

The New Prosperity Initiative

building prosperity by connecting people

Joel Schwartz on Moving from Debt to Assets, a financial education and empowerment program

By Alexis_Schroeder

On February 4th, 2009 Joel Schwartz, Director of *Moving From Debt to Assets*, a program within the Greater Boston Interfaith Organization, participated in NPi's community dialogue at the Boston Public Library. Here are some excerpts from the conversation.



About the program

I'm the director of the [Moving from Debt to Assets](#) program that is run by the [Greater Boston Interfaith Organization](#) (GBIO).

GBIO is an organization of 66 different institutions, mostly churches and synagogues, but also a Muslim organization, nonprofit organizations, particularly community development corporations and two union locals, all united for one purpose – to build power for social justice. That's the organization that runs this program, *Moving from Debt to Assets*.

An idea of how it started... If we go back four years ago, GBIO was holding house meetings in all these 66 institutions, small group meetings, asking the question what is happening in your life that if you had more power with an organization like GBIO you could make a difference with? What people were saying – does this maybe sound a little bit familiar to what you hear people saying today? – people were saying things like, I am just overloaded with credit card debt. I don't know what to do. Or they were saying, I know I'm supposed to save money, but I'm telling you at the end of the month there is no money to save. I can barely pay my bills. I don't know how to make ends meet... That gave rise to this program, *Moving from Debt to Assets*.

There are really four components [to the program]: a class, a support group, individual financial counseling, and a \$500 cash grant. Packaged together I think it's made a difference in hundreds of lives. ***Over the last three years 418 people have graduated from the program... and 95% of those people are under 80% of the median income which means low-income by federal government standards.*** And half of the groups we've brought in have spoken languages other than English.

On what he's learned from the community

What I imagined would happen is that people would learn about money management... then they'd go out and in many cases apply it and do good things. That did happen mostly, but what happened is... people already knew that they needed to do things with money to make things better. They already knew that they were spending more in many cases than they're income, etc. ***So what happened instead is people made changes they already knew they need to make, and this time they had the support there, the encouragement.*** And the other part of this group that's real, real important is it's a group effort... People said okay, now I'm ready to tackle all the things about money that I didn't even want to look at because it was just too scary... That was exciting news.

On the need for a program like Moving From Debt to Assets

This program is really different from many other financial literacy programs that are out there, and there are several features I think that make it different. But I think the key one is it's embedded in institutions that are part of the fabric of people's lives... Our program is offered to the institutions that are part of GBIO. ***We go to different churches and synagogues and unions to offer this program so that the people who come together already have some sort of relationship.*** They may not know each other personally... but they are connected in a very real way, which serves to reinforce the message of this. So you give a class and people will see each other on Sundays and say how's it going with saving money or how's it going paying down that credit card? I know that's hard to do. Are you making progress there? And the pastor can come around and check in, say how are you doing? I know you're struggling with some money things. Can I give you some support? That sort of thing. So there's a lot of reinforcement that wouldn't happen in just a class where a random group of people come together.

So to answer your question we go out to let's say a church and I'll sit down with a key contact person – it could be a minister or a priest or a key member of the congregation – and say here's the model of the program. How can we adapt it to meet the needs of the people in your institution? So I'm not going to decide, well, I think those people in your institution need this program, though I might make suggestions. But I'm going to really hear that from them... The other thing about income – there is no income level on the program as a whole. Anybody of any income level can participate, but to get the counseling and the \$500 cash credit you have to be below this certain income level. To date 95% of the people who have been in the program have been below that level.

On how Moving From Debt to Assets began and GBIO raised funds for the program

It started in those house meetings. The organization heard there was this crying need. And I keep thinking of today there's even more of a crying need than there was four years ago. But then they had to figure out what we do about that... This is how the organization thought about it. They said well, we're not going to transform the economy overnight though actually some of the issues we're working on are going to make a big difference. But maybe we can deliver something that would really help the people in our organization move ahead financially. Maybe we could create a program that could really make a difference. And then we thought about [how running a program] takes money, right? And how are you going to get money? ... What's interesting is as an organization GBIO that does organizing for power on a daily basis, they thought about it in terms of power. ***Okay, you can get money if you have enough power. How do we get enough power? Well, there's two types of power that we look at as an organization... The power of organized people and the power of organized money.*** So organized people we had. We had 50,000 people in the organization.. But we never tested – and we'd mobilized them on a number of different issues, but we hadn't tested — our power of organized money. Because the folks in the corporate area, in the bank operations, they've got a lot more money than we have as an organization. But we said to ourselves well, let's figure out how we do this.

So what we did is did a survey and we asked each of those 66 institutions how much money do you have in the bank? and then ask your members how much money do they have in the bank and also which banks do you have your money in? ... Added it all up. What did it come to? It came to \$75 million. Okay, we're talking about real money now.

So instead of thinking to ourselves oh, we're this poor nonprofit. Gee, what can we do? Suddenly we're a \$75 million organization. We got some real money. We got some power... Well, the plurality of the money happened to be in Citizens Bank. Okay. So then we said we're going to call on Citizens Bank and tell them that first of all we have \$10 million in your bank. We're your \$10 million customer and we got another \$65 million out there that if you'd like we could transfer into your bank if we chose. So sure enough Citizens Bank was very interested to talk to us... it led to a discussion, a negotiation that took a year. It took a year of meeting and counter-offer and discussion. The end of that is they gave us a grant of a half million dollars to start this program. Plus they gave us a package of benefits that our people should they present a membership card at their bank, could get lower interests on loans, higher interest rates on savings accounts, etc... So that's how we launched the program. But it takes power to get things done. To make changes, you need to have power, and that's the lesson that we learned. We teach ourselves and we learn all the time, and that's what made this program possible so that now 418 people have gone through this program.

On challenges they have faced

We designed things that looked great on paper and then tried to do it and then [saw] that they didn't work out. I'll give you an example. This is not news to anybody, but people are busy, right? Who has time to add anything in their schedule? So we designed the program so the support group would follow the class and it would be mandatory for six sessions and they could decide whether they want to go on. And some people came and some people didn't... In one of the early classes people set long-term and short-term goals, and one woman's goal was to get a job. That was her primary goal... Well, right after the class, sure enough, success! She got a job! This is great! Success! But that meant she was working nights and she could never attend the support group. So it was a failure because she couldn't come to the support group meeting. So she had a good reason not to [be there] and yet she wasn't there in the room. And so we decided just trying to harass people into it – well, you said you were going to come – it doesn't work. That doesn't work. At a certain point we decided to make the support group optional for people and that way people who want to do it can do it, it'll be there, and other people won't have to feel guilty...

On why he does the work he does

I love to see people move forward ... I think it comes from growing up in a family where we were stuck. A lot of people were stuck and not moving forward. And to me, to break out of that and help other people break out of that is just such a joy. To see people moving towards where they need to go, it's a joy.

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