

# *Free to Choos\$e*

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**An Initiative of  
Community Action Partnership  
of Northwest Montana**

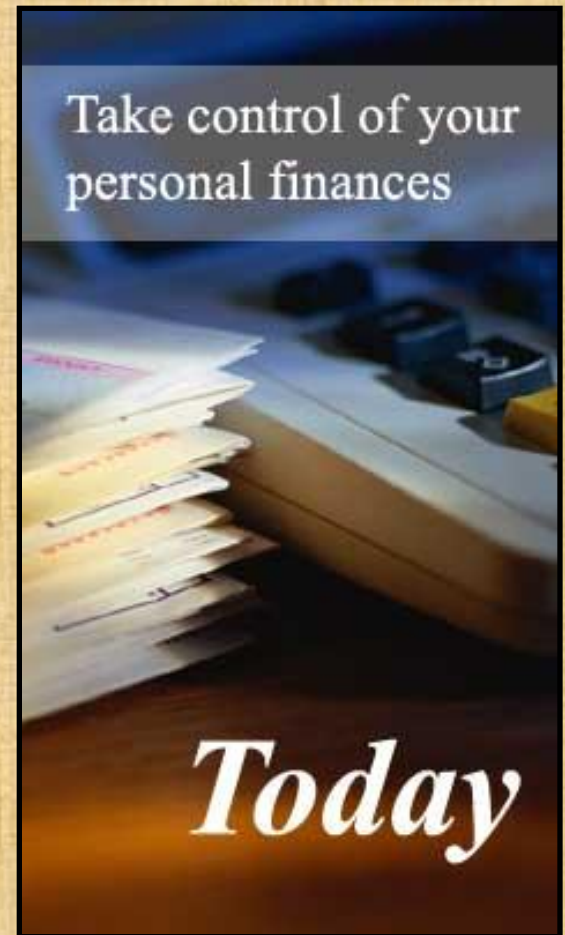


# Program Overview

Twelve weeks of financial literacy for the entire family

Three-way approach:

- Education
- Support
- Access to Credit



# Program Overview



- Graduates have the opportunity to:
  - Work with a financial mentor
  - Open a \$300 line of credit with Park Side Federal Credit Union

# Development

## 2006 Community Needs

Assessment identified large lack of financial literacy in our region:

- 15% of respondents were unbanked
- 75% had difficulty meeting routine expenses
- 12% obtained predatory loans



# Development



CAP recognized the need for a financial literacy program that not only provided education, but also the *tools* to put that education to use.

Thus, the three-way approach was born:

- Education
- Support from a Mentor
- Access to Credit

# Development

Park Side Federal Credit Union enthusiastically offered partnership including:

- Lines of credit (LOC) at market rates with normal payment plans
- Secure two thirds of the risk on LOCs opened
- Provide staff and support for each class



# Education



- For 12 weeks, participants meet once a week
  - 2 hour class based on FDIC's *Money Smart Curriculum*
- Weekly co-pay fee provides participants with a stake in the class
- Scholarships available

# Education

- Sessions are low-barrier for families to easily attend:
  - Childcare is provided
  - Dinner included
  - Youth class is offered
  - Makeup sessions when necessary
  - Transportation assistance available





# Youth Education



- For 9 -13 year olds
- Curriculum follows NCUA *BizKids* model
- Students earn play money for participation and attendance, and can use it to:
  - Buy toys from the FTC Toy Store
  - Open a savings account at Park Side, who matches play money up to \$25

# Access to Credit



- To help participants (re)build credit, graduates can open a \$300 line of credit at Park Side FCU
  - Graduate must enter into a Mentor Partnership to access LOC
  - If participant does not meet with Mentor, or payment is delinquent 60 days, the account is closed

# Results

- Since the inception of the program: 165 adults & 34 youth have graduated
- Actively tracking credit scores
- Participants who opened a LOC: 59
  - Default rate 3%
  - Rates of default matched average credit union customers

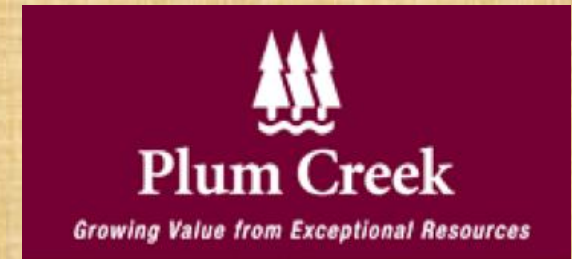
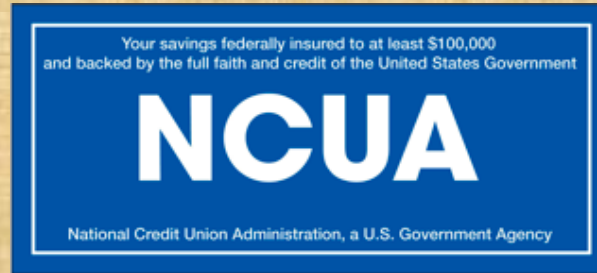


# What's to Come?

- *Free to Choo\$e* now has two locations in Flathead County
- Expansion to:
  - Lincoln
  - Lake
  - Sanders Counties



# Our Sponsors



**The Harvest Foundation**

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