

BARRON'S CELEBRATES

Meet Three Organizations Making a Mark in Improving Financial Literacy

By Shaina Mishkin Dec. 2, 2020 4:30 am ET



A participant in a New York City summer youth employment program funded through the Cities for Financial Empowerment Fund's Summer Jobs Connect program.

Courtesy of NYC Department of Youth and Community Development

Three organizations are being recognized by *Barron's* for their contributions to improving the financial health and security of Americans.

A New York based-program that helps teens with summer jobs open bank accounts, a research initiative based at George Washington University's School of Business that has helped foster financial literacy programs, and a California-based company creating personalized financial literacy learning platforms are honorees in the inaugural Barron's Celebrates.

The Cities for Financial Empowerment Fund's Summer Jobs Connect; Global Financial Literacy Excellence Center at the George Washington University; and iGrad/Enrich Financial Wellness have demonstrated their ability to address critically important financial needs that impact a significant number of people.

BARRON'S CELEBRATES 2021: EDUCATIONAL INCLUSION

The 2021 Barron's Celebrates will focus on addressing the learning gap in the U.S., an issue that has become even more acute amid the Covid-19 crisis. *Barron's* will recognize organizations that address problems such as unequal access to technologies, difficulties

When *Barron's* launched the initiative nearly a year ago, the goal was to spotlight organizations that have had a significant impact on improving financial literacy. The importance of their work has become all the more important in the

juggling work and caregiving, and access to skilled remote teaching. Up to three will be honored next year.

See information on entering Barron's Celebrates: Education Inclusion here.

context of the severe economic impact of the Covid-19 crisis.

With Covid's costly toll on individuals' health and employment, especially among those in historically

disadvantaged groups and at the lower end of the pay spectrum, already-existing income and wealth inequalities are now at risk of widening further—and the negative implications could echo across the entire post-Covid economy, as *Barron's* reported earlier this year.

Organizations were evaluated based on their purpose, scalability and effectiveness, first by an internal panel of judges, and then by an independent panel that included Ralph de la Vega, founder and chairman of De La Vega Group; Jimmy Chen, founder and CEO of Propel; Dr. Lisette Garcia, senior vice president and COO of the Hispanic Association on Corporate Responsibility, and Lindsay Kaplan, co-founder of Chief. Read more about the methodology [here](#).

Cities for Financial Empowerment Fund's Summer Jobs Connect



A participant in a New York City summer youth employment program funded through the Cities for Financial Empowerment Fund's Summer Jobs Connect program.

Courtesy of NYC Department of Youth and Community Development

who hopes to save \$4,000 so he can study abroad his junior year of college. Berry says his passion for saving sprouted during his participation in One Summer Chicago, a partner of the national Summer Jobs Connect program.

As recently as July, 17-year-old Blake Berry found it difficult to set long-term financial goals, let alone save for them. Now the Chicago high school junior is putting away money to pay for a semester abroad with every paycheck from his internship with On The Money Magazine, a finance-focused publication for teens.

"Just being able to put [money] away in a savings account without touching it really helps me not spend it," says Berry,

A New York-based nonprofit, The Cities for Financial Empowerment Fund's mission is to work with local governments to improve financial stability for low- and middle-income earners. Among the fund's programs is Summer Jobs Connect, which, in partnership with Citigroup philanthropic organization Citi Foundation, works with banks, credit unions, and local governments in 23 cities across the U.S. to provide young seasonal workers with the tools they need to start their financial journey on the right foot. The program works in tandem with local summer jobs programs, providing financial education to young workers.

Among the aspects of financial literacy provided by the program, Summer Jobs Connect encourages young people working summer jobs to sign up for direct deposit—

introducing some to the financial system for the first time. "Our success has been that we're not generically pitching financial literacy, but rather we are pairing it at a relevant moment in time for individuals and giving them the tools to use it in practice," says I-Hsing Sun, Summer Jobs Connect's chief program officer.

This year, Summer Jobs Connect's mission took on a new urgency. The pandemic demonstrated "that banking integration and education was not a luxury," Sun says, pointing to the difficulty of obtaining paper checks during the health crisis. "Rather, it was critical."

The organization says it has connected more than 200,000 young people with direct deposit and helped more than 80,000 set up bank and credit union accounts since 2014. In that same time frame, Summer Jobs Connect has helped enable personal finance training for more than 600,000 participants like Berry, the organization says.

Berry says the financial education he received while in the summer program, during which time he took a pledge to set and save toward financial goals, sparked an interest in business and economics that has driven him toward investing. "I think that's something smart to do, instead of just putting in a savings account that has low return rates," he says, adding that he's learning about diversification and watching the market through stock simulations.

Berry, who once wanted to go to college for psychology, says he now wants to pursue economics. "It's from learning all about finance-related things," he says. "I want to open my own business eventually, so I think economics would be a really good thing for that."

Global Financial Literacy Excellence Center at the George Washington University



Professor Annamaria Lusardi (middle, left), founder of the Global Financial Literacy Excellence Center at the George Washington University, alongside her students and a guest speaker.
Courtesy of GFLEC

When Covid-19 struck the U.S. economy and workforce earlier this year, the team at the Global Financial Literacy Excellence Center at the George Washington University's School of Business put their expertise to work.

"Even in good times, so many Americans are not able to even handle a \$2,000 shock, and here we're talking about a pandemic," says Kristen Burnell, the center's executive director. The financial literacy research organization, led by

internationally-recognized personal finance professor Annamaria Lusardi, moved quickly to publish the Covid-19 Financial Resilience Hub, a website with tips for managing money in a crisis and links to related resources. The hub, published in March and updated regularly since then, is among the latest manifestations of the team's decade of research into financial literacy and education.

While the center does develop some publicly-facing work, the bulk of the team's research helps inform programs for academia, companies, policy makers, and world governments. Among the manifestations of the center's work: workplace financial education programs for employers, a curriculum for educators teaching personal finance concepts to girls in kindergarten through high school, and seminars and webinars for policy makers. Over the past decade, Lusardi and her team of about 10 full- and part-time researchers wrote 34 publications, in addition to many briefs, policy reports, and white papers, about financial literacy and how it intersects with factors like age, race, gender, familial wealth on a global scale.

The pandemic and resulting economic crisis have underscored the importance of the center's work, says Burnell. Burnell says financial literacy is not the silver bullet for solving the world's financial woes, but "financial literacy itself, even when we control for other factors, does make a difference," citing improvements in likelihood to have emergency savings or avoid expensive credit card behavior or alternative financial services. "We see that inequalities grow when financial literacy isn't present," she says.

Widely recognized as a leader in the field of financial literacy, Lusardi became director of Italy's Financial Education Committee in 2017. The professor is the recipient of several awards, including a 2018 Ketchum Prize from the FINRA Investor Education Foundation and the 2017 Skandia Research Award on Long-Term Savings.

The center's research also has local impact on the George Washington University community. Lusardi teaches personal finance courses at the undergraduate and graduate level, and was appointed University Professor, the college's highest faculty status, in May. Still, the professor says the biggest compliment comes from some of the 50 to 100 students who have taken her personal finance class each year since 2013: "Everybody should take this course."

iGrad/Enrich Financial Wellness



iGrad and Enrich CEO, President and Founder Rob LaBreche
Courtesy of iGrad

Financial wellness has become part of Christine Cromer's routine. Almost every day, the 46-year-old mother of two runs through some short breathing exercises online, then dives into her personalized financial education program on Enrich Financial Wellness.

The Fuquay-Varina, N.C., resident says Enrich, offered through a package of benefits from her husband Brad's

company, has helped her navigate everything from debt payment strategies to 401(k) allotments. "Yesterday I put more money into our health savings account, and part of that is because of the program," Cromer says. "I feel like this program is almost like, you know you're supposed to drink your water every day, but it reminds you to actually drink it."

Cromer—like many of the two programs' nearly 2 million users—was sucked in by the program's personality quiz. Called Your Money Personality, the self-evaluation, which Cromer says was so accurate it almost felt like a diary, is one of the first activities users encounter after completing an introductory assessment. "It put words to my financial personality—like articulates it for me—and I'm like, 'that's exactly it!'" she says.

Inspired by the Myers-Briggs Type Indicator, a test that uses psychological theory to group people into types of personalities that can be used to understand the way they behave and learn, the quiz breaks users' approaches to finance down into five categories, and presents them with a personalized booklet outlining strengths, weaknesses, and action items for their money personality. The company says 93% of users who start the quiz complete it—and many return to explore the website's Netflix-style personalized course content recommendations, a sign of how helpful people find it.

The program began when several members of the company's executive team worked at a student loan lender, where they provided financial counseling to families over the phone, says Kris Alban, the program's executive vice president. Borrowers were often uninformed about fundamentals like interest rates and payment plan options, Alban said. "They lacked the foundational knowledge that they needed to even understand the terms and the strategies we would be talking to them about," he added. "That whole aspect is just missing—it's not really taught in college, it's not taught in high school."

Founded by Rob LaBreche, the company launched under the name iGrad, a digital personal finance learning platform licensed by colleges and higher education organizations and provided to students and their families, in 2009. The same team later created Enrich Financial Wellness, a broader platform for employees of private companies, and members of financial institutions or trade associations. Today, both forms of the financial education program—which provides guidance on subjects like college loans, debt management, and retirement preparation—are used by high-school seniors, college students, members of banks and credit unions, and employees at thousands of private companies, the company says.

The company is currently working to use artificial intelligence to personalize the experience further, says Dan Goniprow, iGrad/Enrich's vice president of product. "We [would] deliver to them a step-by-step financial wellness plan that would not be that dissimilar from what you would get if you were to work with a [certified financial planner], but it would all be driven by technology," Goniprow says.

Email: Shaina Mishkin at shaina.mishkin@dowjones.com
