



Evaluation of Outcomes: The NFCC's Sharpen Your Financial Focus Program

The National Foundation for Credit Counseling® (NFCC®) is pleased to unveil the findings from a comprehensive, independent evaluation of credit counseling conducted by researchers at The Ohio State University. The study assesses the long-term impact of nonprofit financial counseling by comparing financial health outcomes for the NFCC's Sharpen Your Financial Focus® (Sharpen) clients with those of non-counseled individuals.



Sharpen Client Outcomes: Key Findings

SHARPEN CLIENT PROFILE*

- 63% of Sharpen clients are female, with an average age of 43.
- The median Sharpen client has reported \$2,800 in monthly income, \$10,000 in nonliquid assets (such as housing equity) and no savings.
- The median amount of monthly housing- and debt-related expenses for clients are around \$910 and \$1,000, respectively.

Reasons for Seeking Counseling: Financial Shocks

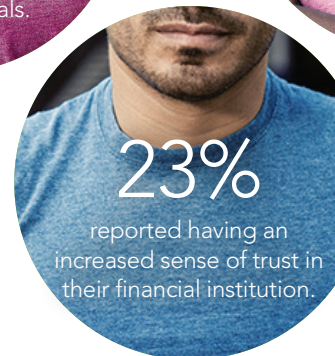
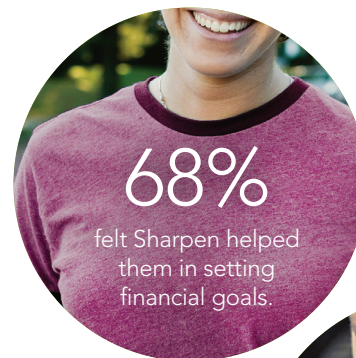
- 63% of clients face a reduction of income due to a change in employment or job loss.
- Almost 30% struggle with medical expenses or increases in debt payments driven by higher interest rates.
- Many have a poor or declining credit standing.

Clients' Precounseling State: Falling Behind

- Only about one-third keep a budget, and only 60% of those follow it "most of the time."
- Of the two-thirds of clients with credit cards, 56% regularly use more than one card. 21% regularly use five or more credit cards.
- For clients with credit cards, 41% pay the minimum amount due on their last credit card statement. Another 30% pay less than the minimum amount due.

CLIENT IMPACT AFTER THREE MONTHS OF COUNSELING

Based on the responses from an NFCC survey, Sharpen clients reported that the program is making a positive impact in their financial lives just three months after counseling.

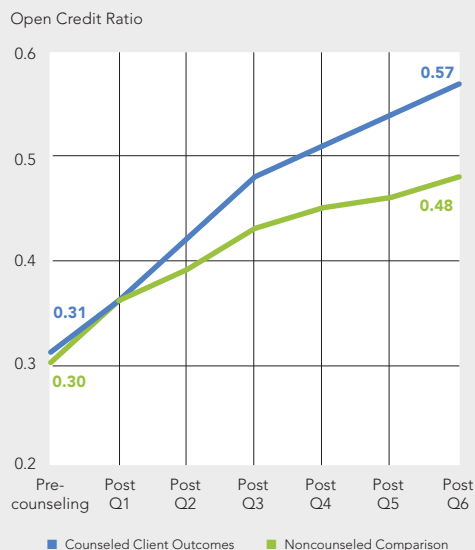


Comparative Evaluation: Key Findings

Researchers at The Ohio State University conducted a comparative evaluation, matching 6,094 Sharpen clients to a group of 6,005 similar non-counseled individuals. Outcomes for the two groups were measured on a quarterly basis from the quarter prior to counseling through six quarters post-counseling.

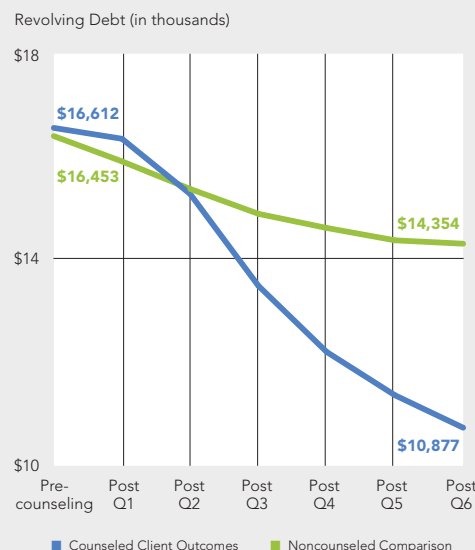
AVAILABLE LIQUIDITY AND CREDIT TO BALANCE RATIOS

The ratio of available credit for counseled clients grew at a faster rate than the comparison group after the first post-counseling quarter and was 19% higher six quarters after counseling.



CHANGE IN REVOLVING DEBT

During the 18 months following counseling, Sharpen clients decreased their revolving debt by nearly \$6,000—a statistically significant reduction of \$3,600 more than the comparison group.



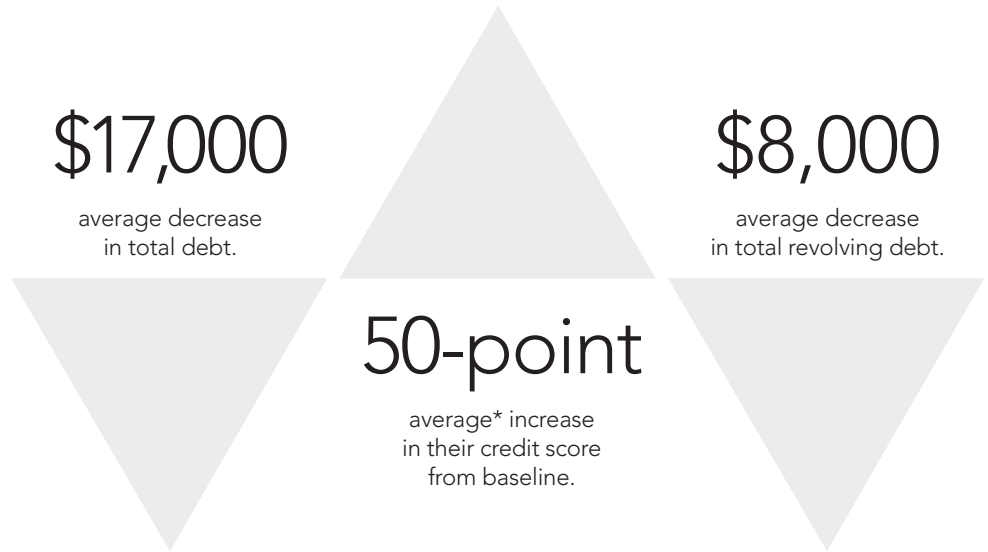
*43,072 consumers received services through the Sharpen initiative from September 2013 through March 2015.



FINANCIAL IMPROVEMENT SIX QUARTERS AFTER COUNSELING

In addition to tracking survey outcomes, the evaluation tracks credit report outcomes for a subsample of nearly 9,000 Sharpen clients. This analysis demonstrates that Sharpen is making a positive financial impact on participants' financial lives.

Six quarters after counseling, Sharpen clients achieved:

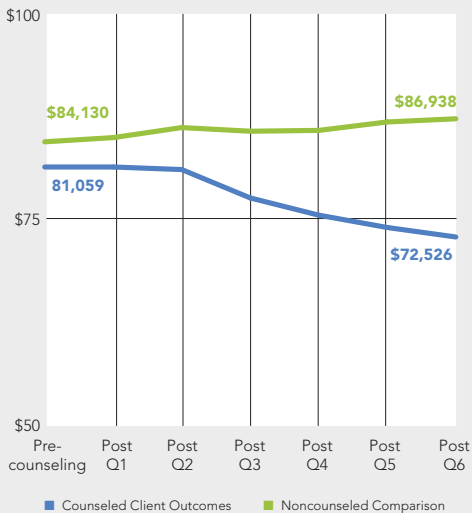


*Average bottom 25th percentile of clients.

CHANGE IN OVERALL DEBT LEVELS

During the 18 months following counseling, Sharpen clients decreased their total debt by almost \$9,000—a statistically significant reduction of \$11,300 more than the comparison group, whose total debt increased slightly during the same period.

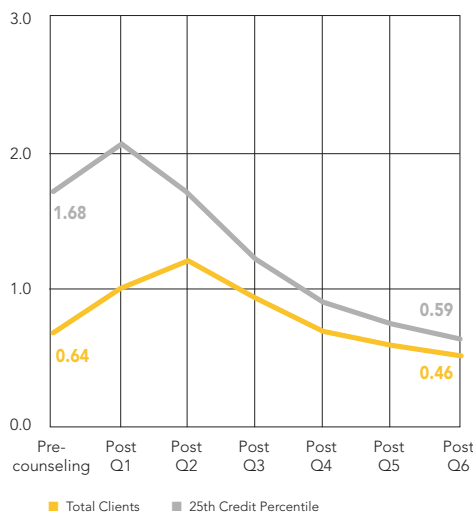
Total Debt (in thousands)



CHANGE IN PAYMENT DELINQUENCIES

The average decline in delinquent payments was about 0.18 for all clients analyzed and 1.1 for those in the bottom quartile of the credit score distribution at baseline.

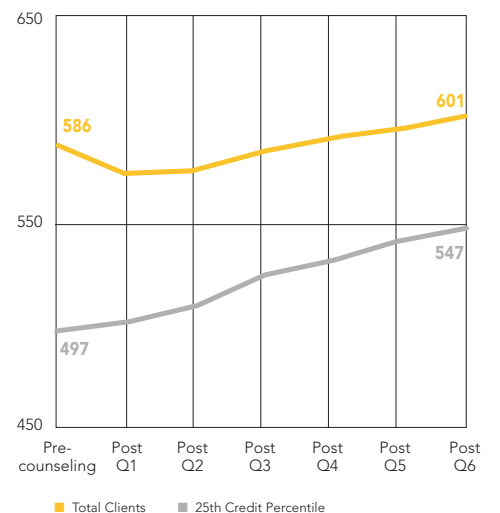
Payment Delinquencies



CHANGE IN CREDIT SCORES**

The average credit score of Sharpen participants improved from 586 to 601. Moving them over the 600-point threshold opens up access to more affordable credit.

Credit Score



SHARPEN ALLIANCE

The NFCC would like to recognize and thank all funders who make the Sharpen program possible.



ABOUT SHARPEN

The Sharpen program** is a nationwide initiative of the NFCC and a broad cross-section of supporters who are committed to increasing the financial well-being of Americans. As of January 2016, the NFCC and its member agencies have enrolled more than 60,000 clients in the Sharpen program, which debuted in 2013.

ABOUT THE NFCC

Founded in 1951, the NFCC is the nation's first and largest nonprofit dedicated to improving people's financial well-being. With nearly 600 member offices serving 50 states and Puerto Rico, NFCC Certified Credit Counselors are financial advocates, empowering millions of consumers to take charge of their finances through one-on-one financial reviews and targeted education that address credit card debt, student loans, housing decisions and overall money management. Make one of the best financial decisions of your life. For expert guidance and advice, call an NFCC member agency at 800.388.2227 or visit nfcc.org today.

For more information, contact Bruce McClary, Vice President of Communications, NFCC at **202.780.5432** or bmcclary@nfcc.org.

NFCC LEADERSHIP



Susan C. Keating

*President and Chief Executive Officer
National Foundation for Credit Counseling*

Susan leads the NFCC and its work in collaboration with NFCC member agencies to empower consumers to take charge of their finances and their futures. Prior to joining the NFCC as President and CEO, Susan spent 29 years in financial services and during her tenure was the highest ranking female CEO of a U.S. bank holding company. Susan currently serves on Bank of America's

National Consumer Advisory Council and is a board member of the Council on Accreditation. She also participates in the Financial Regulation Reform Collaborative, a nonpartisan group committed to finding solutions for reforming financial services regulation.

SHARPEN YOUR FINANCIAL FOCUS™ RESEARCH TEAM



Stephanie Moulton, Ph.D.

*Associate Professor, John Glenn College of Public Affairs
The Ohio State University*

Dr. Moulton specializes in housing policies, consumer financial decision-making and program evaluations. Dr. Moulton is also a research affiliate with the University of Wisconsin's Center for Financial Security. Her research has been funded by the U.S. Department of Housing and Urban Development, the MacArthur Foundation and the U.S. Social Security Administration. Prior

to her academic career, Dr. Moulton worked in the nonprofit sector, designing and managing asset building, homeownership and community development programs at the local and state levels. Dr. Moulton received her Ph.D. in Public Affairs from the School of Public and Environmental Affairs at Indiana University.



Stephen Roll

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Stephen's current research focuses largely on consumer financial behaviors. Prior to pursuing his doctorate, he received his B.A. in Economics and English Literature from Indiana University and worked for several years as an analyst and consultant for The Nielsen Company and Procter & Gamble.

**The Sharpen program, the NFCC, and the NFCC's nonprofit member agencies do not provide services designed to improve credit scores or credit worthiness, "credit repair" services or advice or assistance regarding "rebuilding" or "improving" your credit record, credit history or credit rating. The NFCC and its nonprofit member agencies are not credit repair organizations as defined under federal or state law, including the Credit Repair Organizations Act. The retrospective analysis in this study does not necessarily reflect results for all clients, and no promises or representations are made as to the effect on an individual's credit score or credit worthiness.