

Federal Deposit Insurance Corporation (FDIC)

Money Smart Program

Developing financial relationships with
your financial institution

FDIC



**Money
Smart**

Building :
Knowledge
Security
Confidence

Penny B. King

**Federal Deposit Insurance
Corporation**

Monday, June 28th, 2010

WHAT IS THE FDIC?

- Insures deposits up to \$ 250,000 until December 31, 2013;
- Promotes the safety and soundness of insured financial institutions;
- Regulates financial institutions for compliance with consumer protection laws and regulations; and
- Facilitates community development efforts.

WHY IS FDIC INVOLVED IN FINANCIAL LITERACY?

- Financial Literacy is a UNIVERSAL NEED and for those in poverty, a necessary tool to enter the financial mainstream and achieve SELF- SUFFICIENCY.
- To assist consumers in shaping their financial future;
Key issues:
 - The high cost of being unbanked
 - Difficulty in building a credit history
 - Susceptibility to crime
 - Impact on building personal wealth
- To encourage financial institutions to identify untapped markets; and
- To help fight predatory lending.

WHY DID THE FDIC DEVELOP MONEY SMART?

- FDIC created Money Smart to encourage the millions of American families outside the financial mainstream to join the financial mainstream;
- Financial literacy is the very core of healthy families and communities; and
- Financial literacy, like building wealth, is a process, a learned behavior that begins with education and understanding basic money management.

Why Financial Literacy?

Financial education is needed

1. Face the challenges of everyday life
2. Observe the Americans with Disabilities Act
3. Strive for more than a life of poverty
4. Low personal savings rate
5. 58% of households with credit cards carry balances; average balance is \$5,100
6. Use of budgets
7. Growth in alternative service providers
8. Viability of small businesses
9. Homeownership

FDIC' Role

The FDIC provides the Money Smart curriculum to interested parties free of charge. A limited number of copies are available to each party; however, the materials are easily reproduced and have no copyright restrictions.

FDIC staff is available to provide technical assistance and to help facilitate partnerships among interested parties.

Conduct Train-the-Trainer classes training can be provided free of charge to a group of 10 or more.

Distribute the curriculum to potential instructors

Publications

For more information or to bring Money Smart training to your community:

www.fdic.gov/consumers/consumer/moneysmart/trainthetrainer.

WHAT IS MONEY SMART?

The Money Smart program is a set of 10 instructor-led training modules covering basic financial topics;

Each training module includes a comprehensive guide for instructors and a take-home booklet containing highlights and resource material for class participants;

The instructor guides have everything necessary to begin teaching the program right away with easy to follow cues and script, overheads, and interactive class exercises; and

The booklets for participants are provided in a camera-ready format so that each sponsoring organization can reproduce them as needed.

WHAT IS MONEY SMART? Cont'd

Each module is structured identically

Duration of each module: 1-2 hours

Available in: English, Spanish, Chinese, Korean, Vietnamese, Hmong & Russian

Version for the visually impaired available

Revised as of August of 2007

What Lessons Are Included in the Money Smart Curriculum?

Bank On It: Major types of insured financial institutions; differences between banks and check-cashing services, basic banking terms and banking services;

Borrowing Basics: An introduction to credit; the importance and value of credit and different types of loans;

Check It Out: The benefits of using a bank vs. using a check-cashing service; how to choose, open, keep and reconcile a checking account, and how to write checks;

What Lessons Are Included in the Money Smart Curriculum? - Cont'd

Money Matters: How to keep track of your money; concept of budgeting, benefits and how to use a budgeting tool;

Pay Yourself First: Why you should save; ways to save and how money can grow, and the difference between savings and investment accounts;

Keep It Safe: Your rights as a consumer; the laws that protect your rights as a banking consumer, ways to avoid scams, ways to protect your identity and how to resolve complaints regarding your bank account;

What Lessons Are Included in the Money Smart Curriculum? - Cont'd

To Your Credit: How your credit history will affect your credit future; what a credit report is and how it is used, how to order and read a credit report, how to start repairing credit and how to recognize credit repair scams;

Charge It Right: How to make a credit card work for you; the characteristics of a credit card, the costs of using a credit card and the potential problems with credit card use;

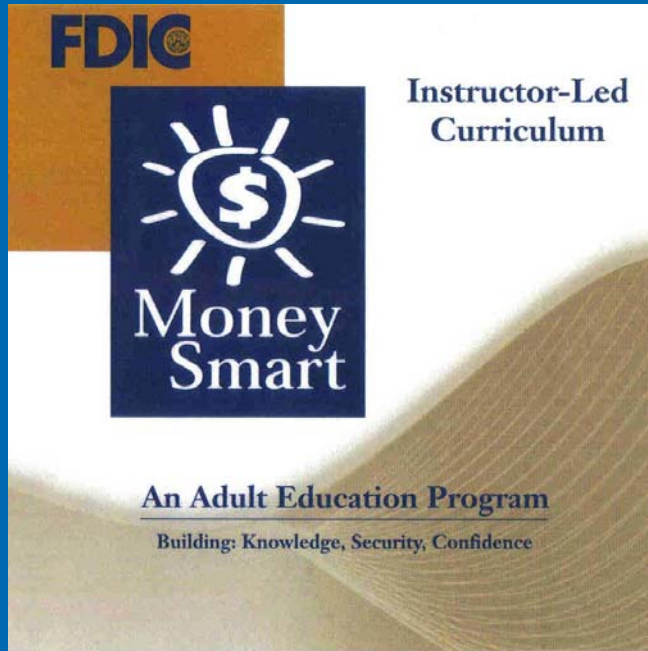
What Lessons Are Included in the Money Smart Curriculum? - Cont'd

Loan To Own: Know what you're borrowing before you buy; the different types of consumer installment loans and the right consumer installment loan for your needs; and

Your Own Home: What homeownership is all about; the benefits and pitfalls of renting versus owning, how to determine your readiness to buy home, different mortgage programs and basic terms used in the mortgage process.

Two Adult Versions: Instructor-Led & Self-Paced

Instructor-Led



Self-Paced



Computer-Based Instruction (CBI) (Self-Paced) Curriculum

- Online or CD-ROM
- 20-30 minutes per module
- Virtual instructor
- Available in English and Spanish
- Test requiring passing score to advance
- Revised in 2007



Ages 12-20

Aligned with all 50 states educational standards

Layering table to customize instruction

Characters illustrate real life applications

Knowledge Checks

Computer-based scenarios

Indexed to state standards!

Money Smart for Young Adults

Modules:

1. Bank On It (banking basics)
2. Check It Out (checking accounts)
3. Setting Financial Goals (spending and money management)
4. Pay Yourself First (savings options and goals)
5. Borrowing Basics (credit fundamentals)
6. Charge It Right (credit cards)
7. Paying for College and Cars (education & auto loans)
8. A Roof Over Your Head (basics of renting or buying)

10 Reasons Why Money Smart Is Unique

1. Easy to teach
2. Easy to Learn
3. Flexible
4. Targeted to cash consumer
5. Universal appeal
6. No copyrights
7. Multiple media
8. Multiple languages
9. FDIC seal of approval
10. Free!

Coming Soon!

FDIC/FRB Atlanta Money Smart Financial Planning Curriculum

MS Financial Planning curriculum is a financial planning product that covers the basics of financial planning, investment, retirement and benefits, estate planning, insurance and income tax.

Asset Building Strategies

- Tax Refund (Direct Deposit)
- Individual Development Accounts (IDAs)
- Bank-On Programs

Tax Refund Direct Deposit

- Tax refund can be directly deposited into a new bank account vs. the traditional rapid refund option.
- Create banking relationships
- A great way to enter into the financial mainstream

Individual Development Accounts

Individual Development Accounts (IDAs) are matched savings accounts that allow individuals with limited income and limited wealth to save money and to build assets.

The IDA Provider partners with Financial institutions, foundations, churches, private donors, and state and local governments to fund the matches to the personal savings of IDA holders (usually at a rate ranging from \$1 to \$8 for each dollar saved).

Individual Development Accounts

Individual Development Accounts began to receive federal funding in the late 1990's as an asset building strategy for low income, low wealth families.

Federal funding for the accounts were provided by two sources, Temporary Aid to Needy Families (TANF) and the Assets for Independence Act (AFIA).

Assets accrued in an IDA established using TANF or AFIA money can not, under Federal regulations negatively impact an individual's eligibility for federal programs.

Individual Development Accounts

An IDA can be used to purchase

- 1. a home**
- 2. higher education and training**
- 3. a business**

For a Local IDA Provider, cfed (Corporation for Enterprise Development) www.cfed.org or <http://idanetwork.cfed.org>

Bank On Programs

Bank On Programs are good for combating most unbanked consumers distrust in the financial system.

There is a lack of trust and misconception of the financial industry, which “Bank on Programs” can assist with redirecting unbanked consumers through effective marketing and partnerships efforts.

Bank On Programs

Because of these misconceptions unbanked consumers:

Never considered opening an account before;

1. they need immediate access to their cash;
2. accounts are too expensive, (i.e. overdraft fees and minimum balance requirements).

AND

Generally dependent on untraditional service providers such as:

- Check cashers
- Small dollar loans
- (i.e. auto title lenders and pawnshops)
- Bill payment services
- Money orders

Promoting Financial Education and the Value of Banking Relationships

Financial Education is an important multi-year initiative for the FDIC because

- How much people know about basic money management affects the strength of our communities and national economy.
- When people learn more about savings and managing money they become more financially independent.
- They save for a better life, often leading to home ownership and use of financial services.
- These new homeowners and investors have a stake and contribute to more vibrant communities.
- The end result? A more stable financial system and more prosperous America.

Promoting Financial Education

Money Smart Financial Education Curriculum

- Curriculum Distribution
- Partnerships and Alliance
- Consumers Reached

Continued Expansion and Update of Curriculum

Outreach and Media Campaign

Framing the Issue

Whether it is access to:

- A quality education
- Effective transition from school to work-
- Needed transportation, housing, technology or long-term supports

Enduring poverty and lack of economic empowerment will

- Diminish choices and quality of life within communities and
- Singularly diminish freedom, opportunity, and self-determination.

Framing the Issue

A dependence on public benefits for income, health care, food, and housing becomes a trap that requires staying poor to stay eligible!

FDIC/Gallup Financial Behavior Change Survey

- In 2005 – 2006, FDIC and Gallup studied the effectiveness of financial education on the behavior of students
- A 3 part study measuring behavior overtime, some six to twelve months after taking classes
- 69 per cent realized an increase in savings
- 53 percent reduced their debts
- 58 per cent comparison shop their financial services needs
- 61 per cent who didn't budget now use one

Working together with Community Partners

- teaching/delivering Money Smart
- hosting classes
- facilitating program implementation
- promoting Money Smart
- evaluating Money Smart efforts
- enhancing delivery and distribution networks.

Thank you!

Penny B. King

Peking@fdic.gov

Step Up Savannah Inc.

Savannah's Poverty Reduction Initiative



Step Up Savannah Mission:

The Step Up collaborative will enhance economic independence in Savannah by encouraging residents to take personal responsibility and organizations to identify and work to reduce barriers to self sufficiency; by finding, redistributing or creating the necessary resources; and by evaluating outcomes.

Action Plan

A community makes a plan

How do you address the magnitude of issues in poverty?

- The City of Savannah initiated a task force in 2004 that researched and analyzed poverty and the “support system”
- Key barriers to self-sufficiency identified
- Poverty identified as an economic development issue
- Poverty Simulations

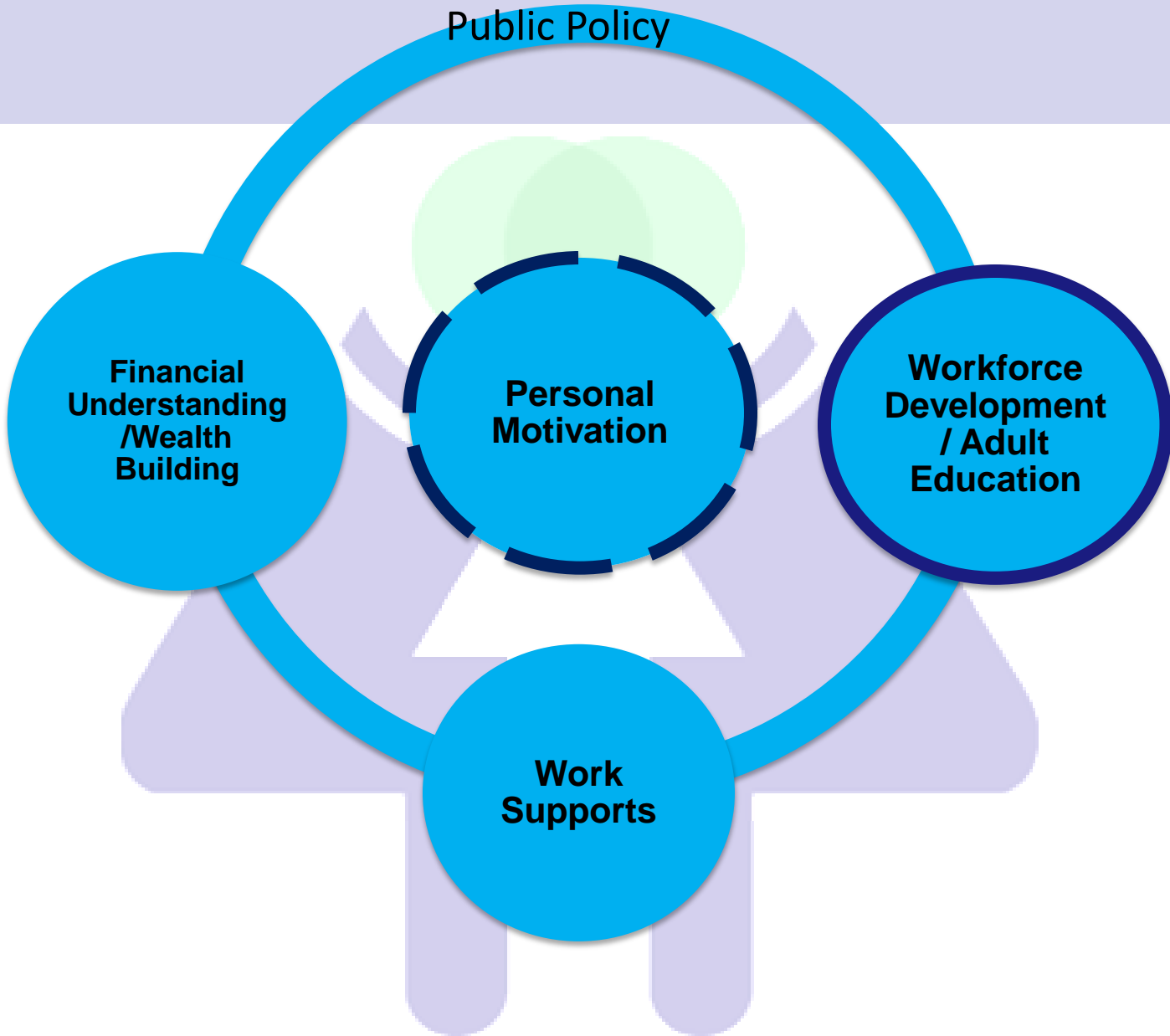


Poverty Simulations



Billy Carver, Commercial Fleet Director of J.C. Lewis Ford tries to “survive” the week in a poverty simulation.

- **Identified poverty simulations as an engagement tool**
- **Brought business actively and long-term to the table**
- **Over 3000 participants go through poverty simulations from 2005-2009**



Workforce Development: Centers for Working Families Characteristics: Bundling of Services

Employment & Career Services

Income & Work Supports

Financial Services & Asset Building

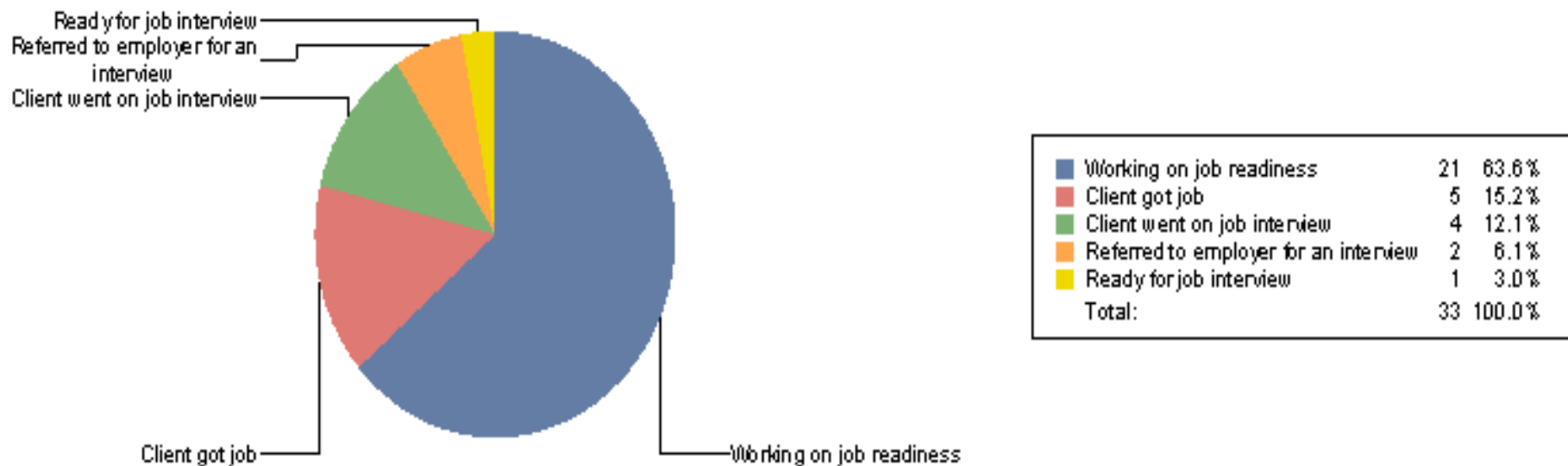
- Skills Assessment
- Job Readiness
- Job Search
- Hard Skills Training
- Soft Skills Training
- Career Advancement
 - Academic Education
 - Skill training
 - Career Advising

- Benefit Screening
- Assistance with benefits applications and submission
 - SCHIP
 - TANF
 - Food stamps
 - Childcare
- Tax Credits; EITC
- Student Financial Aid

- Educational workshops and financial education classes
- One-on-one financial coaching and counseling
- Financial services products: access to better priced products
 - Savings Accounts
 - Check cashing
 - Short & long term loans

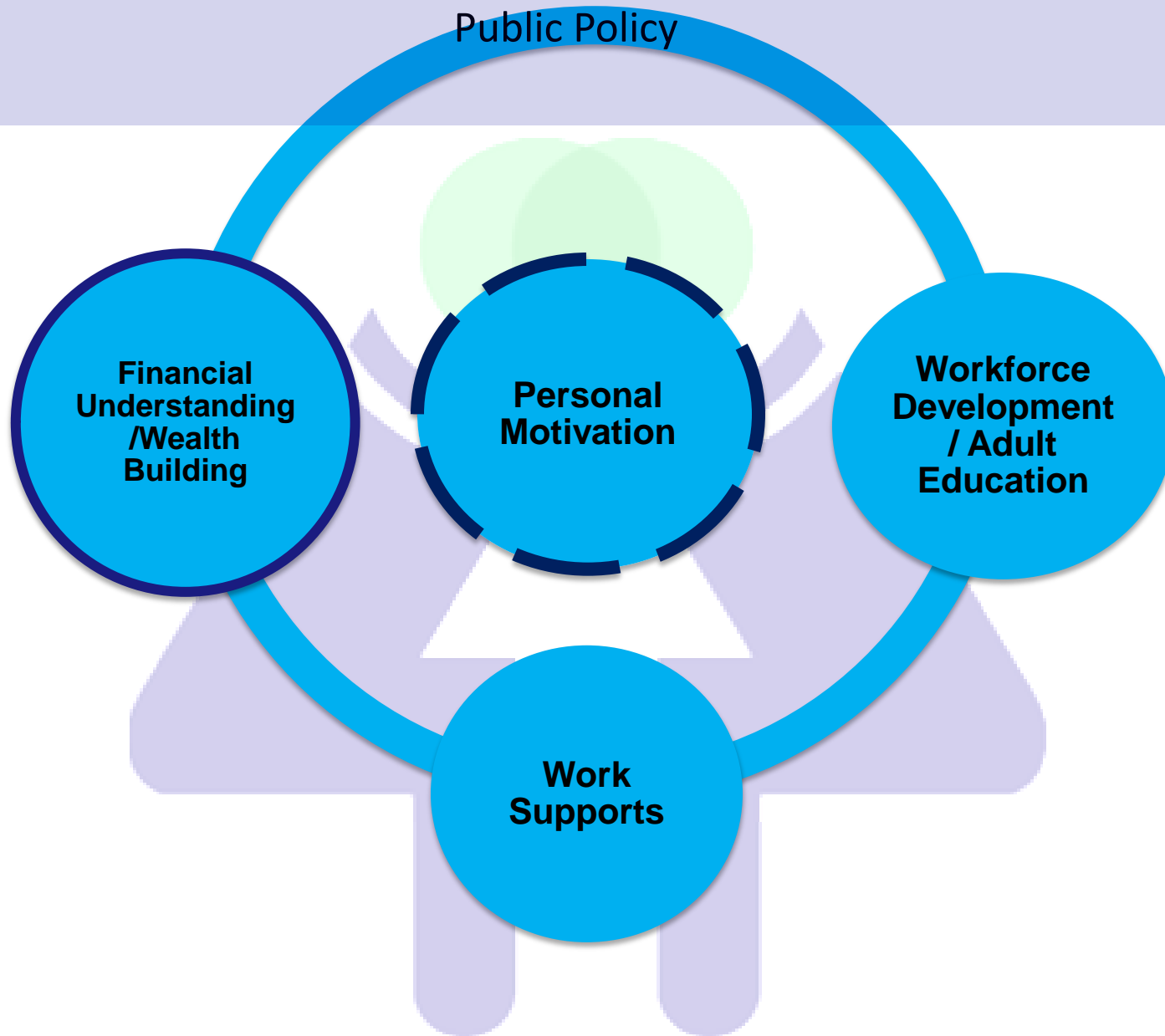
ETO Outcomes—Employment Placement Development

Number of Efforts by Value

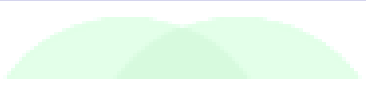


Workforce Development: Working with Employers

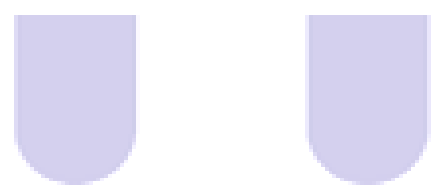
- **Strategies:**
 - Business Priorities/Economic Impact
 - Process Simplification
 - Individualized Reports to Employers
- Increased number of employees using direct deposit, accessing the Earned Income Tax Credit and attending financial education classes
- Conducted over 1000 benefits screenings for Food Stamps and Peach Care Children Health Insurance-integrated eligibility screening into new hire benefits' sign-up processes



Asset Building: Tax Returns & EITC



Year Prepared	Returns Prepared	EITC	Federal Refund
2004	1,075	\$724,651	\$1,329,508
2005	1,583	\$1,148,420	\$2,004,510
2006	1,738	\$1,219,808	\$2,219,443
2007	2,574	\$1,228,123	\$2,614,082
2008	3,158	\$1,600,870	\$3,078,804
2009	3,450	\$2,213,674	\$4,099,301
2010	5,203	\$3,024,982	\$6,817,461



Sites	# of Returns	# of EITC Returns	Total EITC	Total Federal
St. Mary's	707	295	651,799	1,268,977
NIA	1,936	581	1,050,640	2,353,181
Second Arnold	41	12	22,905	56,838
St. Joseph/Candler	233	55	118,947	348,403
EOA	324	83	131,498	299,146
Sav'h Entrepreneurial Ctr.	684	192	338,714	786,450
Employment & Training	103	48	37,153	83,875
United Way – Effingham	262	62	95,049	274,340
Chatham County	102	25	44,404	126,587
Moses Jackson	204	59	130,206	296,419
United Way – Bryan Co. Pembroke Library	60	8	13,922	49,136
St. Pius X Family Resource Ctr.	90	16	10,361	55,839
Richmond Hill Library	105	26	53,609	158,610
Royce Learning Center	36	11	19,778	45,239
Coastal Georgia Center –	316	132	305,997	614,421

Asset Building: Alternate Rapid Anticipation Loan (ARAL)

- **2010 ARAL (tax loan) Expanded Pilot**
 - 136 tax loans disbursed
 - \$415,944 total
 - Average cost per person: \$15 compared to \$350--\$500 at paid preparers
 - Program to go city wide for entire tax year in 2011

Asset Building: Banking & Financial Education



EVERYONE IS WELCOME

- 3024 people attend financial education classes in the last ten months
- 12 Banks and Credit Unions involved
- Goal: 1,000 people expected to be banked by April 2010

Asset Building: Bank on Savannah

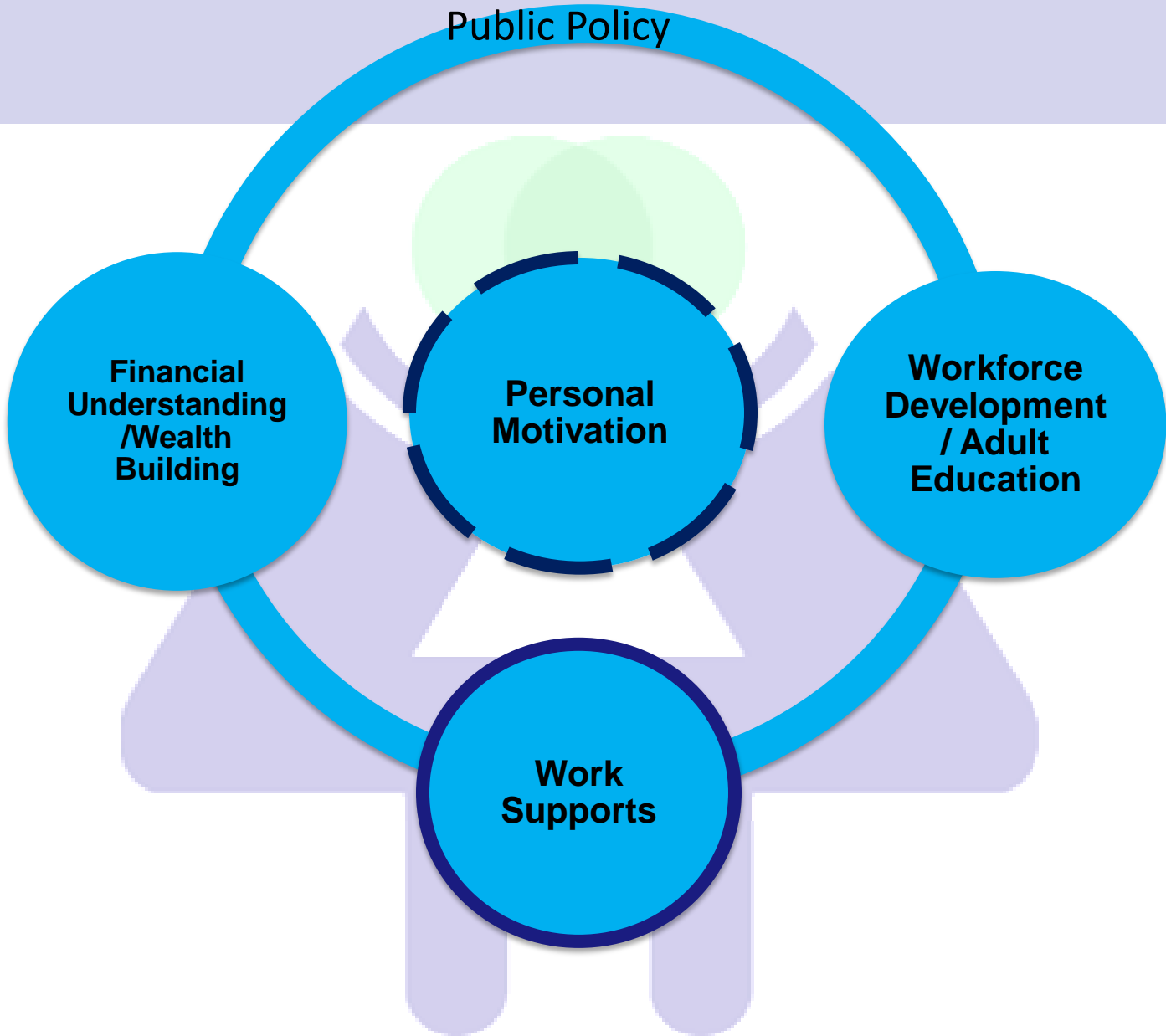
- 1011 Accounts Opened (First Year total)
- Jenny Gentry with Wachovia/Wells Fargo to chair Banking Task Force in 2010.

Marketing Outreach

- Brochures (22,000)
- DVD (100)
- Flyer/Spanish translation (500)
- Bus Ads (99 signs in 48 buses)
- Financial Education postcards (5,000)
- Decals (300)
- Savannah State radio, Pennysaver, Tribune, Savannah Morning News, La Voz, La Isla, Water Bill, County Newsletter, Outsider Magazine
- Speaking engagements/ Neighborhood Meetings (38)







- **1500 patients redirected from Emergency Departments to primary care homes in 2009.**
- **Colon cancer risk assessments on 236 patients at Community Health Mission.**
- **Health Information Exchange Pilot: J.C.Lewis Health Center and MHUMC Emergency Department in Implementation Phase.**
- **Georgia Trend magazine honors Chatham County & Safety Net Council as best practice.**
- **Chatham CAN engaged physicians in following specialties to provide care to uninsured: ENT (Ear-Nose-Throat), Orthopedics, Gastroenterology, Neurosurgery, Pathology and Clinical Laboratory Services.**

Work Supports: Policy Issues

- **Predatory Lending Policy Researched**
 - Car Title Loans
 - Holiday Tax Loans
 - Zoning Laws to limit car-title loan or pawn shop operations
- **Transportation**
 - Chatham Area Transit bus transfer policy reversed eliminating all transfer fees county-wide
- **Affordable Housing Trust Fund**
 - Long-standing goal of creating local Housing Fund currently being reviewed and advocated for
- **SNAP (Food Stamps)**
 - Working to ensure state policies and procedures are implemented in Chatham County



**Poverty is a business issue as
much as it is a human issue...”**

– Eric R. Winger,

**President of Savannah Economic Development
Authority and Step Up Savannah Board Member**

Step Up Savannah’s Poverty Reduction Initiative

www.stepupsavannah.org

Engaging Financial Institutions

Partnering with a CREDIT UNION



CASSANDRA BROWN
ASSISTANT VICE PRESIDENT OF MARKETING
AND BUSINESS DEVELOPMENT
CREDIT UNION OF ATLANTA

What's In A Name



- **Credit Union** – organization of people who unite and pool their money in order to provide each other with easy access to credit that they might not be able to obtain elsewhere.
- **Credit Union Movement** – movement rather than an industry because we exist for a social purpose.
- **Common Bond** – a unifying factor such as working for the same company, belonging to a particular church, or living in a specific community.
- **Field of membership** – A group of people who qualify for membership

What's In A Name (cont'd)



- **Shares –** When a member deposits money in the credit union, that money represents the member's ownership interest in the credit union.
- **Dividends –** The financial return a member earns on the shares which represent his or her ownership in the credit union.
- **Share drafts or share checking –** A transaction account that allows members to access their shares in much the same way customers can access deposits in checking accounts at other financial institutions.

Credit Union Operating Principles



- **Open and Voluntary Membership**
- **Democratic Control**
- **Nondiscrimination**
- **Service to Members**
- **Distribution to Members**
- **Building Financial Stability**
- **Continuing Education**
- **Cooperation Among Cooperatives**
- **Social Responsibility**

Statistics -- Georgia credit unions (12/09)



- Total number of credit unions: 164
- Total assets: \$16.257 billion
- Total loan volume: \$ 8.970 billion
- Total shares: \$13.583 billion
- Total # of members: 1,792,103
- Average Share per member: \$7,579
- Average Loan per member: \$5,005

Bridging the GAP



- **Assess the needs of the your organization**
- **Identify your local credit union partners**
- **Determine whether there is a “fit”**
- **Create a “workable” plan**



**Volunteer Income Tax
Assistance (VITA)
Savings Point (Asset-
building) and
Alternative Refund
Anticipation Loan
(ARAL) Program**

Credit Union of Atlanta



Many Atlanta residents do not have mainstream checking or savings accounts. To ensure families are achieving self-sufficiency, Credit Union of Atlanta (CUA) and Atlanta Prosperity Campaign (APC) partnered to help working families access mainstream financial institutions. The CUA and APC partnership hope to accomplish the following:

- Help families establish a formal relationship with the financial community
- Reduce the need to use high-cost check cashing services
- Provide an alternative product to high cost refund anticipation loans (RALs) to individuals who qualified for the Earned Income Tax Credit (EITC)



Credit Union of Atlanta



- The Atlanta Prosperity Campaign (APC) partnered with Credit Union of Atlanta (CUA) on two exciting new pilot programs for the 2009 tax season with the ultimate objective of helping working families on the road to re-building their credit history and to build financial assets.
- For the 2009 tax season, the APC expanded their services offered through the VITA Program. In a unique partnership with the CUA, the APC piloted two new programs at select VITA sites.



Credit Union of Atlanta



The PARTNERSHIP **- CUA**

Credit Union of Atlanta, formerly Atlanta City Employees Credit Union, was founded in 1928 by city of Atlanta employees to serve as a cooperative with the distinction of “People Helping People” by providing products and services geared towards “working for our members’ financial well-being”.



The PARTNERSHIP - **APC**

The Atlanta Prosperity Campaign (APC) seeks to broaden wealth and reduce economic inequalities for working families in Metro-Atlanta. It accomplishes this by connecting low- to moderate-income working families to existing economic benefits available to them, including the two federal benefits that can help the most in lifting a family out of poverty.

Credit Union of Atlanta



The “Nuts and Bolts”

- During the 2009 tax season (January 2009 – April 2009), if an individual or family having taxes prepared at a VITA site did not have a mainstream financial account, a VITA site representative will be able to open a Credit Union account on the spot. The tax refund would be deposited directly into the newly opened account. The new members could expect their refunds to be direct deposited into their accounts within 7 -10 days.

Selected sites for remote “new” account openings were: Greenbriar Mall, The Mall West End, The Center for Working Families, and Atlanta Workforce Development Agency.

- During the 2009 tax season (February 2009 – April 15, 2009), if an individual or family needed tax refund monies sooner, they were able to apply for the Express Refund loan (ARAL). Loans were disbursed within 48 hours of tax preparation.

Selected sites for Express Refund loans (ARAL) were: Atlanta Workforce Development Agency and The Center For Working Families.



Credit Union of Atlanta



PROMOTIONAL MATERIAL



Atlanta
Prosperity
Campaign



Credit Union of Atlanta



VITA (Volunteer Income Tax Assistance) sites just in time for tax season!

Atlanta City Employees Credit Union has been chosen as the first credit union to partner with the Atlanta Prosperity Campaign's Volunteer Income Tax Assistance (VITA) program. VITA participants will not only get their taxes done for FREE, but also have the opportunity to build a relationship with a financial institution with over 80 years of service to the Atlanta community.



Mr. DeLana Gyman, President/CEO, Ms. Tama Jackson, Executive Vice President, Cassandra Brown, ACP of Business Development and Carter Elliot, Program Director for Atlanta Prosperity Campaign.



Atlanta
Prosperity
Campaign



Credit Union of Atlanta



COMMUNITY IMPACT



Atlanta
Prosperity
Campaign



Credit Union of Atlanta



(Right Picture: Defarra Gaymon, President and CEO of Credit Union of Atlanta with Congressman John Lewis at Georgia's celebration of National EITC Day)



(Left Picture: The Atlanta IRS EITC Unit along with Lisa Borders, President of the Atlanta City Council, Bill Boling, President of Atlanta Community Food Bank and Congressman John Lewis)



Credit Union of Atlanta



The RESULTS

Banking Services:	89 new accounts
Total Deposit Amount:	\$79,000.00
Express Refund Loan:	9
Total Loan Amount:	\$34,000.00



Atlanta
Prosperity
Campaign



Credit Union of Atlanta



SUCCESS STORY

Bruce Dennis was introduced to Credit Union of Atlanta through one of the partnering VITA sites in January 2009. Mr. Dennis had not been associated with a mainstream financial institution for over 30 years. He elected to open a Share/Savings account so that his tax return could be direct deposited and lessen the process time. As of June 1, 2009, Mr. Dennis still has an active Share/Savings and now has inquired about a Share draft /Checking account with the credit union.



Atlanta
Prosperity
Campaign



Next Steps



America's Credit Unions are searching for ways to remain relevant in a changing economy. Credit unions are also expanding services to underserved members and communities. Here are the facts:

- **UNBANKED**

The percentage of Americans who are unbanked (or under banked) has risen to nearly 20%, 50% in some immigrant groups. More than 100 million consumers living in the U.S. rely heavily on non-bank providers for credit, reports the TowerGroup, a Needham, Mass., research and consulting firm, a subsidiary of MasterCard Worldwide.

- **IMMIGRANT**

Fifty-three percent of low-to-middle-income Hispanics are either unbanked or under banked, according to a Accion-Encuesta study, which defined "under banked" as those who have a basic bank account, yet routinely rely on non-banks for everyday transactions.

- **LOW WAGE**

Nearly one-third of low-to-moderate income Americans pay a higher-cost services for routine bank transactions.

- **YOUTH**

Young adults under 25 are 35% of the population, but 100% of the future. The average US borrower's age is 35, the average CU member is 47.

Wrap Up



For more information,
please contact:

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Marketing/Business Dev.

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www.cuatlanta.org

(404) 658-6465

GET THE REAL STORY



GCUA REAL Deal Baseline Survey

Results

October 1, 2009



National Credit Union Foundation Program

Participating League

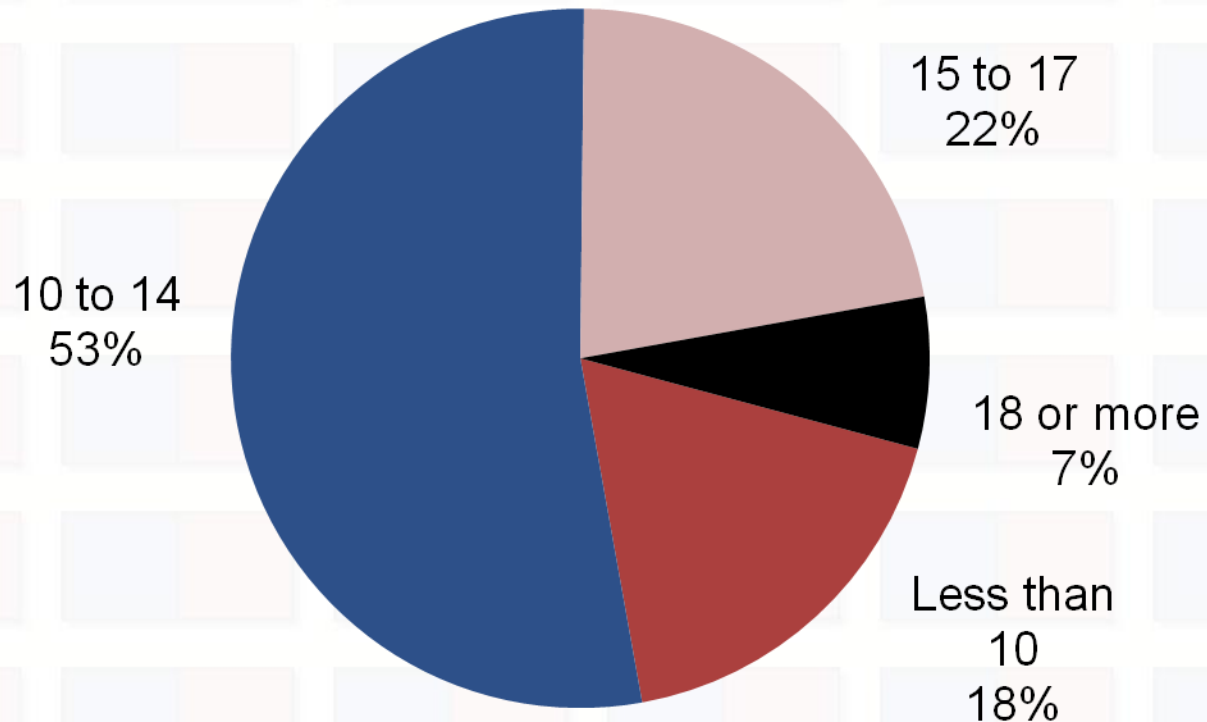
Survey Methodology

- 24 leagues/associations representing 25 states have participated to date
- distributed survey via e-mail from GCUA in July 2009 to 66 REAL Deal credit unions
- three-to-four follow-up emails and/or phone calls were used by GCUA to encourage participation
- received 56 responses as of September 4, 2009 (83% response rate—excellent!)
- national comparisons are based on 255 REAL Solutions® credit unions as of May 2009 (approximately 43% of all RS CUs)
- report was produced through an NCUF grant from the REAL Solutions program

56 CU Survey Participants

- 1st Choice CU
- Albany Federal Employees CU
- Associated CU
- Atlanta Postal CU
- Augusta Metro FCU
- Augusta Vah FCU
- BOND Community FCU
- CDC FCU
- CGR CU
- Coosa Valley FCU
- CORE CU
- CSRA FCU
- **CU of Atlanta**
- CU of Georgia
- Delta Community CU
- Doco Regional FCU
- Emory Alliance CU
- Etowah Valley FCU
- Excel FCU
- Family Savings FCU
- Fidelity FCU
- First Reliance FCU
- Fort Gordon FCU
- Fulton Teachers FCU
- GEMC FCU
- Georgia FCU
- Georgia-Fla United Methodist FCU
- Georgia Heritage FCU
- Georgia Power Northwest FCU
- Georgia's Own CU
- Geovista FCU
- Gwinnett FCU
- Hallco Community FCU
- HEA FCU
- Health Center CU
- Human Service Employees' CU
- Hutcheson FCU
- Interstate Unlimited FCU
- MEA FCU
- Mead Employees' CU
- Midsouth FCU
- Mutual Savings CU
- North Georgia CU
- Northwest Georgia CU
- Pinnacle CU
- Richmond Community FCU
- Rich-Seapak FCU
- Robins FCU
- Rose City FCU
- South Dekalb Church FCU
- Southeastern FCU
- State Employees CU
- TIC FCU
- The Coca-Cola Company Family FCU
- United 1st FCU
- Valdosta Teachers' FCU

Number of Key REAL Solutions Product/Service/Program Offerings

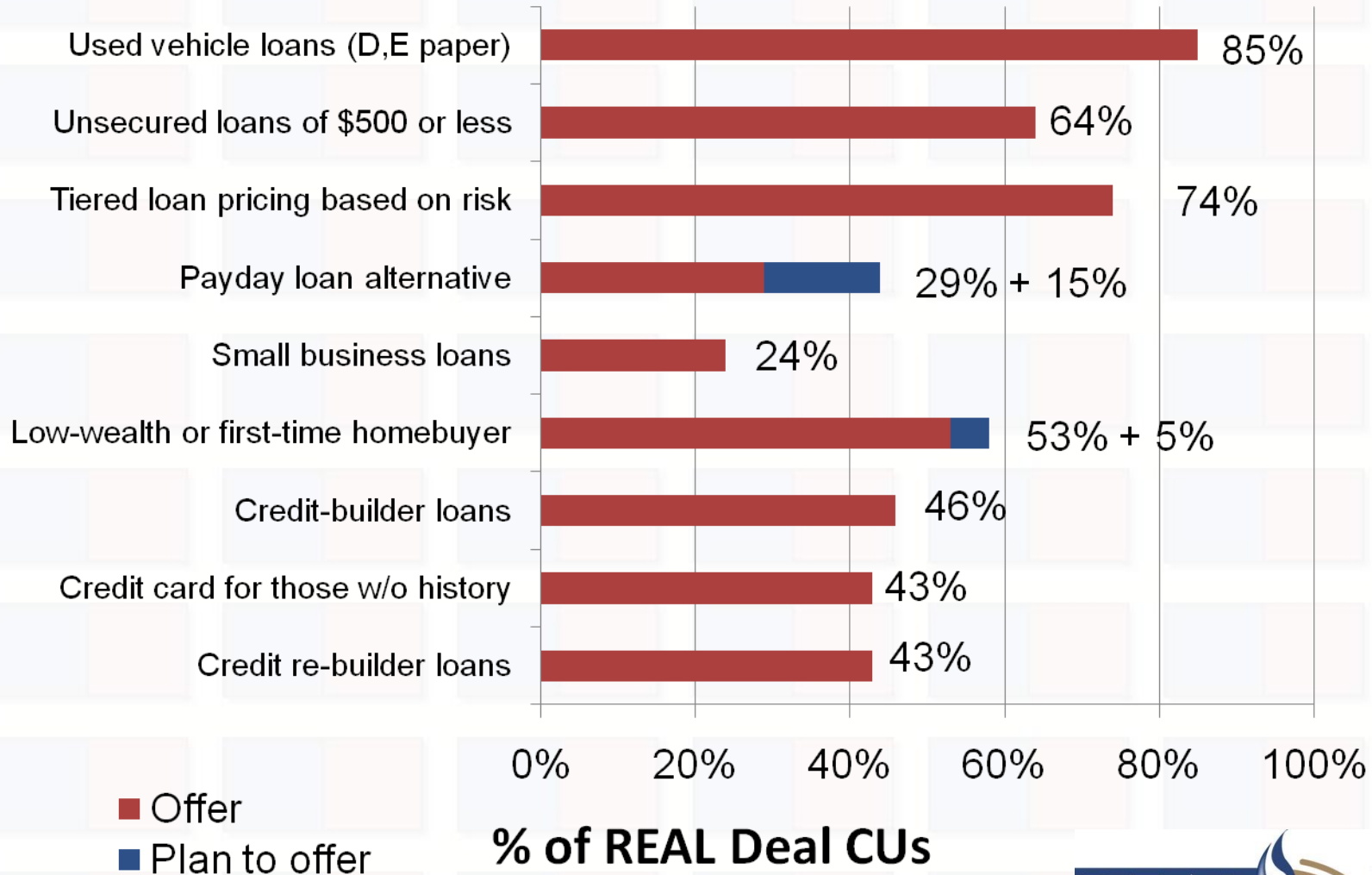


GA REAL Deal CUs offer an average of **12.6 out of a possible 26 products/services/programs for low-income, low-wealth and emerging markets.**

National average = 12.9

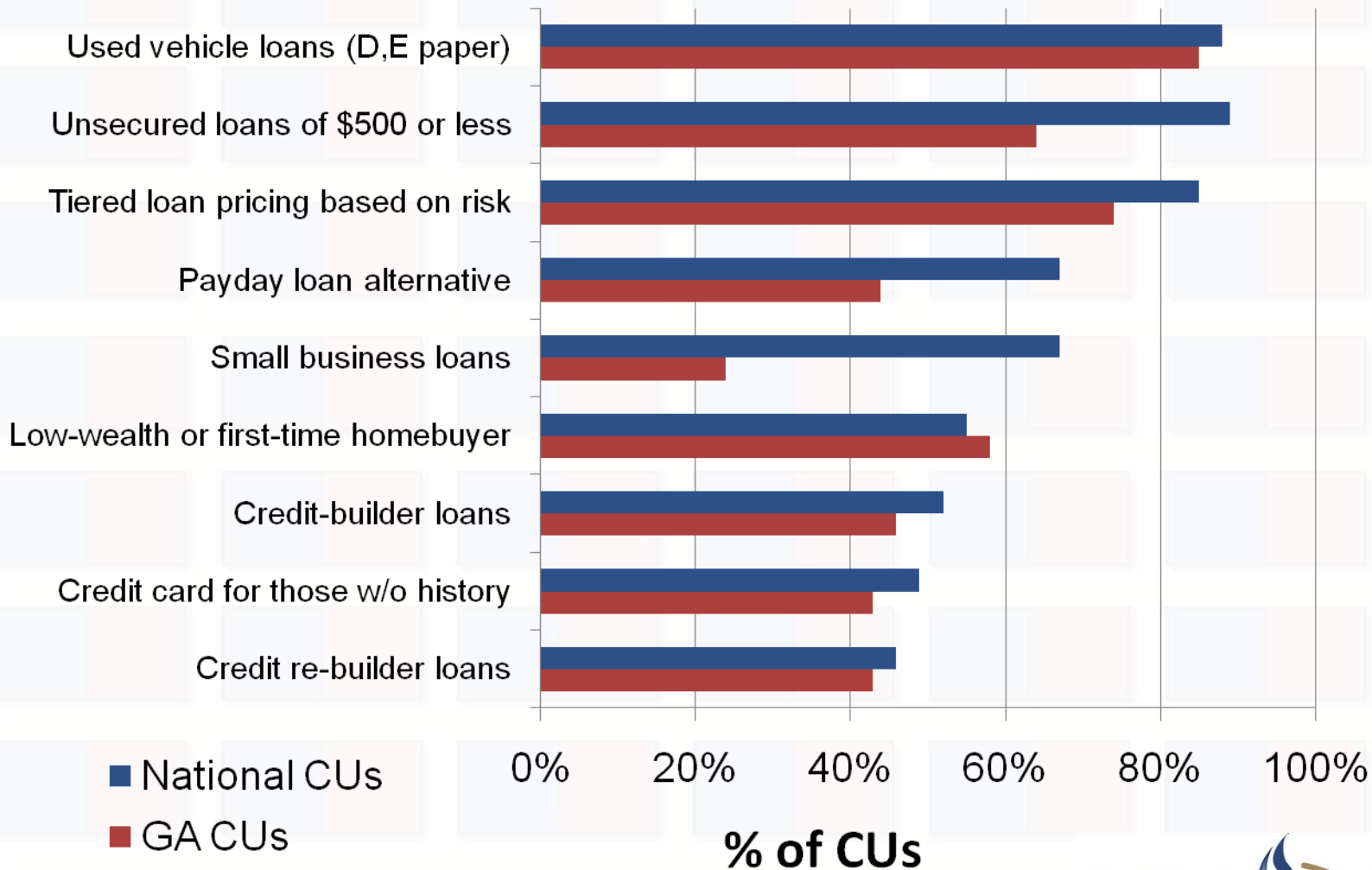
Source: National Baseline Survey—May 2009 and GA Baseline Survey—August 2009

Credit Unions Offering REAL Solutions Lending Products (Offer + Plan to Offer)



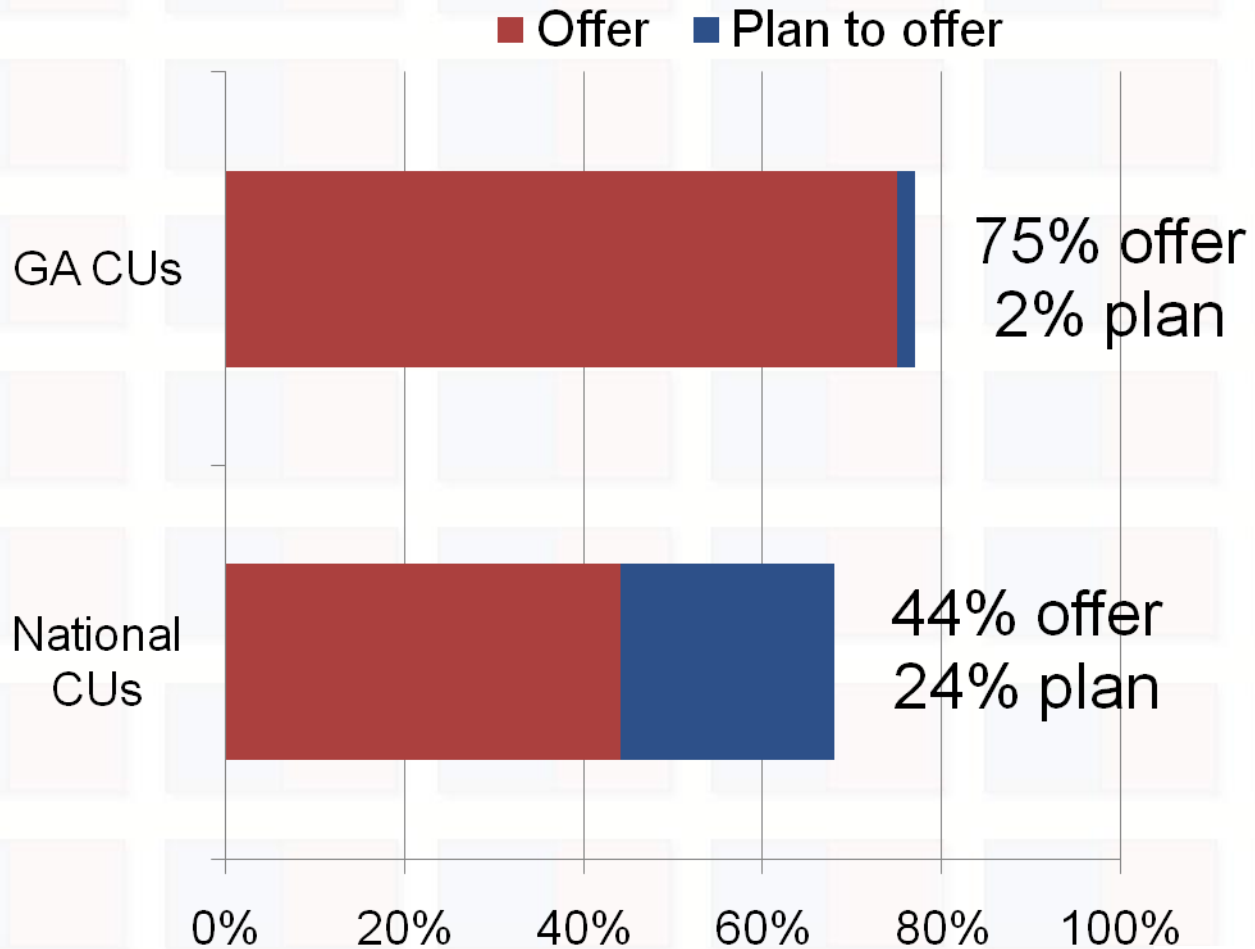
Base is GA REAL Deal credit unions.
Source: Baseline Survey—August 2009

Credit Unions Offering REAL Solutions Lending Products (GA vs. National)



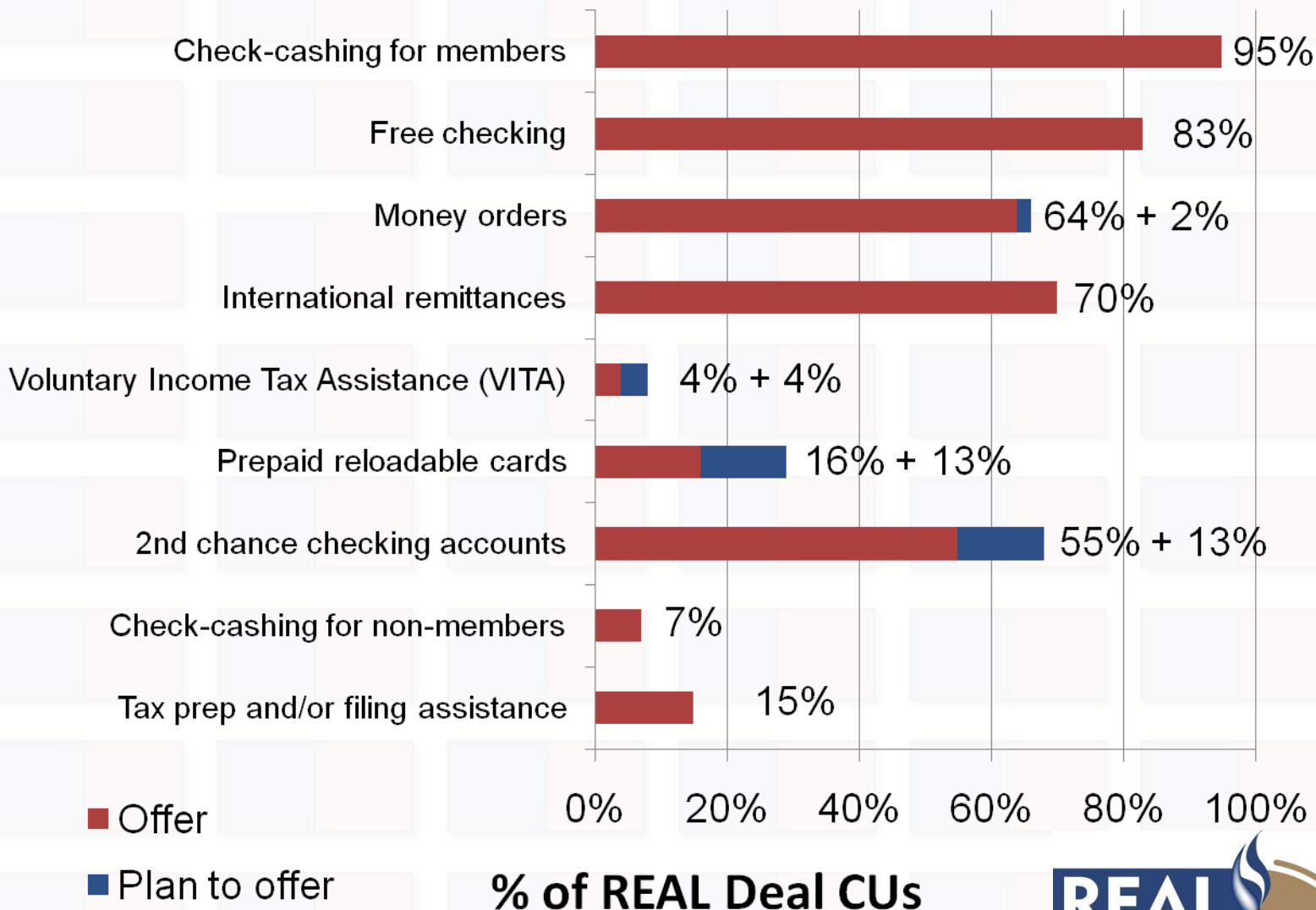
Base is REAL Solutions/REAL Deal credit unions.
 Source: Baseline Survey—May 2009 and GA Baseline Survey—August 2009

Credit Unions Offering REAL Solutions Savings Products



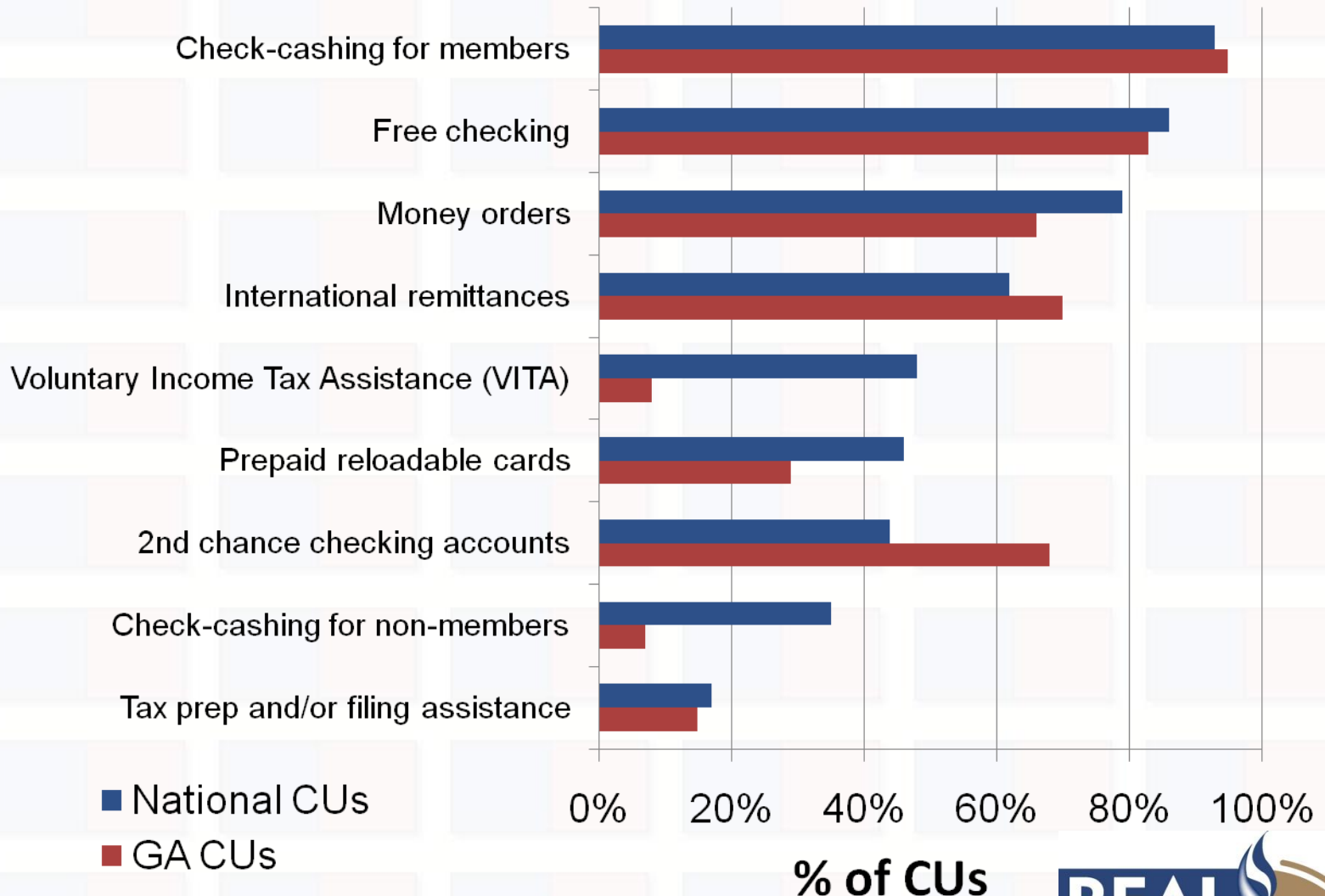
Base is REAL Solutions/REAL Deal credit unions.
Source: Baseline Survey—May 2009 and GA Baseline Survey—
August 2009

Credit Unions Offering REAL Solutions Transaction Products



Base is GA REAL Deal credit unions.
 Source: GA Baseline Survey—August 2009

Credit Unions Offering REAL Solutions Transaction Products (GA vs. National)

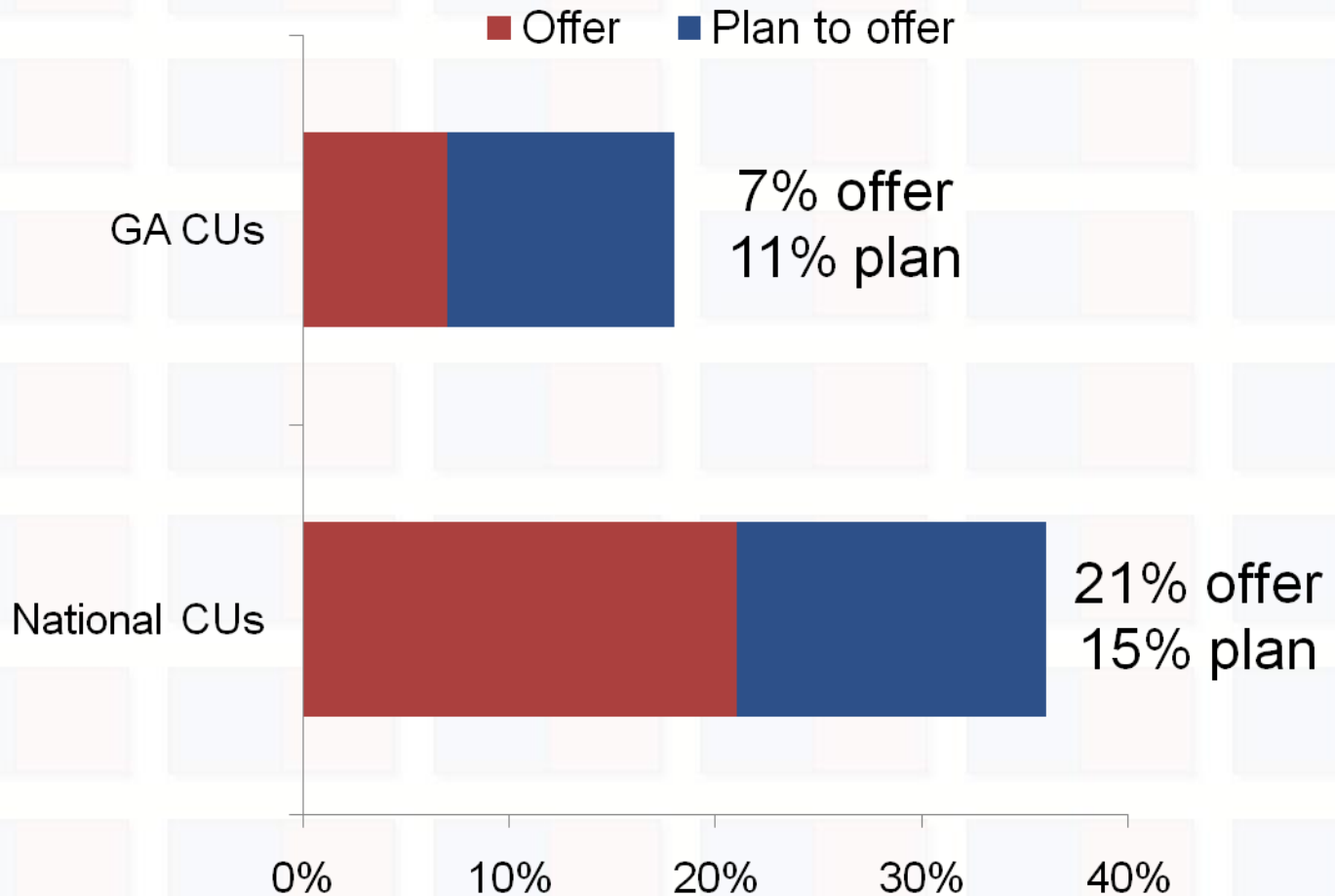


Base is REAL Solutions/REAL Deal credit unions.
 Source: Baseline Survey—May 2009 and GA Baseline Survey—
 August 2009

Prepaid Reloadable General Spending Cards

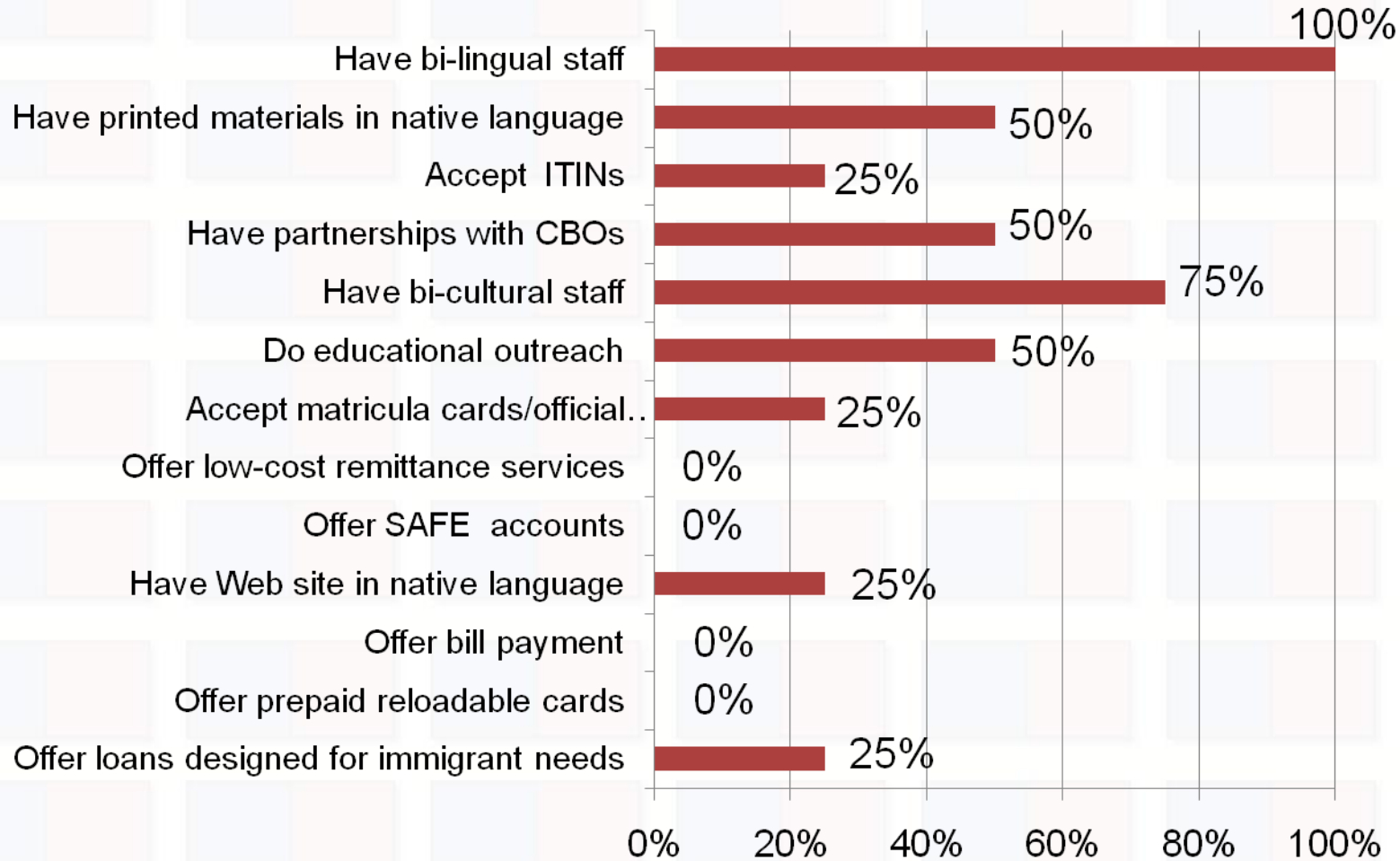
- 16% of GA REAL Deal CUs (9) currently offer prepaid reloadable general spending cards, and an additional 13% are planning to offer this product in the future.
- Most credit union prepaid reloadable card programs (5) were introduced in 2008, while one was introduced in 2007.
- The majority of credit union issuers are targeting those who don't want or qualify for a traditional checking account:
 - 89% target those who don't want or qualify for a traditional checking account
 - 33% target college students
 - 0% target immigrant populations
 - 11% target other market segments
- REAL Deal credit unions have issued—on average—98 prepaid reloadable cards since program inception. The CU with the most mature program has issued 500 cards since Sept. 2007.

Credit Unions Offering Programs/Initiatives for Un- or Under-Banked Immigrant Populations



Base is REAL Solutions/REAL Deal credit unions.
Source: Baseline Survey—May 2009 and GA Baseline Survey—
August 2009

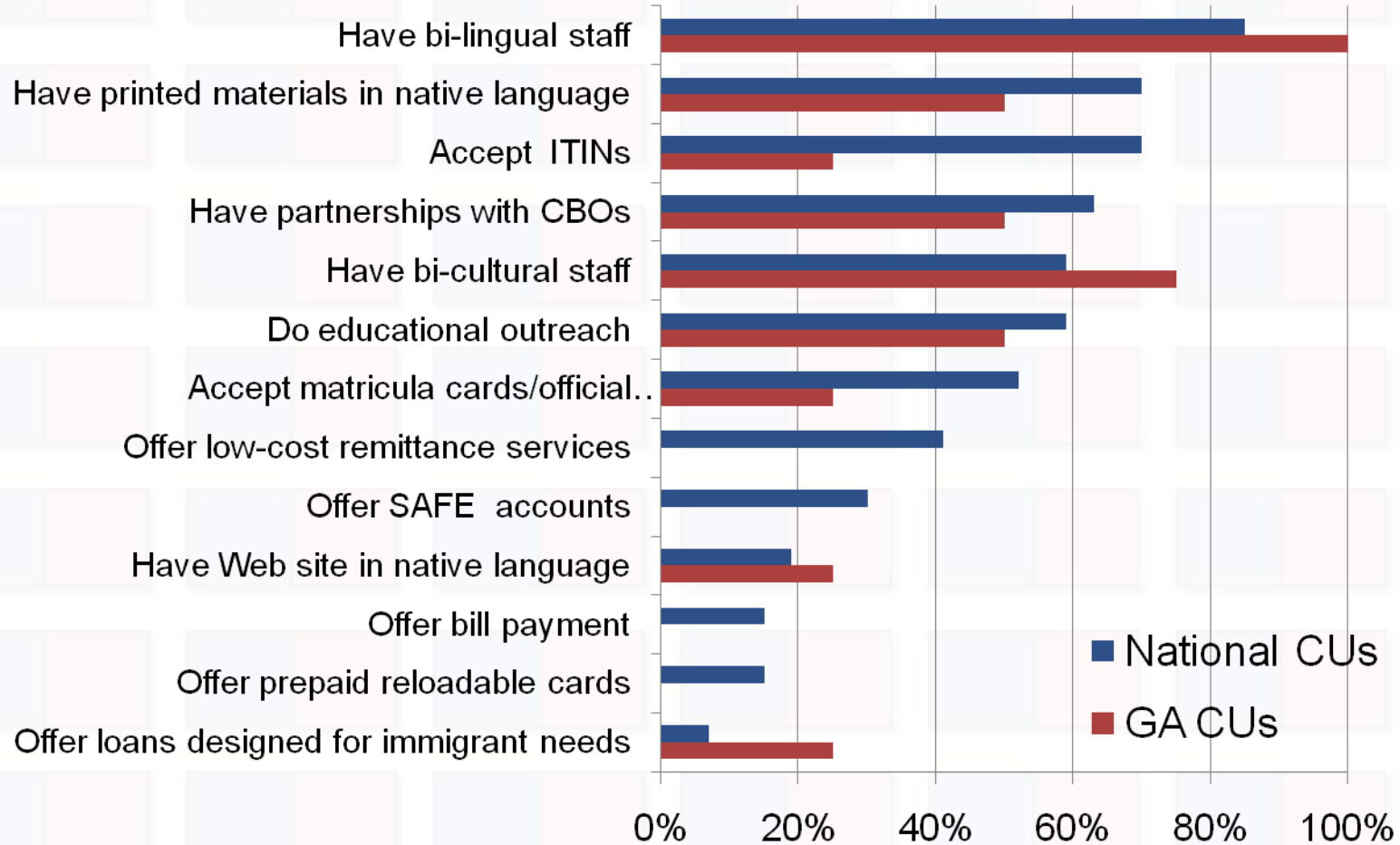
Credit Union Product/Program Features for Serving Un- and Under-banked Immigrant Populations



Base is GA REAL Deal CUs that have programs/initiatives to serve immigrant populations – 4 credit unions.

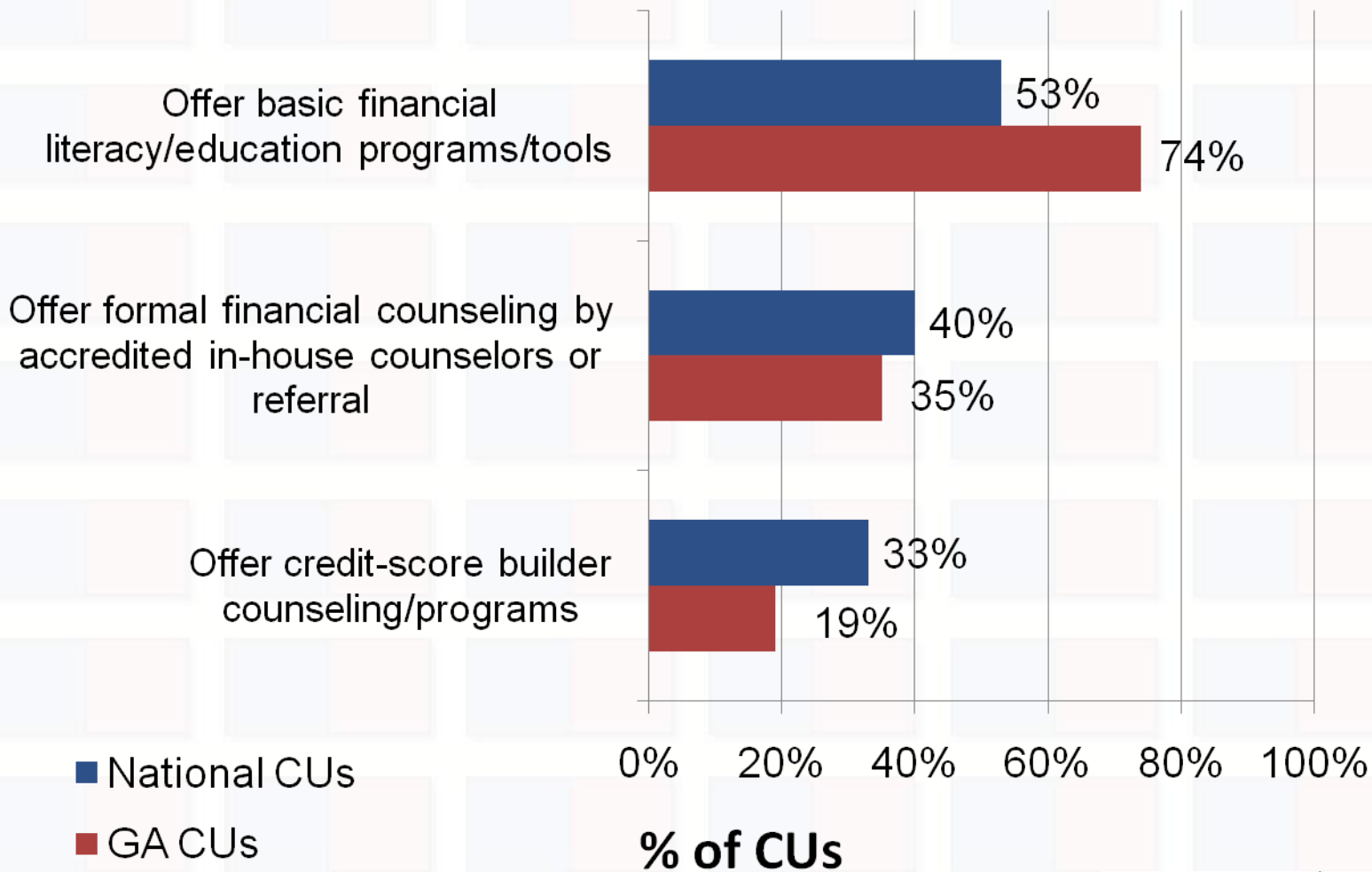
Source: GA Baseline Survey—August 2009

Credit Union Product/Program Features for Serving Un- and Under-banked Immigrant Populations

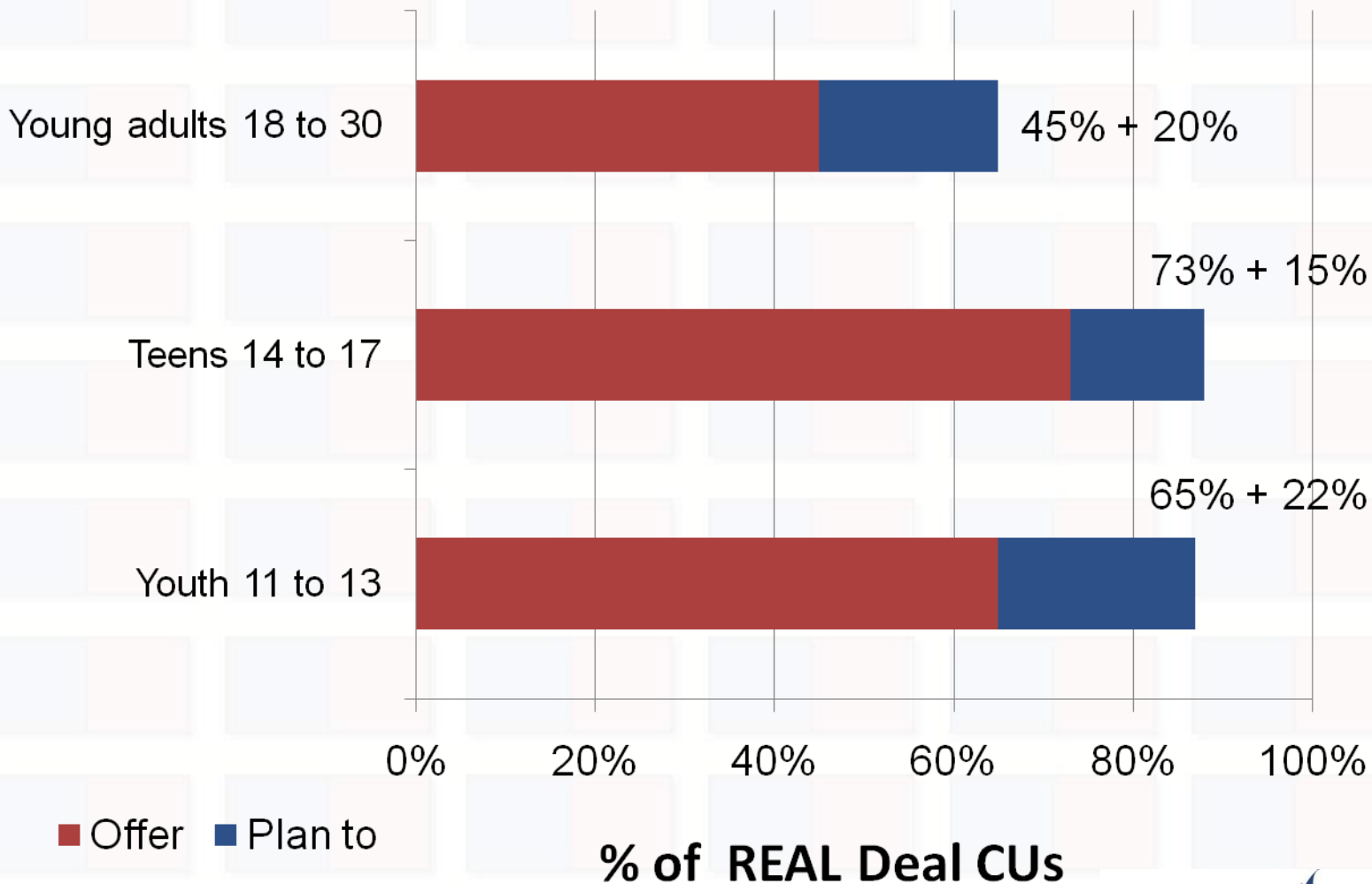


Base is REAL Solutions/REAL Deal CUs that have programs/initiatives to serve immigrant populations. Source: Baseline Survey—May 2009 and GA Baseline Survey—August 2009

Credit Unions Offering REAL Solutions Educational Products/Programs

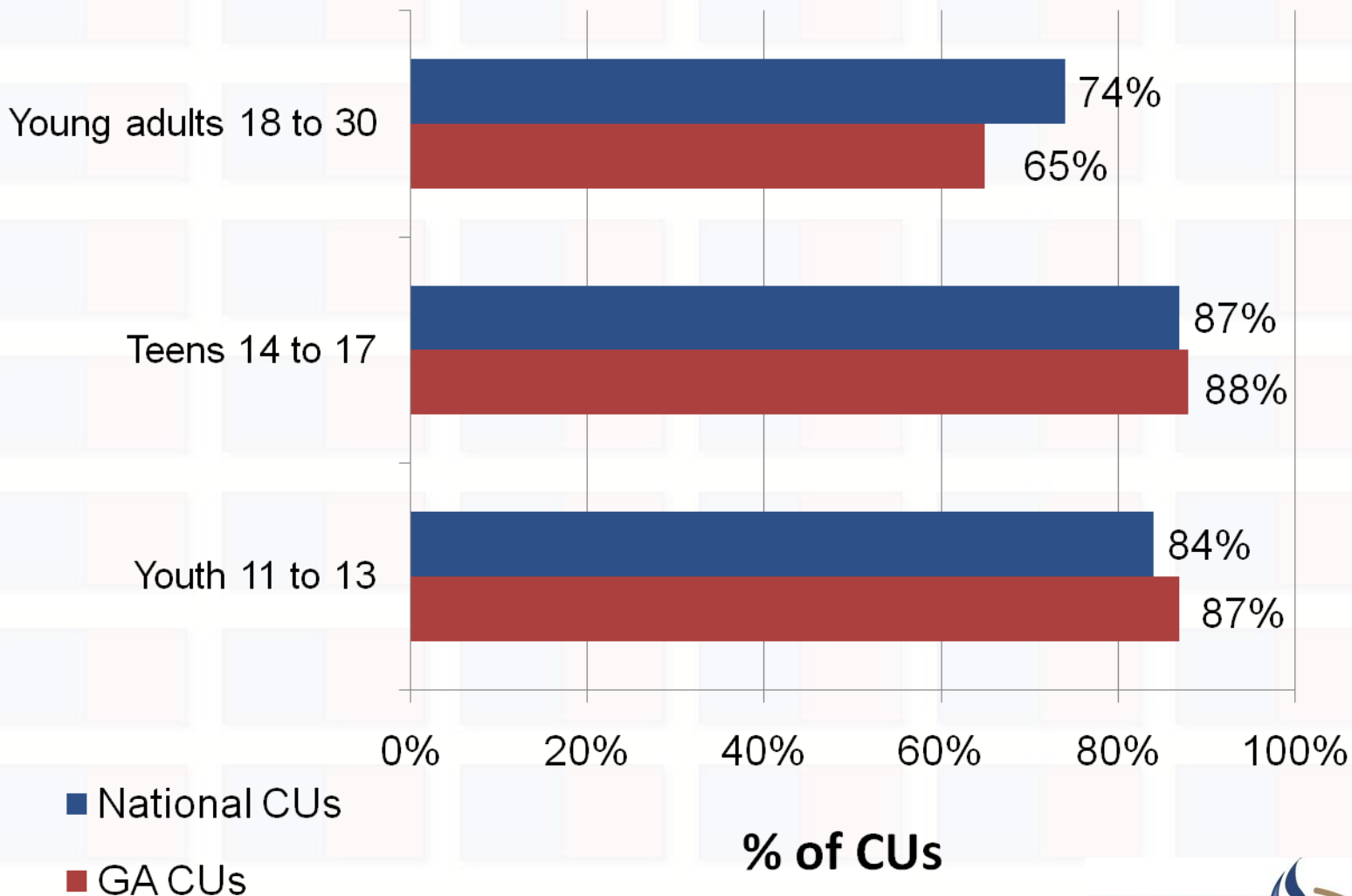


Credit Unions Offering REAL Solutions Educational Programs/Initiatives



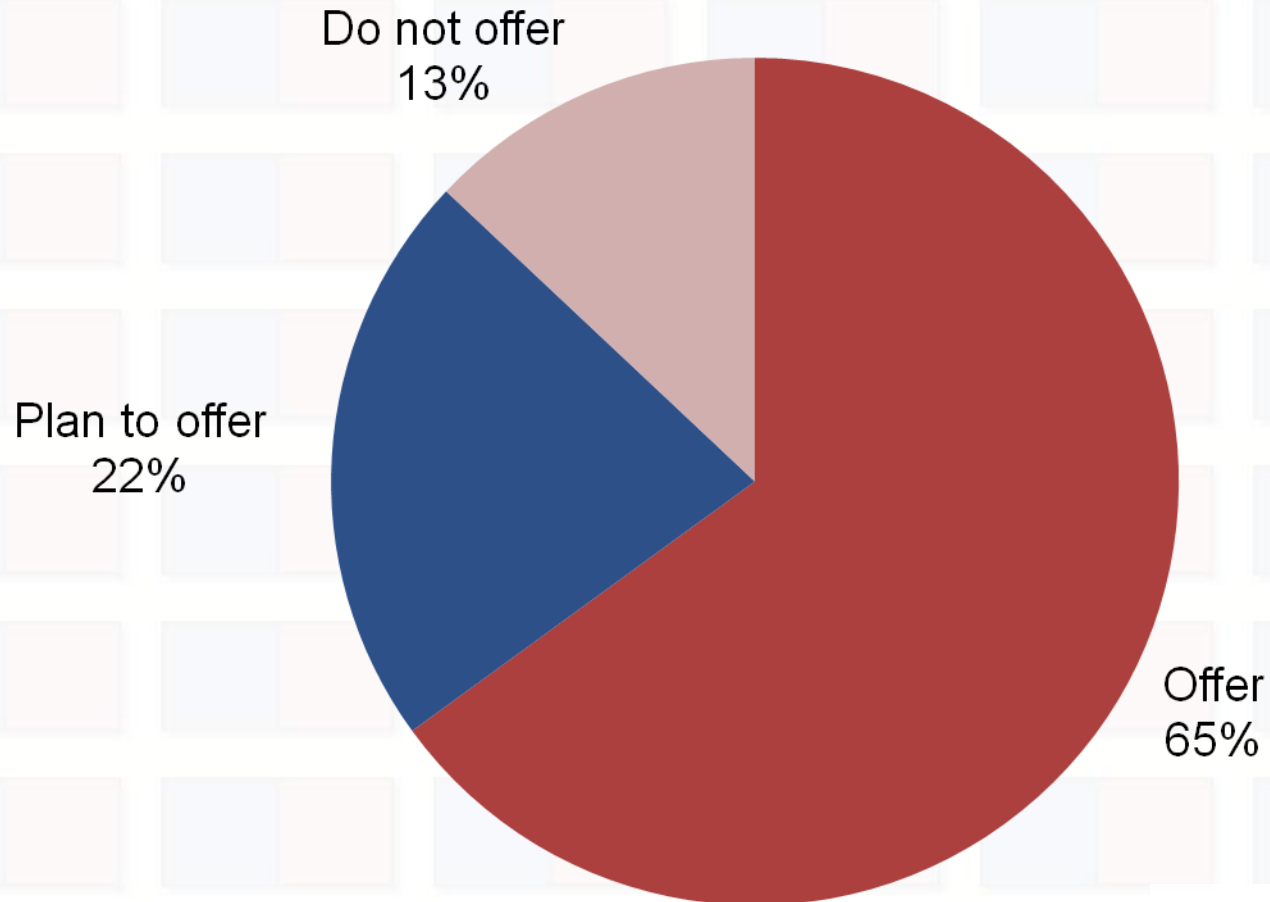
Base is REAL Deal credit unions.
Source: GA Baseline Survey—August 2009

Credit Unions Offering REAL Solutions Educational Programs/Initiatives



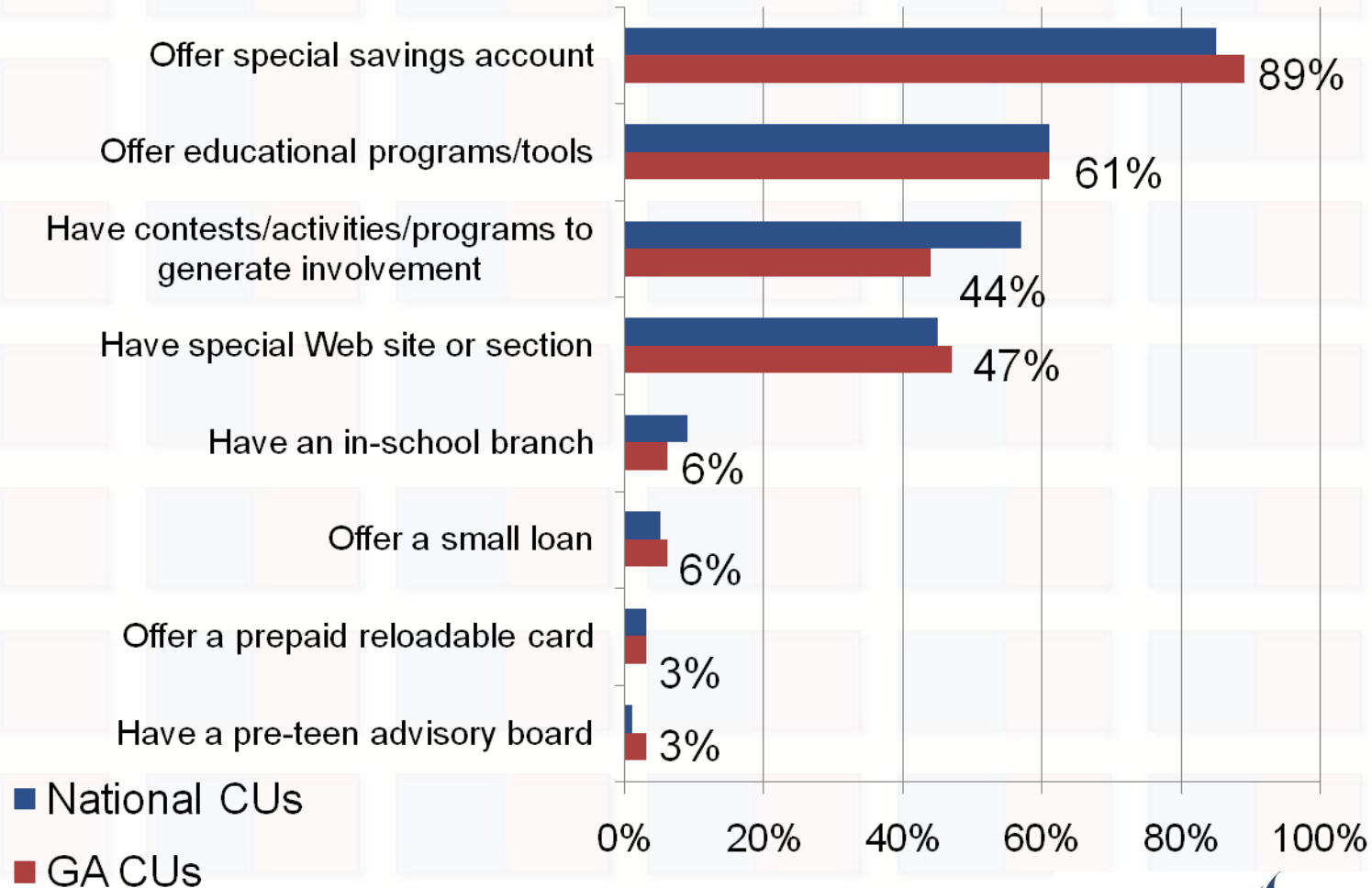
Base is REAL Solutions/REAL Deal credit unions.
Source: Baseline Survey—May 2009 and GA Baseline Survey—
August 2009

Credit Unions Offering Programs/Initiatives for Youth Ages 11-to-13 (Middle School)

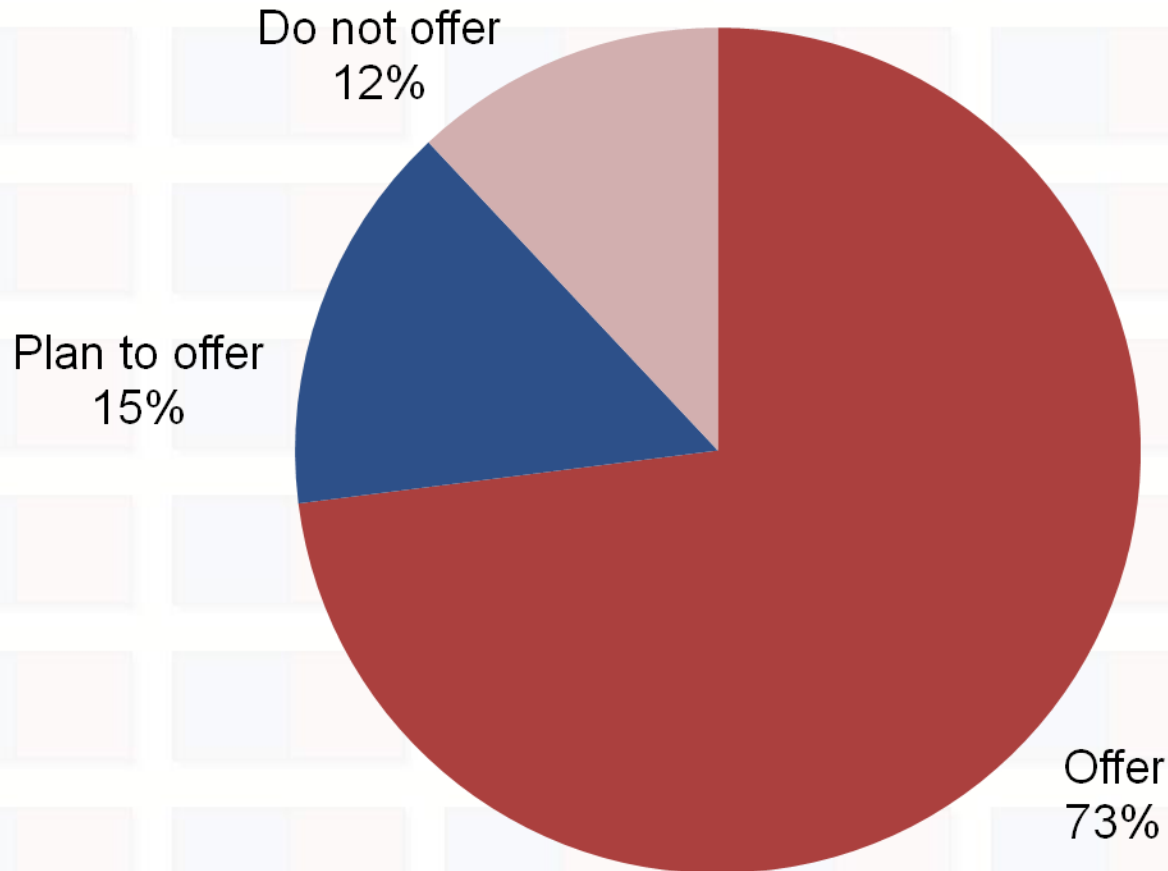


Base is GA REAL Deal credit unions.
Source: GA Baseline Survey—August 2009

Credit Union Products/Services Specifically for Youth Ages 11-to-13 (GA vs. National)

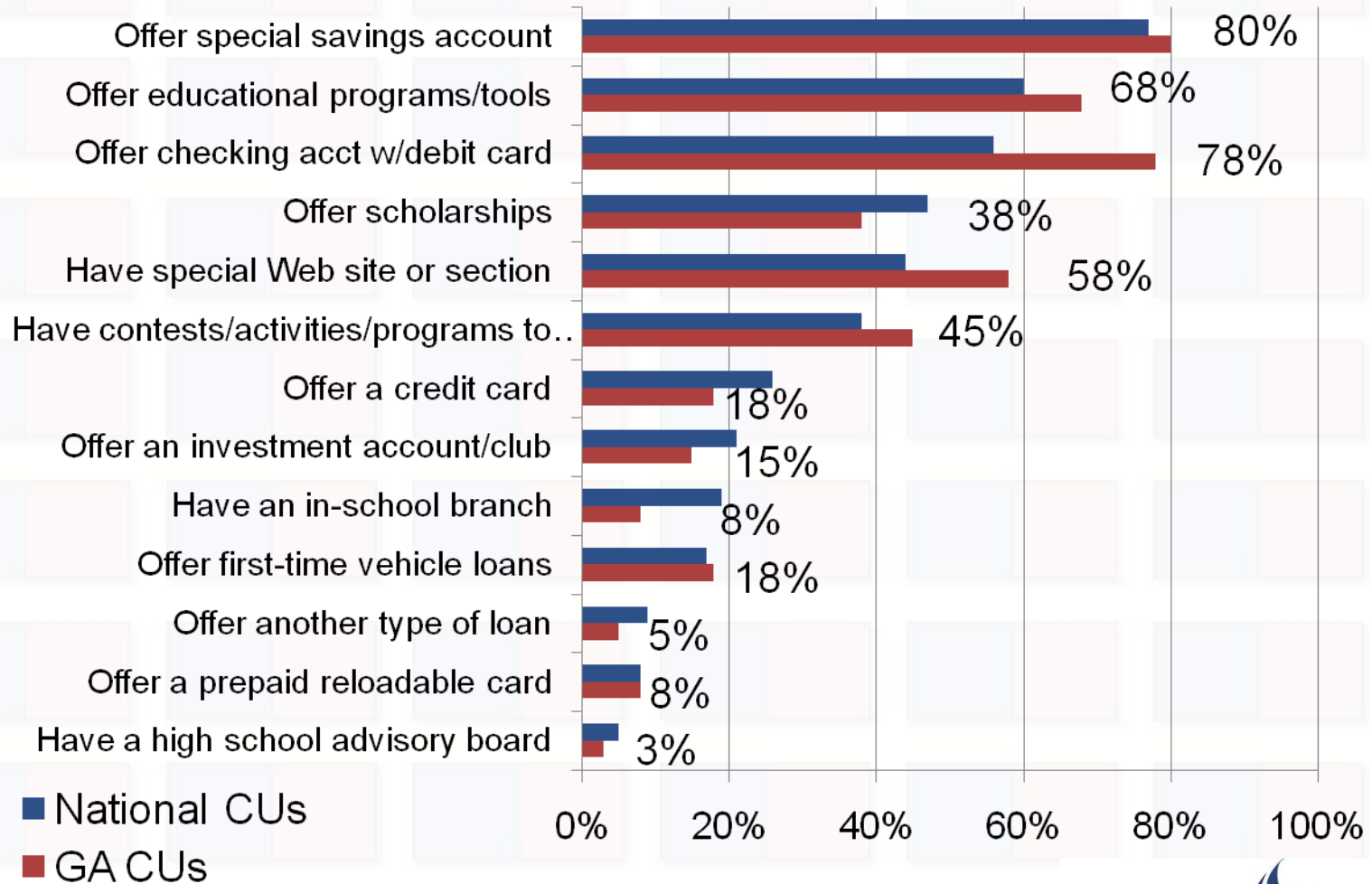


Credit Unions Offering Programs/Initiatives for Teens Ages 14-to-17 (High School)



Base is GA REAL Deal credit unions.
Source: GA Baseline Survey—August 2009

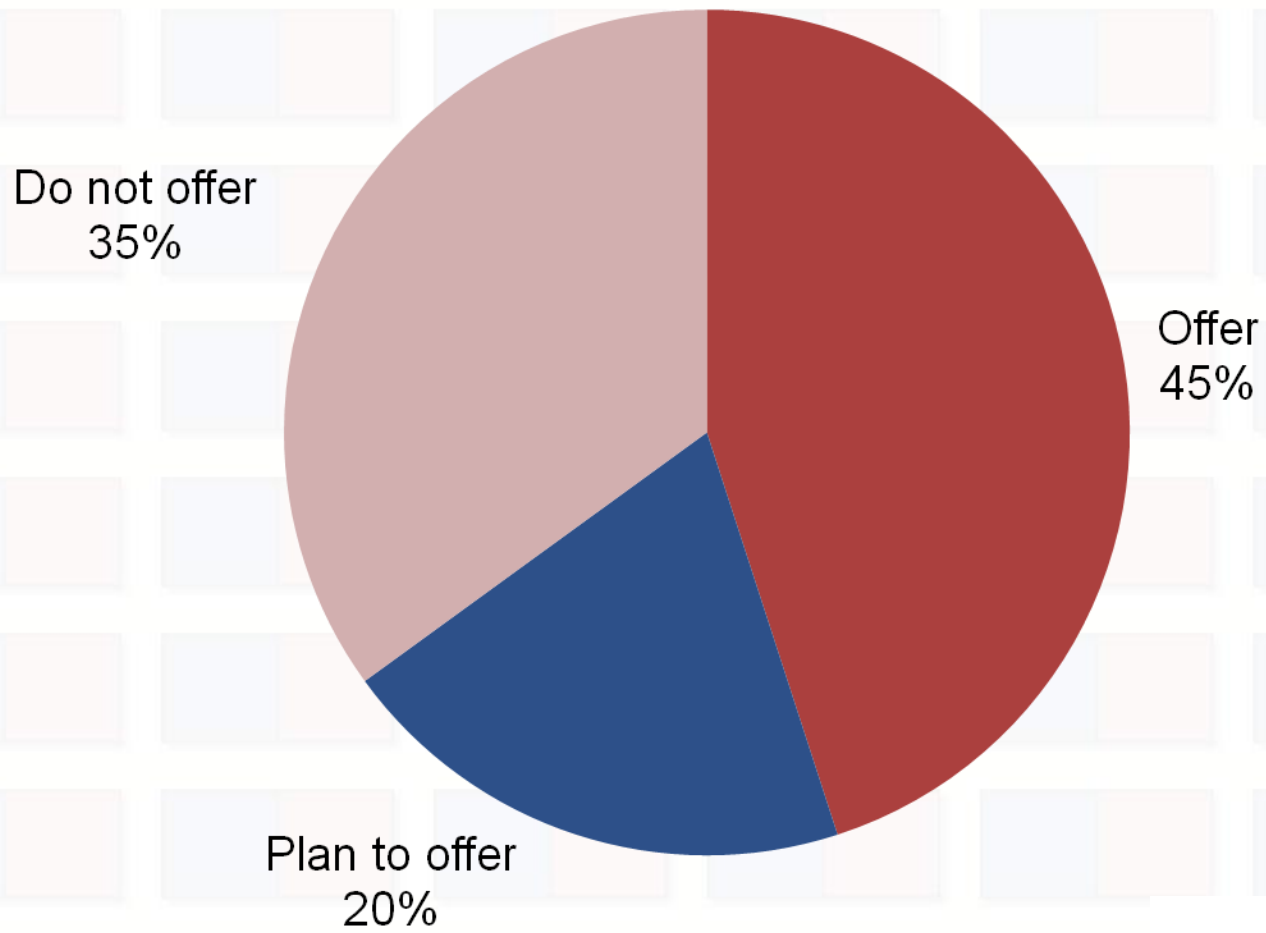
Credit Union Products/Services Specifically for Teens Ages 14-to-17 (GA vs. National)



Base is REAL Solutions/REAL Deal CUs that have special programs/initiatives for teens ages 14-to-17. Source: Baseline Survey—May 2009 and GA Baseline Survey—August 2009

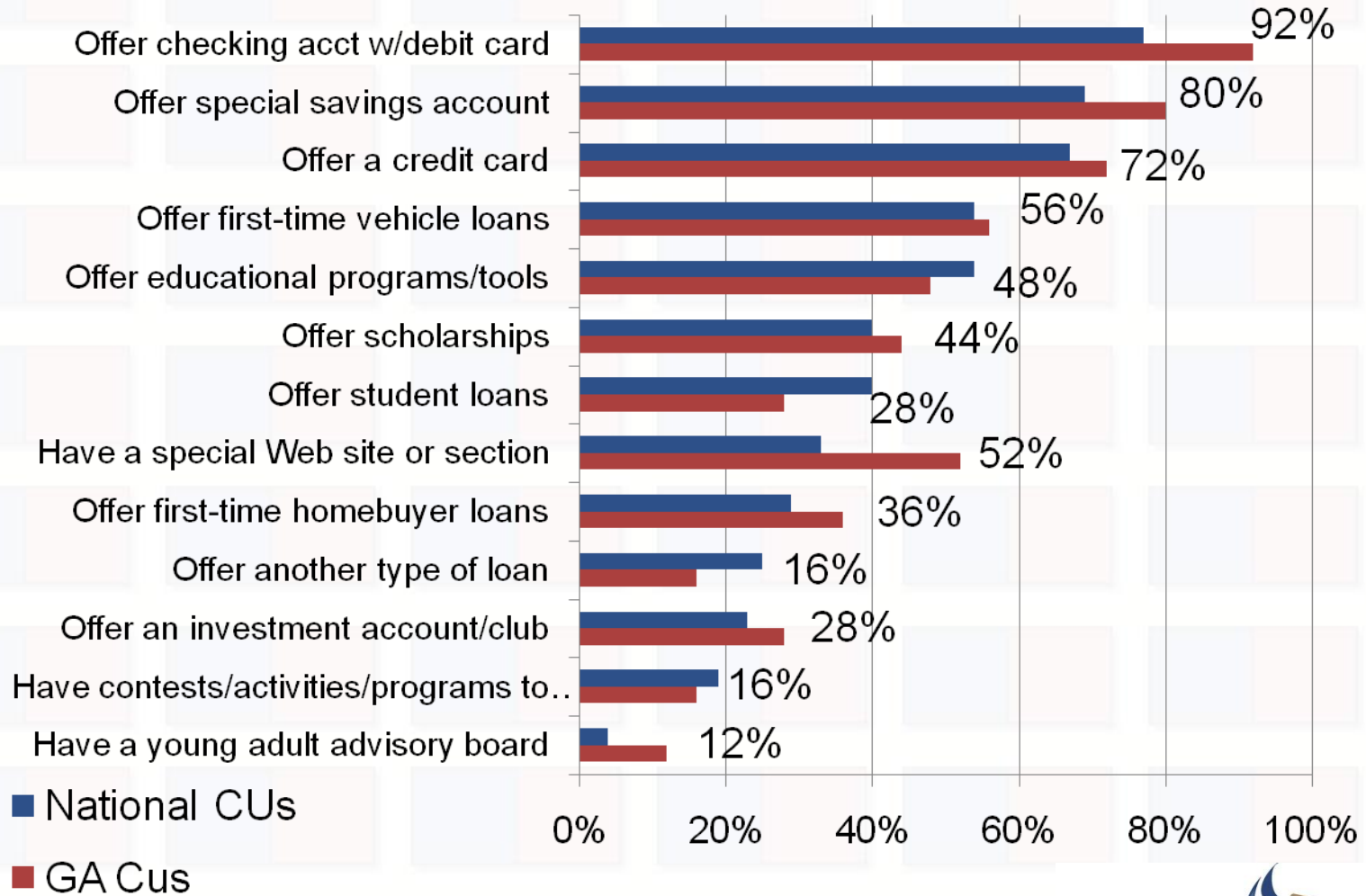


Credit Unions Offering Programs/Initiatives for Young Adults Ages 18-to-30



Base is GA REAL Deal credit unions.
Source: GA Baseline Survey—August 2009

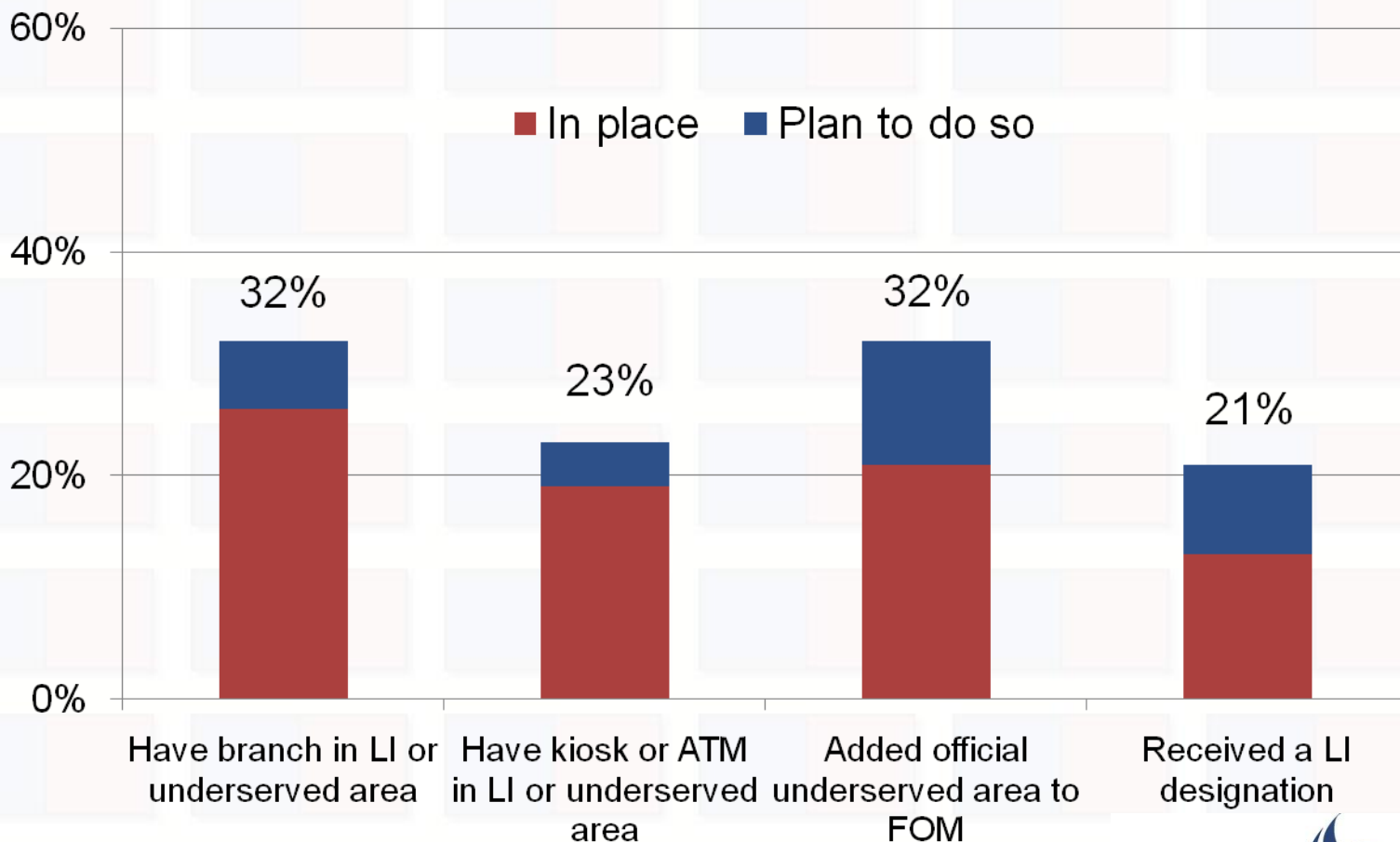
Credit Union Products/Services Specifically for Young Adults Ages 18-to-30 (GA vs. National)



Base is REAL Solutions/REAL Deal CUs that have special programs/initiatives for young adults ages 18-to-30. Source: Baseline Survey—May 2009 and GA Baseline Survey—August 2009

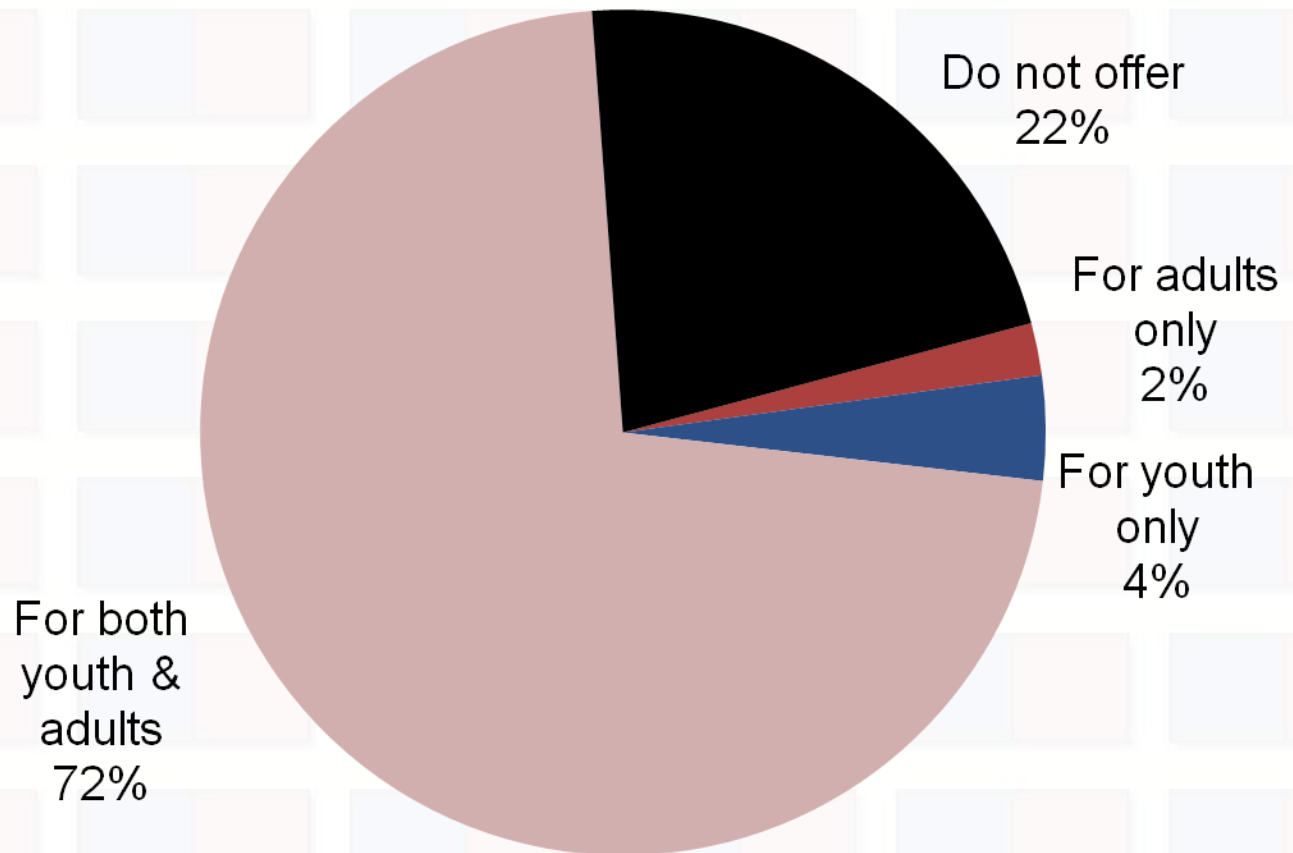
Credit Unions With FOMs and Delivery Systems in Place to Serve Low-Income, Low-Wealth, and Emerging Markets

% of REAL Deal CUs



Base is GA REAL Deal credit unions
Source: GA Baseline Survey—August 2009

Credit Unions Providing Consumer Information—Services, Programs and/or Tools— for Improving Financial Literacy



REAL Deal (Sources) -- Information is not limited to LI, low-wealth or emerging markets.

Base is GA REAL Deal credit unions.

Source: GA Baseline Survey—August 2009

REAL Deal Credit Union Provision of Consumer Information (2008)

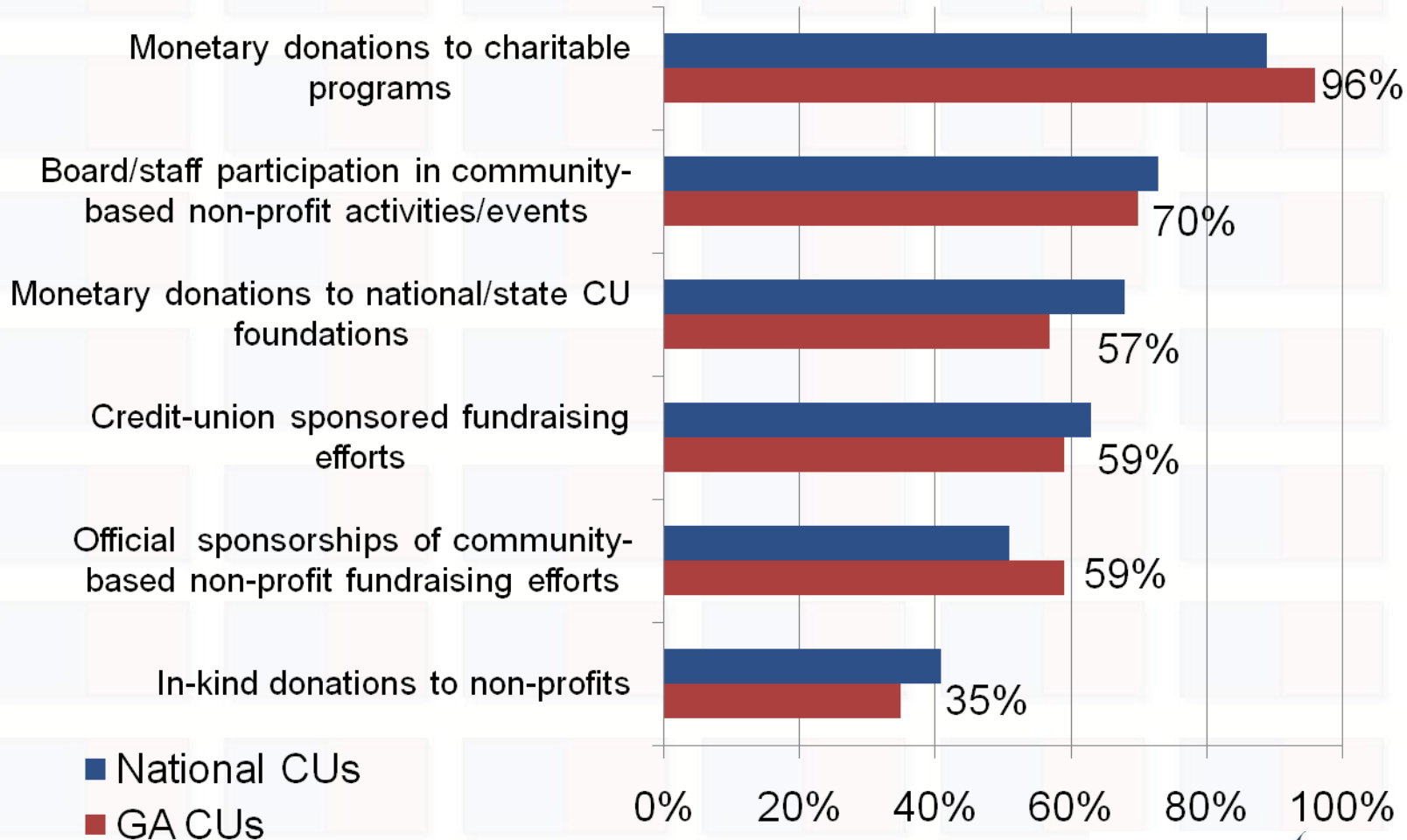
- 630 educational events held by 41 GA credit unions in 2008
- average of 15 events per credit union holding educational events
- 20,071 participants/attendees at credit union events in 2008
- average of 490 annual participants/attendees per credit union
- average of 32 participants/attendees per event

REAL Deal (Sources) -- Information is not limited to LI, low-wealth or emerging markets.

Base is GA REAL Deal credit unions that provided consumer information in 2008.

Source: GA Baseline Survey—August 2009

REAL Deal Credit Union Participation in 2008 Community Outreach (GA vs. National)



REAL Deal (Community Help/Commitment).
Base is REAL Solutions/REAL Deal credit unions. Source: Baseline Survey—May 2009 and GA Baseline Survey—August 2009

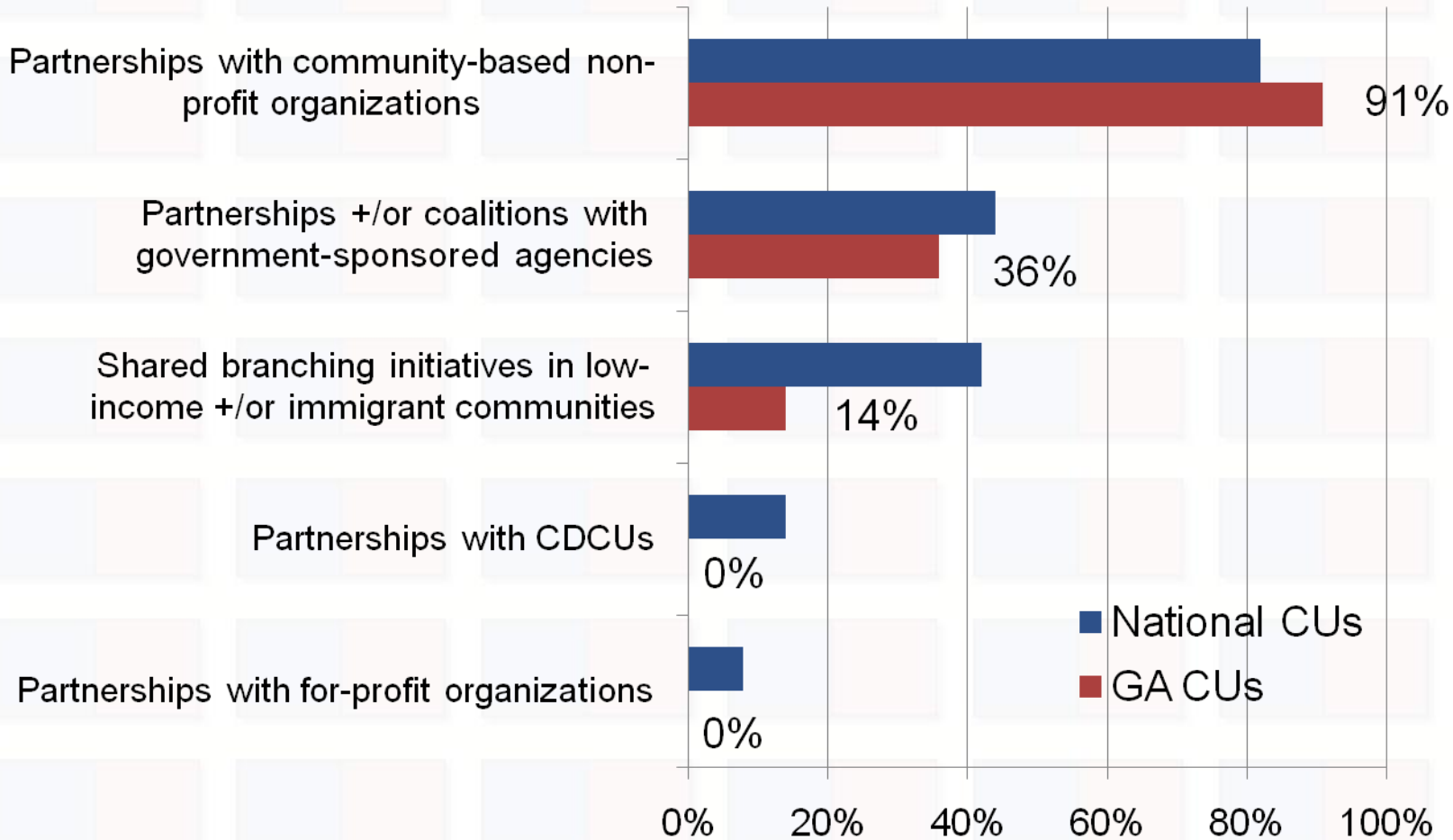
REAL Deal Credit Union Participation in Community Outreach (2008)

- 16,875 volunteer hours from 52 GA REAL Deal credit unions in 2008, for an average of 325 volunteer hours per credit union
- \$341,719 worth of volunteer labor from credit unions (at \$20.25/hour) in 2008
- \$1.2 million dollars raised/donated to charitable initiatives/programs from 53 GA REAL Deal credit unions in 2008, for an average of \$23,153 per credit union
- \$182,200 worth of in-kind donations from 27 GA REAL Solutions credit unions in 2008, for an average of \$6,748 per credit union

REAL Deal (Community Help/Commitment).

Base is the number of GA REAL Deal credit unions that participate in each type of community outreach. Source: GA Baseline Survey—August 2009. Source for value of volunteer labor: Independent Sector 2008

REAL Deal Credit Union Collaboration to Provide Products/Programs in 2008 (GA vs. National)



REAL Deal (Partnerships).

Base is REAL Solutions/REAL Deal credit unions that collaborate with other orgs to provide products/programs. Source: Baseline Survey—May 2009 and GA Baseline Survey—August 2009

Supplemental Surveys to Further Measure Impact

- Payday Loan Alternative Products (done and in the field)
- Tax Preparation Services (done and ready to field)
- Transaction Products
 - check-cashing (member and non-member), 2nd chance checking, bill payment, money orders, international remittances
- Savings Products
 - step-up CDs, Prize-Linked Savings, round-up savings, The Savings Challenge/Revolution, other savings account types
- Loan Products
 - used-vehicle loans/programs, first-time mortgages, credit cards (for those with no credit history), credit-builder loans, credit re-builder loans, credit-score builder programs, microenterprise loans

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Assets for Independence

Stefanie Whorton

Assets for Independence

Office of Community Services

US Department of Health and Human Services

Assets for Independence

- ▶ Funding for IDA projects nationwide
- ▶ On-going research and knowledge development
- ▶ AFI Resource Center – support for the grantees and their partners, training, technical assistance, conferences

AFI Overview

- ▶ At least 1,200 providers nationwide
- ▶ Upwards of 70,000 IDAs and growing
- ▶ \$60,000,000+ saved in IDAs
- ▶ 29,000+ assets purchased
- ▶ IDA is first savings account for most participants

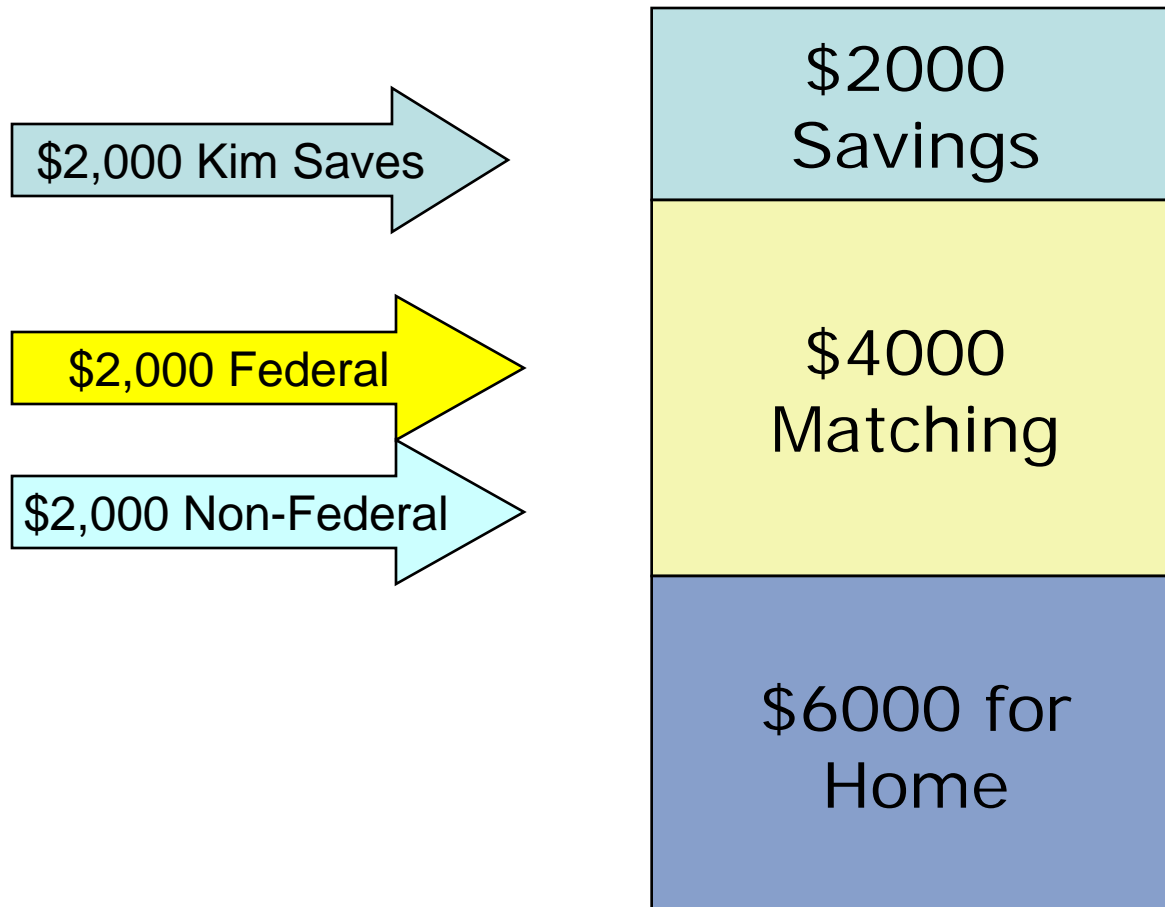
Individual Development Accounts

- ▶ IDAs - matched restricted savings accounts
- ▶ Account holders receive training on money management coaching and other supportive services
- ▶ Account holders save earned income regularly with the goal of acquiring an economic asset for the long term – home, education, capitalize a business

Example -- Kim

- ▶ Kim is a low-wage single mother who currently rents
- ▶ She requires \$6,000 for down payment and closing costs on a home
- ▶ She benefits from financial education, debt counseling and information about home ownership
- ▶ She saves in her IDA and is matched at a rate of \$2 for every \$1 saved
- ▶ Kim saves earned income \$2,000 -- \$55 per month over 3 years

Kim's IDA



AFI Projects

- ▶ Lead entities with a strong commitment to reducing poverty and empowering individuals and families
- ▶ Strong network of partner organizations, including a financial institution
- ▶ AFI grant and non-federal cash support

IDAs and EITC programs

- ▶ EITC counts as earned income for IDAs
- ▶ IDA programs encourage EITC refunds to be used for:
 - Deposits in IDAs
 - Pay down debt or build credit
 - Buy Savings Bonds (U.S. Series I Savings Bonds)
- ▶ Tax topics, budget plans, and refund plans are essential for IDA program sponsored financial education
- ▶ Using refunds for long-term asset development

Using VITA sites for recruitment and IDA outreach

- ▶ Presence at tax sites
 - AFI IDA information in waiting area
 - Video loops
 - Train preparers to ask for IDA account for refund; suggest IDA option in future
 - Open new accounts on site
 - Permission to follow up

AFI Grants

Accepting Applications Now!

- ▶ Rolling due dates for applications annually
 - January 15
 - March 25
 - June 25
- ▶ 5-year grants
- ▶ Up to \$1,000,000 (average \$325,000)

AFI Resource Center

- ▶ Website www.idaresources.org
- ▶ Program site www.acf.hhs.gov/assetbuilding
- ▶ Monthly conference calls on asset building
- ▶ New project planning, facilitation
- ▶ Weekly newsletters about IDAs and related topics
 - Subscribe today!
 - http://www.idaresources.org/IDA_listserv.php

Questions?

Stefanie Whorton, AFI Resource Coordinator

Office of Community Services

info@idaresources.org

1-866-877-6037

<http://www.acf.hhs.gov/assetbuilding>

Assets for Independence Resource Center

The AFI Resource Center provides free information, training and technical assistance on planning and implementing Individual Development Account projects. In particular, it provides information and input on developing applications for Assets for Independence grants.

Training and Technical Assistance available from the Resource Center

- **Orientations to AFI and First Steps with Planning an Individual Development Account Project** – In-person orientation sessions and web-based presentations on the basics of individual development accounts and the process for applying for AFI funding.
- **AFI Project Academies** – Two-day intensive training events for AFI grantees and their partner organizations.
- **Topical Conference Calls and Web-Based Seminars** – Facilitated conference calls or small group discussions about asset building issues and AFI administrative matters. For a complete list of scheduled events and web-based seminars, please visit the calendar of events on the AFI program website: <http://www.acf.hhs.gov/assetbuilding>.
- **Customized Telephone or In-Person Assistance** – On administrative or programmatic issues, such as recruiting participants, providing financial literacy education, building partnerships, or closing-out grants.
- **Intensive Workshops** – Intensive topical training for staff of AFI grantees on administrative and policy issues.

Web Sites & Newsletter

AFI program website – The AFI website provides information about the AFI program, asset building strategies, funding opportunities, and resources for grantees. To access the website, go to: <http://www.acf.hhs.gov/assetbuilding>.

AFI Resource Center website – The AFI Resource Center website provides detailed information on using IDAs and other asset building strategies to support low-income families. To access this site, go to <http://www.idaresources.org>.

AFI IDA Resources Update E-Newsletter – Designed for current and prospective grantees, project partners, and others interested in IDAs, the AFI IDA Resources Update E-Newsletter provides resources and guidance on IDAs and asset-building. Subscribe online at: http://www.idaresources.org/IDA_listserv.php.

AFI Calendar of Events – The AFI Calendar of Events provides a complete listing of upcoming AFI events, including webinars, conference calls, and in-person sessions. Visit the AFI Calendar of Events at: http://www.acf.hhs.gov/programs/ocs/afi/afi_calendar.html.

Guide for Grant Applicants

AFI Project Builder: A Guide to Planning an Assets for Independence Project is a primer on designing an AFI Program, written especially for grant applicants. The Guide provides information about the AFI program and covers major topics on planning an AFI Project – from identifying potential participants to delivering services. The Guide is available on the AFI Web site at: <http://www.acf.hhs.gov/assetbuilding>.

For More Information:

Assets for Independence Resource Center

Office of Community Services

370 L'Enfant Promenade SW, Suite 500 West

Washington DC 20447

Telephone: 866-778-6037

Fax: 202-401-5648

Email: info@idaresources.org

Web site: <http://www.acf.hhs.gov/assetbuilding> or <http://idaresources.org/>

ASSETS FOR INDEPENDENCE FACT SHEET

Assets for Independence

Assets for Independence (AFI) is a demonstration program administered at the Federal level by the Office of Community Services (OCS), Department of Health and Human Services (HHS). AFI supports innovative asset-building projects that feature Individual Development Accounts (IDAs), financial education, and related services that enable low-income people to improve their economic status and become economically self-sufficient.

Individual Development Accounts (IDAs)

are matched savings accounts that enable low-income and low-wealth individuals to save for a specified goal within a defined time frame. The savings goals are homeownership, small business ownership, and post-secondary education.

Features of AFI Projects

HHS awards approximately 60 AFI grants each year. The average grant awarded is \$350,000. Grants cover five-year project periods, though many receive one-year extensions. Grantees customize their AFI projects to meet the needs of the populations and geographic areas they serve.

- Since federal fiscal year 1999, when AFI began, nearly 62,000 individuals have opened IDAs.
- More than 24,000 participants have used their accumulated IDA savings and match funds for an asset purchase.
- Participants are saving upwards of \$880 in their IDAs on average.

Match Rates. Range from **\$1-\$8 for each \$1 of earned income** saved. (About three-quarters of programs offer \$2 to \$1 or \$3 to \$1 matches.) A maximum amount of \$2,000 in Federal AFI funds

may be used to match a participant's IDA savings. Federal funds expended to match savings are paralleled by an equal amount of non-federal funds for the same purpose.

Non-Federal Funds. Each AFI project must raise non-federal cash contributions in an amount at least equal to the AFI grant. Grantees may draw down on their Federal grant award in increments, up to an amount equivalent to their non-federal cash contributions. Both Federal and non-federal dollars are held in a bank account referred to as the Project Reserve Fund. At least 85% of the amount in the Project Reserve Fund must be used to match IDA savings, 13% must be used for financial education and other activities, and at least 2% must be used for data collection.

Participating Organizations. Many types of organizations administer AFI projects, including:

- State, local, and Tribal government agencies applying jointly with a nonprofit
- Community development financial institutions that partner with a community-based antipoverty group
- Low-income credit unions that partner with a community-based antipoverty group
- Consortia of organizations and agencies that target multiple service areas

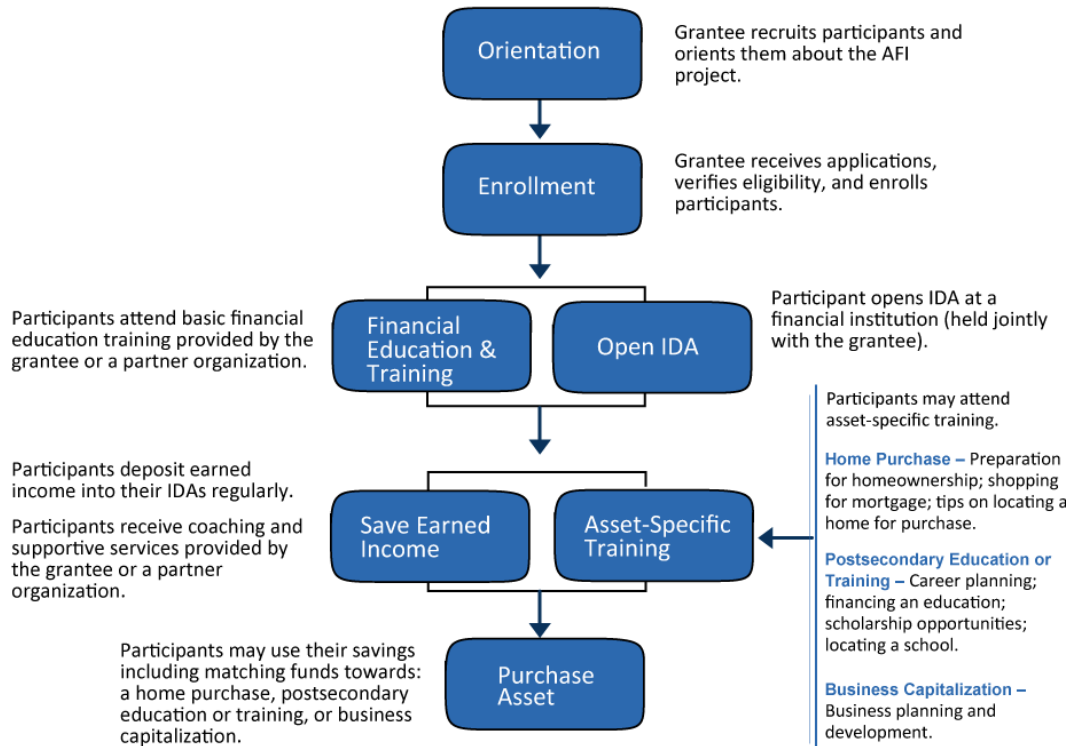
Savings Goals. AFI permits savings and match funds to be used for three specific asset goals:

- Homeownership
- Business capitalization
- Postsecondary education or training

In addition, AFI allows transfer of funds to a spouse's or dependent's IDA for one of these purposes.

AFI also supports two special projects administered by the States of Indiana and Pennsylvania. These State projects have rules and characteristics that are different than regular AFI projects.

From Enrollment to Asset Purchase



Financial Education and Asset-Specific Training:

AFI participants receive financial education training. Grantees choose the appropriate financial education curriculum. Topics usually include budgeting, saving, credit use, investments, and taxes. Grantees also offer participants training related to the participants' intended asset purchase goals.

Participant Eligibility: To qualify to participate in an AFI project, an individual must:

- Be eligible for Temporary Assistance for Needy Families (TANF) at the time of application,
- OR**
- Have an adjusted gross household income equal to or less than 200 percent of the Federal poverty line or are eligible for the Federal Earned Income Tax Credit, **and** have household net worth less than \$10,000 (excluding the value of a primary dwelling unit and one motor vehicle).

Evaluation Findings: HHS recently released research findings that AFI project participants derived substantial benefits from having access to an IDA and related services.

For example, by the end of the third year after opening an IDA, the homeownership rate had increased by 17.8 percentage points, to 41.2 percent; the percentage of business owners increased by 8.3 percentage points, to 24.1 percent; and 46.3 percent of participants had engaged in some post-secondary classes or coursework, including college and vocational or technical training. Comparisons to a corresponding national sample of demographically matched AFI-eligible non-participants showed that AFI savers were significantly more likely to be homeowners, own a business, or pursue post-secondary education than non-participants.

Federal web site (www.acf.hhs.gov/assetbuilding)
 AFI Resource Center site (www.idaresources.org)
 Email: info@idaresources.org
 Or call 1-866-778-6037

Oregon Individual Development Account (OR IDA) Initiative

*“Investing in the personal and financial growth
of individuals to build strong communities
throughout Oregon”*

OR IDA Initiative Overview

- 3:1 match
- Participants save \$500 – \$3,000 dollars, and receive up to \$9,000 in matching funds
- Participants save at least \$25 a month for six months – three years
- Income limit is 80% of Median Family Income or 200% of the Federal Poverty Line

Asset Classes

- Home Ownership (39%)
- Education, including 529 college savings plans (30%)
- Microenterprise Development or Expansion (29%)
- Home Repair (2%)
- Assistive Technology (less than 1%)

By the Numbers

- 1,426 graduates to date
- 1,197 current savers
- Matching funds totaling \$4,250,294 paid out to graduates
- On average, graduates save about \$1,000 and receive about \$3,000 in matching funds

Our Graduates: Tashawna Grinstead



Our Graduates: Yashica Island

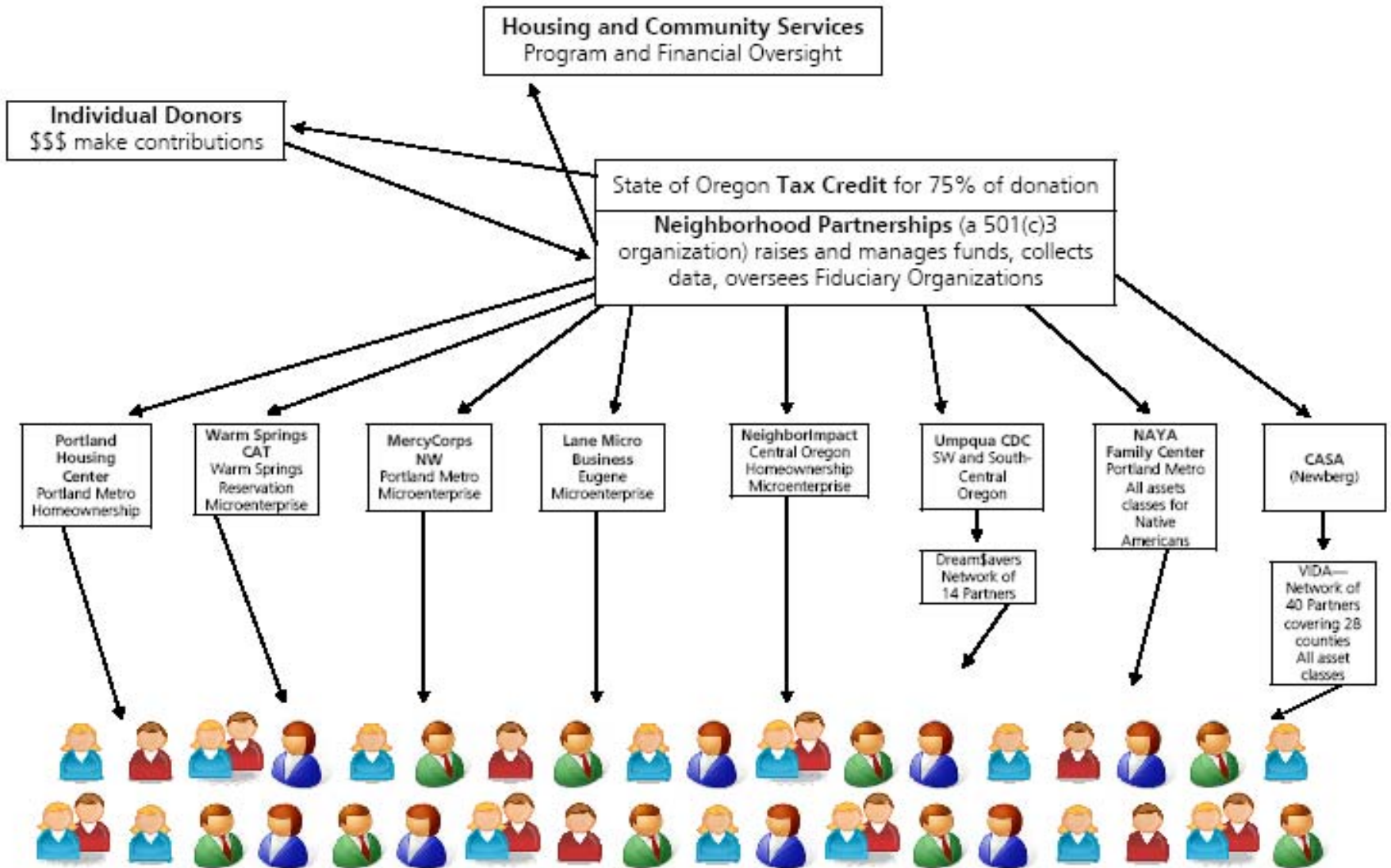


Our Graduates: William Sherfield



Our Graduates: Caroline Barron, Passionate About Popcorn





Individuals open savings accounts, learn financial skills, and build assets using matching funds from the IDA Initiative

Oregon IDA Tax Credit

- HB 3391 established a 75% state income tax credit as an incentive for contributions to the OR IDA Initiative
- No limit in statute on number of tax credit contributions each year
- Agreement made between legislature and Department of Revenue on limit
- OR IDA Tax Credit sunsets in 2016

Marketing History

Year	Contribution Limit	Contribution Rec'd
2003	\$ 666,000	\$ 666,000
2004	\$ 666,000	\$ 666,000
2005	\$1,500,000	\$1,340,515
2006	\$4,000,000	\$3,584,181
2007	\$6,000,000	\$6,000,000
2008	\$8,000,000	\$4,544,703
2009	\$10,000,000	\$4,712,583

Tax Credit Marketing

- Majority of credits are marketed to CPAs, Accountants and Financial Planners
 - Direct mail twice a year
 - Speak at local trainings and conferences
 - Advertise in trade journals
- IDA Tax Credit listed in local paper as one of its top tax tips three years in a row
- Targeted Direct Mail
- Social Media

Measuring Success

- Full Fund Allocation
- Racial and Geographic Diversity of Participants
- Strong Retention and Case Management Plans Developed, Implemented and Continually Refined
- Site-specific Work Plan Goals Established Annually
- % of Participants Who Use a Budget to Monitor their Spending and Maintain Emergency Savings One Year Post Graduation
- Administrative Excellence

Program Evaluation

- External evaluation by researchers from Portland State University
- Goals:
 - Track and report program results
 - Capture impact on participants
 - Support ongoing program improvement
- Data is collected using the Outcome Tracker database and through graduation and one year post program completion surveys

Learning from Participant Surveys

- **Building resilience and changing behaviors:**
 - Regular use of budgets grew from 32% at enrollment to 70% at exit
 - 66% started an 'emergency fund' savings
 - Satisfaction with 'financial status' increased from 46% at enrollment to 82% at exit
- **'Non-completers' said:**
 - Learning to use a budget was 'very helpful' (56%)
 - Personal development plan was 'very helpful' (64%)
- **12 months after exit:**
 - 54% of respondents 'often' use a budget
 - 46% have an emergency fund

What we've learned...

- IDA Legislation needs a permanent source of funding in order to go to scale
- Tax Credit needs to be a significant incentive for donors and businesses
- Needs to be a strong relationship between the state, program managers and partners
- One size doesn't fit all when it comes to IDAs
- IDAs change lives and behaviors!

Insight from Graduates

Darrell Green, owner of a small printing company in Roseburg, Oregon: ***“I believe the most important thing I learned is that I do not need a windfall or inheritance to change my finances. What I need is discipline, training and a goal.”***

Patricia Marx, student: ***“Actually being ‘forced’ to save money is a habit I will continue for years to come. I really needed this money for school and this program has allowed me to take courses I wouldn’t have been able to otherwise.”***

Michelle Garcia, homeowner: ***“I learned how to budget my money by setting goals and paying off debts. After three years in the IDA program, I saved enough money to purchase an \$85,000 home.”***

Contact Information

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