

**National Call: What Is Financial Literacy Anyway?  
Tell Congress We Need True Consumer Empowerment**

—TRANSCRIPT—

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Janet Murguía: Thank you. Good afternoon, everyone. I just wanted to say thank you to everyone for not only participating in the call but for all the work that you're doing with the National Council of La Raza [NCLR] and our partners on this important topic of consumer empowerment. I know you all are—have been working with our network for some months, some of you many years.

I also want to give a special shout out to Senator Menendez and Congressman Serrano for the work they've been doing in securing funding for the financial education and counseling pilot program at CDFI [Community Development Financial Institutions] and, of course, Congressman Gutierrez for his amendment to expand this pilot program. We've been working very hard with the administration. I don't need to tell you all about how these difficult economic times have impacted our community, and we know that statistic where we've seen that more than two million—2.3 million Latino and Black families—the fact that they're going to lose their homes to foreclosure between 2009 and 2012 if we don't have some very specific strategies. That is something we want to avoid.

We want to make sure our folks can stay in their homes. And the climate is difficult. The unemployment rate for our Latino community is hovering around 13% and more than 15% for African Americans, and that's compared to 10% nationwide. So more families are turning to their credit cards to pay for groceries and to make ends meet. And families need help getting back on a path to financial stability.

So we are pleased to see that as part of their work to overhaul the banking system, Congress is also thinking about how to get information to consumers. You all play a key role in that regard and we think that this is exactly the right question to be asking. So I know you've seen from some of our papers that our research shows that the one-on-one financial counseling is the most effective way to change the way Latino families make decisions about their budget.

On the other hand, most financial education programs that consist of the broad sort of generic information in the form of classroom style lectures and workbooks, Internet-based seminars, and financial literacy outreach campaigns do not really impact the decision-making. We really need what you all are doing, and that's the one-on-one family, the counselor relationship. And those things are very important. Although these efforts are important for increasing awareness, the other generic type of program—we haven't seen that there's been evidence to suggest that these methods are helping the low-income Latino families in the same way that the work that we are doing through the counseling and effort is.

So from our community-based housing and financial counseling programs, we know we can demonstrate that the one-on-one counseling is a highly effective tool for families and that it increases their credit scores, evaluates credit options, and saves them money.

So helping families make real-time financial decisions that save them money and result in more secure financial situations does require tailored guidance from a knowledgeable counselor.

Janis Bowdler:

Thank you everybody. This is Janis Bowdler, Deputy Director of the Wealth-Building Policy Project at National Council La Raza. I want to thank you all for joining us. As you heard from Janet, NCLR is doing a lot of work to try to promote the one-on-one financial advice through community-based organizations. But you don't have to hear about it from me and I'm not going to talk. We've got a great lineup of folks that are investing heavily in really thinking about how to get tailored financial advice to our families at a time when it's going to mean the most to them, when they're about to make big decisions. Each of our speakers is going to talk a little bit about that.

I'm just going to introduce them all now and then we'll just go in this order. We're going to move quickly so that we have plenty of time to hear your thoughts on this subject and take your questions.

First we'll have Jackie Lynn Coleman, who's the Senior Director of National Programs and is speaking on behalf of the National Community Tax Coalition. We'll have Anthony Santiago, who's COO of Newark Now in Newark, New Jersey; Kristen Komara, who's the Director of Financial Services at The Resurrection Project in Chicago; and Daniela Salis, Program Director of the Mission Asset Fund in San Francisco, California. So with that, Jackie, would you give us a few words please?

Jackie Lynn Coleman: Yes. Thank you, Janis. The National Community Tax Coalition [NCTC] has over 700 affiliates across the country that provide tax preparation and asset-building services to low-income workers. Over seven years ago, the NCTC family recognized that solely providing tax preparation, access to bank accounts, and financial education was not comprehensive enough to move our families up the economic escalator. And therefore, more comprehensive and more in-depth services needed to be folded into the mix.

This being the case, many NCTC affiliates have evolved their services, incorporated financial counseling into the menu of services provided to low-income workers. Our vital programs understand that clients visiting a tax site are there in most cases just to get their taxes prepared. However,

we also know that there is a waiting period and therefore auxiliary services have been included to enhance the experience of the client.

Financial coaching is one of the many experiences that clients may encounter. Additionally, it is important to state that during tax time, trained program staff and volunteers can typically only step in the shallow end of the water when it comes to financial coaching. For some, the very first step may be developing a spending or savings plan, while for others the first step may be pulling their credit report, and for others to develop a goal and then schedule a follow-up session to continue the financial coaching experience.

Programs use the tax time as a carrot to get people in the door. Once in the door, programs are also interested in how they can get the client to come back. So the organizations must have another offering such as financial counseling.

These programs provide an opportunity for clients to talk about their financial goals, priorities, and aspirations. The client takes ownership of their situation and talks through different ways to accomplish their goals. The financial coach is a sounding board, or a prober. The financial coach is the one that's asking the tough questions: Do you have a savings or spending plan? When was the last time you looked at your credit report? Do you know how to access your credit report? Are you interested in receiving your credit report today? And how do you plan to spend and/or save your tax refund?

Now, NCTC supports financial coaching for several reasons, and I will just name a few. One, tax time is the one time of the year that we know that 1.2 million taxpayers that we serve take a good look at their financial picture. Tax time is a teachable moment, and our clients are spending quality time with organizations that they trust and depend on to provide resources, tools, and coaching that will help them enhance their financial health.

Secondly, by offering a cadre of financial services, including financial coaching, we believe that our clients will have access to more information that will broaden their options and position them to make healthier financial choices.

And third, the current financial planning structure is designed to attract the upper-middle class and wealthy. And unfortunately, the millions of low-income to moderate-income wage earners are unable to afford the services and therefore are left to design their own financial plan. Well, organizations that operate VITA [Volunteer Income Tax Assistance] programs and offer financial coaching and other asset-building services

help fill this gap by using trained qualified staff and volunteers who have gone through rigorous days of training to provide such a critical service.

Now I would like to take this time to pass the baton over to one of our long-time standing affiliates, Anthony Santiago from Newark Now, who will share his experience of his program and how they incorporate financial coaching services.

Anthony Santiago: Well, thank you very much for that introduction, Jackie Lynn. And thank you everyone for being on the call, and NCLR for putting this together.

I just want to give you a little bit of background really quickly on our organization, Newark Now, and the work that we're doing in regard to one-on-one coaching and our work in financial empowerment in general.

We opened our organization in 2003. It was founded by then a former Councilman, now the current Mayor Cory Booker. And our mission actually is to help increase economic independence. And we do this in a number of ways, so there are a number of different initiatives we focus on, but I just really want to talk about our work in—through our Financial Empowerment Center. In our Financial Empowerment Center—actually, we opened the doors to our Financial Empowerment Center about last year in 2009. But it was years in the making. When we first started working with the VITA program in calendar year 2004, our first tax season was 2003. Very quickly, we found out about NCTC and became an affiliated member. And they've been an incredible resource in helping us build up our VITA program.

And as we've been working in the field of financial empowerment quickly adding financial education to our VITA work, it kind of—it almost took a life of itself. Out of our Financial Empowerment Center there are a number of programs that we have available. And just to go down the list, free benefit screening, where we're helping folks get connected to much needed resources and benefits; food stamps; medical assistance; health care. We also have free on-site referrals to family counseling. Our VITA program nonetheless is a key component to our Financial Empowerment Center. Free legal counseling. We have an IDA [individual development account] program that was the genesis of our biweekly financial education classes that we also conduct and our one-on-one financial counseling.

Now to kind of touch upon the issue at hand and why we think one-on-one counseling is so important. And though we do provide financial education classes, as I said, on a biweekly basis, and as part of our IDA program and a general service to the community, we always found that the one-on-one piece was critical. And we've been fortunate enough to find foundational support, organizational support, to help bring on a counselor one-on-one.

And we actually have the financial clinic providing that service for us, which is a great not-for-profit organization that brings financial development to low- and moderate-income families.

We wouldn't be able to do it if it wasn't almost for funding alchemy. I mean literally we have to kind of pull from various streams just to make it all work. And again we're fortunate enough right now to have one-on-one legal counseling on site, but it is one of the most needed and requested services that we have at our Financial Empowerment Center. And it's incredible to see that sometimes we're weeks ahead in terms of appointments to sit down with a financial counselor.

The classes are great, it's a fantastic setting for folks to come in, kind of like in a neutral way, but you're really not going to push the needle until folks have that confidence to really open up to someone and they're not likely to do that in a class setting. Being able to make an appointment with a coach and sit down one-on-one is critical. A coach can draft up a budget, develop a plan for retirement, and try to get folks on a path to improving their credit scores.

And many times it starts with some of the simplest components, like opening up a bank account. And a lot of times, we take things for granted, but many of our clients don't even have bank accounts. They don't have debit cards. They don't have credit cards to even rent a car or get a hotel room. So there are so many different areas that folks are apprehensive to kind of open themselves up in a large setting; in the one-on-one setting that's not the case.

So we've been doing one-on-one financial coaching for over a year now. It's an incredible component to our Financial Empowerment Center. And it's actually a model that we're trying to replicate in other areas around the city.

So I wanted to keep it brief, and I'm looking forward to the question and answer session. So I'm going to pass the baton to Kristen Komara. I don't know, Janis do you want me just to introduce Kristen or are you going to take care of that?

Janis Bowdler: I'll just go ahead and let Kristen introduce herself. Kristen Komara from The Resurrection Project.

Kristen Komara: Hi. Thank you, Anthony. Thank you, Janis and Jackie, and everyone at NCLR. My name is Kristen Komara. I am the Director of Financial Services at The Resurrection Project in Chicago. And first I want to tell you a little bit about The Resurrection Project and then later on more specifically about the program that I—the financial counseling program,

or, actually, the comprehensive program I'm here to discuss, and that's our program called *Mujer Avanzando*, Women Advancing.

So The Resurrection Project was founded in 1990 as a community-based organization in the Pilsen community in Chicago, one of the largest Mexican neighborhoods in Chicago. And for the last 20 years we have been working in the community with a real focus on housing and housing issues. We became a part of the NCLR Homeownership Network in 1999, where we began, or we continued actually just in the more formal way, doing one-on-one housing counseling and also became a HUD [U.S. Department of Housing and Urban Development]–approved housing counseling agency.

But it was really a couple of years ago when we started looking at the state of specifically Latino women in Chicago. There are over 250,000 Latino women in Chicago and 25% of them are heads of their households. And what we know about them is that they're the lowest wage earners in low-skill occupations. And so we thought about this and really what we can do to empower these women and move them, and really advance them socially and economically, because we know that many of them face limited progress for themselves, for their family, and for the community. So we joined forces with two other organizations, Instituto Del Progreso Latino and Mujeres Latinas en Acción, two other very prominent organizations in Chicago, to develop *Mujer Avanzando*.

And what *Mujer Avanzando* is, Women Advancing, is an innovative program and an innovative partnership where we're bringing wealth creation, career development, and Latino leadership to our women participants. So a year and a half into the program, we have 100 women—109 women enrolled. And one of the three components of the program is financial counseling. One-on-one financial counseling. The other two components are one-on-one career development counseling, and then also leadership. Latino leadership that I mentioned.

And the real crux of the financial and wealth-building portion is the one-on-one counseling, similar to what Anthony talked about, and how it's really through that one-on-one relationship and that one-on-one coaching that motivates and coaches the women on various aspects related to their finances.

And what we found is that finances encompass every aspect of a person's life, and specifically the women that we're working with. It impacts—finances impact their health, it impacts the success of their family, their education, and whether or not they're able to move forward in their education. And also their psychology, their emotional health.

So in being able to partner with these two other organizations we're also talking to the participants about their career and what it takes to be a leader, and it has been really powerful and also one of the successes of our program.

Briefly, just some of the highlights that we've been able to accomplish since beginning a year and a half ago is that of our 109 women, 83% of them have checking accounts. And that's huge. A year ago we only had about 50% of the women with checking accounts. So that's significant, as many women come in without any type of banking accounts.

And then the other thing is we have a cumulative savings of over \$86,000. That's just about \$800 per person. And we think that is really significant for the community and for the group as a whole.

And some other things that we're working with the women on are, of course, their credit. We've had 16% of them improve their credit score. We've had just about 30% of them lower debt. So it's all of this—the comprehensiveness of this program and the one-on-one coaching that has really allowed these women to advance. Some of the things that I think make our program some of the best practices are certainly the innovative partnering with these two other organizations. It's the holistic approach. We also provide child care so that the women really feel as though they don't have any excuses why they can't attend a class. Or attend their counseling session.

Evaluation and tracking are very important. Understanding what is working and what is the progress that the women are making. We're culturally sensitive. The two financial counselors in the program are both fully bilingual in English and Spanish; so are the other staff in the program. So we're able to really meet the language needs of the women.

And we're resourceful, whereas maybe the financial counselors don't always have all of the answers. I'm very certain—and they're very certain—that they know how to find those answers. And so we have lots of other strong partnerships and relationships with other organizations and financial institutions that we can count on for information, for knowledge, and for expertise. So we're always able to be that resource for our participants.

So I think that's just a little bit about our program. And again, I look forward to the conversation and I welcome any questions that you might have about our program. Thanks.

Janis Bowdler:

Thanks, Kristen. Daniela?



Daniela Salis:

Yes, thank you. Hello everyone. My name is Daniela Sails, and I am speaking on behalf of the Mission Asset Fund, which was established in 2007. A little bit about the organization: Our mission is to expand the access to financial services, savings, and also investment opportunities for low-income immigrants in the Mission District of San Francisco. And our approach to financial locations is also a little bit different, so I'll tell you a little bit about that. And when I mention financial locations, let's keep in mind that I'm talking about the group and also a combination of the financial coaching one-on-one sessions.

The approach that we have is officially based on three main principles. One, they must be integrated with a financial product. Two, they must be culturally relevant. And three, they must meet people where they are. I'll discuss how we're accomplishing this.

The integrated financial education—when we mention this, we're talking about having the coaching and the group classes. For this to be effective, it has to be coupled with something tangible and relevant for the client. It could be a savings account, it could be an IDA account, a lending product, etc. In our case, we're doing all through our peer lending circles called *Cestas Populares*. We're helping immigrants establish or build their credit history. This is a big issue in our community, where a study showed that 44% had no credit score at all.

This is something real and tangible that through the program and also in combination with the coaching and the applications they are receiving, they're able to see an improvement.

The fact that they can see the changes in their credit score is really important for them to stay motivated and improve their well-being financially. And this concept is just based simply in, as we all know, the world economy principle that learning by doing is better. And this is particularly important for the coaching aspect. I mean, many times when we receive a credit report, we are not able to look at confidential materials in a group setting. Clients should be able to discuss these with somebody that they really trust. It's important that you're able to sit down with somebody and really work one-on-one.

We will deliver financial education. But we have come to the conclusion that financial education alone does not work. It has to be able to work wonders when it's integrated with a financial project.

I also want to talk about the cultural relevancy. I heard some of my colleagues here mention that. And to value the cultural aspect of the clients and the community we serve, we do that through our *Cestas Populares* pure lending product. We take a cultural practice common in

immigrant communities and we formalize it by recognizing payment activity. By recognizing this, we do the same throughout our coaching and education, financial education classes, and participants really feel valued. They feel empowered to make strides for their financial well-being. Again, we provide classes in Spanish and in English and in a familiar setting. We try to make the environment very community-oriented, and we take care that people really feel welcome in our location.

Finally, we also have an approach to popular education. We feel that it is really important that the participants have a stake in what financial education is. And again, this is emphasizing the one-on-one, where they really have a voice and they direct the process as opposed to us telling them what they need to learn or how they should be managing their money.

We feel that the *Cestas Populares* program that we are providing is a perfect vehicle to deliver financial education. The groups continue meeting every two months, for example, and then in between they have one-on-one sessions with their counselors. All of our counselors have previous banking experience, and they're also fluent in Spanish and in English.

Really what we found has worked the best is something in addition to curricula. Instead of having a structured curriculum, we have something that is more open, that can be adjusted, depending on the client's need. We do not offer lectures. Instead, we really tell stories and many times real stories, and we ask participants to participate in that way. We really encourage participants to later coach other clients, once they feel comfortable.

I just want to give you an idea of how we've been successful with this approach. In terms of real and tangible results, we took a study in the last six months. We found that *Cestas Populares* participants increased their credit scores by 42 points and also increased their savings accounts by nine percentage points.

So I look forward to also having a conversation later on. Thank you.

Janis Bowdler:

Great, thank you so much. Well, in just a moment we are going to hand it over to you all that have been listening so patiently, waiting for it to open up for your comments and questions.

I just want to take a moment to thank all of the panelists. And just to recap a little bit again, it's because of the success stories that you just heard that NCLR has been pushing so hard for a federally funded financial counseling program. And over the long-term, we'd really like to see an

infrastructure built where community-based organizations in every community would be able to offer this kind of financial advice to the low- and modest-income families living and working in those communities.

Another thing that we wanted to demonstrate on this call is that the financial counseling or financial coaching model is very adaptable. And you can implement it in your organization in a variety of different ways, tailored to your community and tailored to the kinds of programs that you're already involved in. So you heard really three distinct ways of integrating the program, but many of them have the same core values and aspects. They offer timely advice when somebody needs it. They offer a private, safe place where families can ask real questions that have to do with their budget and their personal money issues. It's culturally relevant to them, delivered in their preferred language.

It also is product-specific so that you're giving people the information about the product at the time when they're about to use that financial product. And all of these programs have been able to demonstrate real results: savings, increases in their credit scores, establishing a credit history at all, and opening bank accounts. These are real, tangible results that are going to move our families into a path toward a more secure financial future, and hopefully up in sophistication, so that they are moving onto bigger and better products that are going to help them purchase and accumulate assets.

So with that, we would like to hear from you.

Operator: Our first question comes from Martha Alaquinez.

Martha Alaquinez: Yes, hello. This is Martha Alaquinez with Veronica Derello and Oscar Ramirez from Avenida Guadalupe Association in San Antonio. Hello everyone.

Janis Bowdler: Hello.

Martha Alaquinez: Thank you most of all for having this call. It just hits us right where our heart is, actually. Stories, we've got many. Questions, we just have one. We need more funding because we have discovered that this coaching, advising, one-on-one counseling is just very, very important and not only in our community, but in our city and our surrounding areas.

What we have found most in our areas is that we're predominantly a Hispanic community, but it's pretty much the same across the board where there is fear, not only of people that don't know where the economy is going, the housing market, but those who just don't know where to go. Don't know where to turn. And they have this idea that financial advisors

are only for the rich. You have to pay for that and we have to debunk that myth, so we spread the word that everyone deserves financial counseling and advisement because of that fear with the economy and not knowing what to do with their money.

A lot of the foreclosure folks that come through here come in a crisis. We do a lot of crisis budgeting and just getting down to the basic needs of a family. And, of course, we can't treat them just one-on-one; we have to treat the whole family. And as she mentioned earlier, it's tough to just treat somebody like an account. There are real lives being affected. And to make an impact on that family, we have to treat them respectfully and address their needs as much as we can.

Janis Bowdler: Thank you very much.

Martha Alaquinez: Sure, thank you.

Operator: Our next question comes from Pat Tracey.

Pat Tracey: Hi. Pat Tracey and I'm with Real Estate Education and Community Housing in Palm Beach Gardens, Florida. And this was very timely. I very much enjoyed hearing all the discussion. And we are a HUD-approved agency. We do a lot of first-time homebuyer counseling and credit and budget counseling as well as the modification foreclosure counseling.

And working with lenders, we've recognized that those who put an earned down payment into the loan are more successful in home retention than gift bought. And that sort of brings me to the individual development account, the IDAs. If greater funding were established for the IDAs—and maybe that's already under consideration—I think the homebuyer would have a more solid savings plan, or he may put it towards education as I understand it, or even a small business. We need those financial funds for 101 counseling, but we also need the IDA plans to help those people grow their money and understand that savings is a very important part.

So it brings me to the question, will there be additional funding for this purpose? Both for the IDAs and the individual counseling necessary to make our financial counseling programs a success?

Janis Bowdler: Thank you so much. Is it Pat?

Pat Tracey: Pat, yes.

Janis Bowdler: Thank you. You know what, Pat? I actually am not sure. The budget just came out, and I confess I don't know off the top of my head what the

funding was for IDAs. But we'll certainly take a look at that and get back to you.

The second part of your question on whether or not there is additional funding under consideration for financial counseling: right now, it's not. The financial education and counseling pilot program that is currently at the CDFI Fund within the Treasury, which is right now the only source of federal funds available for this kind of financial counseling—and it was just a pilot program—was not included in the president's 2011 budget. So in terms of advocacy, it's certainly on NCLR's radar.

We're going to be pushing hard and we would invite everybody on the phone to write your House representatives and senators to tell them that funding for this kind of program is really important. We're going into budget season and it's something that NCLR will certainly be focused on.

I don't know if other panelists want to speak to that.

Anthony Santiago: I just want to give a shout out to our senator for his efforts and his support in this issue. That's all I want to add at this moment.

Janis Bowdler: Great, thanks. Is there another question out there?

Annette Eboten: Hi. This is Annette Eboten from Lawrence CommunityWorks [LCW]. And I have Reyna Burgos right next to me. Hi.

Janis Bowdler: Hey, how are you guys?

Annette Eboten: We're doing good, thank you. We would like to thank you first of all for this opportunity to voice that there's such a great need in all of our communities for individual counseling.

Here in Lawrence CommunityWorks we have been doing IDAs. And I have to agree with all of you and all of the other comments that this is such a great need in our communities because it makes such a great difference for our members.

Also, we have been doing the financial literacy workshops every month. For our members to participate in our financial literacy, they also have to come in to one-on-one counseling. I think first they don't see the need for one. They come to the first meeting. They understand that it is good information and that the counselors can help them, that they can learn what their credit is saying, what their credit score is saying about them and also the opportunities that they have if they work with their credit scores.

Again, I would like to voice that we need more funding. Everybody that is in this call and every credit company needs more funding for financial counseling because it's a great program for our low-income members.

LCW has a great program that has helped families. We have different models; we have the community IDA that leads participants to become homeowners, but they can also invest their money for education, or invest the money to become business owners.

We also came up with a “welcome home” model, which is for mortgage-ready clients. It's six months and they can save money and come to the credit counseling and also participate in other financial literacy workshops that we provide. Because of this program and others that we have, we have been able to counsel almost 400 foreclosure clients. I will say out of all the positive outcomes, 75% of them avoided foreclosure. We also produced 88 first-time homeowners last year and counseled 294 first-time homebuyers.

Janis Bowdler: That's really great. I know you guys have had a lot of success with that program. Thank you.

Annette Eboten: You're welcome. And again, thank you so much for this opportunity. And please let us know what we need to do to tell Congress that financial counseling is important and that we all need it.

Janis Bowdler: Great, thank you. There are other questions or comments on the line?

Kristen Komara: I just wanted to make a comment. This is Kristen from The Resurrection Project. Something that I've just been thinking, and she just sort of alluded to it—I mean this idea of financial planning and financial counseling. She was talking about how a lot of times when folks first start the financial literacy program they don't know that they need it or they don't know what value they can get out of it.

And I think in middle-income and upper-middle-income families, financial planning is very common and it's seen as something that is needed because you have money, and you have wealth, and you need to know how to plan it. But a lot of times lower-income families think, “Well, I don't have that much money, so what do I need a financial planner for? Or what do I need financial counseling for?”

But, really, we recognize the importance of good financial information and financial counseling across all income levels. And even though families may not have large amounts of money at this moment, I mean the whole point of the work that we're doing is to help them create wealth, and to help them think long-term, and to help them plan for their future. So I

think that's almost like a shift in thinking that we need to address as we increase these efforts.

Janis Bowdler: I think that's such a good point. Sometimes our families don't know what they don't know and they don't always know the exact right questions to ask. But when they come into organizations like yours or any of the ones that we've heard from, being able to guide them towards that advice is invaluable.

Other questions or comments? Or other comments from the speakers as well?

Operator: Our next question comes from Dorothy Herrera.

Dorothy Herrera: Hi, I'm an attorney with the Legal Aide Foundation of Los Angeles. And I just think all of this is so critical. I do mostly foreclosure work right now in the last year and a half. And it's seriously appalling just how little information people have.

My question is, how are the banks on providing funding maybe through the American Recovery and Reinvestment Act, or how are they on providing funding for these kinds of services?

Janis Bowdler: First of all, Dorothy, it's good to hear from you. This is Janis. Banks have been involved for a long time in funding financial literacy programs. And on occasion they've really treated it like a branding opportunity, an opportunity to get out there in front of the community. And I won't speak for the groups on the phone, but I know in general most groups on the ground are happy to partner with local banks that want to do right by the community. And I would just challenge, or I do routinely challenge, all of those, our friends within the banking industry, to really think about a deep substantive program like the ones that we're hearing about and make investments in those kinds of programs, and look beyond the branding opportunity to the opportunity to build long-term relationships with the potential clients.

I don't know if any of the speakers want to talk a little bit about how successful you have or have not been in getting funding from local banks?

Anthony Santiago: I just want to say that when we first started doing financial education, it wasn't a line item; it wasn't a program that we had funded. It was just something that we knew was important. Free tax preparation is great, but unless you're being able to engage folks in a substantial way on what 40% of their annual income in one lump sum can—what could be done with that, then that's a seriously missed opportunity.

So when we started looking for partners in financial education, there were a number of bank partners who were willing to provide space for us to conduct these workshops. Again, it wasn't something that we were funded to do, but we knew it was critical, so I found a number of institutions that were willing to open up their branches, invite the community in, and share. And it wasn't about a hard sales pitch; it was just about community bankers wanting to educate the people within their city. If folks wanted to grab a business card afterwards, great. If they took that as an opportunity to open up a bank account, even better. But it was all about education.

I can say over the years—and I'm going back again to about 2004—that's continued to be the case. More and more, we've been able to develop really good relationships with our banking community. Newark just launched a bank on [inaudible] program in the fall of this year, and it really was a result of all those, I would say, civic-minded banking institutions who came to the table willing to develop a product that really spoke to our local market. So the banks have been incredibly supportive in both doing financial education and supporting the work of CBOs [community-based organizations] like ours. So that's what I could say from our perspective.

Jackie Lynn Coleman: This is Jackie Lynn. I wanted to add to Anthony's statement as well. The financial institutions have definitely evolved in terms of supporting this work. And so what we've seen at the National Community Tax Coalition is that there has been an increase of support across the country from financial institutions on a variety of levels.

And just as an example, NCTC did launch in October a volunteer engagement initiative that purely focuses on engaging more financial institution associates to actually volunteer and support asset-building initiatives across several different communities. And currently we're in at least six different states. And those financial institution representatives have been trained to be credit report educators, as well as FASFA coaches. Some are doing also budget coaching and a slew of other services, so that it's more than just providing actual dollars for programs, but also making a true long-term commitment to the organizations and the communities in which the banks are located.

Janis Bowdler: Thanks. Did anybody else want to speak to that or should we go to the next question?

Daniela Salis: Yes, this is Daniela Salis with the Mission Asset Fund. I also wanted to echo the comments that in our case it has been really important to continue the work we are doing with the community. We see it as more as a bridge. It's really important that, for example, when a client comes through our lending and is getting ready to then become—going through a more



traditional loan when he goes to the bank—we really have to work on him with the banking institutions that are in the neighborhood.

Janis Bowdler: Thanks. Let's go ahead and go to our next question.

Operator: Our next question comes from Eileen Wolfington.

Eileen Wolfington: Can you hear me?

Janis Bowdler: Yes, please go ahead.

Eileen Wolfington: *Hola*. This is Eileen Wolfington from the Federal Reserve Bank of St. Louis. And I'm in the central part of the United States in, well, St. Louis, Missouri, which we call the Heartland. And of course we have an emerging Latino market throughout our footprint.

But I didn't really have a question. I wanted to share a comment. When we talk about the relationships that one can have when we use the term financial institution, I hope that everyone's thinking not only about traditional banks, but also credit unions, especially community development credit unions and community development banks, because they really understand our population and they understand how to deal with the low- to moderate-income population.

Somebody earlier, one of the speakers, talked about bringing the information to where the people are. We just hosted an event that talked about workplace financial education. An idea that I want to plant with you all is if you have employers that have a large Latino worker base, sometimes if an employer endorses bringing the education to the workplace on the company time—so that employees can feel less stressed about their money management, can understand the value of direct deposit, or participating in a 401(k) plan—that's something that might work.

I know that a lot of us need funding to implement the programs that we have. Leverage the banks that have internal volunteer networks. Some of the larger organizations, like PNC, which used to be National City, or Bank of America—sometimes they have volunteer networks within their banks where the employer allows them to give service hours into the community. And what better way to bring their information to the community and build those bridges so that our clients don't feel intimidated walking into their branches?

And the last organization that you may want to consider when funding is tight—there is a national nonprofit called Foundation for Personal Financial Education. They have a speaker's bureau where individuals with

various backgrounds from investing to retirement funds, to financial planning, etc.—they provide their workshops free and they can take it to a workplace or to a community.

There are many resources out there available to you, so thank you to the National Council of La Raza for bringing this forum together so that we can all share our ideas and leave after hanging up knowing that there are other resources that we can use. *Muchas gracias.*

Janis Bowdler: Thank you, Eileen. Do we have more questions out there?

Operator: Our next question comes from Dan Thomas.

Dan Thomas: Good afternoon, everyone. My name is Dan once again. I just moved to the southern portion of the San Joaquin Valley in California. I'm here with AmeriCorps VISTA at a nonprofit organization. I relocated out here from Wisconsin. We are pitted with some very grave challenges. Our VISTA program will be starting this week and one of the things that I'm kind of tasked to do and I'm happy to do is grow and expand the VISTA program for next year and also see what sort of financial curriculum we can construct for our clients here.

What we're going to do this year differently is we're going to on the front end have some sort of a demographic collection tool used to incorporate the stats that we get back from this year's VISTA program and try to implement that for next year and implement that into a training course for next year.

I had two quick question, the first question being primarily for Jackie Lynn. This is a question for you, but it'll be open for anyone else who could also chime in, but then a second question is for everyone on the panel. The first question being that I would like to know what a financial course would look like having different levels of financial needs in mind for those who are in grave need of financial coaching; how is a level of counseling different from those who are not as, not “at risk” or “financially at risk”?

Jackie Lynn Coleman: Wow, that's a really tough question. So the financial coaching classes do vary in some particular areas. As was indicated, the audience, the population, may be different based on their actual needs. They're also based on cultural sensitivity issues. And so many of our programs do keep that in mind and actually seek out to get the appropriate courses that are going to meet the needs of their population.

However, in many cases—and guys, also feel free to chime in—you're going to see courses on budgeting, developing saving and spending plans,

understanding your credit report and credit needs, being able to develop your own savings goals, whether it's for yourself or for members of your family. So it will vary. In some cases there are also some additional classes around bankruptcy so people can kind of understand the difference between Chapter 7 and Chapter 13. So again, it varies from one end of the spectrum to the other.

And again, trying to customize it to actually meet the needs of the individual that is actually being served and what their actual priorities are. I hope that begins to answer some of your questions. Does anyone else want to chime in?

Daniela Salis: I wanted to just add that we really encourage also the client to participate as kind of the popular education model, just trying to encourage them to ask what they would like to learn and really be part of the training itself. I just wanted to—we see that they're a lot more empowered when they have participated at this level as well.

Janis Bowdler: Dan, one thing we could do for you is maybe follow up with you and make sure that you have the email addresses of Jackie Lynn and maybe some other folks on the phone, if they don't mind that, so that you can ask some more detailed questions. They have a wealth of knowledge and I'm sure if you had a chance to get your counselors to talk to their counselors, they'd probably share a lot of really great tips.

Dan Thomas: All right. Thank you.

Janis Bowdler: Do we have more questions?

Operator: Our next question comes from Hassan Nicholas.

Hassan Nicholas: Good afternoon. This is Hassan Nicholas from Community Financial Resource Center in South Los Angeles. I really forgot my question, but I just wanted to thank you guys for assembling this together. We're involved with IDA programs as well as Bank of Los Angeles. And I know our approach has been to really tailor our financial literacy to the different demographics that make up our audience. So we've had a lot of success doing that as far as tailoring our curriculum.

Also, we like to stress a lot of savings for our participants, and just kind leverage partnerships with other programs in the community. Since we don't receive a lot of traffic at our center, we have to kind of rely on leveraging other community organizations, and we found that piggybacking has been really helpful.

But I would kind of like to know if there's anything in the—I guess with the bank industry—if they're working on any kind of products that are more suitable for that low- to moderate-income demographic. Because, I mean, we see a lot of check cashing and payday loan vendors in this area and they seem to be doing a better job at marketing to that community than a lot of the banking institutions. And there's really a lack of branches in the area and things like that. So is there any word of banks, I guess, getting more creative with how they're going to market to this community and how they're going to penetrate that market?

Janis Bowdler: That is an age-old question in my opinion. We try to push our bank partners to do more to get into the community and you put it exactly right. Many, many times we see payday lenders and check cashers and, quite frankly, the subprime mortgage lenders that did a much better job outreaching to our community. And hopefully as we see some of the regulatory reforms on Capital Hill move forward, we'll be able to answer at least some of those questions.

One provision that NCLR is supporting is the creation of a consumer financial protection agency that would bring more of those players into the federal regulatory fold, give us real rules of the road and accountability for those kinds of institutions.

And also for a long time we've been supporting predatory mortgage reform. That's something that I don't see moving this year, but we're going to continue to push for it. And there are a number of other provisions out there that can start to answer some of these questions.

So we will continue to be working on them and we encourage you to stay tuned and to take that message directly to your legislators. Did others want to comment on that?

If not, I know we still have some questions. We're about at the end of our hour. Let me just do a time check with our panelists. I see that we have a few more questions. Do you have another ten minutes to stick with us?

Daniela Salis: Sure.

Jackie Lynn Coleman: Yes that would be fine.

Janis Bowdler: Okay, let's go another ten minutes and see if we can't fit in a couple more questions.

Operator: Our next question comes from Jess Sendors.

Jess Sendors: Hi, Janis. How are you? This is Jess Sendors with El Centro in Kansas City. I had a couple of questions. And Kristen got a little way towards the first one. What kind of caseload are you looking at for these financial coaches? I mean how many clients can they really see?

Kristen Komara: Well I can just say for our program, I think it really depends on how you structure your program and what are the goals for your program. When we put our program together, we really wanted—ours, it's actually a three-year program. So we intend for all of our participants to commit to a three-year period where we're going to be working with them one-on-one. And so the whole intention of our program and the goal of the program is much more intense. So we have 109 women enrolled and by the end of this year we'll have 175, and probably another 40 or 50 in 2011.

We just were able to a couple of months ago through NCLR actually and through the AmeriCorps program, and additional funding that came through the Recovery Act, bring on an AmeriCorps member who's acting as another financial counselor because we found that the one financial counselor we had wasn't enough for these 109 women because they were meeting—all these women are expected to come in at least once a month or at least once a quarter for a counseling session. They also go through a 19-week financial education—group education classes.

So I think that's where again resources become a really key issue and understanding what is a reasonable caseload and to be able to expect results. There's always a balance between managing your caseload and in the same quantity versus then quality. So those are just my two cents in about that.

Anthony Santiago: This is Anthony again. I would just like to follow up. And I think that's exactly it. It's based on resources. Currently, we were able to get support for a financial coach to come in once a week and when they do come in, they can only see ten people. So right now we're booked all through the month of February. So if we are to try to make further appointments, it isn't until the first week of March that we can even squeeze somebody in.

The issue is what we have available in terms of time slots versus the need. If I could bring in a coach more than once a week, then I would probably still be booked through March, but we'd be able to see twice the same amount of folks.

So I do want to give another kind of credit to the Certified Financial Planners Association of New Jersey because they were key in providing a volunteer who came on board, and this is really singular, for almost four months, 9:00 to 5:00, five days a week. This particular individual was working on his certification and he was able to use the planning that he did

with our clients toward his certification. So he was a financial planner in training, he was working toward his certification. But it was through the pro bono committee of New Jersey's Financial Planning Association that he came on board through us.

So we are collaborating with all the folks who are willing to collaborate, whether it's traditional banks, whether it's the Financial Planners Association, but the need is still there. The need is still there. And if it weren't for a separate grant that we could get the financial clinic to come on board at least once a week, then that designated one-on-one person wouldn't even be available. I'm trying to hit all the nails on the head, but I do appreciate the question from our friend in Kansas City.

Jess Sendors: Yes, Kansas City.

Anthony Santiago: Be well.

Jess Sendors: Okay. And then the second question was what type of training or what qualifications are you looking for in these people that are financial coaches? I mean obviously if you can get somebody that's working to be a certified financial planner, that's great.

Jackie Lynn Coleman: Well we found in our program—so the two—the AmeriCorps counselor that we've been able to bring in—it's actually interesting. I was thinking about this when Anthony was talking about it. She's working toward her MBA and she's taking classes in financial planning. And I think kind of going back to the conversation before really quickly, I think that there's a real opportunity to establish partnerships in more creative ways, even with some of the universities. So she's taking this financial planning course and one of her professors was interested in the work that she's doing as a financial counselor with our organization and said, “Hey, can I use some of your participants as case studies?” I'm thinking, okay, well we can use those as case studies and maybe there's an opportunity to continue working with this professor and perhaps even making it a more formal partnership.

In any case though, she is working towards her MBA and I think that's maybe unique. I don't know if all of the counselors that we'll bring on will have that level of experience. Our other counselor actually doesn't have a background in financial planning but a background in adult education. And that's proven to be really useful.

I think some of the best qualities that a counselor can bring in are resourcefulness, creativity, and then also sort of an interest and savviness in finances. This is helpful. There are financial education curriculum trainings, there are financial counseling trainings that we've been able to

tap into. I think it's bringing on the right person. But my sense is this was really key and then there are trainings that exist out there.

Jess Sendors: Thank you.

Janis Bowdler: I'll just plug quickly that NCLR is currently looking at co-authoring a training program on financial counseling geared at low- and middle-income families. So that's something that we hope to roll out this year that will provide more access to training for this kind of stuff.

I think we have time for one more question. Can we take one more?

Operator: Absolutely. Our next question comes from Yajaira Benet-Smith.

Yajaira Benet-Smith: Hi. I'm in South Carolina in Buford. I teach prenatal care classes. So I'm not doing what you are doing. But it's very interesting because as you also mention, when I deal with pregnancy and families, there are many other issues that come up. I was interested in knowing if you know of any organization in South Carolina that does this kind of work like financial counseling for people? Thank you.

Janis Bowdler: That is such a good question. I don't actually. Jackie Lynn, do you guys have an affiliate in South Carolina.

Jackie Lynn Coleman: We do have—South Carolina, is that correct?

Yajaira Benet-Smith: Correct.

Jackie Lynn Coleman: Okay. We do have a couple of affiliates in South Carolina. And I can do better if you would visit our website for some additional information. Or you can shoot me an email and then we'll be able to connect you.

Yajaira Benet-Smith: Okay, and what is the website? I'm sorry.

Jackie Lynn Coleman: It's tax-coalition.org.

Yajaira Benet-Smith: Thank you.

Jackie Lynn Coleman: You're welcome.

Janis Bowdler: With the permission of all the speakers, we'll put your emails on the website. Is that okay?

Jackie Lynn Coleman: That's fine with me.

Janis Bowdler: Okay, and I'll check with you guys offline. But if folks follow up on the NCLR website after this we will be posting a recording of this call and also contact information so you can get a hold of the speakers to ask any questions.

So with that, I'm told we have one more question in the queue.

Operator: Our next and final question comes from Susz Lay.

Susz Lay: Good afternoon. I'd like to ask if at any time do you use the Coaching Federation to help train your coaches so they ask pertinent questions and be more on target?

Janis Bowdler: To any of the speakers. Have you used that training program before?

Jackie Lynn Coleman: Is that the same as the Tribe Coaching?

Janis Bowdler: No.

Jackie Lynn Coleman: No, okay. No, I have not used that.

Janis Bowdler: Susz, I would love it if you would send me an email about that program and we'll certainly take a look at it. We're always gathering information and resources to put out there for folks.

Susz Lay: Okay, I wanted to say one other thing about funding. I'm in California in a very rural area, and I'm the only HUD-approved counselor in this county at all. One of the things I found is that the larger banks are so competitive and by the time we apply, it seems that most of their funding is going to the urban areas and not so much rural. Our smaller banks are a little better but of course they don't have as much funding.

And also some of the funding that's out there, the amount of paperwork and reports that are due, sometimes even with the HUD 9902 and all these other things I'm doing, it's so difficult to apply for some other type of funding when I know that the reporting and the amount of data that I'm going to have to collect is overwhelming. It's like, is it even worth it? Or should I just concentrate on my clients? Because they expect so much out of it when they do give us a decent amount of funding. So that's just my comment.

Kristen Komara: Yes, I agree. Susz, this is Kristen. I believe we met in Sacramento before being on the call.

Susz Lay: Yes.



Kristen Komara: I think you make a good point. Sometimes we think about that too, especially given the amount of some funding that isn't significant. I mean you're talking about significant amounts of funding. Some funding isn't even that significant and it requires a lot of reporting and paperwork.

Susz Lay: A lot.

Kristen Komara: I think one thing that I can say is that having just good tracking and evaluation methods in place are very useful. The more you can do preventatively or proactively, the better. Otherwise, those reports just become such a burden. But I hear you, and that's sometimes just the nature of the funding.

Susz Lay: [Inaudible] changing things or if they would complete their website and stuff they need to do. Like I said, they keep wanting more and more information. Sometimes it gets crazy.

Janis Bowdler: Well, thank you so much for those last comments. We're over time and I want to respect everybody's time. I really appreciate everybody who was able to join the call for this discussion. I want to thank our speakers and panelists for sharing more about their programs and for making themselves available as a resource to all of you who are trying to figure out how to do this program.

I would really encourage everybody that's on the phone to reach out to your senators and let them know that you need funding for a financial counseling program. I think the phrasing Anthony used earlier was “an alchemy of funding,” this hodgepodge that you've got to put together. And what we really need is a steady federal investment to build an infrastructure that allows us to get advice to low- and middle-income families. As Kristen said earlier, the perception is they don't have money, so they somehow don't need advice. All of you know that that's not the case. They may even need it more than those that have resources.

NCLR is certainly going to pursue this as an advocacy item, and we invite you all to do the same. With that, are there any final comments, or tips, or pointers from our folks on the phone?

Janis Bowdler: Thank you so much. I just want to thank everybody for being on the call, and we look forward to getting your emails about other comments and suggestions. You'll be able to find the recording of this call on NCLR's website in the next day or so. Then following that, we'll have proceedings from this call, so you can review the information and any questions that were asked.

Thank you very much.