Financial Capabilities: Budgeting and Saving

Laura Campbell: Welcome, everyone. Budgeting and savings are foundational-level skills when working with parents to increase their financial capabilities. This session will build family advocates' comfort with budgeting and savings techniques and ways to connect budgeting to other areas of economic mobility.

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All right. I am Laura Campbell. I am a national senior program manager at LIFT, and I'm here today with the National Center on Parent, Family, and Community Engagement. I will turn it to my colleague, Ara.

Araceli Lopez-Andrade: Hello, everyone. My name is Araceli Lopez-Andrade. I'm the senior program director for LIFT LA, and I'm also here with the National Center on Parent, Family, and Community Engagement.

As was shared in previous sessions, many of the communities we serve may have deep mistrust in financial institutions based on past experiences, historic and systemic barriers to inclusion, and being intentionally excluded from financial opportunities, which has shaped both access to and attitudes about money. Different families and cultures can have their own unique relationships with money that create widely different priorities from one community to another. For some families in some cultures or circumstances, saving money is not top priority. With all of these learning objectives, we will keep in mind the role that structural forces and cultural influences can have on topics, like budgeting and savings.

With that framing, we hope to develop confidence in discussing with families their budgeting and savings practices; explore ways to support families in setting realistic budgeting goals; explain how to connect small savings goals to big-picture dreams to improve families' economic mobility, including child savings accounts and college as a means for closing the wealth gap and breaking the cycle of poverty. Finally, we hope that you can demonstrate how to use tools and resources to help families budget and save, regardless of income level.

You will work with families who have financial goals, but who may not yet be able to pursue them. If families don't have enough income to cover expenses, discuss two important topics with them. One: focus a discussion on the goal of securing income. You may support families in securing income by accessing benefits or by focusing on immediate employment goals, or both.

The "Economic Mobility Toolkit for Head Start and Early Head Start" can be a great place to start and to divide into efforts to support families in accessing benefits. Check Key Topic Five in the toolkit. Session Six today on the American Rescue Plan will be a great complement to it. For focusing on employment goals, see Key Topic Six in the toolkit, and check out the resources from yesterday's session on career exploration.

Even if their income is limited, families are likely already making budgeting and savings decisions regularly. Ask families, how do they allocate their money day to day and month to month? Even if living paycheck to paycheck, it's important to note that the habits and tools involved in budgeting and savings are applicable to budgets large and small. Let's acknowledge today and in conversations with families that many families are already great at budgeting – couponing for example and stretching their dollars. For many families, the issue isn't that they don't know how to budget or save. The issue is that they are often working hard but not making a livable wage. They just don't have enough money to come in with.

One main focus of financial empowerment is to build the skills you need to manage money and to learn to choose the financial products and services that work for you. Focusing on budgeting and saving first will allow families to develop a strong foundation when they embark on their financial goals, such as eliminating debt and establishing credit. Let's dive into the topics that will help families develop a clear financial picture: assessing banking options, tracking income and expenses, monitoring spending habits, and incorporating savings into their budgets. I'll now hand it over to Laura.

Laura Campbell: Thank you, Ara. In this session, and in the following one on credit and debt, we'll draw on tools from CFPBs "Your Money, Your Goals" toolkit. It's full of information and tangible tools that you can use with families, both on economic mobility in general and the financial topics we'll dive into today. As we talk through topics and tools, keep in mind that our goal as family advocates is to help families develop a system that works for them. When it comes to managing income and expenses, banking, and budgeting, there are many strategies and tools that can help along the way. Plus, money management is personal and unique for everyone.

Discussing banking and money management options may be one of the first conversations that you have with families about finances, as it will shape the way they approach other financial goals. You may have families who do not use banks or other financial institutions. They're typically described as "unbanked." If someone is unbanked, review the benefits and risks of opening a checking or savings account. For both banked and unbanked families, it can be beneficial to explore the banking options available to them. Then, work together to develop action steps for opening the accounts that is the best fit for the family.

Consider that each bank has its own criteria for opening an account. It's important to remember that you may work with families who may not have all the documents that certain banks require.

There are many issues that a family may want to consider when opening a bank account. You can ask them, "What do you need to make banking convenient and beneficial for you?" That might be ATMs near work or home, linked savings and checking accounts, reliable online banking, or an easy-to-understand app. What other factors might you discuss with a family choosing to open a bank account? I'd love to invite you to send some responses through the Q&A. What other factors might you discuss with a family choosing to open a bank account?

OK. Great. One consideration might be the familiarity with the banking options – if it's a bank that's nearby in the community, or someone that you've already built trust with. That would be a great consideration. Any other thoughts? Great. Feel free to continue adding those to the chat. There are a lot of really important considerations, and we want to make sure we're individualizing that to each family. I see a couple more coming in. "Access to electronic cashier." Yep. Absolutely. "Learn more about how money decisions are made in the family. Who they want to have access to the bank account, one or multiple family members." Yes. That's a great consideration. Potentially multiple adults in the family, or even access to children's accounts. Some great considerations there. Thank you so much.

Obviously, this is a detailed conversation to have with families, and it may be helpful to have a tool to guide this discussion. The "Your Money, Your Goals" toolkit, which we'll reference throughout this session today, has a "Finding a Place for Savings" tool that offers a template for answering these questions and discussing with families the pros and cons of banking.

Another role that programs can play in supporting banking for families is to help to make some of those connections we were just talking about with local financial institutions that genuinely care about the opportunities for families in your community. These may be local banks and credit unions or a local branch of such organizations as BankOn. Developing these connections will likely require some exploration of common values and trust building, but these connections can significantly benefit the families that you work with.

All right, I will pass it back over to Ara.

Araceli: As we're having this discussion, and as we work with families towards financial goals and economic mobility, we must acknowledge the role that systemic racism plays in banking and other financial products and institutions. The result is often mistrust and resistance to banking and using financial products among communities of color. It is important to understand American history's economic evolution in order to understand systemic racism.

Taken from the book "The Color of Money," the quote, if you can join me in reading it, it says, "For hundreds of hears, a race-based credit system, a race-based economy that excluded Blacks, created poor neighborhoods here and then rich neighborhoods there. Then the Civil Rights Act of 1968 happened and it put an end to legal discrimination."

But is this really true? Did the Civil Rights Act really put an end to racial discrimination in banking and loans and financial products? I'm going to invite you to think of some examples of how we know that the Civil Rights Act really solved for systemic racism. How do we know that it has not resolved for it? I'm going to ask you to join the conversation and put some answers in the chat.

As we know, people of color, specifically Black people, continue to be affected most by systemically racist banking practices. For example, Black-owned banks make less than 1 percent of the nation's banking assets. Black-owned banks are also shrinking. Fewer Black families are applying for home loans, and less than 1 percent of large banks offer loans to Black families.

The Jim Crow laws and other national policies have kept people of color out of traditional financial systems and stopped them from building wealth. Red-lining is just one example of housing discrimination that kept Black families from purchasing homes. The racial wealth gap and the difference in total assets between white Americans and Americans of Color is significant and very much growing.

There are numerous ways in which people of color have been and continue to be excluded from the financial system in the United States. Let's dig deeper into one way that's very foundational and often affects other financial goals and financial mobility: the use of financial products. I want to check the chat just to make sure I'm not missing anything.

"Large banks like Chase, Bank of America, Capital One are only found in higher income and more white communities, very few in low income Black and brown communities." One of the things that we know for sure is access to larger banks has been an issue and a reason for underbanked or unbanked communities of color. These larger banks, as you mentioned, might not be in low-income communities or found in low-income communities, so you have definitely brought up a good point there.

Let's continue to talk about financial products. Financial products can reflect structural racism and negatively influence families' progress towards their financial goals, specifically the availability of these products in communities of color and the levels of trust that individuals have towards them. When you think of financial products, what comes to mind? Anybody? You can add it in the chat. What comes to mind when we think about financial products? Yes. "A bank account. Checking accounts." Correct. "Credit cards. Debit cards."

A financial product is a program or service offered by financial institutions or banks to help create those savings, investments, and build assets, such as insurance to help families create short or long-term financial gain. Just as you all provided some examples of traditional financial products, include checking accounts, this is a bank account that earns interest in time, credit cards offered by banks, stores, and other companies, investment accounts and tools like retirements and stocks, and then life insurance, right?

There are also less traditional products, safe financial products that are gaining traction, and that are often more readily available to people of color. These include some secured credit cards, credit builder loans, and lending circles. These financial tools are designed to assist people with no credit, no credit history, or a negative credit history in order to improve their credit score. These tools are important because, historically, people of color have not had access to credit.

Additionally, there are predatory financial products out there. These are the financial products that are taking advantage of people in vulnerable situations, such as when people find themselves in great need or lack of information, and in some instances, access, like I mentioned. These products are most prevalent in neighborhoods of concentrated poverty and high minority populations.

Can you think of an example of predatory financial products? You can put them in your chat as well. What are some predatory financial products? “Loans. Pay-day loans.” For sure. Exactly. Some of you mentioned pay-day loans. You know, think of high-cost tax preparation costs. The rent-to-own stores, for example, or even pawn shops. These are some of the predatory financial products that we know people of color are depending on. If you can think of what other examples you have seen or anticipate seeing of structural racism playing a role in family’s financial goals. Again, please add that on the chat as we continue this discussion.

“Furniture stores.” “Loans with high interest rates, or cashing checks and keeping a part of it.” Yes. We see that a lot. Thanks for sharing, everyone. Let’s keep these all in mind as we continue our discussion of budgeting and saving. As we work with families pursuing financial goals, and if you have additional thoughts, please put them on the chat, specifically as we talk about the role of systemic racism in finances and how these topics come to our work every day. Please feel free to drop in the chat, and I can definitely respond to those as we go.

I’m going to hand it over to Laura now. Actually, it continues to be me. Your turn, Laura.

Laura: Wonderful. Great. Thank you, Ara. Fantastic. As Ara said, feel free to continue adding your thoughts into the Q&A. We’d love to elevate those into the discussion.

OK. We’re going to start now with budgeting, which is key to families taking control of their financial life, and vital to helping them make progress towards big financial goals. But what exactly are we talking about when we say budgeting?

Budgeting is the process of creating a plan to spend money. Creating a budget spending plan allows families to determine in advance whether they will have enough money to do the things that they need to or would like to do. If families don’t have enough money to do everything they would like to do, then you can support them in using this planning process to prioritize spending and focus their money on the things that are most important to them. In other words, budgeting can help them to plan for and to prioritize their goals. We’re going to dig deeper here by breaking it down into three steps. First, tracking income. Then, tracking spending. Finally, creating your budget.

Tracking income can be complex, especially when income is coming from various sources or at irregular times. Using an income tracker can help families to organize, in one place, all the information about their income from jobs, benefits, and other sources. You'll see here on the screen a basic income tracker from "Your Money, Your Goals." This tool can help a person to get a total picture of their income and financial resources, remember when their funds are coming in, and think about how to plan their expenses to avoid gaps in their ability to pay.

In using this tracker with families, remind them three things by saying to them, first, "Start by asking yourself how many sources of income do I have?" In the income tracker, some examples of income are listed under the What You'll Need section. To get the most accurate picture of your income, you'll need pay stubs and benefit statements. These can be either paper or electronic, and you may be able to see this online if you use online banking.

Let's think of today's context mid-pandemic, too. Income may look different and include such sources as unemployment benefits, stimulus payments, and more. These benefits are crucial and stabilizing for families, and incorporating them into the conversation around budgeting is very important.

Finally, your income may not be consistent month to month. That's OK. Budgeting is an ongoing process, but if you start by tracking your income for a typical month, you will get a picture of what you want your budget to look like and build habits to incorporate budgeting into your daily life.

After tracking your income and getting a clearer picture of the money that's coming in every week or month, it's important for families to identify how they're going to spend this income. When life is busy, many people can't tell you how they spend their money during a month. Before deciding on changes to spending, it's a good idea to understand how they're using their money now. To do this, work with families in two steps. First, keeping track of everything they spend money on for a month, and then analyzing the month's spending to break down that spending into various categories. Of course, you know that "Your Money, Your Goals" has a tool for this. The Spending Tracker is a simple way to monitor expenses for a month. Plus, it provides example of spending categories that may be relevant to families.

When supporting families with this tool, discuss with them how they're going to use it. For example, will they save receipts with each purchase? Will they make a note with all expenses on their phone or in a planner the moment they spend the money? Use their online banking app to note all the spending at the end of a week? Remember, budgeting is a process that is unique to each family. Helping families to find the techniques and tools that work best for them is very important.

Ask families the following kinds of questions to help them connect monthly spending to long-term goals: When you think about your goals, what priorities emerge? What adjustments to your spending can be made to match these priorities? It's not up to us to decide what is a need and a want for a family. They know what works best, and we want to honor and empower them to make these determinations. Once their adjustments are made, families are well on their way to developing a budget. Having a clear understanding of what they plan to spend in specific categories at the beginning of each month will allow them to then plan for the month ahead and monitor as time goes on. A family's budget and expenses will probably change month to month, and that's OK. Tracking income and expenses are foundational habits that will help ensure families continuously stay on top of their budget. It will be helpful to have a tool for this.

There are many budgeting tools out there. You can use pen and paper if you're a little bit more old fashioned, a PDF or a spreadsheet template, or even an app. On the screen, you can see a simple monthly budget worksheet, and there are more tools to check out in the session handout. As we said before, budgeting is personal, and you can help families find the tool that works for them.

OK. Now that we have discussed the process of budgeting with families, we're going to now turn to savings. Savings is a high-priority goal for most families as it ties into a lot of longer-term goals, such as home ownership or education. Saving regularly can help families make progress towards achieving their goals and better handle unexpected expenses when they come up. With budgeting skills laying the foundation, savings is an achievable and vital next step for many families. Even if it's just a dollar a week, starting to build that savings habit is the most crucial step.

We want to encourage families to pay themselves first, which means making it a priority to take good care of your financial future by putting yourself in the front of your bill-paying line. We encourage families to think of savings as a bill that they have to pay to themselves and to really include that directly in their monthly budget. That's its own line in the budget there. We're going to watch a short video now about Mike as he develops a savings goal and builds a plan.

[Video begins]

[Music]

Narrator: Meet Mike. Mike's an energetic guy with lots of dreams but not a lot of money. One of those dreams is to get a new car. He's been driving the same one for years, but it's got a few issues. Mike dreams of the day he can afford a new one, but he knows he'll need to come up with a down payment to lower the cost of his monthly bill.

He starts by looking at his monthly expenses and decides he'd rather have a newer car than daily take-out and so many nights out with the guys. Mike comes up with a plan for the next year to help him get to his goal. He'll take lunch three times a week, go out less, and make some other small changes. He also opens a savings account and has money direct deposited every time he gets paid to help him stick to his budget.

Soon, Mike begins to see his money grow. By putting that money down up front, Mike's monthly payment is less expensive, and he can comfortably afford his new car. Now Mike has spent a year seeing how savings can work for him. Do you think he'll go back to eating out, get a shopping habit, or continue saving for his next big goal?

[Music]

[Video ends]

Laura: All right. Wonderful. Congratulations to Mike on his new vehicle there. I'm going to ask a couple questions now to you all and would encourage you to respond in the Q&A. What do you think Mike did well in working on his savings goal? What might the scenario have left out or forgotten to consider? Let's see what's coming in.

One thing that we saw from Mike was that he was cutting his expenses. He identified that he wanted to adjust his budget there to have a little bit more to put to savings. Yes. great. We saw that. He was bringing his lunch and also cut out some of those nights out with his friends. What else? What else did Mike do well in working on his savings goal, and what might the scenario have left out or forgotten to consider?

"Prioritize his needs versus expenses." Yes, absolutely. He went through that cost-benefit analysis and figured out what are those things that he absolutely has to have and what is the cost going to be for that so he can make sure that he's covering those things. "Mike made changes that didn't impact him too much." Yes. He didn't have to make a ton of adjustments for some of those things. Decided that going out with his friends might not be, I see a comment here, really essential to his mental health and well-being, so that is something that he cut out. Also that he decided to bring his lunch a few days a week.

Yes. I see another consideration, too, that maybe he didn't consider that those nights out with his friends might be really essential. That would be something to make sure to talk to Mike about as he's considering those things – that he might want to cut, but also might be really important to his well-being. And it might be different with a family. Absolutely. Might have had to make some different considerations or different choices there based on having children or a partner, extended family to consider there. Great.

Any other thoughts on Mike and his car purchase? OK. Wonderful. Those are great considerations and important reminders, as always, that we want to be individualizing these discussions to each of the families that we're working with. OK, I will pass it to Ara.

Araceli: Thank you Laura. Congrats Mike. Given the pandemic and its affects, families will be at different points in their readiness to save. That's for sure. Some families have experienced job loss, health impacts, and other serious effects in the past year. They may have depleted their savings or have unpaid bills that make it seem impossible to consider saving money. In supporting these families, focus on goals that will help them find stability.

You may find that many of them closed their bank accounts and savings accounts during this time simply to avoid accruing more bank fees. Keep in mind that in recent studies, people of color end up paying higher bank fees than white people. This is due to many reasons, such as distance to their banks, the trust and relationships they have with their banks, and also one thing that we learned over time is that understanding how to navigate online bank accounts may be difficult for some families that may not have the technology savviness.

For other families with income coming in from stimulus payments, for example, or tax refunds, and the upcoming monthly child allowance, now may be an opportune time to begin to talk about savings. Over time, some families have been able to create some savings based on these side payments. In supporting these families, how can you open the conversation about connecting these extra income sources to long-term family goals? Anybody wants to chime in? Again, please put it in the chat. How can you open up the conversation with families about connecting them to extra income to the long-term family goals? How would you do that?

“Mutual aid.” Yep, “for food.” Having a discussion around how to better gear that money. “How to save for an emergency.” COVID showed that, right? That saving for emergencies like COVID was a clear example of how families were able to navigate such emergencies right now with the little or a lot of savings that they’ve had over time.

“Great community efforts popping up because of COVID where you can send families and get Venmo or Cash App money.” Yep. That’s great. Yes. “Helping them to define how much they need to save to reach that goal.” Yes. “Helping them figure out what that looks like is important.” Correct. Yes. “Asking them what are some other things you can do to bring in extra cash,” right? Some folks have skills and side hustles, for sure.

We saw that people that ended up working from home ended up having extra hustles. Folks that lost their jobs, for example, tapped into their creativity and depended on some of the things that they felt was a hobby that became a full-on business, right. That’s a very good question. Asking families about what other skills sets you have, what are other talents you may have, what have you tried in the past for additional money. Yes, great.

Now that we talked about some of the ways we can have those conversations with our families, you can support families by making progress towards savings goals. It’s helpful to create a specific savings plan. We talked about asking some very good questions. “Your Money, Your Goals” has a tool that you can use with families to get this process started. This process will include prioritizing their savings goals, defining how much they need to save to reach that goal, and then setting a date by when they want to have it saved.

You can work with families to set a clear weekly savings target, as well as ways to decrease spending or increase income to get there. Let’s note something. Savings options may look different in different communities. It may be influenced by cultural patterns and norms. We’ll talk more in detail about how do they decide how to save later. But be sure to encourage flexibility when working with families and considering all possibilities. I know for sure that in the Latino community for example, they depend on “tandas” or “cundinas” as a way of savings, and not necessarily using banks. Something to consider.

I’m going to hand it over to Laura now to talk about some strategies.

Laura: Thanks, Ara. We're going to dig in now into a couple of support strategies, but feel free to add any other questions or things that are popping up as you're thinking through savings, developing a savings plan, and any of the other considerations we've been discussing today. When you're developing a family savings plan, we want to work with them to make their objectives SMART. Research suggests that making objectives and action steps SMART makes them more effective and more likely to be accomplished. You might have heard of SMART objectives before. They are specific, measurable, attainable, relevant, and time-based.

While being specific and time-bound – that might be setting a deadline – are pretty straightforward, sometimes the M, A, and R are a little bit more confusing. To make something measurable, it can be really helpful to ask a family, "How will you know if you've succeeded? What does success look like to you?" Those are great questions to start to make sure that how you're writing that SMART objective is measurable.

Relevant is going to refer to the family's visions. For this, you want to gut-check with them to make sure that the step you're setting is truly connected to something that motivates them. Often, in my experience, those goals that are a little bit harder to make progress on or are not getting achieved might just be goals that are not motivating to the family. Just checking in to make sure that you are prioritizing the right things and working on what really is the vision for that individual family is really important.

Has anyone had experience with using the SMART objective technique? If so, have you found it helpful? Any thoughts that you want to share on using this technique would be great to see in the chat.

We're responding. Have you used the SMART objective technique with families in the past? Have you found that to be helpful? I see, "We use it in Head Start. I think at times may struggle with the wording." Feel free to add a little bit more context there, but I think using these different anchors as guides to kind of gut-check with yourself after the objective has been written, to just check, yes, no, has that written in a specific way, is that measurable, is it attainable, relevant, and time-based, and some of those questions to ask. Good to know that there is some familiarity, and it makes sense that there might have been some challenges there.

"Yes. I found it helpful to pinpoint measurable and attainable goals with families." Yes. That's great. I think that measurable piece is really big and just, in your role, sort of holding people accountable to what you have established. We've committed to support families and making progress towards their goals, and setting those clear deadlines and checking in on how that progress is going towards that deadline is a key part on how we can support them.

"I've used it with families, and it's very helpful. It makes it more real. Small objectives are the most helpful ways they can see small successes." Yes. Great point. It can be really encouraging, especially for a family who's kind of just getting started with goal setting or has a really long-term goal. Having those small action steps along the way and being able to celebrate that success is really encouraging to the family and a great opportunity for you as the family advocate to celebrate that with them and to continue to strengthen that relationship.

"This helps narrow down to really small, bite-size goals rather than something overwhelming." Yes. Great. It takes those really big goals into bite-size pieces. I love how you worded that. Someone is asking for an example. Yes. We are actually going to turn to that in just a moment on the next slide. Great thinking there.

"I found the more specific the better." I think that is a great general guideline – the more specific you can make that to the family and to that individual objective. "It can also be helpful to set incremental goals so you can celebrate wins along the way." Yep. Great. I'm seeing a lot of buy-in to having small action steps to achieve those larger, more long-term goals. "Celebrating is great. What will you do when you reach the objectives?" Oh, I love that question. Not only celebrating when that happens with the family, but also proactively asking them that question. What will you do when you reach that objective? I think that's fantastic and really strengths-based to keep that eye towards what it will feel like when that particular objective, or even the larger long-term goal, has been achieved.

"Makes families more satisfied and successful in their efforts to meet long-term goals." Yep. Absolutely. And "has to be important to the family now." Wonderful. Sounds like a lot of experience and enthusiasm around SMART goals, which is great. I, too, share that enthusiasm. I think that last piece, "has to be important to the family now," is a really good emphasis that priorities might change, and that's OK, too. Just ensuring that we are having that conversation and keeping that top-of-mind in our work with families.

Again, if we're seeing maybe that priority has shifted, or the motivation is not there, we want to make sure we're checking in on that so we can adjust our work as needed. Wonderful. Thank you so much for thoughts. I know there was a request for a specific example. We're going to dig into one right here. We're going to look at two different versions of a savings goal. You might start with an objective that says, "I will build emergency savings." What do you think? It seems like we have some SMART objective experts here in the audience. Does this objective meet the SMART criteria? Feel free to add that into the chat. Someone says, "I will build emergency savings." Do we feel like that is specific?

We're getting a little bit of a sense of the type of savings account that the family wants to build. But, yes, I'm seeing a note here, "It's not measurable or time-bound." We don't know what success looks like. We don't know how much an emergency savings that that family is looking to build, and we don't have that date. We don't know by when they would like to have achieved that goal. Yep. I see it does not.

"Not by when. What is one action step needed to get there?" Great. I love that we're already thinking towards, you know, after this objective has been set, what are those action steps that we can take to get there, and starting to have that SMART conversation really organically leads into establishing in those action steps.

Let's take a look at a stronger SMART objective. Instead, this might be improved by written as, "I will save $25 every paycheck by transferring it to my savings automatically." We know how that savings is going to get into the account, it's going to be $25 every paycheck, and we know that it's going into a savings account. Could even add a little bit more detail there of particular deadlines. Knowing that they want to save $25 every paycheck, is there an end goal in mind of the total amount they're hoping to have in their emergency savings and that particular date by which they want to have it. Great. Thank you for your thoughts. Let me see if I missed anything.

One of the most challenging steps is often making the objective attainable. We're going to talk a little bit about how to do that. This is where you want to make a SMART objective actionable, and that's going to include where and how families will save. If you're looking for a resource to help, "Your Money, Your Goals" has a Find a Place for Savings tool. If the family is unbanked, review the benefits and risk of opening an account. If the family is saving in a traditional bank account, you can discuss how automatic transfers can support their efforts to build their savings habit.

People are less likely to achieve their goals if there are many hassles that get in the way. Automating it is a great way to just make is hassle free. In addition to traditional savings accounts, there are some family goals that may involve specific types of savings accounts. The "Economic Mobility Toolkit" is a great resource for exploring wealth and asset building through individual development accounts, children's savings accounts, and more.

When working with families on savings goals, it's important to be aware of the asset limits of some benefit programs. This really depends on different state rules and various benefit programs. But things like TANIF and SNAP may have limits on how many assets, such as savings, that a person can have and still remain eligible for them. As I said, they do vary by state and benefit. If a family is accessing other benefits, we want to make sure to work with them to check these limits so that we can help avoid unexpectedly losing any of the benefits. "Your Money, Your Goals" does have a tool for this. It's called the "Savings and Asset Limits" guide. OK, I will turn it back over to Ara.

Araceli: Thank you, Laura. Before we move into the key takeaways, I wanted to open the discussion a little bit more and have you ask any questions or identify anything that we may have missed in this presentation. I'm going to give you some time to put that in the chat so that we can address it now.

Laura: Great. Ara, I did see a question come thorough when I was going over some slides that says, "Do you find there are cultural, linguistics sensitivities when setting financial goals?"

Araceli: I saw that question, and I thought, "What a great question to have a conversation about," right? Because, if and when we come from a place of understanding the cultural sensitivities, then we're able to open that door for conversation with the families. What's helpful is that you explain to them where some of these things come from, some practices, what a goal is. Using clear definitions that are appropriate linguistically and culturally appropriate, opens up the opportunity and the trust for them to want to engage in goal setting and savings plans and budgeting.

For some, this may be brand new to them. The concepts is something that we really want to bring forth as a new concept, not assume that they understand and know what we're talking about when we say budgeting. Or using certain tools might not be something that they're up for, so it's having a lot of conversation and defining concepts and terms so that they can then use it in their own terms.

I find, especially in Spanish, there's different ways you can define certain things and certain tools and then they rationalize it, and they're like, "Oh, this is what you mean. This is how I understand it." I end up learning even more terminology based on the conversations that I have with families. It's always important to come from a place of not assuming that they know what we're talking about, that we introduce these concepts and tools as if they didn't know. I hope that helps.

I see the conversation about considering domestic violence situations, especially when the person that comes to you might not have the power and control over the money that's being spent. We see that with families. Again, it's important to introduce these terms as a way that they can then translate that and transfer that to their partner so that then it becomes a collaborative between the two parents in the household. We often use that when we introduce a budget, for example, a tool, and we say, "Try to fill this out." And they often say, "Well, I don't know how much we actually bring home because my husband is the one that works. I don't know exactly how much we pay in all these bills."

We empower them to have that conversation with their partner using some of these tools, actually, and we say, "Have a conversation. Sit with them and say, 'Help me fill this out so that we can then start talking about savings plans and creating some goals together.'" Laura, do you want to add something?

Laura: Yes. I think that was great. I think you really pointed out to just providing tools in someone's primary language so that if you are making a referral or you're sharing this resource, you want to make sure it's accessible. But I think everything else was great, Ara.

Araceli: Yes. To answer the question about "Is it ever appropriate for a Head Start or Early Head Start program to provide direct funds to a family?" I think that's a larger conversation to have, that it's more policy and systems change, because this is about a program actually funding families by providing direct cash assistance, which is something that's very different. I'm not aware that Head Start is providing that kind of direct funds to families. I know that they provide a lot of other resources but not sure that the direct funds are local. It's more of a federal program. That definitely needs to look into policy change there.

Laura, there's a question about SMART objectives versus SMART goals. Do you want to take that one?

Laura: Sure. Absolutely. Those are used interchangeably. You might hear SMART goals. I know more often in the Head Start space it's referred to as SMART objectives. The same S-M-A-R-T apply there. You just might hear a different term there.

Araceli: I see another thought here about, it says, “I would love to know more about your thoughts around supports for families and staff wanting to engage more formally in a side hustle, being entrepreneurs.” That’s a wonderful question because I think that now more than ever, given the circumstances with COVID, it really pushed everybody to create some side hustles and think about owning their small businesses and becoming entrepreneurs, especially for those families that don’t have the legal rights to work. They depended on street vending, for example, or some entrepreneurship opportunities, and that was jeopardized because of COVID. But they sought out a lot more support in creating small businesses.

They tried and tested different things. The thought is, we encourage entrepreneurship. We encourage referrals to the right programming that will help them build the business so it’s not just you holding this expertise. I don’t think we’re asking you to be the expert. We’re asking you to think of other external partners that can help build businesses. There’s tons of opportunities right now with microlending, with budgeting for small businesses, how to get licensure, any specific trainings that they’re looking into. There’s a lot of considerations that you might want to think about as you help families build a small business and jump-start their entrepreneurship goals. Laura, did you want to add anything?

Laura: Yes. I think in addition to that, as Ara said, it will be very regionally and geographically specific. In my experience, one of the most helpful referrals we’ve had for entrepreneurs is business mentoring. Other people who have gone through the process of starting a small business can help with identifying what those objectives are, developing the business plan, kind of those more granular pieces there. I think seeking an organization that might specifically be able to connect either in a one on one, or in a group of other entrepreneurs, can be really helpful just to leverage that social capitol and to support that family with something that might be a completely unknown space for them.

Araceli: I see a comment about “considerations for families who aren’t documented, and they have fears around sharing confidential information.” Most definitely it’s real that families that are fearful of being found out by the government. Might hesitate sharing information. To bring it back to the topic about banking and trusting banks, this also brings in barriers for them because they don’t want to share personal information. Obviously, some banks have very specific requirements for bank accounts. But there’s definitely some banks that have made some accommodations to be able to help families open savings accounts and checking accounts.

It’s really about doing a little bit of research to see which banks can accommodate. I think to answer the overall question, undocumented families are trustworthy only when they trust other families, right? If one family trusts you and your program and your staffing, your team, then they’re going to share that with their community. It only takes families to trust one another and share that information based on the trusting and the service that you provide. They’ll trust you with information once you really show them that the information you collect is not something that’s going to be shared out. It really comes down to trust. Did I miss anything else?

Laura: I think that seems good, Ara. If you want to transition to the key takeaways.

Araceli: Yes. We hope that by now you have been able to think about budgeting and savings that are often the foundation of financial empowerment and obviously for long-term financial goals; that you were able to develop skills in these areas that will set families up for long-term success; that banking and financial products and opportunities overall has been influenced by systemic racism; and then acknowledging this in our work with families is super, super important.

Considering the context of the pandemic is vital in supporting families in budgeting and saving, regardless of their income. It's important to have conversations about budgeting and saving during the pandemic and about the habits that they've developed over time. Further, benefits from COVID relief bills will play a role in families' budget. We talked about the stimulus and how we can create some supports with that. We hope that that was helpful. Then that budgeting and saving can be done in many ways. The goal here is to support families to identify the best techniques and tools for them – obviously, that are culturally and linguistic appropriate.

Here we want to share resources with you. This is some of the resources we used for this presentation. Then to complete the session and download your certificate of attendance, please follow the following steps. Make sure that you go to the engagement tool at the bottom of your console. Click on the blue Certificate of Attendance icon. A pop-up message will appear in your screen. If you have met all full-credit criteria, a certificate icon will appear in the tool window, allowing you to download your certificate. Clicking the icon will open the certificate as a PDF in a new browser tab.

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We know how eager you all are to resume full, in-person services for children and families, and for that we thank you. The great news is the Biden administration has prioritized teachers, early educators, and child care staff to receive the COVID-19 vaccination. To learn more about the vaccine, we have information available in the Engagement Hub to help you become confident in making the right decision for yourself.

Join us in the Engagement Hub for a self-care break and get ready for your next session. Thank you very much on behalf of Laura and I. Note that if we have any meditations or yoga, please go ahead and join. For more information about our work, please contact us at PFCEwebinars@acetta.info. Thank you so much, and we wish you a healthy return back to the classrooms.