

# **Financial Literacy Coalition, 413 Mulberry Avenue, Muscatine, IA 52761**

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[www.financialliteracycoalition.org](http://www.financialliteracycoalition.org)

**Board of Directors; Ed Lampe, Chmn., Teresa Barnes, Paul Carroll, Bruce Dagel, Horacio Lee, and Sue Riley.**

The Financial Literacy Coalition is a Muscatine based non-profit organization with the following mission: *To implement programs that develop financially stronger individuals and families for a healthier community.*

The Financial Literacy Coalition evolved from a committee at the Muscatine Center for Social Action (MCSA) that was led by Bill Housh. Their goal was to financially assist the working poor. The original goal of helping low income families and individuals save money eventually evolved into developing financial literacy programs for our entire community. After researching several literacy programs, we chose Dave Ramsey's Financial Peace University that was being taught at a local church.

Financial Peace University (FPU) is a highly effective 13 week course which is facilitated by volunteers at host sites such as churches and nonprofit organizations. FPU consists of video instruction of 60 to 90 minutes in each of the class sessions followed by a group discussion. The results of this course are concrete and measurable, as we see the individuals and couples significantly reducing their debt and depositing money in savings during the duration of the 13 week class.

As individuals working on the committee at MCSA started observing the significant results, they formed the Financial Literacy Coalition to ensure that this class was available to more people in our area. During the last 24 months, the Coalition has encouraged numerous hosts to offer the course. FPU hosts include Wesley Methodist Church, Saint Matthias Church, Calvary Church, Harvest Fellowship Church in Wilton, United Methodist Church in West Liberty, Grandview Bible Church, Muscatine Center for Social Action, Flickinger Learning Center, and Pearl City Outreach.

The Financial Literacy Coalition has been effective by introducing the program to the numerous sites listed above and assisting them financially when necessary to facilitate the course. The Coalition continues to develop new host sites to offer the course by providing new sites with training, volunteer facilitators and other support that they may need, including a course in Spanish. We are working with Muscatine Community College so that they can offer the Dave Ramsey course as a class for three credit hours, next Fall 2009.

Local impact has been significant, we have documented information for 32 courses, 546 graduates, with the following cumulative results: based on financial snapshots students record at the beginning and the ending of the course they have reduced their debt by \$1,192,662 and deposited \$342,554 in savings.

Other activities the of the Financial Literacy Coalition include bringing five counselors to our community who have been trained by the Ramsey organization to provide individual expert counseling to couples or individuals referred to the Coalition who are experiencing financial distress. These services are offered confidentially and free to those people who request assistance, and have been highly effective with assisting people with excessive credit card debt and mortgage problems. The Coalition hopes to encourage more volunteers to take that training and assist where necessary with the expenses, so we can bring these services to more people in need in the greater Muscatine area.

Financial Literacy Coalition has also been working with a group representing local financial institutions, Junior Achievement, and the Muscatine Community School District to develop a Youth Savings Incentive Program which will target middle school students. The goal of this program is to have a high percentage of our students starting in sixth grade to develop and maintain savings accounts at our local banks and credit unions. The ultimate goal is that every high school student in Muscatine converts that savings into a mutual fund. Our action plan of how this incentive program will work has been developed and we are starting to seek funding to make this happen.

The Dave Ramsey organization has staff that travel to communities to present seminars to the public on becoming more financially solvent. The Financial Literacy Coalition, with grants from Members Community Credit Union and the Community Foundation of Greater Muscatine, had Russ Carroll present Dave Ramsey's Total Money Makeover to 226 individuals on March 28th, 2009, here in Muscatine. While Russ was in our community, we facilitated meetings with members of our local ministerial association as well as local business leaders, to continue to promote financial literacy throughout the area. Russ Carroll was scheduled to speak to Muscatine High School students but his plane arrived late so we presented some of the Financial Literacy program key points to 250 high school students.

Financial Peace University class is geared towards adults. Dave Ramsey also has a version for high school and college students, which has been offered by several churches and one nonprofit in our community with positive results. Our ultimate goal is to work with Muscatine Community School District and get the Ramsey course work into the high school as a regular semester class for credit. The time is right for this to happen because the Iowa legislature has mandated that by 2010 all high schools in Iowa will offer financial literacy courses.

The Financial Literacy Coalition has been granted special permission to allow our certified counselors to work with businesses to conduct the business training if the business would prefer that option to the other options that Dave's organizations offers. Our goal is to have local businesses provide training to their employees through one of the available programs.

It is the belief of the Financial Literacy Coalition that though their efforts our community will see sustained change by addressing the root causes of financial instability with the following results:

**Positive outcomes for individuals:** 1) Improved joy in a family by having money to do what they want without stress associated with credit cards bills or loans.

2) Improved peace of mind for individuals and financial stability by having security from proper insurance, proper planning for retirement, and money to pay for retirement.

**Positive outcomes for couples:** 1) Improved marriages by improved communication between spouses, reduced resentment over spending habit, and reduced stress related to financial issues by teaching sound financial principles and methods of eliminating debt. 2) Fewer divorces caused by money problems.

**Positive outcomes for the sponsoring organizations or churches:** 1) Increased financial stability of members who have completed Financial Peace University resulting in increased donations. 2) Increased member loyalty because their sponsoring organization helped them gain financial independence.

**Positive outcomes for the sponsoring businesses:** 1) Increased employee loyalty to the company. 2) Decreased employee distractions of dealing with financial problems resulting in increased employee productivity. 3) Increased productivity from less stress and worry about money problems.

**Positive outcomes for the Community at large:** 1) Improved prosperity in the community, resulting in reduced problems related to poverty, such as relief, crime, substance abuse, poor graduation rates, teen pregnancies, etc. 2) Increased giving to non-profit organizations and churches by teaching sound financial principles, reducing debt, and increasing savings of area families. 3) Improved marriages and reduced divorces related to money issues. 4) Increased happiness that comes from peace of mind and financial stability by having security.

The coalition is currently housed by the Flickinger Learning Center, with volunteer staff. The growth plan for the Financial Literacy Coalition includes involving more groups in FPU classes, including businesses and corporations sponsoring classes for employees. Coalition volunteers are currently working with Monsanto management to work on this concept at the Muscatine facility. To accomplish this growth, volunteers from the Coalition are seeking funding to support these activities and to hire an Executive Director. Financial sustainability includes increasing support from FPU graduates, as well as securing other funders.