ANNUAL IMPACT REPORT
FISCAL YEAR 2016

STEP
SUPPORT THE ENLISTED PROJECT
Our Vision
Relevant, reliable and responsive, STEP’s vision is to change the lives of military families and Veterans that we serve by helping them achieve financial self-sufficiency.

Our Mission
STEP assists junior active duty enlisted members and recently discharged enlisted Veterans and their families in Southern California facing financial crisis achieve long-term financial self-sufficiency through counseling, education and grants to alleviate critical near term obligations.
Dear Friends,

There are few things more rewarding in my life than supporting our enlisted and veteran families. As a military brat myself, followed by eight years as a submariner, I know firsthand the challenges and sacrifices each of these families make while vowing to protect the country they serve. STEP was born from a place of wanting to return the favor, and that is just what we have done since 2012.

When I say we, I mean you, me, our trustees, our volunteers, our committed staff, our corporate partners, our community partners and the endless list of entities that make what we do at STEP possible.

Since 2012, we have had 2,931 young military families in crisis come to us for assistance. We have ensured that every crisis was averted and that every family got the one-on-one counseling required for their situation.

And to support these families, **STEP issued, we issued, $1.25m in grants to ensure these families, who voluntarily protect our freedoms, did not go without while they were rebuilding their financial houses.**

These grants stopped:
• 265 housing evictions
• 292 utility disconnections
• 240 auto repossessions
• and put food in 727 family’s empty cupboards
• Grants were also issued for primary vehicle repairs, insurance, diapers, emergency travel and the like

You helped return the favor to those who serve us daily – giving them the hope, empowerment and the financial tools and literacy to become financially self-sufficient – through our EFA program with a 93% success rate.

Thank you.

Philanthropy is more than a list of names and numbers; it’s a foundational value. It is what established this organization and what will bring us into the future, returning the favor to thousands of our military families. We have consciously chosen to not accept federal or state dollars because of the restrictions the monies put on our program - who we can serve, how we can serve them and the speed at which we can resolve their crisis. This choice means we are dependent on you, our generous donors, to provide the funds that transform these families lives in an immediate and impactful way.

It is my privilege to share with you the results of the work you have done and the hope you have provided to thousands of military families.

With deepest gratitude,

Tony Teravainen
CEO & Co-Founder
Our Board has contributed over 1,300 volunteer hours
## STEP FY 2016 FINANCIALS

### REVENUE

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Contributions</td>
<td>$337,828</td>
</tr>
<tr>
<td>Grants</td>
<td>$722,912</td>
</tr>
<tr>
<td>Special Events/Other</td>
<td>$56,159</td>
</tr>
<tr>
<td>In-Kind Goods and Services</td>
<td>$480,930</td>
</tr>
<tr>
<td>Unrealized Loss on Investment</td>
<td>-$679</td>
</tr>
</tbody>
</table>
**Total Income:**                    | **$1,597,150** |

### EXPENSES

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Expenses</td>
<td>$1,230,757</td>
</tr>
<tr>
<td>Development Expenses</td>
<td>$114,133</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>$115,058</td>
</tr>
</tbody>
</table>
**Total Expenses:**                 | **$1,459,948** |

**Income in Excess of Expenses:**  $137,202

### ASSETS AND LIABILITIES

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Net Assets</td>
<td>$204,174</td>
</tr>
<tr>
<td>Ending Net Assets</td>
<td>$341,376</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$60,526</td>
</tr>
</tbody>
</table>
**Total Liabilities & Net Assets:** | **$401,902** |
FY 2016 EMERGENCY FINANCIAL ASSISTANCE PROGRAM (EFA)

This program allows us to stop a family’s financial crisis while giving them hope as they begin their journey to financial self-sufficiency.

HIGHLIGHTS

• STEP is 100% effective at stopping the loss of a family’s basic need and stabilizing the family
• STEP is proven to significantly reduce stress, foster hope, and provide short and long-term solutions that help families rebuild their finances
• All of STEP’s programs and services are of no cost to the families
• All STEP families meet with a social worker, also trained in financial management
• Case workers coach the families on how to understand their finances, make a family budget, create their debt-reduction plan and improve their money habits
• Approximately half of these families will also qualify for an emergency grant
• EFA funds are grants paid to lenders and creditors, not loans to the families

“You guys have no idea how much easier I can breathe now” - Spencer, Active Duty, E4

EFA touched the lives of:
1,332 service family members

93% of our families have not returned for additional support
70% of the basic needs that STEP issued grants toward are classified as the most fundamental needs for personal health in *Maslow’s Hierarchy of Needs.*
**FY 2016 EFA GRANTS PROGRAM**

<table>
<thead>
<tr>
<th>Count</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>69</td>
<td>home evictions in progress were stopped</td>
</tr>
<tr>
<td>136</td>
<td>struggling families did not run out of food</td>
</tr>
<tr>
<td>70</td>
<td>utility services were restored or disconnections prevented</td>
</tr>
<tr>
<td>26</td>
<td>car insurance payments were made</td>
</tr>
<tr>
<td>60</td>
<td>car repossessions were prevented</td>
</tr>
<tr>
<td>19</td>
<td>families received critical auto repairs</td>
</tr>
<tr>
<td>29</td>
<td>families received assistance with critical baby items, emergency travel,</td>
</tr>
<tr>
<td></td>
<td>medical and dental needs</td>
</tr>
</tbody>
</table>

STEP granted **$263,634** to ensure military families retained their basic critical needs during their financial emergency.
“STEP has been a saving grace. It has allowed our family to regain control of our finances. We have now paid off most of our debt, increased our credit scores and are preparing to purchase a home in the near future.”

John, Active Duty E6
Designed to support our mission of building financial self-sufficiency and reducing financial hardship by increasing financial literacy, offsetting family expenses and boosting morale, these secondary programs are also available to STEP families at no cost.

Financial Freedom Seminars

- Monthly seminars to build financial literacy
- Are led by certified financial volunteers
- Teach families money saving strategies and techniques, with topics such as: Surviving The Military Financially, Should I Buy That New Car, and Be Debt Free Forever

STEP’s Community Outreach

- STEP’s Warehouse on Wheels (W.O.W) distributed goods to military bases throughout Southern California to ensure that babies and families had what they needed to survive
- More than half of the families served have young children
- Donated items include diapers, toiletry products, feeding items, clothing, strollers, car seats, cribs, blankets, books, toys, and home goods
- Participated in outreach and resource fairs reaching 1,772 individuals

We served 986 individuals – 659 of them were children

Served 68 individuals
Military Family Appreciation Carnival

- Worked with community partners to honor our families by hosting a family-friendly carnival day with food and entertainment
- Distributed a cargo truck full of donated goods to young military families

Holiday Programs

- Ensured that our families in the most extreme financial hardship shared in the joy of the season with a festive Thanksgiving meal and presents under the Christmas tree without impacting their family budget
- Underwrote 100% of costs by community and corporate sponsors

Free Tickets

- We receive donations for family entertainment, such as tickets to baseball games, museums, amusement parks, and family events

Cammies to College

- Service members learn about their GI Bill educational benefits, financial aid, and other services in the community to help them pursue their college education
“I didn’t know how I was going to be able to buy diapers. You have no idea how much of a Godsend this is.”
Jacob, Active Duty E1

“You’re the only place that helps with people who are transitioning and with someone who is an E6. I don’t know what we would have done without you. I have told so many Marines about STEP.”
Benjamin, E6 Veteran

“My husband stopped at my work after he left your warehouse to show me everything you donated for the kids and I could not believe it! I can’t fully express our gratitude.”
Alexandra, Veteran Wife

“Wow, thank you guys soooo much. It’s a hard budget you made us but this week accounts are good so we are already better than a week ago when everything was red. We are so blessed to have your help.”
Steve, Active Duty E4

88% of families who received services say they are now in a better financial situation.
Southern California has the largest military community in the world, with 125,000 service members and 175,000 family members.

They were ordered to live here, where the cost of living is 30% higher and housing costs are almost 2x the national average.

91,000 military families in Southern California are in the lower six paygrades.

75,000 are under the age of 26, and half of them are married with children.

90% of military spouses are unemployed or underemployed.

37,000 rely on food assistance to keep food in their pantry for their families.

55,000 are considered low income by HUD standards.

20,000 service members transition each year in San Diego, and 50% describe it as difficult.

STEP is the last safety net for young military families in a financial crisis. Only STEP provides the necessary services to stabilize the crisis through financial counseling, education, and grants.
Our wonderful volunteers are making the STEP dream work every day

- 968 volunteers in FY16
- 6 financial freedom seminars delivered
- 101 supported events
- 7,286 hours donated = 42% of all STEP manhours
- 57 volunteers assisted with Warehouse on Wheels

Our wonderful volunteers are making the STEP dream work every day.
“Thank you for allowing me to be part of the STEP team. It truly has been an honor and a privilege to have volunteered for an organization that carries out such amazing tasks for current and former service members who deserve the utmost respect. I am thankful to be with an organization with kind, goodhearted and hardworking people.”

- Gene, Volunteer Case Worker
“Jewish Family Service values our partnership with STEP. Together, we are delivering impact-driven services that make a meaningful difference in the lives of active-duty families.”

Jewish Family Service

“I just wanted to thank you and STEP again for giving us the opportunity to adopt a family. We are looking forward to remaining close to them and watching their children grow.”

Deb, Community Partner

“STEP is such a great local nonprofit. I’ve been able to support them out of my office budget with a $5,000 grant to help some of our junior enlisted families with basic necessities like food, diapers and clothes for kids.”

Councilman Mark Kersy, District 5, San Diego

“I have been financially supporting STEP for ten years. This support enables a spouse deployed overseas to concentrate on their job and stay alive instead of worrying about a financial crisis at home. This crisis may be something like not being able to make a rent payment or something as simple as a car breaking down.

Many of these young married people, often with children, do not have established credit or may not be financially savvy. STEP staff and volunteers thoroughly examine their financial situation before giving assistance to those who apply for help.”

Ron Moen, Ten-year Donor

“Anything I can do for veterans or active duty is important to me. STEP really helps out these young people who are not wealthy, and are away from their families and gets them on their feet, and we think that’s great. I’m excited to stand with STEP.”

Congressman Scott Peters

“We have a lot of military that live in my district and often they face financial challenges. STEP helps them obtain financial self-sufficiency. We’re really blessed in my district to have a non-profit like STEP.”

Dave Roberts, County Supervisor, District 3
FY 2016 COMMUNITY PARTNERS

We are so fortunate that our community recognizes and supports the sacrifices of our local military and veteran families. Through ongoing community partnerships, we are able to continue providing impactful and quality programs and services to every family that walks through our doors. Thank you to all of those who make a difference through donated goods and services.

211 / Courage To Call
Armed Services YMCA
Auto Fraud Legal Center
Bay Club Carmel Valley
Biggs Harley-Davidson
Caliber Collision
Carl’s Jr.
Calvin Christian School
Chula Vista School District
Church of Rancho Bernardo
Century Club
City Beach Boutique
Corvette Super Sports Club
DLA Piper
Del Mar Thoroughbred Club
elivelife.com Health & Beauty
El Cajon Harley Davidson
Escondido Rotary Club
Farmers Insurance Open
Fleet and Family Services
FOCUS
Galaxy Golf
Golf Mart

Goodwill Tierney Center for Veterans
Gumpert Foundation
IHeartOC
Jewish Family Service
Maalaea Kai Enterprises
Marine Corps Community Services
Naval Base San Diego
Naval Officer’s Spouse Club of San Diego
Navy Federal Credit Union
Navy Marine Corps Relief Society
North County Veterans Resource Center
OC Difference Makers
OneOC
Oppenheimer Funds Services
Orange County Veterans and Military Families Collaborative
Pacific Elite Collision Centers
Phil's BBQ
Rancho Santa Fe Rotary Club, Taste of The Ranch
Rancho State Fe Rotary Club
Recycled Rides
Reef Point Realty
San Diego Auto Connection
San Diego Food Bank
San Diego Veteran’s Coalition
San Diego Military Advisory Council
San Diego Military Family Collaborative
San Diego Padres
Segestrom Family Foundation
Soldiers Angels
Southwestern College
The Midway Museum
The New Children's Museum
The Rosie Network
The San Diego Military Veteran Resource Center
Tula Baby Carriers
United Veterans Council
Veterans United Home Loans
Yale Chase
Working Wardrobes
Zen5 Sushi Cuisine & Restaurant

We have made every effort to include all of our community partners from 7/1/15 – 6/30/16. We apologize if we missed someone and ask that you reach out to us directly so we may update our records.
Named **The City of Oceanside’s 2015 Non-Profit Veteran Organization of the Year**

San Diego County Veteran of the year runner-up: Board Member, Terry Magee

Presented with ‘The Breaking Away Award of Excellence’ sponsored by Torrey Pines Bank

Received **Certificates of Special Congressional Recognition**

San Diego County Veterans Allegiance Award Nominee

Honored beneficiary for the **American Freedom Festival** on The USS Midway

2016 Recognition
Ways to invest in

Donor Advised Funds
Host a Fundraiser
Employee Giving
In-Kind Donations
Corporate Giving
Underwrite an Event

Make a Donation
Combined Federal Campaign: #71984
Amazon Smile
Planned/Estate Giving
Coin Up (coinupapp.com)
Volunteer Engagement