

MAKING A DIFFERENCE: CORRECTIONAL FACILITY FINANCIAL EDUCATION

Information And Results From Royal Credit Union's Unique Program



THE National
Credit Union FOUNDATION®



ROYAL
CREDIT
UNION

PREFACE - NATIONAL CREDIT UNION FOUNDATION

"Financial well-being for all." Such a simple phrase but one loaded with potential and nuance.

Let's start at the beginning: financial well-being. Itself, a complex premise incorporating not only how someone feels about their money but also what they do with their money. Viewing someone's financial well-being as an encompassing metric allows us to look beyond surface-level measurements. Income. FICO scores. They may be contributing factors to somebody's financial well-being, but they are not the deciding factors.

Now let's add in "for all." This is integral to the credit union mission. It is part of our DNA – giving every member an equitable opportunity to live her/his/their best financial life. Even if credit unions are objectively more equitable than banks, honesty compels us to admit we still have plenty of work to do to ensure we serve diversely, inclusively, and equitably.

There remain great swaths of people who are financially fragile, overlooked, vulnerable or underserved across our country. They are farmers, bakers, shop workers, teachers. They are our neighbors, friends and sometimes family. They need credit unions to actively look out for them. To see them. To meet them where they are in life and to serve them.

That's exactly what Royal Credit Union began doing in 2015.

The National Credit Union Foundation was proud to provide a grant to support greater measurement of their program—which this paper details—but truly, the vision, ambition and leadership are to Royal's credit. The credit union's commitment to building the financial well-being of incarcerated individuals in Wisconsin should be commended. The National Credit Union Foundation is honored to have played a part in the development of this incredibly impactful program.

- Gigi Hyland, Executive Director, National Credit Union Foundation



PREFACE - ROYAL CREDIT UNION



There are so many ways we can make a positive impact in the lives of others through our work in credit unions. My passion lies in providing financial education and working with our incredible team to find ways to connect with people in common places and uncommon spaces.

In 2015, when Royal was approached by a local non-profit organization about partnering to provide financial education in a correctional facility, we did not hesitate. Of course we researched the logistics of what it would take for our team to support this new program, and discussed how we would create and deliver the curriculum. We started out small, placing one credit union educator in one correctional facility. As I reflect on the launch of our program, and how far it has come, I'm so glad we said "yes" to the opportunity.

Thanks to the generous grant from the National Credit Union Foundation, we are able to demonstrate that our correctional facility financial education program is working and supports the credit union movement's initiative to achieve financial well-being for all. Following completion of our program, our students are more confident in their ability to manage their money, and better prepared to lead successful financial lives when they return to their communities.

The writing of Making a Difference: Correctional Facility Financial Education was a collaborative effort, and I would like to acknowledge the work of my colleagues Cooper Larson, Melissa Janssen, and Heather Johnson Schmitz. We are excited to share what we have learned over the past several years, and hope we inspire you to consider creating a correctional facility financial education program of your own.

- Jennifer McHugh, Vice President-Community Engagement, Royal Credit Union



INTRODUCTION

Samantha raised her hand and quietly asked her financial education instructor how she should build a budget when her ex-husband could not be counted on to pay child support every month. Samantha added that she was planning to go back to her full-time job after her release from the Eau Claire County Jail, but had no idea how she was going to make ends meet. Cooper, her financial education instructor, stayed after class to talk with Samantha. They discussed steps that Samantha could take to build a more stable financial future for herself and her children. Cooper also reminded Samantha that additional guidance was always available at her local credit union.

Samantha was a student in Royal Credit Union's correctional facility financial education program. Since it began in 2015, Royal's program has helped hundreds of people take positive steps towards achieving financial well-being. We believe every individual should have access to the financial knowledge and information they need to succeed. The program certainly fits the credit union philosophy of "People Helping People" and Royal's core purpose of "Creating a Positive Impact in the Lives We Touch."

Royal is excited to share the details of our correctional facility financial education program. We will offer insights into program curriculum and design, share important instructional considerations, and show data that demonstrates the program's impact. This information will help other credit unions who may be interested in starting their own correctional facility financial education program. We know it is not an easy decision to invest a credit union's resources into creating and sustaining a new initiative. However, the opportunity to make a difference in the lives of others like Samantha will make your effort worthwhile.

PROGRAM HISTORY AND EVOLUTION

Royal Credit Union's correctional facility financial education program started in the Eau Claire County Jail in October of 2015. The effort began as a partnership with a local non-profit organization, Literacy Chippewa Valley. At the time, Literacy Chippewa Valley was already offering a variety of educational programs in the jail and asked if Royal would be interested in joining their efforts by providing financial literacy training. Royal's Community Financial Education Coordinator developed a curriculum focused on important money management topics like understanding spending habits, creating a budget, dealing with debit, and building credit. This curriculum was well-received by students.

After this initial success, it became clear that the program could be replicated in other correctional facilities. A new partnership with the Barron County Jail was added in September of 2016. This program was unique because it was run entirely by Royal without the assistance of a non-profit partner. Additionally, the class was led by Member Account Representatives from Royal's Rice Lake Office rather than a financial education team member.

In February of 2017, the partnership with Literacy Chippewa Valley grew to include the Dunn County Jail. In 2019, Royal expanded its correctional facility programming beyond the county jail system by offering a financial education program in the Chippewa Valley Correctional Treatment Facility through a new partnership with the Wisconsin Department of Corrections.

In 2020, Royal temporarily paused our correctional facility programming due to the global COVID-19 pandemic. Our financial education team quickly began exploring solutions that would allow us to provide this important education resource to students while following health and safety guidelines. Royal was proud to be able to transition to a virtual program and even helped purchase the necessary equipment for virtual instruction to ensure students had the tools they needed to be successful. In 2021, Royal has been able to offer both in-person and virtual learning. Since the start of the program, we have worked with more than 1,780 incarcerated individuals. Royal is now educating an average of 275 students in correctional facilities each year.

"I am inspired by the work our team has done to create and expand the correctional facility financial education program since it began in the Eau Claire County Jail in 2015. This is a cross-functional credit union initiative, with multiple business units contributing to its success. The result is an impactful program that has made a substantial difference in the lives of hundreds of individuals who have benefited from the education we offer."

– Brandon Riechers,
President/CEO,
Royal Credit Union



Photo credit: Dan Reiland, Leader Telegram

LESSONS FROM THE CLASSROOM

PROGRAM DESIGN & CURRICULUM

Royal's correctional facility financial education program is a two or three session course taught in 90-minute sessions. The curriculum covers all four elements of the Consumer Financial Protection Bureau's Financial Well-Being Scale—control, capacity, choice, and goal—and provides tools and resources to promote financial health. The two session model's curriculum includes educational modules about budgeting, saving, credit, and lending, while the three session model adds a third set of modules that examine financial wellness in specific real-world situations. Male and female populations in a correctional facility need to remain separated at all times, so it is important to create a schedule that includes class offerings for both groups to ensure all interested students are able to participate.



TWO SESSION MODEL

Lesson One: Wallet Wellness. Modules include:

- Defining financial wellness
- Budgeting with a SMART (Specific, Measurable, Attainable, Realistic, and Timely) saving and spending plan
- Tracking your spending
- Setting financial goals
- Learning your “money personality” and how it affects your financial decisions
- Exploring what to do if you get behind on your bills
- Saving on transportation, housing, and food costs
- Controlling your cash flow
- Paying yourself first
- Enjoying the things you love while still saving money

Lesson Two: What's Your Credit Worth. Modules include:

- Using credit wisely
- Requesting and understanding your credit report
- Addressing credit report errors
- Understanding credit scores
- Improving your credit score and building your credit
- Understanding who can look at your credit history and why
- Reviewing the pros and cons of credit cards
- Learning about predatory lenders
- Avoiding common financial pitfalls and credit problems
- Dealing with debt

THREE SESSION MODEL

Lesson One: Wallet Wellness: This lesson's modules are the same as in the two session model above.

Lesson Two: What's Your Credit Worth: This lesson's modules are the same as in the two session model above.

Lesson Three: The Cost Of Thriving:

- Uncovering the true cost of purchases
- Planning meals and grocery costs
- Exploring renting vs. buying
- Evaluating transportation needs

Photo credit: Dan Reiland, Leader Telegram



INSTRUCTIONAL CONSIDERATIONS One of the biggest benefits of correctional facility financial education programming is that students are able to interact with people from outside the facility. Royal has compiled the key considerations below to help ensure that these interactions remain safe, collaborative, and inclusive for everyone in the classroom.

COMMITMENT It is critical to consider the commitment that this type of program requires from an instructor. Offering correctional facility financial education requires training, background checks, fingerprinting, and other preliminary steps specific to each facility. It may take significant time to complete these items before teaching can begin. Once the program starts, instructors may find that the teaching environment can feel very different from other classroom settings. Due to the unique classroom dynamic, the program instructor must be truly comfortable providing education in a correctional facility setting. The substantial initial investment of resources and time to set up a program also means it is vital that both the credit union and the instructor are committed to the program over the long term.

RESPECT Respect is a key element of any financial education program. In the correctional facility setting, we have found it valuable to remind each student group that everyone present in the classroom is a person. This mindset of respect helps build trust and creates a safe environment for learning and open communication. Students are not defined by the charges they are facing or the convictions they have received. Students are present in the classroom on a volunteer basis because they want to improve themselves. It is also important to refrain from judging students' current financial knowledge or previous financial habits. The instructor should be focused on creating a space where students feel comfortable engaging in money conversations and sharing their personal experiences. The goal is to open the door to learning that would not otherwise take place.

SUPPORT The only rule Royal sets in our correctional facility classrooms is that it is okay to talk about money and the instructor is there to help students learn. If a student has a question that the instructor is not able to answer during the session, the instructor should remain supportive and follow up with additional information and resources. This type of supportive environment often leads instructors to learn new things together with students. It is also important to reassure students that they can be an advocate for themselves. Instructors should support the ability of all students to change their financial future or begin a new financial path.

FLEXIBILITY The program curriculum serves as an outline to help the class learn the main concepts related to financial health. However, each class is unique and the learning environment must remain flexible to meet the needs of the students and address their experiences. Depending on the questions students ask or the topics that come up in conversation, instructors may expand more on parts of curriculum or bring back additional materials to help students with individual questions. Instructors may also consider putting together additional resources to guide students when the course is complete.

VIRTUAL TRANSITION LEADS TO NEW OPPORTUNITIES

Due to the COVID-19 pandemic, Royal needed to pause the correctional facility financial education program. In-person instruction was no longer an option because correctional facility populations are at a high risk of coronavirus transmission. In January of 2021, we were able to start virtual lessons in the correctional facilities we serve by purchasing a web camera, microphone, and speakers for two-way audio and video communication.

Creating rapport between the students and instructor is vital to the success of the program. Our priority was sourcing equipment for virtual lessons that could mimic the back-and-forth conversations and interactions that take place in person. Providing a way for the instructor and the students to see each other was also important. Having a face to go with a name and being able to see student or instructor expressions make it much easier to teach in a virtual setting.

Instruction in the virtual environment also requires extra energy and a more conversational teaching approach. Asking questions and engaging the group during a virtual lesson creates the rapport that makes classes successful. For students who may not be familiar with virtual instruction, conversations do not always happen naturally, which can make building virtual relationships that much more challenging.

Besides the technology changes, Royal was also able to adjust the program activities, materials, and teaching methods to create an effective virtual learning environment. Instead of handing out paper materials, we provided a folder of printed items for student use. One activity provided in this format was a credit card "fine print" search and find. Royal provided copies of credit card disclosures and a worksheet asking students to find the card's interest rate, annual fees and penalties, and other information. A resource folder can also remain at the facility as a long-term reference for students after the class has finished.

Royal plans to continue offering both virtual and in-person program options with correctional facilities. Our successful virtual model will likely make it possible to expand the reach of our program. Many of the facilities we serve require two instructors to be present at in-person classes for safety. Virtual delivery eliminates the need for a second instructor. The change to virtual instruction also means travel time is no longer a concern, making it even easier to increase the scale of our correctional facility financial education program.

TESTIMONIALS FROM THE CLASSROOM

"Ms. Larson broke down details on how to go about saving and using credit for us to be successful in life when coming across these obstacles."

"Thank you for this, it really helped me out a lot for the future."

"Budgeting is the best part because I usually am a spur of the moment type of person."

"She treated me like a person, that doesn't always happen."





PROGRAM DATA COLLECTION

Royal felt confident that our curriculum and instruction were well-developed. Our next step was to collect data to demonstrate the program's impact. Royal received a National Credit Union Foundation "Impact Tracking of Financial Health Components" grant in 2019. This provided the opportunity to conduct applied research to measure the success of the correctional facility financial education program using a mixed-method approach, gathering quantitative and qualitative data. In the fall of 2019, Royal worked with representatives from the University of Wisconsin Stout Applied Research Center (ARC) to examine the curriculum and participant achievement goals. After reviewing each lesson, a survey was created to measure the effectiveness of the overall program using pre/post surveys to evaluate learning outcomes, attitudes and confidence, and program satisfaction. Royal began collecting data using the pre/post surveys in January 2020.

In February 2020, UW-Stout ARC conducted an initial review to determine reliability, or the degree to which the survey was accurately measuring what we intended to measure. UW-Stout ARC used a statistical method (Cronbach's alpha) to make this reliability determination and to identify any problematic survey items. Most of the surveys returned extremely positive results; however, three questions were identified that required attention because they were consistently answered incorrectly. Royal revised the questions and added a response option for "I Don't Know" to avoid students feeling compelled to guess an answer.

Royal had planned to gather five consecutive months of data (January-May 2020). Unfortunately, the correctional facility financial education program was suspended in early March 2020 as a result of the COVID-19 global pandemic. The program resumed with virtual sessions in January 2021, then added in-person sessions again later in 2021. Data from all of these sessions was collected from January 2020 through October 2021. A total of 103 participant surveys were collected and analyzed. Results were compared using paired samples t-tests for attitudes and content knowledge. The paired samples t-test compares the means of two measurements taken from the same individual. In our study, the measurement was the pre/post survey score, with the program curriculum delivered between the surveys. Data on student satisfaction with course delivery and instruction were analyzed using descriptive statistics.

SURVEY FINDINGS

Students were asked to rate their agreement with a series of statements related to attitudes and confidence levels regarding financial literacy. The response scale was 1=low and 5=high. Overall, scores from the post survey were higher than scores from the pre survey for all items. These gains were found to be statistically significant for all items related to attitudes and confidence. The largest gains are presented in Table 1: Attitudes and Confidence.

Table 1: Attitudes and Confidence

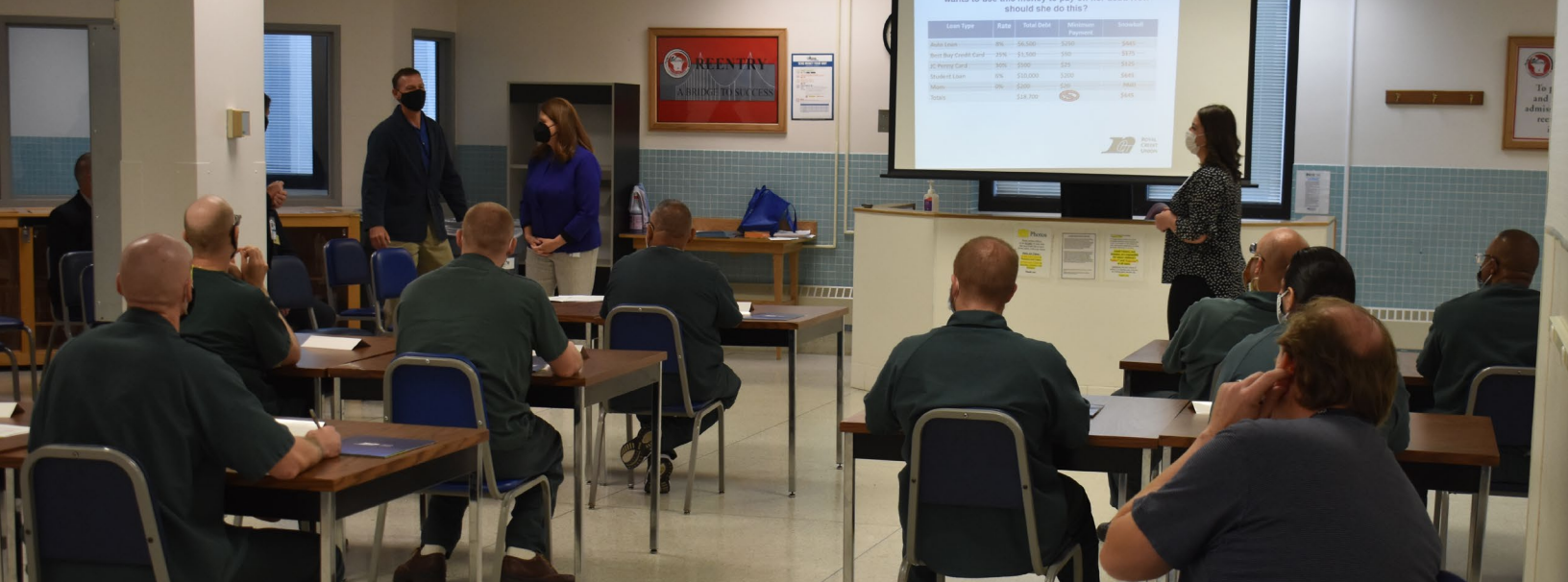
STATEMENT	PRE-MEAN	PRE-SD	POST-MEAN	POST-SD	DIFF
I know what paying myself first means	2.93	1.119	4.29	.666	1.36***
I understand what predatory lending behavior looks like	2.61	1.190	3.97	.880	1.36***
I know several ways to pay off debt	2.87	1.126	4.23	.645	1.36***
I know what makes up my credit score	2.91	1.181	4.22	.641	1.31***
I can decide which debt takes priority	2.99	1.116	4.22	.699	1.23***
I know how to get a copy of my credit report	3.13	1.160	4.30	.728	1.18***
I know how to improve my credit score	3.09	1.197	4.22	.699	1.14***
I understand my money personality and how that affects my spending	3.09	1.156	4.18	.653	1.10***
***p<.001					

Students also responded to a number of multiple-choice knowledge and content questions related to the financial topics covered in the curriculum. Scores were calculated based on the number of correct answers for each student. Paired samples t-tests were performed to compare pre/post survey scores to determine statistical significance. There was a statistically significant increase in the average number of items students got correct on the post survey when compared to the pre survey results, as presented in Table 2: Content Knowledge, Raw Scores and Percentage Comparison.

Table 2: Content Knowledge, Raw Scores and Percentage Comparison

	PRE-MEAN	PRE-SD	POST-MEAN	POST-SD	DIFF
Content Knowledge	11.71	4.62	14.86	4.25	3.15***
	Average Pre-Test		Average Post-Test		
Content Knowledge Percentage	58.55%		74.30%		
***p<.001					

Students were asked to rate their satisfaction with course content and delivery. Response scales ranged from 1=low to 5=high. Student scores ranged from 4.14 to 4.52. Students also rated satisfaction with the instructor, with these scores ranging from 4.52 to 4.58. Overall, scores indicate high levels of satisfaction.



SUMMARY & IMPLICATIONS

Royal was encouraged to learn that our correctional facility financial education program students showed statistically significant gains in content knowledge, attitudes, and confidence levels regarding financial literacy. Identifying predatory lending behaviors, understanding that there are different ways to pay down debt, and comprehensive awareness of the impact of credit scores and credit reports were a few of the topics where our students showed gains. There is research to support the “Knowledge-Attitudes-Behaviors” model and how these components influence each other. The fact that students’ knowledge, attitudes, and confidence are significantly improved will likely help them adopt behaviors that will have a positive impact on their financial well-being.

As awareness of diversity, equity, and inclusion initiatives continues to increase in the credit union industry and among the broader public, this program offers an opportunity to support a marginalized population. We believe this program can play a small role in creating the systemic change that is required in our society, and we commend the National Credit Union Foundation for being early supporters of this unique credit union program.

CONTINUED COMMITMENT

Royal is inspired to continue our work in correctional facilities both virtually and in person, doing our part to help achieve financial well-being for all. We are currently working to expand our program by bringing it to a fourth facility, the St. Croix County Jail in Wisconsin. Royal would welcome the opportunity to serve additional facilities in our Minnesota field of membership. Preliminary discussions are also occurring to assess the feasibility of creating recorded modules that could be offered digitally to persons in the care of correctional facilities to expand their financial knowledge at their own pace.

Royal is ready and willing to collaborate with other credit unions offering financial education in this space to share best practices and lessons learned. Collaboration, knowledge sharing, and displaying the cooperative spirit can leave a lasting impact. We are stronger together.

“I appreciate the data-driven approach our team has taken to continuously improve our correctional facility financial education program. I would like to thank the National Credit Union Foundation for the support we received from the ‘Impact Tracking of Financial Health Components’ grant. Our research has validated that the program generates positive results and has helped us continue to do our part to help achieve financial well-being for all.”

– Jan Johnson, Executive Vice President-Organizational Agility, Royal Credit Union

“I have had the opportunity to observe Royal’s correctional facility financial education program in action, and I was inspired by the work our team is doing to live our core values and purpose. The program was created to educate and empower others, and is a shining example of what credit unions do best. Our Board of Directors proudly supports this educational initiative and the work that our dedicated team is doing to make a positive impact in the lives we touch.”

–Tom Huffcut, Chairman, Royal Credit Union Board of Directors

ARE YOU READY TO START A PROGRAM THAT MAKES A DIFFERENCE?

[Learn our top seven steps to building a successful correctional facility financial education program!](#)

THE **National Credit Union** FOUNDATION®

The National Credit Union Foundation is the leader in the credit union system on financial health and serves as a catalyst and funder to improve people's financial lives through credit unions. Through research, convenings and aggregation of ideas and best practices, the Foundation works to help credit unions better serve their members and meet members where they are in life.

For more information about the Foundation, visit our website at www.ncuf.coop, and follow us at:

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ROYAL CREDIT UNION

Royal Credit Union is a federally insured credit union proudly serving over 250,000 Members in Minnesota and Wisconsin. Royal is driven by a core ideology built on a strong purpose and values. Many of our educational programs are available to our Members as well as the public. Our award-winning educational programs have been recognized by the Credit Union National Association (CUNA) and the Wisconsin Governor's Council on Financial Literacy. It's all part of our core purpose of creating a positive impact in the lives we touch.

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