

2019
ANNUAL REPORT

Economic Empowerment Trust Fund



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OFFICE OF
**ECONOMIC
EMPOWERMENT**

Office of the Treasurer and Receiver General of Massachusetts

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Board Members
July 1, 2018 – June 30, 2019

- Deborah B. Goldberg (Chair)
- Barbara Anthony
- Marcony Almeida-Barros
- Roy Belson
- Jamie Eldridge, State Senator
- Jacqueline Furtado
- Hamel Husbands
- Raichelle Kallery
- Dr. Ellen Kennedy
- Tom Moreau
- Dr. Evelyn Murphy
- Todd Ostrowski
- Edward A. Palleschi
- Michael Prisco
- Elizabeth Barajas-Román
- Jerry Rubin
- Daniel Ryan, State Representative
- Dr. Yvonne Spicer
- Steven Ultrino, State Representative

01

Letter from
Treasurer Goldberg

In my capacity as Chair of the Economic Empowerment Trust Fund, and pursuant to M.G.L. Chapter 10 Section 35QQ, I am pleased to file the attached Fiscal Year 2019 Annual Report, the fourth released by our board. As required, we have included information about all of the programmatic and financial activities of the Trust Fund.

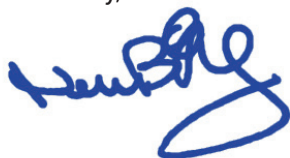
Over the past year, we have dedicated our resources both to strengthening existing initiatives and developing new ones. We completed our college savings account pilot programs, SeedMA and SoarMA, expanded the scope of our women's salary negotiation training to include an online platform, started an intake on financial education in the public school system, hosted senior Fraud and Scam Prevention workshops, and awarded grant monies for financial education to schools and veteran's organizations.

We announced the launch of the BabySteps Savings Plan—a statewide expansion of our college savings account pilot programs. BabySteps is a seeded college savings account initiative that will begin in January 2020. This program will provide a free \$50 seed deposit into a 529 college savings account to every baby born to or adopted by a Massachusetts resident. BabySteps will encourage saving for a post-secondary education so that families across Massachusetts can be prepared for the future. To promote an inclusive and accessible program, we are focusing on building strategic partnerships with community organizations across the state, in the hopes of reaching as many families as possible.

Additionally, I am proud to announce that the Office of Economic Empowerment was awarded a significant capital budget for digital transformation. Over the next fiscal year, we hope to use this money to increase the accessibility of our websites, provide digital financial education modules to users, and enhance the overall user experience on our digital platforms.

I am pleased with the accomplishments of each of our programs and the continuous progression towards the financial security of Massachusetts' residents. I anticipate great success in the continuation of our efforts, and I look forward to collaborating with all of you. When we work together, I know that we can create financial opportunity for all who call Massachusetts home.

Sincerely,



Deborah B. Goldberg
Treasurer and Receiver General
Chair, Economic Empowerment Trust Fund



— “ —
When we work together,
I know that we can create
financial opportunity
for all who call
Massachusetts home.
— ” —

At the end of Fiscal Year 2019, our two college savings account pilots ended enrollment.

A final report on these programs will be completed in 2020 when additional data is available.

02

College Savings Accounts: Pilot Programs



Every account opened through the SoarMA program received a \$50 or \$100 seed deposit funded through EETF. Additionally, all families that save at least \$100 in the first calendar year will receive a monetary match, up to \$400. The Hildreth Stewart Charitable Foundation is the private partner for the seed deposits and matching funds.

SoarMA Numbers at a glance:

51
accounts
opened

SoarMA Families have made
\$8,160*
in customer contributions

39%
of families are making
contributions to their accounts.

SoarMA families have saved a total of **\$16,888*** over the course of the two-year pilot program (including seed deposits and matches). Of the families that opened SoarMA accounts, 39% have made contributions amounting to a total of **\$8,160***, with a median deposit amount of **\$355****. Families have a year to receive matched saving, which will be completed in June 2020.

Evaluation of the SoarMA program reveals that learning circles, workshops where families learn about college planning and financing, provide families with necessary support to open accounts and begin to save. Not only are families saving in their accounts, but they are also signing up for direct deposit to ensure frequent contributions.



The SeedMA pilot program has been a universal, seed-funded college savings account initiative designed to help Massachusetts families save for their child's educational needs. Every 529 account opened through SeedMA receives a \$50.00 deposit funded through EETF. The 2018-2019 school year saw the third and final cohort of the pilot program, which had been open to every kindergarten in Worcester and Monson public school systems.

In the third and final year of the pilot:

1,031+
of families engaged

73+
events

49
accounts
opened

The total value of all SeedMA accounts, including the \$50 seed deposit is **\$94,438***. Of families who opened accounts 36% have made contributions, amounting to a total of **\$79,902*** in family savings at a median contribution of \$630.

* Data is as of 11/14/2019.

** Data is as of 11/21/2019.

Data on customer contributions presented herein is based on reports prepared by Fidelity and the Massachusetts Educational Financing Authority (MEFA). Due to the way the data is reported to OEE, it is possible that there are small differences between the numbers presented herein and actual contributions made by account holders.

03

Budget &
Development**FY2019 Financials:**

EETF started
the year with a
balance of:
\$145,284.21

The total balance
at the end of Fiscal
Year 2019 was:
\$164,230.35

In FY19 a variety of generous donors awarded \$45,450.18 to the Trust Fund. For the fourth year in a row Citizen's Bank renewed their commitment to the Women's Economic Empowerment Series (WEES) by providing a \$40,000 grant allowing the Trust Fund to continue to offer this important program to woman across the Commonwealth. This generous grant represents a \$10,000 increase in the bank's annual investment in the WEES program.

In October 2018, Mr. Bob Hildreth and the Hildreth Stewart Charitable Foundation committed \$300,000 to the BabySteps Savings Plan, Massachusetts' first statewide seeded college savings account program. These funds will be used to encourage families across the Commonwealth to plan and save from the moment their child is born. In an October 23, 2018 Op-Ed featured in *Commonwealth Magazine*, Mr. Hildreth issued a challenge to other foundations and philanthropists to join him in pledging additional resources to support the BabySteps Savings Plan. An additional \$5,000 donation for BabySteps was also given by another individual.



Revenue



WEES:
\$40,000
from Citizens Bank



SoarMA:
\$450.18
from Hildreth
Stewart Charitable
Foundation



BabySteps:
\$5,000
received

The \$300,000 from the Hildreth Stewart Charitable Foundation is expected to be received in Fiscal Year 2020.

Expenses



WEES:
\$14,195.51



SoarMA:
\$4,801.67
funded



SeedMA:
\$3,200.64
funded

Other:
\$4,306.22
for tax preparation services
and Comptroller chargebacks

The majority of expenses were attributed to the SeedMA program, SoarMA program, and WEES. All SoarMA expenses are reimbursed by the Hildreth Stewart Charitable Foundation.

**OPERATION
MONEY WISE****04****Operation
Money Wise**

Operation Money Wise (OMW) is a grant opportunity offered by OEE in collaboration with the Division of Banks. The goal of the program is to increase the capacity of direct service providers to deliver financial education about topics that most commonly affect the Military, Veteran, Family and Survivor Community (MVSFC). Grantees include nonprofit organizations, public agencies and higher education institutions who deliver programming that empowers their participants to make informed financial decisions.

In February 2019, OEE sought to build on past successes of this program by awarding and expanding the grant opportunity to geographically diverse regions across Massachusetts. In FY2019, OMW awarded \$48,777.00 to ten organizations throughout the Commonwealth to deliver financial education to over 2,200 members of the MVFSC. Since the inception of OMW in 2016, over 4,400 members of the military have received programming ranging from the basics of budgeting to the details of the numerous benefits offered to veterans.

— **//** —
Since 2016,
4,400 members
of the military
have received
programming.
— **//** —

**TEN
AWARDED
APPLICANTS
INCLUDE:**

American Consumer Credit Counseling, Inc.
Cambridge Credit Counseling Corporation
National Association for Black Veterans
—Springfield MA Chapter
NewVue Communities
North Shore Community College
Springfield Neighborhood Housing Services, Inc.
Veteran Business Owners Initiative
Veterans Inc.
Veterans Legal Services
YWCA Southeastern Massachusetts



05

Women's Economic Empowerment Series



Since 2016, OEE has partnered with Citizens Bank to provide cutting edge financial education designed to help women combat the unique challenges they might encounter throughout their lives. Through workshops held in communities across the state, trained financial educators from Citizens Bank deliver educational sessions on creating a budget, managing debt, and understanding credit scores. Additionally, women receive salary negotiation training, opportunities to practice during the workshop, and education on the wage gap. Each participant goes home with a workbook and a book on financial empowerment for women.

In FY2019 WEES was held in Lynn, Gloucester, Brockton, Somerville, Cambridge, Leominster, Melrose, and Greenfield. We continued to establish partnerships with unique service organizations, such as the YWCA in Cambridge and the Somerville Community Corporation. In 2019 we began working to create more digital elements to complement the in-person trainings, which we are proud to launch in 2020.

Confidence

Overall experience:

89%

Participants report that they will apply information to their own life:

87%

Participants report that they will share what they learned with other women:

87%

— “ —

I learned to budget and decrease my debt so that I can decrease my liabilities as I plan for retirement.

— ” —

06

EETF's Commitment to
Salary Negotiation
Training for Women

Get tips and tools for negotiating your salary and benefits.
Take our free e-course—anytime, anywhere.

REGISTER NOW
www.aauw.us/MA



EETF is dedicated to training as many women across Massachusetts as possible in our effort to close the wage gap. Using the American Association of University Women's "Work Smart" curriculum, we have been able to instruct over 100 women on how to negotiate their salary in our in-person sessions. During the past year, workshops were held in over 18 cities and towns across the state through partnerships with the Massachusetts Community Colleges, the Massachusetts Commission on the Status of Women, and MassHire. Additionally, over 40 women have been trained to deliver negotiation exercises themselves in their communities.

In April 2019 we joined AAUW in promoting a free online version of the "Work Smart" program. Thanks in part to our outreach efforts in Massachusetts, nearly 900 individuals participated in the online educational sessions. Over 90,000 women across the state learned about the free workshops that are available for them to take at any time.



07

EqualPayMA.com

In consultation with EETF board of trustees, on Equal Pay Day 2016 Treasurer Goldberg and OEE launched EqualPayMA.com, a robust digital platform designed to help close the wage gap.

The site was built to inform constituents about the fundamentals of the gender wage gap, provide resources on understanding economic disparities, empower women with tools to combat the wage gap, and aid businesses in cultivating more gender equitable workplaces. Since EqualPayMA's initial launch, the wage gap calculator has been, and remains, the most popular part of the site, with over 50% of the site's lifetime traffic seen in the calculator alone. The business toolkit, which guides employers through gender equality in the workplace, has been used as a resource all over the world.

Site Data

(APRIL 1, 2016 – JUNE 30, 2019)



65,469
PAGEVIEWS



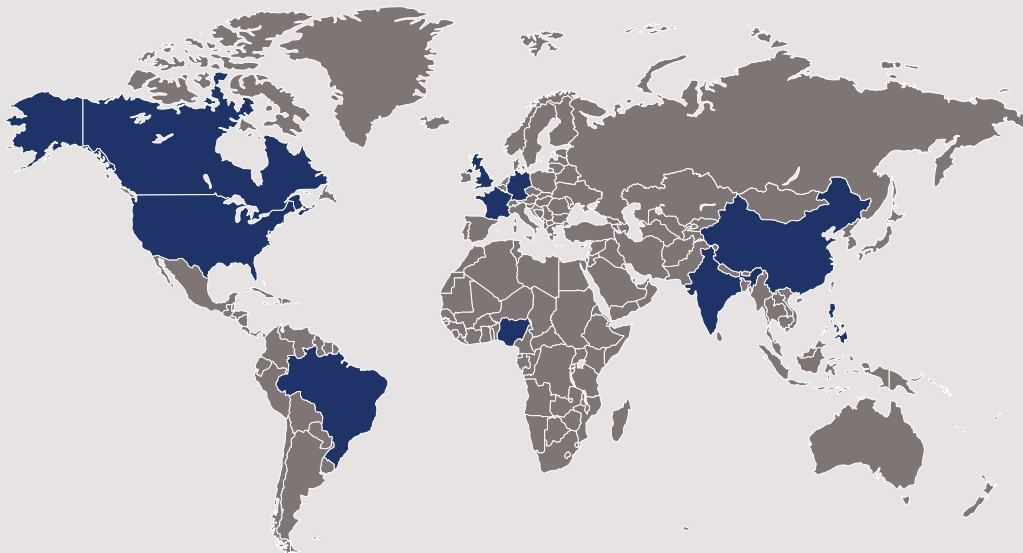
17,405
USERS



107
ANONYMOUS
EMAILS SENT



827
DOWNLOADS OF
BUSINESS TOOLKIT



Top user locations

United States
United Kingdom
France
Canada
Brazil
India
China
Germany
Nigeria
Philippines

Site users

91.6%
NEW

8.4%
RETURNING

User demographics



63.5%
FEMALE



36.5%
MALE

08

Seniors

— // —

Be careful, be conscious, be confident.

— SENIOR FINANCIAL EDUCATION WORKSHOP PARTICIPANT

— // —

In the spring of 2017, OEE launched a financial education program designed to help older adults learn strategies to prevent exploitation and effectively manage their personal funds.

Through a public-private partnership with People's United Bank and the Financial Planning Association of Massachusetts, Fraud and Scam Prevention Workshops were brought to five communities in FY2019 (Mattapan, Quincy, Lynn, Halifax, and Worcester) serving over 300 people since the program's inception.

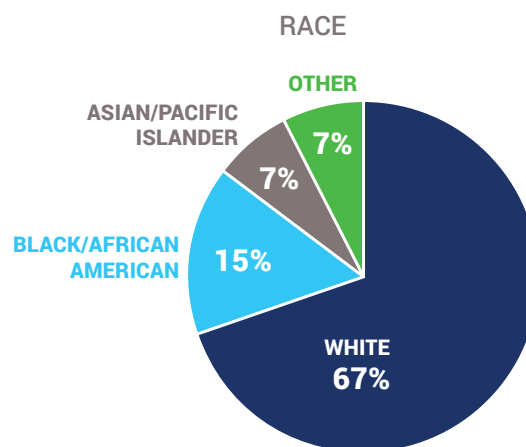
OEE staff identify target communities for this programming by reaching out to local Councils on Aging while volunteer financial educators from People's United Bank provide the financial education training using the FDIC's Money Smart for Older Adults curriculum. Sessions are also available upon request to community organizations throughout the Commonwealth with our new online request form.



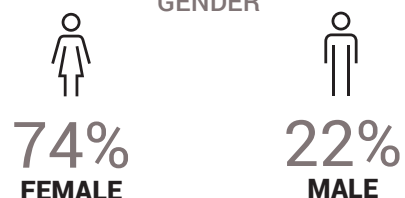
Evaluation Results

for FY 2019 Senior Workshops

Demographic Data



GENDER



— // —

Be more inquisitive as to what is being offered.

— SENIOR FINANCIAL EDUCATION WORKSHOP PARTICIPANT

— // —



**Financial Education
Innovation Fund**

09

Financial Education Fairs

51%

of students said
the fair was the only
financial literacy
education they had
received in school

OVER
87%

of students reported
that their financial
knowledge increased
after participating
in the fair

OVER
83%

of students reported that
they intended to apply
information and skills
in their own lives

OVER
70%

of students reported
having a positive
experience at the fair

“

The fair provided an accurate and helpful look into what
life as an adult is like and made me much more aware
of the cost of living than I would have been otherwise.

— PARTICIPATING STUDENT

”



The Financial Education Innovation Fund (FEIF) is a grant opportunity for any public or charter school (inclusive of special education schools and programs) to develop or expand a financial education fair. This program is run in partnership with the Commonwealth's Division of Banks. These "Credit for Life Fairs" have proved to be an accessible and interactive way for students to gain critical money management skills, such as basic budgeting, saving, and spending.

During the 2018-19 school year, over \$123,000 was awarded by FEIF to 43 schools to host a Credit for Life Fair. Since the start of the grant program over 43,000 students across the Commonwealth were reported to have attended a fair.

In recent years, grantees have included a range of schools, including several special education schools designed to cater to their students' needs. The Cotting School in Lexington, MA integrated their Credit for Life fair into their Transition Fair, inviting parents and alumni to teach students about the financial challenges of transitioning into adult life. In cooperation with government agencies like the Massachusetts Rehabilitation Commission, they educated parents and students about their roles in the transition.

“

This really helped me grasp
the reality of being an adult
and managing money.

— PARTICIPATING STUDENT

”



10

MyFinancialLifeMA



Site Data

(APRIL 1, 2017 – JUNE 30, 2019)



21,416
PAGEVIEWS



8,707
USERS



11,052
SESSIONS

In April 2017, MyFinancialLifeMA.org was launched, an innovative platform that acts as a resource for constituents as they encounter life’s financial decisions and challenges. It serves as the digital complement to many of OEE’s in-person financial education workshops and other programming.

Site users

88.8%
NEW

11.2%
RETURNING

At the end of fiscal year 2019, a significant capital budget was awarded to OEE for digital expansion and transformation. We look forward to using this allotment to increase the accessibility of our sites, provide substantive financial education modules to users, create additional resources for the various populations we serve, and implement other enhancements to cultivate a better user experience.

User demographics



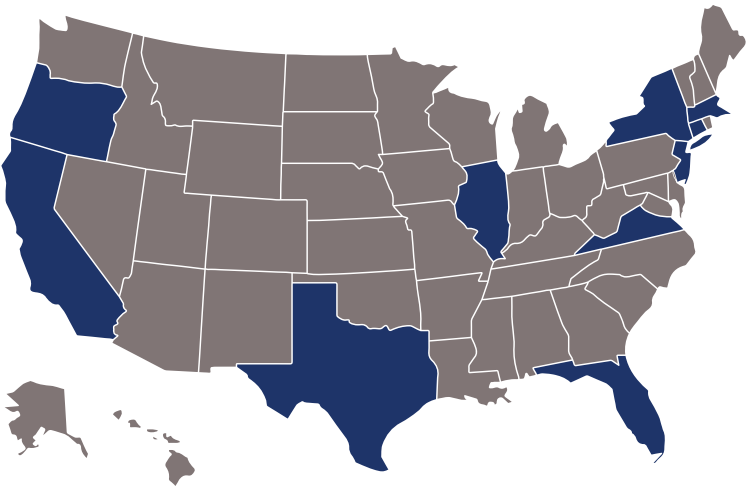
51.5%
MALE



48.5%
FEMALE

Top user locations

- Massachusetts
- Virginia
- New York
- California
- New Jersey
- Connecticut
- Texas
- Illinois
- Florida
- Oregon



11

Women in Finance Fellowship

In 2016, Treasurer Goldberg launched the Massachusetts Women in Finance Fellowship, a unique government initiative for undergraduate women interested in the financial field. Following three years of successful Fellowships, OEE welcomed its fourth cohort of fellows in June 2019.

The 2019 Fellowship placed fellows in various Treasury departments (Debt Management, Pension Reserves Investment Management, Massachusetts State Lottery Commission, and Massachusetts School Building Authority) for an immersive 8-week experience in public sector finance. Program objectives include identifying and training prospective female employees for the financial industry, building a network and pipeline of talent, and advocating for more women in leadership roles.

Data from the 2018 Fellowship indicates that fellows had positive, meaningful experiences. 87% of fellows felt supported by their mentors, 83% of fellows plan on staying in touch with professional contacts made during the Fellowship, 72% of fellows had a very good or excellent experience during the Fellowship, and 83% of fellows felt the educational sessions were extremely or moderately applicable to future career trajectories. The program enabled participants to garner tangible skills, such as market trend analysis, Bloomberg Terminal, Excel, and budget management.

— //

I really enjoyed my experience, it was a great start for my first exposure to the finance industry. I loved being able to join meetings, doing weekly and monthly updates.

— PARTICIPATING FELLOW

Thank you for accepting me to participate in such a fantastic internship opportunity. I will take so much from this fellowship that I can apply to the rest of my future/career.

— PARTICIPATING FELLOW

The fellowship changed how I view mentorship: I did not realize how valuable it could be and I see myself using any opportunity to mentor other women in my future career.

— PARTICIPATING FELLOW

— //

— //

Thank you for an amazing summer! I really had a phenomenal experience and learned so much. It was [an] incredibly rewarding experience and I am now even more excited about pursuing a career in finance.

— PARTICIPATING FELLOW

— //



12

BabySteps Savings Plan

BabySteps Savings Plan: Massachusetts' First Seeded College Savings Account Program

Beginning in January 2020, the Office of Economic Empowerment and the Economic Empowerment Trust Fund will be launching the BabySteps Savings Plan: Massachusetts' first seeded statewide college savings account program.

Through BabySteps every baby born or adopted in Massachusetts can receive a free \$50 deposit into a U.Fund 529 account.

This program is funded through public-private partnerships. The founding donor for the program is Robert Hildreth, the Founder of Inversant. Mr. Hildreth has committed \$300,000 to BabySteps out of his private philanthropy, Hildreth Stewart Charitable Foundation.

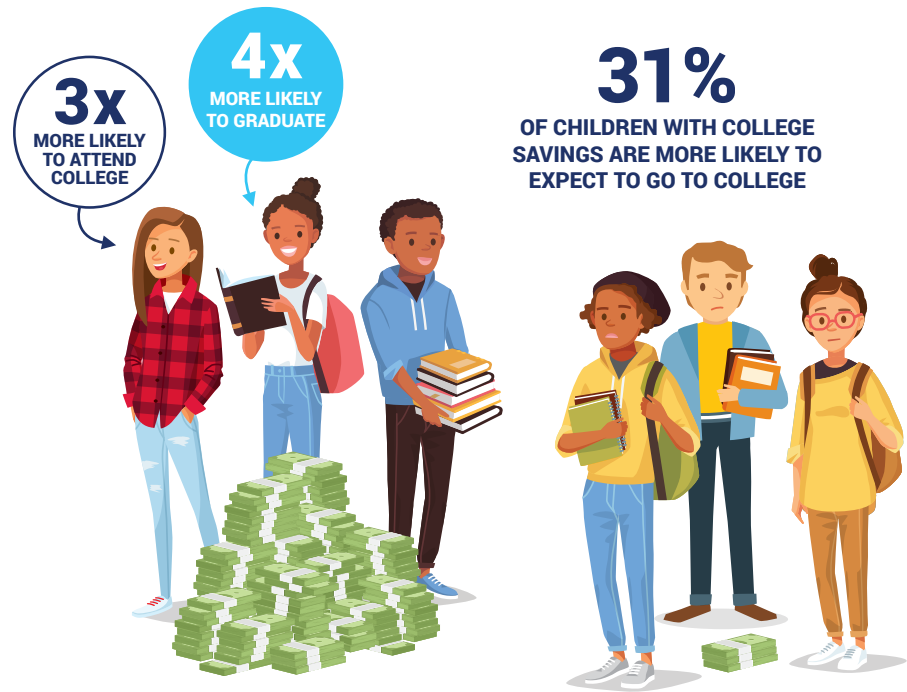


The BabySteps Savings Plan is Massachusetts' first statewide seeded college savings account program, designed to empower families to plan and save for their children's higher education.



Why BabySteps?

College Savings Accounts are about more than just saving money for your child's future. They're also a good method for your family to gain financial and planning skills. Children with college savings are 31% more likely to expect to go to college than children without college savings.*



BabySteps Goals

- Increase the percentage of families saving for higher education in Massachusetts
- Deliver high-quality financial education programming to families, building a culture centered on saving for the future and employing prudent budget management
- Boost postsecondary enrollment and graduation rates for Massachusetts students by fostering aspirations of higher education for economically vulnerable and disadvantaged children

☒ Just Check the Box!

When you are filling out the Parent Worksheet for a birth certificate at the hospital, you can check a box on the form to let us know you are interested in receiving your **free \$50 deposit**.

Didn't check the box? Simply visit **BabyStepsSavingsPlan.org** to be directed to open a U.Fund 529 College Investing Plan account.



Grandparents and other loved ones can also open a U.Fund account for qualified children in Massachusetts.



* William Elliot III and Sandra Beverly, "The Role of Savings and Wealth in Reducing 'Wilt' Between Expectations and College Attendance," George Warren Brown School of Social Work Center for Social Development (January 2010): 1-2.





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