



How \$tand By Me Has Helped Delaware Residents Improve Their Financial Well-Being

Brett Theodos, Daniel Teles, and Benjamin Docter

\$tand By Me, established in 2010, is a [public-private partnership](#) led by the Delaware Department of Health and Social Services and the United Way of Delaware.

\$tand By Me aims to empower Delaware residents to have [more control over their finances](#).

The program offers free services to all state residents, including tax preparation and access to financial products, but its main offering is [free, one-on-one personal financial coaching](#).

To date, over [110,000 Delawareans](#) have been served by the program—with almost 16,000 participating in personal financial coaching alone.

Read the full report:

Diana Elliott, Brett Theodos, Daniel Teles, Adaeze Okoli, and Benjamin Docter, [An Evaluation of the \\$tand By Me® Financial Coaching Program](#) (Washington, DC: Urban Institute, 2020).

Financial coaching programs are increasingly popular services offered to help people with low and middle incomes navigate their finances. Despite these programs' growing prevalence across the US, evidence about their effectiveness is still emerging. To add to the evidence base, we evaluated a statewide public-private partnership financial coaching program in Delaware: \$tand By Me (\$BM).

We compared \$BM clients with a matched comparison group of people in nearby states and examined differences over time using credit data. We found that \$BM clients overall are seeing improvements in their financial well-being. For additional detail on our methods and the implementation study, see the full report at <https://urban.is/3bbLMEJ>.

\$BM CLIENTS TOOK MORE ACTIVE STEPS TO IMPROVE THEIR FINANCIAL WELL-BEING AND CREDITWORTHINESS THAN A COMPARISON GROUP

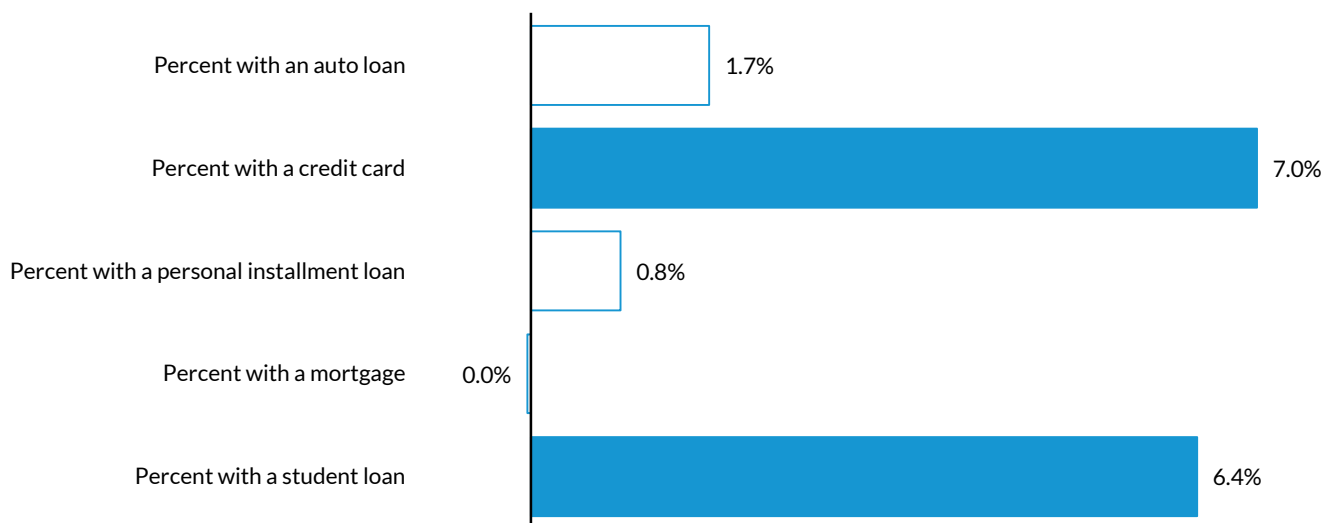
- \$BM clients were more likely to bring accounts that had previously late or delinquent debts back into good standing (called “curing”). \$BM clients increased curing over a six-month period by an average of 0.24 accounts more than the comparison group.
- Clients reduced their debts in collections. They reduced their number of medical accounts in collections by 0.37 per person more than the comparison group. Clients also reduced the number of nonmedical debts by 0.08 per person more than the comparison group.
- Clients reduced their credit card utilization rates, often by getting an additional credit card. Clients added 0.15 more credit cards per person and lowered their card utilization rates by 5 percentage points more than the comparison group.
- Clients raised their credit scores by a small amount. The estimated impact of \$BM is a four-point improvement in credit score.

\$BM CLIENTS ARE TAKING ADVANTAGE OF THEIR IMPROVED CREDITWORTHINESS BY ADOPTING NEW FORMS OF DEBT

- About a year after their first session, the share of \$BM clients holding a credit card increased by 7 percentage points more than the comparison group.
- The share of clients with a student loan increased 6 percentage points more than the comparison group.
- Relative to the comparison group, increases in the percentage of clients with an auto loan, personal installment loan, or mortgage were not statistically significant with 95 percent confidence. However, a joint test indicates there is a statistically significant increase in debt holding across all types shown in figure 1 (see next page).

FIGURE 1

Estimated Impacts of \$BM Coaching on the Types of Debt Clients Hold



Source: Urban Institute analysis of data from a major credit reporting firm.

Notes: Using a 95 percent confidence interval, solid bars represent statistically significant changes calculated between data that describe clients and matched comparisons 3 to 6 months before and 12 to 15 months after the first coaching session. Outlined bars represent differences that are not statistically significant.

THE \$BM PROGRAM'S EFFECTS ON CLIENTS' DEBT LEVELS IS MIXED

Our analysis of \$BM's impact on debt levels is mixed. Using 95 percent confidence as a threshold for statistical significance, a joint test across multiple types of accounts shows an increase in debt levels relative to the comparison group but no single account type increased by a statistically significant margin. However, \$BM clients' credit card debt was \$422 less than the comparison group at follow-up (though still higher than at baseline).

LESSONS FROM THE \$TAND BY ME PROGRAM

The \$BM program offers a unique and compelling example of program design that other states and localities could consider when developing financial coaching programs.

- The program is free and accessible to all residents in Delaware without eligibility restrictions.
- It is a public-private partnership between state government, philanthropy, nonprofits, and local employers.
- It integrates coaches in other human service environments and workplaces.
- It emphasizes a culture of performance management and results orientation.

Ten years into its operation, \$BM has made meaningful contributions to the financial health and well-being of thousands of Delaware residents. But the program has been created in a unique institutional context. For financial coaching to continue expanding well beyond its current offerings, the public and private sectors will need to play a larger role in running or supporting programs.