

Commission on Financial Education and Capability

2018 Annual Report to the Maryland General Assembly and Office of the Governor

In accordance with State Government Article Section 9-801 through 9-804 under the subtitle “Subtitle 8. Financial Education and Capability Commission”

Submitted: November 29, 2018

Table of Contents

Financial Education and Capability Members	3
Executive Summary	4
Commission Background	5
Legislative Response	5
Process	6
Part I: Commission Recommendations and Meeting Summaries.....	7
A. Commission Recommendations	7
B. Meeting Summaries.....	10
Part II: Financial Education & Capability Survey Results	13

Financial Education and Capability Commission Members

Co-Chairs: Senator Katherine A. Klausmeier and Delegate Dana M. Stein

Senator Ronald N. Young
Delegate Alonzo Washington
Susanne Brogan (designee for Treasurer Nancy Kopp)
Stuart Campbell (designee for DHCD Secretary)
Dr. Allen Cox (Maryland Coalition for Financial Literacy)
Lynne Durbin (Maryland State Employees Supplemental Retirement Plans Board)
Marilyn Lorenzo (designee for the Executive Director of Family Investment, DHS)
Dr. Lynne Gilli (designee for State Superintendent)
Bill Gruhn (Office of Attorney General)
Dr. Bruce Lubich (Maryland Association of CPAs)
Robin McKinney (CASH Campaign of Maryland)
Erin Layton (Maryland 529, partial year)
Antonio Salazar (Commissioner of Financial Regulation, DLLR)
Courtney Thomas (Allegany County Human Resources Development Commission, Inc.)
Donna Thomas (designee for Maryland Higher Education Commission)
Ken Venick (Equity Mortgage Lending)
Jan Wagner (Central Scholarship)
Meg Woodside (Woodside Foundation)

Vacancies: Office of the Comptroller designee, credit union representative, Maryland State Education Association representative, bank representative.

Staff

The Commission is staffed by the CASH (Creating Assets, Savings, and Hope) Campaign of Maryland, a non-profit based in Baltimore dedicated to promoting the economic advancement of low- to moderate-income communities across Maryland. No state funds are provided for staffing of the Commission or its activities. Commission staff includes Holly Mirabella, Policy Manager, and Sue Rogan, Director of Strategic Partnerships, at CASH Campaign of Maryland.

Executive Summary

The Financial Education and Capability Commission, which was created through legislation in 2012, holds a series of meetings each year to discuss recommendations for improving the financial capability of Marylanders. Each year, the Financial Education and Capability Commission is required to submit an annual report to the Governor and General Assembly on its recommendations to improve financial capability for Maryland's low-to-moderate income communities.

This year, the Commission chose to discuss three topics as they relate to financial capability: (1) automobile ownership (2) issues facing Maryland's aging population and (3) financial challenges for those who have been in contact with the criminal justice system. The Commission agreed on the following six recommendations, which be will discussed at length in this report.

- **Recommendation #1** - Restrict the use of scholarship award displacement for the Maryland Community College Promise Scholarship Program.
- **Recommendation #2** - Create and fund an elder financial abuse unit within Maryland's Office of the Attorney General.
- **Recommendation #3** - Create a state-level task force to study the development of a broad, comprehensive transportation program to provide transportation options for low-income individuals that are available, accessible, affordable, and aligned with the state's workforce development strategies and family economic stability objectives.
- **Recommendation #4** - Eliminate the use of employment and occupation, as well as credit score, in auto insurance rate setting.
- **Recommendation #5** - Replicate and expand Baltimore City's Parking Amnesty Day in additional jurisdictions across Maryland. Baltimore City's Parking Amnesty Day Program eliminates penalties and fees associated with unpaid parking fines, when an individual pays the fine in full.
- **Recommendation #6** - Allow for automatic expungement and shielding for all eligible offenses. Currently, individuals who qualify for expungement or shielding must petition the court in which they were charged in order to have the record expunged or shielded.

In addition to its annual legislative recommendations, the Commission is required, every three years, to complete a comprehensive review of the financial capability services offered in Maryland. Financial capability services include, but are not limited to:

- Assistance accessing free or low-cost financial services,
- Credit counseling or credit-building,
- Financial education, coaching, or counseling,
- Free tax preparation,
- Housing counseling – pre-purchase or foreclosure prevention,
- Legal services,
- Screening for public benefits and/or assistance with enrollment (ex: food assistance).

This report also includes the results of the 2018 Financial Education and Capability Survey.

Commission Background

The Financial Education and Capability Commission formed following the Great Recession of 2008. The Great Recession resulted in high foreclosure rates, job loss, increased credit card and student loan debt, and a lack of savings across Maryland. While some Maryland households have recovered from the crisis, many still experience economic insecurity. According to Prosperity Now's 2018 Assets & Opportunity Scorecard, about 23.4% of Maryland households are liquid asset poor, meaning that they do not have enough money in accessible savings to live at the poverty level for three months. Additionally, half of Marylanders are using subprime credit, and nearly 24% of Marylanders have accounts in collections.¹ This data shows that while Maryland is a state with a significant amount of wealth, more work is required to make sure all Maryland residents have access to education and opportunities that can help them reach financial security and independence.

Legislative Response

Maryland's General Assembly responded to the Great Recession of 2008 by bolstering consumer protection policies, providing relief for those with student loan debt, increasing oversight of predatory financial institutions, and increasing access to housing support. Financial education is a field that is continuing to grow, especially as foreclosure rates fall. The momentum behind these efforts culminated in the creation of a legislative task force from 2008-2010. Created by legislation, the Task Force to Study How to Improve Financial Literacy in the State released its final recommendations in 2010. Much of the Task Force's work focused on ways to expand financial education in public schools from grades K-12. Other recommendations focused on ways to integrate adult financial education into various state systems.

The General Assembly sought to build off the 2010 recommendations of the Task Force to Study Financial Literacy in the State by creating a standing commission entitled the Financial Education and Capability Commission. Legislation creating the Commission passed in 2012. The Financial Education and Capability Commission is required to submit an annual report to the Governor and General Assembly on its recommendations and the status of efforts undertaken by State agencies or in partnership with State agencies. The legislative purposes of the Commission are to:

1. Monitor the implementation of public and private initiatives to improve the financial education and capability of residents of the state.
2. Make recommendations on the coordination of financial education and capability efforts across state agencies.
3. Make an annual report on or before December 1 each year to the Governor and General Assembly on its recommendations and the status of efforts undertaken by state agencies or in partnership with state agencies.
4. Every 3 years, the report of the Commission shall include a comprehensive discussion of statewide efforts to improve the financial education and capability of residents of the state, including initiatives funded by the state or a local government and those

¹ Prosperity Now (2018). Prosperity now scorecard.

undertaken in the private sector by nonprofit organizations, financial institutions, and other persons.

Process

The Commission organized its first seating from December 2012 - January 2013, and has maintained its operations to date. This year, in-person meetings took place in May, July, September, and October, with a conference call in November. The Commission focused on three subject areas in 2018. First, automobile ownership and its impact on financial security. Second, financial capability issues for older adults in Maryland. Third, opportunities and challenges for the state's reentry population. The goal of the 2018 meetings was to identify areas that need support, funding, policy change, or program implementation in order to determine the Commission's 2018 recommendations.

During 2018, the Commission heard from representatives from:

- Maryland Department of Transportation, Motor Vehicle Administration
- Vehicles for Change
- Maryland Consumer Rights Coalition
- National Council on Aging
- Maryland Department of Aging
- Bureau of Consumer Financial Protection
- Maryland Department of Labor, Licensing & Regulation, Correctional Education
- Job Opportunities Task Force

The remainder of this report consists of two sections. Part I includes an overview of the Commission's 2018 meetings and recommendations, while Part II includes the results of the 2018 Financial Education & Capability Survey.

Part I: 2018 Commission Recommendations and Meeting Summaries

A. 2018 Recommendations

With its economy consistently outperforming the national average, Maryland is one of the wealthiest states in the United States. Despite this fact, the Census Bureau finds that 9.5% of Marylanders live in poverty, including 13.3% of the state's children. The state poverty rate is 1.8 times higher for households of color. Maryland's poverty rate has remained consistent over the past decade, while deep poverty has risen. Today, nearly half of those living in poverty in Maryland are living below 50% of the poverty line.² While Maryland's top earners have largely recovered from the Great Recession of 2008, low-to moderate-income households are still struggling to achieve financial security. This is particularly true for African American households and other households of color, who were more likely to be steered into subprime mortgages.³ Financial capability services and targeted policy efforts have the ability to help families and individuals across Maryland achieve financial security.

In 2018, the Commission addressed topics related to auto ownership, older adults, and reentry. The Commission heard from experts in each of the aforementioned fields, and examined many possible recommendations. The Commission selected the following recommendations as priority policies for Maryland's 2019 legislative session.

Recommendation #1 - Restrict the use of scholarship award displacement for the Maryland Community College Promise Scholarship Program.

- The Commission discussed this topic and recommendation during the first meeting of 2018, prior to choosing its interest areas for the year. In recent years, the Commission has worked to prohibit four-year public universities from reducing institutional financial aid when an applicant receives an outside scholarship.⁴ The process of reducing aid in response to a student receiving outside scholarship(s) is known as "award displacement".
- The Maryland Community College Promise Scholarship Program comes out of legislation passed in 2018, and seeks to increase access to higher education for low-income students. The Program provided up to \$5,000 to cover remaining tuition and mandatory fee expenses at a Maryland community college after all non-loan aid is applied.
- The Commission engaged in discussion about whether Promise Scholarships, as last dollar awards, are subject to award displacement. Maryland's Office of Attorney General confirmed that an institution could reduce a student's Promise Scholarship based on the receipt of an outside scholarship. As a result, the Commission recommends that Promise Scholarships be protected from award displacement.
- The Commission determined that students should not be penalized because they receive scholarships outside of institutional aid, and therefore should not lose their Promise Award through the process of award displacement.

² Census Bureau, American Community Survey 5-Year Estimates 2012-2016.

³ Burd-Sharps, S. & Rasch, R. (June 2015). Impact of the US housing crisis on the racial wealth gap across generations. *Social Science Research Council*. An Independent Report Commissioned by the American Civil Liberties Union.

⁴ See [HB266/SB327](#) (2017).

Recommendation #2 - Create and fund an elder financial abuse unit within Maryland's Office of the Attorney General.

- Older adults in Maryland face a myriad of financial risks. For example, fraud at the hands of family members and caregivers and financial scams are rampant. According to the Maryland Department of Aging, the top financial scams for older adults in 2017 included (1) debt collection (2) identity theft (3) imposter scams, and (4) predatory financial institutions. Older adults reported \$12.4 million in losses due to fraud in 2017 alone. Maryland ranks 4th in the U.S. in identity theft for older adults.⁵
- Maryland's Office of Attorney General needs additional funding in order to provide a staff attorney to focus primarily on elder financial exploitation, abuse claims, and outreach. The Commission recommends the state fund a position within the OAG to operate a unit designed to reduce fraud for Maryland's aging population. This office can litigate claims and provide education and outreach in order to prevent loss.

Recommendation #3 - Create a state-level task force to study the development of a broad, comprehensive transportation program to provide transportation options for low-income individuals that are available, accessible, affordable, and aligned with the state's workforce development strategies and family economic stability objectives.

- As the Commission learned about the barriers to accessing automobiles for low-income families, it discovered a need for the state to gather a group of stakeholders in order to study and recommend a comprehensive, inclusive transportation policy that goes beyond just car ownership and public transit.
- Transportation is a key factor in whether an individual can access work, education and other financial opportunities. The Commission learned that different communities across Maryland possess unique transportation needs. For example, residents in Maryland's rural communities often need to purchase a car due to lack of public transportation options while in urban settings, such as Baltimore City, public transportation is often inadequate in allowing passengers to reach their destination. Riders of public transit often face a "last mile" challenge, where they lack transportation to cover the last mile to their destination.
- Members also discussed programs that effectively improve access to transportation for low-income or vulnerable Marylanders. One example of this includes the Maryland Transit Administration's specials fare programs which allow for reduced bus fare for older adults and individuals with disabilities.
- The Commission determined that it would be beneficial to low-income communities across the state if Maryland were to develop a transportation strategy specifically designed to promote economic opportunity for its most vulnerable residents. The first

⁵ Federal Trade Commission (2017). Consumer Sentinel Network Data Book 2017: Maryland.

step in building this strategy could be to form a task force of diverse stakeholders to discuss the transportation needs of Maryland's low-to-moderate income communities.

- The task force can be broad enough to discuss innovative transportation methodologies, but also systems which penalize and harm the poor financially. These systems could include civil fines and fees, driver's license and registration suspension due to non-driving factors, and discrimination in auto insurance.

Recommendation #4 - Eliminate the use of employment and occupation, as well as credit score, in auto insurance rate setting.

- Auto insurance companies use a number of factors when setting insurance rates. Many of these factors do not relate to a customer's driving record. For example, auto insurance companies use a person's education and occupation, as well as credit score, when calculating their rate.
- Individuals with higher levels of education and professional occupations pay less in auto insurance than individuals who enter trade fields, or otherwise have not accessed higher education. Allowing insurance companies to include these factors in rate setting means that communities which have historically been locked out of certain educational institutions and occupations are more likely to pay more. The impact of such a policy in Maryland means that communities of color, particularly black drivers, pay more for auto insurance. In general, low-wage workers face higher premiums than their higher-paid neighbors.
- Additionally, individuals with low credit scores pay up to 40% more for auto insurance.⁶ As an example, a 2015 study by Consumer Reports found that a good driver with poor credit pays \$1,636 more than a driver with excellent credit but a drunk driving conviction.

Recommendation #5 - Replicate and expand Baltimore City's Parking Amnesty Day, which eliminates penalties and fees associated with unpaid fines, when the fine is paid in full in additional jurisdictions across Maryland.

- Baltimore City offered a Parking Amnesty Program on February 1st and 2nd of 2018. The Program waived penalties for individuals with outstanding parking citations, as long as they paid for the original citation in full.
- The Commission learned from advocates throughout 2018 about how Maryland's criminal and civil debt structures can enhance poverty and fuel the state's racial wealth gap. As a result, the Commission calls for replication and expansion of Baltimore City's Parking Amnesty Day to other counties across the state.

Recommendation #6 - Allow for automatic expungement and shielding for all eligible offenses. Currently, individuals who qualify for an expungement or shielded record, must petition the court in which they were charged in order to have the record removed or shielded.

- When a person is charged with a crime in Maryland, the case information is automatically made public. This means that, often without a conviction, individuals with a public record can face tremendous barriers to employment, housing, and access to credit.

⁶ Maryland Consumer Rights Coalition (2013).

- Fortunately, Maryland allows for expungement and shielding for certain offenses. However, this process requires an individual to petition the court in which the charge was brought in order to have their record removed. The expungement process also comes with a filing fee of \$30 per charge. These charges can be waived if a person works with certain legal service organizations, but the costs and burden of filing a petition are currently placed on the individual.
- The Commission determined that automatic expungement and shielding of all eligible offenses would assist individuals in accessing important financial capability resources and opportunities. While the Commission did not call for substantive changes to Maryland's expungement and shielding law, the group did determine that the process through which individuals access expungement and shielding should be automatic.

For Future Consideration:

As in years past, the Commission discussed a number of issues that did not necessarily result in a specific recommendation. The Commission was interested in the idea of evidence-based financial education, legal consultation, and credit counseling for individuals while they are incarcerated. Members learned that incarcerated individuals have limited access to credit reports and vital documents due to privacy concerns. Child support was also a heavily discussed topic, as the Commission learned that the requirement to suspend child support payments when an individual will be incarcerated for more than 18 consecutive months has not been implemented due to system limitations. The Commission also discussed the existing navigator program, which allows individuals to access a navigator at American Job Centers once they are released. Finally, the Commission expressed interest in the amount of fines and fees Maryland charges individuals as they move through the criminal justice system. The Commission may choose to revisit these issues in 2019.

B. Meeting Summaries

May Meeting:

At the May meeting, the Commission discussed the 2018 Legislative Session, the 2018 Financial Education & Capability Awards, the upcoming Financial Education and Capability Survey and potential interest areas for 2018 recommendations. First, the Commission reviewed relevant legislation from the 2018 Maryland Legislative Session. During the 2017 Session, the Commission supported bills related to higher education, particularly student debt, as well as consumer protection.⁷ Second, the Commission acknowledged the recipients of the 2018 Financial Education and Capability Awards.⁸ Third, the Commission discussed its 2018 Financial Education and Capability Survey, which seeks to capture the majority of the financial capability field in Maryland. The goal of the survey is to develop a picture of the field across the state, and determine trends in barriers and opportunities in order to make the field more accessible. Finally, the Commission agreed to focus on access to automobiles for low-income communities, financial challenges for aging communities and economic challenges for the reentry population.

⁷ See Appendix A for a summary of bills supported and monitored by the Commission.

⁸ See Appendix B for a list of the 2018 Financial Education and Capability Award winners.

During the May meeting, the Commission voted to recommend the elimination of award displacement for Maryland Community College Promise Scholarships.

July Meeting:

During the July meeting, the Commission heard from the Motor Vehicle Administration (MVA), Vehicles for Change Inc. (VFC), and the Maryland Consumer Rights Coalition (MCRC). The groups presented on issues related to auto ownership for low- to moderate-income households.

The MVA educated the Commission on their Insurance Debt Reduction Program, and provided information on recent legislation related to “spot delivery” which requires car dealers to provide written notice if financing has not been approved for the customer within four days.

Vehicles for Change informed the Commission about their programs, which help families to achieve economic independence through car ownership, as well as auto repair training. One of the biggest concerns presented was the inability low-income workers in Baltimore face getting to work through public transportation. VFC recommended a comprehensive transportation program pilot for Baltimore. The program would increase access to rideshare and bike share programs, including an inclusive database for people to access affordable transportation. VFC also recommended a car repair program that could provide discounted repairs and loans to qualifying families.

Maryland Consumer Rights Coalition discussed their proposal to create a Baltimore-based, low-cost auto insurance pilot program. The proposal did not pass the General Assembly, but MCRC plans to lead the effort again in 2019. MCRC’s recommendations included limiting non-driving factors in auto insurance rate setting (including education and occupation and credit), as well as a low-cost insurance program. The Commission discussed the aforementioned recommendations, and decided to hold off voting until the September meeting.

September Meeting:

During the September meeting, the Commission heard from the National Council on Aging and the Maryland Department of Aging on financial issues within Maryland’s aging community.

The National Council on Aging presented on the needs for affordable housing and in-home supports for older adults. The presenter noted that, each year, older adults miss out on a total of \$20 billion in public benefits. The National Council on Aging called for improved benefits education, and the development of coordinated community systems so individuals can seek out multiple services in one place.

The Maryland Department of Aging addressed the top financial scams for older adults in Maryland, which ranged from identity theft, imposter scams, debt collectors and utility scams. Recommendations included improved coordination between public and private stakeholders interested in reducing elder financial abuse, as well as enhanced screenings of home healthcare providers.

The Commission also discussed exploring methods to interrupt the sale of prepaid cards and other vehicles for fraud. Ultimately, the Office of Attorney General and the Commission of Financial Regulation agreed to further look into the issue of prepaid card scams, and report back to the Commission in 2019.

After hearing about the trends in elder financial abuse across the state, the Commission voted to recommend the creation (and funding) of an “elder financial abuse unit” within Maryland’s Office of the Attorney General.

October Meeting:

In October, the Commission heard from the Bureau of Consumer Financial Protection, Maryland’s Correctional Education Department, and Job Opportunities Task Force. Each presenter discussed trends facing individuals who have been in contact with the criminal justice system.

The representative from Correctional Education discussed the educational programs for individuals while they are incarcerated. While financial education is incorporated into multiple courses, it is not a stand-alone course. Additional funding is needed in order to hire educators who can teach financial education classes.

While the Bureau of Consumer Financial Protection did not make recommendations for the Commission, they did present on trends individuals with criminal records face. The Bureau representative highlighted fines and fees associated with the criminal justice system as being a barrier to financial security. Job Opportunities Task Force also discussed Maryland’s need to limit, or perhaps eliminate, fines and fees associated with the criminal justice system. Additionally, the Commission learned about expungement and shielding in Maryland and the barriers individuals with criminal records face in attempting to clear their record.

At the end of the meeting, the Commission revisited its transportation discussion from the July meeting, and voted to eliminate the use of education and occupation and credit score in auto insurance rate setting in Maryland. Due to time constraints, the Commission could not finalize its 2018 recommendations. Therefore, members agreed to discuss any remaining recommendations via conference call in early November.

November Meeting:

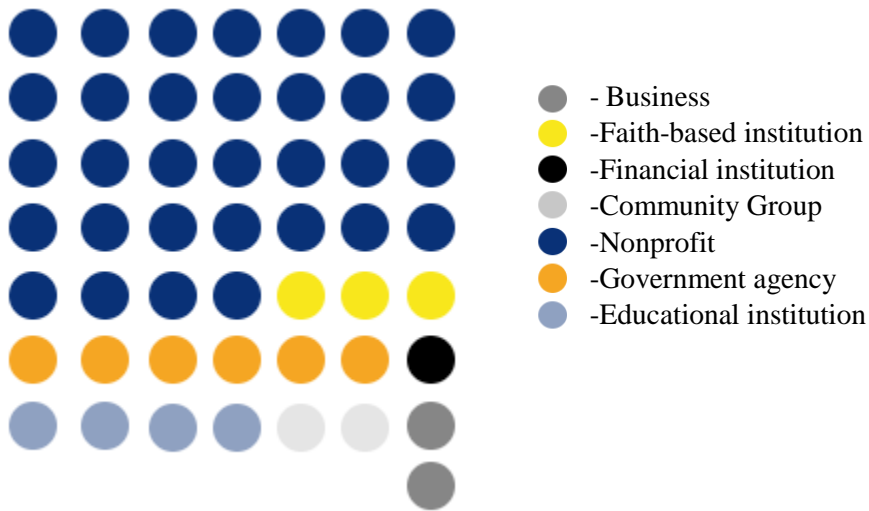
Since the Commission did not have sufficient time to finalize its recommendations during the October meeting, members and interested parties convened for a conference call. On the call, the Commission voted to recommend replicating and expanding Baltimore City’s Parking Amnesty Day in additional jurisdictions across Maryland and to allow for automatic expungement and shielding for all eligible offenses.

Part II: Financial Education and Capability Survey Results

Every three years, the Financial Education and Capability Commission must complete a comprehensive report on the state of financial education in Maryland. In order to meet this need, CASH Campaign of Maryland in cooperation with the Commission issued a Financial Capability Survey to learn about the services offered by various organizations throughout the state. The Survey provides insight into Maryland's field of financial education, including its strengths and the presence of any gaps. The Survey also helps the Commission identify barriers to providing or expanding financial education services. The remainder of this report is dedicated to analyzing the results of the 2018 Financial Capability Survey.

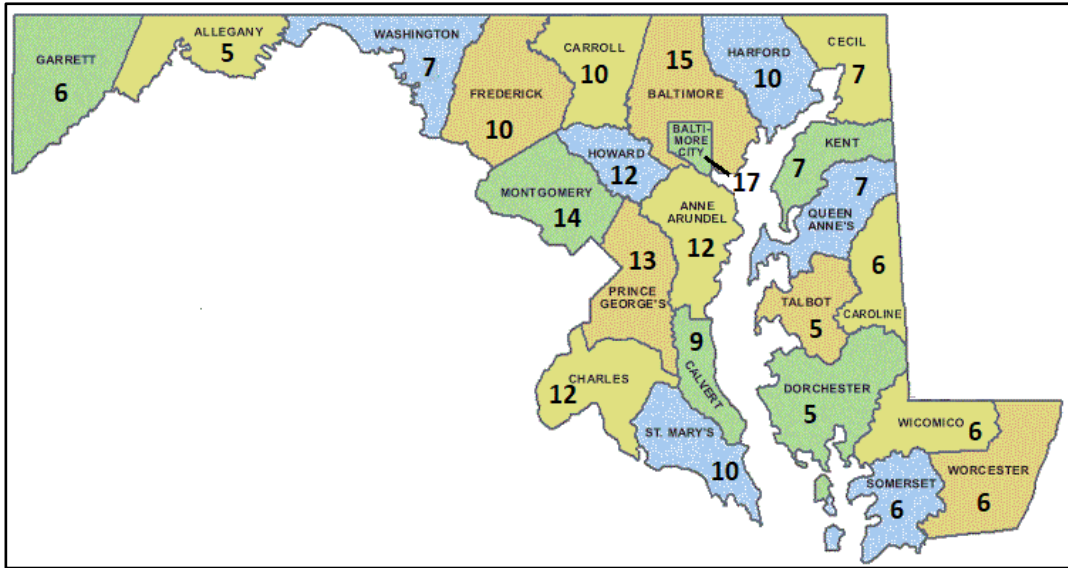
Between mid-March and mid-October of 2018, forty-five organizations (see Appendix A) responded to the Financial Education & Capability Survey. Below are illustrations of their responses.

Types of Organizations Represented in Survey Results



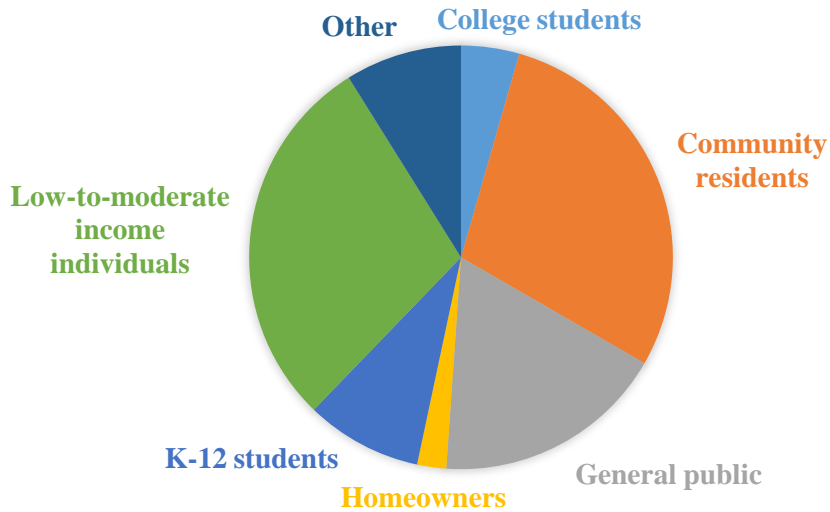
As illustrated above, of the forty-five organizations that responded twenty-eight identify solely as non-profit organizations, five as government agencies, three as educational institutions, two as private businesses, one as a community group, one as a financial institution, and one as a faith-based organization. Also included are five organizations that identify as two types: two as a faith-based institution/non-profit, one as a community group/non-profit, one as an educational institution/non-profit, and one as a government agency/non-profit.

Where Respondent Organizations are Working



The above graphic depicts the number of respondents providing financial education and capability services in each county. Some agencies work statewide, and some serve a single county or region of the state.

Primary Clients of Financial Capability Service Providers

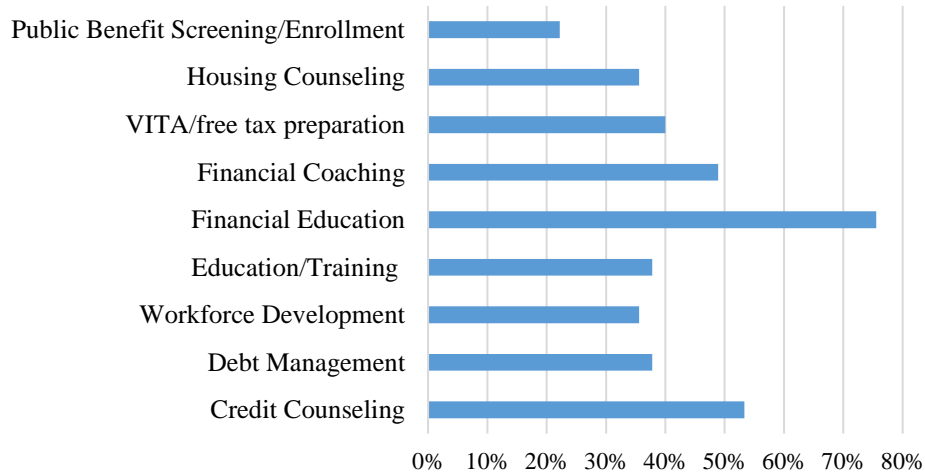


Above is a chart outlining the target populations of the Survey respondents. One item of note in 2018 is that zero respondents reported specializing in financial education or coaching for older adults. “Other” responses included recent immigrants, families and state employees.

Products & Services Offered by Respondent Organizations

As in 2015, the Commission measured which products and services respondents are offering to Maryland residents. Below, are the top services offered by respondent organizations.

Financial Capability Services Offered



In addition to the top services outlined above, agencies also reported offering the following products and services:

- Housing Finance
- Deposit Accounts
- Education Savings (i.e. 529)
- Retirement Planning
- Investment Services/Products
- Lending
- Healthcare/Medical Services
- Pre-paid Debit Cards
- Legal
- Promoting Access to Bank Accounts

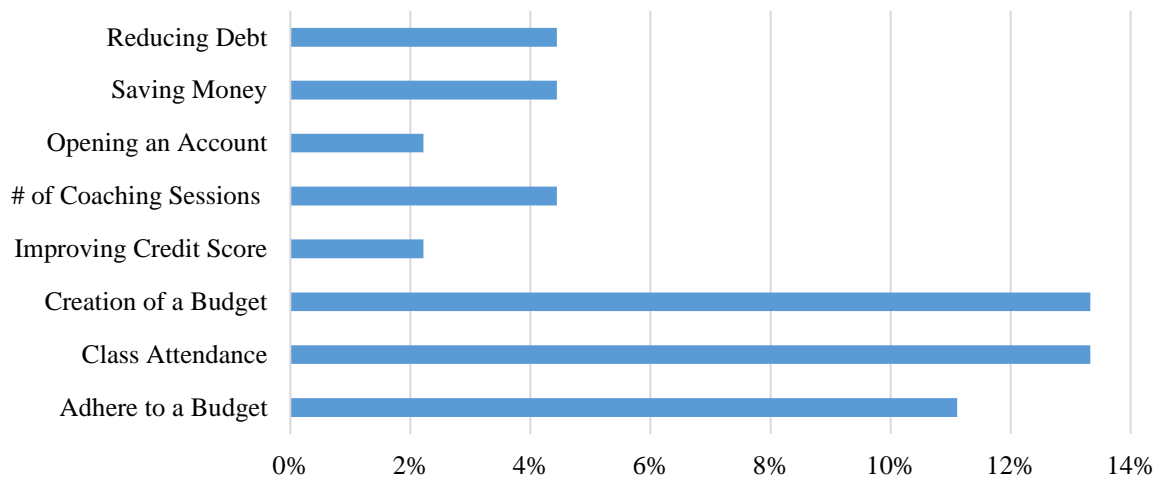
Training and Certifications

Of the respondent organizations, twenty-seven percent have employees or volunteers trained or certified to provide financial capability services. This percentage has significantly dropped since the last survey in 2015, where sixty-three percent have employees or volunteers trained or certified to provide financial capability services. There is much debate around the fields of financial education and coaching, and whether the industries should be fully professionalized with standard training tracks. We track whether service providers across the state are certified in financial education and/or coaching in order to review trends in the field of financial capability. It can be important to measure whether most Maryland consumers receive services from trained professionals.

Coalition Participation

Financial capability coalitions are a valuable tool to provide partner organizations with capacity building, technical assistance, and resource and information sharing. In recent years, Maryland has seen a healthy increase in the number of financial capability coalitions across the state. Currently, Maryland has eight coalitions focused on improving financial capability in their respective regions. Coalitions exist in Anne Arundel, Frederick, Howard, Montgomery, Prince George’s, and Washington Counties, plus Baltimore City and a coalition representing southern Maryland. The coalitions in Washington County, Anne Arundel County, and southern Maryland all launched since the 2015 Survey.

Top Outcomes Respondents Are Tracking



The graphic to above illustrates the number of respondents who are tracking particular outcomes. Of the respondents, seven (15%) are not tracking their outcomes. Thirteen organizations (29%) responded that they were using other ways to track their outcomes. For example, some respondents mentioned they perform pre- and post-assessments to track outcomes, while others noted they track multiple outcomes, and therefore did not select a single option

Barriers and Opportunities in Providing Financial Capability Services

Compared to 2015, there has been a shift in respondents’ barriers. The top barrier in 2015 was the need for funding to expand, develop, and maintain programs. The second was education and training of staff and staff time to implement, as well as attendance and commitment. The top two needs switched in 2018. This year, 31% of respondents indicated that attendance, commitment, and participation in services pose the greatest challenge. Eighteen percent of respondents mentioned some type of funding constraint whether for additional staffing, more resources, or more diverse financial education services. Another barrier, according to 11% of respondents, is lack of awareness of services within the community. Some organizations are struggling with marketing their services to potential clients and volunteers. Survey respondents also mentioned

challenges associated with poverty as a major barrier to engagement. Location access and lack of affordable and efficient transportation serve as barriers to engagement, as well.

Respondent Needs

- Around seventeen percent of respondents reported not having enough space to provide financial education classes.
- Forty-five percent of respondents noted they would like help with participant attendance and uptake. This percentage has gone down twenty percent since the Survey was last conducted in 2015.
- Thirty-five percent of respondents claimed they need assistance in improving the quality of their financial capability services.

Opportunities

The Survey not only allows the Commission to understand the needs and successes within the state's financial capability field, but it can also capture important insights from service providers. For example, one of the most significant responses was the need for Maryland to enhance or create policies and programs that support job access and better wages. Around thirty-five percent of respondents mentioned that their clients face some form of workforce development need - from strengthening the minimum wage, to job training which leads to access to higher paying jobs.

The second biggest opportunity presented from the survey is to provide more financial education. Around twenty-nine percent of respondents suggested this, whether it be in the form of expanding financial education to K-12 education or including financial education when people take out loans for postsecondary education. The third biggest opportunity is affordable housing with over seventeen percent of respondents mentioning this. The rest of responses range in a myriad of opportunities. They include more credit counseling, access and knowledge of savings accounts, better transportation in order to get to better jobs, and loan counseling especially for higher education.

Margin of Error

We would like to include the caveat that, as there is with every survey report, there is a margin of error. We recognize that the above data has limitations, as it is challenging to get feedback from every institution in the state. The Survey was dependent on the organizations contacted to complete it. Even if the data is not all-inclusive, it does identify trends for a strong sample of financial capability organizations, which span across the state.

Appendix A

2018 Legislative Wrap-up for the Maryland Financial Education & Capability Commission

Education/Student Loans

- **Tuition Assistance for Vocational Certificates, Apprenticeship Programs, Associate's Degrees:** Commission member Senator Young and Co-chair, Delegate Stein, submitted a bill to **make community college affordable** ([HB976/SB261](#)). While their bills did not pass, the General Assembly worked out a compromise incorporating similar principles.
- **Debt Letter** ([HB17/SB69](#)): As of 2016, higher education institutions in Maryland are required to send an annual letter to those receiving financial aid with information about the amount of debt they have accrued. The letter helps students to understand their debt load before they graduate and research shows it encourages students to take out fewer loans. This year's bill ensures that for-profit institutions are required to send an annual debt letter, as well.
- Commission member Delegate Alonzo Washington succeeded in extending the termination date for the **Maryland Higher Education Outreach and College Access Pilot Program** ([MD-HEOCAP](#)) by three years (through September 2022) and specifies that the pilot program be established for a five-year period ([HB982/SB631](#)). The purpose of MD-HEOCAP is to increase college and career awareness, while encouraging low-income Maryland high school students to attend and complete college.

Homeownership

- **Homebuyer Education Requirements** ([HB0279](#)): This bill allows homebuyers seeking down payment assistance through Maryland's Down Payment and Settlement Expense Loan Program to meet their homebuyer education requirement online. In addition, the bill authorizes DHCD to use the Housing Counseling and Foreclosure Mediation Fund to support housing counselors and other nonprofit entities that provide homebuyer education, housing advice, or financial counseling to low- and moderate-income households.

Consumer Protection

- **For-profit colleges** will now be subject to **new regulations** ([HB1103/SB795](#)) including requiring for-profit institutions to inform prospective students of the cost and length of the program as well as refund policies, transferability of credit policies and the default rates. These institutions will also be required to pay a fee into a guaranty fund to protect students in case of school closure.
- Co-chair Delegate Stein co-sponsored legislation to **eliminate fees** for those wishing to **lift a credit freeze** ([HB710/SB202](#)).

Appendix B

2018 Financial Education and Capability Award Winners

Elementary School Teacher or Program: Tracey Gay, North Harford Elementary School (Harford County) Helped students create and sell holiday decorations out of old barn wood to learn about supply and demand. Proceeds from the sales helped purchase pajamas for Maryland children in need.

Middle School Teacher or Program: Emily Shank, Pittsville Middle School and Bennett Middle School (Wicomico County) The only teacher in the school district to offer her Middle School Family & Consumer Science students Junior Achievement's Career Successes program. The program helps students understand how careers lead to financial success.

High School Teacher or Program: Tim Rodman, Walter Johnson High School (Montgomery County) Created a "Financial Literacy Unit", which taught students how to balance a checkbook, write checks, manage credit cards, build credit, understand paychecks, pay taxes, be able to bank online, invest, deal with identity theft, and learn how to set financial goals. Other teachers have since adopted Mr. Rodman's curriculum.

Community Champion Award (Individual Educator): Karen Gibbs, The Gibbs Perspective (Baltimore County) President and Founder of The Gibbs Perspective, a company dedicated to building financial capability. Karen is a noted speaker and moderator, and was most recently the financial expert for Maryland Public Television's \$mart Thinking About Your Money campaign.

Outstanding Organization Award: CASA (Baltimore City) CASA's holistic approach to financial education and community empowerment ensures that recently arrived immigrants have the knowledge, support, and resources necessary to not just survive, but thrive in a new country.

Appendix C

Organizations Captured by the 2018 Financial Education & Capability Survey

AHC Greater Baltimore	Guidewell Financial Solutions	Office of the Commissioner of Financial Regulation, DLLR
Archdioceses of Washington	Housing Options & Planning Enterprises	Promise Heights
Catholic Charities Financial Stability Network	Howard County Office of Consumer Protection	Reach of Washington County
Bon Secours Community Works	Human Services Programs of Carroll County, Inc.	Rockville Housing Enterprises
CAFE Montgomery	Job Opportunities Task Force	Seton Center Inc.
CASA	Junior Achievement of Central Maryland	SHORE UP! Inc.
CASH Campaign of Maryland	LASOS, Inc.	Southern Maryland TriCounty Community Action Committee, Inc.
Central Scholarship	LifeStyles of Maryland Foundation, Inc.	State of Maryland American Job Center
Chesapeake Cares Food Pantry	MakingChange Inc.	United Way of Central Maryland
Community Assistance Network, Inc.	Maryland Council on Economic Education	United Way of Frederick County
Credit Union Foundation MD DC	Maryland Food Bank	Unity Economic Development Corporation
District Capital Management	Maryland Rural Development Corporation	University of Maryland Baltimore County
Equity Mortgage Lending	Maryland State Department of Education	University of Maryland Extension
Family Services Inc.	Maryland Supplemental Retirement Plans	Woodforest National Bank
Garrett County Community Action	Montgomery College	