

TWO-YEAR STUDY DEMONSTRATES

# MyPath Savings Works



## Low-Income Working Youth Participants Bank, Save, and Build Financial Confidence.

The Federal Reserve Bank of San Francisco recently published *Boosting the Power of Youth Paychecks: Integrating Financial Capability into Youth Employment Programs*<sup>1</sup>, a Working Paper that summarizes the results of the first-ever quasi-experimental design study of a youth financial capability initiative in the country.

The study included 375 young people ages 16-21 years old participating in youth workforce and employment programs operated by ten nonprofits in partnership with San Francisco's

Department of Children, Youth and their Families. MyPath provided the ten nonprofits with technical assistance and training to prepare them to implement MyPath Savings. MyPath also provided technical assistance to financial institution partner, Self-Help Federal Credit Union, to ensure the two accounts youth received were aligned with MyPath's Youth Banking Standards.

Two scalable versions of MyPath Savings were tested against a comparison group. Both treatment

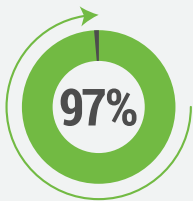
groups received an in-person orientation, two accounts, direct deposit, a savings contract, and three online, money management modules. In addition, one treatment group also had Peer Coaches trained to lead in-person activities and discussions related to the online content.

The data analyzed and presented below was gathered through pre- and post-test surveys, transaction data from our financial institution partner, youth savings contracts, and online financial education platform usage data.

## STUDY OUTCOMES FROM BOTH GROUPS (MyPath Savings and MyPath Savings + Peer Coaches Group)

# 3-5X

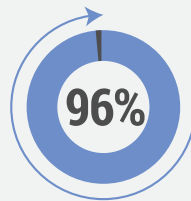
More likely than comparison group to have **increased confidence to carry out basic financial behaviors** (i.e., saving, budgeting, spending)



Of youth participants **ENROLLED** into savings accounts



**SET** a personal savings goal, using a savings contract



**MET** their savings goal



**\$66,500** Total Youth Savings

## MYPATH SAVINGS + PEER COACHES GROUP

# 9X

More likely than comparison group to have **increased financial knowledge of core financial concepts**

# 11X

More likely than comparison group to report **increased usage of sophisticated financial management behaviors**

<sup>1</sup>Funded by the Center for Financial Services Innovation and Citi Foundation, the study was conducted by Vernon Loke of Eastern Washington University with support from Laura Choi of the Federal Reserve Bank of San Francisco, Trina Shanks of University of Michigan, Margaret Sherraden of University of Missouri - St. Louis, and Michael Sherraden of Washington University - St. Louis.

# Key Lessons From the Study

- 1 Both models produce powerful outcomes: Both scalable models increase youth financial capability, including banking, saving, and money management.** Adding Peer Coaches boosts financial knowledge gains, and is best suited for longer programs.
- 2 Blending in-person and online education is effective to engage low-income working youth. The blended model provides an effective mix of scalability and impact.** Technology can help scale programs, while the in-person activities cement learning and action.
- 3 Young people bank and save when given the opportunity, but need youth friendly accounts in order to do so.** The high take-up and account enrollment rates reflect the strength of using the MyPath Youth Banking Standards with partner financial institutions to reduce youth barriers and maximize enrollment.
- 4 Youth workforce staff and settings differ from classroom settings and require different curricula.** MyPath Savings' action-based curriculum is tailored for youth workforce and employment staff and settings: it is shorter and designed to give youth earning their first paychecks a positive experience banking and saving for the first time.

## THE MYPATH SAVINGS MODEL

MyPath Savings is a comprehensive model that brings together city agencies, youth workforce and employment programs, nonprofits, and financial institutions to combine first paychecks with banking and saving access. Through participation in this initiative, youth participants (ages 14 - 24) have access to a combination of banking and savings tools, and innovative online and in-person financial education. MyPath Savings supports youth to build personal savings, and turn their paychecks into a pathway for upward economic mobility.



## How To Bring MyPath Savings to Your Community – Strengthen Your Youth Employment Program Outcomes

MyPath offers all the **technical assistance (TA) and training** city agencies, youth workforce and employment programs, nonprofits, and financial institutions need to successfully implement MyPath Savings, including:

- ▶ Tools to design initiative strategy, including needs assessments, internal policy templates, and guidance to support youth, such as direct deposit.
- ▶ 6 hours of training for line staff on MyPath Savings curriculum, including goal setting and basic banking.
- ▶ Technical Assistance to identify, select, and negotiate with Financial Institutions to ensure financial products are youth-appropriate and enrollment processes reduce barriers.
- ▶ Ongoing technical support and training from MyPath staff via webinars and calls.
- ▶ Data collection and evaluation tools, including tested pre/post surveys, and focus group questions.

**To learn more, please visit [MyPathUS.org](https://MyPathUS.org), or contact our Director of Strategy, Sabrina Kansara directly at [Sabrina@MyPathUS.org](mailto:Sabrina@MyPathUS.org).**

**MyPath** is a national nonprofit focused on paving economic pathways for low-income youth. Our vision is for every working low-income young person to have the chance to transform their first paychecks into upward economic mobility pathways. To this end, we engineer effective models, share what works, and advance policy change. When we do this, we cultivate a stronger, more sustainable economy for generations to come.

**Powering youth potential, seeding economic mobility.**

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