

GAITHERSBURG

Financial Empowerment Center



YEAR 3

Annual Report

October 2025



HIGHLIGHTS

\$

1.86

MILLION

Total debt reduced

\$

1.3

MILLION

Total debt reduced from
low-income clients¹

\$

587,545

Total saved

\$

252,848

Total saved from
low-income clients

CLIENTS SERVED

658 clients

of which 370 were City residents

ABOUT THE

Gaithersburg Financial Empowerment Center

The Gaithersburg Financial Empowerment Center (FEC) offers professional, one-on-one financial counseling to all City residents as a free public service. Counselors work with their clients to help them meet their financial goals, such as:

- Reducing debt
- Building credit
- Saving to purchase an asset (like a home or a car)
- Saving for other goals such as education, retirement, or starting a business

Although financial counseling can be a benefit to anyone at any income level or stage of life, the service is especially valuable to those who are more likely to lack trusted, knowledgeable financial mentors in their families or communities, such as first-generation immigrants², people of color, and those who come from generational poverty³. By providing this service to all residents, the City aims to level the playing field between those who inherited financial literacy and have financial access from their families and those who have historically been excluded from our financial institutions.



THREE YEARS

of Financial Empowerment

The City of Gaithersburg launched the Financial Empowerment Center in the spring of 2022, contracting with local non-profit **Housing Initiative Partnership (HIP)** to provide counseling services. Throughout this three-year start-up phase, the FEC served a mix of both City and non-City residents (using non-City funds), allowing the Center to grow its experience and name-recognition while developing demand for its services among City residents. Beginning July 1, 2025, the FEC narrowed its scope to serve only City residents and employees of the City, cementing its identity as a free service for City of Gaithersburg residents.



A DIVERSE CASELOAD FOR A DIVERSE CITY



85%

of its clients are non-white or Hispanic
(as compared to 69% of Gaithersburg's
general population)



75%

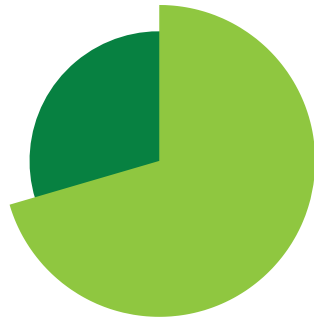
are very low-income⁴



51%

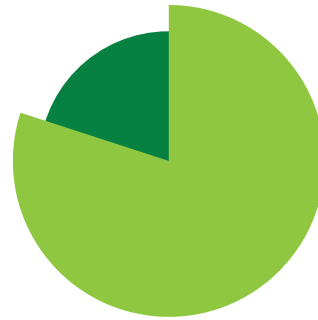
are foreign-born, hailing from
60 countries, mostly concentrated in
Latin America and the Caribbean

Although the FEC has helped clients from all income levels and racial backgrounds achieve outcomes, its biggest gains went to its lowest-income clients and those clients who identify as non-White or Hispanic:



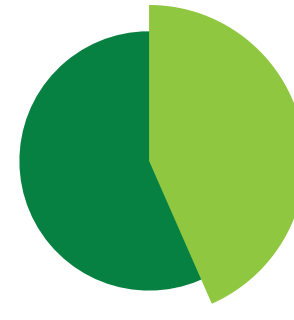
71%

of debt reduced came from
low-income clients



79%

of debt reduced came from
non-white or Hispanic clients



43%

of net savings increases
came from low-income clients



55%

of net savings increases came
from non-white or Hispanic clients

TESTIMONIAL

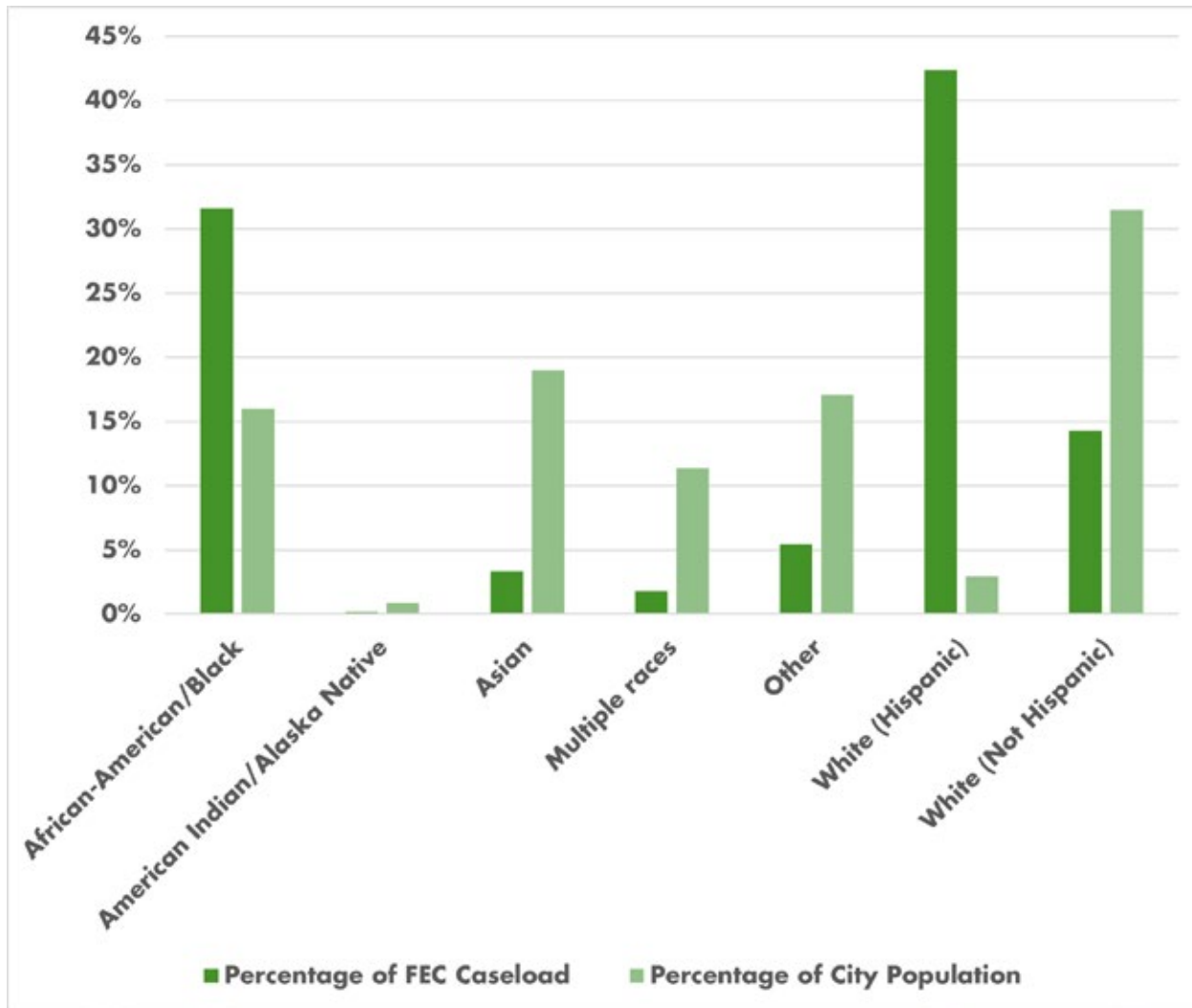
"I'm incredibly proud of the work of the Gaithersburg FEC and the way it uplifts all City residents. I want our City to be a place where everyone can thrive, regardless of the color of their skin, where they were born, how much they earn, or how wealthy their parents were. The FEC is helping our most vulnerable residents find their financial footing, so they can take advantage of all the opportunities our City has to offer. It's leveling the playing field and making this community a better place for everyone."

—Mayor Jud Ashman



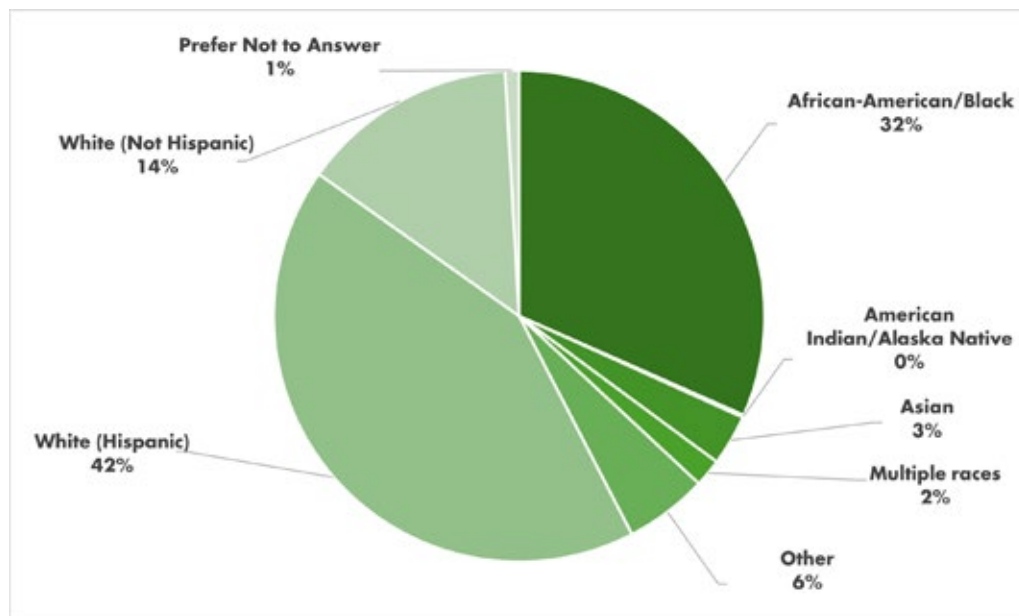
OUR CLIENTS

Racial Composition of FEC Caseload vs. City Population

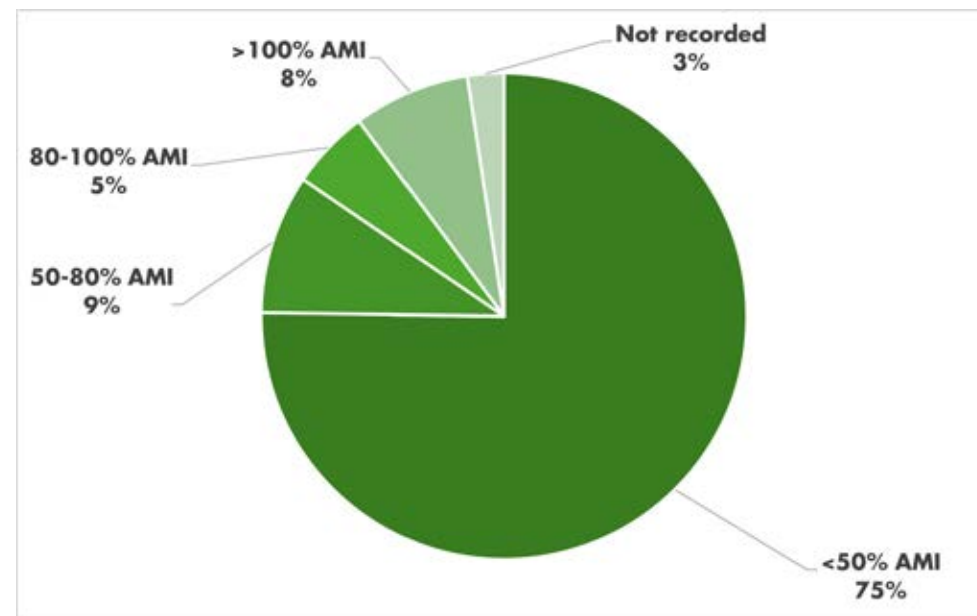


- Over two-thirds of FEC clients are women.
- 75% of FEC clients have a household income below 50% AMI, and 84% of its clients have a household income below 80% AMI.
- 59% of FEC clients have less than a four-year college degree:
 - 31% have a two-year college or vocational training degree
 - 23% have a high school education
 - 5% have less than a high school degree

Race of Caseload



Level of Income



TESTIMONIAL

"Being a single mother of three young children while drowning in debt was overwhelming. I felt like I was failing my kids because I couldn't manage our budget properly. I found out about the Gaithersburg Financial Empowerment Center through a community newsletter, and it was completely free -- which was exactly what I needed. Working with Stephanie has been life-changing. Together, we've successfully reduced my debt, improved my credit score, and I've learned how to create a budget that actually works for our family. The biggest change isn't just in the numbers, though -- my stress levels have gone down dramatically. I sleep better at night knowing I have a plan. I feel empowered as a parent again. Now I'm actually working toward buying our first home, something I never thought would be possible. The confidence I've gained through this program has changed everything for me and my children."

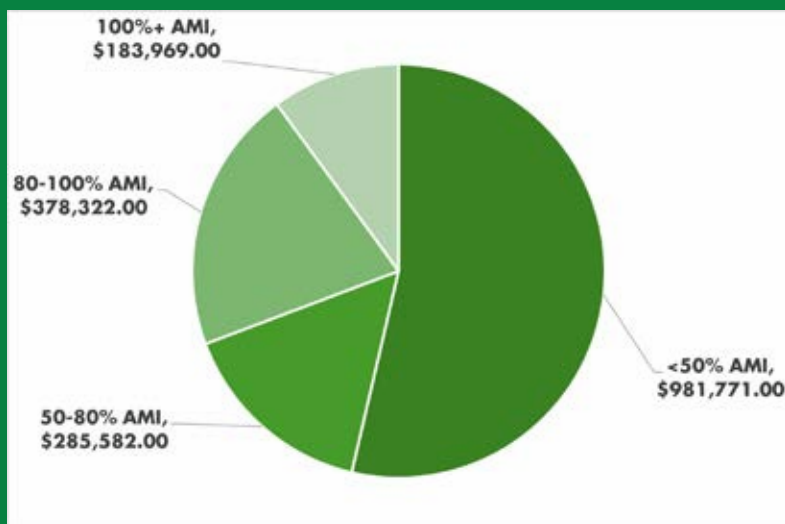
—Jelanie Williams

OUTCOMES

Debt Reduction

The FEC has helped its clients eliminate a total of \$1.83 million over the last three years. On average, the FEC has helped clients reduce \$3,261 in debt, representing a 16% average reduction in their level of debt.

The FEC's lowest-income clients and non-White or Hispanic clients have experienced the majority of this debt reduction. \$1.27 million of \$1.83 million (69%) in debt reduction was realized by clients with a household income below 80% AMI, and \$1.44 million (79%) was realized by non-White or Hispanic clients. Very low-income clients (those with a household income below 50% AMI) achieved the greatest reductions in their level of debt, reducing their debt by 17% on average.

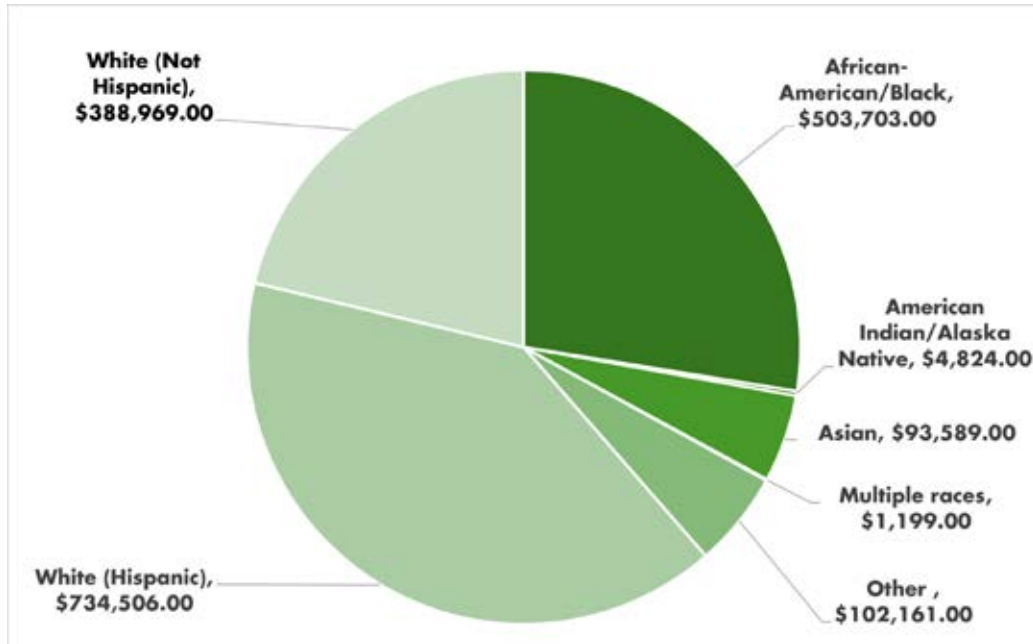


Total Debt Reduced by Income

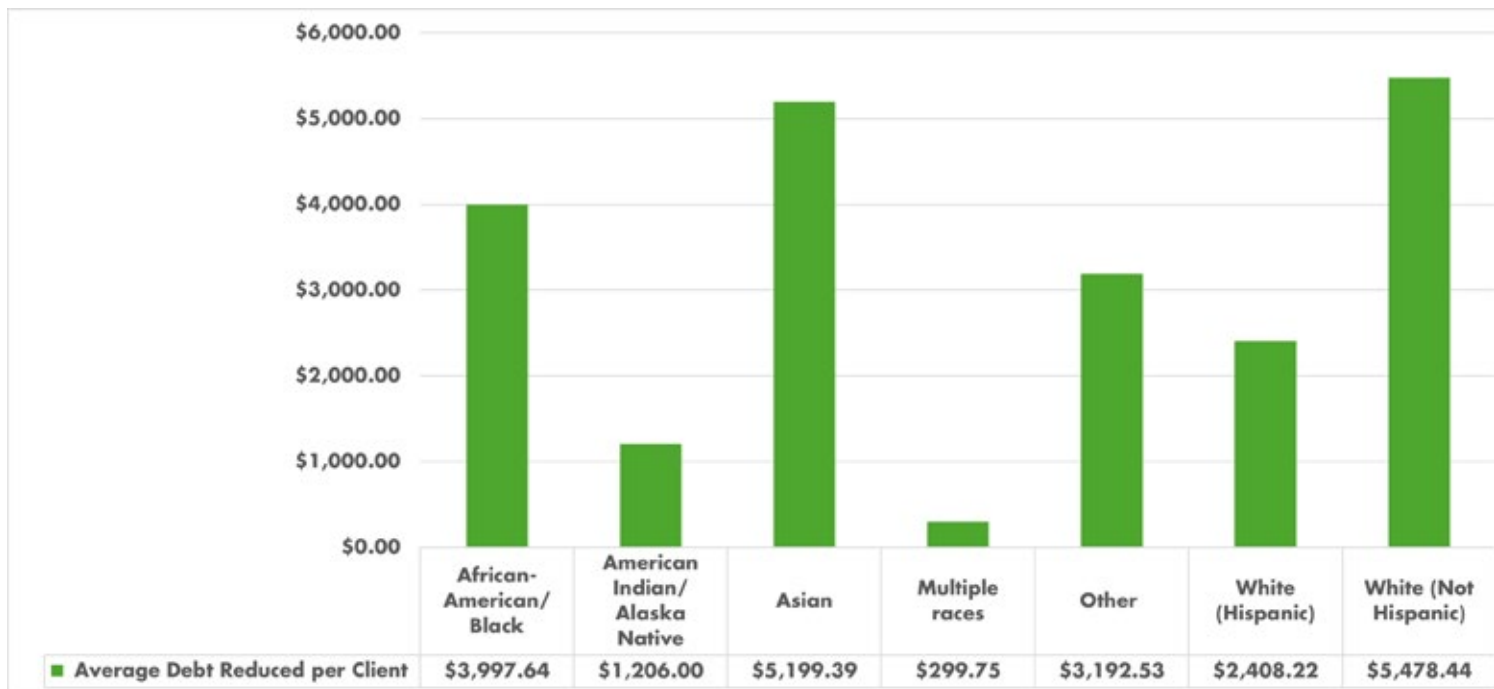


Average Debt Reduced per Client, by Income

Total Debt Reduced by Race



Average Debt Reduced per Client, by Race

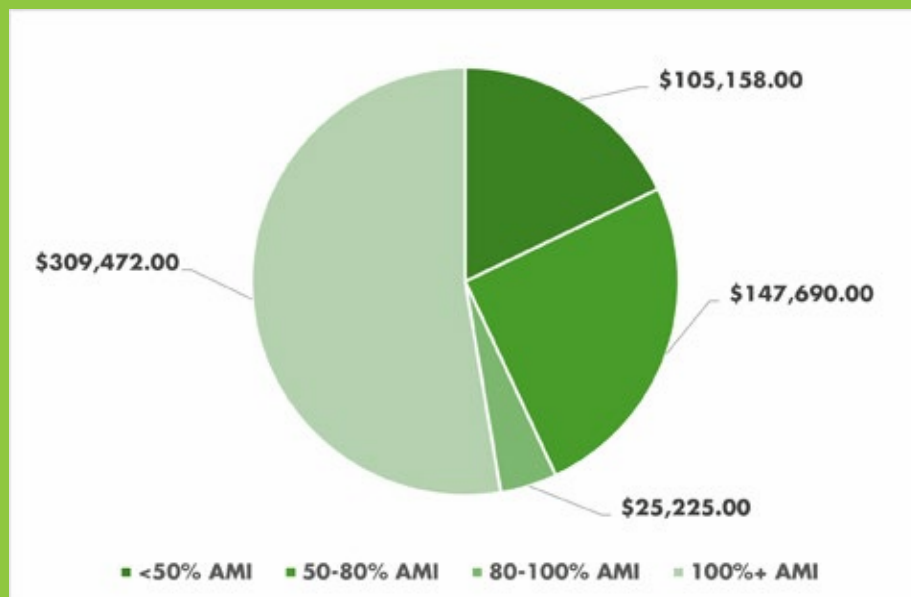


OUTCOMES

Savings Increases

The FEC has helped its clients increase their savings by \$587,886 in total. On average, the FEC helped clients increase their savings by \$4,320 — increasing their overall savings by four times.

Over half of these savings — \$325,285 of \$587,886 — were realized by non-White or Hispanic clients, and nearly half of these savings (43%) benefited low-income clients. Clients between 50% and 80% AMI saw the largest average savings increases, increasing their savings by \$9,231 on average.

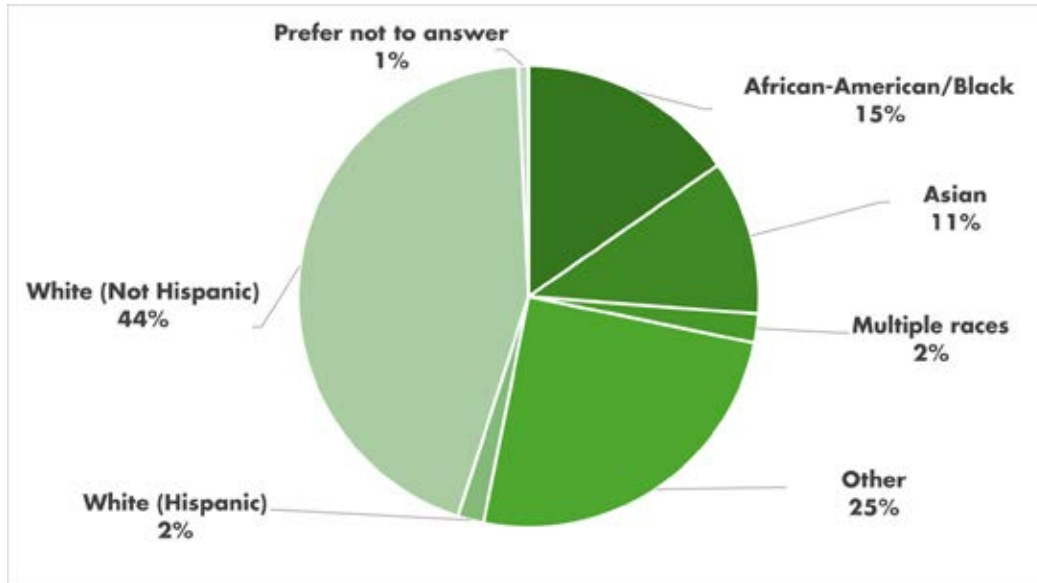


Total Savings Increased, by income



Average Savings Increased per Client, by Income

Total Savings Increased, by Race



Average Savings Increased per Client, by Race



ADDITIONAL OUTCOMES

- 109 clients (15%) have eliminated 152 total delinquent accounts
- 108 clients (14%) have increased their credit scores by 35 points or more
- 14 clients opened new bank accounts

TESTIMONIAL

"After my 15-year marriage ended, I felt completely hopeless about my finances. I was living in a basement apartment with my three children, trying to organize finances I'd never had to manage alone. Everything felt overwhelming and I didn't know where to start. I discovered the Gaithersburg Financial Empowerment Center at a year-end community event, and it became my lifeline. Eliud provided me with comprehensive support that went beyond what I ever expected. He coached me on ways I could renegotiate my debts, taught me how to manage collectors calling, and we worked strategically to rebuild my credit score. The transformation has been remarkable. Within just a few months, I was able to move my family out of that basement and into a stable apartment with a two-year lease. My children now live closer to their schools, and I can see a future again. I have hope for homeownership and living debt-free. Eliud gave me back my confidence and showed me that my financial situation wasn't permanent—it was just a starting point"

—Samara Bataielo Camargo

THANK YOU!

The FEC is proud to have received referrals from the following organizations:



¹Defined as households living below 80% of Area Median Income (AMI). Area Median Income (AMI) is a localized tool for measuring household poverty and is used in determining eligibility for certain public benefits, such as HUD housing. Whereas the national poverty level does not fluctuate based on location, AMI is a calculation of the median income level per household size in the geographic area in question (Montgomery County). Households at 80% AMI are considered low income; households at 50% AMI are considered very low income.

²Barcellos, S. H., Carvalho, L. S., Smith, J. P., & Yoong, J. (2016). Financial Education Interventions Targeting Immigrants and Children of Immigrants: Results from a Randomized Control Trial. *The Journal of consumer affairs*, 50(2), 263–285. <https://doi.org/10.1111/joca.12097>

³Mitchell, E. (2025, January 24). What We Can Learn About Wealth Disparities in a Moment of Unprecedented Intergenerational Wealth Transfer - Financial Health Network. Financial Health Network. <https://finhealthnetwork.org/what-we-can-learn-about-wealth-disparities-in-a-moment-of-unprecedented-intergenerational-wealth-transfer/>

⁴Defined as households living below 50% of AMI.

PARTNER WITH THE

Financial Empowerment Center

Refer clients: Meet with us to learn how to become an official referral partner of the FEC. We can work with you to develop a customized referral pathway for your clients and train your staff on how to present our services to prospective clients. All partners with more than 10 referrals per year can also receive an annual aggregated outcome report, showing the outcomes their clients achieve each year. Please note that the FEC can only serve residents living within incorporated limits of the City of Gaithersburg.

Join the Gaithersburg Financial Wellness Coalition: This coalition, made up of financial institutions, nonprofits, and government partners, promotes the community's financial wellness through collaborative events, advocacy, and outreach.

Sponsor or co-host a financial education event: Help the FEC deliver vital financial education to those who need it most.

Sponsor the FEC's counseling services: Help the FEC grow its capacity to serve more clients with free one-on-one professional counseling.

Contact fec@gaithersburgmd.gov to learn more.



PARTNER TODAY