Fall 2006

Montana Financial Education Coalition

NOTES

— A National Jump$tart Affiliate —

Your MFEC

It has been three years this November since nearly fifty individuals representing thirty-seven organizations from across Montana met at the University of Great Falls to network, to share concerns about the need for personal financial education for all age and socio-economic groups, and to brainstorm as to how a collaborative statewide effort could foster their common goals. From this effort, the ***Montana Financial Education Coalition*** was born.

The last three years have been truly remarkable and the MFEC continues to promote the need for personal financial education, and uniting and building capacity of financial education programs across the state.

The MFEC held board elections during our September meeting. It is my privilege to serve as the new President of the MFEC, along with Vice President Kelly Bruggeman, Secretary Lindsay Daehlin, and Treasurer Steve Turkiewicz.

The MFEC board is excited about the upcoming statewide conference *(see related article)* and would like to invite you to join us in Billings for this event. During the conference you will have an opportunity to network, share resources and receive information from both national and local presenters. I am confident this event will exceed your expectations. Please mark your calendars and watch for registration information in January 2007.

Karen Smith, President

Saving & Investing: Our Future Depends on It!

MFEC 2007 Statewide Conference

April 10 - 11, 2007 • Billings, MT

The MFEC is pleased to announce that the third Annual Montana Financial Education Conference is scheduled for April 10 and 11, 2007, at the Holiday Inn Grand Montana-Billings. With its focus on the very important issues of saving and investing, the conference promises to be both educational and fun! We are especially pleased to have Susan Beacham as the conference keynote speaker. Ms. Beacham is the founder and CEO of the *Money Savvy Generation*, a company that develops and markets innovative products that help parents and educators teach the skills of basic personal finance to elementary school age children and teenagers. Ms. Beacham received the Financial Literacy Trailblazer award from the Illinois State Treasurer in 2005. She promises to be a very motivating presenter!

Other speakers will include Dick Todd, Federal Reserve Bank of Minneapolis and Nancy Brown, National Jump$tart Coalition for Personal Financial Literacy. In addition, workshops featuring Montana "home-grown" programs will be offered on both days.

Governor Schweitzer has been invited to share his thoughts on the importance of personal savings and investing to our Montana economy at the breakfast on the second day of the conference.

Mark your calendars and join us in Billings April 10 & 11!

Participate as a Conference Co-Sponsor

The MFEC invites you to participate as a co-sponsor for the MFEC statewide conference. The names of co-sponsors providing $1,000 or more will appear on all printed publicity brochures, registration forms, and in the conference program. Co-sponsors will also have an opportunity to have an exhibit. To enable us to proceed with including your organization as a co-sponsor in our marketing efforts, we will need your commitment by **December 15, 2006.** If you are interested in being a co-sponsor, please contact Marsha Goetting at goetting@montana.edu or 406-994-5695.

Homebuyer Ed: Providing the Basics in Financial Fitness

Submitted by Anastasia Burton, Montana Board of Housing — With thanks to Jeannene Maas, MBOH and Sheila Rice, MHN for their assistance

More than 3,000 Montana families are now homeowners because they attended homebuyer education classes to learn more about how to make one of the most important decisions of their lives — purchasing a home.

Homebuyer education is offered throughout Montana by the partners of the Montana HomeOwnership Network. These courses feature professionals from various businesses and non-profits who explain the role their organizations play in the purchase of a home. For example, a banker or mortgage company representative provides guidance on how to apply for a loan, and the obligations of the lender to provide fair and honest information. Local and state non-profits will explain how to access the down payment and closing cost assistance available for subordinate mortgages offered by their agencies.

Homebuyer education also covers topics like insurance, title work, escrow accounts, budgeting for homeownership, credit repair, and home inspections. The mission of homebuyer education is to help educate homebuyers to be prepared for homeownership and to sustain the gains of homeownership for many years. Homebuyer education (a minimum of eight hours) offered by a partner in the Montana HomeOwnership Network is required for families to use Montana Board of Housing set-aside funds for first mortgages (now at 5.5% interest rate) and to use the down payment and closing costs mortgages offered by the Montana Homeownership Network.

For a schedule of homebuyer education classes, visit www.nwmt.org — click on "Buying a Home."

To view a FreddieMac study about the effectiveness of pre-purchase homeownership counseling, visit http://freddiemac.com/corporate/reports/index2.html

Homebuyer ed classes offer other advantages to attendees. Jeannene Maas, Training and Development Specialist at the Montana Board of Housing, is a frequent guest instructor. She says, "I tell folks that, while 'everyone knows' there are special mortgage programs and deals out there for people to access, finding them and weeding out the good ones from the predatory ones can be a daunting task. Taking a homebuyer education course is a great way to find the loan programs that can help, and to learn how to avoid the ones that will hurt."

Maas added, "I also tell them that taking the class and then deciding that home ownership isn't appropriate for them, that too, is a good thing, because they still have all the financial management skills they have gained. They also won't be stuck with 'what if' and 'maybe' thoughts running through their minds, and won't get talked into something that isn't right for them. I have handled delinquent loans and foreclosures over the years, and have had people tell me, 'I wish I knew then what I know now.'"

Many people in the industry feel that some form of homebuyer education should be included in a high school curriculum as a way to help individuals avoid learning through the "school of hard knocks." Homebuyer education programs offer the basics in personal financial fitness to assist people living and working in Montana to more effectively manage their money.

Get Smart About Credit Day

Submitted by Lisa Knutson, First Interstate BancSystem Foundation

On October 19, First Interstate participated in the ABA Education Foundation's *Get Smart About Credit Day*, its third year of participation. *Get Smart About Credit Day* provides bankers an opportunity to help teens and young adults learn how to realize dreams like purchasing a home or financing a college education. Bankers visit high school and college classrooms to bring special attention to the need for ongoing credit education. This year, 49 FIB bankers went out into communities across Montana and made 57 presentations reaching 1,137 students!

The need for credit education is apparent. Did you know that 55% of college students acquire their first credit card during their first year in college, and 83% of college students have at least one credit card? Or that 45% of college students are in credit card debt, with the average debt over $3,000? These statistics underscore why financial education is crucial to the health of our communities. Through this program, the ABA Education Foundation hopes to encourage bankers to become actively involved in helping younger people learn how to make smart financial choices.

Montana Family Economic Security Projects Underway

Last May, the Montana Department of Public Health and Human Services issued a grant RFP (request for proposals) seeking programs that will provide low income families with structured, documented activities to develop family financial literacy and build personal assets. We applaud DPHHS and Governor Schweitzer for recognizing the importance of financial literacy and making these grants available!

In August, grants were awarded to seven innovative and empowering programs across Montana. The projects serve Montanans who have received on TANF (Temporary Assistance for Needy Families) in the past 24 months, and have an income no greater than 200% of federal poverty guidelines.

The following briefly describe the selected programs:

Career Training Institute:
Will offer comprehensive economic security development activities for 20 youth ages 15-20 in Lewis and Clark, Broadwater, and Jefferson counties to break the cycle of generational poverty.

Career Transitions, Inc:
Will offer on-site and rural delivery of services in the Gallatin area to improve economic security through case management, financial planning, training, education, and self-employment opportunities.

Consumer Credit Counseling Services of Montana:
Will serve 35 residents of Cascade and Lewis & Clark counties with financial education and home-ownership needs. Participants will receive financial education and counseling to help achieve bankability.

Rural Employment Opportunities:
Will target 13 rural counties serving 50 participants with financial education, career counseling, employment placement, free tax filing assistance, and financial assistance toward post-secondary education and/or job training.

District 7 HRDC:
Will target 60 clients in a five county region surrounding the Billings area to provide job training opportunities, financial literacy, Individual Development Accounts, and proactive case management.

Montana PEAKS, Inc., the Confederated Salish-Kooteani Tribes and BlackFeet Tribe:
Will offer "Montana WORKS" (Working on Roads, Keeping Safe) to fill employer's labor needs for safe, trained workers in the building trades and highway construction in Northwest Montana. Financial literacy training and asset development are included.

Missoula Job Service:
Will assist 30 participants in Missoula County to achieve family financial literacy and to build personal assets, as well as provide paid education and training programs. Participants will earn a stipend and completion bonus while in training.

For more information about the programs, please contact the awardee directly or DPHHS Coordinator Linda Currie at (406)444-4099 or lcurrie@mt.gov.

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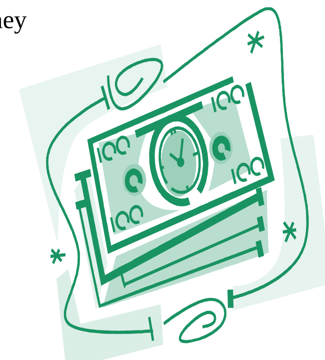
Start Smart: Money Management for Teens

Helping Teens Get Good Grades in Money Management: A How-To Guide from the FDIC

For teens, saving money may not be as much fun as spending it, but putting dollars aside for their future and learning how to be smart consumers are still important things to do. Teens have access to more money than ever before thanks to allowances, gifts and, for many, income from jobs. Teens also are becoming more responsible for making decisions about everything from small, everyday purchases to saving for college or a car. That's why the latest issue of ***FDIC Consumer News***, published by the Federal Deposit Insurance Corporation, is a special guide to help teens (and many pre-teens) learn how to make good decisions about their money, right from the start.

The publication, entitled "Start Smart: Money Management for Teens," features simple, real-world guidance for teens on how to:



- Save more money;
- Decide where to keep their money;
- Spend money wisely;
- Borrow money responsibly; and
- Protect against identity theft.

The guide for teens can be read or printed online at www.fdic.gov/consumers/consumer/news/cnsum06. There also is an online form for ordering up to two free copies.

Taking Ownership of the Future: *The National Strategy for Financial Literacy*

Provided by the Financial Literacy and Education Commission, Taking Ownership of the Future report reviews the strategy for improving financial education in America. The strategy looks at a variety of important topics such as homeownership, credit management, retirement savings, and many other issues and describes the challenges and the solutions. Download a copy of the report at — www.mymoney.gov/pdfs/ownership.pdf.

Volunteers Needed for Expanded Tax Assistance Project

Submitted by Consumer Credit Counseling Services of Montana

More low-income individuals and families will receive free tax preparation this year through Consumer Credit Counseling Service's (CCCS) Tax Help Montana project, now in its third consecutive year.

CCCS is seeking additional volunteers as it expands its Volunteer Income Tax Assistance (VITA) sites from the twelve offered statewide last tax season to over nineteen this coming tax year, including a site in Wyoming. During its first year, five sites prepared 205 returns. Last year, Tax Help Montana prepared over 3900 returns with a total refund amount of more than $1,450,000, which is an economic boost for Montana communities according to Shannon Augare, CCCS Director of Asset Development.

Tax Help Montana helps qualifying low-income individuals and families receive the federal Earned Income Tax Credit (EITC). Information from the Government Accounting Office suggests that, overall, about 25 percent of those that qualify for EITC do not claim their credits. The free tax preparation offered by Tax Help Montana assists these working people in receiving these credits without losing part of it to tax preparation charges.

Communities with VITA sites include Kalispell, Great Falls, Billings, Lame Deer, Butte, Culbertson, Conrad, Fairfield, Cut Bank, Fort Benton and Casper, Wyoming. The Blackfeet, Fort Belknap and Rocky Boy reservations also host VITA sites.

"You do not need to be a tax expert to be a part of our Tax Help Montana team; we will train you and provide you with a great learning experience," said Augare. "We've had volunteers from all walks of life including retirees, working people and high school and college students." Volunteers receive free training and become IRS certified volunteer tax preparers. Contact Cynthia at Tax Help Montana, 1-877-ASK-CCCS (275-2227), email cynthiaq@cccsmt.org or visit CCCS website cccsmt.org and choose "About Us/Volunteer Opportunities" for more information.

MontanaLawHelp.org – Get the Information You Need!

Submitted by Christine Mandiloff, Montana Legal Services Association

MontanaLawHelp.org is a website designed to assist people across Montana to find solutions to a variety of legal problems, including consumer issues. At MontanaLawHelp.org, consumers will find Montana-specific and up-to-date information and resources such as information about their rights and responsibilities; do-it-yourself forms and resources; contact information for legal aid, courts, government agencies, and social service providers. For example, if a consumer cannot make a monthly car payment, the consumer can find information on the website about creditor and debtor rights as well as a directory of legal aid available in the consumer's area.

A newer feature of MontanaLawHelp.org is LiveHelp. This feature allows MontanaLawHelp.org visitors to ask website specialists for help finding online legal information and resources. The users access this feature by clicking on the "LiveHelp" button on any page of the website and typing in their questions. The website specialists quickly send the location of the information that answers the questions.

LiveHelp is usually available Monday through Wednesday from 8:00 am to 4:00 pm and Thursday from 12:00 pm to 4:00 pm. When LiveHelp specialists are not available, website users can still ask for help by sending email messages with their questions. MontanaLawHelp.org specialists then email the information within 1-2 business days.

This web resource is a collaborative effort of the Montana Legal Services Association, the State Bar of Montana, the Montana Supreme Court Equal Justice Task Force, and Montana's Credit Unions. Visit www.montanalawhelp.org or www.montanacreditunions.coop today to find information to help you make informed choices!

Indianpreneurship™: A Native American Journey Into Business

Submitted by Maria Valandra, First Interstate BancSystem

On September 5th and 6th in Billings, the Montana Department of Commerce, First Interstate BancSystem Foundation and the Montana Indian Business Alliance sponsored a workshop to train facilitators and administrators in a new business planning curriculum, *Indianpreneurship™: A Native American Journey into Business.* This 12 week course is designed to educate Indian business owners and Indianpreneurs in Indian communities.

"Economic and business development is a cornerstone to addressing all of the other challenges local communities face. Helping someone to start and grow a business blazes a successful path that others can follow," Governor Brian Schweitzer notes. "I am especially grateful to see the leadership come from Indian communities as we join together to advance this important agenda."

The curriculum for *Indianpreneurship™* was developed ONABEN and its extended network of partner organizations. Based in Oregon, ONABEN is a Native led non-profit that provides training and resources to Native Americans who wish to own and operate businesses. Developers say they focused on the strong characteristics within Indian culture that support private initiative and their application in the real business world. The course includes visioning, marketing, leadership, financial education basics, accounting and operations in a small business startup.

Tony Preite, director of the Montana Department of Commerce, notes that growing the economy in Montana's Indian Country has an impact on Montana's economy. "What I like about this program and others I am seeing springing out of Indian communities, is that the focus is on the resources that are right there at the local level. You hear people talk about untapped natural resources…well let me tell you there is wonderful untapped human potential just waiting to get started."

All of the Indian nations in Montana are supporting the *Indianpreneurship™* course. Programs include: Blackfeet, Browning Community Development Corporation; Crow, the Extension Program at Little Big Horn College; Flathead, S&K Holding Company, Inc., Fort Belknap, Tribal TBIC at Fort Belknap Community College; Fort Peck, Fort Peck Community College; Northern Cheyenne, the Extension Program at Chief Dull Knife College; and Rocky Boy, Stone Child College. The Little Shell Chippewa Tribe of Montana will also be sponsoring a course.

Questions regarding the courses may be directed to the specific programs above or to Philip Belangie, the Entrepreneur Development Program manager at the Montana Department of Commerce, (406)721-3663.

MontanaFreeFile.org — Help Get The Word Out!

Submitted by Jeanne Saarinen, Montana Credit Unions for Community Development

Montanans work hard and often don't make a lot. That's why it's so important to get the word out about the **free** tax preparation and electronic filing services available to taxpayers for modest means.

Because of the many free tax filing options available with varying eligibility requirements, a "one-stop" location is necessary to help filers determine which option is the best based on age, location, and financial status. That's why MontanaFreeFile.org was developed.

The website includes information about Tax Counseling for the Elderly sites, Volunteer Income Tax Assistance (VITA) sites, the do-it-yourself tax preparation and e-filing service at www.icanefile.org, and various IRS and state approved free file sites.

Because of the different eligibility requirements and locations, having all the options accessible in one location makes the process much easier for the taxpayer.

Help get the word out about MontanaFreeFile.org. Put an article in your newsletter, post a flyer in your building or office, provide a link from your website, and tell your clients. Articles and flyers will be available at the website for your use in the near future.

Help Montanans keep more of what they earn – get the word out about MontanaFreeFile.org. Thank you!

MontanaFreeFile.org is a collaborative project of Consumer Credit Counseling Services of Montana, Montana Legal Services Association, and Montana's Credit Unions.

MONTANA FINANCIAL EDUCATION COALITION

1236 Helena Ave. • Helena, MT 59601

NOTES readers are partners in our efforts to share the latest news from the financial education field. The newsletter is published quarterly by the Montana Financial Education Coalition (MFEC). It is designed to keep the MFEC partners informed about what is happening as well as communicating financial education efforts to other interested parties throughout the state.

We welcome your questions and comments. If you are interested in receiving this publication regularly or would like more information on the MFEC, please contact Karen Dunn *(editor)* at **karen@mcun.org** or Sue Woodrow at **Susan.Woodrow@mpls.frb.org**.