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**Title**

The Critical Moments of Immigrant Integration: A Research Brief of the Impact of Financial Education, Coaching, and Traditional Lending Models for Increasing Financial Capability

**Permalink**

<https://escholarship.org/uc/item/21n9s189>

**Journal**

AAPI Nexus: Policy, Practice and Community, 13(1-2)

**ISSN**

1545-0317

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**Publication Date**

2015

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## The Critical Moments of Immigrant Integration:

A Research Brief of the Impact of  
Financial Education, Coaching, and Traditional  
Lending Models in Immigrant Asian American  
and Pacific Islander Communities

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### Abstract

This paper highlights the findings of a multicity pilot project that the National Coalition of Asian Pacific American Community Development implemented in partnership with Asian American and Pacific Islander (AAPI)–serving community-based organizations in Los Angeles, Chicago, New York, and Houston. This partnership with all four organizations represents the largest lending-circle pilot project to date in the AAPI community. Over the course of one year, we tested a program model that integrated financial education training and individualized coaching with immigrant integration services such as English as a Second Language, citizenship classes, parenting classes, and workforce readiness. Clients were also offered an opportunity to access Lending Circles<sup>SM</sup>, a peer-lending financial product, as a vehicle for helping to improve savings habits while also building credit. This essay will discuss recommendations for replication by other community-based organizations and practitioners.

### Introduction

Community-based organizations have long served as anchors in immigrant communities, supporting their acculturation and integration into American society through services such as classes for English language learners, citizenship education, and counseling on public benefits

access. In essence, these organizations serve as navigators to a variety of mainstream systems and institutions—including the U.S. financial system. At a time when there are few places that offer culturally and linguistically relevant education and services to help immigrants understand, manage, and grow their household wealth, community-based organizations may in fact hold the key to ensuring the financial inclusion of millions of individuals.

In 2014, the National Coalition of Asian Pacific American Community Development (CAPACD) launched the Immigrant Integration Financial Capability Project, a pilot project that sought to answer the question: Do immigrant integration services offer a prime opportunity for improving financial capability for new arrivals to the United States and nonnaturalized immigrants? The National Partnership for New Americans defines *immigrant integration* as a dynamic, two-way process in which immigrants and the receiving society work together to build secure, vibrant, and cohesive communities, with several components that focus on including immigrants' access to mainstream institutions.

This paper highlights the findings of this multicity pilot project, which was implemented in partnership with Asian American and Pacific Islander (AAPI)-serving community-based organizations in Chicago, Houston, Los Angeles, and New York. The project was funded by the Citi Foundation's Growing Assets Program. Over one year, we tested a program model that integrated financial education training and individualized coaching with immigrant integration services such as English as a Second Language (ESL) class, citizenship classes, parenting classes, and workforce readiness. Clients were also offered an opportunity to access Lending Circles<sup>SM</sup>, a peer-lending financial product operated by the Mission Asset Fund (MAF), as a vehicle for helping to improve savings habits while also building credit. This partnership between National CAPACD and all four organizations represents the largest lending-circle pilot project to date in the AAPI communities.

A total of 531 unduplicated clients were served across all four sites. Of this number, 437 individuals received financial education, 289 individuals received one-on-one financial coaching, and 110 participated in a total of seventeen lending circles. This paper highlights key findings based on client-level data regarding the effectiveness of the program model for AAPI households. The data demonstrates that the participants made significant improvements in knowledge, financial behavior, and attitude/outlook.

Client change was measured using a number of data sources, including client pre- and postsurveys conducted in multiple languages, client credit scores, loan repayment records, and banking status. Indicators of program success include:

- Clients reported a significant increase in their confidence and knowledge; there was a 32 percent increase in the number of clients reporting who knew how to budget and manage their money very well.
- Clients were more likely to apply this new knowledge following program participation, with 50 percent using a budget or spending plan at program conclusion (up from 15 percent).
- There was a 27 percent increase in the number of clients who reported that financial stability was a life goal, a key attitudinal measure, and foundational value for any client to make a significant behavioral change.
- Clients were more likely to save monthly following program participation, increasing from 36 percent to 62 percent.
- There was a 37 percent increase between pre- and posttests of clients who reported understanding “very well” how to improve or repair their credit.
- Preliminary data analysis indicates that there was an average of a 132.9-point Vantage Score increase, with the percent of lending-circle clients without a credit score decreasing from 17 percent to 0 percent over the duration of the grant period.
- The repayment rate for the lending circles was 98.39 percent with a total loan volume of \$58,950.

Also included in this paper are additional findings regarding the organization changes and outcomes that resulted from their participation in this program. National CAPACD was equally as interested in measuring direct consumer impact as it was in evaluating its efforts to build capacity within its network. Organizational interviews were conducted with each program site, and mid-term and progress reports were completed and submitted by each organization.

Upon interpreting these results, National CAPACD and our partners at Chhaya Community Development Corporation, Chinese American Service League, Chinese Community Center, and Korean Resource Center can conclude that bundling financial capability activities with other immigrant integration services is a strategy that works (see the appendix for partner descriptions). Client outcomes exceeded expecta-

tions, and each program experienced significant demand for their services. In fact, several sites struggled to ensure that adequate staffing was available to meet the desire for in-language financial education and coaching and the culturally relevant lending-circle product. Although each site met with a variety of successes and challenges during program implementation, each organization has come to the conclusion that furthering the capacity of their financial capability programs will be a critical part of the organization's strategic program growth.

### Literature Review

Statistics from the 2010 U.S. Census indicate that AAPIs now represent the fastest-growing racial/ethnic group in the United States, largely as a result of immigration (Hoefel et al., 2012). This surge in their population is concurrent to significant growth in the population of AAPI poor. National CAPACD's 2013 report, *Spotlight on Asian American and Pacific Islander Poverty: A Demographic Profile*, found that AAPI poor are one of the fastest-growing poverty populations in the wake of the Great Recession—with a 37 percent increase for Asian Americans in poverty and a 60 percent increase of Native Hawaiian/ Other Pacific Islanders in poverty between 2007 and 2011 (Ishimatsu, 2013). The findings from that report are further reinforced by a 2012 study by the National Asian American Survey, which found that one out of every twenty respondents reported a home foreclosure, and one in seven a job loss or layoff. Combined, this equates to 17 percent of Asian Americans either losing their house or their job since 2008, with 2 percent losing both (Ramakrishnan and Lee, 2012). It is no surprise then, that between 2005 and 2009, Asian American net worth fell 54 percent, as detailed in a 2011 Pew Research Center study (Kochhar et al., 2011). Undoubtedly, the true financial vulnerability of AAPIs is often masked by data that treats the population as a monolith and by model minority stereotypes projected by the media.

Several recent studies have helped to dispel these misconceptions, and their findings can be instructional in ensuring that low- and moderate-income (LMI) AAPIs can access economic opportunity. One such study, *Banking in Color*, is a 2014 report on financial access for low- and moderate-income communities of color that exposes the need for greater investment in culturally relevant financial capability programs (National Coalition for Asian Pacific American Community Development, National Urban League, and National Council of La Raza, 2014). More specifically for AAPIs, the report found that 26 percent of AAPI

respondents did not know who to turn to for financial advice, and an additional 29 percent turned to potentially unreliable sources such as friends and family or the Internet. Further, AAPIs are much more likely to go to a branch bank versus banking online, with factors such as local access, personal relationships, and availability of services in their native language influencing their selection of financial institution.

Findings from the Federal Deposit Insurance Corporation's (FDIC's) 2013 "National Survey of Banked and Underbanked Households" (Burhouse et al., 2014) further expose the extent to which many AAPIs are vulnerable to predatory financial practices. Although approximately 90 percent of AAPIs surveyed by the FDIC had bank accounts, many were in fact considered underbanked, meaning they had turned to nonbank, alternative financial services in the prior twelve months to address their financial needs (18.7 percent for Asian Americans and 27.2 percent for Pacific Islanders). The rates of being underbanked were particularly high for immigrants (24 percent) and, in particular, noncitizens (28 percent).

This is further supported by findings from the Center for Financial Services Innovation's "Investing in the American Dream" report (Garon and Andres, 2014), which detailed the extent to which immigrant populations turn to alternative financial services, versus mainstream financial institutions, to fulfill their financial services needs—particularly for remittances.

Taken into consideration, these findings illustrate the tremendous opportunity and need that exists for increasing resources to build the financial capability of low- and moderate-income AAPIs—both native born and those who have immigrated to the United States.

Bundling of financial capability activities with other immigrant integration services such as ESL classes, citizenship education, and workforce readiness presents an exciting new model for financial inclusion for millions of individuals who would otherwise be left out of the financial mainstream because of language barriers, cultural mistrust, documentation status, and so forth. Immigrant integration services are broadly defined in this paper to include not only ESL and citizenship classes, but also parent education classes, home ownership education, small business development, and legal services—any supports that an immigrant may need to integrate and succeed in American society over their life cycle. The users of such services may be inclusive of recent arrivals as well as those who have already become naturalized citizens, as National CAPACD believes that citizenship status is not necessarily

an indication of an immigrant's ability to understand, navigate, and succeed in American society.

### Immigrant Integration Financial Capability Project

As a national intermediary, National CAPACD convenes stakeholders to promote innovation and cooperation, in order to further advance the asset-building field and provide a stronger bridge between local programs and national influence. More specifically, by launching the Immigrant Integration Financial Capability Project, National CAPACD sought to achieve the following goals:

#### Direct Consumer Impact

- Program participants will increase their financial knowledge;
- Participants will open a bank account and begin saving regularly;
- and
- Participants will build and increase their credit scores.

#### Build a Stronger CAPACD Membership/Network

- AAPI organizations will enhance their understanding of the U.S. financial systems and will identify asset building as a programmatic priority for their community and organizations;
- AAPI organizations will bundle asset-building activities into their existing immigrant integration services for seamless delivery;
- AAPI organizations will learn, document, and share best practices for implementing a financial capability program; and
- Practitioners become stronger advocates for other asset-building policies.

As a result of this work, it was anticipated that community-based organizations would deliver more effective and impactful services to a larger number of low-income AAPIs; AAPI community needs would be identified; and solutions would be generated locally. In addition, more AAPI communities will be civically and politically engaged, and lead in creating and shaping national policies; increased attention will be focused on low-income AAPI needs in national discourse; ultimately, increased resources will flow to AAPI organizations and communities; and national policies and federal regulations affecting AAPI communities will be improved.

## Program Participant Demographics

As stated earlier, a total of 531 unduplicated clients were served across all four participating project sites. Of this number, 437 received financial education, 289 received one-on-one financial coaching, and 110 participated in a total of seventeen lending circles. Individual participants may have received one, two, or all three services.

Participating organizations used a variety of tactics to recruit clients for participation—ranging from internal recruitment within other organizational programs (e.g., from within a parenting class), to reaching out to new partners in the area who may also be serving the target population (e.g., other organizations offering citizenship education). It should be noted that program sites did encounter challenges in some communities with regard to recruitment for the lending circles. Cultural misconceptions about the safety of this traditional form of peer lending (versus the formalized product made available through MAF) made initial recruitment a challenge for several organizations.

Approximately 60 percent of all clients served were women, with only 23 percent reporting their gender as male. Seventeen percent of clients did not respond to this question on the survey. Clients were served in a variety of languages, though the primary language groups were Korean, Chinese, Vietnamese, Bangla, and Nepali. There was significant ethnic and linguistic diversity in the New York and Houston sites, even within the AAPI population alone. It is important to note that although program sites prioritized serving Asian American clients, sites did not turn away those in need from other racial groups. Across all sites, 64 percent of clients identified as Asian, 9 percent identified as African American, 3 percent identified as Latino, 2 percent identified as white, less than 1 percent identified as other, and 21 percent of individuals did not identify their race/ethnicity. Most surprising was the age of clients—almost 40 percent of all clients were older than fifty. This data point suggests the need for greater investment in helping older individuals increase their financial capability, particularly as they approach retirement age with little in savings. Table 1 provides a snapshot of the client demographics.

## Program Model

Each of the four participating sites was preselected to participate in this pilot project based on their high performance as part of National CAPACD's Housing Counseling Network, as well as their previous experience with delivering financial capability activities. For most of these



Table 1. Client Demographics

Characteristics	%
<b>Age</b>	
18-29	11%
30-49	35%
50-69	32%
70+	5%
Unknown	17%
<b>English Proficiency Level</b>	
Very well	22%
Less than very well	31%
Not at all	23%
Unknown	22%
<b>Citizenship Status</b>	
Not a US Citizen	29%
Naturalized US Citizen	35%
Native Born	11%
Unknown	29%
<b>Household Income Range</b>	
less than \$10,000	12%
\$10,000 to \$20,000	22%
\$20,000 to \$30,000	12%
\$30,000 to \$50,000	15%
\$50,000 to \$75,000	5%
\$75,000 to \$100,000	1%
more than \$100,000	1%
don't know	8%
did not respond	24%

Source: CAPACD Immigrant Integration  
Financial Capability Project

organizations, offering financial education was nothing new, but the individualized coaching and offering of financial products was certainly uncharted territory. Despite this inexperience with the latter two activities, these interventions are undoubtedly a natural outgrowth of their existing programs. Further, participation in the Immigrant Integration Financial Capability Project offered an opportunity to catalyze a deeper ideological shift in organizational approaches for addressing poverty.

Over the course of one year, each program site was responsible for providing financial education services (in an individual or group setting),

in combination with financial coaching services and access to a financial product—Lending Circles.

Financial coaching is a process to help clients link their behavior to their goals and values. Financial coaching is a way of working with the client in equal partnership rather than as an “expert” there to give advice or issue directives.

Lending Circles<sup>SM</sup> is a financial product of the MAF that formalizes a global practice of peer lending. In this peer-lending model, individuals come together to form a circle, they make equal monthly payments at 0 percent interest and with no fees. Payments are disbursed to a different member of the group on a rotating, monthly basis. Payments are reported to credit bureaus, and clients benefit from building a savings habit while also building their credit.

Services may be provided concurrently, or in a linear fashion—as to be determined by the host organization. Thus, in some cases, clients received all three services, while in other cases, a client may have only received either the financial education or the financial coaching services.

All program sites were required to integrate these services with their other immigrant integration activities, such as their ESL classes, citizenship classes, workforce readiness, and so forth. For example, an individual who is enrolled in a citizenship class might be referred to participate in the financial capability workshop, and then subsequently opt to participate in the lending circles as a way to save toward his or her naturalization application fees.

Throughout the duration of the grant period, National CAPACD staff provided technical assistance to each program site in both individualized and group formats. All sites met in person for an initial orientation and two-day intensive training on financial coaching skills and the Lending Circles<sup>SM</sup> financial product. Additional webinar trainings were also provided to supplement learning about the Lending Circles<sup>SM</sup> product, as well as on program evaluation and the evaluation platform—Success Measures, offered by NeighborWorks America. Program staff at each site also met with National CAPACD on a quarterly basis, either on the phone or in person. In-person meetings occurred twice during the grant period, and served as an opportunity to bring together all pilot project sites in the cohort to promote sharing of lessons learned and best practices.

## Methodology

National CAPACD evaluated program effectiveness in two categories: direct consumer impact and changes to organizational capacity.

Several data-collection strategies were utilized, including client self-reported data, organizational reports and interviews, and data provided by MAF.

To measure direct consumer impact, National CAPACD developed client pre- and postsurveys using the Success Measures financial capability measures created by NeighborWorks America. All sites were asked to disseminate and collect the same survey for each client, regardless of which services were received. More than four hundred presurveys were collected, though staff also used their own client management systems to track services provided even if a client declined to complete a presurvey. A total of 326 respondents took both the pre- and postsurvey, allowing their client profile to be matched. This became the basis for the change-over-time client data provided in Table 2, which analyzes how client behavior, knowledge, and attitudes changed over the course of the intervention. NeighborWorks America's Success Measures Evaluation Services team provided significant support in compiling and analyzing the change-over-time data for each program site, as well as the full cohort.

National CAPACD further supplemented client information gleaned from these self-report pre- and postsurveys with data measured by MAF's Lending Circles<sup>SM</sup> product administration, including changes in credit score, monthly loan payments made, and banking status. In order to enroll in Lending Circles<sup>SM</sup>, all participants were required to complete an enrollment packet, and their progress throughout the duration of the circle was tracked on a monthly basis by MAF. MAF also collected some preintervention credit scores (if clients had established credit) and postintervention credit scores. MAF's data also includes an estimation of client fees saved from not utilizing alternative financial services. Client data was analyzed by MAF and provided to National CAPACD in aggregate for the cohort due to privacy agreements made between MAF and the clients and the credit bureaus.

National CAPACD felt it equally important to measure the impact of program participation on the organization. In an effort to measure this impact, National CAPACD hired the Center for Financial Services Innovation to interview each participating program site, speaking with the program manager as well as the executive director in a few cases. Interviews were conducted both in person and over the phone, lasting approximately one hour each. Each group was guided through a similar set of questions, following the interview guide. The purpose of doing so was to obtain insights by each program as to the challenges and success-

es during program implementation. Interviews were conducted early in the program implementation period, and thus reflect some significant lessons learned with regard to program launch.

Mid-term and final progress reports were also completed and submitted by each program site. These reports served as an opportunity to reflect on how participation in the program has built organizational capacity, or to share particular successes or challenges that an individual site might be experiencing. National CAPACD also used these reports as an opportunity to collect client stories, an important element in humanizing the impact of this project.

## Findings

Analysis of the various data indicate early success with the Immigrant Integration Financial Capability program. With regard to direct consumer impact, clients clearly exhibited marked improvements in their knowledge, behavior, and attitudes toward money management. This is evidenced not only through their self-reported perceptions of their change, but also through changes in credit score and banking rates. Participating organizations also reported that after overcoming a number of challenges, all had successfully built their internal capacity to integrate financial capability with other services targeting immigrant clients.

## Client Outcomes

Table 2 provides insight as to client change in behavior, knowledge, and attitude over the course of the grant period. It should be noted that this data point only analyzes those surveys that could match a client's presurvey to their postsurvey, allowing National CAPACD to analyze only 61 percent of total participants. Some highlights from this client change-over-time data include:

Clients reported a significant increase in their confidence and knowledge following the intervention—43 percent reported after the intervention that they now knew how to make sound financial decisions very well (as compared to 9 percent at preintervention);

There was a large increase (32 percent) in the number of clients reporting they knew how to budget and manage their money very well between pre- and posttests;

Clients were more likely to save monthly following program participation, increasing from 36 percent to 62 percent;

Table 2. Client Change Over Time

Behavior Change Indicators	Pre-Test	Post-Test
Regardless of whether or not I follow it, I have a budget or written spending plan	15%	50%
I have a:		
checking account	47%	43%
savings account	12%	9%
both	37%	43%
I save:		
annually	9%	6%
monthly	36%	62%
weekly	2%	2%
other	17%	15%
never	26%	13%
I decide how much to put aside as savings by:		
always putting aside a set amount	14%	33%
putting aside what's left over after expenses	67%	52%
other method	6%	4%
As compared to six months ago, I am saving		
more	8%	19%
less	21%	15%
about the same	59%	59%
Do you have a credit card?		
Yes	46%	52%
No	54%	48%
Describe monthly payments you typically make on your credit card bill:		
less than bill minimum	1%	1%
the bill minimum	7%	6%
more than bill minimum (but not balance)	14%	14%
the full balance	21%	30%
My credit card debt is		
more than 6 months ago	4%	4%
less than 6 months ago	11%	17%
the same as 6 months ago	23%	26%
Knowledge Change Indicators	Pre-Test	Post-Test
Do you know your credit score?		
No	80%	48%
Yes	19%	52%

Table 2. Client Change Over Time (continued)

In the past 12 months, I have seen a copy of my credit report		
No	59%	25%
Yes	14%	54%
I understand how to make sound financial decisions		
Not that well	49%	13%
somewhat well	40%	44%
very well	9%	43%
I understand how to improve/repair my credit		
not that well	63%	13%
somewhat well	27%	41%
very well	9%	46%
I understand how to budget and manage my money		
not that well	52%	14%
somewhat well	37%	35%
very well	10%	52%
<b>Attitude Change Indicators</b>	<b>Pre-Test</b>	<b>Post-Test</b>
My financial situation right now is pretty stable		
mostly not true	65%	35%
mostly true	34%	65%
Continued financial stability is a life goal of mine		
mostly not true	44%	17%
mostly true	54%	81%
In my household, it is okay to talk about money and finances		
mostly not true	51%	30%
mostly true	48%	69%
As compared to my current financial situation, my finances in the future will be		
much better	32%	35%
somewhat better	26%	35%
about the same	37%	28%
somewhat worse	3%	2%
much worse	1%	1%

Source: CAPACD Immigrant Integration Financial Capability Project.

The percent of individuals who reported saving only annually decreased from 19 percent to 6 percent; similarly, the percent of individuals who reported never saving decreased from 26 percent to 13 percent; and

Attitudinal shifts toward money can best be summed up through the following: upon intake, only 54 percent of clients reported that it was “mostly true” that continued financial stability was a life goal; by termination of services, 81 percent reported this statement as “mostly true.”

Aggregated client outcome data provided by MAF further bolstered National CAPACD’s findings (from the preceding self-reported client data) that the program’s impact was significant, and that access to a financial product does indeed enhance an individual’s financial capability. As stated previously, due to privacy agreements with credit bureaus and clients, MAF was only able to provide client-level data in aggregate for the entire cohort of lending-circle participants.

In total, 110 lending-circle participants were served through this pilot project, with more than twenty individuals enrolled at each site. According to MAF, the total loan volume was \$58,950 and the average loan per participant was \$535. MAF’s data shows that there was a 98.39 percent repayment rate across all seventeen lending circles, indicating that almost all participants were able to build their credit because of successful on-time payments. By participating in lending circles, it is estimated that participants saved in total \$6,326.79 in fees and interest that would typically be incurred by other financial products (assuming a 30 percent Annual Percentage Rate and \$20 loan origination fee for a personal loan).

Preliminary data analysis by MAF also indicates that there was an average of a 132.9-point Vantage Score increase, with the percent of lending-circle participants without a credit score decreasing from 17 percent to 0 percent over the duration of the program period. The brief six-month time frame that most lending circles operated is, however, too brief a period to accurately capture the full impact of product usage on credit score. Further programming, data collection, and analysis needs to be completed.

## Organizational Outcomes

Data collected through the Center for Financial Services Innovation and National CAPACD’s mid-term and progress reports identified the following outcomes regarding the program development and changes in organizational capacity:

*Bundling of Services Works.* The project results reinforce existing research about the effectiveness of bundling asset building and other social services. All participating sites concluded that financial capability should not be separate from other immigrant integration activities—it should be a critical component of it. Those organizations that most successfully bundled services were also the most successful at serving a greater number of clients because of increased organizational efficiency. Key opportunities for coordination with other immigrant integration services include ESL, workforce readiness, citizenship, and parenting classes.

*An Organizational Shift Is Occurring.* Although program sites may have previously implemented financial capability programs, each organization reported that participation in this pilot project allowed them to offer new services and products, and also to reach a greater number of clients who may not have been served otherwise or were likely the clients most underserved by financial institutions. For example, the Chinese Community Center stated that this program allowed the organization to expand their financial capability work and one-on-one coaching to audiences unserved by their Financial Opportunity Center and Housing programs. For Chhaya, the project has been a positive learning experience that has better informed their program design, evaluation, and outcomes tracking around asset building and existing new immigrant-focused services.

*Greater Investment Is Needed in Meeting the Financial Needs of Low-Income AAPIs.* There is still inadequate infrastructure to best serve our clients, which is particularly true for emerging AAPI immigrant groups such as Bangladeshis, Bhutanese, and Nepalese. For example, curricula are often not available in the variety of languages needed for serving the diverse AAPI community. In a similar example, online budgeting tools or even online financial capability games are not available in Asian languages, thereby limiting the usability of those tools by community-based organizations to complement their educational and coaching activities. Thus, more human power, time, and resources are required of the participating service provider for translation, interpretation, and significant one-on-one time with clients. Beyond these specific language needs, program staff also spent a significant amount of time trying to change the cultural lens with which clients viewed the U.S. financial system, and even traditional practices such as peer lending. In a number of cases, the cultural familiarity that clients had with financial concepts was so limited that the intake process would take place over several hours, with intake serving as a key opportunity for providing



individualized financial education. Staff found that education was occurring throughout the client engagement phase, starting even with the initial program outreach and marketing efforts.

*Building Capacity Means Increasing Staff, Providing Professional Development Opportunities, and Investing in the Leadership Development of Existing Staff.* As with any program, appropriate program staffing and experience is key when it comes to program and systems integration, implementation, and management. In the current pilot project, no new staff were hired at any of the sites, and so existing staff simply took on more responsibility. This required greater planning and coordination within the organization, as well as a more significant investment in staff development to learn new technical and program development skills, so as to ensure that the program evolved beyond the initially proposed plan to continually meet client and organizational needs. Ideally, incorporation of a financial product into a service delivery model would result in dedicated staff who can appropriately plan, trouble shoot, and manage partners, funders, and clients.

*Technology Facilitates Program Scalability and Also Presents Challenges for Agencies and Their Staff to Learn, Integrate, and Manage Multiple Systems.* Despite the best laid plans, start-up and training always takes longer and involves more resources than anticipated. This was particularly true for being able to learn, access, and use the Lending Circles<sup>SM</sup> platform. Timing is an important consideration for the launch of any financial product or service, particularly when technology is involved, and strong communications with partners is essential to ensuring successful implementation.

*Program Evaluation Is a Learning Opportunity When Done Well.* Although pilot project sites were able to collect and enter client outcome data in-language through the Success Measures database, the system existed entirely separately from their other client management and outcomes tracking systems—essentially doubling their data entry and analysis, not to mention the training required for making sure staff understood multiple databases. Thus, evaluation systems need to be better integrated with existing client management systems or there needs to be greater flexibility in how data is captured. When designing evaluation tools, it is also important to acknowledge the client profile so that survey tools are simple and easy to answer (particularly for those with limited financial knowledge), but still informative for program development and evaluation. Further, when working with diverse AAPI communities, much consideration must be given to the additional layer

of complexity added to managing program evaluation with additional languages for survey administration and data entry.

*Local Partnerships with Other Service Providers and Financial Institutions Are Key, and Different Models of Program Integration Need to Be Considered.* Not every organization is ready to implement financial education, coaching, and lending circles all at the same time. Others may present strong skills in outreach and organizing potential participants, and would be great partners to those who have the expertise in providing in-language financial education and coaching. Strategic partnerships may present an answer for those organizations seeking to expand their financial capability activities while leveraging the required resources to sustain activities over time.

### Implications for Practice

Given these findings, the following recommendations are offered for consideration for any practitioner seeking to implement a financial capability program using a similar model:

*Financial Capability Is Gained across a Spectrum of Immigrant Integration Services, and throughout the Acculturation Process.* Immigrant integration services are often too narrowly defined—most typically as those services that meet the immediate needs of newly arrived immigrants, or the moment of naturalization as a U.S. citizen. In reality, immigrant-serving community organizations provide a plethora of services largely in response to the varied needs that immigrants experience throughout their life cycle in the United States—from learning how to speak English upon entry into the country, to figuring out how to become a citizen (three to five years later), to buying a home once they have saved enough money. Each stage requires a different, more nuanced understanding of how to navigate the U.S. financial system—whether it is how to open a bank account or how to qualify for a home mortgage. Clearly, the process of learning how to navigate life in the United States takes years, if not decades, and all these stages of life provide a not-to-be-missed opportunity to provide financial capability services.

*Service Delivery and Financial Product Dissemination Is Like Acupuncture—The Critical Points of Stimulation and Intervention Are Most Effectively Made by First Understanding the Health of the Whole Person and Community.* There is great diversity in the AAPI immigrant community, each subgroup with their own specific financial needs and cultural attitudes toward money. Organizations that clearly understand and articulate a

target population's needs—and design services, outreach, and products to meet this specific constituency—will achieve greater success.

Lending Circles<sup>SM</sup> is a great product that serves very specific financial needs, and may not be appropriate for populations such as small business owners who need access to larger amounts of cash. However, clients who were struggling to establish a credit history found the Lending Circles<sup>SM</sup> product to be a good tool for slowly building their financial resume. In another example, women's financial needs differed in this pilot project, and program staff at several sites established women-only groups to help them build their credit and establish their own financial goals within a safe and supportive setting. By understanding available products and community cultural values, program staff can better design programs that more closely align the financial needs of community members to financial products.

*The Significant Diversity within the AAPI Community Makes Culturally Competent Service Delivery for Immigrants a Time- and Resource-Intensive Endeavor, Thus Requiring Greater Investment from Both Public and Private Institutions in Meaningful Partnerships with Community Organizations.* The AAPI community is dynamic, with dozens of language and ethnic groups that are constantly changing in large part due to immigration patterns. However, many mainstream providers and financial institutions struggle to meet the demand for the dozens of AAPI languages in which services and products are needed. Or, unfortunately in many communities, the needs of low-income AAPIs are not yet visible to providers, particularly in areas outside of traditional "gateway" cities. One example of this is the limited availability of Asian-language financial education curricula and online budgeting tools, particularly for recent refugee groups such as the Bhutanese and Burmese who have settled in the Midwest.

Language diversity is only one challenge to serving AAPI communities. Other factors that influence access and personal attitudes toward finances and financial institutions that should carefully be considered by institutions and providers include (but are not limited to) religious beliefs, political experiences from the country of origin, intercultural conflict between different AAPI communities, and immigration or refugee status.

Community-based organizations that have the history and trust with these various immigrant groups are best suited to serve as navigators to the U.S. financial system and ensure that they receive culturally and linguistically competent services. And yet these groups are often underfunded or their outreach, interpretation, and translation servic-

es are too often undervalued. Greater investments should be made in these organizations to ensure that they are adequately equipped not just to serve AAPI immigrant populations, but also to sustain and grow their programmatic endeavors.

*Trust Is the Secret Ingredient.* There are multiple layers of trust that were required for this project implementation:

- Successful sites for service integration are those that have strong track records of providing linguistically and culturally appropriate services, hiring staff that represent or are from the neighborhoods they serve, and advocating for immigrant rights. All pilot project sites were able to successfully recruit and serve their clients because they possessed these characteristics. Despite initial apprehension from clients regarding the asset-building activities, and in particular the trustworthiness of the Lending Circles<sup>SM</sup> financial product, each site was able to launch and implement their programs with fantastic outcomes, including more referrals.
- Peer-based support is a critical component of program design. The popularity of the Lending Circles<sup>SM</sup> product among AAPI participants speaks to the cultural affinity toward the strategy and the interest and desire to engage in peer-based support. Previous studies have found that immigrant communities rely on their social network of friends and family for financial advice and to weather financial storms. Thus, designing products, services, and educational models that capitalize on the importance of these relationships should be a priority.

Further, engaging clients through financial capability programs is also an excellent opportunity for building community by organizing and increasing civic engagement for immigrant populations. Whether the clients' goals are to save toward their naturalization exam or to help start a business, financial capability programs serve as an excellent platform to help immigrant clients understand both the strengths and challenges of the U.S. financial system. More importantly, these interactions with clients become opportunities to engage them in action toward greater social change, such as sustaining programs like Volunteer Income Tax Assistance (VITA) or tax reform.

*Opportunities Abound for Reaching Intergenerational Audiences, and Programs Should Be Designed to Capitalize on These Opportunities.* Immigrants rely heavily on their families, either here in the United States or abroad, to grow their economic security, and this factor needs to be taken into consideration when designing services and products. Further, chil-

dren who are more acculturated and have greater English fluency often serve as conduits of information and knowledge about mainstream U.S. systems. Service providers have a tremendous opportunity to capitalize on the importance of these relationships when designing services and products and can innovate with intergenerational classes or savings products. Program sites in this pilot project found the families they served were hungry for products that allow them to also incorporate their children—and they were limited by the fact that the Lending Circles<sup>SM</sup> product was available only to those age eighteen and older.

## Conclusion

This paper represents a comprehensive review of the Immigrant Integration Financial Capability Project from both the perspective of client impact and systems impact. Findings and lessons learned from this pilot project took many months to compile, analyze, and interpret. Participating organizations worked tirelessly to capture client data, which was at times extremely difficult due to the challenges such as survey design and client ability to understand several technical concepts referenced in the survey. Our partners at MAF were able to successfully collect and share aggregate data on client performance with their product, though we caution readers of this report that data regarding the average credit score increase for the total lending-circle sample is still inconclusive and requires further study. The average time frame for client participation in the lending circles was six months, too brief a time frame for measuring significant change in client credit scores.

In the coming year, National CAPACD and its members will further test the success of this program model, with aspirations to eventually publish an implementation toolkit that will provide guidance to other AAPI-serving organizations seeking to also bundle financial capability services with their immigrant integration services. Further testing of the model will allow National CAPACD to (1) demonstrate the effectiveness of the program model in increasing financial capability and behavior change over an extended period of time; and (2) to test strategies for efficiently scaling the model and, more specifically, distributing the Lending Circles<sup>SM</sup> financial product within AAPI communities across the country. More importantly, doing so will allow all participating and new sites to implement lessons learned to enhance their service delivery, to reach a greater number and greater diversity of low- and moderate-income AAPIs.

## Acknowledgments

This report was made possible through generous support from the Citi Foundation. The views and conclusions of this report are those of the authors, and do not reflect the opinions of our funder. We would also like to thank MAF for its partnership in implementing this program and for contributing data regarding client outcomes from the use of their Lending Circles<sup>SM</sup> product. NeighborWorks America, Success Measures Evaluation Services, provided substantial data analysis of the client data. Center for Financial Service Innovation conducted interviews with pilot project sites toward evaluating program implementation and contributed recommendations for best practices and opportunities for the future.

## Appendix

The mission of the National CAPACD is to improve the quality of life for low-income AAPIs by promoting economic vitality, civic and political participation, and racial equity. National CAPACD aims to dismantle systemic barriers that influence the ability of communities of color to develop long-term assets and establish economic security for future generations. Toward this, National CAPACD employs both “national influence” strategies and “program and network strategies.” National influence strategies include coalition building; legislative and administrative advocacy for greater accountability and responsiveness; leveraging of resources; and data collection and dissemination of research. Program and Network Strategies include building the capacity of AAPI community-based organizations; developing differentiated strategies of member support; and growing and supporting innovation happening at the community level through grant making and programmatic development using National CAPACD’s economic vitality and community development programs. National CAPACD served as the grant intermediary and technical assistance provider for the Immigrant Integration Financial Capability project.

National CAPACD wishes to acknowledge the following organizations that collaborated on the writing of this brief, in addition to serving as the pilot sites for the project described herein:

*Chinese American Service League (CASL, Chicago, IL)* was established and exists as a nonprofit community-based social service agency for the purpose of strengthening the physical, economic, and mental health of people of all ages and backgrounds of the Chinese community in the greater Chicago area. CASL has been providing financial education to the community since 2005, targeting new immigrants and those who want to know more about the financial system in this country in order to better manage their money and be included into the financial mainstream. Their services focus on a variety of aspects of assisting immigrants in integrating into their new home. These departments include Family and Community Services, Child Education and Development Services, Employment and Training Depart-

ment, Citizenship and Immigration Services, and the Homeownership and Financial Education Department. Participating staff members of this project included Ben Lau and Rachel Lijun Chen.

*Chinese Community Center* (CCC, Houston, TX) is a multiethnic organization serving all Houstonians that is dedicated to bridging East and West by enriching families with educational, cultural, and social service programs. CCC is a Financial Opportunity Center (FOC) supported by the Local Initiatives Support Corporation. Services offered through their FOC includes financial education and coaching, workforce development, and financial products and services. CCC's services help change participants' financial behavior in a way that encourages them to make a long-term commitment to increasing income, decreasing expenses, and acquiring assets. Participating staff members of this project included Lucy Pyeatt, Raymond Nguyen, Yvette Yam, and Kimberly Tang.

*Chhaya Community Development Corporation* (Jackson Heights, NY) is a community-based nonprofit organization focused on improving access to housing opportunities, resources, and information for South Asian Americans throughout New York City and the metropolitan area. Chhaya has been conducting workshops and one-on-one counseling services in financial education since 2007. To expand their work beyond their current client base and address the larger immigrant need in New York City, Chhaya launched two new initiatives in 2012: Saathi (a financial empowerment program for LMI South Asian immigrant women) and the Northwestern Queens Financial Education Network, a coalition to empower immigrants in their use of financial services and to bring needed financial services to the Queens community. Chhaya staff members engaged in this project included Imtiaz Hossain, Zarin Ahmed, and Mamta Gurung.

*Korean Resource Center* (KRC, Los Angeles, CA) was founded in 1983 to empower the Korean American community, low-income immigrants, and people-of-color communities through a holistic model that combines education, social services, and culture with effective community advocacy and organizing. KRC is a Housing and Urban Development (HUD)-certified housing counseling agency, and as such, provides financial education through group workshops and one-on-one counseling. Their immigrant integration services include citizenship (naturalization assistance and assistance for applying for Deferred Action for Childhood Arrivals and Deferred Action for Parents of Americans), vital interpretation services, and a monthly immigration legal clinic. KRC staff engaged in this project included Hee Joo Yoon and Kyung Won Cho.

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