

Raising The Standard:

**Boosting the Impact of Guaranteed Income
Projects for Young Adults Through the
Addition of Financial Mentoring Supports**

June 2022

mypath

Raising the Standard: Boosting the Impact of Guaranteed Income Projects for Young Adults Through the Addition of Financial Mentoring Supports

Lessons from the nation's first Guaranteed Income pilot for transition-age foster youth and the integration of MyPath's Financial Mentoring model

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INTRODUCTION & ACKNOWLEDGEMENTS

The following brief introduces the nation's first Guaranteed Income pilot for transition-age foster youth, the integration of MyPath's Financial Mentoring model as an optional support for pilot participants, and the results from year one of the two-year pilot.

In recent years, Guaranteed Income has gained traction as a tool to reduce poverty, income volatility, and racial and gender-based income disparities. At the time of this writing, "more than 35 guaranteed-income pilot projects are underway, in at least 17 states, distributing more than \$25 million a year to over 7,000 families."¹ In contrast to most safety net supports for economically-vulnerable populations, Guaranteed Income provides unconditional, no-strings-attached, periodic cash payments and allows recipients to self-determine how resources are used. While most Guaranteed Income projects to date have focused on adult populations, interest is growing in how Guaranteed Income can support young people at the cusp of adulthood and also how pilots might be structured to generate other outcomes important to participants, such as financial capability.

In Spring 2020, at the onset of a global pandemic, California's Santa Clara County Board of Supervisors approved the nation's first Guaranteed Income pilot² for transition-age foster youth and tapped MyPath, a national nonprofit leader advancing the integration of financial capability strategies into systems serving youth and young adults, to provide Financial

Mentoring as an *optional support* to its 72 pilot participants. *Key aims of the pilot included: 1) utilizing Guaranteed Income payments to support young adults exiting the county's foster care system with maintaining housing and schooling during their transition period and, 2) for those who opted in, providing Financial Mentoring in tandem with Guaranteed Income payments to help boost participants' banking, savings, credit, and other financial outcomes.*³

Pilot participants ranged in age from 23 to 25, and each received unconditional payments of \$1,000 per month. Midway through the pilot, in recognition of the continued challenges created by the pandemic, the Board of Supervisors extended payments by an additional year, for a total of 24 months. Payments were facilitated by Community Financial Resources (CFR), a MyPath partner, through its CFR Card and optional companion savings account. MyPath led the financial mentorship segment of the pilot, tapped for its decade-plus experience in guiding nonprofits and municipalities to enhance financial capability supports for youth and young adults and for its prior Financial Mentoring and credit-building pilot with national nonprofit, Year Up, which demonstrated the impact of financial mentorship on savings, credit and financial confidence outcomes for young adults. Direct, one-on-one financial mentorship to pilot participants was provided by staff from Excite Credit Union, a long-time MyPath partner headquartered in Santa Clara County with banking services in both California and North Carolina.

To prepare partners and address pilot needs, MyPath provided a Financial Mentoring model, related curriculum and tools; recruited, screened, and matched mentors and mentees; trained and provided technical and logistical support to mentors; facilitated learning circles among mentors; and developed and led data collection and outcome measurement. The Financial Mentoring component of the Guaranteed Income pilot and related analysis took place from October 2020 through October 2021, the first year of the pilot.

This brief presents an outline of the components of MyPath's Financial Mentoring model, the promising results yielded through this pilot, and key findings and recommendations.

To our pilot partners and funders, MyPath is grateful for support of this pivotal work and

answering the call for effective, equity-centered financial capability supports for foster youth, particularly during the early stages of the pandemic. We would especially like to recognize the following organizations and individuals for their efforts in shaping this work:

- Silicon Valley Community Foundation - Manuel Santamaria, Vice President
- County of Santa Clara - Melanie Jimenez Perez, Program Manager II and Dr. Sandhya Hermon, Deputy Director
- Excite Credit Union - John Hogan, Vice President of Community Relations
- Community Financial Resources - Parisa Esmaili, Executive Director
- MyPath - Margaret Libby, CEO and Fahad Qurashi, Senior Director of Strategy



PILOT PURPOSE & OVERVIEW

While the fields of financial coaching and financial counseling have long supported individuals in achieving personal financial goals and financial well-being, the focus has largely been limited to adults. **Yet, as MyPath has found through more than a decade of financial capability work, the need for financial coaching is also significant among young adults, particularly when one considers the number of “financial firsts” they must navigate and often without structural supports such as school-based or program-based financial education and access to safe quality financial services.** These “financial firsts” include first income, first bank accounts, first credit cards, first loans, and first big purchases, to name but a few, and for far too many BIPOC (Black, Indigenous, and People of Color) young adults and low-income young adults, the availability of structural supports to help with these “firsts” is severely limited.⁴

MyPath uses the term “financial mentoring” instead of “financial coaching” in the case of young adults to highlight the former as an approach that 1) accounts for the unique developmental stages of young adults and 2) prioritizes relationship and trust-building. Financial mentors, like financial coaches, share knowledge, skills, and experience, but they often provide additional levels of support and guidance and promote a climate that is non-judgmental and affirming to youth and acknowledges youth strengths and personal decision-making powers.

Yet how each “first” is approached can have significant impacts for young adults. Managing money without being banked, for example, can create extra costs because one may have to utilize costly alternative financial services to complete transactions such as cashing checks. Being unbanked or underbanked may limit access to more affordable credit options. Taking financial actions without a foundational understanding of credit may lead to credit issues which are often costly and time-consuming to ameliorate and can have long-term negative consequences. And the list goes on.

Financial coaching – or more appropriately, “Financial Mentoring”⁵ in the case of younger populations – can help young adults create better starts to their financial lives as well as help avert the many financial challenges adults face. MyPath demonstrated this potential of Financial Mentoring in its 2015 MyPath Credit pilot with 400 low-income BIPOC young adults from Year Up. By pairing mentorship with a credit builder loan and credit education, MyPath found that a significant number of participants were able to establish or improve their credit scores within 6 months of participation as well as build emergency savings funds and financial confidence. These emergency savings funds helped enhance participants’ financial stability while the improved credit ratings and confidence boosted access “to employment, housing and quality loans,”⁶ two important outcomes for economically- vulnerable young adults.

As the nation increasingly looks for better ways to support such economically-vulnerable populations, Guaranteed Income (unconditional cash payments) has emerged as a front-runner solution. While Guaranteed Income projects have flourished in recent years, most have been targeted at adults rather than young adults. In 2020, however, the County of Santa Clara (County) launched the nation's first Guaranteed Income pilot for young adults – specifically for individuals aging out of its foster care system.

Given the unique challenges facing these young adults as they transition out of foster care as well as MyPath's successes in strengthening the financial stability of young adults through its financial mentorship pilot in 2015, the County invited MyPath as a

partner to their Guaranteed Income pilot. MyPath would provide optional financial mentorship supports to its pilot participants, ages 23-25, to amplify the primary role of the Guaranteed Income payments: helping participants maintain housing and schooling during the transitional phase. Leveraging its Financial Mentoring model, MyPath would also test the model's ability to influence additional financial outcomes of participants, including planning to support longer-term stability. And because of the pilot's timing, starting in the latter half of 2020, Financial Mentoring was also looked to as an important support for helping participants weather the additional financial and emotional burdens created by the pandemic.

PILOT DESIGN

MyPath's Financial Mentoring model included one-on-one Financial Mentoring with a MyPath-trained mentor, an individual credit review session, the development of a financial goal and action plan, and support with financial product research and access.

Mentors (staff volunteers from Excite Credit Union) received six hours of training over 3 days in MyPath's Financial Mentoring model, youth financial capability best practices, youth development fundamentals, equity-centered and trauma-informed practices, as well as MyPath's Financial Mentoring curriculum and tools. MyPath facilitated monthly learning circles and additional check-in opportunities with

mentors for the first six months of the pilot to monitor progress, provide support, and troubleshoot issues.

Guaranteed Income participants were able to learn about the option of mentoring through virtual informational sessions co-hosted by the County and MyPath. Three outreach sessions were held over several weeks at different times to provide participants with a range of access points, and MyPath offered post-session opportunities for participants to field questions or learn about mentoring in the event they could not attend one of the three virtual sessions. Participants interested in mentoring were asked to complete a brief

survey, and MyPath staff followed up with survey respondents directly to collect additional enrollment paperwork and establish them as mentees.

Once this step was complete, mentees and mentors were matched and introduced in a virtual kick-off session, and first one-on-one meetings were conducted shortly after. Due to pandemic restrictions, all mentoring sessions were hosted virtually. The pilot's design allowed for each mentee to receive up to eight sessions of mentoring during the pilot, most typically metered in 45-minute to hour-long sessions. Prior to the first meetings, mentees completed a pre-survey for Financial Mentoring and credit check authorization. First sessions typically consisted of rapport-building, a discussion of mentees' financial goals, experiences, and feelings about money, and a general plan for upcoming sessions. Credit reviews were typically covered in second or third

sessions, as was more formal goal-setting and financial action planning. Subsequent sessions were customized according to mentees' specific needs and interests and informed by their goals. At the six-month mark, mentees were sent a post-survey for Financial Mentoring, and post credit score pulls were conducted.

All Guaranteed Income pilot participants -- both financial mentees and non-mentees alike -- were eligible to receive monthly payments of \$1000 per month for up to 24 months, and Community Financial Resources disbursed payments via its CFR Card, a portable, low-to-no fees prepaid debit card. During and after card enrollment, participants had opportunities to open a companion savings account through the CFR Card, a resource MyPath mentors could highlight with mentees as a tool to build emergency savings with their Guaranteed Income payments.

PILOT RESEARCH QUESTIONS

This brief summarizes evaluation findings from one year of the pilot. The study had three main research questions:

- **What is utilization like among Guaranteed Income pilot participants when Financial Mentoring is presented as an optional support?**
- **What is the impact to Guaranteed Income pilot participants' banking, savings, and credit when they participate in Financial Mentoring?**
- **What is the impact to Guaranteed Income pilot participants' financial knowledge and attitudes when they participate in Financial Mentoring?**

PILOT RESEARCH METHODS & DATA COLLECTION

MyPath analyzed a combination of qualitative and quantitative data collected throughout the pilot, including:

- Mentee Pre and Post Financial Mentoring Surveys*
- Mentee Pre and Post Credit Scores*
- Mentee and Mentor Interviews
- Notes from Learning Circles
- Financial Products Data from CFR, provider of Prepaid Debit Card and Companion Savings Accounts

Pre surveys and credit scores* were collected in the first month of the pilot. Post surveys and credit scores* were collected in the sixth month of the project, halfway through the original pilot timeline.

Due to the small sample size, we analyzed the survey data in multiple ways to better understand the impact of Financial Mentoring on participants. In the findings reported below, we report information in *aggregate* for both the pre-survey (N=14) and the post-survey (N=10). We also present information that is specific to a subgroup of *matched* pre-post responses (N=6).

PILOT PARTICIPANT DEMOGRAPHICS

Seventy-two participants of the Guaranteed Income pilot were eligible to participate in Financial Mentoring as an optional support. Among the 20 individuals who enrolled in Financial Mentoring, 60% identified as Latinx, 15% as Asian, 10% as White, and 5% as Black. Ten percent did not report an answer.



PILOT FINDINGS

FINDING 1: *Financial mentoring can be integrated successfully into a Guaranteed Income project as an optional support.*

The pilot demonstrated that pairing Guaranteed Income with Financial Mentoring as an optional support is both feasible *and* powerful: it presents an important opportunity to address the real financial needs and goals of participants and optimizes the impact of Guaranteed Income payments.

of 72) of pilot participants expressed interest in mentoring, 35% (25 out of 72) completed enrollment, and 28% (20 out of 72) participated in mentoring services (See Figure 1). Mentees attended a median of 4 sessions, a strong outcome when compared to similar data tracked within the financial coaching field.⁷ This level of Financial Mentoring interest and uptake showcases the high value pilot participants ascribed to this service and suggests its potential for other Guaranteed Income projects.

Figure 1: *Financial Mentoring Participation by Stage*

Financial Mentoring Stage	GI Participants	
Outreach	72	100%
Interest	46	64%
Enrollment	25	35%
Participation	20	28%

Even as Financial Mentoring was offered as an optional support (and without consequence to receipt of Guaranteed Income payment), pilot participants expressed strong enthusiasm for this supplemental service. Almost 65% (46 out

Pilot participants commonly cited wanting to save money, budget, build and improve credit, and increase financial stability as reasons for participating in mentoring, goals well-matched to the 12-plus months of Guaranteed Income payments participants received. This payment duration, common to many Guaranteed Income pilots, provided ample runway for Financial Mentoring to be effectively deployed and also supplied enough time for participants to carry out the steps to support their goals, including connecting to products that build credit and/or savings.

FINDING 2: *Financial mentoring paired with Guaranteed Income can yield strong banking, savings, and credit outcomes.*

Increases to emergency savings, a common goal for many mentees, were also achieved. From our **aggregate** analysis, 67% of survey respondents reported setting aside emergency savings or rainy day funds before Financial Mentoring; this increased to 90% of mentees after Financial Mentoring. **Matched** surveys showed the same pre-survey result as that of the aggregate analysis, yet all (100%) of mentees reported setting aside emergency savings or rainy day funds following participation in Financial Mentoring.

The pilot also produced strong credit outcomes. Seventy percent (70%) of mentees self-reported their credit scores as “*about average*” or “*good*” after Financial Mentoring, a 20-point increase from 50% before Financial Mentoring. Almost two-thirds (64%) of mentees who attended at least two mentoring sessions and had a

pre and post credit score showed, at post, a FICO score rating of “*excellent, very good, or good*.” This represents a 40% increase over their initial scores. Additional analysis showed that almost 42% had score gains of 30 points or higher within six months. Participants with “*excellent, very good, or good*” post credit scores attended a median of five Financial Mentoring sessions, whereas those with a post credit score rating of “*fair or poor*” attended a median of just 3.5 Financial Mentoring sessions.

Even when provided as an optional support within this Guaranteed Income pilot, Financial Mentoring proved powerful in helping participants increase access to banking products and build savings and credit to support goals such as debt reduction, independent living, college completion, education and career development, and car and home ownership.⁸

FINDING 3: *Financial mentoring paired with Guaranteed Income can boost financial confidence and foster a planful mindset among mentees – and even have a positive carry-over effect to mentees’ family and friends.*

For many pilot participants, Financial Mentoring presented a first opportunity to examine their relationship with money, imagine how they might use Guaranteed Income payments to advance personal goals, create a financial goal based on personal goals, develop a companion financial action plan, and then revisit this

plan with their mentor over time. This general process, along with the guidance and support of their mentors, helped foster for many a greater sense of financial control and confidence as pilot results show.

The majority of youth also reported feeling confident about managing their money

(70%) and credit (80%) after Financial Mentoring. **Matched** survey responses further demonstrated that mentees were more confident about managing their money (83%) and managing their credit (83%) after Financial Mentoring.

Anxiety about managing money also seems to have lessened. Before Financial Mentoring, as our **aggregate** analysis revealed, 43% of mentees were concerned that the money they have saved or will save in the future won't last; however, this decreased to 20% after Financial Mentoring. A closer look at **matched** survey responses indicates that only 17% of mentees reported feeling concerned that the money they saved or will save in the future won't last, a 67% decrease over the pre-survey response.

A greater sense of financial stability, control, personal confidence, and pride also emerged as themes from the qualitative analysis. One mentee who utilized the Guaranteed Income and Financial Mentoring supports to stabilize housing, enroll in a secured credit card, and clear up a credit

report issue confidently noted at the end of her mentoring experience: *"I am feeling stable and have a plan to move on."* Another expressed personal satisfaction in knowledge and capabilities gained from participation: *"I know how to dispute credit errors and pull up my credit report. This is a tool that I can use forever."* And still another, post-mentoring, described a sea change to herself and situation: *"These days, I'm not just working for things that I need, I'm working for the things that I want."* Further, she noted, *"When she (my sister) saw me saving money and feeling confident, it pushed her to get a financial advisor that she pays for out of her own pocket. My sister has a job, and she's saving money. This (Financial Mentoring experience) has motivated her to get on my level. My sister did a whole 180. She flipped her whole life around."* In this way, Financial Mentoring not only elevated the financial confidence and capability of mentees but also created positive ripple effects to mentees' families, demonstrating an ecosystem effect.

FINDING 4: Young mentees' stated goals reflect the variety of ways they are leveraging Guaranteed Income to establish their financial footing and also the importance of having a mentor to help them navigate their related plans.

Through this pilot, we found that young mentees have a range of ambitious and well-formed goals for themselves, including building savings to have a down payment for a car or home or building or improving credit to obtain better lending terms for

those related purchases. Others had goals to establish emergency funds as a buffer against future financial shocks and to support and stabilize their families by opening savings accounts for their children or researching and obtaining life insurance (See Figure 2).

Figure 2: Sample of Financial Goals Set by Mentees

Building Savings	Building or Improving Credit	Other
To establish: <ul style="list-style-type: none"> • Emergency funds • Savings account for child • Down payments for car and home 	To help with: <ul style="list-style-type: none"> • Obtaining future apartment placement • Obtaining better terms for car loan and mortgage 	<ul style="list-style-type: none"> • To research and obtain life insurance • To obtain post-college employment • To secure a second job

They looked at the Guaranteed Income as an opportunity to make progress on these goals, a “not-to-miss” chance to leverage these income streams to greater effect. Mentors played a pivotal role in guiding mentees to identify, build and take action steps towards goals in a way that made goals more attainable and to create greater specificity where needed. Mentors supported mentees in understanding and feeling comfortable with lending terms, knowing what to look for when considering financial products, and provided a range of suggestions and strategies to help build,

manage and improve credit. They also played a critical role helping mentees evaluate and monitor their own progress on goals and to feel encouraged and supported even when the path felt challenging or uncertain. As one mentee noted, *“I didn’t have the courage to get a credit card until my mentor supported me through the process. Being in the (foster care) system, no one had ever explained to us what a credit card or credit score was. Now that I have a credit card, I love it because I know how it works. It helps me keep a budget but also be independent because I know the consequences.”*

FINDING 5: Virtual financial mentorship can be an effective method of engagement for participants.

Though intended to be delivered in person or via a hybrid approach, all mentoring was delivered virtually due to pandemic restrictions. Despite this shift, virtual mentoring was found, overall, to be an effective method of engagement for pilot participants. Mentees attended a median of 4 sessions over approximately six months, a strong outcome as previously noted, and at

least 5 mentees participated in more than six sessions with their mentors.

Qualitative feedback from mentees and mentors suggests that virtual mentoring was considered effective, generally regarded as both convenient and capable of fostering a level of relationship-building and trust as one might find with in-person

engagement. Mentees overall described their mentors in positive terms, including as helpful “accountability partners,” individuals they could ask questions to, process their thinking and decisions with and receive encouragement from (though we are aware of one mentor and mentee pair for whom an unforeseen personal crisis presented a challenge). Meeting in an exclusively virtual fashion did not appear to hinder, for many, the ability to foster connection and positive relations. For some mentees, the bond was, in fact, exceptionally deep. As one mentee – with a mentor who guided her through multiple areas, including exploring her financial generosity with friends – noted,

“(My mentor) was straight with me. ‘If people aren’t doing you any good, let them go’, she’d say. Not too long ago, I was lending people money. The word ‘no’ wasn’t in my vocabulary. Even though my friends said they’d pay me back, they didn’t. When I started talking to (my mentor), because our relationship was so authentic, I thought, ‘I deserve friends who I can grow from and learn from.’” Despite the virtual dynamic, her mentor effectively built comfort and trust: *“No one had ever given me that kind of attention or gotten to know me the way she did. She helped me discover things about myself that I didn’t know.”*

“ I didn’t have the courage to get a credit card until my mentor supported me through the process. Being in the (foster care) system, no one had ever explained to us what a credit card or credit score was. Now that I have a credit card, I love it because I know how it works. It helps me keep a budget but also be independent because I know the consequences. ”

PILOT RECOMMENDATIONS

RECOMMENDATION 1: *Additional pilots pairing Guaranteed Income and optional financial mentorship support for youth are needed, ideally with an equity lens to prioritize resources and investments.*

Per the promising findings of this pilot, we recommend making investments in BIPOC young adults through Guaranteed Income pilots and pairing payments with optional Financial

Mentoring services as a way to optimize impact. As momentum grows to expand Guaranteed Income pilots across the country, we encourage a focus on young adults, especially from communities most affected by systemic inequities, for the opportunity it presents to be on the front-end of many “financial firsts” that have significant implications to the ability to achieve financial stability and build wealth over the long term. Priority populations include young adults from BIPOC communities, those exiting foster care or involved in other systems, those facing disproportionate impacts of the pandemic, young parents, or Opportunity Youth, to name a few.



RECOMMENDATION 2: New pilots should test approaches that address the need for flexible design for participants.

Though one-third of the Guaranteed Income recipients within this pilot were able to successfully participate in Financial Mentoring, almost another third expressed interest in mentoring but were unable to engage. Employment and housing instability were cited as common barriers to participation, but participation was also impacted by scheduling issues that flexible design might help to overcome. Future pilots, thus, might test different mentoring session lengths and durations as well as times sessions are offered. Additionally, it is possible some individuals might prefer a model that provides a blended approach to mentoring, such as group or peer-learning interspersed with individual mentoring engagements. This might also be tested to assess if varied delivery methods and/or less-formal approaches might enhance participation.

RECOMMENDATION 3: *New pilots may need tools at the enrollment stage to help participants assess Guaranteed Income's potential impact on public benefits and safety net supports.*

Given that young adult candidates for Guaranteed Income pilots may also be enrolled in public benefits or other social safety net supports (such as for food, housing, and child care), new pilots may wish to add resources at the enrollment stage to help candidates understand potential impacts of Guaranteed Income payments to their existing benefits and the extent to which these additional funds may affect their overall financial picture. Customized dashboard tools, such as those developed by the Federal Reserve Bank of Atlanta² and benefits counseling could help pilot candidates consider pros and cons of participation based on their individual situations and make informed choices at the outset.

Further, new pilots may wish to collect data at benefits counseling stage to assess differences among enrollees and non-enrollees and to determine if policies or strategies, such as waivers to reduce the impact to public assistance loss, may be needed to optimize pilot outcomes, including improving the financial stability of the highest-priority populations. The experience in Santa Clara County demonstrated that this is a significant concern to participants and requires individualized information at enrollment to allow participants to make an informed decision.

RECOMMENDATION 4: *New pilots must also incorporate steps to prepare pilot participants for life once Guaranteed Income payments stop.*

Just as it is ideal to integrate benefits counseling at the enrollment stage of a Guaranteed Income pilot to help candidates make informed choices, it is also important to include support to help enrolled participants prepare for life once Guaranteed Income payments stop. This might include a minimum of two sessions (at mid and end-points) for all Guaranteed Income pilot participants, regardless of whether they participate in an optional Financial Mentoring support or not. Sessions could help participants reinforce or clarify understanding of the pilot and payments timeline and anticipate and plan for expected changes as well as provide opportunities for participants to ask financial questions.

For participants already receiving Financial Mentoring services (if available through the pilot), post-payment scenario-planning could be visited more regularly throughout the duration of the pilot, with opportunities to discuss a broader array of resources and strategies to help participants post-pilot with maintaining financial stability *and also building wealth*, a key interest of note among our own pilot mentees.

NEXT STEPS

BLACK ECONOMIC EQUITY MOVEMENT (BEEM) GUARANTEED INCOME PILOT

As a key partner in the County of Santa Clara pilot, the nation's first Guaranteed Income Pilot for Transition-Age Foster Youth, MyPath has showcased an innovative solution to optimizing the impact of Guaranteed Income payments for young adults. By pairing payments with optional Financial Mentoring services, participants were able to realize a strong set of financial outcomes that put them on a path to greater financial stability and stronger wealth-building opportunities.

Our Financial Mentoring model – first leveraged in our 2015 pilot with YearUp and refined for the 2020 pilot with the County – has shown great promise, and as a next step, MyPath will partner with the University of California San Francisco (UCSF) in a novel, five-year NIH-funded effort known as the *Black Economic Equity Movement (BEEM) Guaranteed Income Pilot* to bring Guaranteed Income and Financial Mentoring to 300 Black young adults in the Bay Area. MyPath will also integrate its Financial Mentoring model into select sites of its long-standing partner, YouthBuild USA, a large-scale national employment program for Opportunity Youth, and over the next several years, will leverage its new fintech platform, MyPath NEXT, to expand its Financial Mentoring capabilities and reach.



By finding ambitious and improved ways to provide Financial Mentoring to young adults, whether it's through Guaranteed Income pilots, youth employment programs, or fintech tools, MyPath aims to fulfill the bold vision set forth by its own young leaders who, in their Youth Economic Bill of Rights project¹⁰, named Financial Mentoring as a key need and right for young adults. We are eager to continue innovation on this front and improve our understanding of how to best enhance impact for this population. As funding becomes available through the California Guaranteed Income Pilot Program, MyPath will continue to partner with the County of Santa Clara to establish subsequent cohorts and implement recommendations contained within this

brief. Additionally, we are committed to sharing lessons learned and best practices with Counties as they plan and structure their pilots.

We hope this brief will generate more interest in Financial Mentoring as a strategic tool for optimizing impact in Guaranteed Income pilots – and even in the context of other programs where young adults are receiving income streams. We look forward to engaging more policymakers, funders, practitioners, young adults, and other stakeholders as we expand this work and continue to forge financial capability solutions to address the often-overlooked needs of young adults, especially those from BIPOC communities and low-income communities.

“ Adding MyPath's financial mentorship model as an optional support significantly strengthened the County of Santa Clara's Guaranteed Basic Income pilot. It had a profound impact on program participants through individualized support with financial needs, such as building, accessing, and improving credit. Additionally, participants gained insights, skills, and confidence to successfully navigate a transformative stage of their lives. Our participants have shared how gaining financial and credit management skills through mentorship has positively impacted other areas of their lives, including reducing anxiety and stress, providing a sense of connection, and promoting personal agency. The pilot outcomes demonstrate the value of financial mentoring as a companion support to guaranteed income pilots. ”

Melanie Jimenez Perez, Program Manager II
Office of the County Executive, County of Santa Clara

ENDNOTES

1. [“How \\$1,000 a Month in Guaranteed Income Is Helping N.Y.C. Mothers,”](#) *New York Times*, Andy Newman, January 18, 2022
2. Though titled “Basic Income Pilot” by the County of Santa Clara, in this brief, MyPath refers to it as the “Guaranteed Income Pilot” to align with the language of the field and distinguish it from *Universal Basic Income*, a concept that promotes unconditional, periodic minimum income to *everyone* rather than a targeted group. Guaranteed Income, by contrast, is provided to a defined group, often based on income level, location, ethnicity, or other factors.
3. Per an earlier two-year pilot that MyPath led with 400 18-24 year olds from the Bay Area chapter of Year Up, a nationally-recognized youth leadership and employment program, MyPath demonstrated the positive impact of Financial Mentoring to the financial health of young adults, including boosts to savings, credit, and financial confidence. This earlier pilot, which paired financial mentorship, credit education, and a credit-builder loan, evidenced how Financial Mentoring can optimize financial outcomes for youth as they are earning or receiving income through programs and generated a model and lessons which MyPath leveraged for the County of Santa Clara Guaranteed Basic Income pilot.
4. *Next Generation Personal Finance - [State of Financial Education Report](#) - 2021.*
 - *In schools with 75%+ Black and Brown student populations, only 1 in 14 students were guaranteed to take a stand-alone Personal Finance course prior to graduation.*
 - *In schools with 75%+ Free and Reduced Lunch eligibility, only 1 in 13 students were guaranteed to take a stand-alone Personal Finance course prior to graduation.*
5. MyPath uses the term “Financial Mentoring” instead of “financial coaching” in the case of young adults to highlight the former as an approach that 1) accounts for the unique developmental stages of young adults and 2) prioritizes relationship and trust-building. Financial mentors, like financial coaches, share knowledge, skills, and experience, but they often provide additional levels of support and guidance and promote a climate that is non-judgmental and affirming to youth and acknowledges youth strengths and personal decision-making powers.
6. *MyPath Brief - [“Not Getting Enough Credit: Exposing Credit Needs Among Opportunity Youth, and Introducing an Innovative Solution”](#) - 2015*
7. *Asset Funders Network - [Financial Coaching Census](#) - 2016. A Survey of 425 financial coaches working primarily with low-to-moderate income adults across 48 states and 438 organizations found that coaching clients attended a median of 3 sessions*
8. On the banking and financial products front, our **aggregate** analysis reveals that nearly all (90%) of the mentees who responded to the post-survey after receiving Financial Mentoring reported having access to a checking or savings account, an increase from 79% on the pre-survey. Mentees also reported having increased access to credit products as 30% of post-survey respondents reported they have some access, compared to 21% before Financial Mentoring. From the **matched** pre-and post-surveys (N=6), over 80% of mentees at post-survey reported having access to a checking or savings account, an increase from 50% on the pre-survey, before mentoring took place. Half reported having access to a credit builder loan at post, compared to just 17% at pre.
9. [Federal Reserve Bank of Atlanta - Guaranteed Income \(GI\) Dashboard: Visualizing Public Benefits Loss for Participants in GI Pilot Programs](#), 2021
10. [Youth Economic Bill of Rights project - Youth RYTS \(Real Youth Troubles and Solutions\)](#), 2021