

**Neighborhood Networks Quarterly Conference Call**  
**“Topics in Financial Literacy”**  
**March 7, 2006**

**Conference Call Summary**

On March 7, 2006, Neighborhood Networks held the second of four quarterly consortia conference calls. The call was entitled “Topics in Financial Literacy.” Three guest speakers were featured: Nathaniel Brooks, president of Brooks Financial Education, a partner of the developing Virginia Neighborhood Networks Consortium; Pamela Flemions of Money Management International (MMI), a Neighborhood Networks National Partner; and Carolyn Spohrer of Virginia Community Action Partnership, another partner of the Virginia consortium. The guest speakers were selected to participate in the call because of their experience in providing financial education training in the areas of credit management, budgeting, banking, and IRS programs and services.

This call focused on financial literacy topics including managing one’s finances, the dangers of consumer debt, bankruptcy, credit ratings, and some basic investment tools. The Neighborhood Networks Consortia Development technical assistance staff and guest speakers provided insight into programming ideas and resources that centers and consortia can use to increase the level of self-sufficiency among their residents. The speakers explained the benefits of financial literacy, the steps necessary to become financially literate, and how to develop and implement financial literacy programs at Neighborhood Networks centers.

***Highlights from the Call:***

- Tara McCall of Neighborhood Networks discussed the importance of developing financial literacy education programs at Neighborhood Networks centers to help residents meet their financial needs and avoid exploitation from predatory lenders, questionable investments, and outrageous interest rates. McCall provided examples of centers that have had successful financial literacy programs, including Foothill Plaza and Folsom Gardens Neighborhood Networks Centers in Sacramento, California. These centers have partnered with a local organization to provide training in credit management, budgeting, investing, and individual development accounts (IDAs).
- Vasya Dostoinov of Neighborhood Networks discussed strategies for incorporating budgeting and banking information into a financial literacy workshop series. He reviewed strategies for keeping accurate financial records and explained that budgeting is about prioritizing expenses. For example, rent or mortgage payments must be made first to avoid foreclosure or eviction, while less essential expenses should be paid last. Brooks added that when presenting a budgeting workshop, Neighborhood Networks centers should instruct residents to keep a financial journal of all money spent during at least one full pay period. This practice will ensure that residents do not leave any expenses out of their budgets, and will make it easier for them to incorporate budgeting into their daily routines
- Brooks also provided tips for introducing banking services to residents served by Neighborhood Networks centers. He emphasized the need for education about the various types of services offered by banks (e.g., checking and savings accounts, certificates of deposit [CDs], home loans, etc.). Spohrer encouraged participants to develop partnerships with local banks and

other financial institutions to provide financial literacy training at their centers. McCall explained that the Community Reinvestment Act of 1977 (CRA) requires financial institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, and that financial literacy programming is one way that these institutions can raise their CRA rating.

- The speakers addressed several issues pertaining to credit management, including how to obtain free credit reports (at [www.annualcreditreport.com](http://www.annualcreditreport.com)), strategies for avoiding late fees and high interest rates, and how credit history affects one's ability to be approved for loans. Flemions explained that credit scores (also called FICO scores) range from 300 to 800, and individuals with higher scores receive lower interest rates. She also stressed the importance of checking credit reports for accuracy, and explained the process for requesting an investigation when a credit report contains possible errors.
- During a discussion about starting savings plans, Spohrer suggested that Neighborhood Networks centers encourage residents to incorporate saving into their daily routines, much like budgeting. She added that income tax refunds can easily be used to pay off debt and start savings accounts. Such strategies can help individuals improve their credit ratings and prepare for large purchases like a car or home. Neighborhood Networks centers can also inform residents about resources for free tax preparation services at Volunteer Income Tax Assistance (VITA) sites around the country.

The speakers discussed the following online financial literacy resources that can be used to develop programs at Neighborhood Networks centers:

- **Annual Credit Report**

<http://www.annualcreditreport.com>

AnnualCreditReport.com is the official Web site to help consumers obtain their free credit report. This central site allows you to request a free credit file disclosure, commonly called a credit report, once every 12 months from each of the nationwide consumer credit reporting companies: Equifax, Experian, and TransUnion.

- **CFED**

<http://www.cfed.org>

CFED has a standard curriculum for Individual Development Account (IDA) programs. The organization also provides useful information on entrepreneurship and economic development.

- **Citigroup Financial Education Program**

<http://financialeducation.citigroup.com/citigroup/financialeducation/curriculum/index.htm>

Citigroup has published a financial literacy course that is free and available on the Citigroup Web site. The site contains curricula for youth, teens, and adults as well as teaching tips and information for facilitators. The curricula are available in English and in Spanish as PDF files that can be downloaded, printed, and reproduced.

- **Federal Deposit Insurance Corporation (FDIC) Money Smart**

<http://www.fdic.gov/consumers/consumer/moneysmart>

FDIC has published a free financial literacy curriculum called Money Smart, a training program to help adults outside the financial mainstream enhance their money skills and create positive banking relationships. The Money Smart curriculum helps individuals build financial knowledge, develop financial confidence, and use banking services effectively. The full curriculum is available in hard copy and on CD and can be ordered on the FDIC Web site.

- **Money Management International (MMI)**

<http://www.moneymanagement.org>

MMI has partnered with Neighborhood Networks to provide financial education workshops to residents and train-the-trainer workshops to Neighborhood Networks center staff. MMI is currently working with the California Neighborhood Networks Consortium in southern California. The MMI Web site offers interactive financial education tools, online credit counseling, and credit reporting and analysis.

- **The National Council on Economic Education (NCEE)**

<http://www.ncee.net>

NCEE is a nationwide network that promotes economic literacy with students and their teachers, providing valuable information and resources. NCEE's mission is to help students develop the real-life skills they need to succeed, and to promote economic literacy to enable them to think and choose responsibly as consumers, savers, investors, citizens, members of the workforce, and effective participants in a global economy.

The call concluded with a general question-and-answer period for participants on the call. Additional conference calls will be held on June 6, 2006—"Innovative Technology"—and September 12, 2006—"Basics in Consortia Board Development."