that this type of approach would relieve stress and foster group support, while also providing the opportunity for participants to learn from each other.

These findings indicate that flexibility is important in tailoring both the curriculum and structure of the LifeLine program to meet the needs of different groups. Therefore, CPW recommends that LifeLine consider the following modifications to its curriculum and program structure:

1. Create optional curriculum components that are specific to certain groups, and be included as necessary
2. Incorporate additional educational topics into the LifeLine curriculum
3. Provide some alternatives to the traditional classroom format
4. Develop a Spanish-language LifeLine Program
5. Develop a mission statement and specific goals for LifeLine, incorporating existing objectives for the program’s individual and group components

Outreach

CPW’s findings on the subject of Outreach Opportunities can be summarized into two categories: “supplying of the right information,” and “how to identify individuals in need of services.” Service providers repeatedly recommended supplying the right information in the form of a guidebook or comprehensive list. They also emphasized offering this information in bi- or multi-lingual formats. On the subject of identifying individuals in need, the strongest recommendation was to “cross-promote,” and build partnerships between agencies as well as the private sector. Service providers also recommended that O.U.R. do outreach in schools, at both the high school and college level, as well as advertise their services through traditional media.

CPW offers 11 recommendations on the subject of outreach, covering the following topics: the distribution of informational materials; advertising the services offered by LifeLine and O.U.R.; potential outreach partnerships; and other considerations.

1. Broaden the distribution of existing pamphlets and other materials on the LifeLine program
2. Add O.U.R. and LifeLine to the “HELP” guidebook produced by White Bird Clinic
3. Create a new guidebook that offers comprehensive listing of financial education and related services available in the community.
4. Market the programs and services of LifeLine and O.U.R. through a traditional media advertising campaign
5. Research possible non-profit organizations that assist other non-profits with marketing and advertising campaigns

6. Consider the different motivations of potential LifeLine participants

7. Make sure that potential participants are ready for financial education

8. Do not clearly target low-income populations

9. Advertise LifeLine as a free program or seminar, rather than as a class

10. Coordinate with, and possibly form partnerships with, the existing financial education service providers listed in Table 9-1

11. Encourage other agencies to mandate or encourage participation in financial education programs

**Small Business Training Opportunities**

Over a third (35%) of all survey respondents who are not currently small business owners indicated that small business ownership was a goal for them within the next five years. Amongst low-income respondents this figure reached 46%. Some focus groups participants also identified small business ownership as a goal. Some of these participants felt that they did not possess the financial knowledge necessary to start up and maintain a small business.

The LifeLine program does not currently offer small business training as part of its financial literacy curriculum. However, LifeLine does feature guest speakers from Lane MicroBusiness on a regular basis. If LifeLine participants express interest in small business skill development, referrals to Lane MicroBusiness, O.U.R.’s Micro-Enterprise Lending Program and the Oregon Microenterprise Network are available.

CPW has three recommendations for steps that LifeLine can take to encourage and assist those program participants who are interested in starting a small business or improving their existing business:

1. Survey the small business development programs currently operating in Lane County, and develop an informational brochure detailing those services

2. Refer participants who are still interested to one or more of the County’s existing small business training service providers

3. Incorporate a small business skill component into the LifeLine curriculum
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Chapter 1

Introduction

Background

The Lane County Financial Education Needs Assessment is part of an ongoing process to address the financial education needs of Lane County residents. The sponsor of this study, the Oregon Urban and Rural (O.U.R.) Federal Credit Union, has already taken numerous steps to address these needs. This section briefly describes how previous research by O.U.R. has led the formulation of the LifeLine Financial Education Program, and in turn to this Financial Education Needs Assessment.

The Oregon Urban and Rural Federal Credit Union, established in 1969, is Oregon's only community development credit union. O.U.R. focuses on providing services to low-income residents in Lane County, Oregon. O.U.R. has been involved with the University of Oregon's Community Planning Workshop (CPW) since the fall of 1999, when it became a partner in the Community Outreach Partnership Center of Eugene-Springfield Program (COPC).

COPC is a three-year project funded by a grant from the US Department of Housing and Urban Development (HUD). A community based-planning project, COPC emphasizes individual and family skills, and community capacity building through outreach, technical assistance and information exchange. COPC is working with the residents of 10 low-income housing developments throughout the Eugene-Springfield metropolitan area. The community-based nature of the COPC project means the direction for project activities is drawn from the community members themselves – from their identified needs and interests as well as their own initiative and leadership.¹ In January 2000, COPC staff conducted a household survey in order to gain a more complete understanding of residents' interests and needs. The survey was developed with input from COPC residents, and contained 18 questions. One of the survey categories identified by community members was "household resources and budgeting."² The final survey had two questions pertaining to financial education needs. The results of these questions showed that a majority of respondents were interested in activities related to household budgeting and saving. When asked, "Would you like to learn about creating household budgets?" the majority of respondents (61%) indicated interest in this activity (38% "Yes," and 23% "Maybe"). A majority (64%) of respondents also indicated some level of interest (39% Yes, and 24%  

² Ibid. p. 2-1.
Maybe) when asked, “would you like to learn more about personal/family savings plans?”

In addition to low-income residents in COPC communities, the Latino community was also identified as a population needing financial education. A study commissioned by O.U.R. in April 2000 identified financial education as a need and a priority within the Lane County Latino community. A survey carried out for this study found that 41% of respondents indicated “personal finance” as a financial training need. In addition, 26% identified “education on financial options/services/products” as a need.

Prior to both the COPC and IMPACT Business Consultants studies, O.U.R. conducted a needs assessment in 1999 to obtain information for a series of financial education workshops that were to be offered to Eugene/Springfield residents. COPC coordinators worked with OUR to develop a five part workshop series, which began operating in May/June 2000. These workshops came to be known as the LifeLine program. O.U.R., the Lane County Law and Advocacy Center, Lane County Housing Authority, and Lane Shelter Care currently sponsor this program.

LifeLine provides financial education as well as access to legal advocacy, case management, and financial services to families struggling to pay monthly bills. The program offers financial literacy education and individual skill development on both a classroom and an individual level. At both levels LifeLine works with households to set financial goals, assess their spending patterns, create a functional budget, and develop strategies to address ongoing financial challenges.

LifeLine currently serves residents in the Eugene-Springfield metropolitan area, but the program wishes to expand into smaller and more rural communities in Lane County, as well as to provide better services to its current participants in the Eugene-Springfield area. In order to make this expansion possible, it was necessary for O.U.R. to identify more explicitly the needs for financial education and other financial services that exist throughout the county. This needs assessment is the first step in a three-phase project that will enable both the improvement of the LifeLine program and an expansion of its services.

In the spring of 2000, O.U.R. applied for and received a Technical Assistance grant from the U.S. Department of Treasury to identify the financial education needs of all Lane County residents and to explore ways to expand financial education programs in Lane County. The grant application identified three phases of the project: Phase I includes gathering data and conducting a needs assessment; Phase II consists

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3 Ibid. p. 2-12, 2-13.
primarily of establishing a process for prioritizing the needs that were identified in Phase I; and Phase III develops strategies and recommendations for finding a sustainable funding source. O.U.R. contracted with Community Planning Workshop (CPW) to carry out Phase I of the project.

Purpose

The Lane County Financial Education Needs Assessment will assist O.U.R. to better serve the financial education needs of all Lane County residents. The findings of this needs assessment will be used to evaluate and perhaps expand the existing LifeLine program.

LifeLine is a unique and valuable program. Many of the participating households do not qualify for other financial services because of their income or credit history. In addition, banks and lending institutions are frequently not a source of support for these households because their debt ratio makes the household a bad risk. Finally, other credit counseling programs only offer partial support, without expanded loan and saving options and without opportunity for informed referral to legal and case management help.

By identifying the gaps in services currently available as well as specific financial education needs, assets, and barriers facing Lane County residents, this needs assessment will help to strengthen and streamline the LifeLine program, so that it may even more effectively serve the financial education needs of the community.

Methodology

The purpose of this study is to identify the financial education needs of Lane County residents. This was accomplished through the development and implementation of a needs and assets assessment, which was designed to identify and measure the characteristics of a sample of Lane County residents on the following topics:

- Demographics;
- Awareness and use of existing services;
- Gaps in use of services;
- Barriers to accessing services;
- Financial needs;
- Financial goals and assets;
- Interest in financial education programs and small business training; and
• Outreach opportunities.

The study utilized the following four methods to obtain information:

1. A household survey, mailed to 1500 Lane County households;
2. Focus group meetings with Lane County citizens and "service providers" identified with the help of the project steering committee;
3. Phone interviews with additional service providers; and
4. A literature review and supplemental research, focusing on current studies, web sites, and articles pertaining to financial education and including phone interviews with other financial education providers in Lane County.

CPW designed the research program such that the various elements could interrelate. We began with a literature review and a series of phone interviews with local service providers. CPW followed the preliminary research efforts with two focus group meetings intended to identify key issues and concerns among service providers and low-income households. CPW used information gathered in the initial focus groups to develop the household survey. After conducting a preliminary analysis of the household survey, CPW conducted a second round of focus groups. The second round of focus groups was intended to build upon the survey and provide more specific information to help CPW better understand the survey results.

**Household Survey**

CPW designed the household survey to collect information on the characteristics of Lane County households. Specifically, the survey was intended to gather information from households throughout the County on issues related to financial management and education. The survey, entitled the "Lane County Financial Services and Education Survey," was mailed to 1500 Lane County households on March 7, 2001. CPW used a stratified sampling scheme where half of the survey sample consisted of randomly selected households in Lane County and the other half consisted of low-income households. Of the 1500 mailed surveys, 57 were returned by the post office because the addresses from the mailing lists were no longer valid. CPW received a total of 253 completed surveys, for a 17.5% response rate.

A more in-depth description of the survey methodology is provided in Appendix A, along with a copy of the survey and the raw survey data.

**Focus Groups**

CPW included a series of focus groups into the research program as a way to gather qualitative information that could be used to support and/ or refute the quantitative findings from the household survey. Focus groups allow the researcher the opportunity to get in-depth information on a given issue, often from the individuals that are most affected by or most knowledgeable on the given issue. They also allow
for some flexibility, so that the researcher may pursue new issues brought up by the focus group participants and gain a more comprehensive knowledge of the subject at hand. Furthermore, focus groups provide real life stories and quotes that can be used to give the resulting data more of a human touch.

CPW facilitated a total of seven focus group discussions, over a three-month period from early February to early May 2001. Five of these meetings were citizen focus groups; while the other two were with "service providers," individuals whose professions put them into regular contact with this study's target population of low-income citizens that could potentially benefit from a financial education program.

The citizen focus groups were held in five different communities that represent five geographical regions of the county and are generally the largest communities in their respective regions. The five communities were Springfield (Metro Region/ Central Lane County), Cottage Grove (Southern Lane County), Junction City (Northern Lane County), Florence (Western Lane County), and Oakridge (Eastern Lane County). Most of the participants were identified with the assistance of service provider agencies located in the respective communities. A total of 39 citizens attended these five meetings.

The service provider focus groups were both held in Springfield. The participants for these meetings were drawn from a list of area service providers identified by the project steering committee. The second service provider focus group consisted of service providers who work in parts of Lane County outside the Eugene-Springfield metro area. A total of 12 service providers attended these two meetings.

More information on the focus group methodology can be found in Appendices B and C, along with a full list of the comments made at the meetings.

Phone Interviews
CPW conducted phone interviews with those service providers who appeared on the list provided by the steering committee but were unable to attend one of the service provider focus groups. The purpose of this exercise was to contact a broader base of service provider knowledge than could be included in the two service provider focus group meetings, and to gain their insight on the topic of financial education and the need for financial education services in Lane County. The questions asked in the phone interviews were identical to those asked in the service provider focus groups. A total 22 phone interviews were conducted, and the results can be found in Appendix C.

Literature Review and Supplemental Research
CPW conducted a review of reports, journal and newspaper articles, and Internet resources to gain an understanding of the issue of financial literacy, and the various approaches to addressing this issue that have been taken by other financial education programs, both in Lane County and elsewhere. The research into other financial education service
providers in Lane County included telephone interviews with representatives of these organizations.

**Organization of Report**

The findings for this report are organized by topic, which enables the reader to find information quickly and easily. Each chapter includes an analysis and a summary of findings based on results from the household survey and focus group research conducted for this report. The report is divided into ten chapters and three appendices:

**Chapter Two: Demographics of Survey Respondents**

summarizes the demographic characteristics of the individuals who responded to the survey, allowing for a better understanding of the context for the other survey results dealing with financial education needs and interest.

**Chapter Three: Awareness and Use of Existing Services**

provides a description of the findings regarding the awareness and use of various financial services in Lane County, including financial education services.

**Chapter Four: Gaps in Services Used**

describes this study's findings regarding areas in which needed financial and financial education services are not currently being provided in Lane County.

**Chapter Five: Barriers to Accessing Services**

identifies some of the barriers, both physical and psychological, that prevent Lane County residents from accessing needed services.

**Chapter Six: Financial Needs**

analyzes the financial needs of the survey and citizen focus group respondents; so that the LifeLine program may be structured its programs to better meet those needs.

**Chapter Seven: Financial Goals and Assets**

presents CPW's findings regarding the financial goals and assets of the Lane County citizens participating in this study, which will help O.U.R. identify the specific areas that should be targeted by a financial education program.

**Chapter Eight: Interest in Financial Education Programs and Small Business Training**

gauges the level of interest in financial education programs and small business training opportunities among study participants, including the preferred scope and structure of a financial education program.

**Chapter Nine: Outreach Opportunities**

describes opportunities and potential strategies for identifying members of the target population and recruiting them to participate in a financial education program.

**Chapter Ten: Conclusions and Recommendations**

provides recommendations for ways in which O.U.R. can overcome the
identified barriers, recruit participants, and generally provide improved financial education services for the target population in Lane County.

The report’s three appendices contain additional supporting materials including research methodology, focus group and phone interview transcripts, and raw survey data.

**Appendix A:** Survey contains a description of the survey research methodology undertaken by CPW, along with the raw survey data.

**Appendix B:** Service Provider Analysis contains the service provider methodology, the questions asked of the service providers, and a full listing of all responses given to these questions.

**Appendix C:** Citizen Focus Group Analysis contains the methodology for recruiting participants and conducting the citizen focus groups, the questions asked in the citizen focus group meetings, and a full listing of all responses given to these questions, by meeting location.
Chapter 2

Demographics of Survey Respondents

Understanding the demographics of Lane County households will assist O.U.R in pinpointing the regions and categories of need in Lane County. This will allow for the design of a curriculum that will best meet the existing needs, and will also allow the client to target a specific area or areas that would be receptive to the services Lifeline offers.

The following are the questions used in the survey to identify the demographics of the responding population.

Survey Questions

Q-17. Please indicate the sources of income in your household. Check all that apply.

Q-18. Have you received assistance from any of the following sources in the past twelve months? Check all that apply.

Q-23. Please indicate which of the following categories best describes your total gross household income in the year 2000, before taxes.

Q-24. How many members of your household contribute to this total income?

Q-25. What city or community do you live in or live closest to?

Q-26. What is your age?

Q-27. Including yourself, how many people are in your household?

Q-28. Including yourself, how many people living in your household are in each of the following age groups?

Q-29. Of the total number of adults and children living in your household, how many are included in each of the following categories? (Your response is optional)

Q-30. What is your gender?

Q-31. What is the highest level of education that you have completed?

Summary of Findings

This chapter describes the demographic information gathered from respondents to the Lane County Financial Services and Education Survey. A total of 253 individuals responded to this survey. CPW divided the respondent pool into six geographic regions. These regions are Eugene (R-1), Springfield (R-2), North/Northwest (R-3), West (R-4), East (R-5), and South/Southwest (R-6). Regions 3-5 each had less than
25 respondents. The small number of responses in each of these regions makes it difficult to interpret the results with any degree of confidence. Thus, CPW combined these regions into two larger regions, metro (Eugene-Springfield) and non-metro, for analysis. Fifty-six percent of survey respondents were from the metro area, and 44% were from the non-metro area.

A large percentage of respondents (48%) to the household survey reported very low incomes— incomes of less than $10,000 a year. CPW cross-referenced respondents' income with their household size, and thus was able to define the respondents' financial situations in terms of a percentage of the federal poverty level. Any combination of income and household size that equaled 150% of the federal poverty level or less was considered to be "low-income." Fifty-six percent of survey respondents fell into this category. This distinction between low-income and non-low-income is used as a basis for further analysis in the remaining findings chapters.

The age of the respondents ranged from 18 to 89, and was fairly well distributed within this range. CPW found a relationship between age and income status amongst the survey respondent population, with the younger respondents being much more likely to be low-income. The educational attainment of the respondents ranged from grade school to post-college graduate, with the greatest number reporting an education level of "some college." The low-income respondents generally had a lower level of education than the non-low-income respondents. Finally, the ethnic breakdown of the respondent pool was similar to that of Lane County as a whole, except that the survey showed a much greater representation of Native Americans (11%, versus 1% for the entire county population).

**Detailed Findings**

Table 2-1 shows the geographical distribution of the survey respondents. CPW divided Lane County into six regions for the purpose of this study. The cities of Eugene and Springfield were each considered distinct regions, due to the large percentage of the county's population that lives in these two cities. The more rural areas of the county were divided into four regions, based on the four cardinal directions. This table shows the communities that make up each of the

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5 Most state agencies define "low-income" using the federal HUD standard of 80% of median income. Some agencies and programs, such as low-income energy assistance and some USDA nutrition programs use a standard of 150% of the federal poverty level, which varies according to household size. CPW chose to use the latter standard of 150% of the federal poverty level, as this figure represents a mid-point between low and very-low income categories, and often includes individuals who make too much money to qualify for many assistance programs, but do not make enough to be self-sufficient. This is consistent with the desire of O.U.R. to contact residents for this study who are low-income, but are not so low-income that they would be unable to utilize or benefit from the services offered by O.U.R. and LifeLine.
four regions, and the number and percentage of survey responses that came from each community and region. The response levels for Regions 3, 4, and 5 were too small for any analysis of these regions' respondents to be statistically significant. Therefore, the six regions have been divided into a Metro and Non-Metro classification. The Metro/Non-Metro classification will be used as the primary geographical basis of analysis for this report.

Table 2-1. Geographic Breakdown of Respondents

<table>
<thead>
<tr>
<th>Community or Region</th>
<th>Total Population of Community</th>
<th>Responses</th>
<th>Percent of Total Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region 1 (Eugene)</td>
<td>137,893</td>
<td>83</td>
<td>34%</td>
</tr>
<tr>
<td>Region 2 (Springfield)</td>
<td>52,864</td>
<td>54</td>
<td>22%</td>
</tr>
<tr>
<td>Total Metro Area</td>
<td>190,757</td>
<td>137</td>
<td>56%</td>
</tr>
<tr>
<td>Region 3 (North/ NW)</td>
<td>NA</td>
<td>24</td>
<td>10%</td>
</tr>
<tr>
<td>Cheshire</td>
<td>NA</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Elmira</td>
<td>NA</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Junction City</td>
<td>4,721</td>
<td>12</td>
<td>5%</td>
</tr>
<tr>
<td>Veneta</td>
<td>2,755</td>
<td>10</td>
<td>4%</td>
</tr>
<tr>
<td>Region 4 (West)</td>
<td>NA</td>
<td>21</td>
<td>9%</td>
</tr>
<tr>
<td>Florence</td>
<td>7,263</td>
<td>17</td>
<td>7%</td>
</tr>
<tr>
<td>Mapleton</td>
<td>NA</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td>Swisshome</td>
<td>NA</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Region 5 (East)</td>
<td>NA</td>
<td>13</td>
<td>5%</td>
</tr>
<tr>
<td>Vida</td>
<td>NA</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Jasper</td>
<td>NA</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Oakridge</td>
<td>3,148</td>
<td>8</td>
<td>3%</td>
</tr>
<tr>
<td>Pleasant Hill</td>
<td>NA</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td>Region 6 (South/SW)</td>
<td>NA</td>
<td>50</td>
<td>20%</td>
</tr>
<tr>
<td>Cottage Grove</td>
<td>8,445</td>
<td>36</td>
<td>15%</td>
</tr>
<tr>
<td>Creswell</td>
<td>3,579</td>
<td>12</td>
<td>5%</td>
</tr>
<tr>
<td>Crow</td>
<td>NA</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Lorane</td>
<td>NA</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Total Non-Metro Area</td>
<td>133,193</td>
<td>108</td>
<td>44%</td>
</tr>
</tbody>
</table>


6 These US Census figures are only available for incorporated communities
Table 2-2 shows the range of incomes of our survey respondents, as determined by the responses to Question 23 on the survey. This question offered 15 categories of household income, in $5000 increments. CPW has summarized these into five categories. These categories are structured so that they each will contain a roughly equal percentage of the survey respondents. This creates categories that are highly uneven in terms of range of income, which illustrates how the majority of the respondents were in the lower income brackets. This table also presents an interesting distinction between metro and non-metro respondents in terms of income levels. A greater percentage of metro respondents are in the lowest income bracket (23% reported income of less than $5000, versus 18% of non-metro), and a much greater percentage are in the two highest income brackets (a total of 44% of metro respondents reported incomes of $30,000 or more, versus only 18% of non-metro respondents).

<table>
<thead>
<tr>
<th>Range</th>
<th>All Respondents</th>
<th>Metro</th>
<th>Non-metro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $5,000</td>
<td>22%</td>
<td>23%</td>
<td>18%</td>
</tr>
<tr>
<td>$5,000 to $9,999</td>
<td>26%</td>
<td>18%</td>
<td>34%</td>
</tr>
<tr>
<td>$10,000 to $29,999</td>
<td>21%</td>
<td>15%</td>
<td>30%</td>
</tr>
<tr>
<td>$30,000 to $54,999</td>
<td>20%</td>
<td>26%</td>
<td>9%</td>
</tr>
<tr>
<td>$55,000 or more</td>
<td>13%</td>
<td>18%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Using techniques available in the Statistical Package for the Social Sciences computer program (SPSS), CPW created a “low-income” variable within the database of survey responses. This variable takes into account both income and household size to determine the respondents’ income in terms of a percentage of the federal poverty level. Respondents whose incomes corresponded to 150% of the poverty level or less were included in the “low-income” category. However, because the survey asked for income levels in $5000 increments, the actual dividing line between “low-income” and “non-low-income” ranged between 120% and 150%, depending upon household size. Table 2-3 illustrates how the income categories from the survey relate to the federal poverty level per household size. The maximum incomes from each of the categories were used to calculate the percentages of the poverty level, and the combinations that were included in the “low-income” category are in bold.
Table 2-3. Percentages of Federal Poverty Level

<table>
<thead>
<tr>
<th>HH size</th>
<th>100% of Poverty</th>
<th>Maximum Incomes of Survey Categories, and Corresponding Percentages of the Federal Poverty Level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$5000</td>
</tr>
<tr>
<td>1</td>
<td>$8350</td>
<td>60%</td>
</tr>
<tr>
<td>2</td>
<td>$11,250</td>
<td>44%</td>
</tr>
<tr>
<td>3</td>
<td>$14,150</td>
<td>35%</td>
</tr>
<tr>
<td>4</td>
<td>$17,050</td>
<td>29%</td>
</tr>
<tr>
<td>5</td>
<td>$19,950</td>
<td>25%</td>
</tr>
<tr>
<td>6</td>
<td>$22,850</td>
<td>21%</td>
</tr>
<tr>
<td>7</td>
<td>$25,750</td>
<td>19%</td>
</tr>
<tr>
<td>8</td>
<td>$28,650</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Using this methodology, 56% of the survey respondents qualified as “low-income.” Table 2-4 shows the percentages of low-income and non-low-income respondents by geographical area. This table shows that a significantly greater percentage of the respondents from outside the Eugene-Springfield metro area could be categorized as low-income, compared to the respondents from inside Eugene-Springfield. However, Region 2 (Springfield) also had a higher percentage of its respondents in the low-income category than the total survey sample. This can be attributed to the fact that the greatest percentage of the total respondents (34%) came from Region 1 (Eugene), and this region had by far the lowest percentage of respondents in the low-income category.

Table 2-4. Income Status of Respondents, by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Low-Income</th>
<th>Non-Low-Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Respondents</td>
<td>56%</td>
<td>44%</td>
</tr>
<tr>
<td>Region 1 (Eugene)</td>
<td>39%</td>
<td>61%</td>
</tr>
<tr>
<td>Region 2 (Springfield)</td>
<td>59%</td>
<td>41%</td>
</tr>
<tr>
<td>Total Metro Area</td>
<td>46%</td>
<td>54%</td>
</tr>
<tr>
<td>Region 3 (North/ NW)</td>
<td>59%</td>
<td>41%</td>
</tr>
<tr>
<td>Region 4 (East)</td>
<td>76%</td>
<td>24%</td>
</tr>
<tr>
<td>Region 5 (West)</td>
<td>54%</td>
<td>46%</td>
</tr>
<tr>
<td>Region 6 (South/SW)</td>
<td>71%</td>
<td>29%</td>
</tr>
<tr>
<td>Total Non-Metro Area</td>
<td>67%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Seventy-six percent of the survey respondents were female, as indicated on Question 30. The age of the survey respondents ranged from 18 to
89. Table 2-5 shows the respondents' age by category, and how these age categories are distributed amongst low-income and non-low-income. The survey respondents were fairly evenly distributed amongst the given age categories. It is very interesting to note that there was an apparent relationship between age and low-income status, as the highest percentage of low-income respondents (78%) was in the youngest age category, and the low-income percentages dropped with each subsequent age categories, with the smallest low-income percentage (38%), coming with the group aged 65 and above.

<table>
<thead>
<tr>
<th>Age Group</th>
<th>All Respondents</th>
<th>Low-Income</th>
<th>Non-Low-Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 18 to 29</td>
<td>19%</td>
<td>78%</td>
<td>22%</td>
</tr>
<tr>
<td>Age 30 to 39</td>
<td>17%</td>
<td>65%</td>
<td>35%</td>
</tr>
<tr>
<td>Age 40 to 49</td>
<td>21%</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>Age 50 to 64</td>
<td>29%</td>
<td>43%</td>
<td>57%</td>
</tr>
<tr>
<td>Age 65 and Above</td>
<td>14%</td>
<td>38%</td>
<td>63%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Sixty-eight percent of the respondents had some level of education beyond high school, including 23% who were college graduates. Chart 2-1 shows the highest level of education completed by the survey respondents, broken down into total, low-income, and non-low-income.

<table>
<thead>
<tr>
<th>Educational Attainment of Survey Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade School</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>50%</td>
</tr>
<tr>
<td>40%</td>
</tr>
<tr>
<td>30%</td>
</tr>
<tr>
<td>20%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.
Chart 2-1 shows that the greatest number of respondents had attained some college education, but were not college graduates. This held true for both low-income and non-low income respondents, 44% and 45% of whom fell into this category, respectively. In general, the low-income respondents had lower levels of education, as 44% had a high school education or less, versus only 17% of the non-low-income respondents. Additionally, 39% of the non-low-income respondents had graduated from college, versus 11% of the low-income respondents. However, it is notable that the majority of the respondents claimed to have an education level of at least “some college,” and this was the case for both low-income and non-low-income respondents.

Chart 2-2 shows the ethnicity of the survey respondents versus that of the Lane County population (as defined by the 2000 US Census).

**Chart 2-2. Ethnicity of Survey Respondents and Lane County Population**

[Bar chart showing percentages of different ethnic groups.]

Sources: Lane County Financial Services and Education Survey. CPW. 2001, and 2000 US Census: http://factfinder.census.gov/servlet/BasicFactsServlet

Chart 2-2 shows that the ethnic breakdown of the survey respondents mirrors that of the Lane County population in many respects. The major differences are in the Caucasian and Latino ethnic groups, which are under represented in this survey as compared to the County’s population, and the Native American group, which is significantly over represented (11% of the survey respondents were Native American, versus 1% of the county population according to the Census).
Chapter 3

Awareness and Use of Existing Services

CPW asked specific questions in both the household survey and focus groups about awareness and use of existing financial services. By understanding what services residents are aware of and are currently using, O.U.R. can make better-educated decisions about where to locate and what services to offer in other locations around Lane County. The following questions from the survey, citizen focus groups, and service provider analysis were related to the topic of Awareness and Use of Existing Services:

Survey Questions

Q-1. The following is a list of the types of businesses that offer financial services. Which of these have you used in the past twelve months?

Q-2. Which of the following financial services do you now use?

Q-3. Have you used or received any of these other services in the past twelve months?

Q-6. Do these statements apply to you? Please indicate whether you strongly agree, agree, feel neutral, disagree, or strongly disagree that the following statement is true for you:

"I know all about the financial services that are available in my community"

"The banks do not do a good job of informing me about the services that they offer"

Q-12. Have you ever participated in a course or program that taught you how to manage money? If yes, what was the name of the course or program? What agency or organization sponsored this program?

Service Provider Questions

Do you have or know of any financial literacy or counseling programs that assist low-income populations?

Citizen Focus Group Questions

What financial services are you familiar with?

Are there any of these services you do not use? If so, then why not?

Which of these services do you use, and why?
Summary of Findings

This chapter is divided into two sections. The first section analyzes awareness and use of existing financial services. The information for this section comes from analysis of the citizen focus groups and the household survey. The second section analyzes awareness and use of existing financial education providers. The information for this section comes from the household survey and the service provider focus groups.

General awareness of existing financial services is fairly high among all groups questioned in this analysis. Citizen focus group participants described awareness of numerous services such as checking and savings accounts, debit cards, credit cards, transfer accounts, trust services, loans, credit unions, money orders, pawn shops, and Internet banking. In addition, many participants described positive experiences with financial services. These experiences mainly involved free services, fee waivers, savings, keeping track of finances, and generally having a good rapport with their financial institutions. Service provider focus group participants and interviewees were also aware of financial literacy and counseling programs that assist low-income populations. Some of the programs mentioned include: Neighborhood Economic Development Corporation (NEDCO), St. Vincent dePaul's 2nd Chance Renter's Rehabilitation Program, Cottage Grove's Community Sharing Program, Carpenter's Local 1273 Union Privilege Program, Project Homes, Womenspace, LifeLine, Marcola Family Resource Center, Emmanuel Credit Management, Lane Community College, and Oregon Collectors Association.

Information on use of existing financial services primarily came from the household survey. Use varies greatly among the low-income, non-low-income, metro, and non-metro survey categories. The services for which use varies by category include credit unions, pawnshops, brokerage firms, checking and saving accounts, credit cards, and on-line banking. There is greater variance between low-income and non-low-income categories than between the metro and non-metro categories. Finally, the services used by the smallest percentage of survey respondents included budget assistance, advice on financial services, check-cashing agencies, escrow accounts, and wire transfers.
Detailed Findings

Awareness and Use of Financial Services

The first step in analyzing the results relating to awareness and use of existing financial services is to look at the results to survey Questions 1, 2, and 3, which asked respondents to indicate which financial services they had utilized in the past twelve months. Table 3-1 displays the responses to Q-1, which referred to different types of businesses that offer financial services.

Table 3-1. Use of Financial Services by Business Type

<table>
<thead>
<tr>
<th>Services</th>
<th>Percent of Respondents Using</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Banks</td>
<td>64%</td>
</tr>
<tr>
<td>Credit Unions</td>
<td>50%</td>
</tr>
<tr>
<td>Banks or Credit Unions</td>
<td>86%</td>
</tr>
<tr>
<td>Stock Broker/Brokerage Firm</td>
<td>14%</td>
</tr>
<tr>
<td>Pawn Shops</td>
<td>11%</td>
</tr>
<tr>
<td>Lending Agencies</td>
<td>8%</td>
</tr>
<tr>
<td>Check Cashing Agencies</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
</tr>
<tr>
<td>None of the Above</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Perhaps the most notable result of Table 3-1 is that 14% of all survey respondents, and 23% of low-income survey respondents, use neither banks nor credit unions to manage their money. It is also of interest that more respondents go to pawn shops as a “financial service provider” (11%) than other lending agencies (8%). In addition, pawnshop use was highest among low-income respondents (17%). In the metro and non-metro categories it is interesting to note that compared to their counterparts in the metro region, non-metro respondents are much more likely to use banks rather than credit unions.

Table 3-2 shows the survey respondents’ use of different types of services.
Table 3-2. Use of Financial Services by Service Type

<table>
<thead>
<tr>
<th>Services</th>
<th>Percent of Respondents Using</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Low-Income</td>
<td>Non-Low-Income</td>
<td>Metro</td>
<td>Non-Metro</td>
</tr>
<tr>
<td>Checking Account</td>
<td>72%</td>
<td>54%</td>
<td>96%</td>
<td>70%</td>
<td>74%</td>
</tr>
<tr>
<td>Savings Account</td>
<td>63%</td>
<td>47%</td>
<td>84%</td>
<td>68%</td>
<td>57%</td>
</tr>
<tr>
<td>Credit Card</td>
<td>53%</td>
<td>33%</td>
<td>80%</td>
<td>64%</td>
<td>42%</td>
</tr>
<tr>
<td>Debit Card</td>
<td>44%</td>
<td>32%</td>
<td>62%</td>
<td>44%</td>
<td>55%</td>
</tr>
<tr>
<td>Bank By Phone</td>
<td>21%</td>
<td>17%</td>
<td>27%</td>
<td>24%</td>
<td>17%</td>
</tr>
<tr>
<td>Retirement Account</td>
<td>19%</td>
<td>2%</td>
<td>43%</td>
<td>28%</td>
<td>9%</td>
</tr>
<tr>
<td>On-Line Banking</td>
<td>14%</td>
<td>4%</td>
<td>28%</td>
<td>18%</td>
<td>10%</td>
</tr>
<tr>
<td>Trust Account</td>
<td>4%</td>
<td>2%</td>
<td>7%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Escrow Account</td>
<td>2%</td>
<td>0%</td>
<td>5%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>4%</td>
<td>2%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>None of the Above</td>
<td>12%</td>
<td>20%</td>
<td>1%</td>
<td>15%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Notable findings from Table 3-2 include the fact that checking and savings account use varied widely among respondent categories. Also noteworthy is the fact that 20% of low-income respondents checked "None of the Above." In addition, the use of credit cards is much higher among metro respondents (64%) than non-metro (42%).

"I don't bring in enough money to use these services. When the money comes in it's gone." — Citizen focus group participant.

Table 3-3 shows respondents' use of other financial services. Note that no more than 2% in any of the categories indicated that they had received budgeting assistance in the past twelve months. The use of money orders was highest among the low-income category, at 56%, and the use of ATM/cash machines was highest (71%) among non-low-income. There was also a significant difference between low-income (35%) and non-low-income (63%) in the use of direct deposit services.
Table 3-3. Additional Financial Services Used in Past Twelve Months

<table>
<thead>
<tr>
<th>Services</th>
<th>Percent of Respondents Using</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>ATM/Cash Machines</td>
<td>55%</td>
</tr>
<tr>
<td>Direct Deposit</td>
<td>47%</td>
</tr>
<tr>
<td>Money Orders</td>
<td>42%</td>
</tr>
<tr>
<td>Direct Deposits</td>
<td>27%</td>
</tr>
<tr>
<td>Cashiers Check</td>
<td>18%</td>
</tr>
<tr>
<td>Advice on Using Financial Services</td>
<td>7%</td>
</tr>
<tr>
<td>Wire Transfers</td>
<td>6%</td>
</tr>
<tr>
<td>Budget Assistance</td>
<td>2%</td>
</tr>
<tr>
<td>None of the Above</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Chart 3-1 shows that the low-income respondents' use of most conventional financial services (over the past twelve months) was lower than the use of the same services by non-low-income residents. For example, 34% of low-income residents used credit unions in the past twelve months, compared to 72% of non-low-income residents. The same trend holds true for services such as banks, brokerage firms, checking accounts, savings accounts, credit cards, retirement accounts, and direct deposits.

Chart 3-1. Use of Conventional Financial Services

Source: Lane County Financial Services and Education Survey. CPW. 2001.
This trend is reversed for services such as pawnshops, check cashing agencies, money orders, and "None of the above," as is demonstrated in Chart 3-2 below. These findings suggest that although low-income residents are aware of existing "conventional" financial services in Lane County, they use these services less often than non-low-income residents. However, the low-income residents are more likely to use "non-traditional" and more costly financial services such as pawn shops, check cashing agencies, and money orders, or to simply not use any financial services at all.

**Chart 3-2. Use of “Non-Conventional” Financial Services**

![Chart showing use of various financial services by low-income and non-low-income residents.

Source: Lane County Financial Services and Education Survey. CPW. 2001.]

Citizen focus groups also addressed awareness and use of financial services. Among the citizen focus group questions, the following four were relevant to awareness and use of existing services: "What financial services are you familiar with?" "Are there any of these services that you don't use?" "Why don't you use them?" "Which of these services do you use, and why?"

"I don't have a checking account, I just use money orders for my bills." — Citizen focus group participant

Responses to these questions varied. Many responses included services mentioned in the survey. Some additional financial services that focus group participants were aware of included: debt consolidation loans, bonds, CDs, grants, scholarships, food stamps, notaries, life insurance, overdraft service, 401Ks, safety deposit boxes, and deferred compensation for life insurance. Many participants described positive experiences with financial services. These experiences mainly involved
free services, fee waivers, savings, keeping track of finances, and having a good rapport with their financial institution. One respondent noted that O.U.R. does not charge for money orders. Others have had good experiences with Siuslaw Valley Bank and Western Union. Another had a positive experience with O.U.R., which helped her purchase a car through consolidating her loans. Still another respondent noted that banks do not cash post-dated checks, which saved her from getting an overdraft fee because she didn’t have enough money in her account.

Participants also noted both good and bad experiences involving credit cards. One participant described her poor credit history, and concluded that gaining access to credit at a young age left her with financial troubles and is therefore a bad idea. Another participant described how credit cards raised her standard of living, which in turn helped her business income to triple. Some participants described using checking accounts to keep track of spending, while others said they prefer using grocery store ATMs due to better hours.

Table 3-4 shows the monthly fees for respondents who indicated on Q-3 that they had used money orders or cashier checks in the past twelve months. The amount of money order fees paid per month was fairly evenly distributed among respondent categories for this topic. The majority of respondents (75% or greater for each category) placed themselves into the $0 - $5 fee range. However, it is also noteworthy that 2% - 6% placed themselves in the $100 or more fee range.

<table>
<thead>
<tr>
<th>Money Order or Cashier’s Check Fees</th>
<th>All Respondents</th>
<th>Low-Income</th>
<th>Non-Low-Income</th>
<th>Metro</th>
<th>Non-Metro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don’t Know</td>
<td>1%</td>
<td>1%</td>
<td>0%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>$0 to $5</td>
<td>80%</td>
<td>75%</td>
<td>90%</td>
<td>79%</td>
<td>79%</td>
</tr>
<tr>
<td>$5.01 to $20</td>
<td>13%</td>
<td>16%</td>
<td>8%</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>$20.01 to $50</td>
<td>1%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>$50.01 to $100</td>
<td>3%</td>
<td>3%</td>
<td>0%</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>$100 or More</td>
<td>3%</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Question 6 on the survey asked respondents to indicate the extent to which they agreed with a series of statements. Two of the statements on Q-6 related to Awareness and Use of Existing Services. Table 3-5 shows how those who took the survey responded to the statement “I know all about the financial services that are available in my community.” This statement allows respondents to identify their perceptions of their own awareness of existing services. Only 34% of all respondents agreed or strongly agreed with the above statement, while 40% either disagreed or strongly disagreed. The greatest levels of
disagreement were among metro (45%) and low-income (49%) populations.

Table 3-5. “I know all about the financial services that are available in my community”

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Respondents</td>
<td>8%</td>
<td>26%</td>
<td>26%</td>
<td>27%</td>
<td>13%</td>
</tr>
<tr>
<td>Low-Income</td>
<td>7%</td>
<td>19%</td>
<td>25%</td>
<td>31%</td>
<td>18%</td>
</tr>
<tr>
<td>Non-Low-Income</td>
<td>8%</td>
<td>32%</td>
<td>30%</td>
<td>23%</td>
<td>8%</td>
</tr>
<tr>
<td>Metro</td>
<td>6%</td>
<td>22%</td>
<td>27%</td>
<td>30%</td>
<td>15%</td>
</tr>
<tr>
<td>Non-Metro</td>
<td>9%</td>
<td>30%</td>
<td>26%</td>
<td>23%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Another statement from Q-6 was relevant to this topic, as it asked respondents to evaluate the success or failure of banks at informing them of the services that the banks offer. The responses to this statement are seen in Table 3-6.

Table 3-6. “The banks do not do a good job of informing me about the services that they offer”

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Respondents</td>
<td>7%</td>
<td>10%</td>
<td>31%</td>
<td>33%</td>
<td>19%</td>
</tr>
<tr>
<td>Low-Income</td>
<td>12%</td>
<td>13%</td>
<td>32%</td>
<td>32%</td>
<td>12%</td>
</tr>
<tr>
<td>Non-Low-Income</td>
<td>2%</td>
<td>6%</td>
<td>27%</td>
<td>36%</td>
<td>29%</td>
</tr>
<tr>
<td>Metro</td>
<td>9%</td>
<td>10%</td>
<td>30%</td>
<td>32%</td>
<td>20%</td>
</tr>
<tr>
<td>Non-Metro</td>
<td>5%</td>
<td>10%</td>
<td>30%</td>
<td>36%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Only 17% of the respondents agreed or strongly agreed that banks do not do a good job of informing them of the services that they offer, while 52% disagreed or strongly disagreed. The populations that were most likely to agree to this statement were the metro (19%) and low-income (25%) respondents.

Responses from the Latino citizen focus group that took place in Cottage Grove varied only slightly on the topic of awareness and use of existing services. Participants were aware of services such as checking and savings accounts, loans, check cashing, debit and credit cards,
money orders, and wire transfers. In terms of services used, everyone in attendance noted that they only use banks. All participants said that they use Mexico Express for wire transfers. Mexico Express only charges a fee to the sender, whereas other wire transfer companies charge a fee to both the sender and the receiver.

**Awareness and Use of Financial Education Programs**

Question 12 on the survey asked, “Have you ever participated in a course or program that taught you how to manage money?” Just 15% of survey respondents answered “Yes” to this question. In addition Q-12 asked, “If yes, what was the name of the course or program?” And, “What agency or organization sponsored this program?” A total of thirteen organizations were specifically named. Frequently mentioned organizations include: O.U.R.’s LifeLine, Neighborhood Economic Development Corporation (NEDCO), Adult and Family Services, and Consumer Credit Counseling. Respondents also mentioned the local community college, university and high school programs.

Service providers were also asked about their awareness of existing financial education programs, and their clients’ use of these programs. CPW asked the following question to address this issue: “Do you have or know of any financial literacy or counseling programs that assist low income populations?”

The answers to this question fell into four categories: non-profit service agencies, employer and labor programs, private sector resources, and traditional educational center services.

The focus group responses mostly named resources in the first two groups. The non-profit service agencies mentioned included the Neighborhood Economic Development Corporation (NEDCO), which offers home ownership education programs for all levels of low income. Two other examples are St. Vincent dePaul’s 2nd Chance Renter’s Rehabilitation Program, and the Community Sharing program in Cottage Grove. The Community Sharing program offers food boxes, energy assistance, and financial assistance to its participants, but not financial education. The non-profit Consumer Credit Counseling offers as its main service a program of debt reduction management.

Some employer and union programs were cited as offering types of financial education and counseling. These include the Carpenter’s Local 1273 Union Privilege Program, which has a financial education component, offers legal aid, and helps facilitate loans. The union also has a program called Project Homes that sets up sweat equity toward home ownership. Participants also mentioned a local retailer that operates a program that refers its employees to counseling. This counseling refers the employees to a credit union.

The telephone interviewees also listed these groups but expanded their answers to include the private sector and educational centers.

The additional non-profit service agencies that they named included Womenspace, the existing LifeLine program, O.U.R. Credit Union, and
the Marcola Family Resource Center. They listed private sector resources such as Emmanuel Credit Management, lenders that consolidate loans, and banks that offer free checking services as well as seminars given by the Oregon Collectors Association. They also mentioned educational services such as Lane Community College’s “Transition to Success” program and the Lane County Extension Service, which offers a program on cooking on a budget.

Some focus group participants and interviewees cited specific high schools that offer non-mandatory basic financial skills courses such as personal banking.

Table 3-7 summarizes the financial education organizations and programs mentioned by service providers and by citizens on survey Question 12b.

<table>
<thead>
<tr>
<th>Programs Identified by Service Providers</th>
<th>Programs Identified by Survey Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Vincent dePaul- “2nd Chance Renter’s Rehabilitation”</td>
<td>Consumer Credit Counseling</td>
</tr>
<tr>
<td>Community Sharing</td>
<td>SLMH</td>
</tr>
<tr>
<td>Carpenter’s Local 1273 Union- “Privilege Program”</td>
<td>US Navy</td>
</tr>
<tr>
<td>Carpenter’s Local 1273 Union- “Project Homes”</td>
<td>Institute- Basic Life Principles</td>
</tr>
<tr>
<td>O.U.R.- “LifeLine”</td>
<td>Oregon State Credit Professional Association</td>
</tr>
<tr>
<td>Womenspace</td>
<td>Lane Community College</td>
</tr>
<tr>
<td>Neighborhood Economic Development Corporation (NEDCO)</td>
<td>Oregon State University</td>
</tr>
<tr>
<td>Marcola Family Resource Center</td>
<td>Adult and Family Services (JOBS Program)</td>
</tr>
<tr>
<td>Emmanuel Credit Management</td>
<td>Aid to Families with Dependent Children</td>
</tr>
<tr>
<td>Lane County Extension Service- “Cooking on a Budget”</td>
<td>O.U.R.</td>
</tr>
<tr>
<td>Lane Community College- “Transition to Success”</td>
<td>PERS Early Retirement Workshop</td>
</tr>
<tr>
<td>Oregon Collectors Association</td>
<td>Eugene Bible College</td>
</tr>
<tr>
<td></td>
<td>Head Start of Lane County</td>
</tr>
<tr>
<td></td>
<td>Class taken at College/ University</td>
</tr>
<tr>
<td></td>
<td>Class taken at High School</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.
Chapter 4
Gaps in Services

Documenting the gaps in services was an important part of CPW's analysis for this report. A detailed understanding of this topic will help set the framework for considering how O.U.R. might structure its programs so as to fill those gaps. Services are defined in two ways: financial services, such as different types of accounts and loans, and financial education services. This chapter addresses the gaps in both kinds of services in two ways. First, it presents a brief overview of the financial services used and desired, and analyzes the potential educational prerequisites needed to access those services. Second, it describes the gaps that exist in delivering existing financial education services and the actual deficiencies where needed services do not exist.

The following questions from the household survey, service provider analysis, and citizen focus groups are related to the topic of Gaps in Services.

Survey Questions
Q-7. Which of the following are accounts that you do not currently have, but that you would like to have access to in the future? Check all that apply.
Q-8. Among the following financial services, which are ones that you do not currently use, but that you would like to use in the future? Check all that apply.

Service provider questions
What kind of services would help low-income people become more financially stable, and which of these are lacking in your community?

Citizen focus group questions
Are there any of these services that you do not use? If so, then why not?

Summary of Findings
In terms of gaps in financial services, survey analysis indicates that low-income respondents expressed a substantially higher level of interest in accessing checking, savings, and retirement accounts than their non-low-income counterparts. About 25% of the low-income respondents expressed interest in obtaining advice concerning budgeting and using financial services. The level of interest in first-time homebuyer loans was nearly twice as high as that of any other service. When examining only those low-income respondents who were interested in first-time homebuyer loans, the level of interest in financial advice or education jumped to 61%. CPW interprets these findings to mean that there is a
gap in providing these services to low-income individuals, and that these
are issues that a financial education program should address. Both
survey and focus group results indicate that financial services are not
lacking in the Lane County community, but there is some lack of
awareness on how to access these services, or what their use might
require.

In terms of financial education services, service provider and citizen
focus groups indicated a gap in that existing services are scattered across
many different programs, and are often restricted to participants in these
programs. Additionally, these financial education services are often
limited to accomplishing the goals of the programs that sponsor these
services. LifeLine provides one of the only comprehensive financial
education programs offered as a single course and geared toward general
financial stability. In addition, many service providers and citizens
identified a need for services that are not directly related to financial
education, such as job counseling and general life skill programs, to lay
the foundation for success in money management.

Detailed Findings

Questions 7 and 8 on the survey deal most directly with the issue of
gaps in the use of financial services. They ask respondents to identify
those accounts or services that they do not currently have or use, but
would like to in the future. Q-7 is concerned with financial accounts
and loans, such as types of accounts and loans used and desired, while
Q-8 gauges levels of interest in other services, including advice on using
these services.

Table 4-1 shows the results from Q-7 for the full survey sample as well
as metro and non-metro, and low-income and non-low-income
respondents. The greatest number of all respondents would like to have
access to first-time homebuyer loans (41%), and real-estate loans (27%).
For the low-income respondents, access to first-time homebuyer loans
also showed the highest interest level at 58%, followed by interest in
credit cards at 37%. Low-income residents’ interest in other types of
accounts or loans, checking, savings, real estate, and retirement
accounts all ranged between 29% and 34%. It is not known if this
indicates an actual need or simply the goal or desire for access to these
services.

| I don't bring in enough money to use these services; when the money comes in its gone." – Citizen focus group participant |
| Interest in use of a credit card and access to first-time homebuyer loans and retirement accounts all indicate some level of potential need for financial education. It should also be noted that while 30% of all survey respondents checked “none of the above,” only 18% of the low-income respondents checked this option. In general, while low-income respondents indicated a high level of familiarity with these types of accounts and loans, (only 2% indicated that they were not familiar with some of the types of |
accounts and loans listed), the level of interest in accessing them was also quite high compared the non-low-income respondents.

### Table 4-1. Accounts Not Used, But Desired in the Future

<table>
<thead>
<tr>
<th>Services</th>
<th>All Respondents</th>
<th>Low-Income</th>
<th>Non-Low Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-time Homebuyer Loan</td>
<td>41%</td>
<td>58%</td>
<td>20%</td>
</tr>
<tr>
<td>Real Estate Loan</td>
<td>27%</td>
<td>31%</td>
<td>21%</td>
</tr>
<tr>
<td>Credit Card</td>
<td>23%</td>
<td>37%</td>
<td>6%</td>
</tr>
<tr>
<td>Retirement Accounts</td>
<td>25%</td>
<td>29%</td>
<td>18%</td>
</tr>
<tr>
<td>Savings Account</td>
<td>21%</td>
<td>31%</td>
<td>5%</td>
</tr>
<tr>
<td>Checking Account</td>
<td>20%</td>
<td>34%</td>
<td>1%</td>
</tr>
<tr>
<td>Car Loans</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>I Am Not Familiar With These Accounts</td>
<td>1%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>None of the Above</td>
<td>30%</td>
<td>18%</td>
<td>46%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Citizen focus group respondents indicated that their use of existing financial services was often predicated on their knowledge or lack of knowledge on how to use them. References to Individual Retirement Accounts were often prefaced with an understanding that the entry fees for these accounts were prohibitive. One Florence focus group participant remarked: "I would love to use some of these accounts, but you have to have so much to get into them, some people might not have enough money to get started in them." Other participants mentioned a lack of awareness of the ability to build or rebuild a good credit history through a credit union. A service provider telephone interviewee suggested that a person with a bad credit history faces two obstacles: first the fact that many financial institutions will not work with them; and second, the fact that they are less likely to apply for services or for help. While interest in the use of financial services was generally high in both the survey and focus groups, the focus group participants described many barriers to using these services that a financial education program might address.

Table 4-2 refers to Question 8 on the survey, and displays the respondents’ desire to access additional financial services in the future. The options listed in Q-8 include both financial services and educational services. For the entire survey population, budgeting assistance and advice on using financial services were the most highly desired services, although the greatest number of respondents (37%) checked “none of
the above.” Twenty-six percent of the low-income respondents showed interest in budgeting assistance and advice on using financial services, while 35% checked “none of the above.” The interest in budgeting assistance and advice on using financial services was much greater amongst metro respondents as compared to non-metro respondents. There were no significant differences in the levels of interest in the other services between metro and non-metro residents.

### Table 4-2. Services Not Used, but Desired in the Future

<table>
<thead>
<tr>
<th>Services</th>
<th>All Respondents</th>
<th>Low-Income</th>
<th>Non-Low-Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advice On Using Financial Services</td>
<td>20%</td>
<td>26%</td>
<td>13%</td>
</tr>
<tr>
<td>Budgeting Assistance</td>
<td>20%</td>
<td>26%</td>
<td>11%</td>
</tr>
<tr>
<td>Debit Card</td>
<td>17%</td>
<td>28%</td>
<td>4%</td>
</tr>
<tr>
<td>ATM/Cash Machines</td>
<td>13%</td>
<td>19%</td>
<td>3%</td>
</tr>
<tr>
<td>Direct Deposit</td>
<td>13%</td>
<td>18%</td>
<td>6%</td>
</tr>
<tr>
<td>Direct Payment</td>
<td>13%</td>
<td>19%</td>
<td>6%</td>
</tr>
<tr>
<td>On-Line Banking</td>
<td>13%</td>
<td>15%</td>
<td>11%</td>
</tr>
<tr>
<td>Bank By Phone</td>
<td>8%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Money Orders</td>
<td>6%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Cashiers Check</td>
<td>4%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Wire Transfers</td>
<td>4%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>I Am Not Familiar With These Services</td>
<td></td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>None of the Above</td>
<td>37%</td>
<td>35%</td>
<td>42%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Citizen focus group respondents expressed an understanding of the costs and fees associated with some existing financial services as a major reason why they do not use these services. When asked about their financial future, a substantial number of respondents indicated that budgeting assistance and advice on using financial services would help them reach their goals. A Junction City focus group participant spoke for many when she said: "Somebody has to counsel me on how to get unstuck."

When service provider focus group participants were asked about services that were lacking in their community, their responses generally concerned services other than financial services. They
concentrated their answers on programs that could assist people to become financially stable.

First-time homebuyer loans are a good example of a service that requires some level of money management skills. Table 4-3 displays some characteristics of the survey respondents that expressed an interest in attaining a first-time homebuyer's loan in the future. Of the low-income respondents, 62% of those interested in a first-time homebuyer's loan also indicated an interest in a financial education program. A need for financial education may also be indicated by the fact that 67% of respondents interested in a first-time homebuyer's loan also had a bill sent to a collection agency (in the previous five years). Only 17% of the low-income respondents who expressed interest in such a loan had already participated in some financial education program.

Table 4-3. Financial Characteristics of Those Interested in First-Time Homebuyer Loan

<table>
<thead>
<tr>
<th>Characteristics of Those Interested in a First-Time Homebuyer Loan</th>
<th>All Who are Interested in a First Time Homebuyer Loan</th>
<th>Low-Income (Interested in a First Time Homebuyer Loan)</th>
<th>Non-Low-Income (Interested in a First Time Homebuyer Loan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currently Use a Savings Account (Q-2b)</td>
<td>65%</td>
<td>62%</td>
<td>81%</td>
</tr>
<tr>
<td>Interested in Financial Education Programs (Q-10)</td>
<td>61%</td>
<td>62%</td>
<td>50%</td>
</tr>
<tr>
<td>Already Participated in Financial Education Programs (Q-12)</td>
<td>18%</td>
<td>17%</td>
<td>19%</td>
</tr>
<tr>
<td>Filed for Bankruptcy (Q-19a)</td>
<td>6%</td>
<td>3%</td>
<td>14%</td>
</tr>
<tr>
<td>Had Anything Repossessed (Q-19b)</td>
<td>8%</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>Had a Bill Sent to a Collection Agency (Q-19c)</td>
<td>61%</td>
<td>67%</td>
<td>43%</td>
</tr>
<tr>
<td>Had a Paycheck Garnished (Q-19d)</td>
<td>9%</td>
<td>10%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

The next part of this chapter analyzes existing financial education programs. Most of these existing programs are components of other services that have restrictions on who can participate, or are associated with programs that only serve participants with certain clearly defined goals.
Existing Financial Education Services

We can categorize existing financial education services into three general types: those covering general financial management topics, those which are components of some other social service, and those which offer educational services for clients with some clearly defined goal.

General Financial Education

Lane Community College (LCC) is probably the most active service provider in the area of general financial education, and its programs are open to anyone with the ability to pay community college tuition. LCC offers a variety of non-credit community education classes and workshops at its community education centers throughout the county, under its Community Education track. Most of the classes that deal with financial education are part of the Continuing Education, Services for Employers and Businesses, Training and Development, and Adult Basic and Secondary Education curriculums. The time that these classes are offered varies, but recent class offerings in the Continuing Education curriculum included:

Career Training:
- Intro to Tour Guiding
- How to Start an Espresso Business
- Professional Pet Sitting
- Property Management
- Real Estate as a Career
- Starting Your own Home Cleaning Business
- The Many Careers within the Insurance Industry

Leadership & Management:
- Create a One-Person Business for Well Under $1000
- Survive Without a Salary: Make a Good Living in Troubled Times
- Travel Agent Training

Consumer Interest:
- Beginning Investments
- Buyer Agency: How to be a Smart Homebuyer
- Debt Elimination That Works
- Investing for the Rest of Your Life
- Personal Financial Planning
- How to Buy a Home or Duplex
- Varied Health Occupational training
Human Development:

- CONTROL Yourself: Successful Life Strategies
- Exploring Career Options at lane
- Recognizing Self-Defeating Behaviors
- Understanding addictive Behaviors
- When Things Fall Apart: Coping with Difficult Times

Tuition costs for the LCC programs vary according to the number of class hours and activities, but range from $40 to $80.7

In addition, LCC's Business Development Center offers small group information sessions for people just starting or thinking about starting a business. Recent class offering include: Getting Started; Going into Business: Before You Open the Doors; and How to Create Successful Business Ideas. Also the Adult Skill Development curriculum offers programs that provide foundation skill instruction in literacy, reading, writing, spelling, mathematics, pre-employment, life skills, and parenting skills.8

Consumer Credit Counseling (CCC) is also active in general financial education. Based in Eugene, CCC offers a variety of financial education programs including:

- Debt Management Program: This program includes Pre-purchase and Default Prevention Counseling Workshops which teach budgeting, credit, the loan process, real estate terms, introduction to the forms and skills to avoid delinquency problems
- Homeowner and Buyer Counseling. These programs include assistance in real estate issues, home pre-purchase and housing education, default prevention counseling and certification for reverse mortgages
- Budget tips and information: Financial Danger Signs, Common Money Problems, Money Management Tips, How to Evaluate Financial Health, How to Cut Expenses, Making Your Savings Grow, Ways to Increase Your Income or Come Up With Additional Cash, How to Deal with High Interest Payments
- Employer Services: Educating employees about their options, as well as working with employers to find solutions to their employees' financial problems9

7 According to the Lane Community College Summer 2001 class catalogue. Costs include listed costs and additional fees.
Financial Education as Component Parts of Other Services
The Family Self-Sufficiency Program (FSS) is a program for residents of Section 8 and Public Housing, offered through the Housing and Community Services Agency of Lane County (HACSA). This program is designed to help families become economically self-sufficient. Although it has clearly defined goals (specifically to help families gain the skills they need to graduate from welfare assistance programs, get better jobs and improve the quality of their family’s lives) it is only available to those who live in public housing.

This program is geared to individual cases. FSS Staff works with each family to find the services they need in order to reach self-sufficiency. These services might include childcare, education, transportation, job training and placement, counseling, treatment for substance and alcohol abuse, parenting skills, and money management or credit counseling.10

The service provider focus groups also identified other programs that include some aspect of financial education. One of these was the Carpenter’s Local 1278 Union Privilege Program, which has both financial education and legal aid components and helps facilitate loans. The union also has a program called Project Homes that sets up sweat equity toward home ownership. The service providers also mentioned a local retailer that operates a program that refers employees to counseling provided by a credit union.

Financial Education in Programs with Clearly Defined Goals
St Vincent dePaul’s Second Chance Renter’s Rehabilitation Program and Threshold Program for home ownership are programs geared to stabilizing the ability of renters to make timely rent payments and to increase home ownership among low-income clients. Both of these programs have some component aimed at bringing participants to an awareness of how they can manage their lives financially with the resources they possess. The Second Chance Renter’s Rehabilitation Program requires clients to participate in classes that cover the following topics:

- Food budgeting
- Budgeting / Goal setting
- Future financial planning
- Home energy conservation
- Credit repair

These classes meet once and are generally two- to three-hour sessions.

The Threshold Home Ownership Program is primarily an educational and counseling program designed to prepare low-income households for

10 Phone interview. Sandi Sanders, Family Self Sufficiency Program, HACSA. 5-24-01.
homeownership. This program lasts from ten to twelve months and consists of individual meetings with an Ownership Counselor, and monthly small group meetings that cover a variety of money management topics. Clients and counselors develop an action plan, a list of specific tasks and goals tailored to individual cases. Mandatory classes on budgeting and credit are a part of all action plans.\textsuperscript{11}

Similarly, the Neighborhood Economic Development Corporation (NEDCO) concentrates its efforts on homeowner ownership. NEDCO's programs consist of two components. Clients first enter the Threshold Program, which is almost identical to the Saint Vincent dePaul's program cited above. If, at the completion of the Threshold Program, clients are unable to obtain a mortgage loan from a lender, they are eligible for NEDCO's Affordable Homeownership Program. This lease-purchase agreement option generally enables clients to assume a home's original mortgage from NEDCO, or take out a new mortgage from another lender. This program does not have any specific financial education component.\textsuperscript{12}

**Gaps in Services Identified by Service Providers**

This section discusses the services identified in the service provider focus groups and telephone interviews that were not addressed in the survey questions. To address the topic of gaps, the following questions were asked of the service providers: "What kind of services would help low-income people become more financially stable?" and "Which of these are lacking in your community?"

Both focus groups began by noting the services that people could use and discussing whether there was enough capacity to fill these needs. Job counseling was one of the services identified as being most useful, and it was described as a way for people to become educated on how to find the type of work that will pay for what they need, especially health care benefits. Participants also recommended job counseling as a way to understand how to work and at the same time hold onto benefits such as SSI or SSDI. One service provider from the Eugene focus group remarked: "We need to start thinking about educating people on how to find good jobs that will provide them with what they need, like health care. Some type of job counseling is needed." Participants also described a need for programs that specifically teach "life skills," such as decision making and money management, and programs that would be available to those who were not yet in crisis and do not qualify for the crisis programs.

\textsuperscript{11} Phone interview. Program Coordinator, Second Chance Renter's Rehabilitation program. 5-29-01.

\textsuperscript{12} NEDCO Affordable Housing Opportunities, and Homes Built by NEDCO- an Affordable Homeownership Program. Neighborhood Economic Development Corporation. Eugene, OR.
The telephone interviewees noted that there are many component parts of different programs that address some of the basic issues of money management, but there is a fundamental lack of awareness on the part of their clients as to how to access or join these programs, when access is not restricted by program qualifications. Contrary to the beliefs of a number of interviewees concerning a lack of participation or awareness, one respondent maintained that there is no shortage of clients or potential clients, but simply a severe shortage of funds to maintain and expand existing programs. Service providers also cited St Vincent dePaul's Threshold Home Ownership program and its Transitional Housing Program as programs deserving of more funding resources.

Other factors identified by the service providers included the shortage of family wage jobs for those who do not have the traditional educational credentials and the lack of educational time devoted to the effects of drug and alcohol use. They also felt that existing basic job training or retraining programs and job retention programs were insufficient to meet the demand for such programs.
Chapter 5

Barriers to Accessing Services

When improving the provision of financial services and access to financial services is the goal of a given organization, one of the first things it should try to do is increase its knowledge regarding the barriers that prevent this access in the first place. One of the objectives of this study was to identify some of these barriers, as they exist in the target Lane County population. To that end, the following questions from the household survey, service provider analysis, and citizen focus groups were relevant to the topic of Barriers to Accessing Existing Services:

Survey Questions

Q-6. Do these statements apply to you? Please indicate whether you strongly agree, agree, feel neutral, disagree, or strongly disagree that the following statements are true for you:

Service provider questions

What barriers exist that prevent people from accessing financial services? Is education one of those barriers?

What are some of the reasons people fall into heavy debt or are otherwise unable to reach their financial goals? What are the three primary reasons?

Citizen focus group questions

Tell us about your past experience using these services, both good and bad.

Are there any of these services (from question #1) you do not use? If so, then why do you not use them?

Summary of Findings

There are a multitude of barriers that prevent people from accessing existing services. One of the primary barriers is a simple lack of knowledge of the services available in one's community. Others include a lack of understanding of the terms and/or technologies used in banking today and a lack of confidence in one's ability to get a loan or even open a checking or savings account due to either a poor credit history or a lack of funds. These are all barriers that were identified in the household survey, as well as in the service provider analysis and citizen focus groups.

Bad financial experiences, such as having property repossessed or having a bill sent to a collection agency, created psychological barriers for the survey respondents who had these experiences their recent history, as these individuals were much more likely to agree that this
would keep them from opening a new account or getting a loan. Again, the service provider analysis and citizen focus groups agree with these findings. CPW found transportation issues to be more of a barrier for the non-metro respondents, and those who have not had a car loan in the past five years, but in general people did not identify this as a major barrier. The same is true for childcare issues, which were not identified as a major barrier among survey respondents, even those who were low-income single parents. These survey findings conflict with the results of the service provider analysis and citizen focus groups, which note transportation and childcare as potential barriers.

**Detailed Findings**

Question 6 on the survey touched on a number of potential barriers to accessing services. This question put forth a series of statements about the use of financial services and certain factors that might prevent one from accessing these services. The respondents were asked to indicate if they strongly agreed, agreed, felt neutral, disagreed, or strongly disagreed with the given statements. The results to those statements on Q-6 that had to do with barriers to accessing services can be seen in Table 5-1. For comparison purposes, the results are broken down into low-income and non low-income respondents.

The most significant barrier identified in Table 5-1 was a simple lack of knowledge of the services available in one’s community, as 51% of low-income respondents and 31% of non-low-income respondents either disagreed or strongly disagreed with the statement “I know all about the financial services that are available in my community.” For the low-income respondents, other commonly identified barriers revolved around a lack of confidence in one’s ability to get a loan or even open a checking or savings account due to either a poor credit history (60% agreed or strongly agreed) or a simple lack of funds (34%). Some other significant barriers identified by the non-low-income population included a lack of understanding of the terms and/or technologies used in banking today (18% agreed or strongly agreed), and an inability to get a loan due to a poor credit history (16%).
Table 5-1. Self-identified Barriers to Accessing Services

<table>
<thead>
<tr>
<th>Statement</th>
<th>Income Level</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>“I do not have enough money to open a checking or savings account”</td>
<td>Low-Income</td>
<td>26%</td>
<td>8%</td>
<td>19%</td>
<td>22%</td>
<td>26%</td>
</tr>
<tr>
<td></td>
<td>Non Low-Income</td>
<td>2%</td>
<td>0%</td>
<td>5%</td>
<td>21%</td>
<td>72%</td>
</tr>
<tr>
<td>“I know all about the financial services that are available in my community”</td>
<td>Low-Income</td>
<td>7%</td>
<td>19%</td>
<td>25%</td>
<td>31%</td>
<td>18%</td>
</tr>
<tr>
<td></td>
<td>Non Low-Income</td>
<td>8%</td>
<td>32%</td>
<td>30%</td>
<td>23%</td>
<td>8%</td>
</tr>
<tr>
<td>“I do not use financial services because I do not like to ask for help”</td>
<td>Low-Income</td>
<td>6%</td>
<td>6%</td>
<td>27%</td>
<td>36%</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td>Non Low-Income</td>
<td>2%</td>
<td>7%</td>
<td>18%</td>
<td>31%</td>
<td>42%</td>
</tr>
<tr>
<td>“My past credit history will keep me from opening a new account”</td>
<td>Low-Income</td>
<td>28%</td>
<td>15%</td>
<td>20%</td>
<td>18%</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Non Low-Income</td>
<td>6%</td>
<td>4%</td>
<td>7%</td>
<td>15%</td>
<td>69%</td>
</tr>
<tr>
<td>“My past credit history will keep me from getting a loan”</td>
<td>Low-Income</td>
<td>41%</td>
<td>19%</td>
<td>13%</td>
<td>13%</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>Non Low-Income</td>
<td>7%</td>
<td>9%</td>
<td>5%</td>
<td>14%</td>
<td>66%</td>
</tr>
<tr>
<td>“I find banks intimidating and/or unfriendly”</td>
<td>Low-Income</td>
<td>14%</td>
<td>14%</td>
<td>24%</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td>Non Low-Income</td>
<td>4%</td>
<td>7%</td>
<td>20%</td>
<td>29%</td>
<td>40%</td>
</tr>
<tr>
<td>“Childcare difficulties prevent me from getting to banks or other service providers.”</td>
<td>Low-Income</td>
<td>2%</td>
<td>9%</td>
<td>18%</td>
<td>25%</td>
<td>46%</td>
</tr>
<tr>
<td></td>
<td>Non Low-Income</td>
<td>0%</td>
<td>2%</td>
<td>10%</td>
<td>14%</td>
<td>74%</td>
</tr>
<tr>
<td>“The banks do not do a good job of informing me about the services that they offer”</td>
<td>Low-Income</td>
<td>12%</td>
<td>12%</td>
<td>32%</td>
<td>32%</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>Non Low-Income</td>
<td>2%</td>
<td>6%</td>
<td>27%</td>
<td>36%</td>
<td>29%</td>
</tr>
<tr>
<td>“I do not understand the terms and/or technology used in banking today”</td>
<td>Low-Income</td>
<td>9%</td>
<td>15%</td>
<td>32%</td>
<td>32%</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>Non Low-Income</td>
<td>2%</td>
<td>16%</td>
<td>21%</td>
<td>35%</td>
<td>27%</td>
</tr>
<tr>
<td>“The hours that financial service providers are open are not convenient for me”</td>
<td>Low-Income</td>
<td>7%</td>
<td>12%</td>
<td>36%</td>
<td>32%</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>Non Low-Income</td>
<td>3%</td>
<td>12%</td>
<td>32%</td>
<td>29%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.
Results similar to those in Table 5-1 were found in both the citizen focus groups and service provider analysis. For example, one participant in the Florence focus group said, “One of the problems is that people don’t know about the services that are available, such as through low-income housing.” Many service providers mentioned the need for more information on existing services. This is also evidenced by misperceptions of financial services. One citizen focus group participant noted, “I know sometimes that if you let your account stay dormant [dormant] for a certain amount of years they close the account and take your money.” Other issues also contribute to this lack of knowledge including the banks’ lack of understanding of their client’s needs. One service provider focus group participant said, “The places that can help can’t afford to advertise”. The barriers of poor credit history and lack of funds are also consistent with findings from both citizen and service provider focus groups. According to citizen participants, poor credit histories can also make receiving utilities difficult. For example, one citizen in the Junction City focus group said, “Sometimes it’s hard to get any kind of phone service at all.”

“Can’t get banking, checking, or savings accounts” – Citizen Focus Group participant

Chart 5-1 displays the results to other statements from Q-6 that refer to barriers to accessing services. These statements refer specifically to transportation as a potential barrier, and the figures represent the percentages of respondents who indicated that they either “Agree” or “Strongly Agree” with this statement: “Transportation difficulties keep me from getting to the places financial services are offered.” The results are shown for metro and non-metro, as well as low-income and non-low-income residents and single parents (by evaluating the responses from Question 28, CPW determined that 54 respondents, or 21% of the total, were single parents). These categories are further divided into those who indicated on Q-5 that they had taken out an auto loan in the past five years, versus those who did not. The belief here is that those who had taken out an auto loan in the past five years would generally have a more reliable source of personal transportation than those who had not, and would therefore see transportation issues as less of a barrier to accessing services.

Chart 5-1 shows that transportation issues were more of a barrier for the low-income, non-metro respondents, particularly those who had not taken out an auto loan in the past five years. In general, however, the respondents did not identify transportation as a major barrier. Even in the respondent categories that were most susceptible to transportation barriers, no more than 25% of respondents agreed or strongly agreed that transportation difficulties keep them from getting to the places financial services are offered.

These results conflict with information from the citizen focus groups and service provider analysis. Both citizens and service providers cited transportation as a barrier to accessing services. For some citizen participants, access to services is contingent on being near available bus
routes. Written comments on Q-32 of the survey are also inconsistent with other survey findings. One such response was as follows: “There is no help in Florence and since I can’t afford gas or insurance to get to where there is help, we get no help.”

Chart 5-1. “Transportation difficulties keep me from getting to the places financial services are offered”  

<table>
<thead>
<tr>
<th></th>
<th>Low-Income</th>
<th>Non-Low-Income</th>
<th>Metro</th>
<th>Non-Metro</th>
<th>Single Parents</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
<td>13%</td>
<td>13%</td>
<td>5%</td>
<td>4%</td>
<td>15%</td>
</tr>
<tr>
<td>22%</td>
<td>22%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Had a Car Loan in the Past 5 Years?  
- ■ Yes  
- □ No

Source: Lane County Financial Services and Education Survey. CPW. 2001.

The survey findings illustrate that those who had an auto loan in the past five years were less likely to agree that transportation was a barrier that prevented them from accessing services. Overall, 17% of respondents who had not taken out an auto loan in the past five years agreed or strongly agreed that “Transportation difficulties keep me from getting to the places financial services are offered,” versus only 5% of those who had taken out an auto loan in the past five years. These findings indicate that those respondents without relatively new vehicles may have less reliable modes of transportation, which makes services less accessible. However, 13% of those who had recently taken out an auto loan, and 11% of those who had not, agreed or strongly agreed that “The banks and other service providers are located too far away from where I live.” Thus, in this case there is not a significant correlation between whether or not respondents have taken out car loans in the past five years and their access to services.

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13 The results are based on a small number of survey responses. The number of respondents within each category shown in Charts 5-1 and 5-2 who had taken out a car loan in the past five years are as follows: Low-Income: 25; Non-Low-Income: 40; Metro: 33; Non-Metro: 28; Single Parents: 13. When taken in aggregate, however, the survey results suggest the same general trend: those respondents that have had a car loan with the past five years identified transportation difficulties as a barrier a much lower rate.
Table 5-2 takes a closer look at the issue of childcare. This table shows that a very small percentage of respondents agreed to the statement: “Childcare difficulties prevent me from getting to banks or other service providers.” This was true for both low-income (11% agreed or strongly agreed) and non-low-income (2% agreed). This information is not consistent with the findings of the citizen focus groups and service provider analysis. Both analyses agree that childcare creates obstacles to accessing services and their providers. Moreover, written responses from Q-32 of the survey are also inconsistent with these findings. One such response was as follows: “In my situation is not helpful to work... I worked last year but had to quit on the basis of poor childcare or lack of childcare facilities.”

For Table 5-2, CPW pulled out the respondents whose answers on Question 28 indicate that they are single parents, and compared them to the rest of the survey population, to see if childcare difficulties were identified as more of a barrier for single parents.

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Income</th>
<th>“Childcare difficulties prevent me from getting to banks or other service providers”</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>Agree</td>
</tr>
<tr>
<td>Single Parent</td>
<td>Low-Income</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td>Non-Low-Income</td>
<td>NA</td>
</tr>
<tr>
<td>Non-Single Parent</td>
<td>Low-Income</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Non-Low-Income</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

These findings indicate that most single parent respondents disagreed or strongly disagreed with the statement that childcare difficulties prevented them from accessing services. Again, these results are inconsistent with findings from the citizen focus groups and Service provider analysis, as discussed above.

Table 5-3 takes a closer look at Question 6h, “The banks do not do a good job of informing me about the services that they offer,” and

14 Only 5 single parents were classified as non-low-income. All disagreed or strongly disagreed with the given statement.
examines the correlation between agreeing or disagreeing with this statement and the use of certain financial services.

Table 5-3. “The banks do not do a good job of informing me about the services that they offer,” and Use of Services

<table>
<thead>
<tr>
<th>Income</th>
<th>Agree with Statement?</th>
<th>Percent Using these Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Debit Cards</td>
</tr>
<tr>
<td>Low-Income</td>
<td>Strongly Agree or Agree</td>
<td>39%</td>
</tr>
<tr>
<td></td>
<td>Strongly Disagree or Disagree</td>
<td>34%</td>
</tr>
<tr>
<td>Non-Low-Income</td>
<td>Strongly Agree or Agree</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Strongly Disagree or Disagree</td>
<td>60%</td>
</tr>
</tbody>
</table>

Percent of all Respondents Using These Services: 44% 21% 15% 47% 27%

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Overall, the use of the services in Table 5-3 was much higher among non-low-income respondents. For example, the use of debit cards by non-low-income respondents who disagreed with the statement (60%) contrasts strongly to that of low-income respondents who disagreed with the statement (34%). There is a similar disparity of use regarding direct deposit at 66% for non-low-income respondents and 38% for low-income respondents. For the low-income respondents, whether they agreed or disagreed with the statement “The banks do not do a good job of informing me about the services that they offer,” seemed to have little effect on the use of these services.

These findings contrast with some of the results from citizen focus groups and service provider analysis. Information from both citizens and service providers identified a need for an improved understanding of existing services. One citizen participant noted, “Layaway programs and store credit cards are deceiving; they don’t tell you that the minimum payment is only enough to pay down the interest.” However,

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15 Only 39 respondents agreed with this statement, of whom 31 were low-income, and only 8 were non-low-income. Caution should therefore be used when interpreting this data.
some citizens noted positive experiences such as, "That bank, Siuslaw Valley, they go all out to help anyone needing financial services."

Table 5-4 shows the relationship between having a bad financial experience and one’s perceptions of one’s ability to open a checking or savings account. A “bad financial experience” is defined by an affirmative response to any of the options on Q-19, “Have you done any of the following at any point in the last five years? Check all that apply.” The options for Q-19 were “Filed for bankruptcy,” “Had anything repossessed,” “Had a bill sent to a collection agency,” and “Had your paycheck garnished.” CPW compared the individuals who did have a bad financial experience in the past five years with the ones who did not, based on their responses to questions 6d and 6e. These questions asked the extent to which respondents agreed with the statements: “My past credit history will keep me from opening a new account,” and “My past credit history will keep me from getting a loan.” The results shown here are limited to those individuals who indicated on Q-7a or Q-7b that they would like to have access to a checking or savings account in the future.

Table 5-4. Comparison of “Bad Financial Experiences” with “My past credit history will keep me from opening a new account”

<table>
<thead>
<tr>
<th>Bad Financial Experience?</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>53%</td>
<td>22%</td>
<td>18%</td>
<td>7%</td>
<td>0%</td>
</tr>
<tr>
<td>No</td>
<td>10%</td>
<td>10%</td>
<td>15%</td>
<td>10%</td>
<td>55%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

The findings in Table 5-4 show that 75% of respondents who were interested in opening a new account and had a bad financial experience agreed or strongly agreed that their credit history will keep them from opening a new account. Table 5-5 is similar to Table 5-4, in that it displays the relationship between having a bad financial experience and the respondents’ opinions on whether their past credit history will prevent them from getting a loan. This table shows the results for only those respondents who indicated on Q-7d or Q-7g that they were interested in a real estate or a first-time-homebuyer loan.
Table 5-5. Comparison of “Bad Financial Experiences” with “My past credit history will prevent me from getting a loan”

<table>
<thead>
<tr>
<th>Bad Financial Experience?</th>
<th>&quot;My past credit history will keep me from getting a loan&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Yes</td>
<td>49%</td>
</tr>
<tr>
<td>No</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Table 5-5 shows that respondents who were interested in a real estate or first-time-homebuyer loan and had a bad financial experience in their recent history were much more likely to agree that this would keep them from getting a loan. Seventy-eight percent of these respondents agreed or strongly agreed that their credit history will prevent them from getting a loan, versus 24% of those who had not had a recent bad financial experience. As discussed above, the citizen focus groups and service provider analysis expressed similar sentiments regarding the effects of poor credit histories on access to services.

It is important to note that respondents from the Latino focus group said they had no problems accessing services. They also noted they did not have any exceptionally good experiences with financial services either.

A variety of other barriers came to light from citizen focus groups and service provider analysis. Service providers discussed personal barriers including fear, cultural barriers, language, drug use, domestic violence, impulse buying behavior, and the conflict between work hours and the hours that services are available. For example, one provider noted that people often feel intimidation by the “existing power structure.”

"Some people don't feel comfortable in banks, institutions"—Service provider comment

Institutional barriers were another area of mention by the service providers. One commented that agencies cannot afford to advertise and/or are at full capacity so they do not actively seek more clients. Other barriers mentioned included agencies that serve one segment of the population, and restrictions on who can receive certain services. Another example is a low-income housing program that does not allow its residents to attend school. Income restrictions also exist in a variety of programs that halt aid when it is still needed.

Many citizens mentioned credit card interest as another barrier, such as in the following quote: “If it wasn’t for all of that interest we could probably get ourselves out of debt.” Several participants agreed that appearance made a difference in how financial institutions treat their clients. One respondent voiced how he feels better with short hair, since banks respond better to him than they did when his hair was longer. Another participant agrees, “Sometimes it depends on who you know, whether they’ll help you or not (in banks). It also depends on
your appearance—it’s definitely a class thing around here.” Fees from checking accounts are another problem area, including overdraw fees, services fees and account balance fees. For example, one Oakridge focus group participant said, “My bank used to let me overdraw up to $25, then they lowered it to $9.99, now they don’t give you any leeway at all. I was $1.50 overdrawn, and they charged me $28.” Other barriers to future loans may include false information on credit history and banks not crediting checks to their account in time to pay off bills due. One citizen focus group participant noted how debt consolidation companies simply increase the amount of debt one has to pay, through the fees that these companies charge for their services.
Chapter 6
Financial Needs

This chapter analyzes the financial needs of the Lane County residents contacted for this study, including their needs related to financial education. Understanding how the needs of residents translate into potential educational subject matter will help O.U.R. structure its programs to better address those needs.

CPW determined financial needs by looking at respondents’ use of services, experience with credit and financial difficulties, and types and amounts of debt. The following questions from the household survey and service provider analysis pertained to the topic of Financial Needs.

Survey questions

Q-5. Have you taken out a loan in the past five years? If yes, what types of loans have you taken out in the past five years?

Q-19. Have you done any of the following at any point in the last five years? Check all that apply.

Q-20. Please indicate to us approximately how much you have of each of the following forms of debt.

Q-22. If your income were to come to a stop today, how long could your household continue to meet its basic needs (to be able to pay your rent or mortgage and put food on the table)?

Service provider questions

What are some of the reasons that people fall into heavy debt, or are otherwise unable to reach their financial goals? What are three primary reasons?

What financial education topics might benefit the people you work with? What are the top two or three topics?

Citizen focus group question

What will it take to get there? (To accomplish your financial goals)

Summary of Findings

Understanding educational opportunities that can focus on the needs of participants requires an understanding of residents’ experience with debt and their ability or inability to maintain financial stability. Over half of the survey respondents indicated that they had some experience with debt, as they had taken out loans during the past five years. Over half of both low-income and non-low-income respondents reported some amount of credit card debt. Certain indicators of financial instability, such as having a bill sent to a collection agency, are quite high among
the low-income survey respondent population. Other indicators of potential financial education needs, such as taking out high-interest payday or pawnshop loans, are substantial. Most respondents felt that they could only continue to meet their basic needs for a short time if faced with a sudden loss of income. There exists a great need for a financial education program that would enhance residents’ ability to either work themselves out of or avoid such circumstances.

The service providers contacted by CPW discussed the underlying causes that produce these needs, specifically jobs and lifestyle. They most frequently identified information on job opportunities and training as important educational items. They also mentioned the effect that certain lifestyle habits can have on financial stability.

Detailed Findings

Survey Question 5 asked whether respondents had taken out a loan during the past five years, and if so, to indicate the type of loan that it was. Table 6-1 shows the percentage of respondents who answered affirmatively, and displays the types of loans that those individuals received. Question 5 did not ask the specifics of these loans, such as whether they were taken from banks, credit unions or other lending agencies, or as cash advances from other credit sources.

Table 6-1 indicates some level of financial need, and hence, a need for information or education to cope with these needs. It is true that many of the loans that respondents reported, such as home, auto, and business loans, represent some level of financial stability, rather than financial need. However, other types of loans may be considered indicators of financial need. These include title loans, payday loans, pawnshop loans, and possibly loans from a friend or family member. Table 6-1 shows that 55% of all respondents and 44% of all low-income respondents have taken out some type of loan in the past five years. The percentages increase sharply for the non-low-income group, with 71% of all these respondents taking out some type of loan. The loans most often taken out by low-income respondents were loans from friends and family at 48%, student loans at 45%, and auto loans at 40%. The service provider focus groups and telephone interviewees supported this finding.

“I would like to get a loan to pay off my debts and have only one check to write to the bank” – Citizen focus group participant

Auto loans and home loans were the type of loan most frequently used by the non-low-income group. Forty-five percent of the non-low-income group reported taking out a home loan, compared to only 5% of low-income respondents. Some citizen focus group participants mentioned their desire to be homeowners, but this was not consistently expressed as a goal during the meetings. It is also notable that pawnshop loans were taken out at a significantly higher rate than title loans or payday loans. If we consider title loans, payday loans and pawnshop loans as a single category of less-than-desirable
loans, we find that 20% of all respondents and 32% of the low-income group have taken out one of these three types of loans.

Table 6-1. Loans Taken out in the Past Five Years

<table>
<thead>
<tr>
<th>Services</th>
<th>All Respondents</th>
<th>Low-Income</th>
<th>Non-Low-Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have Taken Out a Loan in the Past Five Years</td>
<td>55%</td>
<td>44%</td>
<td>71%</td>
</tr>
<tr>
<td>Types of Loans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auto Loan</td>
<td>47%</td>
<td>40%</td>
<td>54%</td>
</tr>
<tr>
<td>Loan from Friend or Family Member</td>
<td>30%</td>
<td>48%</td>
<td>16%</td>
</tr>
<tr>
<td>Student Loan</td>
<td>28%</td>
<td>45%</td>
<td>14%</td>
</tr>
<tr>
<td>Home Loan</td>
<td>26%</td>
<td>5%</td>
<td>45%</td>
</tr>
<tr>
<td>Personal Loan</td>
<td>25%</td>
<td>23%</td>
<td>26%</td>
</tr>
<tr>
<td>Title, Payday, or Pawnshop Loan</td>
<td>20%</td>
<td>32%</td>
<td>9%</td>
</tr>
<tr>
<td>Pawn Shop Loan</td>
<td>10%</td>
<td>20%</td>
<td>3%</td>
</tr>
<tr>
<td>Title Loan</td>
<td>6%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>Payday Loan</td>
<td>3%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Business Loan</td>
<td>3%</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>0%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Service provider focus group participants and telephone interviewees offered a variety of responses when asked about some of the reasons that people fall into heavy debt. Some of the more persistent issues identified were low wages compared to the cost of living, lifestyle habits, unanticipated expenditures, and a lack of knowledge regarding the consequences of excessive spending habits. When asked about the inability of people to reach their financial goals, one participant suggested that having financial goals might be considered a luxury by those just earning enough to sustain themselves day by day.

Survey Question 19 looked at some of the more serious indicators of financial instability and need: filing for bankruptcy, the repossession of property, having a bill sent to a collection agency, and the garnishing of paychecks. The results of this question are shown in Table 6-2. It is interesting to note that very few of the respondents had experienced bankruptcy, property repossession, or paycheck garnishment in the past five years, but 40% of all respondents and 61% of low-income respondents had a bill sent to a collection agency. Bills are generally sent to a collection agency when a payment is at least ninety days past due. The number of respondents reporting this experience may be a
good indicator of the continuing need for education on budgeting skills and spending habits. Service providers also consistently mentioned the failure to adhere to a budget as a reason why people in general, and their clients in particular, fall into heavy debt.

Table 6-2. Indicators of Money Problems

<table>
<thead>
<tr>
<th>Indicator</th>
<th>All Respondents</th>
<th>Low-Income</th>
<th>Non-Low-Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Had a Bill Sent to Collection Agency</td>
<td>40%</td>
<td>61%</td>
<td>15%</td>
</tr>
<tr>
<td>Had Paycheck Garnished</td>
<td>6%</td>
<td>8%</td>
<td>3%</td>
</tr>
<tr>
<td>Filed for Bankruptcy</td>
<td>5%</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>Had Anything Repossessed</td>
<td>4%</td>
<td>7%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Survey Question 20, asked respondents to indicate how much they owed in specific forms of debt. Table 6-3 shows these levels of debt, in the form of credit card debt, debt to lending agencies or pawnshops, or overdue bills. It compares these levels of debt between low-income and non-low-income respondents, and also among metro and non-metro respondents. The data suggest that the levels of credit card debt are generally higher for the metro and non-low-income respondents than among their low-income and non-metro counterparts. Fifty-four percent of all low-income respondent had some amount of credit card debt, compared to 66% of all non low-income. A slightly greater percentage of low-income respondents had some amount of debt to a lending agency or pawnshop, but the non-low-income respondents who had this type of debt had it in much greater amounts (12% had over $1000, versus only 5% of the low-income respondents).

"I would like to see my credit card debt paid down substantially. I'm hoping that in a year I'll be in a different spot, to at least see the end of that debt." – Citizen focus group participant

Across all categories, about 25% of respondents had $1000 to $4999 in credit card debt. For low-income respondents, this means that almost half of all who reported credit card debt of any amount owed between $1000 and $4999. For overdue bills, the amount of debt was much higher for low-income respondents than non-low income, while the debt levels were consistent between metro and non-metro populations. Sixty-four percent of all low-income respondents reported some amount of debt from overdue bills, and half of those (32%) reported more than $500 in this type of debt.
Several service providers suggested that the pressures of consumerism were a factor in the amounts and types of debt that their clients faced. Others suggested that the adversities of life, such as loss of employment and expensive health crises were prime factors. For example, one service provider remarked "There is a reason for every person."

| Table 6-3. Type and Amount of Debt |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Type of debt                  | Population      | $0              | Under $500      | $500 to $999    | $1000 to $4999  | $5000 or more   |
| Credit Card Debt              |                 |                 |                 |                 |                 |
| Low Income                    | 43%             | 11%             | 14%             | 24%             | 5%              |
| Non-Low Income                | 35%             | 13%             | 10%             | 26%             | 17%             |
| Metro                         | 39%             | 13%             | 10%             | 25%             | 13%             |
| Non-Metro                     | 41%             | 10%             | 16%             | 21%             | 7%              |
| Debt to Lending Agency or Pawn Shop |                 |                 |                 |                 |                 |
| Low Income                    | 85%             | 8%              | 4%              | 4%              | 1%              |
| Non-Low Income                | 88%             | 1%              | 0%              | 5%              | 7%              |
| Metro                         | 83%             | 4%              | 2%              | 7%              | 4%              |
| Non-Metro                     | 90%             | 5%              | 2%              | 0%              | 2%              |
| Overdue Bills                 |                 |                 |                 |                 |                 |
| Low Income                    | 35%             | 32%             | 13%             | 12%             | 7%              |
| Non-Low Income                | 84%             | 9%              | 2%              | 2%              | 2%              |
| Metro                         | 60%             | 19%             | 10%             | 7%              | 4%              |
| Non-Metro                     | 56%             | 24%             | 6%              | 8%              | 6%              |

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Chart 6-1 summarizes respondents' answers to Question 22 on the survey, which asked "If your income were to come to a stop today, how long could your household continue to meet its basic needs (to be able to pay your rent or mortgage and put food on the table)?" The responses to this question reflect one's financial security and savings, which speaks to the issue of financial needs. Chart 6-1 compares the results among the following categories: low-income and non low-income, metro and non-metro, and single parent households. Just over half of all respondents (54%) indicated that they could meet their households' basic needs for less than a month. When we compare the low-income to the non-low-income respondents, the numbers are startling. Seventy-three percent of the low-income respondents reported being able to meet
their basic needs for less than a month, while only 26% of non-low-income respondents answered in this way. This is an indicator of financial instability, and need. The percentage of single-parent households that would be able to meet their needs for less than a month was nearly as high, at 69%. Additionally, a significantly larger percentage of the non-metro respondents answered in this way (61%) than respondents from the metro area (45%).

Chart 6-1. “If your income were to stop today, how long could your household continue to meet it’s basic needs?”

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Chart 6-2 shows the relationship between respondents’ age and their answers to Question 22. The respondents’ ages were grouped into the following categories: 18-29; 30-39; 40-49; 50-64; and 65 and above. CPW noticed a relationship between these age groups and the amount of time that the respondents felt they could continue to meet their household’s basic needs after a sudden stop in income. The respondents aged 18 to 29 years had the greatest percentage (66%) answering that they could last less than a month. These percentages decrease as the age groups increase, with 63% of those aged 30-39, 52% of those aged 40-49, and 41% of those aged 50-64 reporting this situation. The exception came for the oldest group, those aged 65 and above, for whom 51% said that they could last less than a month.

There are many possible interpretations of this high level of instability in the 18-29 year-old age group. People in this age group generally have less experience than their older counterparts with money management and less experience in acquiring the skills or spending and saving habits necessary to maintain financial stability. This suggests
that many of the individuals in this age group, particularly those who are low-income, would benefit from a financial education program.

Chart 6-2. "If your income were to stop today, how long could your household continue to meet its basic needs?"

Source: Lane County Financial Services and Education Survey. CPW. 2001.

A wide range of issues can be considered relevant to the topics of financial education and financial needs. Of the many issues touched upon in the service provider focus groups and telephone interviews, one of the most salient concerned job skills and the need for educational focus on how to acquire the skills that will lead to better paying jobs. Acquiring skills that help one to find and keep a good paying job is not a function of age, but the need for such skills may be one reason why those in the 18-29 year-old age group, who may just be entering the work force, expressed such a high level of financial instability.

The participants in the citizen focus groups were asked what it would take for them to achieve the financial goals that they have set for themselves and their families. Some comments included working at a better job, being debt free, being financially secure, and owning a small business. Consistent with the expression of these goals was the understanding of the value of an educational program that could help them achieve their goals. One participant in the Oakridge focus group spoke for many of the participants in saying, "I definitely need some financial training." Another participant in the Florence meeting summed up a lot of the sentiments expressed by saying, "It's important for all of us to have that security, money security."
In determining the financial education needs of Lane County residents, it is important to look at their financial goals and assets. This will help O.U.R identify the strengths and weaknesses of its existing programs and services. Information obtained by CPW via the household survey and citizen focus groups will help target the topic areas that should be addressed in the LifeLine financial education program. The questions from the survey and citizen focus groups that relate to the topic of Financial Goals and Assets are as follows:

**Survey Questions**

Q-7. Which of the following are accounts that you do not currently have, but that you would like to have in the future?

Q-12. Have you ever participated in a course or program that taught you how to manage money?

Q-13. Do you, or does your household, write up a monthly household budget?

Q-14. When you do write up a monthly household budget, how often are you able to follow it?

Q-17. Please indicate the sources of income in your household.

Q-18. Have you received assistance from any of the following sources in the past twelve months?

Q-21. Please estimate the total value of your household’s savings and investments.

Q-32. Is there anything else you would like to tell us about your present or future financial situation, your experiences with financial services, or your interest in financial education programs?

**Citizen focus group questions**

Where would you like to see yourself and your family financially a year from now?

What will it take to get you there? Do you see financial education as a way to help you get where you want to be?

**Summary of Findings**

Most of the information that CPW gathered on the subject of financial goals came from the citizen focus groups. Survey findings show that close to half of all respondents’ future goals include having a first-time homebuyer loan. Acquiring a real estate loan and a retirement account are also future goals. Citizen focus group participants agreed, and included a variety of additional goals. Responses included being debt
free, having a living wage job, starting a business, finishing school, and becoming independent of social services. None of the service provider questions were related to this topic.

Survey results indicate that the majority of respondents have very little in the way of tangible financial assets, such as savings. CPW then looked at some less tangible forms of assets, such as prior experience with financial education programs. Survey respondents who participated in a money-management program were more likely to develop and follow a monthly household budget. However, financial education awareness does not appear to effect survey respondents' savings, financial instability or "bad debt." These survey findings are inconsistent with results from our service provider analysis and citizen focus groups. Citizens and service providers alike see benefits to financial education.

Detailed Findings

Financial Goals

The issue of financial goals was not a focus of the survey. The only survey questions that could be interpreted as an indicator of financial goals are Q-7d, Q-7f, Q-7g, and Q-32. Chart 7-1 shows the percentage of respondents who indicated a goal of opening a retirement account or buying a home or property through their responses to Question 7, which asked "Which of the following are accounts that you do not currently have, but would like to have access to in the future?"

Chart 7-1. Interest in Acquiring Retirement Accounts, Real Estate Loans, or First-Time Homebuyer Loans

![Chart showing的兴趣 in acquiring retirement accounts, real estate loans, or first-time homebuyer loans]

Source: Lane County Financial Services and Education Survey. CPW. 2001.

This chart shows that the interest in these types of loans and accounts is greatest among low-income respondents. The most desired of them
all was the first-time homebuyer loan, which 56% of low-income and 20% of non-low-income respondents indicated they would like to have access to in the future.

Many of the responses to survey Question 32 had to do with financial goals. For example, one common response was the need for information to help start up a variety of businesses. For example, one respondent said, “I would like a place where I could go to find out how to start my own home-based business. I have a small child and one on the way. I would like to be able to stay home and still contribute to the family’s finances.” Getting a first-time homeowner loan was another goal noted on Q-32.

Most of the information that CPW gathered on the subject of financial goals came from the citizen focus groups, in which the issue was specifically addressed through the questions “Where would you like to see yourself and your family financially a year from now?” and “What will it take to get you there?”

For this first question, several respondents voiced their wish to be debt free, such as in the comments, “It would be nice not to owe anything,” and “It (being debt-free) almost sounds impossible, it’s just like a dream to me.” Many citizen participants expressed a common goal of having better credit. Others considered debt consolidation a goal, as was voiced by one citizen participant, “I would like to get a loan to pay off my debts and have only one check to write to the bank.” Being able to pay rent and bills was another common response. Others added that they wished they could do this and also have some money left over to take a vacation, save for college, have some extra spending money, or just save in general. Several citizen participants voiced the goals of getting a stable living wage job, going to school, finishing school and buying a home. Other goals included becoming independent of social services, including getting off of food stamps, federally funded housing, and welfare. Finally, some citizen focus group participants included getting a business back or started as a financial goal, such as the person who stated, “I would like to start a flea-market here in town and run it myself, as a business.”

“I would like to see my credit card debt paid down substantially. I’m hoping that in a year I’ll be in a different spot, to at least see the end of the debt” – Citizen focus group participant

A variety of responses emerged for the second question, “What will it take to get you there [achieve your goals]?” One Eugene focus group participant noted that she couldn’t get a loan as a single mother to start a business. Several citizen focus group participants commented on how difficult it is for single women to reach their financial goals, including the need for more education on how to save. Several female citizen group participants mentioned the need to overcome prejudice against people with disabilities in the working world. For example, a Junction City focus group participant said, “A lot of doors are closed to disabled people...it puts you in a depressed state.” Other comments included the need for counseling on life skills and more knowledge of the
qualifications necessary to achieve certain goals, such as getting a job. Several participants mentioned the importance of finding out about the existing services that are out there and the advantages to them. One citizen noted, "I need information on all those services, because I'm always playing the catch-up game." Other goals included going to school, sticking to a budget, learning how to invest money, spending less, and self discipline. One citizen noted, "I'm a compulsive buyer and spender."

There was a lot of agreement among the participants in the Latino citizen focus group on the subject of financial goals. Several attendees made comments on owning a home or paying off the mortgage on a house and one on buying a house for their kids. Other participants voiced the need for more work and better pay, at a rate higher than minimum wage. Getting a low interest loan, federal or otherwise, was another goal. Other comments included wanting more savings and the desire to be on a higher level financially.

Financial Assets

A number of questions from the household survey related to the subject of financial assets. The most obvious of these is Q-21, which asked the respondents to estimate the total value of their households' savings and investments. Chart 7-2 displays the response rates to this question.

![Chart 7-2. Total Value of Household Savings and Investments](chart.png)

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Exactly half of all survey respondents indicated that they had less than $500 in household savings, and another 18% had between $500 and $5000 in household savings. At the other end of the spectrum, 17% of the respondents' households had between $5000 and $100,000 in savings, while 13% had $100,000 or more in savings. The disparity in
the savings capacity of different income levels is demonstrated by the fact that 70% of the non-low-income respondents had $5000 or more in savings and investments, and 32% had $100,000 or more, while these figures for the low-income population were 5% and 0%, respectively.

These statistics, coupled with the fact that 56% of the survey respondents qualified as low-income, indicate that the majority of our survey respondents have very little in the way of tangible financial assets. An explanation for this is found in the following response to Q-32: “How do you save money or make a budget when you don’t have enough money coming in?” The citizen focus group and service provider results are consistent with these findings. In the words of one citizen, “We’re perpetually broke.” Service providers also stated there are many people out there who lack the money to even begin using financial services.

CPW also tried to look at other, less tangible forms of financial assets, other than the amount of money that one has earned or saved. For example, prior experience with financial education programs could also be considered a financial asset, along with patterns of writing and following a monthly household budget. Question 12 on the survey found that 13% of the low-income survey respondents and 15% of the non-low-income survey respondents had participated at some time in a course or program that taught them how to manage money. Table 7-1 looks at the frequency of respondents who write a monthly household budget, and compares the results for those individuals who had participated in a money-management course to those who had not, for all respondents, low-income respondents, and non-low-income respondents. The numbers in parentheses indicate the number of respondents who fell into each category.

Table 7-1 shows that the 15% of the survey population that has participated in a money-management program is more likely to write up a monthly household budget (at least sometimes) than those who had not participated in such a program. Sixty-four percent of all respondents who have participated in a money management course at least sometimes write up a monthly budget, compared to 50% of all respondents who have not participated in this type of course.
Table 7-1. Effectiveness of Money Management Programs

<table>
<thead>
<tr>
<th>Writes up a Monthly Household Budget?</th>
<th>Have Participated in a Money-Management Course (15% of all Respondents)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total (n=36)16</td>
<td>Low-Income (n=17)</td>
</tr>
<tr>
<td>Always</td>
<td>28%</td>
<td>41%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>36%</td>
<td>35%</td>
</tr>
<tr>
<td>Never</td>
<td>36%</td>
<td>24%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Writes up a Monthly Household Budget?</th>
<th>Have Not Participated in a Money-Management Course (85% of all Respondents)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total (n=211)</td>
<td>Low-Income (n=117)</td>
</tr>
<tr>
<td>Always</td>
<td>21%</td>
<td>25%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>29%</td>
<td>36%</td>
</tr>
<tr>
<td>Never</td>
<td>50%</td>
<td>39%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.
Note: n=number of survey respondents

Table 7-2 takes those individuals who do write up a household budget (sometimes or always), and looks at their ability to follow their budgets, as identified in Question 14. The findings indicate that those individuals who write up a monthly budget and have participated in a money management course are more likely to be able to stick to their budget than those who write up a budget but have not participated in such a course. All respondents who have participated in a money management course indicated they are at least sometimes able to follow a monthly budget, compared to 89% of all respondents who have not participated in a money management course.

16 Caution should be used in interpreting the results due to the low number of respondents in this category.
Table 7-2. Effectiveness of Money Management Programs on Following a Monthly Household Budget

<table>
<thead>
<tr>
<th>Able to Follow the Monthly Budget?</th>
<th>Have Participated in a Money-Management Course (15% of all Respondents)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total (n=36)</td>
<td>Low-Income (n=17)</td>
</tr>
<tr>
<td>Always</td>
<td>57%</td>
<td>57%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>44%</td>
<td>43%</td>
</tr>
<tr>
<td>Never</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Able to Follow the Monthly Budget?</th>
<th>Have not Participated in a Money-Management Course (85% of All Respondents)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total (n=211)</td>
<td>Low-Income (n=117)</td>
</tr>
<tr>
<td>Always</td>
<td>45%</td>
<td>47%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>44%</td>
<td>42%</td>
</tr>
<tr>
<td>Never</td>
<td>10%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.
Note: n=number of survey respondents

The next step in analyzing this topic is to see if these indicators of financial education awareness (having participated in a money management program, or writing and following a monthly household budget) translate into improved financial situations for those individuals, relative to those who did not display those indicators of financial awareness.

CPW sought to create a category of respondents who displayed these indicators of financial awareness. The goal was to create a category that was broad enough that a significant number of respondents would qualify, while still reflecting an important indicator of financial education awareness. To create this category, CPW looked at the percentages of respondents who displayed these financial education characteristics to varying degrees.

A total of 115 respondents (45% of total) indicated that they both write a monthly household budget (always or sometimes) and are able to follow their monthly household budget (always or sometimes). Forty-one respondents (16% of total) answered that they always write up a monthly household budget, and they are always able to follow it. Fifty-three respondents (21% of total) indicated that they always write up a monthly household budget, and are always or sometimes able to follow it. For all three of these groups, roughly 20% had participated in a money management course, which is 33% greater than the percentage

17 Caution should be used in interpreting the results due to the low number of respondents in this category.
of the overall respondents who had participated in a money management course.

In order to create a large-enough subset of the respondents, CPW chose to combine this latter group (those who always write up a monthly household budget, and are always or sometimes able to follow it) with the individuals who indicated that they had participated in a financial education program. This resulted in a category of 79 respondents, or 31% of the total, which displayed characteristics of financial education awareness. Sixty-two percent of these individuals were low-income, and 38% were non-low-income.

Table 7-3 compares the amount of savings and investments held by those who displayed characteristics of financial education awareness versus those who did not, for both low-income and non-low-income respondents.

Table 7-3. Effect of Financial Education Awareness on Savings

<table>
<thead>
<tr>
<th>Value of Savings and Investments</th>
<th>Do the Respondents Display Characteristics of Financial Education Awareness?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-Low-Income (n=28)</td>
</tr>
<tr>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Under $500</td>
<td>26%</td>
</tr>
<tr>
<td>$500 to $999</td>
<td>0%</td>
</tr>
<tr>
<td>$1,000 to $4,999</td>
<td>7%</td>
</tr>
<tr>
<td>$5,000 to $9,999</td>
<td>0%</td>
</tr>
<tr>
<td>$10,000 or more</td>
<td>67%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.
Note: n=number of survey respondents

Table 7-3 shows that financial education awareness had no effect on the value of the savings and investments held by low-income respondents. Overall, financial education awareness does not appear to affect the values of savings and investments of non-low-income respondents, with the exceptions of those respondents with savings and investments under $500 and over $10,000.

18 Caution should be used in interpreting the results due to the low number of respondents in this category.
Table 7-4 looks at various indicators of financial instability, and compares how they are affected by the respondents' financial education awareness for both low-income and non-low-income respondents.

Table 7-4. Effect of Financial Education Awareness on Indicators of Financial Instability

<table>
<thead>
<tr>
<th>Indicators of Financial Instability</th>
<th>Do the Respondents Display Characteristics of Financial Education Awareness?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-Low-Income</td>
</tr>
<tr>
<td></td>
<td>Yes (n=28)</td>
</tr>
<tr>
<td>Use of “Payday” Loans</td>
<td>4%</td>
</tr>
<tr>
<td>Use of Title Loans</td>
<td>4%</td>
</tr>
<tr>
<td>Use of Pawn Shop Loans</td>
<td>4%</td>
</tr>
<tr>
<td>Filed for Bankruptcy</td>
<td>4%</td>
</tr>
<tr>
<td>Had Anything Repossessed</td>
<td>0%</td>
</tr>
<tr>
<td>Had a Bill Sent to a Collection Agency</td>
<td>18%</td>
</tr>
<tr>
<td>Had Paycheck Garnished</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.
Note: n=number of survey respondents

Table 7-4 demonstrates that there is only a slight relationship between financial education awareness and indicators of financial instability. The respondents’ likelihood to have had a paycheck garnished is slightly affected by financial education awareness for both low-income and non-low-income respondents. In addition, financial education awareness appears to have some effect on the likelihood of property repossession for both low-income and non-low-income respondents. However, both service providers and citizen focus group participants agree that financial education would help improve people's financial circumstances. When asked, “Would financial education help?” many citizens responded affirmatively. For example, one participant stated, “I definitely need some financial training.” Several citizen participants said it should be taught in schools.

Table 7-5 compares the amount of “bad debt” (credit card debt, debt to lending agency or pawn shop, or overdue bills) held by those who displayed characteristics of financial education awareness versus those who did not, for both low-income and non-low-income respondents.

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19 Caution should be used in interpreting the results due to the low number of respondents in this category.
Table 7-5. Effect of Financial Education Awareness on “Bad Debt”

<table>
<thead>
<tr>
<th>Type and Amount of Bad Debt</th>
<th>Do the Respondents Display Characteristics of Financial Education Awareness?</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-Low-Income</td>
<td>Low-Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yes (n=28)</td>
<td>No (n=79)</td>
<td>Yes (n=45)</td>
<td>No (n=92)</td>
</tr>
<tr>
<td>Credit Card Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0</td>
<td>37%</td>
<td>33%</td>
<td>42%</td>
<td>44%</td>
</tr>
<tr>
<td>Under $500</td>
<td>7%</td>
<td>14%</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>$500 to $999</td>
<td>15%</td>
<td>8%</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>$1,000 to $4,999</td>
<td>33%</td>
<td>22%</td>
<td>21%</td>
<td>25%</td>
</tr>
<tr>
<td>$5,000 or more</td>
<td>7%</td>
<td>19%</td>
<td>9%</td>
<td>3%</td>
</tr>
<tr>
<td>Debt to Lending Agency or Pawn Shop</td>
<td>Non-Low-Income</td>
<td>Low-Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0</td>
<td>95%</td>
<td>86%</td>
<td>84%</td>
<td>85%</td>
</tr>
<tr>
<td>Under $500</td>
<td>0%</td>
<td>1%</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>$500 to $999</td>
<td>0%</td>
<td>4%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>$1,000 to $4,999</td>
<td>5%</td>
<td>4%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>$5,000 or more</td>
<td>0%</td>
<td>4%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Overdue Bills</td>
<td>Non-Low-Income</td>
<td>Low-Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0</td>
<td>82%</td>
<td>76%</td>
<td>41%</td>
<td>33%</td>
</tr>
<tr>
<td>Under $500</td>
<td>5%</td>
<td>9%</td>
<td>31%</td>
<td>33%</td>
</tr>
<tr>
<td>$500 to $999</td>
<td>5%</td>
<td>1%</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>$1,000 to $4,999</td>
<td>0%</td>
<td>3%</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>$5,000 or more</td>
<td>9%</td>
<td>0%</td>
<td>8%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.
Note: n=number of survey respondents

Similar to the findings from Table 7-4, Table 7-5 shows that financial education awareness had little to no effect on respondents’ types and levels of “bad debt.” This is true for all types and amounts of debt shown above. The only exception is in overdue bills, where among low-income respondents those who display characteristics of financial education awareness are more likely to have $0 in debt from overdue

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20 Caution should be used in interpreting the results due to the low number of respondents in this category.
bills (41%) than their counterparts who do not display these characteristics (33%). As discussed above, service provider analysis and citizen focus group results are inconsistent with those of the survey. This response from Q-32 of the survey summarizes the contradictions within these findings: “I am terrible with money, not purposefully though. I am at least $12,000 in debt and have no idea how to get myself out of it. Some sort of class would be most beneficial for someone like me.”
Chapter 8

Interest in Financial Education and Small Business Training

Improving and expanding the LifeLine program requires knowledge of the types of financial education information that potential clients will find most valuable, as well as the program format and structure that would be most appealing to them. CPW included a number of questions in the household survey and citizen focus groups that were meant to gauge Lane County residents' preferences in these areas. This chapter presents the findings on those subjects, as well as the findings from the survey related to small business ownership and interest in small business loans and training programs.

The following questions from the survey and citizen focus groups were used to develop these findings on the topic of Interest in Financial Education Programs and Small Business Training.

**Survey Questions**

Q-9. Please rate how interested you would be in learning more about the following topics.

Q-10. Would you like to take a class to learn about the above topics?
       If yes, how often would you want to attend this class? When would you want to attend?

Q-11. Would you like to learn about this topic in something other than a classroom setting? If yes, what formats might you prefer?
       Check all that apply.

Q-15. Do you own a small business? Is small business ownership a goal for you in the next five years?

Q-16. Would you be interested in learning about small business loans and small business management training, to help you start a business or to expand/improve your existing business?

**Citizen Focus Group Questions**

What will it take to get you there (to accomplish your financial goals)?
   Do you see financial education as a way to help you get to where you want to be?

If financial education is a way of getting to your goals, what form should it take?

Describe your ideal topics for such a program.
Summary of Findings

This chapter describes the interest in financial education programs and small business training opportunities that has been identified through the course of CPW’s research for this project. The bulk of the chapter is dedicated to the interest in financial education programs, and it covers the financial education topics that study participants are most interested in, as well as their preferences for the frequency and time of day for a financial education class and interest in various non-classroom instructional formats.

On the subject of financial education topics, CPW asked survey respondents to indicate their interest, or lack thereof, in the topics that are currently covered in the LifeLine program. “Your Rights as a Consumer”, “Money Saving Tips”, and “Financial Resources Available Locally” proved to be the most popular topics, and these preferences varied little over the categories of metro, non-metro, low-income, and non-low-income respondents. However, interest in all financial education topics was significantly greater among low-income as opposed to non-low-income respondents. “Learning to Resist Advertising” was by far the least popular of topics. Citizen focus group participants suggested additional topics, including home ownership, debt consolidation, smart spending/shopping, talking to creditors, how to save, how to find other sources of income, and budgeting.

Survey respondents also expressed a preference for financial education classes that met once a week, and in the evenings, which is consistent with the current structure of the LifeLine program. Participants in both the survey and the citizen focus groups identified videotapes, the Internet, and reading materials as some of the more popular non-classroom instructional formats.

Other ideas put forth by citizen focus group participants had to do with suggested meeting locations in their communities, other needs that could be met by a financial education program (particularly developing skills and knowledge that would assist participants in finding better jobs), and the concept of pitching LifeLine as an opportunity for “peer-group mentoring,” in which participants could provide each other moral and psychological support while at the same time sharing tips and ideas on how to spend more wisely and otherwise make one’s money go farther.

Survey responses indicated a significant level of interest in small business training programs, particularly among low-income respondents. These findings were supported in the citizen focus groups, in which several participants expressed small business ownership as a goal.

Detailed Findings

The following table displays the survey respondents’ interest in financial education topics, expressed by geographical area. The
percentages given are the total of those indicating that they were "very interested" or "somewhat interested" in the given topic.

Table 8-1. Preference of Educational Topics by Geographical Area

<table>
<thead>
<tr>
<th>Topic</th>
<th>Total</th>
<th>R-1</th>
<th>R-2</th>
<th>Total Metro</th>
<th>R-3</th>
<th>R-4</th>
<th>R-5</th>
<th>R-6</th>
<th>Total Non-Metro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Rights as a Consumer</td>
<td>72%</td>
<td>68%</td>
<td>79%</td>
<td>72%</td>
<td>74%</td>
<td>63%</td>
<td>67%</td>
<td>72%</td>
<td>70%</td>
</tr>
<tr>
<td>Money Saving Tips</td>
<td>71%</td>
<td>65%</td>
<td>73%</td>
<td>69%</td>
<td>70%</td>
<td>68%</td>
<td>75%</td>
<td>76%</td>
<td>72%</td>
</tr>
<tr>
<td>Financial Resources Available Locally</td>
<td>65%</td>
<td>64%</td>
<td>77%</td>
<td>69%</td>
<td>69%</td>
<td>50%</td>
<td>42%</td>
<td>59%</td>
<td>58%</td>
</tr>
<tr>
<td>Reading and Understanding Financial Documents</td>
<td>64%</td>
<td>61%</td>
<td>62%</td>
<td>65%</td>
<td>57%</td>
<td>67%</td>
<td>67%</td>
<td>62%</td>
<td>62%</td>
</tr>
<tr>
<td>Maintaining an Emergency Fund</td>
<td>62%</td>
<td>52%</td>
<td>68%</td>
<td>59%</td>
<td>61%</td>
<td>58%</td>
<td>58%</td>
<td>72%</td>
<td>65%</td>
</tr>
<tr>
<td>Smart Spending Tips</td>
<td>62%</td>
<td>56%</td>
<td>68%</td>
<td>61%</td>
<td>61%</td>
<td>56%</td>
<td>75%</td>
<td>58%</td>
<td>60%</td>
</tr>
<tr>
<td>Successful Money Management</td>
<td>62%</td>
<td>63%</td>
<td>83%</td>
<td>71%</td>
<td>57%</td>
<td>37%</td>
<td>67%</td>
<td>58%</td>
<td>55%</td>
</tr>
<tr>
<td>Tips for Understanding and Reducing Bills</td>
<td>62%</td>
<td>57%</td>
<td>70%</td>
<td>62%</td>
<td>65%</td>
<td>47%</td>
<td>59%</td>
<td>57%</td>
<td>58%</td>
</tr>
<tr>
<td>Avoiding Financial Difficulties</td>
<td>58%</td>
<td>47%</td>
<td>63%</td>
<td>58%</td>
<td>61%</td>
<td>53%</td>
<td>58%</td>
<td>55%</td>
<td>56%</td>
</tr>
<tr>
<td>Household Budgeting</td>
<td>53%</td>
<td>52%</td>
<td>37%</td>
<td>58%</td>
<td>52%</td>
<td>37%</td>
<td>62%</td>
<td>44%</td>
<td>47%</td>
</tr>
<tr>
<td>Learning to Resist Advertising</td>
<td>35%</td>
<td>30%</td>
<td>42%</td>
<td>35%</td>
<td>30%</td>
<td>17%</td>
<td>42%</td>
<td>34%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

The topics listed in Table 8-1 are the ones that are currently covered in the LifeLine curriculum. CPW asked about respondents’ interest in these topics so that LifeLine could determine which topics are most popular and should be retained in the event that the LifeLine curriculum undergoes significant changes. Overall, the most popular topics were “Your Rights as a Consumer” (72% expressed interest), “Money Saving Tips” (71%), and “Financial Resources Available Locally” (65%). “Money Saving Tips” and “Maintaining an Emergency
Fund" were also the only topics for which interest was higher amongst non-metro respondents, as compared to those from the metro area.

"Learning to Resist Advertising" was the least popular topic by far, with only 35% of respondents expressing an interest in this theme. This topic also had the highest percentage of respondents who answered, "I already know about this," at 31% (See Appendix A).

Table 8-2 compares the interest in these topics among low-income and non-low-income respondents. The levels of interest were higher among low-income respondents, for all topics. The top three choices for the low-income respondents were the same as for the overall survey response pool, while non-low-income respondents expressed their highest levels of interest in "Reading and Understanding Financial Documents" (63%), as well as "Your Rights as a Consumer" (67%) and "Money Saving Tips" (65%).

<table>
<thead>
<tr>
<th>Topic</th>
<th>Low-income</th>
<th>Non-low-income</th>
<th>Topic</th>
<th>Low-income</th>
<th>Non-low-income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Rights as a Consumer</td>
<td>77%</td>
<td>67%</td>
<td>Avoiding Financial Difficulties</td>
<td>66%</td>
<td>47%</td>
</tr>
<tr>
<td>Money Saving Tips</td>
<td>76%</td>
<td>65%</td>
<td>Smart Spending Tips</td>
<td>66%</td>
<td>55%</td>
</tr>
<tr>
<td>Maintaining an Emergency Fund</td>
<td>74%</td>
<td>48%</td>
<td>Reading and Understanding Financial Documents</td>
<td>65%</td>
<td>63%</td>
</tr>
<tr>
<td>Financial Resources Available Locally</td>
<td>70%</td>
<td>58%</td>
<td>Household Budgeting</td>
<td>57%</td>
<td>47%</td>
</tr>
<tr>
<td>Tips for Understanding and Reducing Bills</td>
<td>70%</td>
<td>50%</td>
<td>Financial Services for Small Businesses</td>
<td>41%</td>
<td>30%</td>
</tr>
<tr>
<td>Successful Money Management</td>
<td>67%</td>
<td>61%</td>
<td>Learning to Resist Advertising</td>
<td>36%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Participants in the citizen focus groups offered up a number of ideas on the subject of financial education topics. Some of the more popular topics mentioned in these meetings included home ownership, debt consolidation, smart spending/shopping, talking to creditors, how to save, how to find other sources of income, and budgeting. Citizens also expressed interest in learning how to break bad habits, and get training to develop good habits. On the topic of smart spending, or "stretching
the dollar,” one citizen stated, “It’s very hard to make your dollar go far enough, really.” Participants also expressed interest in learning about sources of new computers, retirement savings/ options, and life insurance. Other ideas included learning wise ways to use services such as credit, IRAs and investment portfolios, how to access services, and helping people outline what they have and determine what services they actually need. Other citizens mentioned the need to target different groups and tailor the classes to fit their needs. As one citizen put it, “It should be structured to suit the individual.” Another important issue was making sure that the subjects are able to follow-up on what they have learned once the program has ended. Finally, other comments included the need for counseling on life skills and more knowledge on qualifications necessary to achieve ones goals, such as getting a job.

“One of the topics should be ‘How do we keep up with it once we’re out of the class, and its no longer structured.’” — Citizen focus group participant

When asked in Question 10 if they would like to take a class to learn more about the financial education topics mentioned above, 42% of respondents answered, “Yes.” The follow-up questions to Q-10 were as follows: “If yes, how often would you want to attend this class?” and “When would you want to attend?” Table 8-3 shows how those individuals who answered “Yes” on Q-10 responded to the follow-up questions. The numbers in parentheses beside metro and non-metro indicate the number of respondents from each category who answered that they would be interested in attending a financial education class.
Table 8-3. Preferences for Class Times and Frequency of Classes

<table>
<thead>
<tr>
<th>Respondent Preferences</th>
<th>All Respondents</th>
<th>Metro (n=70)</th>
<th>Non-Metro (n=41)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Frequency of Classes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Twice per Week</td>
<td>18%</td>
<td>14%</td>
<td>24%</td>
</tr>
<tr>
<td>Once per Week</td>
<td>38%</td>
<td>33%</td>
<td>49%</td>
</tr>
<tr>
<td>Every other Week</td>
<td>21%</td>
<td>27%</td>
<td>12%</td>
</tr>
<tr>
<td>Once per Month</td>
<td>25%</td>
<td>30%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Class Times</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mornings</td>
<td>18%</td>
<td>14%</td>
<td>24%</td>
</tr>
<tr>
<td>Afternoons</td>
<td>22%</td>
<td>19%</td>
<td>29%</td>
</tr>
<tr>
<td>Evenings</td>
<td>53%</td>
<td>60%</td>
<td>39%</td>
</tr>
<tr>
<td>Weekends</td>
<td>18%</td>
<td>19%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.
Note: n= number of respondents

Table 8-3 shows that the preferred class times and frequencies for all respondents were once a week, and in the evenings. These results match the current structure of the LifeLine program. However, in the metro area many of the respondents would prefer to meet less often, as 67% preferred either every other week, or once a month. In addition, the numbers indicate that there is some interest among non-metro respondents in having the classes at different times of the day (mornings or afternoons).

Question 11 asked if the survey respondents would like to learn about financial education in some format other than a classroom session. Fifty-seven percent of respondents answered “Yes” to this question. The follow up question offered eight options for non-classroom formats, including an option to write in a response under “Other.” The responses to this follow-up question are shown in Table 8-3. Respondents were allowed to check more than one box, and the responses shown are percentages of those respondents who had answered “Yes” to Question 11. Again, the numbers in parentheses beside metro and non-metro indicate the number of respondents from each category who answered that they would be interested in learning about financial education matters in a non-classroom format.

21 Caution should be used in interpreting the results due to the low number of respondents in this category.
Table 8-4. Preferences for Format of Non-Classroom Instruction

<table>
<thead>
<tr>
<th>Format of Classes</th>
<th>All Respondents</th>
<th>Metro (n=73)</th>
<th>Non-Metro (n=48)²²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Video Tape</td>
<td>42%</td>
<td>34%</td>
<td>56%</td>
</tr>
<tr>
<td>Internet</td>
<td>37%</td>
<td>38%</td>
<td>36%</td>
</tr>
<tr>
<td>One-on-One</td>
<td>30%</td>
<td>36%</td>
<td>23%</td>
</tr>
<tr>
<td>Financial “Peer Group Mentoring”</td>
<td>22%</td>
<td>26%</td>
<td>17%</td>
</tr>
<tr>
<td>Home Visit</td>
<td>21%</td>
<td>22%</td>
<td>21%</td>
</tr>
<tr>
<td>Classes on Cassette Tape</td>
<td>16%</td>
<td>10%</td>
<td>23%</td>
</tr>
<tr>
<td>Reading materials (write-in for “Other”)</td>
<td>6%</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>None of the above</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.
Note: n= number of respondents

The most popular non-classroom instructional formats by far, among all respondents who were interested in non-classroom instruction in general, were videotapes (42% expressed interest) and the Internet (37%). It is also notable that 6% of these respondents wrote in a response to the effect that they wanted reading materials that they could use to instruct themselves. Interestingly, a significantly larger percentage of the non-metro respondents expressed an interest in video and audiotapes as an instructional format, as compared to the respondents from the metro area.

When asked about their preferred instructional format, most citizen focus group participants felt that the traditional classroom format was the best approach, ideally with small class sizes. There was also a high level of interest in one-on-one training, including as a follow-up to the classroom training (as currently takes place in the LifeLine program). For example, one participant identified her preferred instructional method as, “One-on-one...too much noise disturbs me and I can’t focus.” Otherwise, the interest in non-classroom formats was similar in the focus groups to that found in the survey, with the Internet, videotapes, and audiotapes being the most popular choices. Reading materials, a popular write-in choice on the survey, were also mentioned in the focus groups.

The citizens that met with CPW had many interesting ideas concerning the locations that a program such as LifeLine could be held in their communities. Some of the suggested locations included community centers, the housing authority, senior centers, public schools, and service clubs. Several participants suggested that this issue of financial education should be taught in the schools.

²² Caution should be used in interpreting the results due to the low number of respondents in this category.
The citizen participants also identified other needs that could be met by a program such as LifeLine. Chief among these was the need to acquire quality jobs, which most citizen focus group participants identified as the fundamental issue at the heart of their financial difficulties. This led to many suggestions that the LifeLine program include an element in its curriculum that teaches participants approaches to finding good jobs, how they can access job-training or skill development programs, or how to know what jobs they are qualified for and how to go about getting them.

Another unmet need is a booklet that describes the financial and financial education resources available in a given community. The citizens suggested that LifeLine could play a role in developing such a booklet for Lane County. One participant suggested using the Lane Community College Childcare Resource Center as a model.

"I would rather have written material, so I can go over it as many times as I need"—Citizen focus group participant

Another interesting idea presented in the citizen focus groups was to promote the LifeLine program as one that offers "peer-group mentoring." This idea can take many forms, and can incorporate many of the other ideas brought up in these citizen focus group meetings. For one, a mentoring approach could serve to relieve stress and foster group support. One participant voiced that financial counseling might be a better approach then financial education, because it would let one share his or her experiences with others, and feel less alone. A participant in the Cottage Grove Latino focus group suggested that a "peer group" approach would allow participants to share each other's knowledge regarding shopping and spending tips specific to their communities. This would allow one to essentially do "comparison shopping," without having to spend as much time or gasoline while driving around comparing prices at different stores. Similarly, a Junction City participant mentioned the importance of "knowing which doctors or vets or other service providers will work with you, as a low-income person," which is the type of knowledge that could perhaps be shared between the participants of a peer group. Table 8-4 shows that 22% of survey respondents who indicated that they would like to learn about financial education in something other than a classroom setting expressed an interest in "a financial 'peer group mentoring' session."

Many of these same topics came up in the Latino focus group, held with Spanish-speaking residents of Cottage Grove. In addition to peer-group mentoring, these individuals expressed particular interest in learning about financial education in a classroom setting, and in the specific topics of controlling impulse buying and planning for the future.

**Interest in Small Business Training Programs**

CPW asked a few questions on the Lane County Financial Services and Education Survey that gauged the respondents' interest in small business management training programs. Table 8-4 shows the
percentage of survey respondents who already own their own business or are otherwise self-employed, along with the percentage that expressed interest in small business management programs. CPW found that 11% of the respondents indicated that they owned their own business, while 14% said they were self-employed. Of those who did not own their own business, 35% said that small business ownership was a goal (including 46% of the low-income respondents).

Table 8-5. Interest in Small Business Loans and Small Business Management Education

<table>
<thead>
<tr>
<th></th>
<th>All Respondents</th>
<th>Low-Income</th>
<th>Non-Low-Income</th>
<th>Metro</th>
<th>Non-Metro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own a Small Business (Q-15)</td>
<td>11%</td>
<td>6%</td>
<td>18%</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>Currently Self-Employed (Q-17c)</td>
<td>14%</td>
<td>11%</td>
<td>19%</td>
<td>17%</td>
<td>11%</td>
</tr>
<tr>
<td>Goal of Small Business Ownership in Next 5 years (Q-15b)</td>
<td>35%</td>
<td>46%</td>
<td>20%</td>
<td>37%</td>
<td>33%</td>
</tr>
<tr>
<td>Interested in Learning about Small Business Loans and Management (Q-16)</td>
<td>32%</td>
<td>41%</td>
<td>22%</td>
<td>34%</td>
<td>30%</td>
</tr>
<tr>
<td>Interested in “Financial Services for Small Businesses” as an Education Topic (Q-91)</td>
<td>37%</td>
<td>41%</td>
<td>30%</td>
<td>36%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Source: Lane County Financial Services and Education Survey. CPW. 2001.

Table 8-4 also shows that the levels of small business ownership and interest in small business ownership/training programs vary little across regions and among metro vs. non-metro residents. The amount of interest in small business ownership as a goal, and in learning about small business management and financial services for small businesses was much higher among low-income respondents than non-low-income. This is not surprising, as the non-low-income respondents presumably already have a decent job, and would not be as likely to want to take on the challenge of owning and operating a business, whereas the low-income respondents are likely to consider small business ownership an opportunity to improve their financial situations.

The citizen focus groups and service provider analysis conducted by CPW did not directly address the issue of small business management programs. However, several citizen focus group participants mentioned small business ownership as a goal. Some examples of small businesses that participants would like to start included a flea market, espresso
stand, and a food cart or restaurant. A few participants also mentioned "How to start a small business" as a financial education topic that would interest them.
Chapter 9

Outreach Opportunities

One of the objectives of this study is to determine the ways in which the client group can improve its access and outreach to the target population that will benefit from its services. In this way O.U.R. will benefit by knowing how to best reach potential clientele. CPW asked two questions in the service provider analysis about outreach opportunities for financial education programs. One question from the survey pertained to some of the outreach approaches suggested by the service providers. The following questions from the survey and service provider analysis were related to the topic of Outreach Opportunities:

Survey questions

Q-12. Have you ever participated in a course or program that taught you how to manage money? What agency or organization sponsored this program?

Service provider questions

How can we reach the people who would benefit from a financial education program?

What do you need to know to be able to help people find financial services?

Summary of Findings

Two categories of suggested outreach opportunities emerged from CPW’s service provider focus groups and interviews. The first category can be described as “supplying of the right information.” Service providers repeatedly recommended supplying the right information in the form of a guidebook or comprehensive list. They also emphasized offering this information in bi- or multi-lingual formats. The second category was how O.U.R. and LifeLine can identify individuals in need of services. Service provider and citizen focus groups as well as the survey provided information on this category. The strongest recommendation was to “cross-promote,” and build partnerships between agencies as well as the private sector. Service providers also recommended that O.U.R. and LifeLine do outreach in schools, at both the high school and college level. The final recommendation was advertising through traditional media. More specifically, recommendations were made to advertise at locations such as food box dispersal sites, libraries, bankruptcy courts, public buildings, Parent Teacher Association meetings, high school completion program sites, granges, churches and country stores.
Detailed Findings

The answers provided by the service providers on the topic of outreach opportunities fell into two categories: the ability of the provider to supply the right information, and the ability to identify individuals who may need to access financial education assistance.

For the first category, the service providers from both the focus group and telephone interviews suggested the development of a guidebook or comprehensive list of service providers. This guidebook would provide potential clients with knowledge of existing financial education and financial service providers. The guidebook could include information on eligibility criteria, office hours, cost, range and depth of services, contact information, etc. Participants in the Springfield citizen focus group as well as the service provider focus groups suggested using the format of the participant claimed that any resource guide is out of date before it even goes to print because of the speed at which services change, and suggested an up-to-date web site as an alternative. In addition, some respondents suggested the presentation of information in bi- or multi-lingual formats as a means of outreach towards potential non English-speaking clients.

For the second category, identifying individuals in need, service providers cited cross-promotion between agencies and inter-agency partnership building as necessary components of any outreach program. The White Bird Clinic’s “HELP” book was their most frequently recommended outreach source. This guidebook is updated annually, and contains hundreds of listings for human services in Lane County. The current version of HELP contains two sections that relate to financial education: “Debt Management” and “Money Management Counseling.” Neither O.U.R. nor LifeLine is listed in the HELP book under either of these headings. HELP is updated each January, and an organization may be added to the book by calling White Bird’s Info-Line number at (541) 342-4357.

Another source of cross-promotion and partnering is a website called TheLane (www.thelanenet). TheLane is intended to be an accessible, cross-system and cross-media information network where existing resources can be matched with individual family needs in an expedient and effective manner. Service providers also suggested that these partnerships include an effort to reach out to the private sector, including local employers. Question 12 on the household survey asked respondents who had participated in “money management” programs to write in the names of the organizations or agencies that had sponsored these programs. These organizations/ agencies could be good resources for cross-promotion with the client’s services. The financial education providers identified by the survey respondents and through CPW’s service provider analysis are listed in Table 9-1.
Table 9-1. Financial Education Providers Mentioned by Survey Respondents and Service Providers

<table>
<thead>
<tr>
<th>Programs Identified by Service Providers</th>
<th>Programs Identified by Survey Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Vincent dePaul- &quot;2nd Chance Renter's Rehabilitation&quot;</td>
<td>Consumer Credit Counseling</td>
</tr>
<tr>
<td>Community Sharing</td>
<td>SLMH</td>
</tr>
<tr>
<td>Carpenter's Local 1273 Union- &quot;Privilege Program&quot;</td>
<td>US Navy</td>
</tr>
<tr>
<td>Carpenter's Local 1273 Union- &quot;Project Homes&quot;</td>
<td>Institute- Basic Life Principles</td>
</tr>
<tr>
<td>O.U.R.- &quot;LifeLine&quot;</td>
<td>Oregon State Credit Professional Association</td>
</tr>
<tr>
<td>Womenspace</td>
<td>Lane Community College</td>
</tr>
<tr>
<td>Neighborhood Economic Development Corporation (NEDCO)</td>
<td>Oregon State University</td>
</tr>
<tr>
<td>Marcola Family Resource Center</td>
<td>Adult and Family Services (JOBS Program)</td>
</tr>
<tr>
<td>Emmanuel Credit Management</td>
<td>Aid to Families with Dependent Children</td>
</tr>
<tr>
<td>Lane County Extension Service- &quot;Cooking on a Budget&quot;</td>
<td>O.U.R.</td>
</tr>
<tr>
<td>Lane Community College- &quot;Transition to Success&quot;</td>
<td>PERS Early Retirement Workshop</td>
</tr>
<tr>
<td>Oregon Collectors Association</td>
<td>Eugene Bible College</td>
</tr>
<tr>
<td></td>
<td>Head Start of Lane County</td>
</tr>
<tr>
<td></td>
<td>Class taken at College/University</td>
</tr>
<tr>
<td></td>
<td>Class taken at High School</td>
</tr>
</tbody>
</table>

Sources: Lane County Financial Services and Education Survey and Service Provider Focus Groups and Telephone Interviews. CPW. 2001.

Another suggested tactic was outreach to schools for both information on how to reach families and for opportunities to talk to students. Service providers and citizens also cited advertising as an outreach method. They recommended advertising on the radio, television, bus, and through public service announcements. They also mentioned advertising at places such as libraries, bankruptcy courts, public buildings, Parent Teacher Association meetings, and high school completion program sites.

One service provider stressed advertising in rural areas at the places where people congregate, such as granges, churches, and country stores. During the Springfield focus group, one respondent suggested that service providers offer information and advertising at places frequented by those in need of services, such as food box locations.
Chapter 10
Conclusions and Recommendations

This chapter of the Lane County Financial Education Needs Assessment focuses on CPW’s conclusions and recommendations for O.U.R. and LifeLine. The recommendations focus on strategies and actions that could be taken to meet the needs that have been identified in the previous chapters, and to achieve LifeLine’s goal of providing effective financial education services to the people of Lane County. CPW examines the findings and presents conclusions and recommendations in the following four areas:

1. **Meeting Lane County’s Financial Education Needs.** This section begins by revisiting the financial education needs identified in previous chapters, and the range of financial education services that are already being offered in the county. It then examines the role that LifeLine currently plays in meeting these needs, and how the services that LifeLine offers are similar to or distinct from those offered by other agencies. In this context, CPW points out some of the ways in which Lane County’s financial education needs are not currently being met, and provides recommendations on actions that could be taken by LifeLine to improve their services and better meet these needs.

2. **Curriculum and Program Structure.** This section compares the study population’s preferences on curriculum design and program structure (including time, frequency, and location of meetings), to the characteristics of the existing LifeLine program, and makes recommendations on how the LifeLine program could be tailored to better meet the stated needs of the target population.

3. **Outreach.** This section re-examines the findings of the chapter on Outreach Opportunities, and frames these opportunities in terms of recommendations for outreach strategies that LifeLine could adopt to be able to better identify and recruit potential participants and beneficiaries of LifeLine’s services.

4. **Small business training opportunities.** This section looks at the interest in small business training opportunities, as identified in Chapter 8 of this report, and points out some ways in which LifeLine could assist its participants who may be interested in small business training through coordination with the Oregon Microenterprise Network and other providers of small business training.
Meeting Lane County’s Financial Education Needs

Conclusions

Respondents to the Lane County Financial Services and Education Survey indicated that their greatest need was for budgeting assistance and advice on using financial services. The financial education needs identified by citizen focus groups participants included advice on a variety of topics, such as how to consolidate debt, how to avoid credit traps and unnecessary banking charges, and how to establish a good credit history and save for the future. Most focus group participants also identified a need for better and more consistent jobs that provide better wages. Service providers indicated that, for many of their clients, programs focused on building basic life skills were prerequisites for attaining some level of financial stability, as were job retention and retraining programs. Service providers also indicated that such programs needed to be available to those not yet in crisis.

In Lane County, services that address these needs are either offered as component parts of other programs, such as financial goal setting and budgeting as part of the HACSA Family Self-Sufficiency Program, or as parts of programs with a clear focus, such as NEDCO and St. Vincent dePaul’s home ownership programs. Lane Community College offers many classes and workshops that have to do with general financial education, but their costs, although moderate, may be prohibitive to those who may need them most. Consumer Credit Counseling offers free information sessions and individual consultations on a number of financial management topics. However, any type of sustained education is available only to those enrolled in their debt management program. This requires a prior commitment to becoming debt-free, which may not exist before one participates in a financial education program.

Residents’ ability to gain access to these existing services depends upon their awareness that such services exist, their qualifications for specialized programs, and the availability of space in these programs.

The LifeLine program fills a major gap in this range of services, by providing general financial education that is not limited to participants in specialized programs and is not cost prohibitive. It is not a complement to these existing services, but rather it is the only program that offers free classroom education geared towards building financial skills and also free individualized counseling and advice on personal financial management. Additionally, the LifeLine program, being a collaborative effort of O.U.R. Credit Union, the Lane County Law and Advocacy Center, the Housing and Community Services Agency of Lane County, and Lane Shelter Care, is able to offer participants access to the financial services of the credit union, as well as legal advocacy and case management expertise. One of the major strengths of this program is its unique position as a nexus, where a participant can be exposed to a variety of services.
The predominate need that is currently unmet in Lane County is that of a single program that comprehensively addresses not only financial management skills, but also incorporates basic life and job enhancement skills. The opportunity currently exists for LifeLine to fortify its current strengths and meet this need through slight modifications in approach and program design.

**Recommendations**

In its informational materials, LifeLine stresses the need for early intervention for those households experiencing "difficulty budgeting," before these difficulties lead to problems that are beyond simple solutions. Its stated emphasis on "basic problem solving" may be a link to developing a program component dealing with basic life and job enhancement skills.

CPW recommends three approaches that LifeLine may take to meet this need:

1. **Expand the LifeLine curriculum to incorporate educational materials and class sessions that address life and job enhancement skills**

   This option may be beyond the present scope of LifeLine's mission. If LifeLine chooses to pursue this option, CPW suggests that it examine its mission statement and stated objectives and refine them to incorporate these goals before pursuing any program expansion.

2. **Seek out new collaborative partners who already offer training on life and job skills, and integrate these programs into the LifeLine curriculum**

   This could take place in either the classroom or individualized components of the LifeLine program, or both. CPW recommends that LifeLine investigate forming a collaborative partnership with Lane Community College, so that LCC's life skills and job-training services could be integrated into the LifeLine curriculum and be made available to LifeLine participants at no cost.

3. **Refer LifeLine participants to LCC and other programs that offer training on life and job skills**

   This approach would require less modification of the existing LifeLine program, but it would also require more effort on the part of program participants to seek out these services, and would therefore likely be less effective at meeting the need for life skills and job-training services among LifeLine's target population.

**Curriculum and Program Structure**

**Conclusions**

LifeLine currently provides financial education assistance in both classroom and one-on-one formats. The classroom component covers many topics, including financial management, smart spending,
selecting financial services, spending plans, and monthly budget planning.

The results of CPW's Lane County Financial Services and Education Survey show that 53% of metro residents and 40% of non-metro residents favor a curriculum based upon a traditional classroom setting. Many citizens expressed a preference for small class sizes. The preferences for non-classroom instructional formats varied with geography, as metro residents preferred one-on-one mentoring and peer-group mentoring, while non-metro residents leaned towards instructional materials on cassette and videotapes. Citizen focus group participants also noted alternatives such as the Internet. CPW also found a high level of interest in formats that encourage group interaction and mutual counseling. Many participants stated that this type of approach would relieve stress and foster group support, while also providing the opportunity for participants to learn from each other. One example of this shared learning, suggested by a participant in the Latino focus group, would be providing an opportunity for participants to share shopping and cost-saving tips specific to their community.

Recommendations

These findings indicate that flexibility is important in tailoring both the curriculum and structure of the LifeLine program to meet the needs of different groups. Therefore, CPW recommends that LifeLine consider the following modifications to its curriculum and program structure:

1. Create optional curriculum components that are specific to certain groups, and be included as necessary

For example, curriculum components that are specific to the needs of senior citizens could be included when a particular LifeLine class has a high number of senior citizen participants.

2. Incorporate additional educational topics into the LifeLine curriculum

CPW has identified several topics that would help to meet the needs of Lane County residents, including:

- How to identify or acquire good jobs
- Available resources and help
- Conserving resources and money (similar to existing lessons on energy saving tips)
- How to cook/ shop on a budget

In addition to the above CPW recommendations, citizen focus group participants raised topics such as home ownership, starting a business, funding sources, debt consolidation, and talking to creditors. It is important to note that metro survey respondents’ top three choices included successful money management, financial resources available locally, and learning to resist advertising. Non-metro respondents identified avoiding financial difficulties, maintaining an emergency

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3. **Provide some alternatives to the traditional classroom format**

This will help the programs to better meet the various learning preferences of Lane County residents. Of particular interest here is the survey and focus group participants' interest in using the Internet as an educational tool. Also, program participants would benefit from having course materials that they can take home and review at their leisure. This would also help participants avoid forgetting what they learned in the LifeLine program and falling back into their old ways. CPW also feels that LifeLine should consider the focus group participants' suggestions to allow LifeLine participants to share knowledge with each other, particularly in the realm of local shopping tips, and create a mutual support network.

The changing face of the county's ethnic population, particularly the rising percentage of Latino residents, makes the provision of bi- or multi-lingual formats an important goal. An important first step in making the LifeLine program accessible to all County residents is to:

4. **Develop a Spanish-language LifeLine Program**

This could require a partnership with Centro Latinoamericano or another Latino advocacy group in the County.

CPW's final recommendation on the subject of curriculum and program structure is applicable to the other conclusion areas as well, as it would set the framework within which LifeLine would carry out all further activities.

5. **Develop a mission statement and specific goals for LifeLine, incorporating existing objectives for the program's individual and group components**

It will be easier for LifeLine to refine its curriculum and program structure if there is a specific mission statement and goals that it must adhere to, and this will also make it easier to explain and promote the program among potential participants, partners, and funders.

**Outreach**

**Conclusions**

CPW's research into the subject of Outreach Opportunities led to a number of findings, which can be summarized into two categories: "supplying of the right information," and "how to identify individuals in need of services." Service providers repeatedly recommended supplying the right information in the form of a guidebook or comprehensive list. They also emphasized offering this information in bi- or multi-lingual formats. On the subject of identifying individuals in need, the strongest
recommendation was to "cross-promote," and build partnerships between agencies as well as the private sector. Service providers also recommended that O.U.R. do outreach in schools, at both the high school and college level, as well as advertise their services through traditional media. Suggestions were also made to advertise at locations such as food box dispersal sites, libraries, bankruptcy courts, public buildings, Parent Teacher Association meetings, High School Completion Program sites, granges, churches and country stores.

Recommendations

CPW's recommendations on the subject of outreach cover the following topics: the distribution of informational materials; advertising the services offered by LifeLine and O.U.R.; potential outreach partnerships; and other considerations.

On the subject of informational materials, CPW feels that it is important for LifeLine to:

1. **Broaden the distribution of existing pamphlets and other materials on the LifeLine program**

These efforts should be focused on those areas where the target population is most likely to be contacted. Some of the locations where these materials could be distributed include food box dispersal sites, libraries, bankruptcy courts, public buildings, Parent Teacher Association meetings, High School Completion Program sites, granges, churches and country stores. Additionally, CPW recommends the following two actions on the subject of informational materials:

2. **Add O.U.R. and LifeLine to the “HELP” guidebook produced by White Bird Clinic**

The “HELP” guidebook is a compendium of all of the social service providers in Lane County. Both service providers and citizen focus group participants have identified it as an invaluable resource for assisting those in need. This guidebook is widely used by service providers who are looking to refer their clients to sources of assistance, and CPW feels that the inclusion of LifeLine in this guidebook should be the first and possibly most important step in LifeLine's outreach efforts.

However, both service providers and citizen focus groups have identified the need for another guidebook, one that deals specifically with services related to finances and financial education. Therefore, CPW recommends that LifeLine also do the following:

3. **Create a new guidebook that offers comprehensive listing of financial education and related services available in the community.**

This guidebook should include: eligibility criteria, contact information, cost, range and depth of services. This guidebook should be used to highlight the uniqueness of O.U.R. and LifeLine, and the financial and
financial education services that they offer, as well as providing valuable information on other resources in the County.

In addition to the distribution of information as described above, CPW recommends the following:

4. **Market the programs and services of LifeLine and O.U.R. through a traditional media advertising campaign**

This marketing technique will help both programs reach out to potential clients in need of their services. This could include public service announcements and radio and television advertisements, as well as billboard-style advertisements in locations where they are likely to be seen by the target population, such as at bus stops. This outreach approach would be expensive, but the costs could possibly be covered with a grant. Additionally, CPW recommends the following action as a way to possibly minimize the costs of an advertising campaign:

5. **Research possible non-profit organizations that assist other non-profits with marketing and advertising campaigns**

When formulating an outreach strategy, for either informational materials or traditional media advertising, CPW feels that LifeLine should take a number of precautions, including:

6. **Consider the different motivations of potential LifeLine participants**

Overcoming a bad financial history and avoiding financial problems are the two most likely motivations for potential LifeLine participants. Thus, LifeLine's outreach efforts must account for individuals with both types of motivations without dissuading one or the other. This means that those individuals who do not yet have serious financial problems should not be made to feel that LifeLine is only for people who do have such problems, while at the same time the individuals who do have serious financial problems should not be made to feel that they are beyond the reach of LifeLine, and cannot be helped. Addressing both types of potential clients, without alienating either, will be a challenge, and could require two completely different outreach strategies.

7. **Make sure that potential participants are ready for financial education**

This means making sure that they do not have other more pressing and fundamental needs that could be better fulfilled by another program or agency. In addition, a referral system also needs to be in place in order to help people identify and locate these services.

8. **Do not clearly target low-income populations**

The purpose of this is to avoid the so-called "shame factor." In addition, there are many non-low-income residents who could also benefit from LifeLine's services.
9. Advertise LifeLine as a free program or seminar, rather than as a class

This might improve participation by those with less formal educational experience, and might avoid turning off those individuals who want to learn about financial education topics, but do not want to feel like they are going “back to school.”

Finally, many service providers and citizen focus group participants suggested that LifeLine coordinate its outreach efforts with other service provider agencies. On this topic, CPW recommends the following:

10. Coordinate with, and possibly form partnerships with, the existing financial education service providers listed in Table 9-1

This will help to ensure that citizens who are in need of financial education services will have access to the full range of these services that are available in Lane County. LifeLine should also coordinate efforts with other related social service agencies, local high schools and community colleges, and private sector employers, all of which should be able to identify individuals who would benefit from LifeLine’s services. Additionally, cross-promotion between agencies can involve more than simply referring clients to each other. It can include joint efforts on advertising, publicity of events, materials, and even provision of services.

Finally, CPW feels that other social service agencies in Lane County have a number of clients that would benefit from greater financial education awareness. It is important that LifeLine solidify its connection with these agencies, and work to ensure that these agencies will refer their clients to LifeLine that would benefit from its services. On that note, CPW recommends that LifeLine:

11. Encourage other agencies to mandate or encourage participation in financial education programs

For example, the Housing Authority’s Family Self Sufficiency program currently mandates that participants exhibit financial self-sufficiency in order to successfully complete their program. The clients of other agencies could become more financially aware, and less at risk, if these agencies encouraged or required participation in the LifeLine program. CPW also recommends research into integrating with Adult and Family Services, and their efforts to create a new “continuum of care” approach, to ensure that financial education is considered a part of the “continuum.”

**Small Business Training Opportunities**

Conclusions

Over a third (35%) of all survey respondents who are not currently small business owners indicated that small business ownership was a goal for them within the next five years. This figure reached 46%
among low-income respondents. Some focus groups participants also identified small business ownership as a goal. Some of these participants felt that they did not possess the financial knowledge necessary to start up and maintain a small business.

The LifeLine program does not currently offer small business training as part of its financial literacy curriculum. However, LifeLine does feature guest speakers from Lane MicroBusiness on a regular basis. If LifeLine participants express interest in small business skill development, referrals to Lane MicroBusiness, O.U.R.'s MicroEnterprise Lending Program and the Oregon Microenterprise Network are available.

**Recommendations**

CPW has three recommendations for steps that LifeLine can take to encourage and assist those program participants who are interested in starting a small business or improving their existing business.

1. **Survey the small business development programs currently operating in Lane County, and develop an informational brochure detailing those services**

This brochure should be made available for LifeLine participants who express an interest in small business ownership. This brochure should also include a few questions that interested participants should ask themselves, to determine if they are really prepared for the rigors of small business ownership.

If program participants continue to express interest in small business ownership after reading this brochure, then LifeLine should do all that it can to assist those individuals in accessing programs that would assist them in small business development and provide small business management training. CPW has developed two recommendations that represent two different approaches that LifeLine could take to assisting those program participants who are interested in owning their own business. The first of these recommendations is for LifeLine to:

2. **Refer participants who are still interested to one or more of the County’s existing small business training service providers**

This approach would require the minimum amount of adjustment to the existing LifeLine program, as it would simply be an extension of the existing partnership between LifeLine and Lane MicroBusiness. The other alternative for LifeLine to consider is to:

3. **Incorporate a small business skill component into the LifeLine curriculum**

If LifeLine chooses to go this route, it should investigate the opportunities to collaboratively partner with the agencies that are currently offering such services, specifically LCC and Lane MicroBusiness, so that participants may be offered the full range of small business training services at no cost (or a reduced cost). The
difference between this recommendation and the previous one is that under the second recommendation LifeLine would still maintain some level of involvement with the participants as they pursue small business training, rather than simply pointing them in the direction of other service providers.
Appendix A
Survey

Methodology

CPW designed the household survey instrument with input from the project steering committee. CPW presented a first draft of the survey on February 9th, 2001, and received comments on the draft from the committee. A final draft was presented to and approved by the committee on February 28th. The final product was a seven-page, 32-question survey, on 8.5” x 11” paper. Surveys were printed on 2 colors of paper to distinguish the surveys sent to the HACSA mailing list from those sent to the drivers’ license list. The survey included 26 multiple-choice questions, 13 of which included an option to write in an answer of “other,” and five “fill in the blank” questions. The final question provided a box for respondents to write in any additional thoughts that they had on the subjects of financial services, financial education, or their own personal financial situation.

The survey recipients were identified via a “stratified sample” of Lane County residents, meaning that half of the survey sample was selected at random, while the other half was targeted to a specific sub-set of the County’s population, specifically low-income residents. The 750 randomly selected addresses came from a database purchased by CPW from the State of Oregon’s Department of Transportation, Division of Drivers Licensing. From this database CPW selected a random sample of all holders of Oregon drivers’ licenses and state identification cards aged 18 or older who reside in Lane County. The geographical distribution across the county of the randomly selected addresses was proportional to the geographic distribution of the county’s population, by zip code.

The 750 targeted low-income survey recipients were identified through Lane County’s Housing and Community Services Agency (HACSA), which provided a mailing list of its Section 8 and Public Housing clients. The geographical distribution of the addresses selected from the HACSA lists was intended to provide greater representation for the less populated regions of the county outside of the Eugene-Springfield metropolitan area. Therefore, CPW sent surveys to all 492 HACSA clients outside the Eugene-Springfield area, including 286 Section 8 Housing clients and 206 clients of the HACSA Public Housing program. The remaining 258 addresses were randomly selected by HACSA from the housing agency’s list of Section 8 housing clients in the Eugene-Springfield area. This meant that 34.4% of the addresses for the targeted low-income survey sample were in the Eugene-Springfield area. Thus, the HACSA list gave greater representation to the outlying areas of Lane County than would be proportional to their share of the
County's population, as 2000 U.S. Census Data shows that 59% of Lane County's total population lies in Eugene-Springfield.\textsuperscript{23}

The survey was mailed on March 7\textsuperscript{th}, and a reminder postcard was mailed to these same residents on March 19\textsuperscript{th}. A business reply envelope (no postage necessary) was included with the survey, along with an entry slip offering a chance to win one of four gift certificates to local supermarkets. This raffle was intended to boost the survey response rate by offering two $25 and two $50 gift certificates. CPW set a deadline of April 6\textsuperscript{th} for returning the surveys, and accepted returned surveys through April 13\textsuperscript{th}. Of the 1500 mailed surveys, 57 were returned by the post office because the addresses from the mailing lists were no longer valid. CPW received back a total of 253 completed surveys, for a 17.5% response rate.

\textsuperscript{23} \url{http://factfinder.census.gov/servlet/BasicFactsServlet}
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Transcripts of Question 32

The following quotes are responses to Q-32, “Is there anything else you would like to tell us about your present or future financial situation, your experiences with financial services, or your interest in financial education programs?” The responses are transcribed literally, exactly as they were written on the surveys.

- Have looked into Lane’s telecourse classes for spring of 2001…not sure if able to afford it.
- At my age and income, I can barely squeak through the month.
- Retired
- I would like to know what it takes to open a auto repair shop or sm engine repair shop.
- Would like to be able to get a loan for 1st time homebuyers, but would also like to file bankruptcy…Not sure which to do 1st.
- Need a computer to print and go on line for business.
- Have not been able to work due to disabilities for over a year. Still have no received GA, SSI, or SSD. I do receive food stamps and section 8 housing.
- We struggle with 3 children and my S/O just got a $13.00 an hour job and we are losing all help. (section 8, etc)
- Save- cut cable, garbage svcs so I can afford to move to Bend Or. so I can attend school their @ COCC.
- Please call and say “Hey Steve! You’ve won a $50.00 gift @ Freddy’s”!
- I would like a place where I could go to find out how to start my own home based business. I have a small child & one on the way I would like to be able to stay home & still contribute to the familys finances.
- I am a full time student, single parent of two. It is hard to make ends meat and it would be great if there was an financial institute in wich could offer services to every type of person including myself. Good luck! Thanks.
- There is no help in Florence and since I can’t afford gas or insurance to get to where there is help, we get no help.
- In my situation is not helpful to work I worked last year but had to quit on the basis of poor childcare or lack of childcare facilities. Florence needs more for childcare and higher paying jobs.
- I am terrible with money, not purposefully though. I am at least $12,000 in debt and have no idea how to get myself out of it. Some sort of class would be most beneficial for someone like me.
I earned my money the hard way (earning it the legal way) and saved some for my retirement. Every one should be done the same thing. Take care of yourself and yours.

My biggest issue these days is college financing. Yes, I make a decent living, but it seems like there should be more low interest loans to fund a $100,000 dollar education.

My husband and I are interested in building a real estate (ownership/rental) business. However, we are having a hard time finding education on this or we are not sure how to start looking.

Being a single woman with no dependants I’m experiencing disability without any financial services. 7 months w/out income. After working 30 yrs, I’m having problems getting any of my social security that should be offered. What kind of insurance is that? I have no future financial services.

Aid in establishing marketing home crafted items. How to get started, who to contact patients, copyrights, publishing, etc.

I find that people on low income or low wages don’t have enough money to meet their daily needs until this is fixed there will always be trouble with money bills come to soon to cover most daily needs to short of a time between billing dates and payroll dates bills need to match up allow more time for persons to collect pay so they can pay their bills.

Example: Bill 100.00 sent out 3/15/01

Paydate due 4/06/01 Payroll in persons hand on 4/5/01 Not enough time laspe for complete payment of bills results more debt to the people.

I am a property manager for a company (real estate) based in Tigard, Or. I am also an “Area Manager” for several properties. From K.Falls to Sherwood-(6) I am interested in some sort of home employment, as I have a medical condition that is making it increasingly more difficult to get up and run out the door every morning. Suggestions?

Hello, to whoever reads this I have a very high interest in learning more about financial services. Because I want more then anything in this world, to become self-sufficient, to build a future for my children and I. As a single parent I need all the help and information I can get on financial services available. All I want is to be as successful in life and I believe the more information and services you have and are willing to learn about, the more successful you’ll be in life. “I hope this helps, Have a wonderful day and I hope your day is filled with lots of smile and laughter. Heather Back”
• None- been raised on a farm, after marriage café work turkey plant ect. Painted building what ever-we could so now I'm widowed living on low SC. with Medicaid food stamps ect simple comfortable retirement. My inte... center and church activities ect some val..... at meal sight here. At nearly 90 no looking for new career only hoping for eternity with Jesus and loved ones forever. So you may as well take my name off college ect took 55 alive driving class 2 or 3 times now. Al. Allman

• I have a limited services acct w/ Selco, which is all they will give me, because I have a poor credit rating. I went to UlaneO and to another financial institution, a bank, and was told the same thing. My dealings w/ Selco over a year have been immaculate and my indebtedness, excluding a student loan, is less than a thousand dollars, yet I still am unable to have a checking acct. Selco employees have been very nice about & have gone out of their way to accommodate me but they have their rules even have VISA card, but can't get a checking acct. in Eugene!

• Within the next few months I will be involved in a job training program both with a group of Indexers and the housing authority. At this time it will be determined whether I'll reapply for SSI benefits due to crippling migraines. The housing authority jobs program will hold money management-investment classes which I will participate in if I go the job route. Also they will help me to secure a good enough computer to do indexing work. While I must find a financial way to complete the index course. So either I will secure SSI benefits, get a job, or get a job and pursue indexing as part time business. Which means that within the next 12 months our financial situation will greatly improve.

• I am mentally disabled, and puts a barrio on learning but I would like to learn more about money and management I learn best listening to tape or video-if I miss something I can always rewind-or if I forget or don't understand its there for me which is even better than notes.

• I took student loans out to achieve a higher earning potential by getting an associate degree or possibly a bachelors degree. I went to lane for 3.5 years and had the credits to transfer but could not afford to live on the amount of money I had so I quit school and went to work. My education experience was not good, I feel I got nothing from land but 150+credits that amount to nothing and I went back to work in a mill. I still owe over $15,000 dollars and have paid over $12,000 back already.

• How do you save money or make a budget when you don’t have enough money coming in? I am recovering from back surgery and have not been released to go back to work yet. My “boyfriend” won’t get off his butt and get a gob, and quite frankly
won't be living here very much longer. I was receiving a TANF grant until January 2001, when my son was incarcerated at DYS. Now I only receive food stamps and medical. I have a plan to open a Child Care Center, unfortunately I have due to my credit history right now, I doubt I will be able to get the money (financing) any time soon. I was attending the UO when my back gave out on me on 4/19/99. Needless to say, I am now defaulted on my student loans. Where/How can you help me?

- I changed banks recently. After being with U.S. Bank for years and years, they joined with a huge financial conglomerate. I was bungling checks without a satisfactory reason and they cold and impersonal. I opened an account with a small bank (Sioule Valley) and this helps. More accessible and good info. Very helpful. Fixed a lot of problems for me!

- Recently I walked into our local bank. It was right after my fiancé got off work, her 1st paycheck from that job in her hand – my hand in her other hand. We were going to open a checking account. We were very strapped for money. “Sure, we can open you an account, but since this check is issued from Tigard, and we're not familiar with this Temp. Agency, we'll have to put a ‘ten’ day hold on the funds.” The company I did temp work for, was located a ½ block from the bank. That didn't matter to bank. With all the technology our banks have at their fingertips-no one could give simple courtesies (like pick up a phone to verify)

- When you are already doing good, have a good financial statement, and do not need a loan, the bank/financial community will loan you money. If times are tough and you need money/loan, then banks/financial institutions turn you away. 1- why is past payment history of all debts given so little value, while the amount you make and the “percentages” of what you “should” pay for housing, food, etc, given so much weight??

- I would like to be able to have a small business loan. Thank you, Dan.

- “Zoe-mou-sas-a-ga-po” It means, my life: I love thee.

- We do not like to get soliciting calls for financial programs.

- Retirement.

- My financial situation will remain only S.S. benefits. My daughter, who is unemployed because of depression, hopes to obtain more education with grants of some kind when she is able to return to work force.

- I find at my age there are not the availability to qualify for loans or grants you have to research on to be able to have funding to go to college. Such as that research to find people, place that have grants just because of your gender, age, race, religion ect.
I would like a financial planner interested in our well being and not just another source of his or her income. Sound advice without a personal commitment to his or her peer investment promotions.

What benefits are there for women that are in my age group. I raised four children alone with hardly any voluntary help from fathers. It was agencies that helped me to support the children. Now their grown up and I can hardly afford to support myself. Taxes eat up my wages and the cost of living goes up more than your wages. Who can afford to put anything away for retirement. Employment does not pay well in this area, even if you do get more education. You still have to pay back student loans and get paid pennies.

I never feel like I can get ahead because everytime my income changes, my rent changes (mostly up) or SSI fakes money out or I have to pay back an over payment with gross income counted. I barely make it every month and then U.S. Bank charges 28.00 if your checking account goes even a penny below 0¢. This I would like changed back to when it was at least –9.99 before they would charge you. I have banked there for over 20 years.

I wish that I had known that a financial service like O.U.R. Credit Union existed when I first moved here in 1983. With their help and my will to succeed my financial picture would be a lot different than it is now. I feel I could have stabilized and outlasted the reversals of the past 6 years. Then again, even you've done “homework”- think you've made the adequate provisions for disaster- a series of events can still put you having to start all over and need an organization like O.U.R. to help. The rules have changed and once again there's at least some financial institutions that might care enough to help even when I don't have mega bucks in their pocket.

I would like to see more “progressive” credit unions in more upbeat areas. O.U.R. is antiquated, rude, inconvienent, and in a depressing area of town. I seriously think they need to totally re-evaluate their location and means of operation before other lending/banking establishments puts them under. Esspecially in light of the “new” government that stands for ACCOUNTABILITY. Please catch up to 2001.

My financial situation sucks. I'm ready to give up

I am now enrolling in classes to prepare me for business

I worked for a credit union for 2 years. It was an interesting & enjoyable learning experience

I would like you to know that the only way we are making it right now is Section 8, Oregon Health Plan, and food stamps.
Those things are saving our lives but we would like that to change and start our own small business

- I live paycheck to paycheck—barely! It seems like I don’t have much bit it is also more than some other people have, so I try to count my blessings & work hard everyday that I can. I don’t make enough to save anything, so life hasn’t changed much in years. Just day by day.

- Well also when you own a car you have all the expenses of that; which if your car doesn’t run well than you are actually putting out more money on car products & services to keep your car running

- I receive $512.00 monthly from SSI. Thankfully I also receive help with my rent from Housing Authority. Every year I must be recertified to get my $38.00 in food stamps. This year has been the worst ever for higher heating costs etc. and my food stamps were cut to $28.00 monthly. How is a person supposed to eat on $28.00??? Especially when I have special diet needs and that type of food is expensive. Trying to live on $512.00 a month is a challenge to say the least and trying to set money aside in an account is next to impossible. The first of the month is both anxiously awaited and dreaded. It’s pretty sad when you consider buying brand name toilet tissues a real treat. p.s. Thanks for caring enough to do this survey!

- Having no money causes stress—being on the welfare grant causes stress—I had a doctor note stating I couldn’t work for 1 month due to medical reasons and therapy and with that note they should’ve opened my grant to help me when I couldn’t work for 30 days. They wanted me to go to 3 classes a week for a month before I got help with any assistance so now I’m not on welfare—due to not being able to make it to classes due to therapy—they are supposed to help people I know a lot of people who are getting cut off but what is welfare doing with all that funded money to them?

- It upsets me that because I don’t have a bank account if I need to cash a check, I have to go inside the bank (no drive-up) and put my finger print on check to cash it. This finger print should also be required of person writing check. Also, if there are not sufficient funds, this person should be treated and punished just the same as someone who counterfeits money or steals. I also resent the fact that if you do not have a bank account or cannot go to the bank a check is drawn on that I am charged a fee to get my cash. The person writing the check should be required to pay this fee. (they may find checking accounts useful and convenient, but I find them to be an unfair expense I have no choice in). Especially if I have government check to cash (such as tax return). They are not drawn on a particular bank (as
printed on regular checks). Therefore, there is no bank that will cash them, without a fee unless you have an account with them.

- I would like for Congress to give us a raise similar to the ones they voted on for themselves, then I could have a saving card (or account) Also I would like everyone in Wash. D.C. to put back all the monies they have stolen from S.S. It was not meant for them, it was there for us! Our future, they say it's running out, that's where the surplus money should go – not tax returns!!!!!

- I get $583 a month SSS - sawmill worker

- It sucks

- Catastrophic illness, huge medical expenses and the inability to earn a living makes my financial future less than optimistic

- Education is the key to being financial (sic) successful. I am a senior at the U of O with a 3 year-old son, and everyone asks me how I can be so well off. I work hard, have perfect credit, and balance my spending and income perfectly. Education (I love math) is the key. Offer community classes - FREE - to those who are not as fortunate. Credit unions are great. I had a checking account when I was 14 years old at O-Lane-O, been there ever since. Have these - auto loan, signature loan, checking, savings, CDs and in the future more!

- I learned to save when I was a child, as did my husband. We had a budget for 20 years, and saved, saved, saved!

- If something could be done about prescriptions for my age and financial group. I pay for supplemental insurance and can afford to go to the DR. I cannot afford prescriptions.

- We just got married in December 2000 and bought a new home, so we are adjusting to the new lifestyle. We have the income but many extra expenses with the wedding and new home. We will be fine in about three month.

- I pay $575 a month on rent. I'm sometimes late, but never more than 2-3 months. Usually I'm on time. I have lived in the same place for almost four years. I am self-employed. I feel at this rate I will never own a home because no lending institution will give me a loan due to my low monthly income.

- You might emphasize that learning about money is really fun and interesting and not very hard, if you take it step by step, learn to save all you can, invest thoughtfully, and not be cheated. One also needs to learn a particular frame of mind: are you willing to do without some things now in order to have a more comfortable future? Many people seem to find this difficult, but its basic to controlling money.

- In October 2000, I resigned from a good position at Lane Community College. The imminent loss of my section 8 subsidy
would have caused our household to go into debt at the rate of $300-$500 per month. This is a typical case of welfare reform not working. My current financial struggles are mainly a result of using credit to attempt to survive due to my former husband's refusal to pay his court-ordered alimony and child support. Sadly, I know that this is a situation that is very common.

- I'm not your target group. However, I think that people should be encouraged to live within their means. Low overhead means less stress and more time to be available to be home with kids. Perhaps I'm living in the wrong era, as I don't see that kind of value system around me even in subsidized housing.
Appendix B

Service Provider Analysis

Methodology

CPW conducted focus groups and telephone interviews with a wide range of service providers based in Lane County. Service providers are defined as individuals whose occupations put them into regular contact with this study’s target population of individuals or households that have experienced financial challenges. The service provider analysis provided detailed qualitative information from knowledgeable individuals, which was used as a basis of comparison for the quantitative results from the household survey.

CPW held two focus group meetings with Lane County service providers. The first was held in Eugene and consisted of nine participants: two staffers from the offices of two state representatives, a representative of a credit service firm, two representatives from a credit counseling service, a representative from the Housing and Community Services Agency of Lane County, a staff person representing a neighborhood development corporation, a union representative, and a human resources staff person from a large local employer. The second focus group was held in Springfield and was attended by three participants: a representative of a legal aid organization, a representative of a community resource agency, and a representative of a state service agency.

CPW asked the same seven questions in both focus groups.

CPW then conducted telephone interviews with twenty-two representatives of other public and private service provider agencies, educational institutions, clergy, and private financial firms. CPW asked the same questions in these interviews that were asked in the service provider focus groups.

The following sections provide summaries of each of the focus groups and telephone interviews.

Service Provider Questions

The service provider analysis consisted of seven core questions. These questions covered all of the topics related to financial education that were identified by CPW as essential to the needs of O.U.R. and LifeLine and the objectives of this report. These included awareness and use of existing services, gaps identified in the use of financial and financial education services, barriers to accessing services, and financial needs. Facilitators sometimes asked follow-up questions to get participants to clarify or elaborate on comments. To record the participants’ responses
in the focus groups, CPW wrote them on flip charts visible to the audience. In addition, other team members took detailed notes, capturing quotes and particularly poignant or relevant statements. CPW also recorded the meetings on audiotapes to serve as a backup to the flip charts and individual notes. For the phone interviews, CPW team members took detailed notes of the participants' responses while conducting the interviews. These conversations were not recorded.

The questions asked in the service provider analysis are listed below. In some cases an example of a typical follow-up question is included in italics, after the core question.

**Service Provider Questions**

1. Do you have or know of any financial literacy or counseling programs that assist low-income populations?

2. What kind of services would help low-income people become more financially stable? *Which of these are lacking in your community?*

3. What barriers exist that prevent people from accessing financial services? *Is education one of those barriers?*

4. What are some of the reasons that people fall into heavy debt, or are otherwise unable to reach their financial goals? *What are three primary reasons?*

5. What financial education topics would benefit the people that you work with? *What are the top two or three topics?*

6. How can we reach the people who would benefit from a financial education program?

7. What do you need to know to be able to help people find financial services?
Focus Group Results

Service Provider Focus Group #1. 2/14/01

Question 1. Do you have or know of any financial literacy or counseling programs that assist low-income populations?

- NEDCO: home ownership education programs for all levels of low income. Classes once per month. Personal counseling. Spend lots of time on financial literacy.

- Union Program: Union Privilege Program that helps facilitate loans has financial education program, also legal aid. Project Homes, which sets up sweat equity toward home ownership (both of these programs are probably underutilized).

- Bi-Mart has the BEAT Program. Presently open to only corporate office employees. Refers employees to counseling. Credit Union associated. Low cost loans.

- Consumer Credit Counseling. Does all that LifeLine does plus its own program of debt reduction management. Service all of Lane County.

- ABC's of Home Buying has a financial education component.

- Open to all.

- St. Vinnies 2nd chance renters' rehab.

- LifeLine.

- St. Vincent dePaul.

Question 2. What kind of services would help low-income people become more financially stable? Which of these are lacking in your community?

- LifeLine is a good program. It is hard to get people involved unless there is a crisis.

- Lifeline is a great program.

- LifeLine needs voluntary referrals.

- St Vincent De Paul's - 2nd Chance Program. Folks with bad credit references are part of this group.

- Job Counseling (people have to quit so they can get Oregon Health Plan).

- Also about losing benefits.

- We need to start thinking about educating people on how to find good jobs that will provide what they need, i.e. health care. Some type of Job counseling might address this.

- A life Skills Program, decision-making, money management, mentoring (a person who checks in with them monthly...) - check out Lane Workforce Partnership for info on this program.
- Programs that would be available to those who do not qualify for the crisis programs. Get them before the crisis happens.
- SSI or SSDI: Need counseling about how not to jeopardize these benefits.
- Debt-reduction services: provide relief from creditors
- How to use credit wisely
- Education on what help is available
- How to shop for Insurance
- How to control spending habits
- How to use credit wisely
- How to buy a car
- How to check in with Utilities
- Overall goal is to give people relief, then a sense of responsibility
- A car-buying seminar
- Voluntary Programs

**Question 3. What barriers exist that prevent people from accessing financial services? Is education one of those barriers?**

- Ignorance, don’t know what’s available. Why is this?
- Fear
- Language barriers
- Childcare
- Transportation
- Alcohol, drug-use and domestic violence
- Work hours, and hours that services are available
- Recognition of needing help. Don’t recognize they could be doing better or need help.
- The places that can help can’t afford to advertise
- Agencies are at capacity anyway, so they don’t seek more clients.
- “Flip the equation around - how do we make everything user friendly?”
- Services providers need to keep dignity of clients intact
Question 4. What are some of the reasons that people fall into heavy debt, or are otherwise unable to reach their financial goals? What are three primary reasons?

- Big misconception- low-income folks have financial goals to begin with and/or they are in heavy debt. Many are just working poor, and trying to make it day by day.
- Some do not have goals
- There are two issues here: jobs and lifestyle
- Wages aren’t high enough- two parent households working in service sector can’t make ends meet. Low wages while the cost of living goes up; jobs that don’t pay enough
- Childcare costs.
- “Let’s make a distinction here between heavy debt and not having enough money to get into debt”
- Easy credit
- Lack of saving habits. Lack of knowledge about consequences of heavy debt.
- Lack of health insurance - lack of good health insurance
- Lack of jobs with good health insurance
- Some don’t feel comfortable in banks, institutions

Question 5. What financial education topics would benefit the people that you work with? What are the top two or three topics?

- How to find good jobs that provide for the means to be financially stable.

Question 6. How can we reach the people who would benefit from a financial education program?

- Not in a classroom- internet site, handouts, video/cassette program, phone and face to face
- HACSA: use internal processes
- Advertising/radio/television/buses, public service announcements
- Join up with other groups, i.e. Food for Lane County use cross promotion
- We need a dictionary or compendium of financial services that are available to all groups, both service providers and those in need.
- Engage other financial institutions for outreach; re-investment in the community
• Target large employers with an emphasis on services that are offered or that they can offer

**Question 7. What do you need to know to be able to help people find financial services?**

• The handbook of services offered would be a great resource, i.e. a comprehensive list of service providers
• Entrance criteria, office hours, and contact info. Etc...
• Cross Promotion
• Open communication lines and show how improving social capital benefits every business in a community.
• Employers should be more pro-active. Provide incentives?
• See Lane Net and Whitebird Clinic Directories
• Joint-efforts with like-minded agencies
• Making employers more pro-active, better employee assistance plans

**Final thought**

• “Employers need to be more pro-active in this area. If we can show it affecting the bottom line, this might be possible.”
Service Provider Focus Group #2. 4/18/01

Question 1. Do you have or know of any financial literacy or counseling programs that assist low-income populations?

- Lifeline
- Shelter Care Agency
- St. Vincent
- Consumer Credit
- Community Sharing – Cottage Grove “one stop resource”
- Lifeline – suggested mandatory attendance, provide food, child care
- High schools have personal finance classes
- “We (legal aid), provide advice, sometimes refer people to agencies”, all of which are mentioned above
- Some high schools teach kids how to balance checkbooks, these are personal finance classes, not required curriculum
- Community sharing (food boxes, energy assistance, financial assistance, not education).

Question 2. What kind of services would help low-income people become more financially stable? Which of these are lacking in our community?

- People are poorly informed as to what their financial options and cost of those options
- Shopping for best rates on loans
- Cost difference of terms 15 year vs. 30
- Cost of predatory lending
- What a credit union is – Ad campaign
- Budgeting - understanding the process,
- State requires budgeting – they (Susan) come up with the forms
- We're not just talking about low-income people, all people are poorly informed as to the cost of banking
- Using credit unions
- Educate regarding fees for check cashing purposes
- Ad campaign for all of these actual or potential services
- Need for budgeting
- Education on managing resources (not spending too much at one time)
Elaboration on state requirements: for community support brokerage clients, the state requires contracting agencies to provide 24-hr support, including money management services.

Question 3. What barriers exist that prevent people from accessing financial services? Is education one of those barriers?

- No money to put in bank
- Intimidated by banks
- Lack of knowledge of how things work
- No resources to start with
- Lack of transportation to get to banks
- They don’t see financial institutions as being able to do anything for them
- Intimidated by the power structure,
- Afraid they will be “put down”
- Communication – disabilities, don’t know what to ask, language barriers, cultural
- They don’t feel deserving
- Need someone to get him or her started, help them understand that the process is not as complicated as they fear
- Intimidated by "power structure" including service provider agencies
- Fear or expectation that accessing services is too complicated or difficult
- Lack of direction towards how to access services

Question 4. What are some of the reasons that people fall into heavy debt, or are otherwise unable to reach their financial goals? What are three primary reasons?

- Large medical debt
- Student loans
- Auto loans – particularly young people
- Keeping up with the Jones’
- 1000 people a year with rental problems – legal aid
- Low paying jobs
- No auto for transportation
- Child care cost
• For low-income people, there is less consumer debt
• Folks living beyond their means
• Lack of awareness of Oregon Health Plan
• Rent problems (approximately 1000 cases per year at Law and Advocacy Center)
• Some people don't have high debt because they don't have enough to work with
• Minimum wage jobs are not sufficient to pay cost of living
• Some better jobs require a vehicle

Question 5. What financial education topics would benefit the people that you work with? What are the top two or three topics?

• Budgeting and how to stick to it
• Smart shopping
• What you get for your money – getting the value of their money – highest and best use of their money
• How to cook – provide nutrition
• Plug into a life skill course or courses
• Role playing in spending – going to rent to own vs. goodwill for TV etc
• Alternatives to the most expensive way, used vs. new
• How to get off the junk mail list
• How to get on the State list to not be contacted by telemarketing
• Budgeting: both making one and working one
• How to budget realistically, i.e. covering all needs
• Knowing that cooking your own food is less expensive than eating out, or ‘fast food’
• Basic cooking skills, knowledge of nutrition
• How to make your own baby food!
• Regarding role playing games above: to show the full cost of different scenarios
• How to look at low-cost alternatives for all products
• Shopping at 2nd Hand stores, or Recycled Retail stores

Question 6. How can we reach the people who would benefit from a financial education program?
• Through agencies: i.e. AFS, WIC
• Coordinate with existing programs: Teen Parent Program, Community College, those in high schools,
• Other Agencies that provide services
• Ad campaign
• Resource guide
• Birth to 3 has poster
• Put flyers in rural areas – Some of the most disconnected people in Lane County are in the rural areas
• Granges
• Churches
• Food Box distribution center
• Country Store
• Play groups – it is a time when we have a chance to talk to parents
• Employers – good place to start would be employers who participate in United Way
• Public library
• Credit Unions
• Bankruptcy Courts
• Public Service Buildings
• In regard to resource guide above (this refers to the Cottage Grove Resource Guide)
• In coordinating with agencies, make LifeLine well known, get and give referrals,
• The rural areas are the most disconnected
• High School Completion programs
• Parent Partnership Play Groups
• Partner with other Credit Unions

**Question 7. What do you need to know to be able to help people find financial services?**

• Who would be appropriate to refer to the Lifeline program? Need to know more about the program
• Is it self referral or do we need to make the call
- A catalog that is a referral guide – Whitebird Clinic Publications is an example
- Eligibility and each step the client needs to go through to be prepared – check list
- Lifeline needs to do outreach to agencies so they will know they (agencies) can refer.
- Information checklists for agencies, so that clients know what they need to do to get into Lifeline
Service Provider Telephone Interviews

The responses listed below include all responses from the 22 service provider telephone interviews, for each of the seven questions.

Question 1. Do you have or know of any financial literacy or counseling programs that assist low-income populations?

- Consumer Credit Counseling
- Emmanuel Credit Management – debt elimination and money management
- Lane County Extension Service’s program that teaches how to cook food on a budget
- Lifeline
- Consumer Credit Counseling
- Womenspace
- O.U.R Federal Credit Union
- HACSA- Family self-sufficiency program
- Second Chance- Renter rehabilitation program with St. Vincent dePaul
- LCC – great program called “Transitions to Success”, for people re-entering school- don’t offer this in Spanish
- “I know some that help some people, I don’t know of any that help all”
- LifeLine
- NEDCO Home Ownership Program
- HACSA Family Self Sufficiency Program
- Some faith-based group, can’t remember the name
- Most credit unions offer this at some level
- None that I know of
- At schools, programs for teen parents and alternative schools all have personal finance built into their curriculum
- Marcola Family Resource Center- will help families will their finances but would rather refer them out which is what’s supposed to happen, but they don’t have the information on where these services are to refer people to.
- Second Chance- Renter rehabilitation program for families, St. Vincent DePaul
- Consumer Credit Counseling- we send our clients here
- O.U.R. Federal Credit Union
- Emmanuel?
- Lifeline
- Community Sharing- helps people a little with finances when they are involved in their services, don't have much time but will refer to others who can help. They also give subsidies for housing
- LifeLine
- Consumer Credit Counseling
- Don’t know- there probably are some available
- AFS has a “contract” with Consumer Credit counseling. Clients get one on one or classroom setting regarding budgeting, depending on need.
- Literature from the IRS- especially EITC (earned income tax credits)
- Has heard of Lifeline too.
- Consumer Credit Counseling- didn’t know of any others...hmmm?
- Lifeline
- Consumer Credit Counseling
- Emanuel
- Look in the yellow pages
- Emanuel Credit
- Consumer Credit
- Emanuel Christian Credit
- Consumer Credit
- Oregon Collectors Associations Seminars
- Second Chance
- Consumer Credit Counseling- other counseling agencies charge people for their services regardless of whether they can pay their fees or not
- Pacific Coast Credit – helps people a little with finances but doesn't have counseling as a focus so they did a lot of referrals to Consumer Credit Counseling
- Lenders that consolidate loans, it’s important to fit the lender to the individual because if the person is denied they are much less likely to try someplace else
- Banks that offer free checking which saves money from using a check cashing place e.g. American General, Beneficial
Question 2. What kind of services would help low-income people become more financially stable? Which of these are lacking in our community?

- Learning how to use coupons, how to shop
- Going to garage sales instead of buying new clothes, especially for young children since they grow out of them so fast
- Resources to help with financial situation such as WIC or for students it would be financial aid
- Finding help with housing e.g. low income loans
- A class on how to say no to credit cards. Her son is in high school at South and he constantly gets sent offers for credit cards and he has down syndrome so there's no way he could manage a credit card
- Letting folks become aware of libraries to see magazines, newspapers, books instead of buying all of these new
- Encouraging entertainment that's free e.g. going to a park instead of the circus
- Using the bus instead of buying a car (alternative transportation) e.g. the expense of insurance
- Services around Budgeting
- Staying within one's financial limits
- Services that help people get a living wage. If you don't have enough money budgeting won't help.
- Work with women and children
- Revolves around accessibility to higher education e.g. a woman/individual who wants to go back to school cannot collect welfare. They can't improve skills unless they go back to school but they still need some kind of income (which they won't have because they can't obtain welfare)
- Savings clubs / support groups
- One of the problems is that people are isolated
- Help people that are dealing with addictions
- Job training programs don't help people to budget
- Escrow programs, like what is offered at HACSA
- The best programs have a variety of things going on
- Programs that don't treat people like they are wrong
- “The problem is that we disregard the value of life for life's sake. Society depends on losers, because there is profit in having some people be dysfunctional.”
• Counseling, teaching people how to do things (such as savings, budgeting)
• Teaching people about IRA’s
• Teaching people about taxes, why they owe them, how to pay them and figure out how much they have to pay
• Outreach classes
• One-on-One classes
• Classes on how to buy a car or house
• Alcohol and drug education at the elementary and middle school levels since these are the main problems. This is important before teaching about budgeting or parent management.
• 80% of the results will come from 20% of the focus. 80% of homeless have drug and alcohol addiction.
• Can’t rely on parents to teach children. “American family is a failure.” “American family is actually a detriment.” There’s an overwhelming push for alcohol and drugs. Parents don’t have time (noted 50% divorce rate). Education needs to be in schools and given as much importance as math and reading e.g. 30 minutes a day on drugs and alcohol
• People need to be able to continue accessing services (i.e. medical, childcare, housing) they need but they can only make a limited income to get these services, which keeps them in poverty. “We keep them in poverty and we don’t want to get them out of that.” (Note talking about system, not you and me)
• Need bridge between ability to access services while learning and training in how to get above and beyond a minimum wage job. From this minimum wage job they need training to show them how to get to the next level e.g. from dishwasher to head cook, how do they advance within that company
• When clients get jobs, most start out with minimum wage which isn’t enough to make ends meet, especially not a family with children
• People need help with these transitions when they’re just starting to get back in the working world, not just for 6 months, but for two years and they need to still be receiving the services they did previously for that time.
• There is a lack of funding for training in job retention
• Financial planning is great e.g. have clients that have cell phones and I can’t even afford to have a cell phone or a big screen TV and the latest CD, things that I can’t even afford and I make much more than minimum wage.
• Some feel that they don’t make enough money or simply don’t make enough money to make a budget- any extra penny they have they blow.

• Financial education classes needs to something on-going that establish people that can then be referrals to reach others. Facilitators of these classes need to be dressed office casual because looking too formal will put people off.

• Teaching people how to manage money.

• Developing a plan to manage money.

• We have fine programs in place, but we need a motivating factor to get people into them.

• We need incentives, such as a grant to pay people or give them a rebate on loans (the interest rate or the principle) as incentives to people for participating in these programs.

• A program to help people learn how to use coupons, other rudimentary skills such as basic cooking, home repair (saves a lot of money).

• Classes on basic finances, many people don’t even know how to balance a checkbook. Probably these sorts of classes are lacking in this community. If they are available how do you get the word out to make people realize that this could be valuable and useful to them.

• Jobs program. This is the focus of AFS to make the connection between those needing jobs and those seeking employees.

• Is it lacking in our community? Yes, on the whole there is a need for better classes or preparation for jobs and job training. The employment sector is where we are lacking support. Need better outreach to employers. IE Lane Workforce Partnership.

• SSI/SSDI programs

• Services around Budgeting

• Services that provide information on credit and savings

• These services should go directly to those that need it, like at a shopping mall or a county faire. No brochures...

• Services that help people get a living wage. If you don’t have enough money budgeting won’t help.

• Childcare services

• Coordinated scheduling and logistics- i.e. transportation services

• Welfare office- not sure if they can be counted on to help people become more financially stable

• Consumer Credit Counseling (CCC)- have free classes for general public and is the first place people should start. If CCC
can't help them, they will be able to find someone who can. They have come to Pacific Coast Credit to let us know about the classes they have and seem very knowledgeable and comprehensive. Classes teach people subjects like how to save money on daily basis e.g. electric bills, coupon clipping and making this a part of you life

- Anybody who wants help can find it, it's those that feel helpless that can find the help they need because they think they are sunk
- Substance Treatment Programs – Give them direction but mandate participation in an A & D program to get housing
- Bad credit, rental history
- Need more programs like Second Chance
- Education starting when in grade school. Classes in
- Budgeting
- Checking accounts
- Money Management
- Jobs that pay a living wage

Question 3. What barriers exist that prevent people from accessing financial services? Is education one of those barriers?

- Education – stigma attached to not having a certain amount
- Transportation
- People are sensitive when it comes to money
- People aren't sure what financial services entail
- Low-income housing does not allow people to go to school e.g. St. Vincent dePaul because of federal funding
- Hispanic community is growing – language barriers
- Economic gap – not making enough money to pay rent, food, electrical bills. That builds on itself - might loose phone, housing.
- Lack of services being available
- Some services are concerned with indoctrinating people to a certain philosophy, rather than helping them they want to control them
- Lack of funding for good programs
- There are no real standards
- With some programs that are part of the larger organizations, the management doesn't really want to do them. They only do
these programs because they are required to by someone above them

- Some programs only serve the people that they are mandated to serve
- In Spanish community it is language and literacy
- Marketing and advertising is needed, must be consistent (marketing for counseling services, financial services, insurance providers)
- Understanding the math, attaining math skills to figure things out for themselves (depends on the individual)
- Being homeless- don’t have a phone where you can be reached or address to be sent information
- Knowledge of availability: I know there must be programs and agencies that exist and provide sliding scale fees for services, but I don’t know who they are or where they’re located. Need to provide this information to social service agencies so that they can then relate this information to their clients
- Childcare
- Transportation

- Individuals want to be able to attend, if on AFS and have no income it’s unlikely they will think they will get any benefit of these services
- Drugs and alcohol. 80% of people in prison have problems with drugs and alcohol with the same percentage of the homeless population. This is on their mind. We need to stop them from fixating on this. It’s not a rational problem. You need emotional programs to fix emotional problems. E.g. take 3rd graders through prison system. It needs to be a subject in school at a level that scares children, to make it not a possible choice.

- People fear institutions, fear money e.g. client uses check cashing place instead of banks because the people at the check-cashing place make you feel good, banks are intimidating. The check cashing places prey on people that fear regular institutions and act like your friend while charging exorbitant prices to cash your checks, but people still keep going there. Also similar with tax credit places that charge exorbitant rates as well, but act like they’re your friends.

- People are afraid that if they give money to an institution they won’t give it back. They’ve never had a bank account and parents never did either.
- People are more comfortable with cash
- People are afraid when math is involved, don’t want to have to go back and get money,
- Money in cash is easier for transients, don’t have address to receive things
- Lack of knowledge about what’s available
- The idea that “my money is my own and no-one’s going to tell me what to do with it
- Some clients give their money to family or friends and you can’t change that. I know families that take their paycheck and while some are putting the money in safe places and giving it out as needed others might say I need a new pair of shoes and there’s the money to go out and get them
- Most don’t think they have enough money to need to talk to anyone about it. People like those using AFS and DSI are already so stretched financially
- Alcohol and drugs is a big issue and where a lot of the money goes
- Families are real touchy when it comes to money, it’s a sensitive issue
- Lack of knowledge of what’s available
- Bad credit histories- twofold- 1.financial institution doesn’t want to work with someone with bad credit and 2. A person with bad credit is less likely to apply for financial services
- The barriers are a variety of both internal and external factors
- Internal includes not enough time, no desire, and impulsive buying behavior
- External includes location of services, getting the word out
- Service providers could use a grant for advertising, so that they can compete with payday and title loan companies, that can afford to advertise a lot
- Other barriers: transportation, Education
- Lots of people think they don’t have enough money to talk to people about finances they think “I don’t have enough money to do this kind of thing anyway so why should I bother”
- Surviving day to day takes absolutely every penny and then some
- Lack of education
- Lack of income to begin with
- Drug/Alcohol problems
- Ignorance
- Education
- Unanticipated expenditures
- Changes in the local economy, such as layoffs
- Lack of knowledge of consequences of heavy debt- specifically credit debt
- Minimum wage is not livable
- SSI and Social Security subsidies are not reasonable
- Spending habits
- Being unaware of long term consequences of borrowing $ or getting into credit debt.
- Pride, too proud to ask for help to get finances in order
- Don’t want people to know how little they make
- Fear, scarier to let people know that you’re sunk and that you need help. There’s a fear that they’ll tell you there’s nothing to help them.
- As debt collectors they tell people to get a loan if they can because having a debt collector worsens your credit history.
- People don’t want to get a loan because they’re afraid of not being worthy of a loan
- Pride
- Lack of knowledge
- Clients do not want to admit that they can not financially take care of themselves
- Baggage from past experiences
- Paranoia
- Law enforcement might find out about them and want an explanation as to where their money comes from
- Don’t understand the process
- Intimidated
- Cost of professional services i.e. CPA
- Don’t want to admit they can’t deal with their money
- Non-English speaking – though many use this as an excuse (when they do speak English) saying they don’t understand
- Afraid to ask for help
- Bankruptcy laws – need more education on their use and abuse. Sometimes people think it is the only way out when they may have better options if they had more knowledge.
• Language
• Cultural differences
• Lack of Education – from their family model saw poor habits they are repeating

**Question 4. What are some of the reasons that people fall into heavy debt, or are otherwise unable to reach their financial goals? What are three primary reasons?**

- Manipulation of media in terms of what you need to have
- People aren’t taught – they want instant gratification, they want it ten minutes ago
- Introduction to credit cards at an early age
- As a society we think that we need everything and we don’t, there’s needs to be education about needs and what you don’t need to have e.g. Nike shoes
- Poor life skills – not ever been taught how to manage money
- There is a reason for every person
- A health crisis, can blow out one’s budget
- Loss of employment
- The punitive credit collection process, is designed to protect the bottom line, rather than people
- Congress is about to re-write debtors laws, to effectively create debtors prisons
- Easy credit, and over-marketing of credit cards
- A lack of legal services to defend people
- People are brainwashed into consumerism, you end up buying stuff you don’t need
- A lack of education at every level. On the micro level this is education in financing and budgeting
- Overspending
- Most people are smart enough to know what they can afford and what they can’t, others don’t have the discipline
- Lack of Job skills - for many families there are difficulties that make it harder to get them job training to find family wage jobs – these are language skills, low-level skills and being homeless
- Lack of stable jobs – i.e. full time year round jobs. I know of people that work in security or cleaning motels but they often have bad managers and have difficulty keeping their jobs as well
as the fact that these kind of jobs won’t lead to better higher paying jobs

- Lack of knowledge on handling finances e.g. earning $1000/month and spending $2000/month
- Easy access to credit cards
- Drugs and alcohol. People are too high to go to work. They need money to get high, end up stealing, missing classes and breaking up with friends and family. They end up being homeless and being ill. Drug users end up in criminal activities, which help with financing their habits and end up in jail. No one wants to hire a felon.
- Political system thinks families should be responsible for educating their children but they can’t. With the war on drugs they are trying to stop drugs from coming in, but they should work on prevention on an educational level
- Lack of planning – most or our clients don’t have savings whatsoever
- Are limited to how much money they have and can still be eligible for services
- Easy access to credit cards, for lower functioning clients they don’t know what it means. To them it’s a piece of paper that allows them to go out and buy whatever they want and then they get into debt
- Gambling- like the lottery, pretty soon you can’t pay basic bills. People are wasting their extra money on the lottery. I don’t see store managers saying no to people buying more than one ticket. People have no control; they just want it and buy it.
- Lack of basic financial planning skills- learning how to establish a monthly budget
- Being unrealistic e.g. some people go from subsidized housing (which Community Sharing does provide) to an $850/month rental
- Substance abuse problems – go into debt to feed their habit and into debt to feed their families
- Mental illness
- Lack of ambition/work ethic- substance abuse and mental illness contributes to this- some have no motivation and I don’t know how you treat that
- Impulsiveness
- Our consumerist, materialist culture—encourages people to live beyond their means
• Easy credit
• We need more unions
• Jobs do not pay enough
• Education, helping people get G.E.D.’s, vocational training (in high school and after)
• Lack of education on financial terminology (what does APR mean?) and on the total cost of borrowing money
• Jobs don’t pay enough
• Easy Credit
• Title Loan shops.
• "Instant" debt relief is available everywhere (title loan shops, credit cards). When a person doesn’t have enough for “food and laundry soap” they become desperate.
• Unanticipated expenditures
• Changes in the local economy, such as layoffs
• Lack of knowledge of consequences of heavy debt- specifically credit debt
• Minimum wage is not livable
• SSI and Social Security subsidies are not reasonable
• Spending habits
• Being unaware of long term consequences of borrowing $ or getting into credit debt.
• Lack of responsibility- spending more then you have, lacking financial discipline to stick to a budget
• Lack of education- hurts access to job markets. With mills closing people are without skills needed to find other jobs
• Former mill workers are too proud to take jobs in areas like fast food, they want to work where they want to and nowhere else
• Now is an employees market but we still find people saying “I can’t find a job to save my life”. There are lots of jobs, but people don’t have the skills to access them.
• People aren’t saving. Before they were saying people were a paycheck away from being on the street and now people are less then a paycheck away from being on the street. There is a lack of buffer to prevent this from happening. People are still spending even when they have less to start with e.g. at Christmas they still spend what they use to and end of having trouble paying it back afterwards. Christmas causes serious financial hurt
• Live beyond their means
• Limited incomes
• Major issue – takes only one emergency (car, medical etc.) to knock them off their budget
• Mental Health- fall victim to advertising. Things such as low payments but don’t read/understand the small print (only $30 per month, yea but it’s for the rest of your life)
• Need a Payee – they are often resistant to “own” how the spend their money
• Don’t have sophistication to discern scams – like get rich quick schemes
• Easy credit from credit card companies – people are enticed by the offer and do not read the small print.
• They think they will be able to pay it back that something will come along
• Housing here is so expensive that it takes a large part of their income
• TV ads offering great terms (low monthly payments) but they don’t realize they will be making those “small monthly payments” for the rest of their lives.
• Medical bills
• Lack of a living wage
• Catastrophe (car break down, lay off’s etc.)
• Credit easy to get – Debt is encouraged

Question 5. What financial education topics would benefit the people that you work with? What are the top two or three topics?

• How to use credit wisely- how much the interest will add up and not knowing that many times you’re just paying the interest off and never actually paying off the debt itself
• “How to get the best bang for your buck”
• How to shop- the best nutrition for your money
• Budgeting
• If you do get behind in bills, how to be pro-active instead of being in denial
• Taxes
• Investing
• Education programs in high schools, getting parents involved too (give students academic credit)
• Topics using real life examples, not theoretical ones
• Basic budgeting
• How to manage without a checking account since some places like Bank of America charge $6.50/month for a checking account
• I think everyone on Social Security should be required to attend financial education classes
• Classes provided in basic language- keeping in mind some people have very little money, talking about investing goes way over their heads when it’s all they can do to pay rent, food, and utilities and clothing
• People need to understand difference between fixed expenses and discretionary spending e.g. milk is a fixed expense but often people think things like long distance calling is a fixed expense when really it’s a discretionary expense when you’re on a limited budget
• Explain basic math – people have fear to have to do math
• Household budgeting, if possible at the 3rd grade level
• Have to appeal on level that is not middle class
• People have to care, no matter what the topic is. Problem is getting people to care. If they do you can teach them anything.
• For those higher functioning people using AFS- ongoing budgeting and financial planning classes
• Should have small classes with 5-8 people per class
• Each person would also, beyond the group classes, have one-on-one counseling with an individual once a week to go over bills when their paycheck comes in and lay out where money needs to go, plus work on putting some into savings.
• This needs to be an on-going class/counseling to encourage retention e.g. class every Tuesday and individual counseling every other Thursday. Teach them to be responsible
• Some are too low functioning for that level of class and need to be in separate classes that include their advocate or family member with much more primary topics like – here’s an envelope for rent, one for food, one for utilities and one for entertainment. Some wouldn’t keep this money themselves because they would just go out and spend it
• Basic household budgeting is the main topic – learning how to live on a budget
• Using your money wisely - instead of going to check cashing places which are “blood suckers for poor people” and not getting an advance on the IRS return which ends up taking away more of people's money
• Smart spending
• Basic budgeting
• Understanding loan forms
• The power of savings
• How to use a bank
• The people that I work with teach classes in anger management, parent training, alcohol and substance abuse, do home visits - they could use information on financial education to then educate their clients e.g. basic budgeting, basic personal finances
• Transitioning from food stamps to cash income
• Savings (many haven’t had the chance to save before)
• Before any class will be helpful, clients must have a job and the potential for budgeting and savings to begin with. This might mean that they need a “class” on getting a job first, before anything else.
• How to use credit wisely
• Legal rights as a consumer
• How to control spending habits
• How to use credit wisely
• “A lot of the Lifeline topics are really good”
• How to budget - different steps to set up a budget, how to lay it all out into a workable budget that is realistic and can be continued into the long-term, something you can stick with
• How to save
• Pacific Coast Credit works together with CCC to make presentations to high school seniors about credit and collection. It’s amazing how much they don’t know about these topics. It’s important to get word out at this age group to make them aware of how to get help with finances and to teach responsibility
• Budgeting and the need for it
• Information regarding Social Service agencies that they can plug into to get help. Make them aware of the available resources
• Job Fair concept for social services
• Beware of Advertising
• Credit Smarts
• Read your contracts
• A class on credit cards and interest rates
• Home economics—difference in cost of making things yourself rather than buying them pre-packaged. This applies to clothes and home repair, as well as cooking
• This should be part of marriage counseling
• Training in loan savings and planning
• Self respect, responsibility, motivation. Teaching people that they have value, don’t need to buy things to have value... applies to the middle class
• How to manage property, in terms of value. Learning how to maintain the value of your property, and keep your credit rating good
• Seeing the big picture, how what you do with what you have now, even the little things, will help you in the future
• Delayed gratification, how to be happy on what you have now, and prepare for the future

Question 6. How can we reach the people who would benefit from a financial education program?

• Birth to Three has a speaker's list – put your name and come and speak about the services you offer
• Social service agencies are in a good position to disseminate information:
  • Relief Nursery, Birth to Three, Looking Glass, St. Vincent dePaul, Womenspace
  • Build relationships with schools, especially those in low-income parts of town... reach the parents through their kids
  • Partnering with every social-service agency that deals with low income folks
  • Connect with health-care providers
  • Public Service Announcements on the radio (very inexpensive)
  • Radio (Spanish language programs, like UO's Radio Mecha on 88.1fm, KRVM 99.1 fm, KLCC 89.9 fm)
  • Word of mouth
  • Going to the street, “pounding the pavement” in Latino neighborhoods
  • You have to build trust in Spanish Community
• Get students to do outreach (high school or college), give them academic credit

• Hitting the streets and shaking hands

• Working with social service agencies that work with low-income clients i.e. AFS, soup kitchens- maybe providing classes right there after the meal

• People need to see a reason to be there if they're going to show up- you need to figure out what attachment will make them see why it's necessary to be there

• Some people are motivated

• Good idea would be to work with businesses to see if those who provide entry-level positions would be willing to have financial education classes on site. Would help them keep their employees since they wouldn't be asking for advances on their paycheck and such e.g. security places

• Eugene Mission

• Lane Shelter Care

• AFS

• St. Vincent dePaul

• Give out standard questionnaire at the above locations- Ask whether they care or not to learn, then identify those who do say they care and then come up with strategies to teach them.

• Through agencies they work with- e.g. Goodwill works with AFS, Vocational Rehabilitation, Veteran's Administration (many of these people are homeless), Commission for the Blind

• Go to sub-agencies like Goodwill and residential agencies like HACSA

• Going to different housing projects like St. Vincent dePaul and other organizations like Pearl Buck, LCC, AFS, VRD a lot of these have classes in vocational counseling and its important to learn once you got a job how you're going to budget the money you make. You could go there to hold classes at these organizations since people are already there because convenience is a big issue, if it's not on a bus line people can't get there

• The difficulty is getting people to come. We tried to do nutritional meals for our clients and nobody showed up. Food helps, like offering cookies and coffee

• You have to have a hook once people get there and I don't know what this is

• Work with high schools
• Higher functioning clients are only at Goodwill for short period of time e.g. 5-6 months so it can be hard to get in touch with them.

• Developmentally disabled clients are here permanently but need a different class.

• Testimonials are some of the best ways to do outreach. Finding people who have successfully completed the program or who may have done the program and are now working for it.

• Going through Community Sharing.

• Local social service agencies e.g. AFS, Senior and Disabled Services – give information to case managers.

• Doesn’t make sense to go through banks because most people you want to target don’t use banks.

• Places that sell money orders like Albertson’s – good place to advertise although they might not be willing to advertise.

• Have dynamic trainers in first classes because if participants have good experiences they’ll talk about it to others i.e. word of mouth, referral system.

• Incentives for people to attend.

• Money for advertising (could come from grants).

• $10 fee to become an OUR member should be eliminated.

• Cut down financial barriers.

• Going to speakers’ bureaus, talking to Rotary or Lion’s Clubs, similar organizations that could offer greater support. A “traveling road show.”

• Having LifeLine classes in other places, such as in Whitaker, that are easier to reach for a lot of people who might be in need.

• Having classes at different times of the day, throughout the week.

• Places like the Relief Nursery deal with a lot of low-income families and would be good places to reach people. Also a Relief Nursery in Springfield.

• People need to realize that this could be useful to them even if they don’t have a lot of money to begin with e.g. need education on basic spending- which might get them to save and get to a better financial situation.

• Public Service announcements on TV and radio.

• Places like the Relief Nursery to co-sponsor/promote- to say that this is a good idea to attend.

• Brochures with registration information- way to get word out.
• Physical integration of services. The State is moving in this direction with their “one-stop shops for services” In Lane Co, this is called the Lane Workforce Connection and it is housed in the AFS building. Here people can go to receive their benefits, and learn about services, and take classes, and have access to computers.

• Social service agencies can identify people as in need of financial education- i.e. housing, health, and utility agencies. They could make referrals.

• You have to take the information to them where they live everyday lives, i.e. shopping center. Create a display that is attractive and attracts attention.

• Advertising

• Working through schools- hopefully will strike a chord with seniors by relating stories from other people’s experiences. This might make the senior recall their parent’s experiences and maybe they’ll go back and tell their parents about a financial service or program that may be of help to them

• Word of mouth

• Let people know about lenders who can consolidate their debt instead of paying out more money in fees to different creditors who may charge $75 to $100 for each service. Here we make sure to let people know who might be a good person to contact and fit that person to the lender since if they have the experience of being denied they are much less likely to try someplace else

• There are lots of case managers in AFS and other programs that can give them help, some of these mandate that a client get help with financial matters

• Media, people watch TV. Don’t target to the poor; market it to the general public. Poor are least likely to respond if it is target to them.

• Go where they work. Make programs available through their employers

• Get to the kids. They need mentors and role models giving them good examples.

Question 7. What do you need to know to be able to help people find financial services?

• Where to find the services
• Specifics about programs that are out there – brochures. Including information about eligibility requirements, what they provide and who they provide it to

• Names, addresses and phone numbers to hand out to clients—business cards or fliers

• Training for service providers on enrollment and intake processes of other services (alleviates fear of people)

• Let folks know that they can fight back, in legitimate ways

• Letting people know the options they will have

• Invite bi-lingual professionals in to talk to people, give 10-15 minute presentation on what they are doing

• Get students to come in and pitch the program, ones that are studying Spanish or are bi-lingual

• Need to know where the services are and how I can help people access them

• Big issue of where services are located since not everyone lives in Eugene and people in Springfield don’t often make many trips there. Even more difficult for those living in Oakridge. Thus, you need to make services available locally and work with local resources like schools to see if you can hold classes there in the evening e.g. working with the P.T.A

• Coordinate with our social workers, case managers. Send out a questionnaire with 10 questions, with yes/no responses. Weigh the responses and take about 20 people of those surveyed. Have a special session where you provide free lunch and get 3 or 4 people from that session. Then give another questionnaire to those 3 or 4 people about how you can help them. Weight the responses on that questionnaire and then choose 1 or 2 of the respondents and use the process you’ve come up with to teach them and then use them as a referral system to find other people.

• Having a brochure that tells you what the services are, when and where they will be happening e.g. having lifeline come and teach on-going classes on budgeting at facility

• Need to be given information on what’s available so that those in contact with clients can give them the information.

• Good to have brochures to give out to people and programs. Community Sharing will be getting a brochure rack to make information readily available

• “I use the Help Book, an information book from White Bird. LifeLine should be in it”

• Education- what is available
- Resource guide is not helpful because services change so fast that nothing is up to date by the time it goes to print.
- A guide or website that is up-to-date and easily accessible.
- Have to know what's available, what's going on out there
- What services are available
- What those services offer, i.e. price, range, depth.
- What is their financial situation
- What is available in the community to help them
- E-mail updates with programs and workshops
- Directory
- Brochures
- Are they employed?
- Are they in a position of just being able to meet standard monthly payments like food, rent, electricity?
- Do they make bad choices but would otherwise have plenty of money
- Pacific Coast Credit has limited time to help them with their finances but refer them to CCC who will refer them elsewhere if they can't help a particular individual.
- I have enough knowledge for the time I have to help people, I don't need more knowledge about other services that are available because if I refer people to CCC and they can't help them, they will refer them to someone who will
- Tell us what is out there
- What are the steps to get into a program
- The criteria, if any
- The eligibility list, if any
- Talk to the schools. They have amazing insight into the community
- Providers need basic education on what is available.
- Give them incentives. Lots of things compete for their time, so make it worth the time.
Appendix C

Citizen Focus Groups

Methodology

CPW conducted focus groups with Lane County citizens in order to further investigate the findings of the survey and service provider analysis, and to get more detailed qualitative information on the subject of financial education needs, including individual quotes and personal accounts. The citizens recruited for these focus groups generally fell into the target population of individuals or households that have experienced financial challenges. The citizen focus groups were held in five different communities that represent five geographical regions of the county. These were Springfield (Metro Region/ Central Lane County), Cottage Grove (Southern Lane County), Junction City (Northern Lane County), Florence (Western Lane County), and Oakridge (Eastern Lane County). The focus group in Cottage Grove was conducted in Spanish, with Spanish speaking residents of the Cottage Grove area, and with the assistance of a professional translator.

CPW targeted 8 to 12 participants for each meeting. This size is considered ideal for establishing comfort and rapport with the participants. CPW identified participants with the assistance of service provider agencies located in the respective communities. CPW and these service provider agencies contacted clients of these agencies’ programs to invite them to participate in the focus group. In instances where this approach did not yield a sufficient number of participants, CPW employed an approach of peer-to-peer intercept in public locations. As an incentive, all participants were offered a $10 gift certificate to a grocery store or supermarket in their community. A total of 39 citizens attended the five citizen focus group meetings.

Citizen Focus Group Questions

The citizen focus groups consisted of eight core questions. These questions covered all of the topics related to financial education that were identified by CPW as essential to the needs of O.U.R. and LifeLine and the objectives of this report. These included awareness and use of existing services, gaps identified in range of available services, barriers to accessing services, financial needs, financial goals and assets, interest in financial education programs and small business training, and outreach opportunities. In addition, a series of warm-up questions were asked at each meeting to familiarize the participants with the focus group process. Facilitators sometimes asked follow-up questions to get participants to clarify or elaborate on comments. To record the participants’ responses in the focus groups, CPW recorded them on flip
charts visible to the audience. In addition, other team members took
detailed notes, capturing quotes and particularly poignant or relevant
statements. CPW also recorded the meetings on audiotapes to serve as
a backup to the flip charts and individual notes.

The questions asked in the citizen focus groups are listed below. In
some cases an example of a typical follow-up question is included in
italics, after the core question.

**Warm up questions:**

Please describe a little about yourself. How long have you lived in this
community? How many children do you have? How old are they?
What would you do if you won a million dollars?

**Main Questions**

1. What financial services are you familiar with?
2. Tell us about your past experiences with using these services
   both good and bad.
3. Are there any of these services (from question #1) that you do
   not use? If so, why not?
4. Which of these services do you use, and why?
5. Where would you like to see yourself and your family financially
   a year from now?
6. What will it take to get you there? *Do you see financial
   education as a way to help you get where you want to be?*
7. If financial education is one way of getting to your goals, what
   form should it take?
8. Describe your ideal topics for such a program?
Citizen Focus Group Results by Community
Citizen Focus Group 1: Springfield

Question 1. What financial services are you familiar with?

General Comments
- Transfer accounts
- Online banking
- Pawn shops
- Not familiar with: Escrow accounts

Question 2. Tell us about your past experiences with using these services both good and bad.

General Comments
- Good luck with banks because of parents
- Feel better with short hair, banks respond better to you
- Banks charge too much when you overdraw; a cycle of having to change banks repeatedly happens when you are accused of overdrawing
- Good experience with saving money

Direct Quotes
- “Some banks you have to have a minimum balance in the savings account”
- “I know sometimes that if you let your account stay dormitory [dormant] for a certain amount of years they close the account and take your money”

Question 3. Are there any of these services (from question #1) you don’t use? If so why not?

General Comments
- People don’t have enough money to use a lot of the services
- Credit discrimination prevents people from accessing services
- Payday loans are bad, drown you in debt: “They know that you are drowning, and they feed off that”
- On-line banking is dangerous, because of information stealing
- Savings account
Direct Quotes

- "Having no credit actually hurts you more in the long run than having bad credit"
- "I went into bankruptcy in 1991, right after I got out they started offering me credit cards, because they knew I couldn't declare again" (for six years)
- "I need to start getting my money orders from O.U.R., because they are free, and that's a good thing"
- "SELCO Credit Union lets you deposit your checks through the mail"
- "My employer will let me deposit portions of my paycheck into any account I want—I have it go into three different credit union accounts"

Question 4. Which of these services do you use, and why?

General Comments

None

Direct Quotes

None

Question 5. Where would you like to see yourself and your family financially a year from now?

General Comments

- Stable, to be able to pay rent
- Able to take vacation
- Free of worry
- Debt free
- Be able to save, past paying bills
- Save for college
- Have better credit
- Have a bigger apartment
- Somewhere to live and a job
- Pay the rent, not to struggle to pay bills
- Like to have some extra spending money

Direct Quotes

- "It would be nice to be able to not owe anything"
- "I'd like to get my business back"
- "The deposits on apartments are outrageous"
- "Our country is so rich, but we can't take care of our own..."

Question 6. What will it take to get you there?

General Comments
- Hard to find people who can help
- Need to stay away from fast food eating, shop for bargains
- Need to have people believe in you
- Single women need more help
- Need two incomes
- Classes in money management would relieve stress, and help to find ways to save and pay off debt
- Educate single women more in how to save
- More education about interest charges
- Don't want to be cheated

Direct Quotes
- "It will take financial service people who are willing to help you if you are a financial risk"
- "I can't get a loan as a single mother to start a business"

Question 6B. Do you see financial education as a way to help you get where you want to be?
- Yes, ways to pay off debts better, not spend so much, manage money better
- Financial education should be taught in schools
- Layaway programs and store credit cards are deceiving, they don't tell you that the minimum payment is only enough to pay down the interest

Question 7. If financial education is one way of getting to your goals, what form should it take?

General Comments
- Small group programs could work
- Childcare is a necessity
- Classes must be nearby, and convenient to buses
- Should be taught in high school
Financial counseling might be a better approach than “financial education,” or might be an appealing program in addition to an education program. Counseling relieves stress, lets you share your experiences w/ other people, and know you are not alone

- One on one, classes are first, and then one on one
- Small classrooms
- Has to be nearby, rely on bus
- Somehow combine job training
- Need to have a counseling component to relieve stress, or a support group
- Classes in home-ownership, budgeting, spending habits, how to break bad habits, train for good habits
- More information about existing services
- Booklet of resources, take model from Lane Community College Childcare Resource Center
- Classes on how to go back to college, putting kids through college

**Question 8. Describe your ideal topics for such a program.**

**General Comments**

- Childcare Resource Connection is a good program, and could be a model for a financial program
- Programs are needed to help people get jobs
- You have to bullshit your way in to get a job
- It shouldn’t be that way
- Companies that use temp services have to pay the service a charge of $5.00/hr., but when they then hire someone directly they don’t want to pay anything above what they were paying you as a temp, or want to pay even less (they save $5/hr by not paying temp service, but try to save even more)

**Direct Quotes**

None
Citizen Focus Group 2: Cottage Grove (Latino)

Question 1. What financial services are you familiar with?

General Comments
- Real estate
- Checking account
- Loans
- Savings account – long term/short term
- Check cashing
- Deposits
- Debit Card
- Credit Card – e.g. Visa, but don't use it because of high interest
- Money Order
- Mexico Express (wire transfers) better than western union because it only charges the sender, not the receiver

Direct Quotes
None

Question 2. Tell us about your past experiences with using these services both good and bad.

General Comments
- No problems
- Nothing exceptionally good

Direct Quotes
None

Question 3. Are there any of these services (from question #1) you don't use? If so why not?

General Comments
- Did not use other types of other lenders (i.e. predatory)
- All use banks not credit unions
- Doesn't use checks, just using debit card and credit card, maybe in future but doesn't need them now
- Has Visa, but doesn't use it because of high interest rates
- Easier to get into debt quickly with credit cards (lots of head nodding)
Direct Quotes
None

Question 4. Which of these services do you use, and why?

General Comments
- Mexico Express because it has lower charges, it just charges a percentage to the sender and not to the receiver, whereas American Express charges both the user and the receiver. President Fox is looking into why American Express is charging both parties.

Direct Quotes
None

Question 5. Where would you like to see yourself and your family financially a year from now?

General Comments
- Be at a higher level
- Have more savings
- Own a House or land - same goal as everybody
- Pay off the house
- Buy house for the kids
- That all of my kids will be okay

Direct Quotes
None

Question 6. What will it take to get you there?

General Comments
- More work
- Very difficult now to get a job
- Better salary now than minimum wage
- Find a bank that offers low interest loans
- Financial education is a way to achieve goals (note: all participants agree)
- Federal Loans

Direct Quotes
None
Question 6B. Do you see financial education as a way to help you get where you want to be?

- Financial education is a way to achieve goals (note: all participants agree)

Question 7. If financial education is one way of getting to your goals, what form should it take?

General Comments
- A class
- Teach about planning for the future
- Personal classes like this

Direct Quotes
None

Question 8. Describe your ideal topics for such a program.

General Comments
- How to manage money and save money
- How to control impulse buying
- Problem – comparison-shopping takes a lot of gas. One possible solution discussed during at the focus group would be to discuss in an education class where products are cheapest. (Note: seemed agreeable to women who raised problem)

Direct Quotes
None
Citizen Focus Group 3: Junction City

**Question 1. What financial services are you familiar with?**

**General Comments**
- Money orders
- Debit cards
- Credit cards including local merchant’s (e.g. Sears) cards
- Local Aid - Community Service Support
- Bank Accounts
- Checking Accounts/Savings Accounts
- Credit Union
- Debt Consolidation Loans
- Bonds/CDs
- Loans - e.g. Education loans
- Housing Authority grants
- Grants/Scholarships
- Church’s support
- WIC
- Food Stamps

**Direct Quotes**
- “The bank won’t open an account on just my SSI check, because that’s not enough.”
- “We have $100 available through housing (HACSA) for LCC grants.”
- “I don’t have a checking account, I just use money orders for my bills”
- “Local Aid – helps with light bills and stuff like that”

**Question 2. Tell us about your past experiences with using these services both good and bad.**

**General Comments**
- Loan on vehicle – interest very high 40%, didn’t realize it was high because she was so happy to get the loan to begin with. O.U.R denied the loan when she went to them.
- Getting stuck with unmanageable interest on debt e.g. student loans, medical bills, credit cards
- False information on credit history. One woman said the University of Oregon made a mistake on her student billing and said that she defaulted on payment when she hadn't. Because of this poor credit history she was unable to get a car loan. The University said they would be happy to write letters explaining that they had made a mistake but this didn't help her get the loan.

- Hospitalization leaves difficult money problems. She was hospitalized and during this time the bills didn't get paid and the interest kept going up and up.

- Difficult to establish credit

- O.U.R – “good shop” – no charge for money orders

- Difficulty in cashing checks unless someone knows you and will do it for you – one woman said she had a good experience with the Select grocery store which allowed her to cash her checks until she opened an account

- Automatic deposit doesn’t credit your account in time or makes mistakes. Two women had problems with checks not getting credited to their account in time to pay the checks that were written for bills due, thus the bank charged $28 for each overdraft. One woman explained how when she would send money to pay bills early so it would get there on time, her paycheck that is automatically deposited wouldn't come in on time to pay for the checks that were written to pay for the bills that were due, thus she would get charge for overdrafts.

- Good experience with direct deposit

- Good experience with animal care facility, not located in town

- Bank doesn't cash post-dated checks which was lucky because otherwise a women wouldn't have had enough money in the bank to pay all the bills that came in at once

- Difficulty in getting long distance service because of bad credit and other utilities

- Difficulty in getting long distance because someone got a hold of her pin number and made $12,000 worth of calls and despite many attempts to get them off her bill, she still can't get long distance coverage even though she can show how the calls are being made from all over the country and there are only a few calls made from her residence.

- Debt consolidation doesn’t do what they advertise i.e. Emmanuel Credit, it simply increases the money going out

- Pro-rating bills sometimes works with agreements with creditors
Direct Quotes

- "Being charged almost 40% for a loan on a vehicle, outrageous interest... it wasn’t until I sat down and read the contract I had signed that I realized it."
- "If it wasn’t for all of that interest we could probably get ourselves out of debt."
- "I belong to O.U.R., and I tried several years back to get a loan for a car, they denied me because I had a problem with student loans, where the student loan people had false information that ruined my credit history."
- "To be bonded you cannot have any outstanding debts."
- "When you don’t have credit established, people won’t help you."
- "O.U.R. – they are a good credit union. They give you free money orders."
- "When you get sick and can’t work you can’t pay your bills and your debt gets out of hand."
- "Select (a grocery store) in town is a good place to cash your checks."
- "When you overdraw or bounce a check you get charged by both the bank and the places that you wrote the checks to."
- "My credit cards got to the point where my interest was three times more than the original balance."
- "We’re perpetually broke."
- "Sometimes its hard to get any kind of phone service at all."

Question 3. Are there any of these services (from question #1) you don’t use? If so why not?

General Comments

- Loans, grants, bonds, CDs, savings because she doesn’t have enough money
- None from question #1 one except for food stamps because of back bills
- Some of question #1 because don’t qualify
- Checks – writing checks is easy and paying for them is hard
- Stuck in welfare trap – if you have too much savings it takes away your benefits which is a big problem (lots of head nodding)
- Credit cards – can’t keep up with payments
Direct Quotes

- "I can’t get banking, checking, or savings accounts."
- "I was on a 70 page waiting list for public housing."
- "I think that I’m stuck in a welfare trap... If I save money I’ll lose my benefits."
- "I don’t use credit cards because I’m low-income and I can’t make the payments, so what’s the point?"
- "Checks are also to easy, you can write too many and suddenly you’re overdrawn."

Question 4. Which of these services do you use, and why?

General Comments
None

Direct Quotes
None

Question 5. Where would you like to see yourself and your family financially a year from now?

General Comments

- Consolidate debts
- Own business or be in school
- Saving up to attend school and buy a house
- Out of debt (if possible)
- Off of food stamps, Housing Authority housing and welfare
- Like to “unearth myself”
- If health would allow – finish school to have that feeling of achievement
- Educated and working
- Working

Direct Quotes

- “Debt-free.”
- "I would like to get a loan to pay off my debts and have only one check to write to the bank.”
- "I’d love to be out of debt, naturally, but I know that that’s impossible.”
- "We would all love to get education and employment, but that’s not possible.”
• "It (being debt-free) almost sounds impossible, it's just like a dream to me."

• "I would like to start a flea-market here in town and run it myself, as a business."

**Question 6. What will it take to get you there?**

**General Comments**
• A small payment consolidation loan
• Business loan
• Knowledge of qualifications to achieve goals like getting a good job
• Start own business
• Disabilities do not equal unable to do work
• Counseling on life skills
• Doors are closed to disable people when it comes to finding a job, very depressing and hard to overcome

**Direct Quotes**
• "Somebody to counsel me on how to get unstuck."
• "A lot of doors are closed to disabled people... it puts you in a depressed state."

**Question 7. If financial education is one way of getting to your goals, what form should it take?**

**General Comments**
• One on One
• Small groups – or any groups
• Lectures
• Written materials
• Video tapes
• Audio tapes – learn good by hearing

**Direct Quotes**
• "One on one... too much noise disturbs me and I can't focus."

**Question 8. Describe your ideal topics for such a program.**

**General Comments**
• Debt consolidation – how to manage your own debt
- Smart spending/stretching the dollar
- Given a low income, what steps lead to home ownerships, loans
- How to shop smartly – buy food for best value
- How to prioritize bills
- Stay within your means
- How to talk to creditors
- How to start a small business
- How to do things without worrying
- How to save
- How to negotiate with services - merchants
- Companion pet issues – how to find good vets who don’t insist on pre-payment
- Finding other sources of income – grants
- Learning about funding sources

Direct Quotes
- “Financial programs.”
- “Debt consolidation.”
- “How to stretch the dollar”
- “It’s very hard to make your dollar go far enough, really.”
- “The steps you need to go through to get a loan.”
- “Personal management, like buying food and stuff.”
- “How to buy your groceries and pay your bills.”
- “How to run your home, everyday living.”
- “How to talk to your creditors.”
- “How to start a small business.”
- “Knowing which doctors or vets or other service providers will work with you, as a low-income person.”
Citizen Focus Group 4: Florence

Question 1. What financial services are you familiar with?

General Comments
- Assistance programs
- Checking account
- Savings account
- Investment in Bonds/CDs
- Teller machines/ATMs
- Credit cards
- Free copies at bank
- Trust services
- Notary
- IRA
- Student loans e.g. Pell grants
- Credit union
- Government loans
- Grants i.e. personal use, medical bills, start-up a business
- Internet banking

Direct Quotes
- "One of the problems is that people don’t know about the services that are available, such as through low-income housing."
- "That bank, Siuslaw Valley, they go all out to help anyone needing financial services."

Question 2. Tell us about your past experiences with using these services both good and bad.

General Comments
- There’s a lack of help with banking and assistance due to a lack of understanding of clients needs and a lack of time to understand
- Problems with fees from checking account e.g. overdraw fees, service fees, account balance fees
- Good experiences with checking account because of personal rapport with bankers
• Larger banks have many problems with types of services and how it works for you
• Good experiences with accounts here i.e. Siuslaw Bank and Western Union -- good employees with good standards
• Good not to have a credit card when younger because interest rates are outrageous
• Good experience with one bank waiving monthly fee for public service group
• Can't get credit because you don't have credit history
• Savings account rate very low and checking rate is even lower, but a money market account gives you a higher rate
• Monthly fees for business accounts can be a problem

Direct Quotes
• “I've found that when you have a checking account with the larger, multi-state banks, you're gonna have some problems... the size of the bank affects the quality of the services you are going to get.”
• “Credit card interest rates are outrageous.”

Question 3. Are there any of these services (from question #1) you don't use? If so why not?

General Comments
• Don't use teller machines/ATM for safety
• Don't have an IRA because you have to have too much down
• Don't use credit cards

Direct Quotes
• “I have no credit, so I can't get a credit card.”
• “The savings account rates being paid by banks are extremely low.”
• “I don't use teller machines or ATM's, for safety reasons.”
• “I would use some of these accounts, but you have to have so much to get into them, some people might not have enough money to get started in them.”
• “I owe money on one of my checking accounts, so I don't use them.”

Question 4. Which of these services do you use, and why?
**General Comments**
- Use ATM while traveling to different states
- Student loans - need them to help start out my studies
- Use internet banking to look at account activity

**Direct Quotes**
- "If I want to see if a check has cleared right away, then I can get online and check and see."
- "Ever since I bought my first car, I've always paid cash all of my life."

**Question 5. Where would you like to see yourself and your family financially a year from now?**

**General Comments**
- Being involved with a credit union for going to school and getting student loans
- Want to be in college - need student loans
- To buy a car and a house
- To stay solvent, to have security
- Like to see son graduate and be on his own - to stop paying for his studies through an IRA
- Maintaining current financial situation
- Debt reduction

**Direct Quotes**
- "It's important for all of us to have that security - money security."

**Question 6. What will it take to get you there?**

**General Comments**
- Understanding how services work
- Change the way government operates e.g. how it promotes overspending
- To save money now and later get a loan
- By going to LCC and continuing from there

**Direct Quotes**
- "A lot of people aren't going to reach their goals unless things change in the government."
Question 6B. Do you see financial education as a way to help you get where you want to be?

- Yes, to help understand what services provide
- Balancing your bills
- Parameters for what of the available services you actually need

Question 7. If financial education is one way of getting to your goals, what form should it take?

General Comments

- Through the Housing Authority
- Senior centers, their community rooms
- Target young people and young families
- Target low-income housing
- Graduating seniors
- Community college
- Elks lodge or library
- Context specific/people specific
- Internet
- Lecture
- Public schools
- Go and talk to service clubs
- Target groups with specific curriculum

Direct Quotes

None

Question 8. Describe your ideal topics for such a program.

General Comments

- Understanding the services available
- Explaining wise ways to use services like credit
- Explanations on IRAs and balancing portfolios – how to do your own investing
- How to access services – ins and outs on how to get started as a business
- Help people outline that they have and look at what services they need
Direct Quotes

- "Have them explain to people what they are getting themselves into w/ credit."
Citizen Focus Group 5: Oakridge

*Question 1. What financial services are you familiar with?*

**General Comments**
- CDs
- Money Orders
- O.U.R
- Credit cards
- Savings account
- Checking account
- Savings & loan
- U.S. Bank
- Business account
- Debit cards
- Car loans
- Direct deposit
- Parents
- Life insurance
- Bankruptcy
- Banks
- Family self-sufficiency plan through HACSA
- Housing
- Debit cards
- Overdraw service
- Deferred compensation to pay for life insurance
- 401K
- Safety deposit box

**Direct Quotes**
- "I have only had credit cards since I was 50, and I'm in trouble. I have a huge balance now."
- "I don't bring in enough money to use these services, when the money comes in its gone."
Question 2. Tell us about your past experiences with using these services both good and bad.

General Comments

- Bank charge $28.00 for being $1.00 overdrawn – fees that are very high, charged also for getting a bad check from a friend
- Credit card habits – outrageous to offer credit card on my income. Got in debt when needed gas money. Keep raising limit – gone from 1-4 cards. Want to pay off and rip them up.
- Credit cards – use them for new tires, beanie babies, groceries
- Credit cards – come in mail box everyday and on email
- Used credit card to see daughter (good experience) and kids
- Raised standard of living – improved business 3X with a better look. Make more money when you spend more.
- Tupperware – more gave away the more money I made
- Raised home care wage from $3.50 to $7.50
- Bought a car and the clutch went out. Paid off everything with consolidation loans and thus was able to get a new car and paid that off within three days. This improved credit rating immensely
- Wells Fargo – has a service you can request to stop charging for overdrawing
- Credit bad through bankruptcy. Went over limit on interest fee and was snowballed for getting overcharged by having too many interest payments
- Husband payroll check bounced for 8 weeks so she couldn’t deposit money in the account to pay off bills because it would just go towards the bounced payroll check
- Had US bank credit some accounts. When deposit and withdrawal occur too close together there’s not enough money in the account for the withdrawal. Depends on who you know sometimes, on who will help you.
- Car loan with 29% because of bankruptcy

Direct Quotes

- “My bank used to let me overdraw up to $25, then they lowered it to $9.99, now they don’t give you any leeway at all. I was $1.50 overdrawn, and they charged me $28.”
- “I’m fiercely determined to kick the credit card habit.”
- “I had 13 credit cards when I filed for bankruptcy.”
• “One good experience was doing a consolidation loan at O.U.R., and it allowed me to buy a new car, because it improved my credit rating.”

• “Sometimes it depends on who you know, whether they’ll help you or not (in banks).” “It also depends on your appearance—it’s definitely a class thing around here.”

• “I have an account with Metro Credit Union here in town.”

• “I don’t use credit cards at all, I’m not going to pay someone to manage my money when I can do it myself.”

• “I need information on all those services, because I’m always playing the catch-up game.”

Question 3. Are there any of these services (from question #1) you don’t use? If so why not?

General Comments

• Credit cards – would like to stop using them

• Credit unions

• Debit card because there is not enough of a balance

• CDs – need more information

• Life insurance- would like to lean more about it. Important for sake of kids

• Life insurance – Cant get because of disease

• Need information on a lot of services e.g. IRA, CD – need to know advantages

• Have to have money to put in there

Direct Quotes

• “I don’t use credit cards at all, I’m not going to pay someone to manage my money when I can do it myself.”

Question 4. Which of these services do you use, and why?

General Comments

• Checking account to keep track on spending – don’t have to pay for money order

• Checking account – way to show what you’ve put in

• When you don’t want welfare to know your income, make a money order to they don’t have a record of income

• Easier to use grocery store – more hours then bank, use their ATM
• Direct deposit on social security and SSI
• Have hidden bank account, in children's name in California
• Use safety deposit box for banking with money

Direct Quotes
• "I have hidden bank accounts; all of my bank accounts are in my children's names."
• "I do direct deposit on my Social Security and SSI checks."
• "I play a lot of bingo – that could be considered a financial service, but only if you win."

Question 5. Where would you like to see yourself and your family financially a year from now?

General Comments
• Stable financially – income meets needs
• Like to be stable with extra i.e. beanie baby & bingo $$
• Like to see son move in a lot next to mine
• To prioritize and get a food cart started, get self owned construction business started up for husband
• Get a stable job
• Get body and mind synchronize
• Have won a $100,000.00
• Would like to know more about financial services

Direct Quotes
• "At least stable... I would like to be stable. Extra is always good, but I'm playing catch-up right now."
• "I'd like to have a job that I knew I could go to every day."
• "I would like to see my credit card debt paid down substantially. I'm hoping that in a year I'll be in a different spot, to at least see the end of the debt."

Question 6. What will it take to get you there?

General Comments
• Hard work
• Self discipline
• Spend less
• Stick to a budget
• Learning how to invest money and make it grow
• Financial constitution
• What organizations will help you get housing

Direct Quotes
• “Discipline, self discipline.”
• “I never miss work now, because I need that money.”
• “I’m a compulsive buyer and spender.”
• “Information on how to invest money and make it grow.”
• “I definitely need some financial training.”
• “Everybody needs some financial education.”

Question 6B. Do you see financial education as a way to help you get where you want to be?
• Yes

Question 7. If financial education is one way of getting to your goals, what form should it take?

General Comments
• Structured to the individual
• Instructors on site – interaction
• Small group – 5 or less with interaction to ask questions
• Class in town
• Class in Oakridge
• Class during the day – nighttime is family time
• Written materials

Direct Quotes
• “It should be structured to suit the individual.”
• “I’ll pay better attention to another human, not a video.”
• “It’s really hard up here, when it comes to computers.”
• “I would rather have written material, so I can go over it as many times as I need.”

Question 8. Describe your ideal topics for such a program.
General Comments

- How to get mind and body synchronized
- How do we keep up with what we’re doing after class is over
- Positive affirmations and not giving up
- How to discipline and keep with it
- Model with 12 step management plan – from drug rehab
- Learn about different services e.g. IRA
- How to break bad habits
- How to manage interest
- How to get a consolidation loan
- Where to borrow money
- How so start a business – or money/time/mind to do it
- Time management
- How to get around paying high interest for a car when you have bankruptcy

Direct Quotes

- “One of the topics is ‘How do we keep up with it once we’re out of the class, no longer structured.’”
- “What is an IRA or a CD?”
- “I want more information on how I can get a consolidation loan.”
- “How to start a business”
- “How to find a scholarship.”