

ANNUAL REPORT

2023



ABOUT BALANCE

Established in 1969, BALANCE is a national non-profit empowering individuals and families to take control of their financial lives. Through partnerships with Government-Sponsored Enterprises, municipalities, employers, credit unions, EAPs, non-profits and banks, we help consumers nationwide achieve financial wellness with end-to-end financial education and coaching.

- **Money management and debt solutions**
- **Student loan counseling**
- **Credit report education**
- **Identity theft prevention and recovery**
- **Pre-purchase housing counseling**
- **Foreclosure prevention**
- **Rental counseling**
- **Reverse mortgage counseling**
- **Smart Money Coaching**
- **Workshops and webinars**





TRANSFORMATION THROUGH INNOVATION

BALANCE has undergone a technological transformation – our most significant to date - that will improve the depth and breadth of our services for years to come. In 2023, the BALANCE Operations team worked with developers to build a custom financial coaching system that could grow with our agency as we set out to serve new markets.

This started with looking at the system we had and identifying the gaps. We gathered feedback from our partners, clients, coaches, and managers and built a custom relationship management system from the ground up that meets our current and future needs.

This new system includes three portals: one each for our coaches, clients, and referral partners. These portals provide access to reports, dashboards, action plans, and a scheduler to make financial coaching more accessible. Our clients can now securely upload documents ahead of or between coaching sessions to ensure they and their coach are working with the most current information on their financial circumstances.

Leaving our legacy system, mapping data, building coaching flows, designing data flows, and launching this new system was nearly a year-long process. Because we built it from scratch, we had the benefit of creating an automated way to measure changes in income, credit score, debt, savings, and other metrics of financial wellness. Change can happen quicker when there are measurements around the key desired outcomes and a financial coach by our clients' side.

Being on a flexible system, built with expansion in mind, has already allowed us to smoothly enter the healthcare vertical and serve as a network coordinator in the Department of Financial Protection and Innovation Student Empowerment Network grant.

CHAIRMAN'S REPORT

Dear Stakeholders,

With great pleasure, I reflect on our company's journey over the past year and on the broader economic trends that impact us all.

The business world saw significant shifts in 2023 in several key areas:

- **Economic Recovery:** Economic activity grew steadily, job creation was strong, unemployment remained low, real wages rose, and inflation fell slightly.
- **Technological Advancements:** Growth in areas such as artificial intelligence, renewable energy, space exploration, and biotechnology.
- **Digital Transformation:** Accelerated digital transformation efforts across industries might reshape business models, consumer behavior, and workforce dynamics, focusing on remote work, e-commerce, digital payments, and cybersecurity.



Even in light of some economic recovery, families across the country are struggling. Increased expenses due to high prices on many consumer goods, the return of student loan payments, and high interest rates added additional strain to already tight finances for many people.

At BALANCE, we believe that by investing in the right systems and resources, we can empower individuals and businesses to make informed financial decisions and secure their financial futures. The transformative changes we made in the past year to our systems and coaching model will deeply impact the people we serve, provide necessary efficiencies to our processes, allow us to measure and share critical outcomes, and take on new opportunities to serve locally and nationally.

BALANCE, celebrating 55 years in 2024, remains resilient, adapting to change and leveraging growth opportunities. Looking ahead, we remain cautiously optimistic. While challenges may persist, we see opportunities for growth and innovation in the months and years to come. By staying true to our values and continuing to invest in our people, technology, and communities, we are confident that we can navigate the road ahead successfully.

In closing, I would like to express my sincere gratitude to our stakeholders and dedicated team members. Your continued support and partnership are invaluable to our success, and we are deeply appreciative of your trust in us.

Thank you for your ongoing commitment to our company.

Sincerely,

A handwritten signature in blue ink that reads "Thomas A. Layman". The signature is fluid and cursive.

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

MESSAGE FROM THE CEO

ENRIQUE DELGADILLO



Thank you to the BALANCE funders, partners, clients, staff, and board of directors for making 2023 a remarkable year for BALANCE. It was a year of transformation for us and for the people we serve. A year reaching new heights and accomplishing major milestones that will help define our future.

The first milestone was to build a custom financial coaching system that could grow with our agency as we set out to serve new markets. While it provides us countless efficiencies, one of the most exciting elements is how it will enable us to truly track the changes our clients make in their financial lives. Further, being on a flexible system has already allowed us to serve as a network coordinator in the Department of Financial Protection and Innovation Student Empowerment Network grant assisting student loan borrowers statewide.

The second milestone was to place a financial health coach in a medical facility. Studies indicate that health and wealth are related. We see that financial stress can cause health issues and that health issues can cause financial stress. With financial support from Wells Fargo, we've placed a financial coach at Native American Health Center in San Francisco and Oakland to serve the local community at a place where they are already going for care.

Looking to the horizon, we see so much opportunity to serve because we have made it easy to pivot to new markets from an infrastructure support perspective. We see growth from employers who want to add financial wellness to their benefits portfolio and municipalities running financial empowerment programs.

The time is right for us to have this increased access and growth. According to the Financial Health Network's Pulse Research, in 2023 the financial health of Americans declined to pre-pandemic levels, showing an alarming increase in financial vulnerability. Through our financial coaching and housing education programs, we can help shift families nationwide back to financial stability – with compassion, support, and commitment.

All of this is only possible with a passionate and hardworking team, for whom I am grateful daily. From the frontline financial coaches helping people with budgets, student loans, credit reports, or housing issues to program managers running affiliate networks, to the support departments that always have our backs, to the executives who make it all work seamlessly, thank you.

Warm Regards,



Enrique C. Delgadillo
President and CEO



TRANSFORMING LIVES THROUGH HOUSING STABILITY

We believe in the transformative power of housing. Housing isn't just about shelter; it's about building brighter futures, nurturing healthy communities, and fostering generational well-being. Through our unwavering commitment to housing counseling and education, we've witnessed countless stories of transformation, resilience, and hope.

As a HUD-approved housing counseling organization and national intermediary, we're dedicated to empowering communities through education, support, and advocacy. Whether it's through pre-purchase counseling, foreclosure prevention, rental counseling, or reverse mortgage counseling, we're committed to equipping people with the knowledge and resources they need to thrive.

In 2023, our efforts reached new heights as we continued to provide comprehensive housing counseling services. Specifically, we

- **Educated over 3,300 future homebuyers through workshops and webinars**
- **Supported nearly 1000 future buyers through counseling sessions**
- **Guided over 500 homeowners through the challenges of falling behind on mortgage payments, helping them retain their homes**
- **Helped 325 renters establish safe and affordable rental housing**
- **Explained the process, benefits, and impact of reverse mortgages to more than 475 seniors—enabling them to have the choice to find the funds to age in place**

As we reflect on the past year and look ahead to the future, we remain steadfast in our mission to transform lives through housing stability. Together, we can build stronger, more resilient communities where everyone has a place to call home.

■ IMPACT THROUGH PARTNERSHIP

Our impact extends beyond numbers; it's about real lives changed. In collaboration with local, state, and national partners, we're building a future where everyone has access to safe, affordable housing. Through national, state-wide and city-wide initiatives, we're breaking down barriers to homeownership and ensuring that every individual has the opportunity to achieve their housing dreams.

■ NATIONAL HUD INTERMEDIARY

As a national HUD-intermediary supporting a network of agencies with support services, including training, pass-through funding, and technical assistance, we work with over 35 sub-grantees who are supported and funded through multiple grants that BALANCE administers, which includes more than \$45 million in counseling funds.

■ STATE-WIDE SERVICE

Through its National Mortgage Settlement (NMS) Counseling Program, the California Housing Finance Agency (CalHFA) provides us with grant funding to offer as both a service as well as the administrator for other LHAC agencies in providing homeownership, post-purchase (including delinquency/default), rental, and reverse mortgage counseling. This free housing counseling and financial education assists Californians at no cost, and we offer this service in-house in multiple languages, which include Cantonese, English Mandarin, Russian and Spanish, as well as with access to interpreters for all other languages.

■ CITY-WIDE SERVICE

We partner with several cities including the San Francisco's (SF) Mayor's Office in providing the required homeownership education and counseling for housing assistance. Combined, the two-hour orientation, six-hour workshop series, and two-hour counseling sessions prepare the future buyer for all the essential elements of homeownership.

In fact, BALANCE has been recognized for its significant impact on African-American homeownership in San Francisco and has been offered the opportunity to serve as the sole service provider for homeownership counseling and education for the City of San Francisco's Dream Keeper Initiative – designed to invest in San Francisco's African-American Community.

FINANCIAL FITNESS – CREATING TRANSFORMATIVE RELATIONSHIPS

Through strategic partnerships with credit unions, banks, employers, EAPs and non-profits, we provide financial wellness services nationwide. Our coaches provide expertise and guidance on a range of financial topics, from money management to advanced planning, meeting clients where they are and empowering them to take control of their financial futures.

These partnerships – over 300 of them- allow us access to people through their workplace, their financial institutions, and in their communities. Working closely with trusted organizations provides comfort and familiarity as we begin relationships with our clients – and deepen those relationships over time.

Our Financial Fitness Coaching program has undergone a paradigm shift in how we approach financial empowerment. No longer content with merely providing counseling, we've evolved to offer deeper coaching that leads to tangible outcomes and lasting transformation in the lives of the people we work with. Our approach goes beyond just providing advice. We offer personalized coaching tailored to each individual's goals and circumstances. Whether it's helping someone purchase their first home, improve their credit score, or navigate overwhelming student loan debt, our coaches work with our clients to create life-changing action plans that set clients on the path to success.

Our goal is not just to provide counseling but to empower individuals to achieve their dreams and build brighter futures for themselves and their families. By measuring outcomes and tracking progress, we're witnessing real, tangible results — from debt reduction to increased savings, credit score improvement to homeownership.

Together, we're building a future where financial stability is within reach for all.

In 2023, we worked one-on-one with **51,366 individuals and families** to help them reach their financial goals. Another **39,306 completed online education** with us to strengthen their financial skills at their own pace.





TRANSFORMING LIVES THROUGH SMART MONEY COACHING IN SAN FRANCISCO

In collaboration with the San Francisco Office of Financial Empowerment, we are proud of the continued impact of Smart Money Coaching in the City of San Francisco. Specifically designed for San Francisco's most vulnerable and under-represented communities, Smart Money Coaching delivers essential money management coaching services, in person or via phone, where they are needed most. Our coaches work in community centers, libraries, in housing developments and even the San Francisco airport to be available where and when they are needed most.

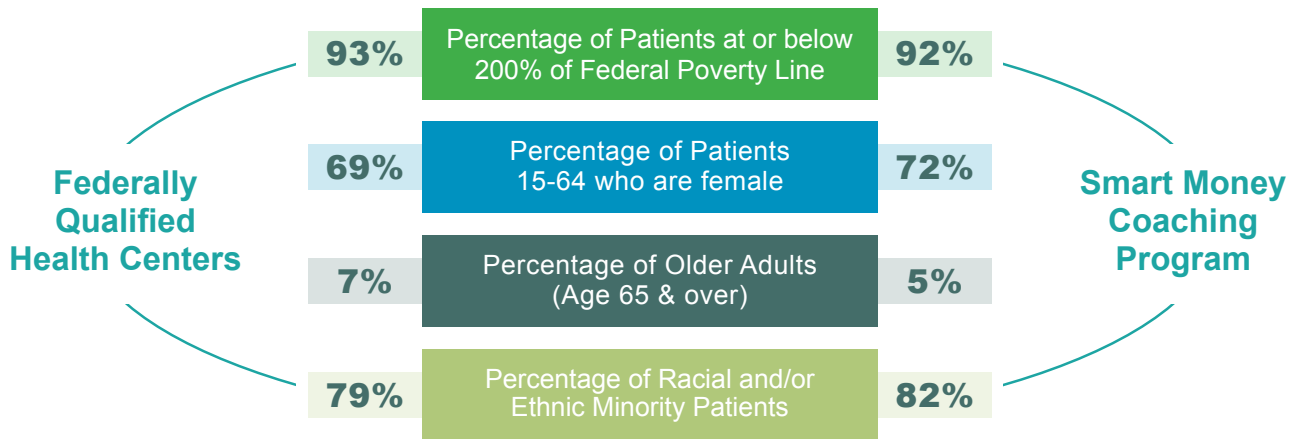
This boots-on-the-ground program is accessible to all residents living, working, or receiving services in San Francisco. It operates through a robust network of referral organizations, ensuring seamless access to Smart Money Coaches and additional support services beyond our immediate scope.

Our dedication to expanding our reach across the city has never been stronger. Through collaboration, compassion, and community support, Smart Money Coaching transforms lives, fosters resilience, and builds a brighter future for all in San Francisco.

FINANCIAL HEALTH TRANSFORMING PHYSICAL AND MENTAL HEALTH

Studies have shown that financial wellness is a social determinant of health – which has been evident in our experience as well. In our work every day, we see that financial stress causes physical and mental health issues and that health issues cause financial stress.

We saw the strong outcomes of our Smart Money Coaching program model and wanted to create something similar in the healthcare space. When we realized that the demographics of our Smart Money Coaching clients was extremely similar to the demographics of clients of Federally Qualified Health Centers (FQHC), it made perfect sense to see what kinds of transformation might occur in people's financial, physical and mental health if we placed a financial coach onsite in an FQHC.



With generous financial support from Wells Fargo, we partnered with Native American Health Center to provide financial coaching onsite in their facilities in San Francisco and Oakland. There, we work with the employees and clients of the Health Center one-on-one to move toward financial empowerment, and provide community education programs on wide-ranging personal finance topics.

This pilot program is a culmination of years of efforts to make the case for this kind of partnership and a significant step forward in our plan to create successful medical-financial partnerships in years to come.

STUDENT LOAN COUNSELING

A TRANSFORMATION IN THE LIVES OF BORROWERS

A significant accomplishment in 2023 was being awarded funding from the California Department of Financial Protection and Innovation to both provide counseling to student loan borrowers in California, and to serve as the Student Loan Empowerment Network Coordinator.

The Student Loan Empowerment Network is a group of 14 nonprofit organizations that provides free and individualized education, case management, and assistance with student loan issues for Californians. As a participant in the network, we will directly impact the lives of student loan borrowers struggling with repayment. Whether they are in default, seeking payment arrangements or just overwhelmed by the process, we will help ease the burden of the stress of student debt.

As the Student Loan Empowerment Network Coordinator, beginning in 2024, we will manage the toll-free helpline for California student loan borrowers, connecting them with the appropriate network agencies for assistance. Additionally, we will oversee the network's website and the network partners.

This is an exciting proposition for us. We are eager to take on this new opportunity to leverage our network experience, coaching excellence, and technical flexibility through this program.



TRANSFORMING COMMUNITIES THROUGH OUTREACH

In 2023, we strengthened our focus on community outreach and non-profit partnerships. With the creation of a Community Outreach Manager role, we were able to strengthen long-term relationships and create new ones throughout California. As we look to the future, we are excited to collaborate even further with local and national non-profits to expand our reach and find new ways to support people on their financial wellness journey.

An extremely fruitful outcome of our community outreach was creating a relationship with Native American Health Center. This allowed us both access to a marginalized community with whom we've done little work in the past, as well as a location for our healthcare pilot.



WORKSHOPS AND WEBINARS

Over the course of the year, we had the opportunity to present workshops in-person in the community and for our partners, and webinars for audiences nationwide. From the required homeownership workshops for special loan and downpayment programs to general money management or more advanced planning topics, we provided group education to **4575 people in 346 sessions.**

BALANCE NET PROMOTER SCORE

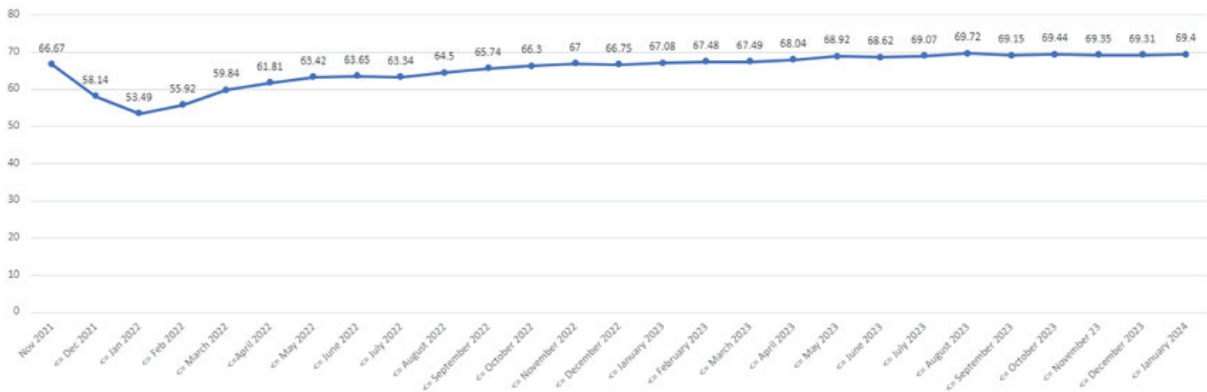
2023 CUMULATIVE NET PROMOTER SCORE: **+69.4**

A NEARLY 3 POINT INCREASE OVER 2022!

Net Promoter Score, or NPS, is a tool used by companies and other organizations looking to evaluate the experience their clients have in using their products and/ or services. Essentially, NPS measures satisfaction and loyalty. The data used in compiling the score comes from client responses to a single question on how likely the client would be to recommend either a specific product or service, or the entity as a whole, to a friend or colleague. The range of NPS scores is -100 to +100, with a higher score reflecting more satisfaction.

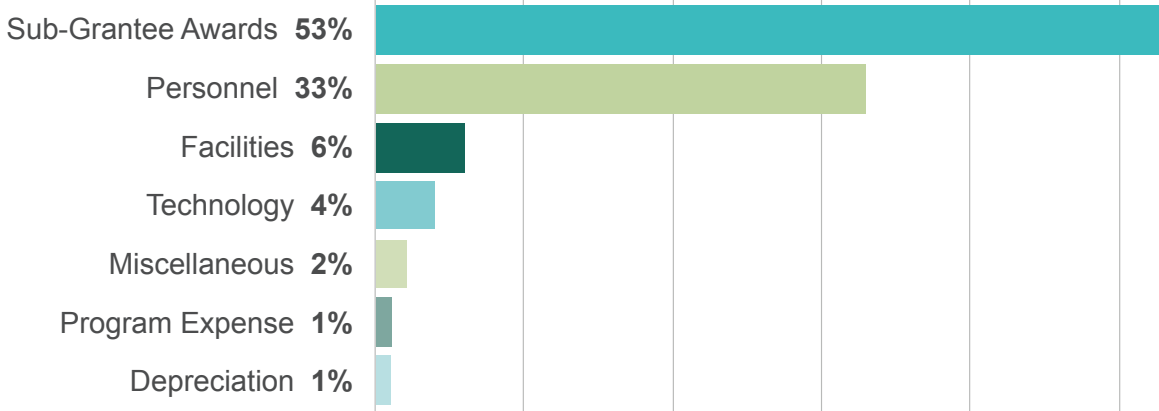
According to Retently, a customer experience management company and recognized expert in NPS, between +30 and +70 is considered a “great” score and anything above +70 is in the category of “excellent.”

NPS SCORES OVER TIME (CUMULATIVE)

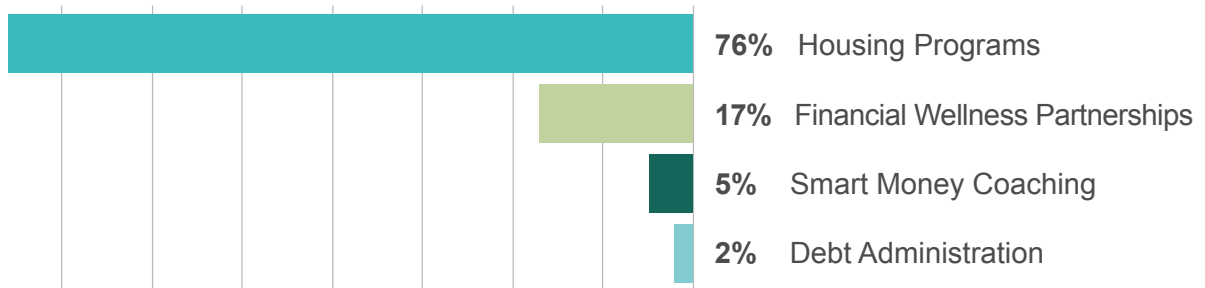


FINANCIALS 2023

EXPENSES



REVENUE SOURCES



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LinkedIn Corporation

Ruben Sanchez | Director
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Operations Strategy (NA & LCA), Visa, Inc.

Kimberly L. Range | Director
Department of Health and Human Services

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®

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



Homeownership
Done Right.™

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Concord, CA 94520
888.456.2227

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San Francisco, CA 94111

Santa Rosa

3033 Cleveland Avenue, Suite 101
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