



More Than a Car Buying Program

More Than Wheels helps bolster the health and well-being of vulnerable populations

INTRODUCTION

*Since 2001, a nonprofit program first known as Bonnie CLAC (Car Loans and Counseling) and now called **More Than Wheels** has helped nearly 1,500 low-income families in New England secure affordable loans to purchase reliable, fuel-efficient cars. But helping clients solve their transportation problems is just the beginning. Using the purchase of a car as a catalyst, More Than Wheels works to give front-line health workers, victims of intimate-partner violence, immigrants and refugees, military families, single mothers, and individuals in recovery, among others, the skills they need to improve their financial stability, as well as their overall health and well-being.*

Two former auto salespeople, Robert Chambers and Leo Hamill of Lebanon, N.H., launched the program in 2001. Frustrated by the high interest rates their low-income customers often had to pay for poor-quality cars, they saw a clear need for an organization to advocate for such customers and make the car-buying process simpler and more affordable. Besides providing low-interest loans, Chambers emphasized the long-term benefits of safe, reliable, fuel-efficient cars, which would help clients attain better jobs and provide easier access to health and social services. Chambers also stressed the need for clients to improve their financial decision-making to ensure their well-being.

HOW DID THE ROBERT WOOD JOHNSON FOUNDATION GET INVOLVED?

In 2006, Chambers first approached the Robert Wood Johnson Foundation (RWJF) for funding through Fresh Ideas: Improving the Health of Refugee and Immigrant Communities, a targeted solicitation of RWJF's Vulnerable Populations portfolio that aimed to identify smarter, cost-effective solutions to problems facing the most vulnerable. Fresh Ideas received more than 1,000 proposals that year, and one came from Chambers. See the [Program Results](#) on the solicitation, with links to reports on some of the projects.

RWJF Program Officer Wendy Yallowitz recalls being “baffled” that a car-purchasing program would seek funding from RWJF. “You are a transportation program and you think you are the right fit for a health foundation?” she remembers thinking. “But it was so unique that I decided to pay a visit. Within two minutes, I knew that we had to work with them. Bonnie CLAC was so much more than a transportation program to its clients. It changed their lives and helped improve their health. It was really looking at many different social factors.”

Although RWJF chose to not fund the program under Fresh Ideas, since 2007 the Foundation has provided it with two grants:

- A two-year \$750,000 grant,¹ from November 2007 to November 2009, to add health content to the program’s financial literacy course, which all clients must take; expand to nine offices, including a pilot office in Lowell, Mass., which has a large immigrant community; reach 350 new clients; and expand the program’s leadership team.
- A three-year \$1.4 million grant,² from November 2009 to November 2012, to form partnerships with more businesses, especially in the health care industry; recruit 1,300 new clients from these partners; create more educational components; and develop a plan for sustaining and expanding the organization’s work.

In 2009, President Obama highlighted the program during a special event at the White House recognizing innovative nonprofits “creating solutions to our nation’s problems.” Now based in Manchester, N.H., Bonnie CLAC changed its name to More Than Wheels in 2010 to reflect the program’s comprehensive mission.

*“More Than Wheels is really more than wheels—it’s given me so much. It’s given me a chance to have my health and balance. It’s given me a chance to have a source of income that I feel proud and happy with. It sounds trite, but it’s given me my life.”—
Marianrose*

WHAT PROBLEM DOES MORE THAN WHEELS ADDRESS?

For many low-income individuals and families, especially in rural areas, having a reliable car often determines whether they can train for a job, take a child to a doctor, and get to work. However, because of illness, bankruptcy, divorce, or poor financial choices, many low-income individuals and families have poor credit scores. This means they must purchase unreliable cars at exorbitant interest rates—often 18 percent or more—reinforcing poverty and its attendant poor health.

¹ ID# 66702

² ID# 69288

“Access to reliable transportation can mean the difference between working multiple part-time jobs, securing a stable job with decent pay and benefits, keeping medical appointments, and managing daily demands,” according to a [story](#) about More Than Wheels on RWJF’s website. “Driving unreliable, fuel-inefficient, older cars with high repair costs, financed at high interest rates, takes a heavy toll on poor families, often resulting in compromised health. Through the opportunity to purchase dependable transportation, [More Than Wheels] helps vulnerable families learn the skills necessary to improve their health and financial well-being.”

“I can’t thank More Than Wheels enough for helping us regain our financial footing while I recovered from heart surgery. Having the car allowed me to find work and bring financial security back to my family.”—Randall

“When a family doesn’t have a car, it makes it very hard for them to get to a grocery store, keep a well-paying job, or get to a doctor,” added Yallowitz. “RWJF supports More Than Wheels because their innovative program places vulnerable families on the path to economic security, which leads to healthier living.”

Long-lasting personal and social change, with a car as catalyst

More Than Wheels addresses the cycle of unemployment, poverty, and health care neglect that traps so many low-income families without transportation. To break this cycle—and to become eligible to buy a car—clients must attend classes that help them create budgets, improve their financial decision-making, raise their credit rating, and get out of debt, to achieve economic stability and improve overall health and well-being.

“Initially, the program was more about the car,” said Terri Steingrebe, CEO of More Than Wheels since 2008. “But when I talk to people today, I talk less about the car and more about the health and behavioral changes that come with the program. The car is just the catalyst, the thing that drives people to say, ‘I have to get my personal finances under control, I have to be able to save, to have better credit’—which is all about improving someone’s economic well-being.

“After clients purchase a car, they don’t talk about the car any more. They talk to you about the education they were able to get, their ability to get a job and take care of their children, how they were able to get better access to health care. I started to think about the impact of this program on a long-term basis, and came around to the fact that it is about so much more than the car. I think about More Than Wheels as a poverty-alleviation program.”

HOW DOES IT WORK?

More Than Wheels serves all of New Hampshire and adjoining areas of Vermont, Maine, and Massachusetts, operating out of five offices in New Hampshire and one in Boston. Individuals apply online or by calling the organization. Some 20 business and community partners also refer potential clients to the program by promoting it as a benefit to their employees.

The program charges a \$68 nonrefundable application fee. Once accepted, clients pay \$895 for the entire program, which More Than Wheels rolls into the final cost of the car. Lenders pay a \$200 loan-origination fee, which also helps finance the program.

Who is eligible for the program?

More Than Wheels serves low- to moderate-income consumers. To be eligible, a potential client must show enough monthly income after other expenses—typically \$300 to \$400—to support a low-interest car loan. Counselors help clients review their income and expenses to see if they meet this requirement, and help them make changes in spending and saving patterns if they don't.

But income is only one requirement. Using a tool it developed to help determine who succeeds in the program, More Than Wheels screens its applicants to see if they are motivated to change their financial practices and improve their credit. “You would think it would be easy—choosing low- to moderate-income individuals for whom transportation would make a difference,” said Steingrebe. “But you also have to determine whether they are at the point where they are able to make a change.”

Education first, then wheels

Once accepted, More Than Wheels applicants begin the “Steps to Success” process. A consultant helps each client evaluate his or her financial status, identify needs, and set goals. As a prerequisite to purchasing a car, clients attend a six-week financial fitness course called FinFit, designed to help them modify their behavior and acquire healthier life skills.

Clients learn about managing personal finances and budgeting, work to improve their credit scores by making regular payments on existing loans, and review ways to save money through smarter food purchasing. Classes also focus on health literacy and nutrition. Clients talk regularly with a financial counselor, and More Than Wheels often provides a temporary “bridge car” to those with immediate transportation challenges.

Once a client's financial situation is stable and he or she shows enough income to support a car payment and insurance—a process that can take anywhere from 4 to 12 months—More Than Wheels negotiates with car dealers for a new or slightly used car that is both

cost-efficient and fuel-efficient. Those two requirements help clients save money on repairs and gas over time. Through partnerships with financial institutions and car dealerships, More Than Wheels also helps each client to secure a low-interest loan—usually at 4 to 5 percent—and offers a loan guarantee to the lender. The program works: it reports only a 5 percent default rate.

“It is brilliant,” said Doreen M. Treacy, director of civic health at DotWell, a community and public health services organization in Dorchester, Mass., and a More Than Wheels partner. Many of Treacy’s clients paid “exorbitant” interest rates to purchase a car because they had no credit, no savings, and no other choice. “There wasn’t an antidote to that predatory product,” she said, “until More Than Wheels. They have taken buying a car—this benchmark financial experience of 90 percent of the population—and turned it into an opportunity to gain really valuable financial education. No one else is on the ground to tell folks how to do that. I love their tag line: ‘Better your credit, change your life.’”

“I was able to get a ‘bridge’ car that was reliable as I went through the program. It saved my job! I felt like it saved my life. I feel so empowered—I have the new start I so badly needed!”—Tammy

WHAT HAS MORE THAN WHEELS ACCOMPLISHED TO DATE?

Researchers at the [Carsey Institute](#) at the University of New Hampshire used surveys of clients and people in two comparison groups to measure the impact of the program.³ According to program staff and the three-year study, completed in August 2011, More Than Wheels has:

- **Helped nearly 1,500 families in New England secure more than \$15 million in low-interest loans so they can purchase cars.** Since 2010, the program has added about 700 new clients—more than half of its goal to add 1,300 new clients by the end of 2012.
- **Improved the mental and physical health of its clients.** The surveys showed that the program has:
 - *Decreased the number of days clients experienced poor mental health.*
 - *Improved clients’ mental health by reducing stress and increasing their self-confidence. Surveyed clients reported significant changes in seven measures of stress, for example, on average over time:*

³ Carsey researchers surveyed More Than Wheels clients at three points in time: when they enrolled in the program, when they completed it, and six months or more after completion. For comparison, the evaluators also surveyed two other groups: people who contacted More Than Wheels but never enrolled, and former clients who withdrew before completing the program.

- Fewer clients reported feeling that difficulties were piling up too high to overcome them. More clients reported an increase in confidence in their ability to handle personal problems, and increased optimism that “things were going their way.”

“This is one of the important things we give to people, before they even get their car. Hope. And a sense of optimism, and the feeling that others have done it and they can do it,” noted Steingrebe.

— ***Improved clients’ physical health by enabling them to obtain medical care and stay healthy by eating right. Surveyed clients reported:***

- Fewer days of poor physical health, from the time of enrollment until at least six months after they finished the program.
- Lower barriers to health care. By the time clients completed the program, they reported less concern about lacking reliable transportation to get to doctors’ appointments, were less likely to postpone needed medical care due to lack of transportation, and were more likely to use their own car for doctors’ appointments than people in a comparison group.
- No significant increase in clients’ use of emergency food services such as food pantries and soup kitchens, or in their participation in the federal food stamps program, in spite of the recent economic downturn. At the same time the comparison groups’ utilization increased.

“The most striking findings of the evaluation are the changes in mental and physical health reported by clients,” concluded the final Carsey report. “Clients were adamant that gaining financial stability—including obtaining a bridge car and eventually a new car—was the reason for their improved health.”

The Carsey report reinforced what Steingrebe already knew. “As people told us their stories, so many were health related,” she said. “I’m not surprised, really, but I am pleased that the investigators were able to quantify this. This is exactly what we heard.”

- **Increased clients’ knowledge of personal money management, improved their money management behaviors, and improved their credit scores.** Clients who completed the More Than Wheels program:

- Significantly increased their post-test scores over pre-test scores on a test of financial literacy. Saved money more regularly than clients who withdrew, and more than potential clients who had contacted the program but did not participate.
- Paid their bills on time more often—both immediately after the program and six months later—than when they started the program. Clients who did not complete the program did not show this improvement.

— Increased their credit score by an average of 38 points.

- **Expanded partnerships to bolster More Than Wheels services and client base.** More Than Wheels now has eight lending partners—banks and credit unions—that fund the program’s low-interest car loans, according to Steingrebe. It also has 20 formal partnerships with businesses and community organizations that offer More Than Wheels as a benefit to their employees. Many of these partners are large health care enterprises such as hospitals, which cannot function if employees cannot get to work.

More Than Wheels “is not a volume benefit—it’s a value benefit,” said Gail Beuregard, director of compensation and benefits at the Dana-Farber Cancer Institute in Boston, who added the program to the benefits package of more than 4,000 employees in 2010. About 10 have participated in the program so far, drawn to what Beuregard calls “the credit advice about how to manage your money: ‘Where do I turn when my credit rating is in the tank and I’m overextended?’”

“The economy has been a roller coaster for a few years, and we have seen such an increased volume of staff who are completely stressed out. They have financial challenges that we don’t want to get involved with, but we have to provide supports. We have been looking for benefits that help people manage work and life values. This was a simple one to add in. I’ve been very pleased. If even one person benefits from this, Dana-Farber benefits, too.”

WHAT CHALLENGES HAS MORE THAN WHEELS FACED?

“There have been so many,” Steingrebe admitted. Key challenges include:

- **Attaining financial sustainability by expanding through outreach and partnerships, not bricks and mortar.** Under its two RWJF grants, More Than Wheels first expanded to nine offices, and initially embraced a 2008–2012 business plan—developed with [Root Cause](#), a consulting firm based in Cambridge, Mass.—to open offices all over the country. But when Steingrebe became CEO in 2008, she soon realized that the plan was not going to work. She pulled back, trimmed the offices down to six, and focused on expanding in New England through local partnerships rather than opening offices.

“What Terri found is that it is difficult to attract national support for a program that is growing regionally: you can’t expand nationally until regional is solid,” said Andrew Wolk, CEO of Root Cause. “She now thinks it is better to grow regionally and show people a successful benchmark.”

“Rather than trying to do everything, we concluded that putting people to work for More Than Wheels all over the country is just an unrealistic scaling model,” Steingrebe agreed. “Pulling back was necessary for us to better understand how we are going to serve different populations. We don’t have to be on the ground

everywhere—which is what our original business plan said—but we have to partner with people who are on the ground where transportation is a critical challenge.”

- **Building the management team.** “The organization had evolved without management structure or reporting. We knew we were doing good things, but we didn’t know how to measure them,” Steingrebe noted. After recruiting what she calls “an outstanding management team,” she documented the program’s achievements, and continues to build the executive team and board of directors.
- **Identifying people who will benefit from the program.** In 2009, after tracking 750 enrollees, More Than Wheels determined that clients need four attributes—which it calls WAMI—to succeed in the program:
 - **Willingness to change financial behaviors**
 - **Ability to do the simple math and written work that is part of the program**
 - **Motivation beyond the need for a car**
 - **Initiative—the ability to take charge**

“We developed screening tools for assessing whether potential clients show these four characteristics,” said David Reeves, PhD, chair of the More Than Wheels board. “With the revised screening process, the percentage of clients we accept who enroll in the program has risen from 37 percent to 55 percent.”

What Special Challenges Does More Than Wheels Face When Helping Immigrants?

More Than Wheels’ website notes that the program strives to “help those who are new to the country make sure they are not taken advantage of when buying a car.” In so doing, the program faces challenges such as overcoming language barriers, retrieving financial histories from countries of origin, establishing trust, and working with people from cultures that view loans negatively.

“We have found that immigrant communities from Cambodia and Asia have a real negative feeling about loans, and it is very difficult for us to overcome that,” said Steingrebe. “There is also such a distrust of outside organizations. We have to find people in those communities to connect with.”

WHAT LESSONS HAS THE STAFF LEARNED? HAVE THEY LED STAFF TO DO ANYTHING DIFFERENTLY?

In particular, Steingrebe and the organization have learned:

- **When considering expansion, the question must be, ‘Will it benefit your clients? Will it improve their long-term outcomes?’** More Than Wheels recently explored

merging with another organization that specializes in providing low-interest loans to working families with challenging credit histories. But the more Steingrebe reviewed the merger, the more she realized that the two programs serve different clients and have different philosophies.

“We are all about changing people for the long term, while the other organization focuses on short-term solutions,” she said. “They serve only families, and we are broader than that. I was afraid a merger would rule out clients we have had an awful lot of success with. So it didn’t work out, but I learned a lot about our priorities and where our organization wants to be.”

“You could come up with models that make you self-sustaining faster, but they may not be in the best interests of the population you are trying to serve,” Steingrebe noted. “You have to keep those clients as your primary focus.”

- **Partnerships with employers in specific industries are the key to expansion.** More Than Wheels has identified five economic sectors—health care, nonprofits, education, government, and retail and hospitality—where partnerships with major employers could yield clients well-suited to its programs.

According to Steingrebe, the program’s clients tend to work in these five sectors, and employers in these industries depend on the ability of their employees to get to work. “These are the five industries we are best matched to serving,” she said, “and they can talk about the benefits of a partnership with others in their industry.”

Rather than hiring staff members in more locations to support those clients, she said, “we will use a network of partners—local car dealers and local lenders—to provide local support, while we do what we do best, which is screen people and get them through the program.”

WHAT LIES AHEAD?

“We believe we can do screening and training without sitting with clients face to face,” said Steingrebe. She sees the Internet as an effective vehicle for working with clients in new and remote locations. “I feel very confident that we are going to use technology to serve new populations.”

That entails putting more of the FinFit course online, and using webinars to offer financial and health education. More Than Wheels also plans to do more consulting through a Web-based client management system, which includes screening potential clients online and then coordinating with local lenders and car dealers to provide support. Steingrebe thinks these strategies will be cost-effective and enable the program to someday go national.

In its quest to become financially sustainable, More Than Wheels is also expanding its car-buying service to “people who have good credit and hate the process of buying a car,”

said Steingrebe. The organization already helps physicians purchase cars through its partnership with Dartmouth-Hitchcock Medical Center, which has branches throughout New England.

Dana-Farber’s Beuregard notes that 40 percent of the cancer center’s employees who participate in More Than Wheels are “financially secure. It has appealed to a much broader audience than I had targeted. It is available to anyone who appreciates the opportunity.” If More Than Wheels can create a for-profit subsidiary based on services to such individuals, “that could help us be more self-sustaining,” Steingrebe noted.

More Than Wheels also launched a pilot program in 2011 with United Teen Equality Center (UTEC) in Lowell, Mass., an organization that helps disadvantaged and disengaged youth trade violence and poverty for educations and jobs.⁴ The pilot program will provide financial education and counseling to participants in UTEC’s workforce development program who need a car to get and keep a job—and will help them build their credit rating so they can buy one. According to More Than Wheels, “A car is both an incentive and a springboard to greater opportunity for young people in UTEC’s target population.”

Tracey from DotWell would like to see the organization become better known and increase its “brand recognition.” Juliana Eades, president of the New Hampshire Community Loan Fund in Concord, N.H.,—a financial partner of More Than Wheels since 2002—just wants it to do “more. More of everything. The demand is there. One of the things I enjoy about this business is that if you can change people’s heads, you can really make a difference. More Than Wheels has life-changing elements to it, with broad implications for children and families.”

In September 2012, RWJF funded OMG Center for Collaborative Learning to conduct a formative and impact evaluation of More Than Wheels.⁵ OMG will use both quantitative and qualitative methods to revise the More Than Wheels' theory of change; distil how different elements of the program work and the relationship of program elements to outcomes; determine the impact of the program on participants' financial literacy, credit scores, health and well-being; and cull lessons from the work that can be used to expand and broaden the program's impact.

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⁴ For more information on the center, see the [RWJF Anthology, 2011, chapter five](#).

⁵ Grant ID# 70244

APPENDIX

Individuals Interviewed for This Report

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