



Boosting Financial Health in Travis and Williamson Counties

A Study of Individuals and Organizations in the Wake of the COVID-19 Pandemic

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Dear FHP friends and supporters,

Financial Health Pathways is proud to present our first research analysis of the financial health in Travis and Williamson county. Through this report, created by the Financial Health Pathways, we hope to provide valuable information to financial organizations, policy makers, service providers and philanthropic organizations on the state of the financial stability in low-income households in Travis and Williamson county.

In the face of a global pandemic such as the COVID-19 crisis, many people experienced financial challenges and loss of income. While some received government aid, others, particularly in historically underserved communities, were left out of this equation creating long lasting negative impacts on their lives and the lives of their families.

As we envision the recovery process and what that looks like, we hope this document helps identify the barriers that threaten economic justice in our community and contribute to pushing families further into poverty. We also intend to offer some potential solutions and strategies to help design policies, grant-making investments, and services to assist low-income households stabilize and rebuild their finances.

It is only through the collaboration of every player in our ecosystem that low-income communities and predominantly people of color will overcome the barriers to financial access and resources and increase their access to opportunity.

I am grateful for every partner and supporter that made this work possible, especially for the support from Experian (Carol Urton), J.P. Morgan Chase (Yvette Ruiz), Austin Public Health (Adrienne Sturup); Michael & Susan Dell Foundation; the LBJ – CONNECT program at the University of Texas (Alyssa Studer); and the St. David's foundation. I am particularly grateful for Ann Baddour (Texas Appleseed) whose encouragement kept this work alive.

We look forward to the discussions and actions that this report will ignite and hope that this work will serve as an incubator for innovative solutions that will move us all forward with financial inclusion at the center of it all.

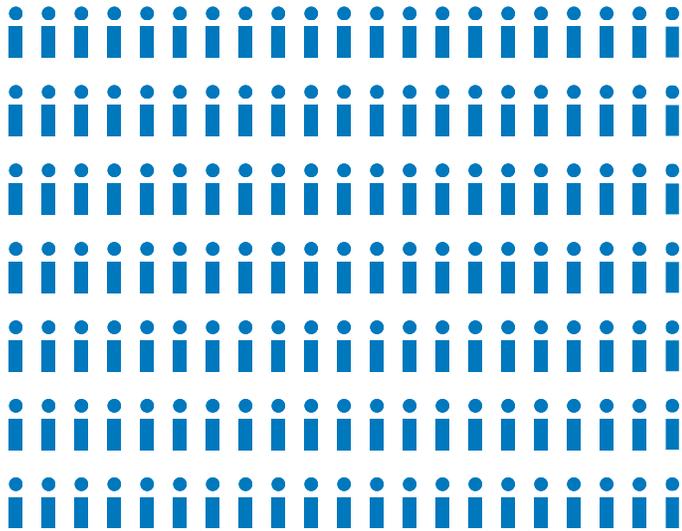
Sincerely,



Lourdes G. Zuniga

Lourdes G. Zuniga
Executive Director & Founder
Financial Health Pathways

172 individuals surveyed



Executive Summary

The COVID-19 pandemic created a financial crisis for many Central Texans. To better understand the pandemic's impacts on low-income households and how families are fairing now, **Financial Health Pathways** implemented a community and nonprofit financial health survey. The survey captures a point in time baseline and suggests a pathway forward to build a financially healthy community.

The survey of individuals, implemented in late 2021 and early 2022, reached 172 individuals in Travis and Williamson Counties, with a focus on low- and moderate-income residents. The results show perseverance and resilience among the survey respondents, but also point to substantial needs that, if effectively addressed, can boost financial health in our community. Top findings include:

1. Travis and Williamson County residents who responded to the survey were, on average, financially coping, and many faced struggles to make ends meet.

- 40% of Spanish language-dominant individuals and 47% of low- and moderate-income women of color were financially vulnerable, compared to 32% of all people who responded to the survey.
- 64% of survey participants were able to pay debts and manage bills.
- 59% faced challenges keeping expenses and income in line, 68% struggled to plan for long-term goals, and 69% felt they did not have sufficient insurance coverage.

2. 70% of the survey respondents experienced financial hardships related to the pandemic; many faced a drop in income.

- Borrowing money was the most common tool, used by 51% of those who responded to the survey, to make ends meet. Most borrowed from friends and family. Many also carried a credit card balance.
- Survey respondents who used payday loans, auto title loans, or other high-cost loans to fill financial gaps were predominantly low-income women of color.
- 42% of survey participants drained their savings or sold personal items to make ends meet.

16 organizations surveyed



- Overall, 67% participants received federal stimulus funds, but among those taking the survey in Spanish, the number receiving funds was much lower, at 31%.

- 28% of survey participants used other government benefits, beyond the stimulus, to fill financial gaps, including food and health benefits, rent assistance, and unemployment benefits.

3. For day-to-day financial transactions, most survey participants use banks and credit unions, but an unexpectedly large percentage were unbanked.

- Internet banking was used by 53% of survey participants and mobile banking was used by 56%. Fewer people, between 26% and 32% of all respondents, used the full range of online and mobile tools, such as mobile check deposit, text alerts, and email alerts.
- Survey participants tended to use multiple avenues to transact, with 63% using two services and 54% using three or more. In-person transactions remained important, used by 1 in 4 survey participants.
- 6% of the survey respondents were un-banked, compared to an overall 0.8% for the Austin-Round Rock Metropolitan Statistical Area, based on a 2021 survey by the Federal Deposit Insurance Corporation (FDIC).

Organizations providing services to low-income residents of Travis and Williamson Counties were also surveyed to better understand community needs and the services available. Key findings of the survey, which captured information from 16 organizations, include:

1. Just over half of the organizations surveyed offered at least one financial education service.

- Financial education, financial coaching, and direct assistance were the most common services offered. Among the 16 organizations surveyed, 4 had higher-capacity programs, serving 201 clients or more per year.
- There was some interest in expanding financial education offerings and integrating it into existing programs. Among those not interested, they mostly cited limited capacity and felt that other organizations had more expertise to offer those services.
- Organizations interested in additional financial education resources highlighted a need for culturally responsive workshops, better-trained staff, and more money for direct financial assistance for clients.

2. Organizations described clients facing a range of financial hardships.

- Lack of income was the top client financial challenge, cited by 13 of the 16 participating organizations, followed by job loss, debt, and inability to pay bills, each cited by 12 of the organizations.
- COVID-19 exacerbated those issues, spurring additional needs for financial assistance to pay bills, including rent and utilities, and to pay for food.
- Using cash was a common means for financial transactions for clients of 11 of the 12 organizations responding to the survey question. Using banks, credit unions, and reloadable debit cards was also common among clients of the surveyed organizations. Few organizations indicated that clients used online or online only financial services options.

3. Public dollars provided the largest pool of funding to address client financial hardships due to the COVID-19 pandemic.

- City funds were the top source of direct assistance, cited by 7 of the 11 organizations responding to the question, followed by funds appropriated by the federal government.
- Overall, funding from donors and foundations appears to be stable or increasing since the COVID-19 pandemic, with donor funds showing somewhat more of an increase compared to foundation funding.

RECOMMENDATIONS

individuals

Based on the survey results for both individuals and organizations, **the following recommendations would enhance the financial health of Central Texans:**

- Increase the availability of financial products and services that help customers build savings and avoid penalty fees.
- Expand philanthropic and public investments in local matched and incentivized savings programs.
- Build greater awareness of the financial products and services available to meet the needs of lower income residents.
- Increase the availability of low-cost small dollar loan options and expand local payday and auto title lending ordinances in Central Texas.
- Research insurance gaps.
- Repeat this financial health survey every two years to assess changes and policy impacts.



organizations

To enhance the financial well-being efforts of local, nonprofit organizations, **recommended local strategies include:**

- Increase funding support to expand access to financial coaching, direct assistance, and services to improve access to higher-paying jobs.
- Provide funding support to nonprofit organizations to develop, implement, and expand relevant financial solutions for specific communities and constituencies.



The COVID-19 pandemic spurred a major spike in unemployment, as well as large government investments to help families weather the ensuing economic crisis. While the pandemic relief funds had positive impacts on family finances at the height of the COVID-19 pandemic, *1 inflation appears to be eroding gains. Travis and Williamson counties overall have strong economies, with lower- than-average unemployment rates *2 and higher median household incomes,*3 but increasing expenses for food, gas, and housing, are creating financial stress for low-income residents.*4

Financial Health Pathways conducted this study to document financial health among low-income Central Texans in the wake of the pandemic and to create a baseline for measuring the effectiveness of local efforts to boost financial well-being. This analysis paints a picture of the local community to help build a road map for improved financial health outcomes. The data is designed to inform policy, financial services, nonprofit, and philanthropic efforts as we work to build a more inclusive financial system, with pathways to financial health for financially struggling families.

This study includes three sections. The first section examines the financial health of residents of Travis and Williamson Counties, with an emphasis on those with lower incomes. The second section presents the results of a survey of nonprofit organizations serving the Central Texas community, to assess available local financial health services. The final section offers policy recommendations based on the findings of the two surveys.

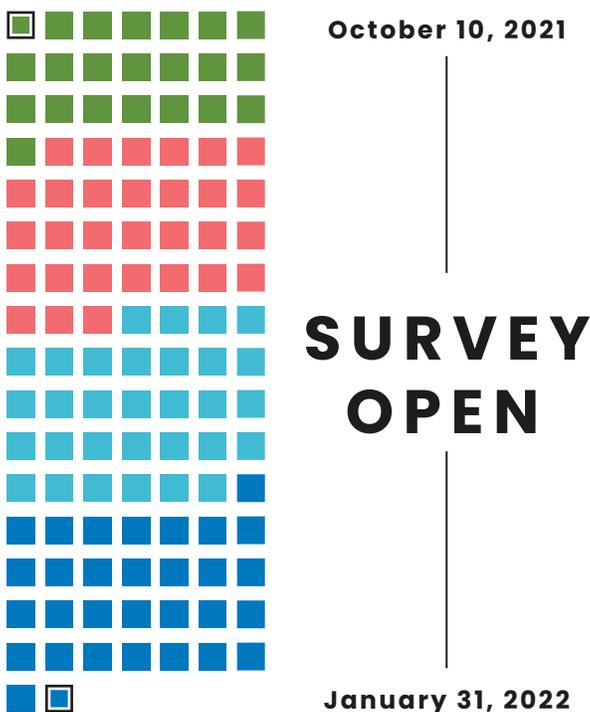


'Do not capitalize on poverty. That only perpetuates a system of oppression. Let's build a more financially inclusive system where everyone can have access to opportunity and wealth'.

Lourdes G. Zuniga
FHP Executive Director & Founder

Financial Health Outcomes for Residents of Travis and Williamson Counties

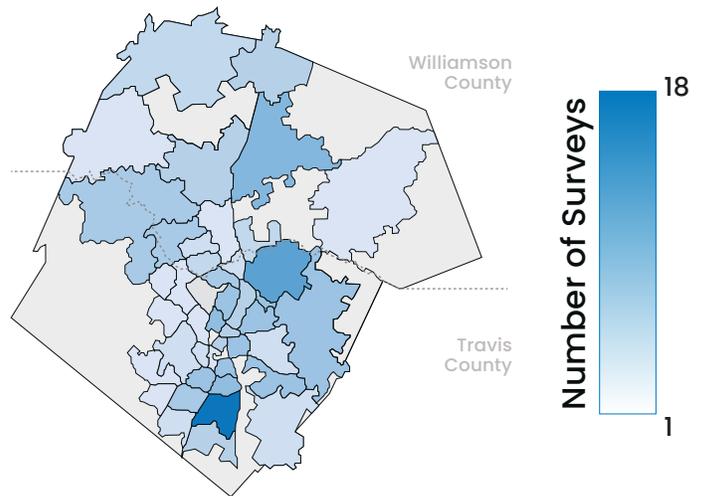
To create a local financial health snapshot, Financial Health Pathways implemented a community survey. Through client outreach, social media, and outreach through partner organizations, 172 Travis and Williamson County residents participated in the survey, responding to questions about the impacts of the pandemic on financial well-being, use of financial services, and overall financial health needs. Of the total number of respondents, 167 individuals answered all the financial health assessment questions necessary to receive a financial health score. The survey was open from October 10, 2021, to January 31, 2022 and was available in English and Spanish.*5 The financial health assessment used in this study was developed by the Financial Health Network and the scores and analysis are based on their methodology.*6



FINANCIAL HEALTH SURVEY PARTICIPANT OVERVIEW

Of the 172 survey participants, 132 were residents of Travis County and 40 were residents of Williamson County. Figure 1 shows the distribution of survey responses by zip code.

FIGURE 1
NUMBER OF SURVEYS COMPLETED BY ZIP CODE
TRAVIS & WILLIAMSON COUNTIES

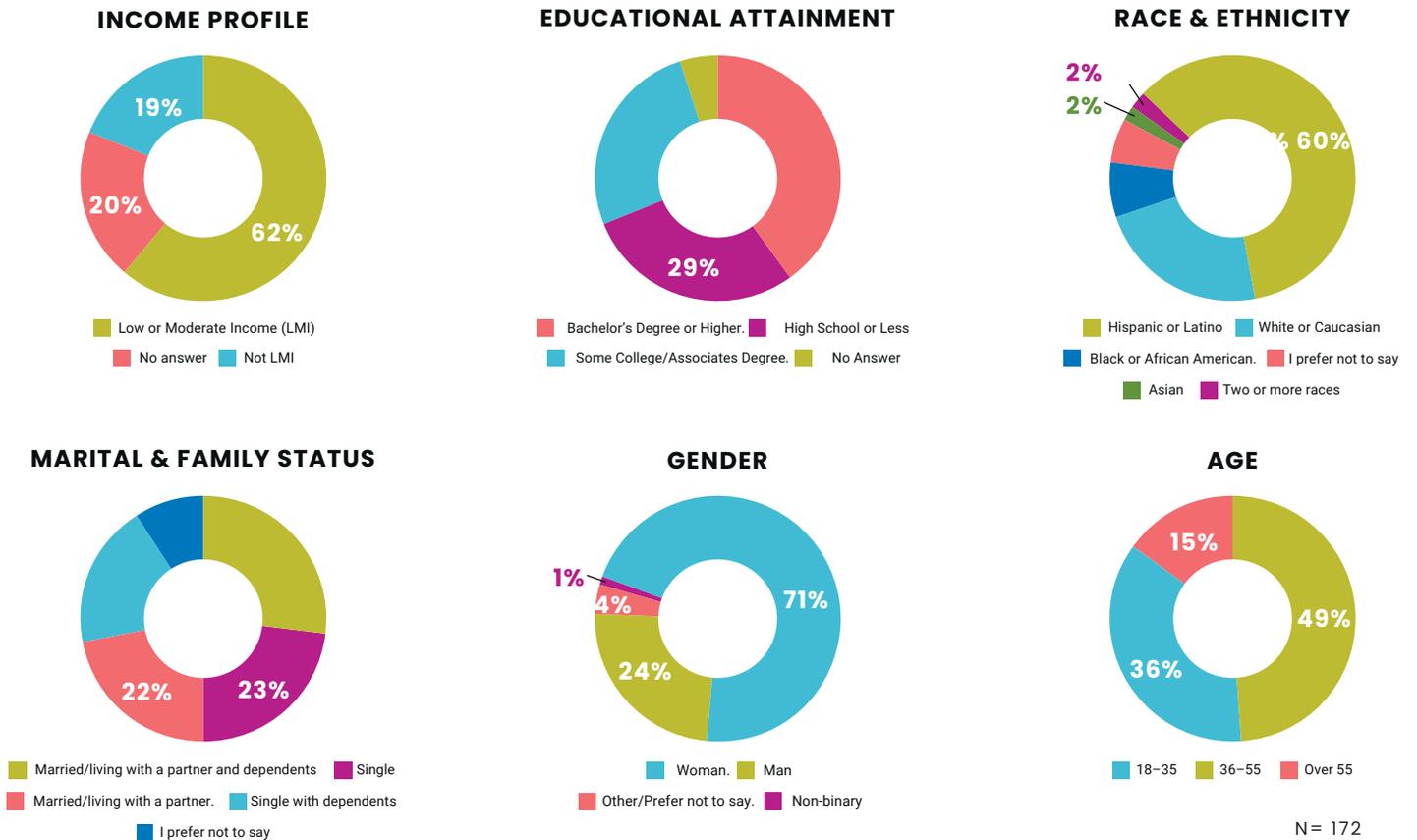


Most survey participants, an estimated 62%, were low- or moderate-income (LMI), with income at or below 80% of the median household income for their county of residence.⁷ Seventy percent of the respondents used the English survey version and 30% used the Spanish. Overall, survey respondents were:

- Majority women, at 71%.
- Majority Hispanic/Latino, at 60%.
- Married (49%), and 46%—including both married and single—had dependents.
- Of mixed education status—40% had a bachelor’s degree or higher, while 29% had a high school education or less and 26% had some college.
- Mostly in their prime working years, with 49% in the 35–55 age range and 36% 18–35.

FIGURE 2

WHO ANSWERED THE SURVEY?



FINANCIAL HEALTH SCORE: RESPONDENTS WERE MOSTLY FINANCIALLY COPING

The financial health score examines outcomes over four major categories—spend, save, borrow, and plan.⁸ The two initial categories, spend and save, examine the ability of people to make ends meet and have some extra funds for savings, as a financial cushion. Borrow looks at debt and how manageable it is. Plan covers future goals and insurance protection.

Financially coping means that respondents have healthy outcomes across some but not all the indicators in the survey. The average spend and borrow scores are higher than save and plan, though all fall into the scoring category of financially coping, which captures average scores of 40–79 of out a possible 100 points.*⁹

FIGURE 3

FINANCIAL HEALTH AVERAGES OVERALL

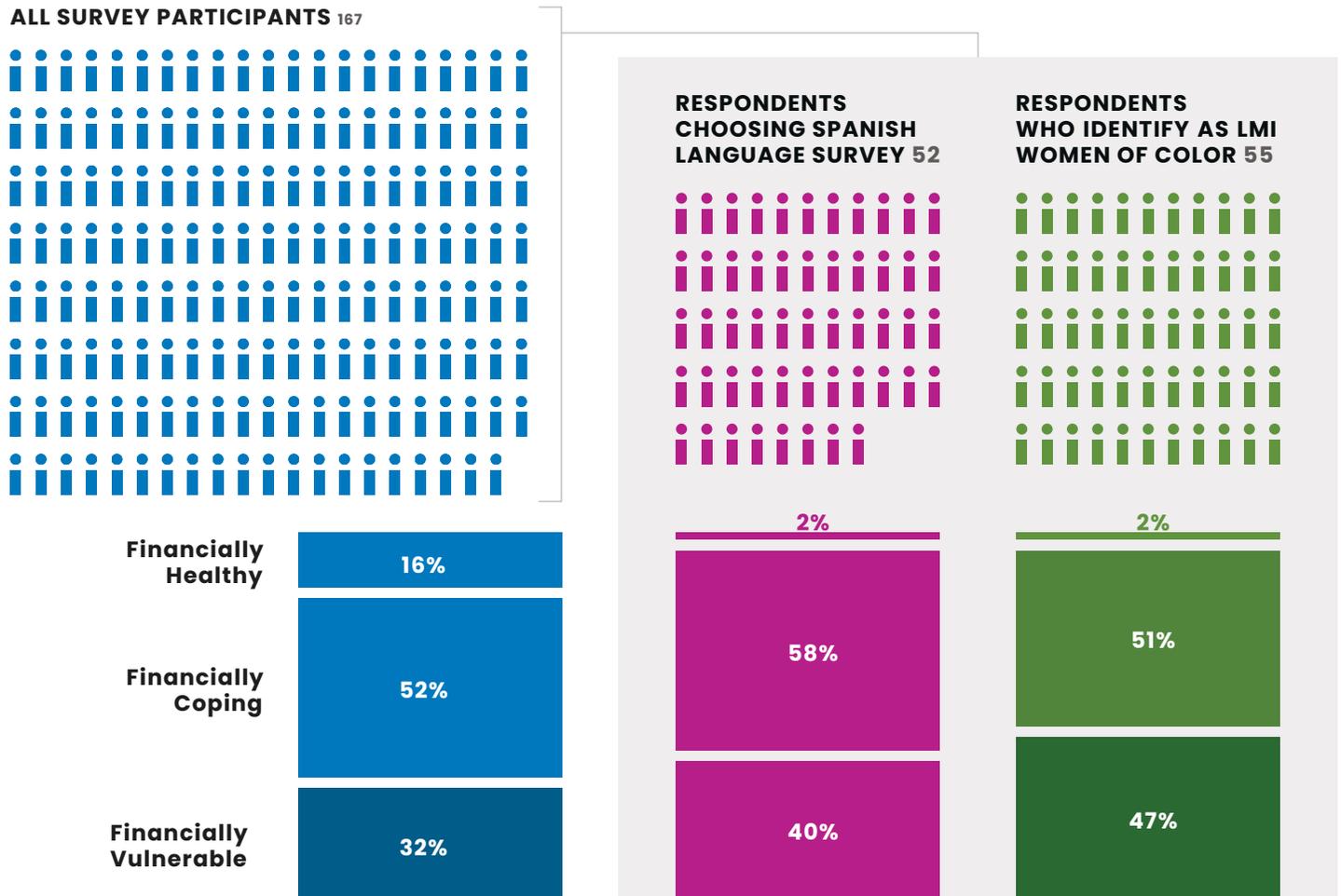
SPEND	58	SAVE	45
BORROW	57	PLAN	50
AVERAGE TOTAL SCORE		52	
FINANCIALLY COPING			

N = 167

Figure 4 shows the distribution of financial health scores across the three different scoring categories. As the average financial health score indicates, more than half of the survey respondents were financially coping. One-third were financially vulnerable and just 16% were financially healthy.

FIGURE 4

FINANCIAL HEALTH OF SURVEY PARTICIPANTS



For comparison, the Financial Health Network national financial health scores for 2022 showed 55% financial coping, 31% financially healthy and 15% financially vulnerable.*10 The higher financially vulnerable and lower financially healthy percentage for the Travis and Williamson County data compared to national data is likely due to the disproportionate representation of low- and moderate-income individuals in the local data.*11 In addition to the important impact of income on financial health, this survey found that those who used the Spanish version of the survey as well as those who identified as low- and moderate-income women of color had lower financial health outcomes compared to all survey respondents.

A detailed look at answers to the 8 financial health scoring questions shows some positive outcomes as well as areas of need. On the positive side, 64% of the respondents:

- pay all or nearly all their bills on time
- have manageable or no debt, and
- feel that their households plan ahead financially.

Areas of particular concern include:

- 59% spend equal to or more than their income
- 68% have low or no confidence that their household is doing what is needed to meet long-term financial goals, and
- 69% have low or no confidence that their household has sufficient insurance coverage.

FIGURE 5

DETAILED FINANCIAL HEALTH FINDINGS

SPEND	
Spending Compared to Income Over Past 12 Months	
Spending equal to or more than income	59%
Spending less than income	41%
Ability to Pay Bills On Time Over Past 12 Months	
Pay some or very few bills on time	36%
Pay all or nearly all of bills on time	64%
SAVE	
Pay for Basic Expenses With Only Savings	
Less than 1 month	45%
1 month or more	55%
Confidence Household Is Doing What Is Needed to Meet Long-term Financial Goals	
Somewhat confident to not at all	68%
Very or moderately confident	32%
BORROW	
How Manageable Is Household Debt?	
Have more debt than manageable	36%
Have manageable debt or no debt	64%
How Would You Rate Your Credit Score?	
Fair or Poor	31%
Good to Excellent	51%
I don't know	18%
PLAN	
Confidence You Have Sufficient Insurance To Cover An Emergency	
Somewhat to Not Confident at all	69%
Very or Moderately Confident	31%
Do You Agree That Your Household Plans Ahead Financially?	
Strongly or Somewhat Agree	64%
Neutral or Disagree	36%

N= 167

COVID-19 IMPACTS ON HOUSEHOLD FINANCES AND FINANCIAL WELL-BEING

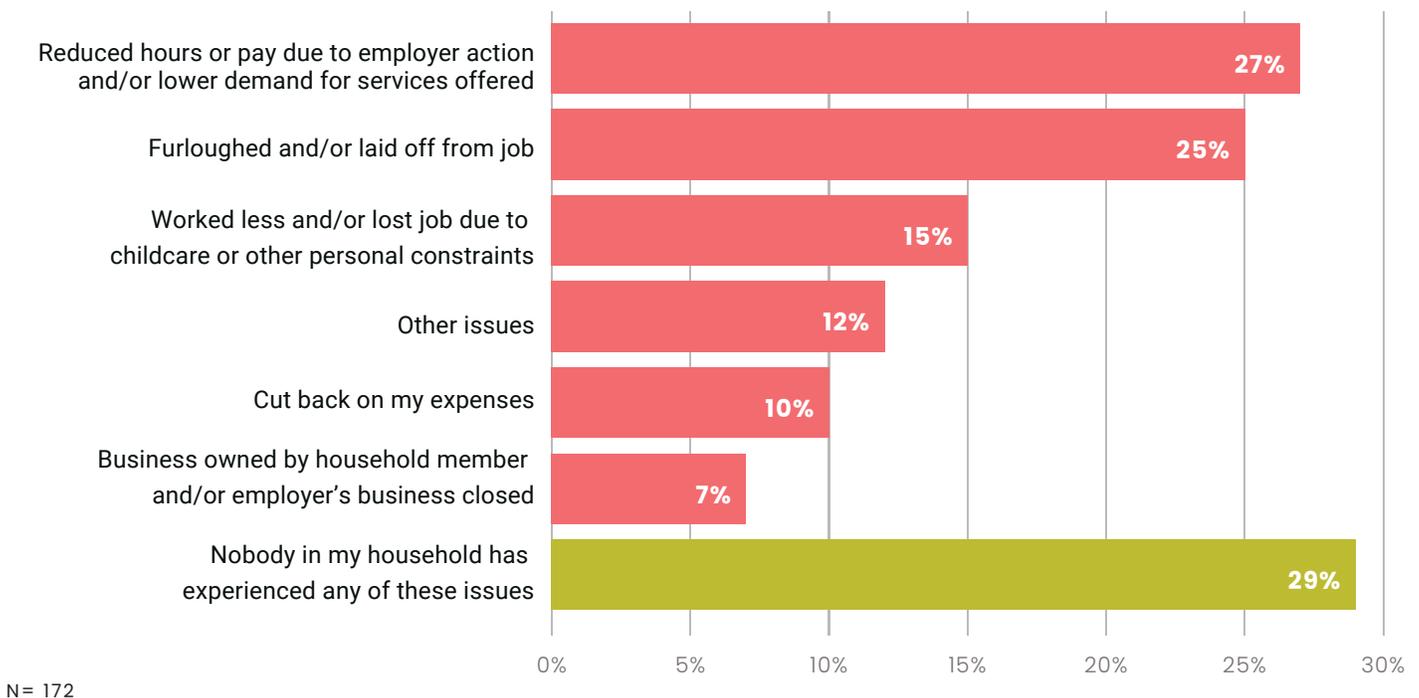
Households in the study had a variety of experiences due to the coronavirus outbreak. Twenty-nine percent did not experience any of the issues highlighted, including jobs loss, reduced hours, and other financial setbacks.¹² The largest categories of impact included reduced hours or reduced demand for services (27%) and furloughed or laid off (25%). Lack of childcare or other personal constraints impacted 15% of the survey respondents.

Respondents noted a range of other issues impacting them because of the pandemic. Impacts of illness from COVID-19 or other disabilities were noted, as well as the challenge of finding new jobs, but with lower pay, and struggles with inflation.

Among the tools people used to address financial hardship, the stimulus was an important cash infusion. Sixty-seven percent of the survey respondents received at least one federal stimulus payment, 26% did not and 8% did not know. Spanish speakers were less likely to receive a stimulus payment, with 31% indicating they received at least one payment, compared to 83% for English speakers.

FIGURE 6

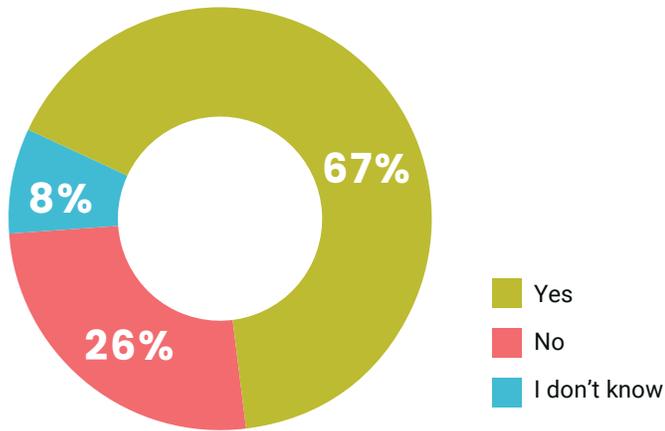
EMPLOYMENT AND FINANCIAL ISSUES EXPERIENCED SINCE MARCH 2020 DUE TO CORONAVIRUS OUTBREAK*



* Total exceeds 100% because it was a multiple choice question and people were able to select more than one choice.

FIGURE 7

RECEIVED FEDERAL STIMULUS PAYMENT

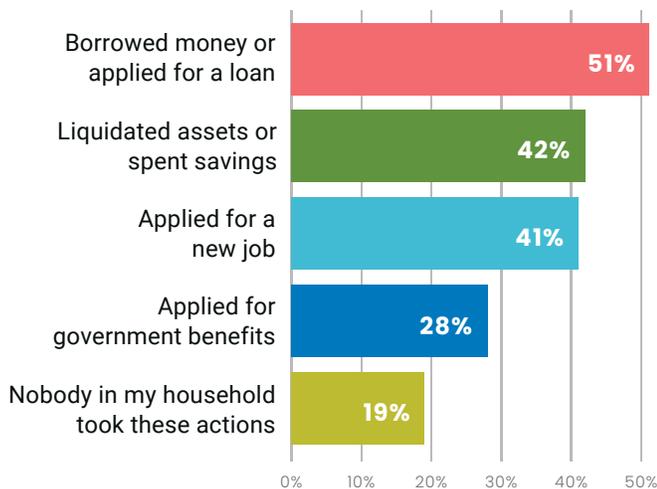


N = 172

In addition to stimulus funds, households relied on a variety of assistance programs and personal resources. One in five did not take any of the actions described in the survey. Around half borrowed money or applied for a loan to fill financial gaps created by the pandemic.*13 Spending money from personal assets and finding a new job were other important tools, with 42% and 41% respectively using those options. Just over 1 in 4 respondents applied for government benefits.

FIGURE 8

ACTIONS TAKEN IN HOUSEHOLDS SINCE MARCH 2020 TO COPE WITH THE EFFECTS OF CORONAVIRUS OUTBREAK*



N = 172

Figures 9–11 offer more detail into three categories of strategies: borrowing, liquidating assets, and applying for government benefits.*14 Among those who used or applied for loans, 51% borrowed from family and friends, emphasizing the importance of family and social networks. Holding balances on a credit card was the second most common credit option used. Ten percent resorted to high-cost loans through payday loans, auto title loans, or pawn loans, and 9% used high-cost online loan options. Those who used high-cost loan options were largely low-income women of color.

Spanish speakers were less likely to receive a stimulus payment, with 31% indicating they received at least one payment, compared to 83% for English speakers.

* Total exceeds 100% because it was a multiple choice question and people were able to select more than one choice.

FIGURE 9

CREDIT OPTIONS USED BY SURVEY PARTICIPANTS*

PERCENT BASED ON THE NUMBER OF PARTICIPANTS WHO USED OR APPLIED FOR CREDIT

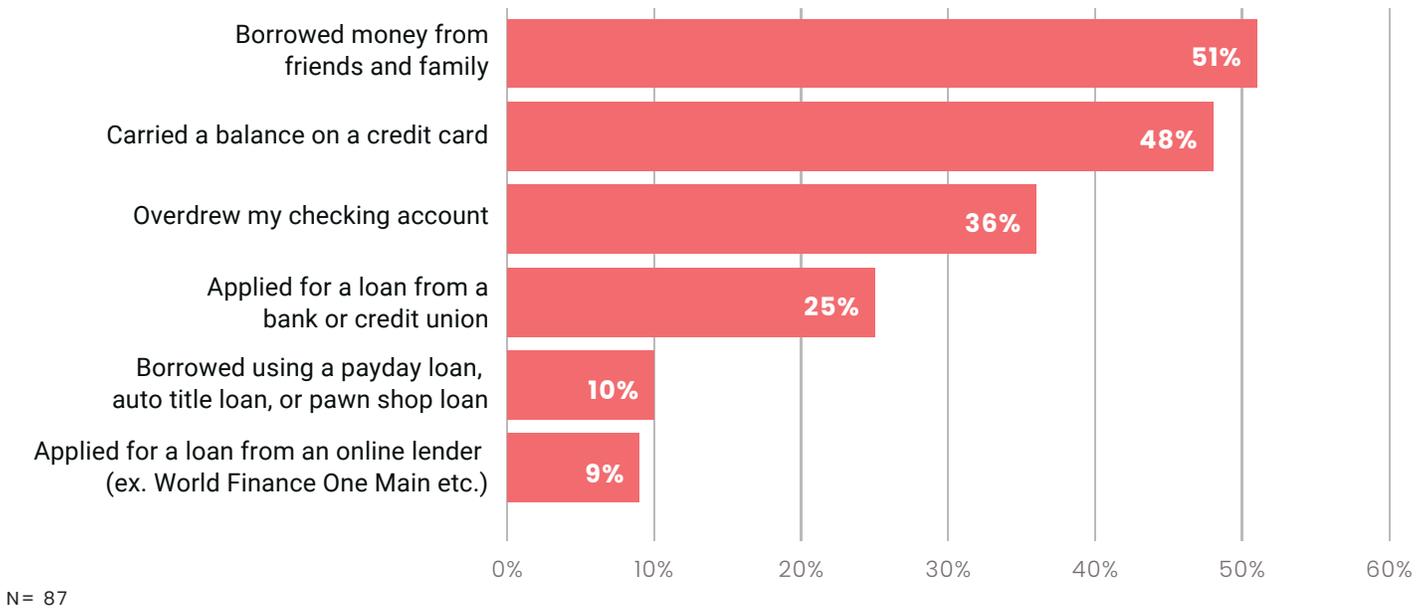


FIGURE 10

USING ASSETS TO MAKE ENDS MEET*

PERCENT BASED ON NUMBER OF PARTICIPANTS WHO LIQUIDATED ASSETS OR SAVINGS

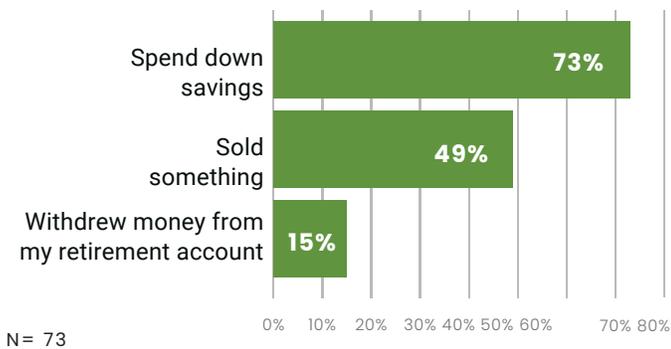
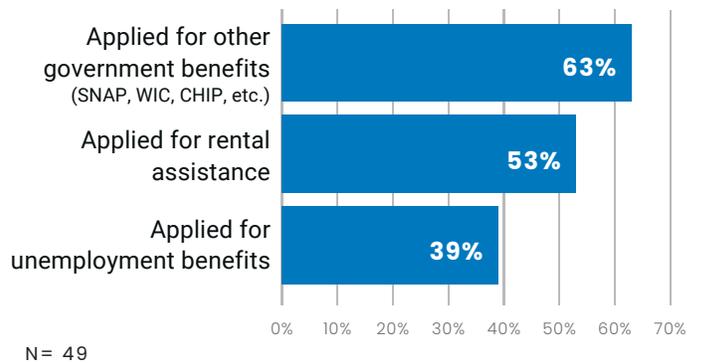


FIGURE 11

GOVERNMENT BENEFITS USED BY SURVEY PARTICIPANTS*

PERCENT BASED ON THE NUMBER OF PARTICIPANTS WHO APPLIED FOR GOVERNMENT BENEFITS



Among those who used their assets to make ends meet, spending savings was the top strategy, at 73%, followed by selling personal items. For those who applied for government benefits – such as SNAP, CHIP, and WIC – were the top benefits used at 63%, followed by 53% applying for rental assistance, and 39% for unemployment benefits.

* Total exceeds 100% because it was a multiple choice question and people were able to select more than one choice.

USE OF FINANCIAL SERVICES

Figure 12 shows data from the survey regarding the use of specific financial products. Seventy-three percent of the survey respondents used a checking account and 52% used a savings account.*15 Fifty-three percent of the respondents used multiple products. Using both a checking and savings account was the most common combination.

Three quarters of the survey participants (76%) used a checking account, a savings account, or both. Six percent used a payroll card or prepaid card only, with no bank account. This unbanked percentage is higher than the overall unbanked percentage for the Austin-Round Rock Metropolitan Statistical Area (MSA), based on the 2021 Federal Deposit Insurance Corporation (FDIC) Household Use of Banking and Financial Services survey, which found 0.8% unbanked.*16 The FDIC survey also found a 5.6% unbanked rate for the state of Texas.*17 The Austin-Round Rock MSA covers a larger geographic area than just Travis and Williamson Counties, so the two are not directly comparable, but it provides an idea of the local unbanked rate. One likely reason for the higher rate in this survey is the oversampling of low-income individuals, who are more likely to be unbanked.

“
A deeper look at data regarding day-to-day financial transactions found mobile banking to be the most common way that people transact.
”

FIGURE 12

FINANCIAL PRODUCTS USED*



Checking account at a bank or credit union

73%



Savings account at a bank or credit union

52%



Prepaid card

13%



Payroll card

4%



Other/ I don't know

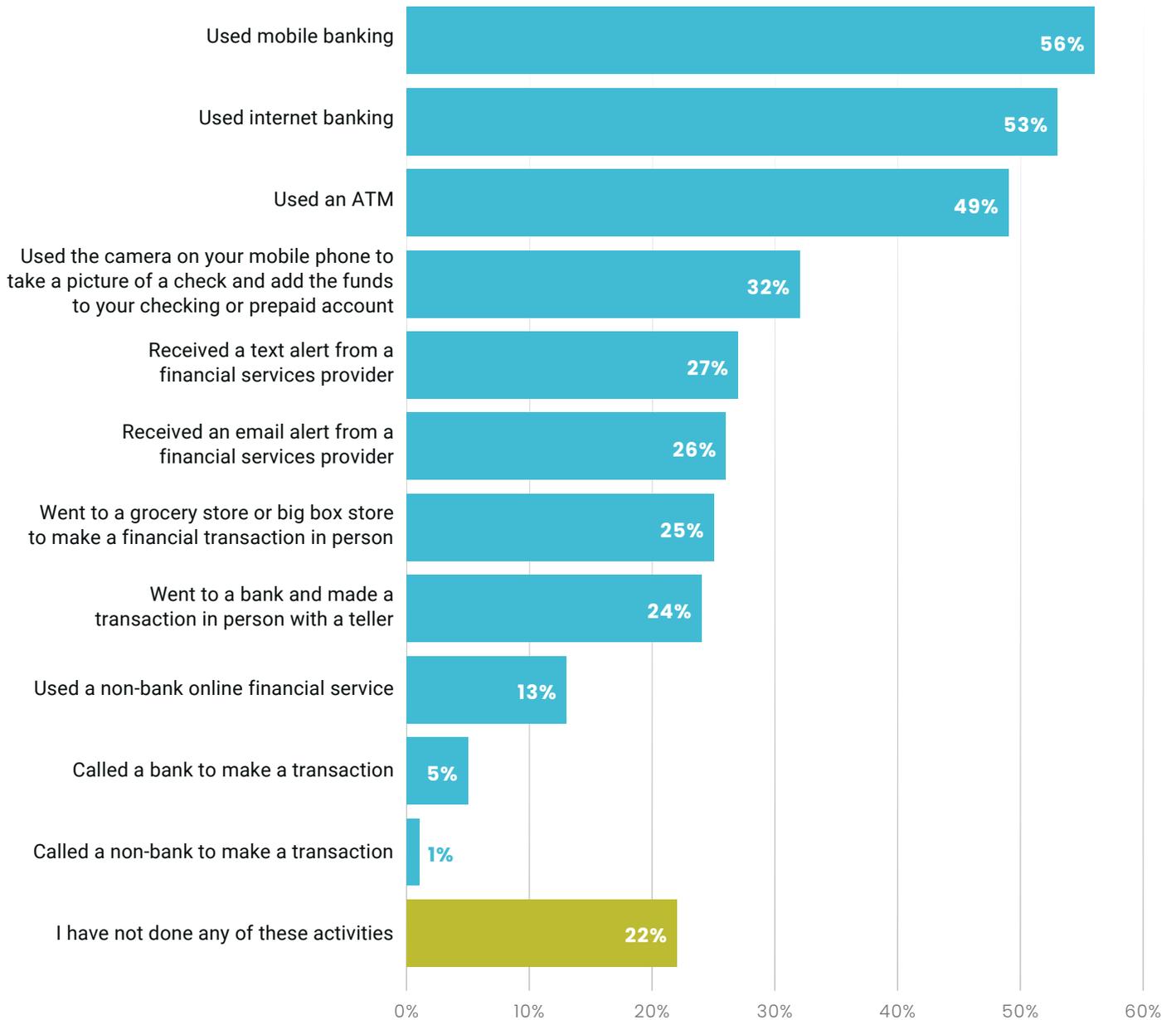
18%

N= 172

* Total exceeds 100% because it was a multiple choice question and people were able to select more than one choice.

FIGURE 13

FINANCIAL ACTIVITIES IN THE LAST 30 DAYS*



N= 172

A deeper look at data regarding day-to-day financial transactions found mobile banking to be the most common way that people transact, with 56% of the respondents using the service.*18 Internet banking and ATMs were the next most common financial activities at 53% of respondents and 49% respectively. Mobile deposits and use of email or text alerts from financial institutions were less common than overall use of mobile or internet technology for banking. Thirty-two percent used mobile deposits, 26% used email alerts, and 27% used text alerts.

In-person activities, such as visiting a grocery store or a bank teller were less common, but still occurred with some frequency. One in four respondents used in-person services in the previous 30 days.

Most respondents used multiple financial activities in the month preceding their participation in the survey. Sixty-three percent engaged in at least two activities on the list provided, and 54% used three or more.

* Total exceeds 100% because it was a multiple choice question and people were able to select more than one choice.

Survey of Financial Well-Being Services Offered by Nonprofit Organizations Serving Low-Income Clients in Travis and Williamson Counties

Sixteen nonprofit organizations serving low-income clients participated in the service provider survey.¹⁹ The survey focused on understanding the availability of financial education and coaching services, client financial needs, and organizational funding and capacity.

ORGANIZATIONS PARTICIPATING IN THE SURVEY

- Alternative Learning Center
- Asian Family Support Services of Austin
- Austin Asian Community Health Initiative
- Austin Tenants Council
- Austin Urban Technology Movement (AUTMHQ)
- Capital IDEA
- Community Coalition for Health
- Dress for Success Austin
- Foundation Communities
- HealthStart Foundation, Inc.
- PelotonU
- SIMS Foundation
- The SAFE Alliance
- Todos Juntos LC
- Williamson County Juvenile Services
- Women's Storybook Project of Texas



'Financial Health Pathways is one of the only organizations doing this important work'

Yvette Ruiz krumhansl

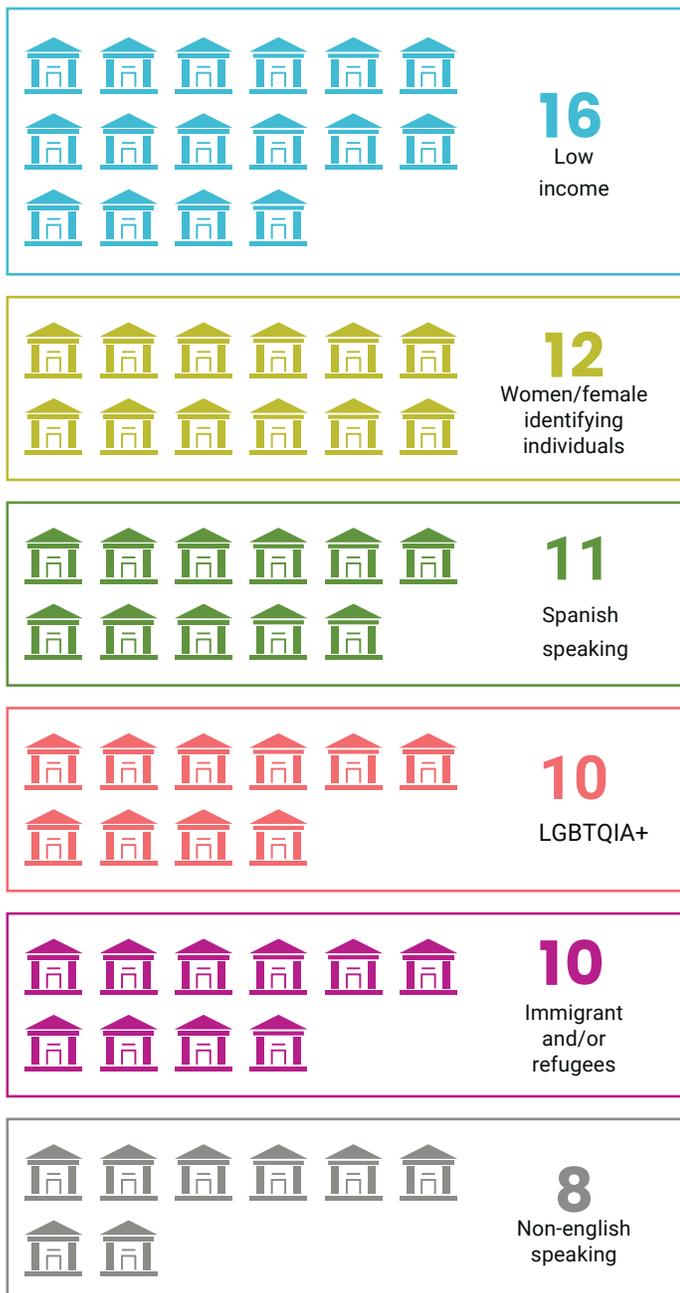
J.P. Morgan Chase, Executive Director of Community Engagement

COMMUNITIES SERVED AND SERVICES OFFERED

The sixteen organizations served a variety of target communities. All the surveyed organizations served low-income clients. Women were the most common sub-group served, but many of the organizations served people from each of the communities identified in the survey question.

FIGURE 14

COMMUNITIES SERVED BY SURVEYED ORGANIZATIONS*

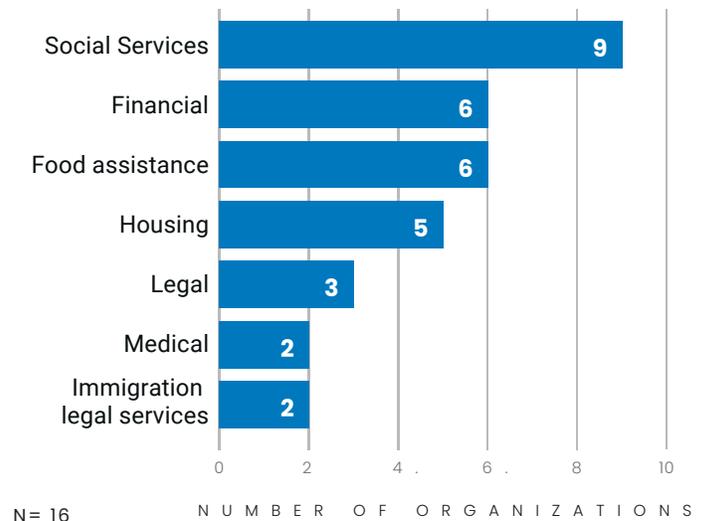


N = 16

Other communities served by the survey participants included the Black or African American community, young children, English language learners from the Burmese community, higher education, and survivors of interpersonal violence.

FIGURE 15

SERVICE OFFERED BY SURVEYED ORGANIZATIONS*



The largest number of survey participants indicated providing social services to their clients. The next highest categories of services were financial and food assistance. The surveyed organizations listed multiple other services in addition to those listed in the survey question. Many offered a variety of education services, including literacy, health, parenting and youth-oriented education. Case management, workforce development, and behavioral health services were also offered by some survey participants.

Looking specifically at financial education services, 9 of the surveyed organizations indicated offering at least one financial education service, with 6 offering multiple services. Four offered no services and 3 did not respond to the question. Additional financial education services mentioned included financial coaching for college students and credit building through loans and rent reporting.

* Total exceeds 16 because each organization could select multiple responses.

FIGURE 16

FINANCIAL EDUCATION SERVICES*

NUMBER OF SURVEYED ORGANIZATIONS
OFFERING SERVICES



Financial education services

7



Financial education
(workshops
training)

6



Financial coaching
(ongoing goal-based
coaching)

5



Emergency assistance
(cash help and/or
bill-payments)

3



Assistance with credit
building/access
(assistance with loans
and loan applications)

4



None

N= 13

Among organizations offering financial education services, five indicated that they have 2 to 10 full-time staff delivering those services, two had 11 to 25 staff, and one indicated 1 full-time staff member offering financial education services and one organization provided no answer. Just one organization indicated that staff was certified to offer financial education services. Reasons for not certifying staff included limited staff time and the high cost of the certification.

One of the 4 organizations that offered no financial education services expressed interest in adding capacity to provide those services. Two organizations noted that they refer clients to other organizations that offer financial education services.

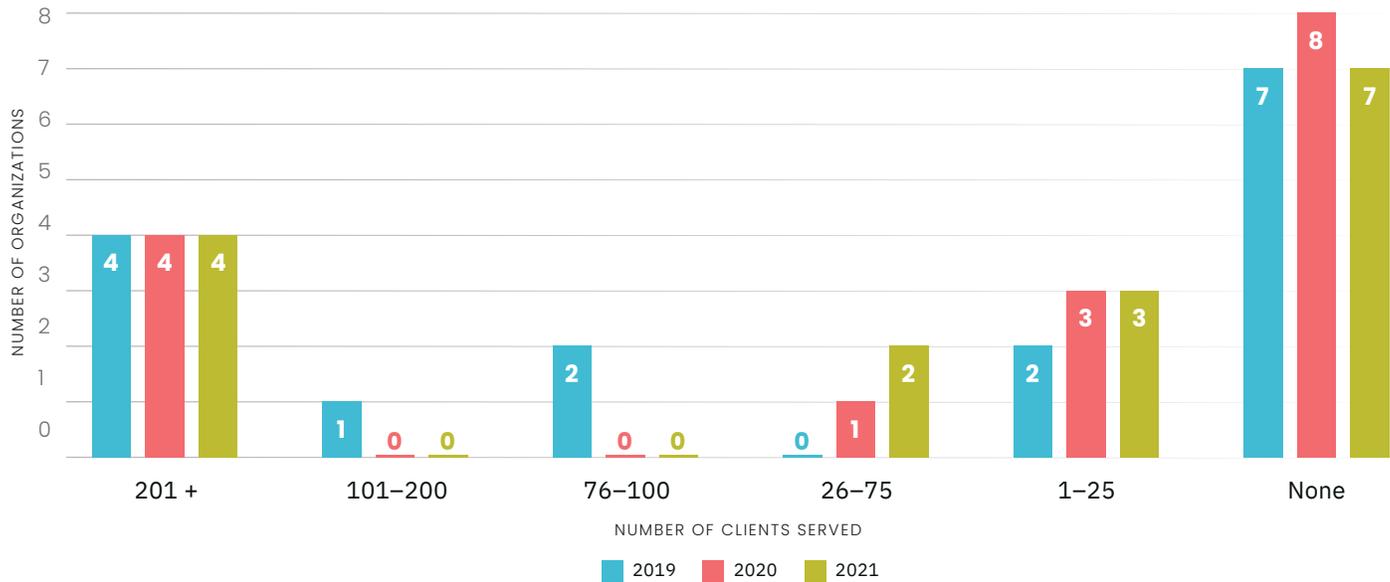
“
Just one organization indicated that staff was certified to offer financial education services. Reasons for not certifying staff included limited staff time and the high cost of the certification.
”

* Total exceeds 13 because each organization could select multiple responses.

FIGURE 17

CLIENTS PROVIDED FINANCIAL EDUCATION OR COACHING SERVICES

2019–2021



N = 16

Organizations were asked about the number of clients who received financial education and financial coaching services for each year from 2019 to 2021. The number of organizations serving clients in the highest category, 201 clients or more, remained consistent across all three periods. Overall, there appears to be a small loss in capacity, with no organizations serving 76–200 clients after 2019. There was a small gain in those serving 1–75 clients.

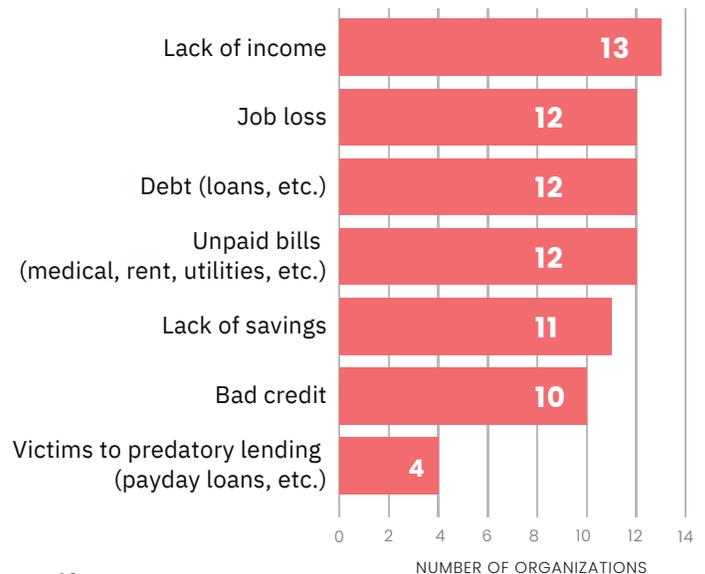
Other financial issues highlighted by the responding organizations included incarceration, lack of affordable quality childcare, and economic abuse. When asked about reasons why clients use predatory loans, the need for immediate cash and a lack of financial education were two top issues mentioned by the survey participants, followed by bad credit and unemployment.

CLIENT FINANCIAL NEEDS AND EXPERIENCES

Organizations shared insights about both client financial needs and experiences.²⁰ Lack of income was the top financial issue shared by participating organizations (13 of 16), followed by job loss, debt, and unpaid bills (12 of 16). Bad credit and lack of savings were also highlighted by organizations (10 and 11 respectively). Four of the 16 indicated that predatory lending was a challenge for their clients.

FIGURE 18

FINANCIAL ISSUES EXPERIENCED BY CLIENTS*



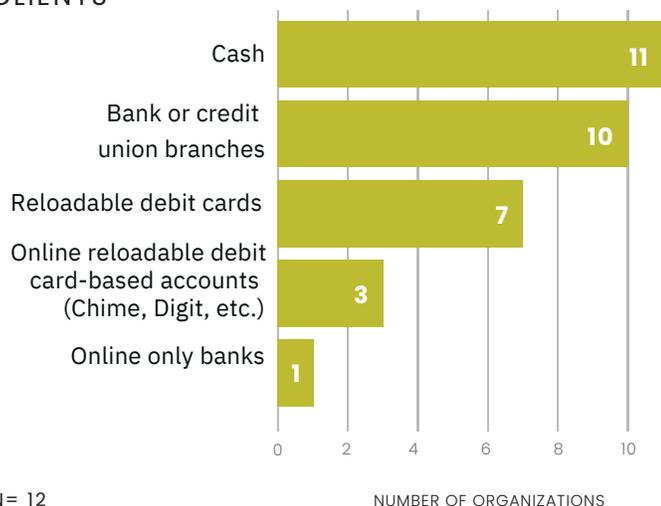
N = 16

* Total exceeds 16 because each organization could select multiple responses.

Cash was the most common means of financial services transactions for clients of the organizations participating in the survey

FIGURE 19

FINANCIAL SERVICES USED BY CLIENTS*



Cash was the most common means of financial services transactions for clients of the organizations participating in the survey (11 of 12 answering the question). Ten of 12 indicated that their clients used banks or credit unions. Reloadable debit cards were used by clients of 7 of the 12 organizations that responded to the survey question. One organization also mentioned money orders as a tool to pay bills for clients who primarily use cash.

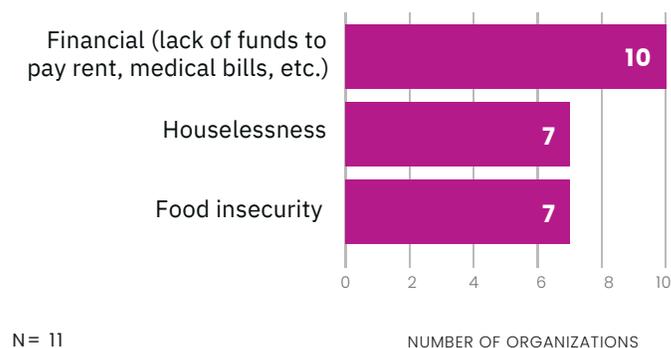
Both the financial issues experienced by clients and the use of financial services are consistent with the responses from individuals surveyed

through the financial health assessment. Cash was not highlighted in the individual survey but was also not a specific option provided in any of the applicable financial health survey questions.

COVID-19 had varying financial impacts on the clients of the organizations that participated in the survey. Eleven of the 16 participating organizations shared insights, and among them the lack of sufficient income to cover expenses was a top challenge faced by clients. Houselessness and food insecurity were highlighted by 7 of the 11 organizations. Other issues organizations listed included sickness, mental health struggles, lack of access to childcare and schools, and increased isolation and violence in homes.

FIGURE 20

MOST PREVALENT ISSUES EXPERIENCED BY CLIENTS DURING COVID-19 PANDEMIC*



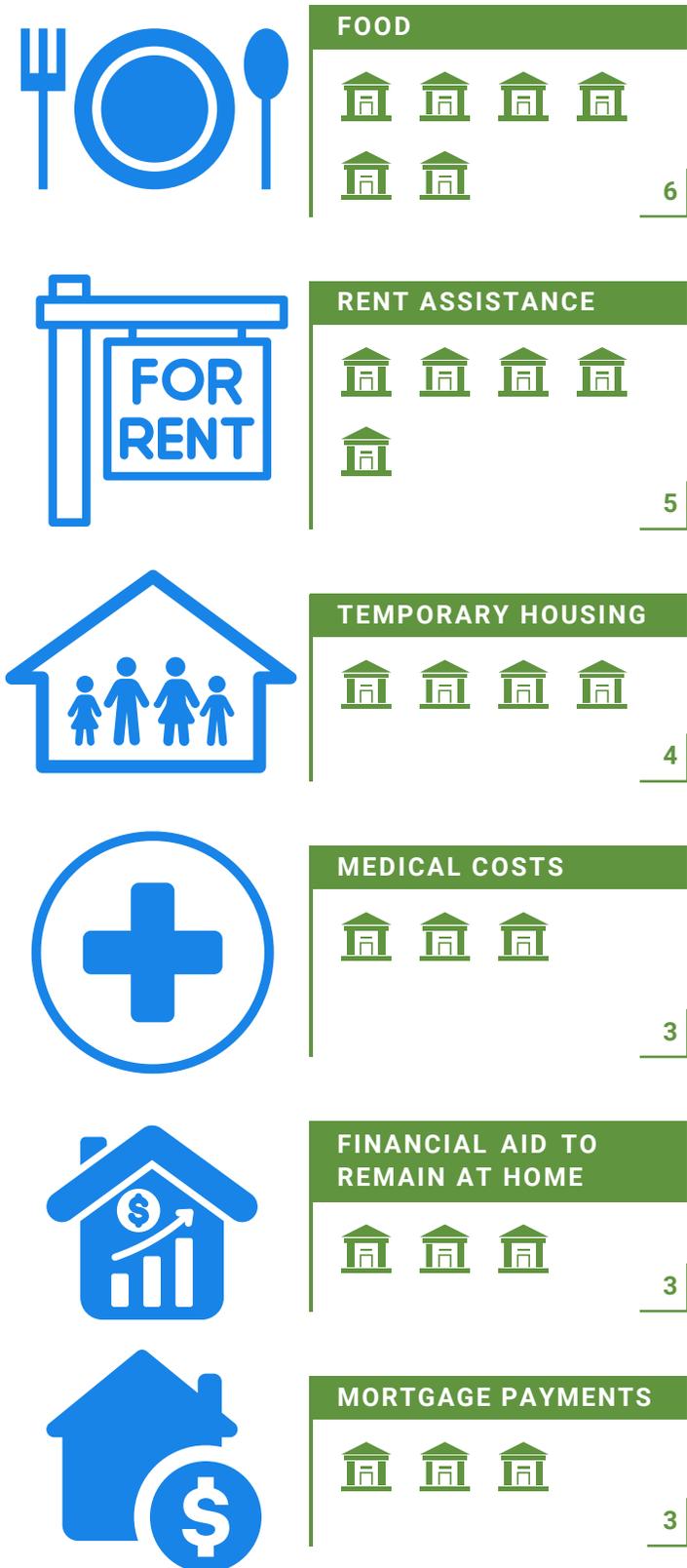
As part of efforts to serve client needs, 11 organizations shared information about the financial assistance that they offered. The top two categories of assistance were food and rent assistance. Six of the 11 organizations offered food assistance and 5 offered rent assistance.

* Total exceeds the number of organizations responding because each organization could select multiple responses.

FIGURE 21

TYPES OF ASSISTANCE OFFERED BY ORGANIZATIONS*

NUMBER OF SURVEYED ORGANIZATIONS OFFERING ASSISTANCE



N= 11

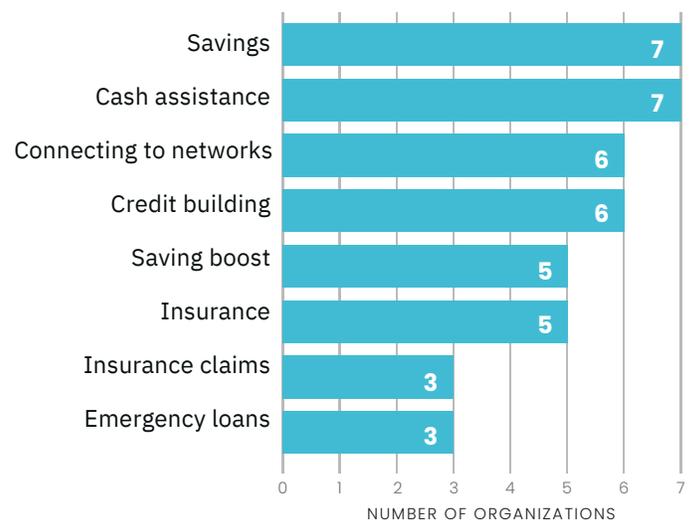
Government or philanthropic grants were the two primary sources of funding for financial assistance (7 organizations), though several organizations also cited using non-governmental grants (6 organizations) and general organizational funds (5 organizations). Nine of the 11 organizations that replied to this question used multiple sources of funds to provide financial assistance to their clients. The 2 that relied on just one funding source relied on government assistance or grants.

ORGANIZATIONAL STRATEGIES AND CAPACITY TO EXPAND FINANCIAL WELL-BEING SUPPORT FOR CLIENTS

To explore opportunities to expand access to services that enhance financial well-being for low-income residents of Travis and Williamson Counties, the survey explored areas where nonprofits feel clients need additional services and looked at organizational capacity and desire to expand offerings. Eleven of the 16 organizations offered insights into services they would like to implement. Savings and cash assistance support services were the top two categories selected, with 7 organizations choosing each option.

FIGURE 22

STRATEGIES ORGANIZATIONS WOULD LIKE TO IMPLEMENT TO HELP CLIENTS FACE FINANCIAL SHOCKS*



N= 11

* Total exceeds the number of organizations responding because each organization could select multiple responses.

Organizations were asked if they could embed financial education concepts into existing programming. Feedback varied but fell into two major groups—those interested in adding new financial education and those looking to other organizations to support their clients. Comments included:

“Yes, and we strive to reach clients with the financial education that is relevant to their goals.”

“Yes, that would be a very useful training and a good tool to embed in our Economic Justice program.”

“I would love that but I don’t think we have the bandwidth to do it.”

“We are a small staff wearing several hats and that is why it is better and more efficient to access qualified programs in the community.”

When asked about additional training and resources that could help the organization support the financial health of clients, suggestions included:

“Partnerships with financial institutions that can offer their services to our clients for free.”

“Financial stability funds for those who are struggling to keep their heads above water when unexpected expenses or job loss happen.”

“Dedicated staff to support clients.”

“Having certified financial coaches.”

“Relevant, culturally responsive workshops specifically for immigrants.”



'The FHP Roundtable was an inspiring event reminding community leaders of the importance of financial literacy and sharing essential data on the negative impacts of predatory lending. Access to financial education is a necessary tool to address socio-economic inequities in our community and FHP provides that education to our most marginalized populations. By supporting those most impacted by predatory financial practices, we foster economic independence, break the cycle of poverty, and pave the way for a more equitable and justice society. It takes a community to create change, and the roundtable brought together the community to implement sustainable change.'

Honorable Denise Hernández
Travis County Court at Law No 6

ORGANIZATIONAL FUNDING

Organizations were asked about funding, both covering the surge in service demands due to the COVID-19 pandemic and in the period since. There was a lot of variability in funding situations among the organizations that replied. Three reported no change in funding. Five saw increases in government funding, 4 saw increases in donor funding and 3 received increased foundation funding. Targeted funding from cities was cited by the largest number of organizations (7 of the 11 that responded to the question) as a source of funds to support client financial hardship related to the pandemic.

FIGURE 23

TARGETED FUNDING SOURCES TO ADDRESS CLIENT FINANCIAL HARDSHIP DUE TO COVID-19 PANDEMIC*

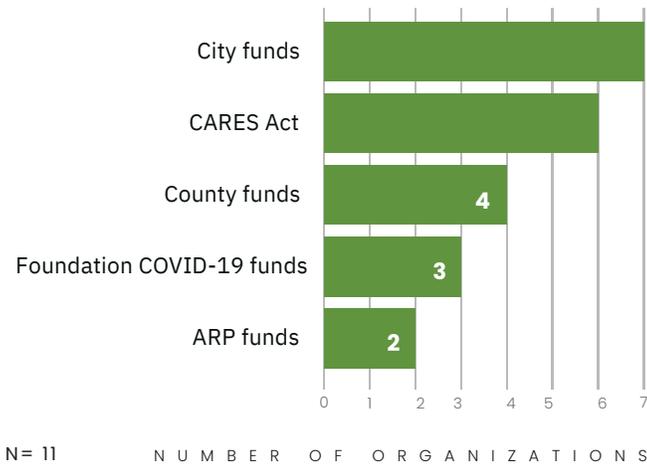
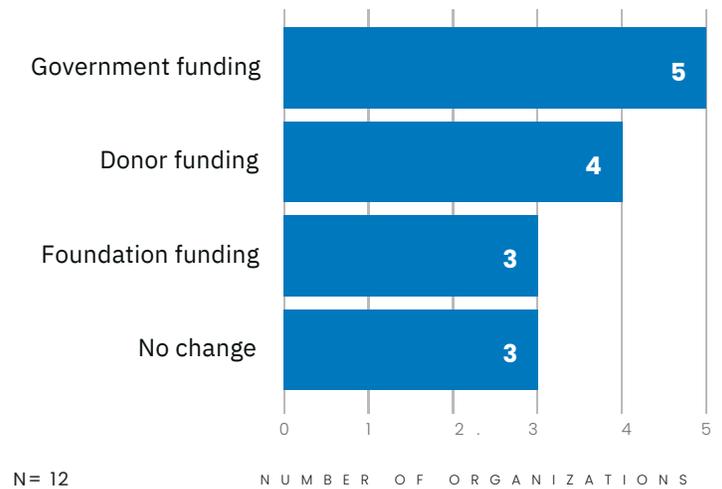


FIGURE 24

SOURCES OF SIGNIFICANT FUNDING INCREASE SINCE THE COVID-19 PANDEMIC*



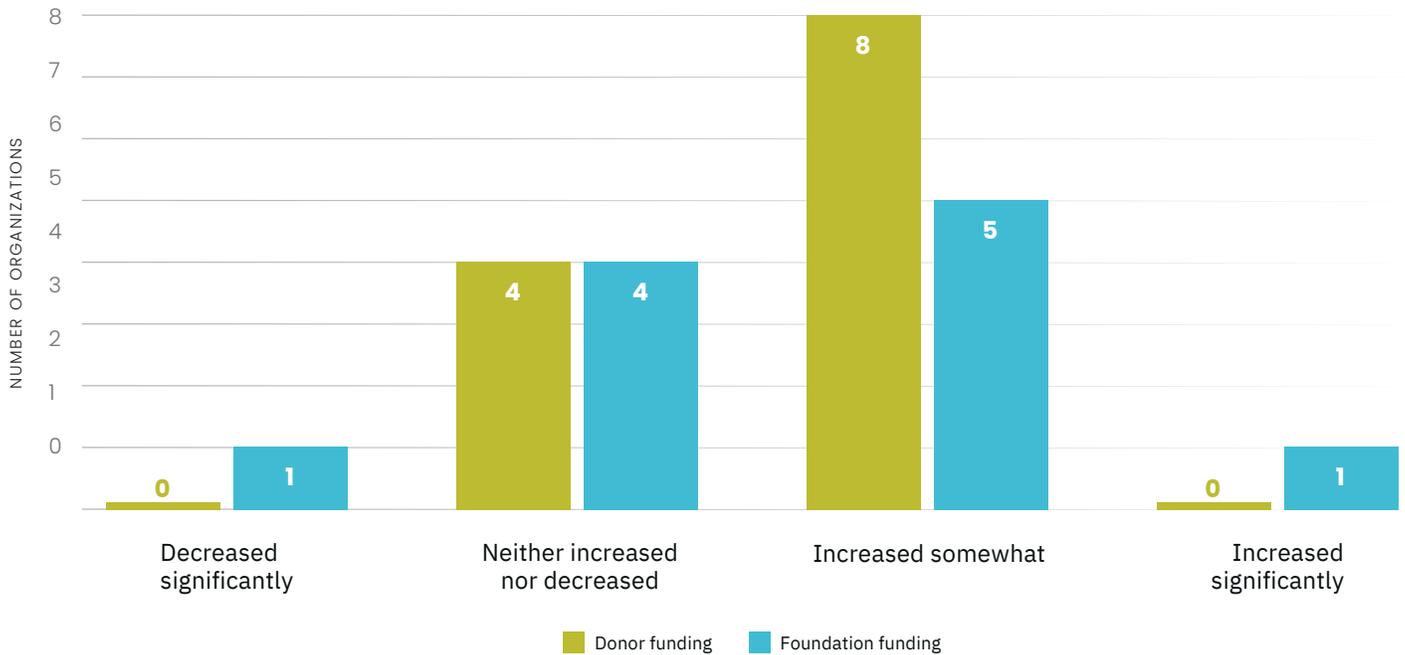
Targeted funding from cities was cited by the largest number of organizations as a source of funds to support client financial hardship related to the pandemic.

* Total exceeds the number of organizations responding because each organization could select multiple responses.

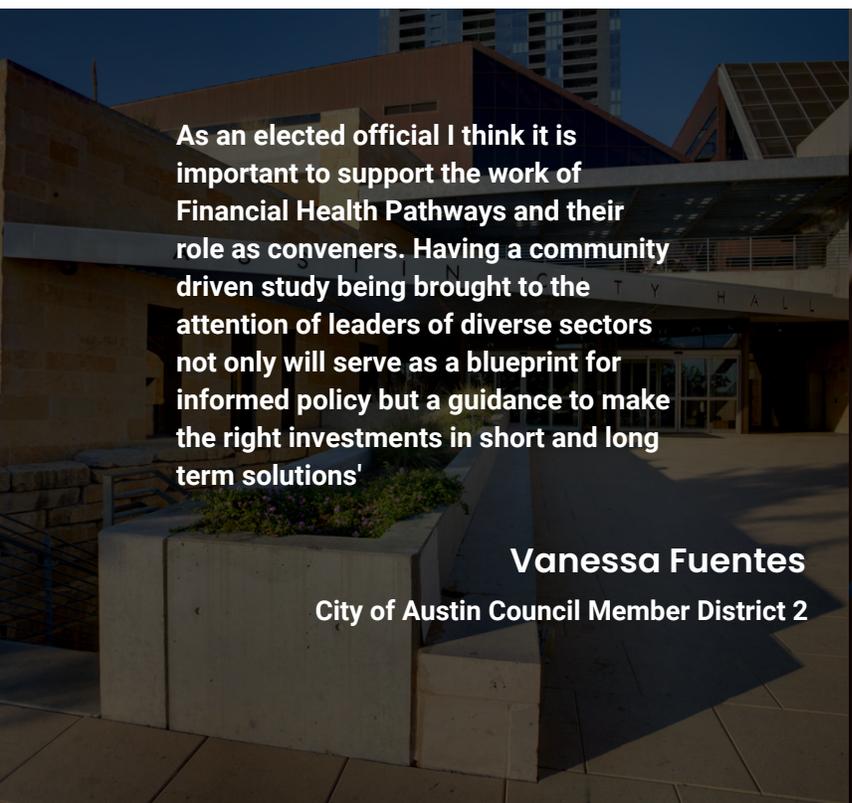
Since the pandemic there have been some changes in funding levels from donors and foundations. One organization reported a decrease in foundation funding. Eight organizations reported an increase in donor funding and 6 reported an increase in foundation funding.

FIGURE 25

CHANGE IN DONOR AND FOUNDATION FUNDING SINCE THE COVID-19 PANDEMIC



DONOR FUNDING: N= 12
 FOUNDATION FUNDING: N= 11



Vanessa Fuentes
 City of Austin Council Member District 2



Recommendations to Improve Financial Well-Being in Travis and Williamson Counties

This survey of individuals and organizations provides a benchmark to assess community needs and measure changes based on policies, programs, and the overall economic condition of Travis and Williamson counties. The survey results point to recommendations to build capacity of individuals and the organizations that offer financial well-being services.



Individuals —

Recommendations to help individuals build financial well-being:

- **Expand philanthropic and public investments in local matched and incentivized savings programs.** Programs such as the *I Save Texas incentivized savings programs* or other similar local initiatives have offered impactful opportunities for lower income families to build savings.
- **Build greater awareness of the financial products and services available to meet the needs of lower income residents.** Many times, people do not know of the beneficial financial services options available in the local community. Financial institutions and nonprofits can collaborate to ensure that clients and customers know about beneficial financial service options that they can access.
- **Increase the availability of low-cost small dollar loan options and expand local payday and auto title lending ordinances in Central Texas.** High-cost lending continues to target the most financially vulnerable Central Texans. There is some market momentum among banks and credit unions to create better loan products, and expediting and expanding those efforts would benefit low-income residents. In addition, the City of Austin adopted an ordinance to rein in the cycle of debt created by high-cost payday and auto title loans. At least 49 cities across Texas have adopted some form of the same ordinance. Other Central Texas cities should consider adopting the ordinance, to establish a baseline of fair market practices in the region for the most expensive and harmful loans.
- **Research insurance gaps.** Survey respondents highlighted concerns about having appropriate insurance coverage. Little research exists documenting the specific challenges people face. Researching gaps will support the process to develop approaches to address the challenges low-income individuals face in accessing sufficient or affordable insurance.
- **Repeat the financial health survey every 2 years,** to monitor changes over time and assess policy impacts.

- **Local financial institutions can better support the financial well-being of Central Texans by offering services that boost savings and avoid penalty fees.** The survey indicates that the pandemic caused many people to drain their savings. We need targeted efforts to help individuals rebuild savings and minimize or eliminate penalty fees like low-balance fees and overdrafts, which can be particularly harmful to lower income customers. Some local examples that could be expanded to other financial services providers include:

- Amplify Credit Union’s decision to do away with all fees;
 - Prize-linked savings offered at A+ Federal Credit Union; and
 - The growing number of financial institutions reducing or eliminating overdraft fees.

Organizations

To enhance the financial well-being efforts of local nonprofit organizations, local strategies include:

- **Increase funding support to expand access to financial coaching, direct assistance, and services to improve access to higher-paying jobs.** Financial coaching will help people manage what they have to their benefit, direct assistance enables organizations to support individuals with financial needs, and better jobs will support increased income. Programs like Capital IDEA, have a proven track record of helping people to achieve higher paying jobs. In addition, building out more tools to better serve clients, such as having more financial institutions willing to refinance high-cost debt, including personal and auto loans, will enable families to reap maximum benefits from existing resources.

- **Provide funding support to nonprofit organizations to develop and implement relevant financial solutions for specific communities and constituencies.**

— Communities with particular needs that were highlighted in the survey include low-income women of color, Spanish speakers (which may be a proxy for immigrant communities), formerly incarcerated individuals, and survivors of interpersonal violence.

— Expand innovative applications of financial education, such as the Financial Justice Program of Financial Health Pathways, which provides an opportunity for people with minor traffic offenses to learn about personal finances in exchange for dismissal of cases and waiver of associated fines.



'As socially conscious organizations we have a responsibility to make intentional investments that support long term solutions. This study, conducted by FHP, is not only necessary but enlightening about the critical issues we need to allocate resources to solve'

Carol Urton

**Experian, North America Senior
Director of Corporate Responsibility**



FOUR

Boosting Financial Health in Travis and Williamson counties Roundtables

After the release of the “Boosting Financial Health in Travis and Williamson Counties” report, several roundtables were conducted to discuss solutions to the many barriers identified in the study that prevent our communities from improving their financial health and achieving financial stability. With a multi sector approach, Financial Health Pathways selected and invited leaders from different sectors and from diverse backgrounds to have a rich conversation about the findings and recommendations of this report and actively engage in providing long and short term solutions.

The discussion was opened by the Executive Director and Founder of the Financial Health Pathways, Ms. Lourdes G. Zuniga, and was followed by a presentation of the findings by the Director of Fair Financial Services at Texas Applesed, Ann Baddour. The group then engaged in an open discussion and Q&A.



'Poverty makes people sick. This study gifts our community a game-plan to health and prosperity, for all. It's time to follow FHP's lead!'

Michael Hole, MD, MBA

The University of Texas at Austin
Pediatrician & Professor



WHAT STOOD OUT THE MOST

Local leaders who participated in the round tables highlighted critical findings of the study, including the high number of unbanked residents, the percentage of financially vulnerable individuals (32%), and the particular financial hardship faced by immigrants and low-income women of color. Round table participants also honed in on the high percentage of people that, despite having a bachelor's degree, still fell in the spectrum of low and moderate income (LMI) households, indicating that perhaps educational attainment alone is not a determinant of savings or financial health.

Attendees also commented on the fact that 50% of the surveyed people declared having a savings account and would like to better understand what got those who participated in the survey to start saving and how to teach others to save. However, they also expressed disappointment that, due to the loss of income and other sources of revenue during the pandemic, people had to use up all their savings and start from zero.

Another key highlight was the lack of knowledge around insurance products and the need for financial education to improve understanding of financial products as well as ways to protect financial assets. There was optimism around the fact that a large percentage of surveyed residents were in the category of financially coping (52%), which indicated that there is a big opportunity to intervene and help them move to become financially healthy.

'I appreciate Financial Health Pathway's leadership in collaboratively bringing our public and private sectors together to address barriers to economic justice. During the pandemic, FHP had the foresight to prioritize sustainable solutions over quick fixes, and our community is better for it.'

Adrienne Sturup

Austin Public Health Director



KEY ROUNDTABLE OUTCOMES AND COMMITMENTS: WHAT CAN WE DO?

Attendees agreed that more needs to be done to improve access to affordable financial services by removing some of the systemic barriers in place. They suggested elevating the findings of this report to educate stakeholders about the identified barriers and industry gaps and to update the survey periodically to take the temperature on the effectiveness of the provided solutions.

Common themes revolved around more coordinated collaborative action between philanthropic organizations and service providers so that focused investments can be made towards asset building and workforce development as well as more awareness of Individual Development Accounts (IDA's) to increase savings in low income communities.

Service providers also reflected on the need to use available tools such as the Arizona Self Sufficiency Matrix (a tool for staff to assess the degree of self-sufficiency of persons served quickly and simply) to identify their client's areas of opportunity and map out bolder outcomes.

These practices can be expanded to all social impact agencies and complemented with assistance for health, auto, and home insurance and financial coaching particularly for young women.



All stakeholders felt inspired to create more communication and education throughout coalitions and embrace approaches that facilitate local integration and collaborations so that efforts will not falter due to working in silos.

The roundtables also re-affirmed the importance of mobilizing and engaging diverse sectors and, in that regard, Financial Health Pathways announced the creation of a Financial Ecosystem. The goal of this new initiative is to ensure coordinated efforts and advance commitments, convenings, ongoing financial education articles, panel discussions, and publication of research to aid financially vulnerable communities in attaining durable solutions to increase wealth.



A FINANCIAL ECOSYSTEM: BUILDING A FRAMEWORK OF COLLABORATION

An important part of the study was the service providers survey because it provided insight into the challenges that nonprofit organizations and government entities face in order to assist their clients with the best possible care.

Among those challenges staff capacity was a prevalent one followed by a lack of awareness of available resources and lack of hubs or social networks to seek information.

Recognizing the importance of building capacity, developing expertise in the financial field as well as fostering opportunities to network and collaborate with each other, FHP announced the creation of a Financial Ecosystem, which leaders from the financial sector and philanthropic organizations made the commitment to invest and support in order to mitigate some of these challenges. Additionally, social sector organizations agreed to convene regularly to explore potential solutions to the challenges the social sector is facing particularly in the aftermath of the COVID-19 global pandemic.

The Financial Ecosystem, will serve as the convening platform for service providers, financial institutions, philanthropic organizations and elected officials to discuss and incubate long term solutions to the financial challenges faced by low income communities so that everyone can have equal opportunities to build their wealth and achieve financial freedom.



'This amazing research initiative that FHP undertook shows that we have an opportunity to convene partners from multiple sectors to build the financial health ecosystem that will empower families with more financial knowledge and asset building initiatives so they can accomplish their financial goals'.

Christopher Rios

Wells Fargo Regional Vice President of Philanthropy and Community Impact







Endnotes

¹ Laura Wheaton, Linda Giannarelli, and Ilham Dehry, [2021 Poverty Projections: Assessing the Impacts of Benefits and Stimulus Measures](#), Urban Institute (July, 2021).

² The unemployment rate, not seasonally adjusted for the Austin-Round Rock Metropolitan Statistical Area was 2.7% in May of 2022, compared to 3.8% statewide and 3.4% for the United States. See: [“Texas Unemployment Rate Continued to Fall in May of 2022, More Industries Experience Full Recovery,”](#) Texas Workforce Commission (June 17, 2022).

³ Based on the [U.S. Census 2020 5-Year Estimate](#), the median household income for Travis County is \$80,668 and for Williamson County is \$90,834. In the same period, the median household income was \$63,826 for Texas and \$64,994 for the United States.

⁴ For example, the Central Texas Food Bank saw increased demand along the I-35 corridor in the summer of 2022, with many people with full-time employment unable to make ends meet. See: [“Rising Prices Add Pressure to Central Texas Food Banks, Communities,”](#) MySA (July 30, 2022).

⁵ See the detailed methodology document for a copy of the survey.

⁶ Details about the assessment can be found at <https://finhealthnetwork.org/>.

⁷ The survey income categories did not align with the low and moderate-income (LMI) thresholds. This estimate is based on all respondents to the English survey who indicated a household income of less than \$70,000 per year, and respondents to the Spanish survey who indicated a household income of less than \$75,000 per year. The LMI threshold for Travis County is \$64,534 and for Williamson County it is \$72,667.

⁸ This score, with a registered trademark of FinHealth Score, was developed by the Financial Health Network and is being used in this study with the appropriate permission of the Financial Health Network.

⁹ Each of the eight questions in the survey has a maximum score of 100. The category and total scores are averages of the applicable questions (two questions per category and eight for the full score). These results reflect the average of the 167 respondents who completed all of the eight questions for the financial health score. A score of 0–39 is considered financially vulnerable, 40–79 is financially coping, and 80–100 is financially healthy. The average scores are somewhat lower than results from a 2022 national survey. That survey found that on average people were financially coping, but with a higher level of stability. The total average total score was 65, with an average score of 72 for spend, 59 for save, 69 for borrow, and 61 for plan. See: Financial Health Network, *Finhealth Score Toolkit*, at 9 (2022).

¹⁰ Andrew Dunn, Andrew Warren, Necati Celik, and Wanira Chege, *Financial Health Pulse® 2022 U.S. Trends Report*, Financial Health Network (September 7, 2022).

¹¹ For survey participants with higher incomes (not low-or moderate-income), 47% were financially healthy, 38% financially coping, and 16% were financially vulnerable (numbers exceed 100% due to rounding). For low-or moderate-income participants, 7% were financially healthy, 53% were financially coping, and 40% were financially vulnerable.

¹² Between the Spanish and English versions of the survey, there were 11 possible responses. Similar responses are grouped together in the chart describing the data for clarity. Individuals who selected both options for the similar responses grouped together were counted just once for the combined category. The English version of the survey included the option, “Nobody in my household has experienced

any of these issues.” That option was not included in the Spanish version. It did include the other option and one person chose ‘other’ and indicated no impact and so was included in the no impact category. Spanish speakers had two additional options not available to English speakers: “Cut back on expenses,” and “Worked less due to childcare or other personal constraints.” All other options were provided in both versions of the survey. These are errors in the survey design and may impact the results. Percentages do not add up to 100%, because respondents can choose as many selections as apply to their circumstances.

¹³ The survey included 14 different options for this question. Similar options were combined into 3 of the groupings for this chart. Two of the categories, “Applied for a job”, or “Nobody in my household took these actions” were not combined with other selections. A person selecting more than one option in a particular grouping was counted once. Percentages do not add up to 100%, because respondents can choose as many selections as apply to their circumstances.

¹⁴ Percentages do not add up to 100%, because respondents can choose as many selections as apply to their circumstances.

¹⁵ Percentages do not add up to 100%, because respondents can choose as many selections as apply to their circumstances.

¹⁶ [2021 FDIC National Survey of Unbanked and Underbanked Households](#) (Last updated October 25, 2022).

¹⁷ Id.

¹⁸ Percentages do not add up to 100%, because respondents can choose as many selections as apply to their circumstances.

¹⁹ The survey was implemented between February 1, 2022 and April 8, 2022. There were a total of 24 responses to the survey. Four organizations had two or more employees respond to the survey, for a total of eight duplicate responses. Those responses were removed from the analysis, but the substance of the responses was retained and combined into one response. The survey question about the number of clients served with financial education had some conflicting answers for the same organization. The employee response indicating the largest number of clients served was used as the value for the organization in those instances.

²⁰ All 16 participating organizations answered the question about financial issues experienced by clients and 12 of the 16 answered the question about financial services used by clients. In both of the questions, the participating organization could choose as many options as applied to their clients.

Acknowledgements

This research was led by Lourdes Zuniga, Executive Director & Founder at the Financial Health Pathways. The data analysis and drafting of the report was provided by Ann Baddour, Director of the Fair Financial Services Project at Texas Appleseed.

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JPMORGAN CHASE & CO.



ABOUT FHP

FHP is a community-centered organization focused on improving the financial health of Texans. We advocate on behalf of the under-served and provide them with education and resources to achieve financial freedom.



This report leverages the Financial Health Network FinHealth Score® Toolkit.

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