

Hablemos de Dinero

When Financial Literacy in English Just Won't Do

BY JANIS K. OPPELT

When a rural Indiana NeighborWorks® organization and one of its lender-partners each discovered that the only available financial literacy training for their Hispanic customers was taught in English, they saw both a problem and an opportunity.

“Money-management skills are critical to breaking the cycle of poverty,” said Annette Phillips, housing director of the Muncie office of Rural Opportunities Inc. “Financial literacy is the logical first step to helping families become independent and obtain financial goals. Although desperately needed, this service was not being provided in our Hispanic community.”

Home-ownership counselors in ROI's Muncie office had been providing homebuyer education services for area residents since the office first opened two years ago. Class attendance by Hispanic residents had grown, but it became evident that many needed more basic information.

As Phillips explained, “Although poor credit was certainly a barrier to home ownership for many of our residents, we came to realize that many needed a more basic foundation in financial literacy before they were even ready for home-ownership classes.”

Meantime, in nearby Logansport, Terri Riley, CRA and loan officer at Security Federal Savings Bank – one of ROI's partners, was becoming aware that her Hispanic customers' needs also were going unmet.

“To receive an FHLB [Federal Home Loan Bank] grant,” Riley said, “recipients must have a home-ownership program certificate. We had many Spanish-speaking customers who qualified for grants, but they were unable to meet the certificate requirements because the program



Youth program participants with Gilda Saathoff (center, left), ROI program administrator, and Lupe Chavez (center, right), TRC regional manager.

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was locally offered in English only. At that time, we were not aware of any organization that offered the program in Spanish.”

In addition, Riley said, “most of our Spanish-speaking customers also arrived with very little knowledge about the loan process in general. At that point, with the difficulties lenders have in conveying the information needed for a loan application and the loan process in general, customers can become very frustrated.”

For help, Riley contacted Phillips and was referred to another of ROI's partners, which taught home-ownership classes in Spanish. Then Riley and Phillips put their heads – and their common experiences – together, and agreed that many potential homeowners in the area's Hispanic population needed a better understanding of just how the U.S. financial system works.



Filling a Need

Phillips and Gilda Saathoff, program administrator for ROI, set out to create a statewide, financial-literacy program in Spanish that would meet the following organizational goals:

- ▶ Encourage the Hispanic community to establish banking relationships;
- ▶ Create a unique educational program to help Hispanic families progress toward home ownership; and
- ▶ Decrease the incidence of predatory lending among Indiana's Hispanic population.

To prepare, Saathoff, who speaks Spanish and would be the program's trainer, attended financial education classes,

one, because, as Shade said, "ROI knew that we're trying to help large numbers of migrant workers with self-sufficiency through employment, training and emergency services. We have many people who can use the information provided in *Hablemos de Dinero*."

Initially, TRC included an article in its statewide newsletter about ROI's program. Then, it sent all its regional managers to the training programs. With this first-hand knowledge, they had no problem recommending it to Hispanic residents who needed the services.

Overall, Shade said, she "highly recommends" the training, without hesitation. "The program addresses financial literacy for both adults and teens," she said, "and

"Money-management skills are critical to breaking the cycle of poverty"

including Neighborhood Reinvestment's Financial Fitness program. After reviewing and evaluating several different curriculums, Phillips and Saathoff decided to combine and customize Neighborhood Reinvestment's program and the "All My Money" program of the University of Illinois extension.

Workshop topics include basic financial planning, money-management skills, saving and investing, understanding banks and other financial institutions, and credit. ROI created a train-the-trainer component for professionals and volunteers, as well as a component for residents. Evaluation forms were created for feedback from participants.

With funds from Neighborhood Reinvestment and the American Express Foundation, the hand-crafted program, "Hablemos de Dinero" ("Let's Talk About Money") was born. Next, ROI set out to reach the people whom it wanted to help.

Outreach Opportunity

Fortunately, Phillips participates on an interagency task force of organizations that help migrant workers. Through task force meetings, she met Rusty Shade, deputy state director of Transition Resources Corporation (TRC), an organization that provides training and employment services to migrant workers across Indiana.

The match between ROI and TRC was clearly a good

is filled with participatory activities that add fun and real-life situations to a possibly dull and boring subject."

All-Around Success

From a practical perspective, said Security Federal's Terri Riley, "participants learn about credit and the importance of opening an account and saving money for the down payment. The program educates the customer and prepares them for a successful loan application and, more importantly, home ownership."

The results have been positive. During the program's first year, 23 professionals completed the train-the-trainer program, and ROI already is offering it in other communities. More than 190 families attended the seven workshops held so far. More than 30 families established savings accounts, and 78 families enrolled in homebuyer education classes.

"It is an accomplishment to know that the workshop planted the seed to set future financial goals and change negative money-management behaviors," said Phillips. "The number of families entering the homebuyer classes was particularly encouraging, and will, hopefully, lead to increased home-ownership opportunities in the Hispanic community." ■

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