

# **Financial Literacy Coalition 287 Burnside Ave, Muscatine, IA 52761**

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

**Board of Directors; Ed Lampe, Chmn., Teresa Barnes, Paul Brooks, Paul Carroll, Bruce Dagel, Dennis Fox, Dennis Tripp, Rachael Hansen**

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 financial literacy programs, we chose Dave Ramsey's Financial Peace University, a course that was then being taught at a local church.

Financial Peace University (FPU) is a highly effective 9-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 and subsequent homework tasks. 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 9-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. Since it's founding, 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 by 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.

Local impact has been significant. We have documented outcomes for 37 courses, 649 attendees, and 561 graduates, with the following cumulative results: based on financial snapshots students record at the beginning and at the end of the courses; they have reduced their debt by \$1,376,960 and deposited \$353,695 in savings.

Other activities of the Financial Literacy Coalition include bringing five counselors to our community who were trained by Dave Ramsey's 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 by assisting where necessary with the expenses, so we can provide 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 that targeted middle school students. Our efforts have now been directed toward younger age group students, primarily 2<sup>nd</sup> and 3<sup>rd</sup> graders.

There are over 1,500 high schools in the USA using Dave Ramsey's high school program to teach financial literacy. The Financial Literacy Coalition donated five Leadership (Instructional) kits along with 30 student manuals to the Muscatine High school and also the Muscatine Louisa High school. Two teachers have incorporated these materials into their curriculum.

We have partnered with the Flickinger Learning Center to develop and implement the Financial Learning and Reading program. This is an after-school program that pays the children in 3<sup>rd</sup> grade to read the 5 Dave Ramsey Junior Series books. If they test to 85% comprehension or higher on these books, they will be paid \$1 a book plus they will receive money for each additional book that they read and comprehend based on the AR value of the book. The AR program ranks the books based the grade level of the book and the students reading level. The money is then paid out 1/3 for spending,

1/3 to donate to an approved charity and 1/3 goes toward a scholarship program for the children when they graduate from high school. The program runs for 6 weeks. In national study, it was concluded, that when a young child is paid to perform a task at a young age, when the financial incentive is removed the child will continue that habit. Reading is the single best variable that correlates to graduation rate. By starting the habit of reading early, we hope to increase graduation rates while teaching young children a solid foundation in handling money.

Recently, the Flickinger Learning Center began a program to teach Financial Literacy to 2<sup>nd</sup> and 3<sup>rd</sup> by using the Financial Peace Jr. materials. Two hundred and fifty Financial Peace Junior kits were donated to the Flickinger Learning Center to support this program.

The Financial Literacy Coalition has been granted special permission to allow our certified counselors to work with businesses to conduct the business training course if the business would prefer that option to the other options that Dave's organization 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 through their effort, 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 card bills or loans. 2) Improved peace of mind for individuals and financial stability by having security from appropriate 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 habits, and reduced stress related to financial issues by teaching sound financial principles and methods of eliminating/avoiding debt. 2) Fewer divorces caused by money problems.

**Positive outcomes for the sponsoring organizations or churches:** 1) Improved 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 from dealing with financial problems resulting in increased employee morale and 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 as a result of financial stability and a sense of security.

(October, 2016)