

BALANCE: UNWAVERING MISSION



2020
ANNUAL
REPORT



UNWAVERING MISSION

Your financial guide dedicated to helping you balance life's important decisions.

UNWAVERING VISION

The most trusted source for financial advice in the nation, inspiring and empowering people from all walks of life to achieve their financial dreams.

ABOUT BALANCE

Established in 1969, **BALANCE** is a national non-profit organization based in Concord, CA that is breaking the cycle of generational poverty by empowering individuals and families to take control of their financial lives. **BALANCE** educates, informs and supports consumers to achieve their financial goals through debt reduction, credit score improvement, budgeting, and homeownership. With over 50 years of experience, **BALANCE** has developed long-standing relationships with Government-Sponsored Enterprises, municipalities, and 400 other business partners including employers, credit unions, EAPS, and banks. We have earned the reputation as a trusted resource for sound financial guidance from these partners.

BALANCE is a full-service financial coaching and housing counseling agency, providing a suite of services to clients nationwide. Programs include housing services, such as pre-purchase counseling, foreclosure prevention, and rental counseling; financial counseling and debt management services, such as student loan counseling, credit report reviews, debt management plans and youth financial education; community outreach and education through financial education workshops and webinars, and; Smart Money Coaching, a San Francisco based financial coaching program aligned with social services. **BALANCE** is accredited by the Council on Accreditation of Services for Families and Children and is an adopter of the National Industry Standards for Homeownership Education and Counseling.

Across all **BALANCE** programs, 80% of clients live at or below the Area Median Income (AMI) and are generally struggling with some aspect of their financial health (e.g., access to credit, significant debt), as well as access to affordable housing. **BALANCE's** core programs are designed to help create financial health and stable housing for these individuals and families so they can create generational wealth and end poverty.

“BALANCE is a full-service financial coaching and housing counseling agency, providing a suite of services to clients nationwide.”

CHAIRMAN'S REPORT



As I reflect on a year that challenged individuals and businesses in ways unseen before, I feel both a sense of loss and a sense of pride.

So many of us felt loss in 2020. Perhaps it was the loss of a loved one to COVID19, the loss of a job, the loss of a business, or the loss of human connection while social distancing but chances are we have felt the sense of grief whether individual or collective in 2020.

The pride I feel is in the BALANCE leadership. In 2020, we added Ruben Sanchez from Visa and Darren Albert from LinkedIn to the BALANCE board of directors. They have been valued advisors during this year of challenges. In addition, after serving as interim for a year, Rico Delgadillo became the President and CEO of BALANCE in May 2020. Rico and the BALANCE team have faced the many challenges and obstacles of 2020 with agility and resilience. **They were unwavering in their commitment to employees, clients, and partners in 2020.**

In regards to the BALANCE employees, communicating throughout the pandemic was key. From agency wide meetings to emails to weekly 1 on 1 meetings – we kept listening and communicating. While our staff was busy offering financial counseling to others, they too were experiencing the many impacts on their own lives caused by the pandemic. Fortunately, BALANCE did not have a workforce reduction, but many of our employees had spouses and other loved ones who lost their jobs. Everyone with kids had the same struggles -- from the loss of day care to the burdens created by remote and home schooling. Some of our staff moved across the country to be with family. Throughout everything, the teamwork displayed in 2020 was extraordinary!

Given these challenges, the BALANCE training and development was focused on empathy and emotional intelligence to better support our clients and their needs. During the pandemic, we had to be prepared for many different call types, as our mix of clients had very different financial situations. Some clients needed financial triage and referrals to social services because of the impact of COVID19, while others wanted to take advantage of very low interest rates to purchase homes. We focused on hearing the client's most pressing financial need and started there. By early March, we had pivoted to a full virtual workforce. We also worked with partners to offer our services through various remote channels (phone, chat, video, email, etc.). Webinar attendance throughout the pandemic was much higher than our in-person workshops the year before, the convenience of learning from home will not go away even when masks do. The pandemic has clearly changed the way businesses operate and consumers interact with them.

In regards to partnerships, in 2020 we focused on creating and providing content and programs that aligned with our partners' own pandemic efforts with their clients. We led the way in providing financial triage and taught others to be "financial first responders" too.

As we emerge from this pandemic, our business is different but it is better. Why? Because we were tested and we proved to be flexible and nimble, but **unwavering in our commitment.**

Sincerely,

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

UNWAVERING COMMITMENT

UNWAVERING DEDICATION

CEO'S REPORT



After 28 years in the industry (18 of them with BALANCE), I was made Interim CEO in May 2019. I went straight to work laying a foundation. I hired and promoted key people and transferred my old duties. Little did I know the foundation I was laying in late 2019, would be the foundation that took us through a global health pandemic and financial crisis in 2020! 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 by March 2020.

In May of 2020, I was appointed the CEO of BALANCE. It is not something that we announced loudly because it seemed so unimportant in light of everything that was going on, but I was excited to take the helm of the company I have lead and loved for so long! As a Mexican immigrant, who has been in the financial counseling industry for nearly three decades, I know without a doubt that racial inequality is linked to economic inequality. The pandemic just shed a light on it because it hit people of color the hardest. BALANCE is **unwavering in our dedication** to helping people build assets and improve their financial health..

The “pandemic pivot” that BALANCE made by March of 2020, showed me that in a time of chaos and turmoil, the BALANCE family remained strong because of the core values that guide our organization: Compassion, Integrity, Excellence, Impact, and Innovation.

Core Value

Definition

Compassion	Providing care & respect as the foundation of our client’s experience
Integrity	Ingraining honesty and accountability in everything we do
Excellence	Setting a high standard through world-class service and quality
Impact	Empowering individuals and communities in the pursuit of financial sustainability through meaningful collaboration
Innovation	Applying a new approach through creative vision and strategy

All five of the core values were critical to success but the two that stand out most to me for 2020 are compassion and innovation. Without compassion, 2020 would have been unbearable and without the innovative spirit, it would have been difficult to pivot quickly.

The counseling and coaching staff at BALANCE are “best in class.” They are emotionally intelligent, active listeners, and empathetic. They know how to meet people where they are (financially) and design plans to get them where they want to go. This testimonial from a satisfied client highlights how we can take the shame out of money troubles, “I was pleasantly surprised to experience how kind and judgement free the coaching was. My coach made me feel so comfortable not at all ashamed of my situation.” It is in that environment hope can blossom. We must normalize talking about money struggles because they cannot fester if they are brought to light. Once they are out in the open options can be explored and plans can be made.

It is because we are **unwavering in our dedication** to the BALANCE core values that we have weathered the storm.

Warm Regards,

Rico C. Delgadillo
President and CEO



HOUSING COUNSELING

What is Housing Counseling?

Housing goes beyond a simple dwelling; it influences future generations, their education, health and mental well-being. BALANCE housing counselors provide rental counseling, pre-purchase and post-purchase counseling, along with foreclosure prevention and reverse mortgage counseling. All of our housing counselors are HUD certified.

UNWAVERING INSPIRATION

Housing Counseling in 2020:

CAL HFA

The California Housing Finance Agency National Mortgage Settlement grant is working to strengthen communities across California at a critical time - high unemployment, a fast approaching housing crisis, and a shortage of affordable housing. This grant provides BALANCE the opportunity to assist the state of California, fellow counseling agencies, and most importantly those residents with housing stability and housing dreams!

BALANCE was awarded over \$22M, over \$3M that is to be used to build capacity within counseling agencies and access to legal aid. Our network comprised of 25 agencies including BALANCE, 51 branches, 250+ counselors, and at least 11 languages. This funding will provide counseling to 21,360 households.

HUD

In 2020, BALANCE was able to help its HUD Housing Counseling Network adapt to a virtual world given the Pandemic. Our HUD Network of 12 counseling agencies includes Community Development Financial Institutions (CDFIs), Community Development Corporations (CDSs), and local housing counseling agencies across the country. BALANCE and its Network received over \$788k in funding to support services in education, pre-purchase, rental, post-purchase, default, and reverse mortgage/home equity conversion mortgage (HECM) counseling. The Network benefits from training, technical assistance and oversight as part of our quarterly engagements.

San Francisco

BALANCE is a founding member of the Housing San Francisco (HSF) Collaborative, we play an integral role in housing counseling and education for those looking to purchase or rent in the Bay Area and San Francisco. In addition to receiving over \$250k last year for our counseling services from the Mayor's Office of Housing Counseling, we were able to pivot our traditional face-to-face model to virtual, which allowed us to double the number of workshop attendees assisted in 2020. BALANCE, in an effort to offset the increased need for services during the Pandemic, extended the CAL HFA NMS funding opportunity to its HSF partners equaling more than \$750k. BALANCE plans to assist local agencies with capacity building including empathy and rental and foreclosure training to the Collaborative and Bay Area counseling agencies in 2021.



FINANCIAL FITNESS COACHING

What is Financial Fitness Coaching?

BALANCE contracts with credit unions, banks, employers, and EAPS to offer “on-demand” financial counseling to those they serve. This allows these organizations to outsource financial coaching to certified professionals, ensuring expertise. Even prior to the pandemic, Financial Fitness Coaching was a remote workforce. We serve a nationwide footprint so we hire strategically across time zones, offer extensive hours and multi-lingual support.

BALANCE offers the following Financial Fitness Counseling types: money management, credit report review, housing, student loan, and advanced planning.

UNWAVERING SUPPORT

Financial Fitness Coaching in 2020:

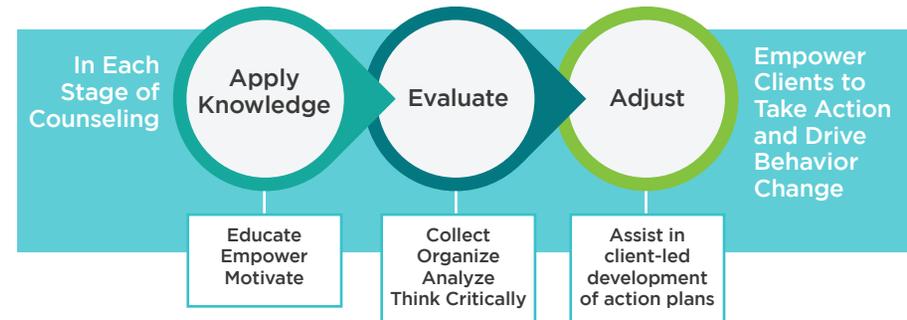
COVID was a financial pandemic too. Consumers were dealing with complex financial decisions while also struggling emotionally and physically with the pandemic. Empathy became a focus. Active listening was so important in a time when people were feeling isolated and afraid for their financial futures. We inserted an empathy scoring into our Quality Improvement (QI) process.

The focus of 2020 was to take a deeper dive into the quality of the calls focusing on a client centric model. It is an empathetic model that fosters empowerment (see chart below).



The client-centric model fosters a positive client experience at every stage of the client journey. When clients have a positive experience, they will engage with their counselor at a deeper level and positive outcomes will increase. Our goal is for our clients learn to engage with their finances confidently as they apply knowledge, evaluate their situation, and make adjustments.

Application of Knowledge



Virtual Onsite with Delta Community Credit Union - #PandemicPivot
Every year, BALANCE sends two counselors to Delta Community Credit Union to do a dedicated



on-site counseling event for two days. Because of COVID19, we had to do this virtually in 2020. On September 9th and 10th we dedicated two counselors to Delta Community and in just two days there were 39 appointments, which was far more than any in-person year previously.

SMART MONEY COACHING

What is Smart Money Coaching?

In 2015, the City of San Francisco and the San Francisco Office of Financial Empowerment invited BALANCE to provide financial coaching services to low-income San Francisco residents under the Financial Counseling and Integration Pilot, known today as the Smart Money Coaching Program. This program blends high-quality one-on-one financial coaching sessions with financial empowerment so clients gain the knowledge and resources to establish or improve their credit score, repay debt, access mainstream financial services, increase savings, and boost their financial well-being. This program consists of education and referrals to safe and affordable banking along with action-driven coaching to help eliminate existing barriers to services, which in turn allows residents to save, borrow, grow and protect their assets so they can achieve financial health and economic equity.

Coaches work with clients to develop a personalized financial plan based on priorities and goals to support disadvantaged families at risk of displacement, have existing barriers to accessing financial services, no assets or emergency savings, need assistance with improving their credit score, repaying debt or are in need of education on basic money management principles. BALANCE coaches are highly skilled in connecting clients to additional services, such as tax assistance, emergency housing, food banks, free legal services, and safe and affordable banking.

UNWAVERING DETERMINATION

Smart Money Coaching in 2020:

The pandemic significantly affected Smart Money Coaching, traditionally a face-to-face financial coaching program. We had to pivot, in what felt like an over-night transformation, to virtual coaching. We adopted new software that made remote work easier, we shifted in-person workshops to virtual webinars, we trained our coaches and we marched forward with unwavering determination because the residents of San Francisco would need us more now than ever before.

The pandemic also affected our site and referral partners. Most partners temporarily closed, offered limited hours, or reassigned their staff to emergency services and disaster relief programs. This reduced referrals to the program and made it difficult to meet our goals. In an effort to promote services, we doubled our outreach efforts. We also focused on frequent communication with existing referral and site-partner staff to keep them engaged and working to onboard new referral partners. Collectively, all of these efforts have allowed us to withstand many of the challenges 2020 brought.

Looking past the challenges, we are proud to say outreach efforts resulted in deeper impact with existing clients. We saw a drastic increase in engagement with returning clients and a noticeable spike in outcomes achieved.



“The financial coach who worked with me was patient, extremely knowledgeable and skilled. I felt very well looked after and learned how to prioritize my financial goals. I really could not have done this on my own, and now, nine months later, I am close to meeting my financial goal of being debt free on my credit card. I continue to record monthly expenses and find it very illuminating. It was a great experience overall and I would highly recommend it to anyone. COVID19 forced me into some hard choices, but with the support of a financial counselor, it was easy to make these choices. This was a very worthwhile experience and gave me control and confidence in part of my life that seemed out of reach.”

— A Satisfied SMC Client



UNWAVERING IMPACT

HOUSING COUNSELING IMPACT

26 New Homeowners
Created

898 Pre-purchase
Sessions

2259 Client Sessions

2383 Consumers
avoided foreclosure

8,005
Clients Served

FINANCIAL FITNESS COUNSELING, SMART MONEY COACHING, AND DEBT MANAGEMENT IMPACT

63,915 Total Clients Served
(sessions/calls/emails/chat)

\$2,539,225.07
In debt paid off

6,901 Total Sessions

484 Debt Management
Plans Serviced

COMMUNITY OUTREACH & EDUCATION IMPACT

64,438 Online
Personal Financial
Education Modules
Completed

11,871 Workshop
Attendees

207 Financial
Education Workshops
and Webinars

82,427
Total Clients Served
(sessions, calls, modules, workshops)

COMMUNITY AND PARTNER EVENTS



Photo Descriptions (Clockwise from the top left)

- 1) BALANCE was a proud sponsor for the Tulsa Sister Society of the Global Women's Leadership Network at the Tulsa Historical Society and Museum.
- 2) Cynthia Campbell, CXO of BALANCE, celebrates with over 300 women and men (#HeforShe) at the GWLN breakfast at the GAC in Washington, D.C.
- 3) Colleen Geraghty presented a live workshop, "Personal Finance for College Students," to a group of teens. Hosted by Provident Credit Union at the University of San Francisco.
- 4) Denise Keiser at the BALANCE booth during the Michigan Credit Union League Lending and Marketing Conference in Grand Rapids.
- 5) Candice Li presenting a Rental Workshop.
- 6) Aqil Algere volunteered for the Westside Court grocery give away and had an opportunity to speak to several of the residents as he assisted with distribution of food and handed out flyers to promote SMC.
- 7) Karina Galvan-Torres and Colleen Geraghty attended the Business Referral Group Meeting organized by the Greater Concord Chamber of Commerce.
- 8) Nikita Tulchinsky teaching an orientation.
- 9) Karina Galvan-Torres and Erika Andraca Ramirez attended the Digital Equity Conference in San Francisco.

UNWAVERING PASSION

TESTIMONIALS

... "Your staff and company taught me things I never was taught or knew about revolving debt, so keep up your commitment to educating people because my credit score made it possible for me to buy my retirement home. God bless you all thank you."

From Clients

"I'm exploding with happiness today after our final conversation!! I can't thank you enough for how you've changed my life. You were consistently compassionate and never harsh making me feel bad about my finances and my lack of management. There are literally no words for me to express to you. Thank you for changing my life for the better!!!"

"The financial counselor who worked with me was patient, extremely knowledgeable, and skilled. I felt very well looked after and learned how to prioritize my financial goals. I really could not have done this on my own, and now, nine months later, I am close to meeting my financial goal of being debt free on my credit card. I continue to record monthly expenses and find it very illuminating. It was a great experience overall and I would highly recommend it to anyone."

"Great informative session. Very friendly counselor. Helped me to develop a plan of action... next steps for rebuilding my credit."

"I've always appreciated what BALANCE does, one thing I've become really conscious and appreciative of is BALANCE's ability—and commitment—to cover difficult content. Too many content providers focus on "normal" life and have not been able to pivot efficiently in current circumstances: While BALANCE is able to address the hopes and dreams stuff, your rooted-in-reality approach is just what our Members and partners need right now. Thank you for supporting us and them in that vein!"

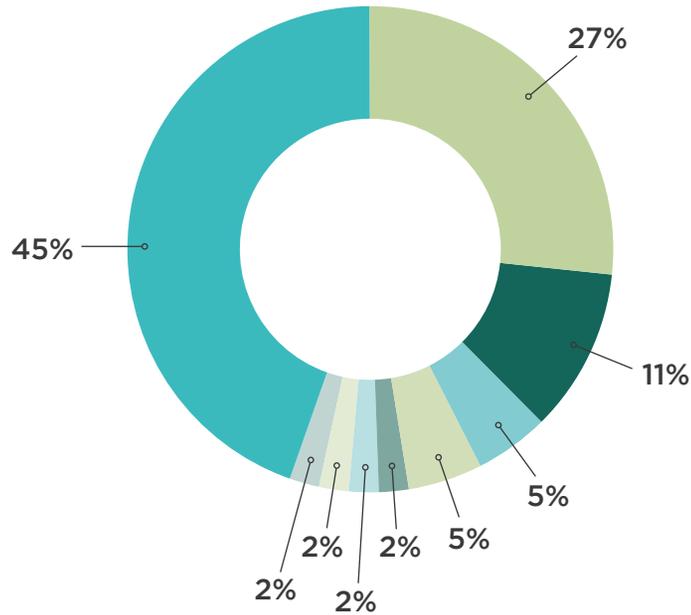
From Partners

"Since the beginnings of the COVID-19 pandemic, Balance has been a true partner to Renasant Bank's teammates and customers as well as the general public! Balance has assisted Renasant in sharing vital financial management information internally and through social media that is tailored to the needs of those struggling with the economic impact of the pandemic. We are now embarking on the development of another series of webinars that further explore ways to react to these difficult times involving Renasant staff and Balance financial education experts!"

Balance staff involvement, direction and flexibility have been invaluable in helping the bank in its mission to positively impact all of the communities we serve!"

UNWAVERING GRATITUDE

FINANCIALS 2020 - BY THE NUMBERS

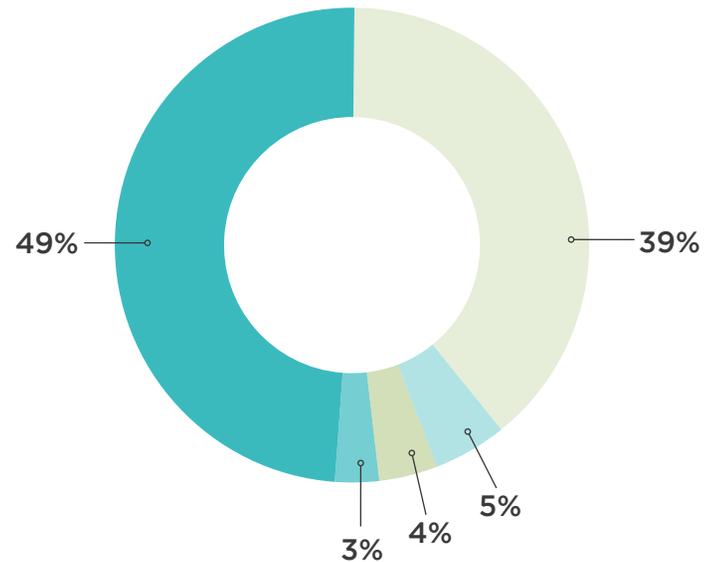


EXPENSES

- 45% Personnel
- 27% Sub-Grantee Awards
- 11% Facilities
- 5% Depreciation
- 5% Technology
- 2% Other
- 2% Telephone
- 2% Program Expense
- 2% Professional Fees

REVENUE SOURCES

- 49% Housing Programs
- 39% Financial Wellness Programs
- 5% Smart Money Coaching
- 4% Other Revenue
- 3% Debt Administration



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 non-profits, to create measurable, collective impact across the country. We are grateful for the support of our mission.

FUNDER AND PARTNER ORGANIZATIONS

- 350+ credit unions
- Arch MI
- Bank of America
- CalHFA
- Capital One
- Chase
- Citibank
- Cornerstone CU Foundation
- Empathia
- Freddie Mac
- Homeownership SF
- Michigan State Housing Development Authority
- San Francisco Human Services Agency
- San Francisco Mayor's Office of Housing and Community Development
- San Francisco Office of Economic Empowerment
- San Francisco Public Library
- U.S. Bank
- U.S. Department of Housing and Urban Development (HUD)
- Wells Fargo

UNWAVERING COOPERATION

UNWAVERING LEADERSHIP

BOARD OF DIRECTORS

OFFICERS

Thomas Layman, Ph. D. | Board Chair
Founder/CEO, Global Vision Group

Brad Houle | Treasurer
CEO, CAHP Credit Union

Melyssa R. Barrett | Secretary
Vice President, Visa Identity & Authentication Products, Visa, Inc.

Rico C. Delgadillo | Officer
President & CEO, BALANCE

Darrell B. Christoff | Officer
CIO, BALANCE

Cynthia Campbell | Officer
CXO, 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

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

Darren Albert | Director
Senior Director, HR Business Partner, LinkedIn Corporation

Ruben Sanchez | Director
Senior Director, Head of Global Pricing/Commercial
Operations Strategy (NA & LCA), Visa, Inc.

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®



Homeownership
Done Right.™



Financial
Counseling
Association of
America

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

SECURITY

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

UNWAVERING TRUST

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