



[The Bright Side Episode 19: Financial Empowerment](#)

Produced by
CEDAM

Underwritten by
Citizens Bank Chase MSHDA MIplace

Char Seise We find that personal finance is no longer taught in school as a part of the curriculum, and a lot is lost in our society by not having the knowledge to make informed decisions.

Rick Hampson 77 million Americans don't pay their bills on time. So another piece of evidence that says how important financial education and literacy is.

Duane Peterson With those emergency needs, they may go to a payday lender. Two, three, four hundred percent interest essentially.

Hank Hubbard That's a very expensive way to solve your problem, and we found that a lot of our members were doing that. And we thought, hey, we've got to come up with a solution.

Virg Bernero So much of what we do with finances is on the back end. You know, we collect taxes. And we have the FDIC, an insurance group so that if the bank goes bad, you're protected. But we don't have a whole lot on the front end. We don't have a whole lot to be proactive. And that's what the financial empowerment center was all about.

Carolyn Bullock My goal is to purchase my first home and my other goal is to pay off my vehicle.

Chennelle Dismond This is our fifth annual Show Me the Money Day event. It's a kickoff to the tax season.

Bonnie Hildreth And we were just chatting about the children's savings accounts, and Megan's like, "You know, this would be a great thing to do in a rural community." And I said, "Gee, I happen to know one!"

Virg Bernero Some people say, "Well gosh, kindergarten is just too early for kids." Kids understand money.

Lansing School Principal Are you excited about the piggy bank?

Kids YEAH!

Char Seise Everybody that walked through our front door, they came because they didn't have their own resources to solve their problem.

Megan Kursik And so if we continue to just help people subsist and provide them the income they need to get by for a short period, we'll never quite empower them to get ahead. So financial empowerment is about arming people with the information and tools they need to actually create their own financial stability.

---Financial Empowerment---

Show Me the Money Day

Amanda Grover Today we're at Show Me the Money Day here in Muskegon.

Kevin Keane Today is Show Me the Money Day.

Courtney Ziny We were at the Show Me the Money event in Nashville.

Chennelle Dismond This is our fifth annual Show Me the Money Day event.

Olivia Courant And what did you win today?

Jeanette Edwards A \$250 gift card! Thank you Jesus!

Courtney Ziny So the Show Me the Money event is a statewide event that is used to kick off tax season as well as provide information to residents of the area. So we

have financial institutions there telling about some of their products, as well as different nonprofit organizations that provide services or have programs that can be helpful.

Tony Moulatsiotis Today's event features the financial resources fair with food, prizes, and financial workshops.

Amanda Grover Oh, we've got a lot of different workshops going on. We've got everything from manage your credit and build better credit to landlord tenant issues. There's also information on financial aid for school so that you can go to post secondary school.

Jeanette Edwards I wanted to find out about the home improvement because I need some new windows and doors, and then also I wanted to talk to Habitat for Humanity because my grandson needs a ramp on his house. He has cerebral palsy and I wanted to find out if they could do that. And he will be eligible. So I'm happy about that.

Chennelle Dismond A slew of people ended up showing up and they were outside the door, so it's been an amazing day.

Donna Farley There's a lot of vendors here that gave out a lot of helpful information. Chemical Bank, for instance. They had the information about how to go about getting the grants for home repairs. Consumers Energy had the CARE program. Metro housing was here. H&R Block. The healthcare... VA was here.

Pam George We are here to explain to people what Legal Services can do for them. We do some family law and we intake all senior citizens, so that's really important. Regardless of what the issue is, we want to do intake for all of our seniors.

Roger Morgenstern We are the electric provider here in the Muskegon area. We're giving information on how you can save money on your light bill and also the various assistance programs that many of the people who are coming through here may be eligible to sign up for.

Kevin Keane One of the programs that we're featuring today is our Helping Neighbors program. We go into the home, show them where they can save money, and actually install a new thermostat, flow reducers for the faucets, compact fluorescent light bulbs.

Karen Knoblauch We're here today to just talk about our checking account products, maybe offer those to folks who may not have a bank or are looking to switch banks.

Courtney Ziny I loved today's event. I was very excited after today's event. We did something a little different, so the Hastings one last year and this year we have on

Saturdays at the library. And both events are open to the public. Well, in Nashville we decided to do it overlapping the food distribution time, and we were right across the alley from the food distribution program.

Reverend Byron Moore The Show Me the Money event, which is something we are very proud of because of what it does by informing our residents and our congregation and the community alike about programs and assistance that's available to them to enhance their homes and enhance their lives.

Donna Farley Didn't want to miss it! And I'm glad I didn't.

Jeanette Edwards I enjoyed it. I really did. I enjoyed it and I learned a lot of information. Healthcare and everything.

Find a Nearby Event:
ShowMeTheMoneyDay.org

Financial Empowerment Centers

Lynne Balkema Financial Empowerment is about taking what you have and getting yourself to where you want to be.

Juan Rodriguez By being able to organize my money, what little bit of it I have, through the Financial Empowerment Center, they helped me get on a budget. They helped me look at issues that I hadn't even thought about, like credit ratings and bank accounts and all that. It's just phenomenal. I'm really thankful.

Success I was just having some trouble with a mortgage. Like most people, old mortgage, very high interest rate. I think it was 12% or something like that. And I got talking to Jim, and he sent me to a bank. And now my mortgage is 2.5%.

Char Seise The Financial Empowerment Center allows individuals to come in to an office, have a private one-on-one counseling session with a financial empowerment coach. The goal of the Financial Empowerment Center is to just help people overall improve their financial household.

Leah Rossenbaum How do you budget? How do you pay your bills? How do you get ahead?

Sonia Diallo I'm a financial counselor for the Lansing Financial Empowerment Center who will help you be financially stable and free. So talk about credit, debt, anything.

Lynne Balkema We ask people to call to make an appointment. Our initial appointments usually last between an hour and an hour and a half. We sit, we chat, we get to know each other a little bit. We go through income and expenses. We assign a spending journal to people. And then we start to focus in on what matters. If you were brave enough to call and motivated enough to call, there must be something on your mind and what is it? And how are we going to work on that together?

Carolyn Bullock I ended up developing a spending log. An every day spending log, to the point where I would tell my son. It's like he wants to go get McDonald's or whatever. I'd be like, Kailen, it's not in the budget! [laughs] So it's like my middle name became budget. And it kept me on my budget, which is really really good.

From 2013-2014, people who went to Michigan's Financial Empowerment Centers decreased debt by \$2,460,000 and increased savings by \$180,000.

Char Seise It's actually liberating when you can actually go to the savings account and pay for that car repair yourself.

Bob Cavin We just paid our car payment off in June of this year. And we're looking to pay other debts to be hopefully in a year from now debt free.

Cona Marshall I originally came to the Financial Empowerment Center basically because upon graduation, I want to be financially responsible as possible. I intend to get a good job and I want to know what habits to have financially.

Virg Bernero We have not, until the Financial Empowerment Center came to be, we did not spend much time at all on the individual unit. The family unit. The individual, and say, how can we build financial health before a crisis? How can we create stability? That's what the Financial Empowerment Center is all about.

Leah Rossenbaum This particular program was actually launched and designed under Mayor Bloomberg in New York. And it's proven to be incredibly effective. So we're pleased to be one of the sites that's able to launch this particular model.

Andy Meisner The purpose of the grant is to bring together a government partner like the County Treasurer with a nonprofit organization like JVS to provide for financial empowerment of the families of Oakland County.

Brad Slagh My responsibility is to collect delinquent property taxes. What we've found is with the Financial Empowerment Center, if I can get them in, have them do the interview, they're able to help those people get applications completed and actually then keep their property. Help them budget so that they're not spending money that they really don't have, or help them find dollars that really are available that they could have access to but they don't understand that they can get it.

Amber Paxton We had a client who was involved in a payday lending situation cycle, and then her financial counselor at the Financial Empowerment Center sent her to a credit union who approved her for a loan to pay that off. But she said, “I never had any idea I could have been approved for that.”

Virg Bernero Within six months, Morice was able to achieve all six possible outcomes. He has established savings, which he contributes to every month, paid down debts, negotiated with creditors, and increased his credit score by 110 points.

Carolyn Bullock I’m grateful for the program because it was definitely definitely beneficial and I’m just grateful to be a part of it. And to be able to share and help others.

Cona Marshall If someone was considering going to the Financial Empowerment Center but unsure, I would say, “Go!” [laughs]

Financial Empowerment Centers

Lansing: lansingmi.gov/ofe

Oakland County: oakgov.com/treasurer

Grand Haven: grandhaven.org/housingservices

Taylor: taylorhousing.org

Citizens Helping Citizens
Citizens Bank

Rick Hampson The starting premise is that, as we know, money does not come with instructions. As a bank we’re uniquely positioned to provide advice to our customers about financial education, financial literacy, budgeting, planning.

Citizens Helping Citizens Manage Money is our program that provides financial literacy to our customers and consumers in our communities. Some of the things that consumers and our customers can do on our site is to run their numbers. So they can look at budgeting. They can look at home affordability and home prices that they can afford. They can work on savings plans, setting up budgets for their family.

Additionally, our Citizens Helping Citizens Manage Money program provides funding to nonprofits, which are really the cornerstone and really critical link to the community where that funding goes and can get to many many people out there that need this education.

A specific example would be our association with Junior Achievement for Southeast Michigan, where we’re providing funding for youth to learn more about entrepreneurialism, saving, and working toward growing a business. We’re

providing services and funding for free workshops for financial education and free tax preparation services.

Customers that are better educated about financial literacy are going to make more informed decisions as it relates to housing, spending, and their overall position. Customers rely on Citizens Bank and banks like us to provide not just products and services, but also advice. And so it's critical for us to provide that education that in turn allows our customers to be better educated and in turn helps our economy.

Citizens Helping Citizens Manage Money
CitizensBank.com/Community

Volunteer Income Tax Assistance

Heather Harris My name is Heather Harris, and I'm a VITA volunteer.

VITA Volunteer: Volunteer Income Tax Assistance

Volunteer I was in the air force and I saw a sign, and it said, "Learn how to do your own taxes." And all you have to do is volunteer four hours a week.

No experience needed. Volunteers are trained in tax preparation.

Volunteer Just the volunteer part of it. It really feels good to help others who need your help.

Give free tax help to veterans, students, families, parents who need it.

Volunteer Site Coordinator The value of VITA is huge. It's huge. When you have people who would not have their taxes prepared if we weren't there. Or if VITA didn't exist anywhere.

Experience: Volunteers network and gain job skills.

Heather Harris I was looking for some volunteering to put on my resume. I heard about VITA and so I signed up for the volunteer training and really enjoyed that, and I started volunteering. It was that easy.

Through the connections that were here, I was invited to the CATA station. They had a bunch of networking people there, and while I was there I submitted my resume. I came with my resume just in case. And got called and offered a job!

Be trained, help others, have fun, learn new skills

Payday Loan Alternatives

Kathy B. My experience with a payday loan was mine was an installment loan, which meant that I was paying \$130 every two weeks. Every time I got paid, I had to make a payment.

Amber Paxton Payday lending is a method of borrowing in which you can get money very quickly, but at a very exorbitant interest rate. So we are not talking interest rates of 25%. We are talking interest and fees that equate to 200-300% or more, and what makes that an issue in Michigan right now is they really prey upon people who can least afford to pay it.

Hank Hubbard So if something happens, you get a flat tire, or your refrigerator goes out, you need some extra money and your credit score isn't going to support a loan. You don't have anything saved. What are you going to do? The only opportunity they have is to go to a payday lender.

Duane Peterson It's beyond dangerous. It's... for many people it just keeps them in poverty long term.

Kathy B. What I borrowed was \$800. Two years later, I still had \$800 that I owed on that loan. And I was paying \$260 a month.

Kathy paid back more than \$1,600 for a \$800 loan.

In Michigan, payday lenders cannot lend more than \$600.

Amber Paxton The cap on a payday loan is \$600, so they should not be loaning anyone more than \$600 on a payday loan event. But beyond that, it is illegal for anyone to have been issued more than two payday loans in the state of Michigan at any time that are still open and active.

Back in October, we really wanted to dig into this issue and see what we were seeing with our clients. And so what we found was that we had 48 people who had these loans, but 61 loans total. Three of the forty-eight had three loans or more. We expected that there would be no loans in the system that were over \$600, plus the fee of up to \$76 that they can charge. So we expected to see a lot of \$676's and below. And we did to some extent. So the first were \$676 or below. But the other 20 were more than that. And there were some in here that were in the thousands. So

we had 2 loans that were for \$2,000 each, and one that was for \$8,000. And these are all from payday lending institutions.

So what's interesting about that is we know that's illegal in Michigan! How is this even happening, how are they getting away with this, and certainly how are these three clients getting a third loan when the other two are still open and active? And what we're learning is that there's a lot of ways that payday lending companies try to get around this, and one of them is to be virtual.

Kathy B. The company that I took the loan out of was from another state. They were charging even more because it wasn't even a Michigan based company and they could get away with it. It's horrendous the way people are preyed upon with these types of things. There's just no way to get out of it.

*Just Loans
Inner City Christian Federation, Grand Rapids*

Angie Hamlett We wanted to help them get out of that at a lesser interest rate because what they were paying was not... there was no way out of that.

Sue Ortiz This is a pilot program. We've provided 49 loans to families who were either involved in a payday loan or were contemplating getting a payday loan as a result of their personal financial situation.

The only way that we can't work with a family is if there's an inability to repay the loan. But what we can do is work with them to determine how to increase their income. We have everybody come through financial education, financial coaching individually. And then we assist them to get to the point where they can qualify.

For ICCF, we see this as a critical component in our mission to promote family responsibility and independence, freedom from that debt trap that is so prevalent with payday loans.

*Bridge Loan & Savings
West Michigan TEAM & AAC Credit Union, West Michigan*

Duane Peterson You know, in terms of the payday lender, they'll kind of start going through a cycle where they'll take out another payday loan to pay off the first one and it really snowballs. With our loan program, it really is the opposite of that. It's a fixed term rate loan. They pay it off, and then because of the Savings for Success program, they're walking off with \$240-\$520 in a savings account.

James Vander Hulst The loan program really originated out of a conversation at one of our Lakeshore Employee Resource Network meetings. Each of the companies was discussing as we were coming out of the economic downturn the number of 401k loans that they were being requested from employees, or employees coming in

for hardship purposes because of payday lending, transportation, or utility issues. Instead of an employer trying to create an internal program, we decided to partner with a credit union locally.

Velvet Fuller It's the Bridge Loan and Savings plan, and it's designed to help individuals who maybe have damaged credit or have a life circumstance that comes up where they need access to reputable lending – to help them keep going to work, so it's not interrupting their ability to get to work.

Employees meet with success coaches like Duane to get connected to the program.

Duane Peterson A mom was out on maternity leave. The maternity leave got a little bit extended. During that time period, she'd gotten behind on some utility bills. I said, "We could explore a loan," and her response was, "No we can't!"

We talked about our Bridge Loan program and she was like, "I don't think you understand. My credit is so bad that I won't be able to get this." And I had told her that we didn't look at credit, and it just did not connect with her. A loan was not part of her vocabulary. And I said, "Really? Because you've been here multiple years with this company and you've got a good reputation here. That will serve in lieu of your credit score."

James Vander Hulst It requires that they sit down with a success coach and look at the affordability of the loan as opposed to just giving a loan without looking at the ability to pay it back.

Velvet Fuller The loan that we provide has a savings element. If your payment is \$25 every two weeks, \$10 is required as added to that amount. That \$10 goes into a savings account. It's frozen. It cannot be accessed until the loan is paid off.

Duane Peterson We've found that most people actually continue to save after the loan is paid off.

Velvet Fuller We have members who started back in that early 2012 who now have several thousand dollars in savings. And these were first time savers. So there's just this huge reward in seeing people realize that, "Wow. I can save money."

*Employee Resource Networks
Ludington, Grand Rapids, Kalamazoo, Saginaw, Flint, Battle Creek*

James Vander Hulst And so each of the ERNs that we have – there are eight in the state right now – they all have a loan component in partnership with a local credit union or community bank.

*MyPay Today
Communicating Arts Credit Union, Detroit*

Hank Hubbard So we're a community development credit union. The people that we try to serve are the ones that are a little bit more disenfranchised. About 75% of our members have less than \$500 on deposit with us, total savings relationship.

We came up with this product called MyPay Today, which is an alternative to payday lenders. It costs about 80% less than if you were doing those same transactions at a Check N' Go. So it's a remarkable savings. It's like \$600-\$700 per person per year.

*Annual Cost:
\$700 Check N' Go Payday Loan
\$100 MyPay Today Loan*

Hank Hubbard So we have an annual fee – sort of like a credit card has an annual fee – of \$70, and then 18% after that. The way it's designed is you come in, you get your \$500, and then instead of having to pay it back on your next pay day (which is less than two weeks) you have two months to pay it back. We also report it to credit bureaus. So while you're paying your loan back, you're also improving your credit score.

1,800 credit union members used MyPay Today in 2014. They saved \$742,910 in payday lending fees.

We did a study on our sustainability. Our loss ratio on this product is 15%. So if you're looking at the rate that we charge, which is 18%, that's only a spread of 3%, which really isn't sustainable all by itself. And that's where the annual fee comes in, and that helps us to pay for everything else that goes along. In the end, it is sustainable. But, again, we don't make that much.

For us, it was worth it because it's very popular with our members.

Only a handful of alternatives like these exist in Michigan.

There are 600+ payday lenders.

Amber Paxton There are credit union products that are being developed that will be alternatives to payday lending. There aren't a lot of them though.

If you have found yourself in a position where you have one of these predatory products, we really do want to help. And that's what the Financial Empowerment Center is here for. We are a partnership with the City of Lansing city government and Capital Area Community Services, which is your local community action agency. We are a free service. We absolutely never charge for anything. It's very safe, confidential, professional, and you can come in and talk with one of our counselors about this issue or any other issues you're having with your finances.

Help, Policy and Alternatives

cedam.info/PayDay

Financial Empowerment Centers (or call 2-1-1)

Lansing: lansingmi.gov/ofe

Oakland County: oakgov.com/treasurer

Grand Haven: grandhaven.org/housingservices

Taylor: taylorhousing.org

Inner City Christian Federation

ICCF.org

West Michigan TEAM

WestMichiganTeam.org

AAC Credit Union

AACcreditunion.net

Communicating Arts Credit Union

CACUonline.org

Children's Education Savings Accounts

Virg Bernero 365 very excited Lansing kindergartners were the first recipients of a free education savings account.

Bonnie Hildreth We are the first community in the nation that actually has a permanently endowed fund that will forever give a kickstart to career for every kindergarten student in our country.

April Clobes Is school fun?

Kids YEAH!

April Clobes Yeah! The credit union is hoping that we can help you with some savings so that you can go to college. Does that sound like fun? Keep going to school?

Kids YEAH! [clapping]

Megan Kursik So Lansing SAVE is the first universal and automatic college savings platform in Michigan. And then in the fall of 2015, we actually have another community, Barry County, will be launching.

Bonnie Hildreth Once the account has been established, then the parents will get letters that tell them all the activities of this child's savings account, where it's held, how the account will be in the child's name and the child will be the beneficiary of the fund. And we're working with a local community bank, so first of all, that's something different. I know in Lansing they're working through a credit union.

Jayme King Right now the MSU Federal Credit Union has started the seeding of these accounts with an initial \$5 deposit.

Megan Kursik That savings is then dedicated for college, so the accounts are deposit only and the student account holders will not be able to withdraw fund until they graduate from high school and enter into college or another post secondary education or training opportunity.

Child Thank you!

Superintendent You're welcome!

Angela Nadeau He goes to Cumberland Elementary School. He's been going there for about a couple years now. Enjoys it, loves it.

Olivia Courant Is then he going to plan to go to college?

Angela Nadeau I would hope so. I want him to. He needs to.

Virg Bernero We need more of our young people with access to higher education, and that's what this is about.

Megan Kursik Less than 1/10 students from low income families will graduate by age 26. When they have a college savings account in their name, they're actually 4x more likely to graduate.

Virg Bernero We've given them piggy banks today. But we also gave them an account. We also gave them a link. We gave them a line to a financial institution. For many families this might be the first line, their first link to a financial institution, and that is vital.

Bonnie Hildreth We know that some families may not need that assistance, but we want this to be fair and equitable for everyone. We don't want this to be a program that only the needy can apply for or qualify for. We want this to be right across the board.

Invest \$5 in a CSA when a child is 7 years old. \$5 per month at 5% interest = \$1,012 by age 18.

We also know that there are other families that have never really had that experience of making savings. So the conversations we're having right now with curriculum directors and with our superintendents and our education network is how can we incentivize good behaviors?

Megan Kursik And we know that when they're kindergartners it'll be probably basic, but as they get older, they can really learn some important things. Understanding FAFSA, understanding what signing your name on your student loan actually means for you after you complete your degree.

In addition to financial education, we are working with University of Michigan and University of South Carolina to connect the future college bound identity to your current activities and engagement in school. So I'm doing things academically today so that I can achieve my college bound future, but I'm also doing things financially today by saving in my account to achieve my college bound future.

Lansing School Principal Are you excited about the piggy bank?

Kids YEAH!

Lansing SAVE
msufcu.org/LansingSave

Kickstart to Career
BarryCF.org

Bonnie Hildreth It's amazing when you think about all the really cool things that have worked in other places. And we're not ashamed at all to network with other successful programs.

Virg Bernero We're reaching the students, but we're reaching the families and we're connecting them to a leading financial institution here in our community that can make a huge difference in that family's future and I think it will.

Reverend Byron Moore As a church we believe in that wholeheartedly, in the existential and the tangible needs of people being met, and so we are excited about having the various vendors who are here today.

Pam George It's been fantastic. This is my first time here in Nashville. All new people, wonderful people that I've been able to talk with and it's been very exciting.

Hank Hubbard About ten years ago, we really took a look at who we were trying to serve. At that time we were trying to serve everybody. And we realized then that it was the people at the low end of the economic pyramid that needed us the most.

Velvet Fuller I guess that's just part of the general philosophy of a credit union is people helping people. And we believe that everybody deserves good banking.

Rick Hampson So investing in financial empowerment has always been a huge cornerstone of our bank.

Char Seise The most beneficial thing is when people have that A-ha moment that they can be in control of their finances.

Carolyn Bullock The plan that they put together, I've been following it tremendously so I have noticed a great difference. And I'm happy.

Lynne Balkema I think it's just the best thing that you can do for anybody, is to give them that sense of I'm in charge of my life.

Megan Kursik And so financial empowerment is about extending opportunity within the financial system to all people in our country and our state.

BrightSideTV.com

Outtakes

Amber Paxton Oh, this art will be famous!

Olivia Courant [laughs] It will.

Reverend Byron Moore I'm Reverend Byron Moore. The... we got a photo bomb back there, so we've got to start over! [laughing]

Rick Hampson We think financial literacy is the beginning and the foundation of providing fi- um. [laughs] Cut!

---Credits---

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Music

Josh Woodward – “XO (cover),” “Morning Blue,” “Too Many Valleys,” “Darien Gap,”
“Faded War” (joshwoodward.com)
Kevin MacLeod – “Vivacity” (incompetech.com)
Jason Shaw – “Redwood Highway,” “Pop Star” (audionautix.com)
Bensoiund.com – “Retro Soul,” “Better Days”
Keffy Kay – “Restored Soul”
Tyler Vander Maas – “The Bright Side Theme”

Financial Empowerment Centers

Some video from Money Power
lansingmi.gov/Money-Power

Oakland County Video produced by Oakland County, MI

Citizens Bank

Still photos by Citizens Bank

Payday Loan Alternatives

Kathy B. filmed by Lansing Public Media Center

Children’s Education Savings Accounts

Some video filmed by Lansing Public Media Center

Lansing SAVE Activity Book
msufcu.org/lansingsave

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