



1969 TO
2019

2019 ANNUAL REPORT

IMPROVING FINANCIAL HEALTH



Founded in 1969, as the Consumer Credit Counseling Service of San Francisco, today BALANCE is a mature and diverse nationally respected financial counseling organization, celebrating 50 years of service!

We help consumers build budgets, handle their debt, improve their credit score, build savings, purchase homes, keep their homes, pay down student loans, plan for their future, and the future of their children. We are dedicated to interrupting the cycle of poverty as we help people build assets. We are catalysts because we enable organizations to empower their employees, members, and customers.

We meet growing consumer demands through partnerships with progressive organizations that allow us to meet families where they are. We work to bring together various stakeholders: financial institutions, government agencies, employers, healthcare, technology, media, and fellow nonprofits to create measurable, collective impact across the country.

As the nation's non-profit financial coach, BALANCE is dedicated to increasing the financial health of all consumers.

CHAIRMAN'S REPORT



In 2019, BALANCE celebrated 50 years of service. I would like to start the chairman's report by thanking all of the partners that have made our 50 years possible. Over 400 organizations support our mission through use of our programs (fee for service), grants, or gifts. It is because of you that we exist. While not all 400 can be acknowledged in a short report, I wanted to acknowledge a few that have been by our side for a long time.

Empathia, Inc. specializes in Employee Assistance Programs (EAPs), and has supported BALANCE's mission of financial empowerment since 2003. Empathia provides behavioral health and crisis recovery services across a continuum of care, addressing individual, organizational and community needs. As a BALANCE partner, they are able to offer our services to employees in need, across the country. They receive over 4,000 calls per year from people seeking financial guidance, making Empathia BALANCE's largest EAP partner.

For over a decade, Freddie Mac has collaborated with BALANCE to help borrowers avoid foreclosure and provide pre-purchase counseling for potential homebuyers. Founded in 1970, Freddie Mac has remained dedicated to making housing more accessible and affordable. We are honored to be a Freddie Mac partner, which allows us to help struggling

homeowners understand their options, make a plan they can understand, and enable them to move forward. Default counseling is an important way we serve communities, in the last ten years BALANCE has counseled over 100,000 struggling homeowners.

Another long-time valued partner, The San Francisco Mayor's Office of Housing and Community Development (MOHCD) shares and supports BALANCE's mission to educate homebuyers on the financial realities of homeownership and to make housing more accessible. Additionally, the mayor's office requires certain homeowners to attend BALANCE's pre-purchase workshops in order to qualify for assistance through local housing programs. Since 2015, we have served over 4,000 San Franciscans through this program.

BALANCE began connecting with credit union partners in 1995. Our first partner in the credit union space was San Mateo Credit Union who has been with us since 1997. SMCU has not only shared and supported BALANCE's mission of financial empowerment since 1997, it regularly hosts workshops in local communities using our educational content. San Mateo Credit Union was founded in 1952. Its asset size exceeds \$1.2 billion and it is home to over 92,000 members across San Mateo, Palo Alto, and San Francisco.

Redwood Credit Union has shared and supported BALANCE's mission of financial empowerment since 2003. Additionally, the credit union

houses a BALANCE satellite office in its lobby, and uses the nonprofit's BalanceTrack program (an online financial education platform) on its company intranet. Redwood Credit Union was founded in 1950. It has \$5.1 billion in assets and is home to over 280,000 members in the greater North Bay and San Francisco.

We started in the basement of a Bank of America building in 1969 and for 50 years, BALANCE has continued to grow, acquiring locations nationwide while adding educational workshops, webinars, and in-depth digital content services. Being a non-profit, it is the partnerships that we cultivate and the common mission we share that make us collectively stronger. We serve more together. We are thankful for all of our partnerships: nonprofit partners, financial institutions, government agencies, municipalities, local charters, and corporations.

Our 50th year also brought us change. After five years of service, Kathryn Davis resigned to take a CEO role at a California credit union. We thank Kathryn for her service and wish her well in continuing her leadership in an industry we love. We are also glad her new credit union has partnered with BALANCE!

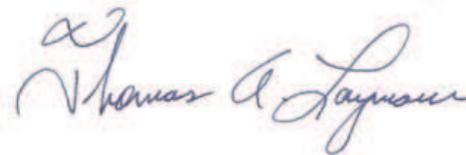
We did not have to look far to find the next leader of BALANCE, however. Rico Delgado, who has been with BALANCE for over 17 years and in the counseling space for nearly 28 years, was appointed Interim CEO and President in May 2019. He had been managing the majority of staff for years and knew all aspects of the business. The Board and staff are very

excited and energized to have Rico take on this new role to lead BALANCE into the next 50 years of service.

In November 2019, Board Member, Jim Norwine resigned after nine years of service. We thank Jim for all of his contributions over the years. We expect to expand the Board in 2020 to add to breadth, depth of experience and diversity to help guide and support BALANCE to realize its mission and objectives.

For 50 years, BALANCE has maintained a local presence in the Bay Area, while continuing to grow nationwide. Our dedicated employees use their expertise to help consumers make smart financial decisions every day. The Board wishes to thank each member of the BALANCE staff for their commitment and superior work to continue building financially healthy communities nationwide for the next 50 years and beyond.

Sincerely,

A handwritten signature in blue ink that reads "Thomas A. Layman". The signature is fluid and cursive, with a large initial "T" and "L".

Thomas Layman
BALANCE Board Chair
CEO/Founder, Global Vision Group

CEO'S REPORT ● ● ● ● ●



Let me start by saying that the 2019 president's letter in this annual report is not your standard president's letter. BALANCE usually releases the annual report in May of each year, but as you know, May 2020 was no ordinary May, so the report was delayed.

Since 2019 was the 50th anniversary and the year of a CEO change at BALANCE, I knew this letter was going to be about transition. However, as I began to draft this letter, in the late spring 2020, it seemed that talking about a leadership change was "off topic" in light of the COVID19 pandemic and social unrest. My theme is still transition but it has taken on an entirely new meaning.

When the pandemic hit, the BALANCE executive team and staff were able to rely on the changes that I had made when I transitioned to Interim CEO and President in May 2019. I had hired and promoted key people, transferred my previous duties, and leveraged technology to improve efficiencies. These core changes allowed BALANCE to make a quick and successful pivot to deliver almost all of our programs and services virtually across the entire United States.

While about 90% of our workforce has been remote for some time, we have several local programs that needed to transition from in-person programs to virtual models. The communication with partners was important to ensure a smooth transition for the financial vulnerable clients we serve. The new technological solutions we have adopted during COVID19 have allowed us to increase the adoption of programs.

What made all of these transitions so smooth? The BALANCE Team.

The Executive Team. They are hardworking and nimble. Knowing I had strong support around me to make the needed changes made all the difference in the world. During the 2019 transition, the Executive Team and I took the time to undertake a "deep dive" into each of our business verticals and to explore new ones. We organized work in new ways and researched additional opportunities.

The Department Heads. Whether they are leaders in our Housing programs, Financial Fitness program, Smart Money Coaching program, Debt Management program, or run an internal department like training, marketing, operations, partner relations, facilities, or business intelligence, these are the team members that keep everything running smoothly. Transition and change cannot happen without the buy-in of this group and they have put BALANCE first every step of the way.

Staff Engaging with Clients. This is the heart of our operation. Our counselors, coaches, and support staff lead with empathy. They listen to understand. They meet people where they are and help them get to where they want to go financially. Our staff are improving the financial health of America with each person we serve and that is what our mission is all about – that is why we exist.

We have seen the COVID19 virus impact households of color in disproportionate ways and it has put a light on the healthcare inequities that exist. We know that racial inequality is linked to economic inequality, because we see the effects of structural bias. Financial empowerment is an important step in leveling the playing field in communities of color. BALANCE is committed to continuing to assist individuals, families and communities improve their financial health and build assets, because we know that economic equality is critical to racial equality.

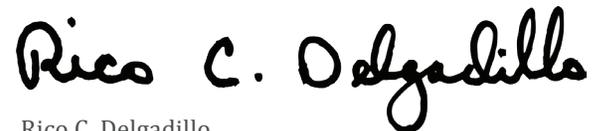
For 50 years, BALANCE has been the financial coach to economically disadvantaged populations. I am now at the helm of an organization, in an industry that I have loved and served for 27 years! As an immigrant from Mexico, I understand firsthand how economic equality is critical to racial equality. We will continue our work and expand our engagement to heighten our impact.

I could not be more proud of the BALANCE team. Throughout the 2019 transition, we not only kept our purpose constant throughout our established programs, we continued to innovate. We launched a new business-to-business website (www.WhyBALANCE.org) and a new program called BALANCEDLife™, in partnership with the Cornerstone Credit Union Foundation. BALANCEDLife is a budgeting simulation that comes in two versions: a reality fair and classroom simulation (with a virtual option).

Many challenges came with this new role and the second half of 2019 was a time for rebuilding. I am grateful we took the time to lay a solid foundation, because 2020 brought us challenges that we could not have imagined and because of that foundation, we are going strong.

Thank you for your ongoing support, partnerships, business, and collaboration.

Warm Regards,



Rico C. Delgadillo
President and CEO



HOUSING SERVICES

OUR SERVICES

- Pre-purchase counseling
- Foreclosure prevention counseling
- Reverse mortgage counseling
- FHA Back to Work counseling
- Post-Modification counseling
- Rental counseling

A HOUSING SUCCESS STORY

A client came to BALANCE with an overdrawn Credit Union account. After some discussion and research we discovered the client was also delinquent on her mortgage due to having an aneurism, being in the hospital for one year, having brain surgery, and having her income cut roughly in half due to permanent disability. She was 3 months delinquent on the mortgage and in the process of trying to get a HELOC to pay for home and auto repairs and her delinquent mortgage when she met with BALANCE.

We discovered the client might be a good candidate for a loan modification and scheduled a conference call with the lender to initiate an application. We followed up with the client to ensure she turned in the necessary paperwork.

The client walked in a few months later with great news. The lender offered her a 2% APR, which reduced her payment from \$1,600 to \$861 per month. She thanked our staff for helping and said it made her life a lot better. She continues to keep in touch, and has come back for assistance with budgeting to ensure she remains successful paying the modified mortgage.

HOUSING IMPACT 2019

11,952 CLIENTS SERVED
(BALANCE AND PARTNERS)

4,164 CONSUMERS AVOIDED
A FORECLOSURE

3,579 CLIENTS SERVED
(BALANCE ONLY)

594 PRE-PURCHASE
SESSIONS

2,088 CLIENT
SESSIONS

26 NEW HOMEOWNERS
CREATED

HUD HOUSING COUNSELING NETWORK

As a National Intermediary and HUD-approved housing counseling agency, BALANCE uses its robust suite of services to provide local assistance to consumers and its non-profit affiliates serving diverse communities. This includes one-on-one housing counseling and classroom education, as well as coaching via phone, webinars and online learning platforms.

BALANCE is committed to empowering our Affiliate Network through training, technical assistance, and oversight. In 2019 BALANCE provided both Federal and Non-Federal Grant funding to support our affiliate program.

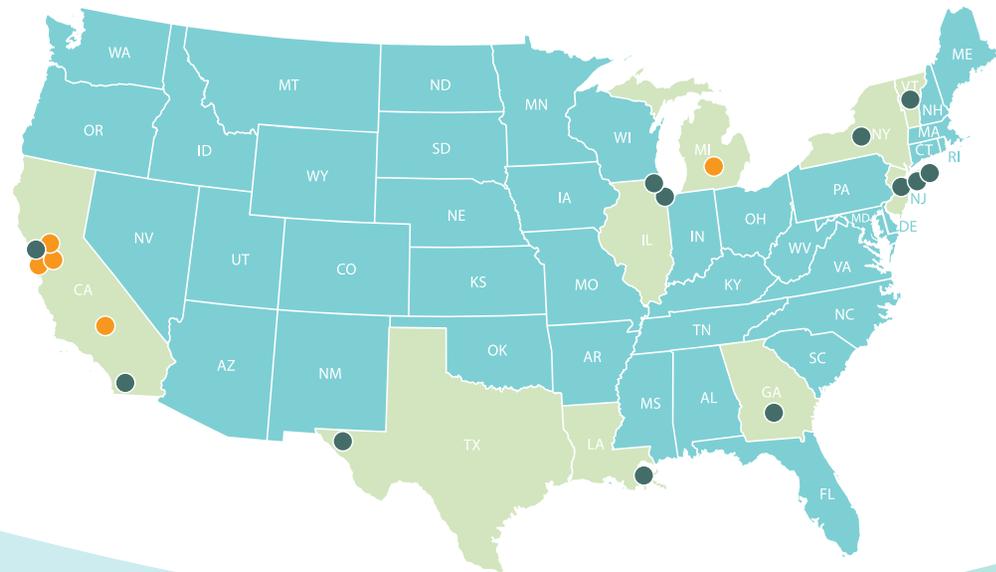
- Our network is comprised of 12 affiliates spanning East to West Coast
- Combined we have served more than 30,000 clients and have over 30 HUD certified counselors
- BALANCE conducted 5 Affiliate performance reviews and we were able to provide over 500 hours of technical assistance

BALANCE NATIONAL HOUSING COUNSELING NETWORK

- BALANCE Office
- BALANCE Sub-Grantee

HELPING OUR AFFILIATES MAXIMIZE THEIR OUTREACH WITH:

- Tracking and reporting of quarterly data
- Cost management related to federal grants
- Access to housing counseling training
- Counseling work plan & quality control plan creation tools
- Quarterly roundtables to share best practices
- Guidance on HUD and National Industry Standard counseling





FINANCIAL COUNSELING & DEBT MANAGEMENT SERVICES

CLIENT TESTIMONIALS

- *"BALANCE has worked with me tirelessly to figure out my budget. With the information they gave me, and the planning, I was able to consolidate some of my debt, and make some of my payments lower. They are still checking in and working with me as my financial situation changes. I am very grateful to be working with them."*
- *"I've gone from much agony and depression over my situation to a huge sigh of relief, and I'm holding my head up high. I reduced my debt to a quarter of what it was, as my disability back pay finally arrived. I started snowballing, rolling the minimum from small balances to big, the way you taught me, and the debt fell like dominoes!! I've set it up to whittle away the remainder comfortably within 10 months. Imagine, now, how small my monthly interest payment is! My credit score went from fair to poor to GOOD!"*
- *In 6 short weeks, client refinanced car, consolidated all debt into one credit card and one loan. Client has saved over \$500 per month and will be doing a snowball plan to pay off debts. "You took a completely stressful situation and made it manageable, I don't feel imprisoned anymore."*

OUR SERVICES

- Student loan counseling
- Credit report review
- Debt and budget counseling
- Debt management plans
- Bankruptcy counseling
- Online education modules
- Youth Education

COUNSELING & DEBT MANAGEMENT SERVICES IMPACT 2019

88,702 TOTAL CLIENTS SERVED
CALLS AND SESSIONS (MINUS WORKSHOPS)

10,925 TOTAL
SESSIONS

\$3,400,765 IN DEBT
PAID OFF

758 DEBT MANAGEMENT
PLANS SERVICED



COMMUNITY OUTREACH AND EDUCATION

7,713 CONSUMERS BECAME FINANCIALLY EMPOWERED WHILE ATTENDING **245** FINANCIAL EDUCATION WORKSHOPS & WEBINARS

HERE'S WHAT CONSUMERS ARE SAYING...

"The workshop was very informational, great to learn things that they do not teach you in school."

First Time Home Buyer Workshop

"Great info. Thanks very much. Wasn't sure how credit freezes work, but I understand much better now."

After Identity Theft Webinar

"Very informative and easy to listen and understand. Would not change a thing!"

Credit Card Makeover Webinar

"Appreciate you all doing this class, very useful."

On the Road to Riches Webinar

"Thank you for making the content and resources available!"

Ten Steps to Financial Success Webinar

"The presenter was very enthusiastic and explained everything in an understandable way while keeping us entertained."

First Time Home Buyer Workshop

"Excellent seminar. I feel much more ready to help my daughter get started with the FAFSA and college applications in general."

FAFSA: The Key to Unlocking Financial Aid Webinar

COMMUNITY OUTREACH AND EDUCATION IMPACT 2019

54,452

ONLINE PERSONAL FINANCIAL EDUCATION MODULES COMPLETED

27,354

MODULES PASSED

10,551

UNIQUE CLIENTS THAT PASSED AT LEAST ONE MODULE

WORKSHOPS 2019 BY THE NUMBERS

245

WORKSHOPS AND
WEBINARS HELD

56

TOTAL TOPICS

4

4 NEW TOPICS:

- EARNING YOUR MONEY
- GIVING AWAY YOUR MONEY
- ON THE ROAD TO RICHES
- THE HISTORY OF CREDIT UNIONS

7,713

ATTENDEES

BALANCE WORKSHOPS

■ IN PERSON WORKSHOPS

156 events at over 35 partner organizations

■ WEBINARS

89 webinars, one of which drew over 300 attendees.

■ COMMUNITY EVENTS AND OUTREACH

7 community events including: Opportunities for All, Advancing the Dream - Job and Resource Fair, Smart Women Smart Money Conference, both the Boise and San Francisco Financial Planning Day, Redwood Credit Union Wellness Event, and the Housing Authority of San Mateo's Family, Fun and Resource Expo.

■ TRAIN THE TRAINER

10 events for employees of credit unions and other finance industry professionals

■ MONEY COACH

5 separate week long programs for 2 different credit unions and a group of housing counselors, in addition to our first outside partner taking advantage of online option

SMART MONEY COACHING

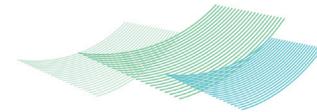
HERE'S WHAT AGENCY PARTNERS ARE SAYING ABOUT SMC...

"BALANCE's partnership with the San Francisco Human Services Agency through the Smart Money Coaching program allows the agency to meet its mission of promoting economic self-sufficiency among its low-income population. From conducting workshops to providing 1-on-1 financial counseling, BALANCE coaches steer our clients, many of whom are receiving consistent income for the first time in their lives, towards proven financial empowerment approaches, such as opening a bank account, improving a credit score, or decreasing debt. In the 2019-20 Program Year, 100% of Smart Money Coaching participants reported that the program helped them increase their understanding of their financial needs and/or confidence towards meeting their financial goals."

Andy Beetley, *Community Services Specialist* — **Human Services Agency**

SMC CLIENT SUCCESS STORY

Client went through a divorce and was left with large debt from marriage. Client filed for bankruptcy a couple years ago and currently has several credit cards opened. Client said she used to spend money without worrying about how it would affect her later down the road. Client started going to Smart Money Coaching sessions and was able to complete two outcomes very quickly. She was able to save 2% of income and pay down 10% of her debt. Client has working hard and since starting the SMC sessions, she sees "the light at the end of the tunnel." Client is paying down her debts more than the minimum and plans on paying off all her debts to have a fresh new start. She understands the importance of being financially stable and what that means for her well-being.



SAN FRANCISCO
**SMART MONEY
COACHING**

SMC 2019 BY THE NUMBERS



- 138** REDUCED DEBT BY 10%
- 85** RAISED THEIR CREDIT SCORE BY 35 POINTS OR MORE
- 54** SAVED 2% OF THEIR INCOME
- 32** OPENED A BANK ACCOUNT
- 28** ESTABLISHED A CREDIT SCORE

767 CLIENTS SERVICED

381 COMPLETED MORE THAN ONE APPOINTMENT

1,618 APPOINTMENTS IN 2019

160 CLIENTS SAW AN INCOME INCREASE AVERAGING

\$16,440 PER PERSON

CLIENTS INCREASED THEIR CREDIT SCORE BY AN AVERAGE OF **65** POINTS

BALANCE PARTNER & COMMUNITY EVENTS



Photo Descriptions (Clockwise from the top left)

1. On October 16th, Rico Delgadillo, Erika Andraca Ramirez, and Karina Galvan-Torres attended the Bank of America Economic Mobility for Communities Grantee Recognition Event.
2. Meaghan Hiller Onsite Money Coach at SCE FCU March 18 - 22, 2019.
3. Shelly Weber from BALANCE and Nick Martinet from Redwood CU setting up at the Graton Casino Financial Wellness Day.
4. On October 26th, George Hill hosted a table for San Francisco Financial Planning Day.
5. Marilynn Najarro represented BALANCE at Credit Union Day on September 12th.



Photo Descriptions *(Clockwise from the top left)*

1. The BALANCE Advisory Group: PenAir FCU (Pensacola, FL) – Pamela Hatt, VP of Marketing, Delta Community CU (Atlanta, GA) – Jai A. Rogers, VP, Business and Community Development, First Light FCU (El Paso, TX) – Jim Huff, Sr. VP of Marketing, Tinker FCU (Oklahoma City, OK) – Heather Kay, AVP/Manager, Financial Empowerment, Eglin Federal CU (Fort Walton Beach, FL) – Neko Stubblefield, Public Relations Director
2. Densie Keiser, BALANCE Financial Empowerment Director, for Money Mondays on WLNS in Lansing, MI (CBS channel 6) at 5:30 PM (eastern).
3. Cynthia Campbell, Chief Experience Officer (CXO) at BALANCE, at the Smart Women Smart Money event in Omaha, NE on Friday, November 1st teaching attendees how to delete their debt.
4. Candice Li, Housing Counselor, at the Opportunities for All: Advancing the Dream Job and Resource Fair. This event took place at the War Memorial Museum in San Francisco (Jan. 23rd).
5. Rico Delgado, CEO, and Colleen Geraghty, Partner Relations Coordinator, attended the Mt. Diablo Credit Union chapter meeting in mid-December, where they built a bicycle for a child in need in support of Contra Costa Kids.



Homeownership
Done Right.™

CREDENTIALS

- Non-profit 501(c)3 organization
- Accredited by the Council on Accreditation of Services for Families and Children
- Adopter of the National Industry Standards for Homeownership Education and Counseling
- Approved by the U.S. Department of Housing and Urban Development (HUD) to provide housing counseling

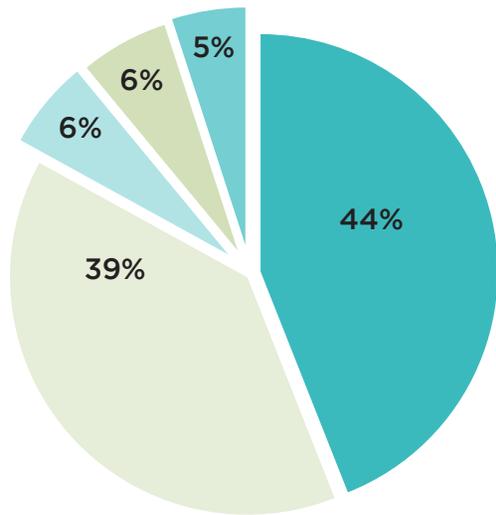
CERTIFICATIONS

- Certified Financial Counselor from the National Association of Certified Credit Counselors
- Fair Credit Reporting Act Certification from the Consumer Data Industry Association
- NeighborWorks Center for Homeownership Education and Counseling (NCHEC) Certifications from NeighborWorks America
- Accredited Financial Counselor (AFC®) from the Association for Financial Counseling and Planning Education
- HUD Certified Housing Counselor from the Department of Housing and Urban Development
- Money Coach®

SECURITY

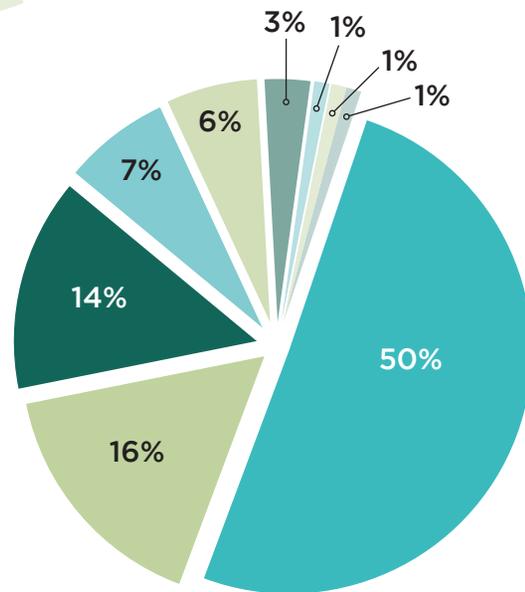
- PCI DSS Compliant
- SOC II Type II
- Risk Mitigation
- Control Activities
- Trust Service Categories:
 - Security
 - Availability
 - Processing Integrity
 - Confidentiality
 - Privacy

FINANCIALS 2019



REVENUE SOURCES

- 44% Financial Wellness Programs
- 39% Housing Programs
- 6% Smart Money Coaching
- 6% Other Revenue
- 5% Debt Administration



EXPENSES

- 50% Personnel
- 16% Program Expense
- 14% Facilities
- 7% Depreciation
- 6% Technology
- 3% Postage, Delivery & Office Expenses
- 1% Telephone
- 1% Insurance
- 1% Professional Fees

As a national non-profit, collaborations and partnerships are critical to our success. We meet growing consumer demands by working with progressive organizations that allow us to meet families where they are. We bring together various stakeholders, including financial institutions, government agencies, employers, healthcare, technology, media, and fellow nonprofits, to create measurable, collective impact across the country. We are grateful for the support of our mission.

MAJOR FUNDERS

- Bank of America
- Capital Once
- Citibank
- Freddie Mac
- Homeownership SF
- San Francisco Mayor's Office of Housing and Community Development
- San Francisco Office of Economic and Workforce Development
- US. Department of Housing and Urban Development (HUD)
- Wells Fargo

PARTNER ORGANIZATIONS

- Michigan State Housing Development Authority
- San Francisco Public Library
- San Francisco Human Services Agency
- Government-sponsored Enterprises
- Cornerstone CU Foundation
- Arch MI
- Empathia
- 300+ credit unions



BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

Thomas Layman, Ph. D. | Board Chair

Founder/CEO, Global Vision Group

Brad Houle | Treasurer

CEO, CAHP Credit Union

James Norwine | Secretary

CO-Founder/CEO, ExecuGroup Inc.

Rico C. Delgadillo | Officer

President & CEO, BALANCE

Darrell B. Christoff | Officer

CIO, BALANCE

DIRECTORS

James Hoffman | Director

Retired Vice President, Westamerica Bank

Nancy Birenbaum, Ed. D | Director

Compliance Specialist, Maryland State Department of Education
Division of Special Education/Early Intervention Services

Melyssa R. Barrett | Secretary

Vice President, Visa Identity & Authentication Products, Visa, Inc.

JoAnn Dunaway | Director

Retired Higher Education Consultant, U.C. Berkeley, School of Public Health

Michael Covert | Director

Chairman, Ser Technology Corporation

Tristram Coffin | Director

CEO, Self Employed, CDFI Executive



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■ **B2C** [balancepro.org](https://www.balancepro.org)

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