



## **KAHUA WAIWAI FINANCIAL CAPABILITY PROJECT**

### ***BUILDING FOUNDATIONS FOR FUTURE GENERATIONS***

In 2015, with funding provided by the Rose Foundation, Office of Hawaiian Affairs, and the National Coalition for Asian Pacific Americans, nonprofit HUD-approved housing counseling agency, Hawaiian Community Assets, launched the Kahua Waiwai Financial Education Project which served 646 Native Hawaiian and Pacific Islander participants with culturally-relevant financial capability services and products to increase their financial literacy. Within 12 months, 82 participant families secured financial or housing goals to increase their financial capabilities and long-term economic self-sufficiency.

The data contained in this report were gathered via hardcopy sign-in sheets, client intake packets, and coaching session and financial product enrollment forms completed by Native Hawaiians and Pacific Islanders between January and December 2015. Hardcopy documentation were compiled in client folders and managed electronically through CounselorMax, Hawaiian Community Assets' HUD-approved electronic client management system.

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*BUILDING FOUNDATIONS FOR FUTURE GENERATIONS*



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This Project was made possible with funding from:



# KAHUA WAIWAI FINANCIAL CAPABILITY PROJECT

## *BUILDING FOUNDATIONS FOR FUTURE GENERATIONS*

To achieve the project's goal of increasing the financial literacy of 500 Native Hawaiians and Pacific Islanders, Hawaiian Community Assets (HCA) implemented a comprehensive, culturally-relevant financial capability service delivery model that included training/technical assistance, group financial workshops, client intake, individualized financial coaching, and financial products – all in the context of the Native Hawaiian culture.

Training/  
TA

Group  
Workshop

Client  
Intake

Financial  
Coaching

Financial  
Products

Rooted by HCA's philosophy of *kahua waiwai*, meaning foundation of wealth, this service model relies on bringing access to culturally-relevant financial education and financial products to Native Hawaiian and Pacific Island communities so they can both learn critical financial skills and act on these learned skills through financial products tailored to the needs and demand of the project's target population.

### PROJECT OBJECTIVES

The following objectives were identified by HCA to achieve the project goal:

- Objective 1: Train 8 community members to become certified Kahua Waiwai Financial trainers.
- Objective 2: Serve 500 low-income Native Hawaiians or Pacific Islanders with Kahua Waiwai group financial education workshops.
- Objective 3: Provide financial counseling to 200 low-income Native Hawaiians or Pacific Islanders.
- Objective 4: Develop 1 End-of-Project Report identifying best practices in decreasing unbanked rates in Native Hawaiian and Pacific Islander communities.

## KAHUA WAIWAI

Kahua Waiwai espouses the basic philosophy of "A Sense of Place." Within this philosophy, both financial literacy and the home are viewed as a foundation (Kahua).

Upon this foundation is built the family's spiritual, cultural, social, natural, and financial wealth (Waiwai). It is the holistic value of financial literacy, the home, and its surroundings that provides stability and the opportunity for families to build a secure future.



**OBJECTIVE 1: Train 8 community members to become certified Kahua Waiwai Financial trainers**

During the project period, a 2-day financial trainer certification course was conducted by HCA's Executive Director and Program Coordinator which certified 7 community members as Kahua Waiwai Financial Trainers. Attendees were required to pass a certification exam with a score of 80% or higher and signed onto HCA's Code of Ethics and Standards of Conduct. Upon successful passage of the exam, the community members were offered Financial Trainer positions to include a minimum of 200 hours of conducting financial education workshops and assisting with client intake.



*FIGURE 1: HCA STAFF AND CERTIFIED FINANCIAL TRAINERS POSE FOR PHOTO AFTER COMPLETING FINANCIAL EDUCATION WORKSHOPS WITH 383 NATIVE HAWAIIAN AND PACIFIC ISLANDER YOUTH.*

**OUTCOME 1: By December 31, 2015, HCA successfully certified 7 community members as Kahua Waiwai Financial Trainers.**



**IMPACT 1: HCA launched the Kahua Waiwai Financial Training Academy to certify 10 Financial Trainers annually with a goal of building Hawaii's next generation of socially responsible finance leaders.**

The success of HCA's training and technical assistance program led to the launch of the Kahua Waiwai Financial Training Academy in October 2015. The Academy's goal is to build the next generation of socially responsible financial leaders serving Hawaii's public and private sectors. Individuals accepted into the Academy will receive living allowances during their enrollment made possible with AmeriCorps State Program funding secured by HCA.

Financial Trainer certification will require individuals to complete a 16-hour Financial Trainer certification course, receive ongoing training from HCA's Financial Coaches, and complete a minimum number of service hours prior to successful graduation. Academy graduates may qualify for up to \$5,700 in an education award to pay for college tuition or student loans and will be provided opportunities to pursue internships and entry-level positions with local banks, credit unions, and community development financial institutions.

HCA projects that it will certify 30 community members as Kahua Waiwai Financial Trainers by 2018 who will be equipped with the skills and knowledge necessary to deliver culturally-relevant financial education workshops for Native Hawaiians and Pacific Islanders residing in the State of Hawaii. The Academy has resulted in HCA hiring 2 Financial Trainers as full-time staff on Hawaii Island and Oahu.



**OBJECTIVE 2: Serve 500 low-income Native Hawaiians or Pacific Islanders with Kahua Waiwai group financial education workshops.**

During the project period, 85 Kahua Waiwai Financial Education workshops were conducted by certified Financial Trainers successfully graduating 646 Native Hawaiian and Pacific Islander participants. Workshop content included information on traditional and modern Hawaii economics, budgeting, saving, banking, credit, and credit reports.

The following workshop graduate demographic data was reported via surveys completed prior to the workshop:

Ethnicity	Number of Graduates
Native Hawaiian	500
Pacific Islander: Not Specified	135
Samoan	3
Chuukese	3
Marshallese	3
Chomorro	1
Tahitian	1

Age	Number of Participants
15-18	383
19-26	68
27-35	73
36-44	86
45-53	25
54-62	5
62+	6

Highest Education Level Attained	Number of Graduates
None	3
Elementary	6
Junior High	398
High School/GED	116
College	103
Graduate School	5
Unknown	15

Gender	Number of Graduates
Female	380
Male	266

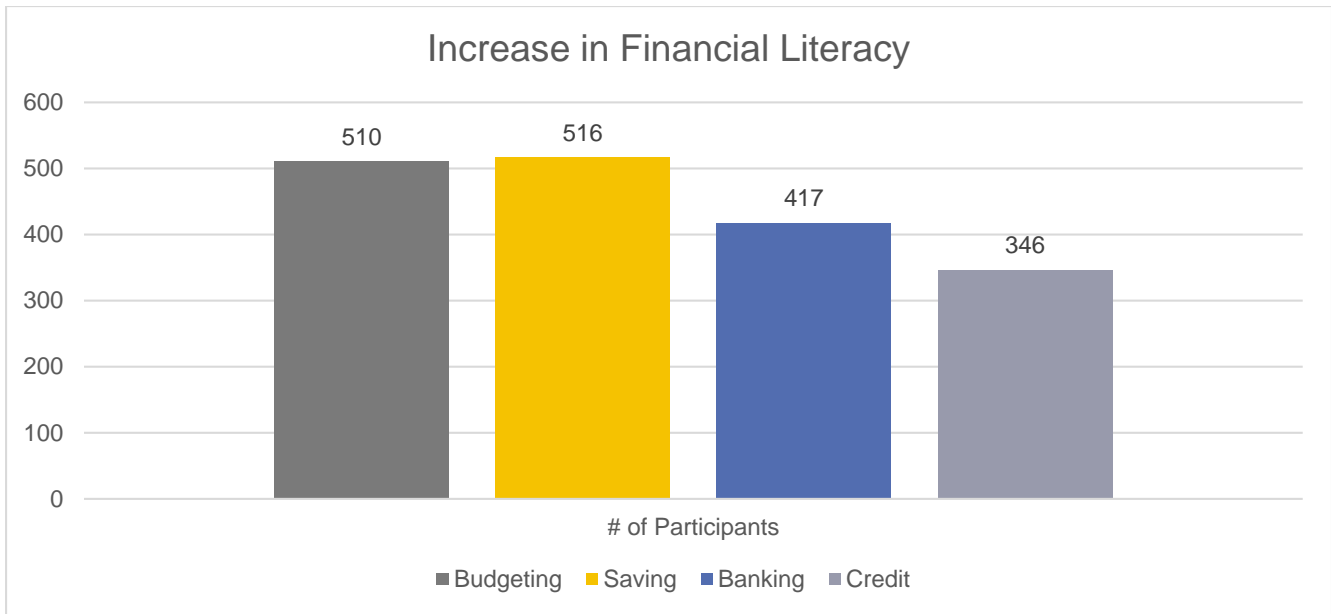
Housing Situation	Number of Graduates
Renters	268
Homeowners	195
Homeless	115
Living with Family	68

Annual Household Income	Number of Graduates
\$0-\$13,000	81
\$13,001-\$26,000	78
\$26,001-\$39,000	44
\$39,001-\$52,000	33
\$52,001-\$65,000	14
\$65,001-\$78,000	7
\$78,001+	6

Household Size	Number of Graduates
1-2 persons	93
3-4 persons	220
5-6 persons	156
7-8 persons	102
9-10 persons	51
10+ persons	24

*\*HCA was unable to confirm annual household income of participants ages 15-18.*

**OUTCOME 2: By December 31, 2015, 516 Native Hawaiian and Pacific Islander workshop participants reported an increase in financial literacy after completion of at least 4 hours of Kahua Waiwai Financial Education.**



Workshop participants completed post-workshop assessments to report their level of knowledge in budgeting, saving, banking, and credit before and after the workshop. Overall, 79.8 percent of workshop graduates reported an increase in financial literacy after completing at least 4 hours of Kahua Waiwai Financial Education.

Following completion of the Kahua Waiwai Financial Education Workshop, 248 workshop graduates completed client intake to enroll in financial coaching services.

**IMPACT 2: 40 project participants under age 18 opened a Youth MATCH (Managing Assets to Change Hawaii) Savings Account and collectively saved \$3,748 toward college and career goals.**

During the project period, HCA partnered with Bank of Hawaii to create the Youth MATCH Savings Account product. The product was modeled after the Federal Deposit Insurance Corporation’s SAFE Savings Account and requires participants to complete Kahua Waiwai Financial Education to open the account. Accountholders set a college or career savings goal and are incentivized with matching funds up to \$100 per month if monthly deposits are made and no withdrawals.

HCA and Bank of Hawaii partnered to open Youth MATCH Savings Accounts with project participants at the University of Hawaii, West Oahu campus. After completing their final Kahua Waiwai Financial Education workshop, youth participants lined up to open their accounts with Bank of Hawaii tellers (see next page).

**Youth MATCH Savings Account**

- **\$1 opening deposit**
- **No minimum balance**
- **No fees**
- **Must complete Kahua Waiwai Financial Education to open the account**
- **Eligible to receive match funds if monthly deposits made with no withdrawals**



# YOUTH MATCH SAVINGS ACCOUNTS



Participant Handbook



Offered In  
partnership with:



Hawaiian Community Assets is a local 501(c)3 nonprofit, HUD-approved housing counseling agency and CDFI.



**OBJECTIVE 3: Provide financial coaching to 200 low-income Native Hawaiians or Pacific Islanders.**

During the project period, 377 low-income Native Hawaiian and Pacific Islander participants engaged in individualized financial coaching sessions to establish budgets, review credit reports, create financial action plans, and enroll in financial products provided by HCA or its partners.

**OUTCOME 3: By December 31, 2015, 377 low-income Native Hawaiians and Pacific Islanders completed client intake and received financial coaching from HCA's Financial Coaches.**

During the project period, HCA measured additional participant demographics and measures of effectiveness including:

- Average increase in income
- Average increase in savings
- Average increase in credit scores
- Decrease in debt
- Decrease in debt-to-income ratios
- Decreases in overdraft, penalty fees, or payday loan usage

During the 12 month project period, 95 participant households completed at least 2 hours of financial coaching. Among those participant households, the following data were reported:



Average Increase in  
Annual Household  
Income

**\$94**

Average Increase in  
Credit Scores

**85 Points**

Average Increase in  
Savings

**\$554**

While HCA anticipated reducing the total debt and debt-to-income ratios of participants, the organization reported that among the participant households that completed at least 2 hours of financial coaching, the average participant household increased their total debt by \$149 and their debt-to-income ratios by 2%.

Finally, HCA was unable to secure conclusive baseline data for overdraft, penalty fees, or payday loan usage among participants. As a result, the organization was unable to determine whether or not participant households who received financial coaching decreased this measure of effectiveness.

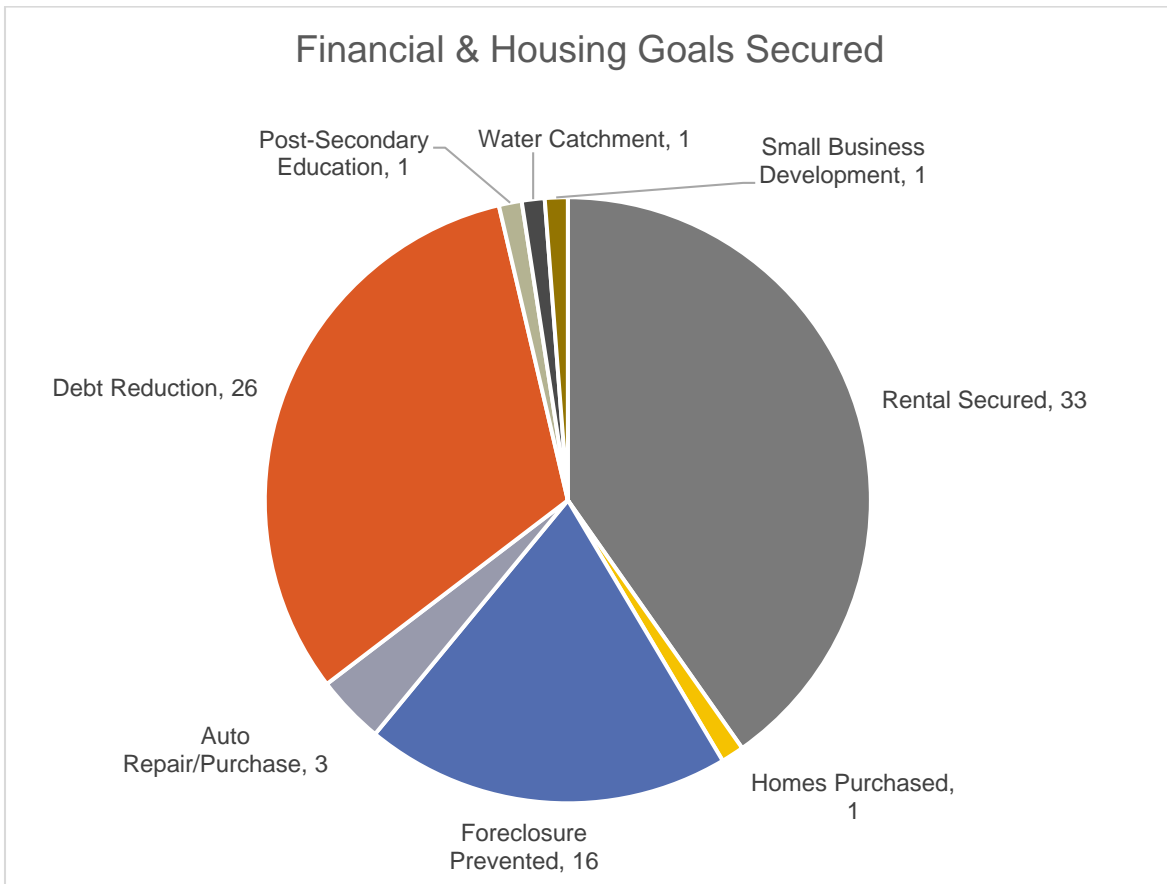
**IMPACT 3: 87 Native Hawaiian participants who completed financial coaching enrolled in match savings accounts and micro-loans, increasing their access to the mainstream financial system.**

During the project period, HCA Financial Coaches enrolled 87 Native Hawaiian participants in match savings accounts and micro-loans. Match savings accounts were administered by HCA and Credit Builder Micro-Loans by HCA’s subsidiary Community Development Financial Institution, Hawaii Community Lending.

The following provides an overview of the products.

Match Savings Accounts	Credit Builder Micro-Loans
2:1 match on \$1,000 saved for a financial goal	Maximum \$5,000 loan fixed at 7.5% APR
<b>Collective Savings: \$62,000</b> <b>Total Match Funds Deployed: \$124,000</b>	<b>Number of Loans: 25</b> <b>Average Credit Score Increase: 60 points</b>
<b>Number of Savings Accounts Opened: 62</b>	<b>Average Debt Decrease: \$1,578</b>

**IMPACT 4: 82 Native Hawaiian and Pacific Islander participant families who completed financial coaching, secured financial or housing goals within 12 months.**





**Objective 4. Develop 1 End-of-Project Report identifying best practices in decreasing unbanked rates in Native Hawaiian and Pacific Islander communities.**

During the project period, HCA identified best practices and lessons learned as a result of activities implemented as part of its comprehensive financial capability service delivery model.



**Best Practices**

- Financial Trainer Certification Program. Through the Financial Trainer certification program, HCA was able to demonstrate the effectiveness of its approach in training community members to become Financial Trainers equipped to deliver culturally-relevant financial education. Overall, 7 community members were certified who collectively taught. The program was expanded with the launch of the Kahua Waiwai Financial Training Academy which will utilize AmeriCorps State funding to pay living allowances to certified Financial Trainers as well as education awards of up to \$5,700 for post-secondary education.
- Tailored Financial Products. Financial products tailored specifically to meet the needs of both Native Hawaiian and Pacific Islander youth and adult participants proved serve as bridges to the mainstream financial system. 40 youth participants under 18 opened Youth MATCH Savings Accounts with Bank of Hawaii, 62 adult participants opened savings accounts to receive match savings funds from HCA, and 25 adult participants enrolled in Hawaii Community Lending's Credit Builder Micro-Loan product in order to build improve/credit necessary to access the mainstream financial system.
- Family Engagement. HCA found that youth participants were more likely to enroll in Youth MATCH Savings Accounts if their parents participated in a Family Financial Education workshop with them. In addition, 48 of the total project participants that engaged in financial coaching sessions brought family members with them who enrolled in, and received, HCA services.

## Lessons Learned

- Lack of Access to Internet and Online Banking Knowledge. In partnership with National CAPACD, HCA attempted to enroll project participants in online lending circles administered by Mission Asset Fund. Overall, 36 participants were present at lending circle orientations, however, only 13 participants went on to enroll in the lending circles. When asked the barriers to participation, individuals who did not participate identified “Limited/no internet access” and “Uncomfortable with online banking” as their primary reasons for not participating in the online lending circles.

Barriers to Participate in Lending Circle	Number of Responses
Limited/no internet access	14
Uncomfortable with online banking	9
No bank account	2
Not enough money	3
Not interested	5

\*Participants were allowed to mark multiple responses

- Need for Client Intake Assistance. HCA conducted a survey of project participants who did not complete their client intake packet after graduating workshops. A portion of participants recommended the organization provide individualized assistance in order to help clients understand and complete the organization’s intake packet.
- Lack of Access to Capital and Mainstream Financial System. Two media stories were published about HCA clients during the project period. Both clients shared their struggle with accessing capital and the mainstream financial system specifically, resulting in them having taken out high APR payday loans. The published stories highlighted the clients’ need for capital to meet their everyday expenses and how HCA’s financial education and coaching services assisted them