



A real solution

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Tuesday, September 22, 2009

David Beale
PO Box 333
Eagle ID, 83616

RE: Description of Nonprofit Agency's Programs

Dear Mr. Beale:

It is my pleasure to provide you with this description of our purpose in having a booth at the Canyon County Home Show in October.

We are a nonprofit financial education and credit counseling agency whose mission is

to promote financial responsibility in our clients and community members nationwide. We accomplish this through educational programs, counseling, and personalized services. We thus empower individuals to develop and use positive budgeting skills and effective spending behaviors, to use credit wisely, and to prevent, manage, and eliminate consumer debt.

At the Home Show, we will encourage booth visitors to take advantage of our many free financial education programs and projects available around the Treasure Valley. Following is a list of just a few:

1. *Real Solutions Seminars*. Since the beginning of 2009, we've facilitated a total of 169 free financial education presentations to 2,734 participants here in the Treasure Valley. Following is a description of our highly-rated series of classes. Together, they provide adults and teens with training and motivation for building greater skills in managing money daily, developing effective spending behaviors, preventing and eliminating debt, and building and using credit wisely. Individuals of all ages and financial circumstances benefit from these practical and insightful workshops:

- *Roadmap to Financial Stability*: Personal and Household Budgeting. This presentation begins by touching upon the fundamentals of planning household and personal expenditures, gross versus net income, needs versus wants, fixed versus variable versus periodic expenses, balancing a checkbook register, and financial goal setting. These discussions are followed by a debunking of five common myths that individuals use to justify their lack of a budget. These myths include not budgeting because 1) the individual "just needs more money," 2) budgets are too restrictive, 3) budgets are the same as balancing a checkbook, 4) the individual doesn't have enough spare time to budget, and 5) the individual did not cause their

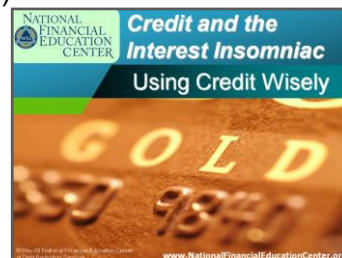


financial problems and thus are not responsible for fixing them. Next, a dialogue follows regarding eight common “budget busters,” which are items or services for which we regularly spend small amounts of money that can add up to large sums in the long run. Examples include fast food, entertainment, cable or satellite television, tobacco, lawn care, cell phone extras, and lottery tickets. The presentation concludes with a conversation about other important financial habits and behaviors, including record keeping, savings strategies, discussing finances with a spouse and with children, and using a menu with corresponding shopping lists.

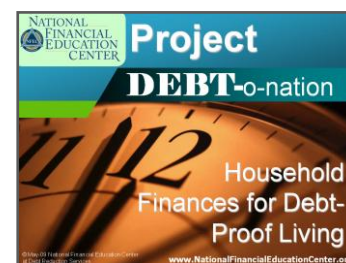
- **Just Say “No”...to Spending:** Developing Effective Spending Habits. The goal of this presentation is to help participants recognize their own negative spending behaviors and to replace them with disciplined spending. Negative habits that are discussed include *Compensatory Spending* (making purchases to impress others or to otherwise compensate for a feeling of inadequacy, i.e. “Keeping up with the Joneses”), *Entitlement Spending* (making purchases without a plan, because we feel we “deserve” them), *Habitual Spending* (spending on habits or being in the habit of going shopping for recreation), *Convenience Spending* (delaying spending until absolutely necessary, then purchasing the item as quickly as possible, without comparison shopping or a shopping list), *Impulse Spending* (spending without established priorities, leading to purchases “of the moment”), *Sales Spending* (purchasing items just because they’re on sale, not realizing that living within one’s means is more important than getting a good deal), and *Guilt Spending* (spending on occasions such as birthdays and holidays out of guilt).



- **Credit and the Interest Insomniac:** Using Credit Wisely. Our most requested presentation, this PowerPoint begins with a discussion of what credit is and what it is not. Credit is not “free money” but a privilege, a financial tool, and a legal promise repay incurred debt, involving responsibility and capacity. This is followed by information on credit reporting and credit scoring, and how risk to the creditor is a determining factor in an individual’s ability to get credit. Next, participants have a dialogue about compound interest, with the suggestion that they endeavor to make it work for them rather than against them. Afterward, there is information on the proper use of credit cards, including limits, minimum payments, fees, grace periods and defaults. Then, the presenter discusses the various legitimate uses of credit reports, including qualifying for loans, applying for employment, looking for an apartment to rent, requesting utilities service, and getting auto, homeowner and life insurance. Finally, the participants learn how to receive a free copy of their credit reports through www.AnnualCreditReport.com and how to dispute any errors that they may contain.



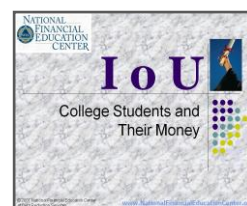
- **Project DEBT-o-nation:** Preventing and Eliminating Excessive Consumer Debt. One of our most popular presentations at community events, this PowerPoint begins with an overview of the importance of household budgets and the development of disciplined spending behaviors, including the discussion of various potential financial pitfalls that should serve as “wake up



calls” to individuals on the verge of financial catastrophes. Next, a distinction is made between “Event-caused debt” and “Mentality-cause debt” in order to help participants understand how they may have gotten into debt and preparing them for suggestions on how to get themselves out of debt. Then, participants are provided with tips on how to “find additional available money” in their household budgets in order to expedite debt repayment, which is followed by a discussion on options for prioritizing debt repayment according to their personality, including paying off secured debt first, paying high interest debts first, or paying smallest balance debts first. Then, there is a generally enlightening conversation about the different approaches to getting out of debt using a third party, including going through credit counseling, using a debt settlement company, and filing for bankruptcy. Finally, the facilitator discusses current and recent scams involving credit and identity that can lead to years of debt and frustrations.

2. Other Original Presentations: Besides our Real Solutions Seminars, we also have a number of other presentations that our community partners regularly request. These include the following:

- IOU: College Students and Money: This 60-minute presentation provides college age students with fundamental information on the differences between needs and wants, spending plans, the long-term consequences of excessive debt, and a realistic view of living expenses before and after graduation.



- Money Management for Refugees: This 20-minute presentation provides refugees recently arrived in our area with vital information concerning payday loans, rent-to-own centers, and vehicle title loans, in addition to basic banking and payment methods available to consumers in America.








- Spending by Color: Our newest and most exciting presentation, this seminar begins with the participants completing a self-evaluation of their spending behaviors. Then, there is a description given of the six major spending personalities we have identified, including 1) Achievement Spending, 2) Admiration Spending, 3) Relationship Spending, 4) Approval Spending, 5) Responsibility (Obligation) Spending, and 6) Amusement Spending. The facilitator leads an in-depth discussion of each type of spending personality, including typical purchases, common expressions (such as an Approval Spender saying, “What would the neighbors think?”), and tips and suggestions for dealing with the financially damaging side of each type of spender. Responses to evaluations are being collected and analyzed in order to prepare and develop conference presentations, newspaper and journal articles, and other publications.





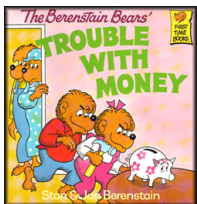
3. Community Outreach and Involvement. Our financial educators and other staff stay heavily involved in our own communities, promoting financial education and personal financial responsibility. Such involvement in the Treasure Valley for 2009 includes:

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- American Association of Family and Consumer Sciences Council for Certification: In 2009, this council (responsible for developing and overseeing the certification programs of their membership and students nationwide);
- Amigos: Our financial educator regularly attends and contributes time and expertise for these monthly meetings of providers of social service to the local hispanic community;
- Boise City/Ada County Housing Authority Program Coordinating Committee: Our financial educator became of member of this committee, which endeavors to maintain community links and resources for their program participants who are working toward self-sufficiency;
- Business Professionals of America: Idaho's high school state-level competition has been able to count on us for five years straight in order to provide a judge for their financial analyst team; 
- Chamber of Commerce: Staff at a number of our offices participate in their local chamber of commerce, including nonprofit and education councils;
- Coalition for Economic Improvement: We have, for the past four years, participated in this coalition's meetings and programs, which focus on maximizing the earned income tax credit for low and medium income taxpayers while also providing important financial education opportunities to this population;
- Meridian Schools Community Resource Meeting: We frequently attend and participate in meetings that connect public school staff with family and children resources in the local community.
- DirecTV: This business' Boise office hosts two community information fairs each year for their 1,000+ employees, at which we set up a table and distribute educational materials on budgets, spending behavior and debt elimination and prevention; 
- Federal Reserve Bank of San Francisco: The FRB organized a foreclosure intervention workshop and counseling opportunity in a Nampa in 2009, with which we assisted in the planning and at which we facilitated a workshop and helped with the event implementation; 
- Idaho Family and Consumer Sciences Advisory Board: Our financial educator was invited in 2009 to join as a board member in order to promote community input when developing course curricula;
- Idaho Financial Literacy Coalition. Our Director of Education and our Financial Educator are both deeply involved as volunteers in this nonprofit organization with a mission to promote financial literacy around our state. In just the past 5 years, our staff members have served as secretary, president, past president, regional committee chair, and regional committee vice-chair. One of the 


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Coalition's trademark event is an annual *Your Money Matters Conference*. In 2009, we were one of the break out session speakers, addressing the need for eliminating excessive consumer debt.

- *Individual Development Account Board*: We have been participating for the past two years on this board. Recipients of assistance through this program receive matching funds in order to fund their schooling, purchase a home, or start a business.
 - *Southwest Idaho Cooperative Housing Authority*: Our financial educator is regularly involved with "SICHA," not only through teaching classes there, but also participating in their program planning board meetings.
4. *Bankruptcy-related Debtor Education*. Since May 2006, we have been facilitating multiple courses each month, both online and in our offices, that individuals who have filed for bankruptcy must take prior to the court discharging them of their debts. These two-hour courses teach individuals the importance of budgets, spending behaviors, appropriate risk management and insurance coverage, proper use of credit, and debt prevention and elimination. Over 5,700 individuals have benefited from these courses, with an overwhelming 99.4% finding the learning materials helpful and 98% admitting to having learned something that they can use.
 5. *Making Good Sense 101*. We provide this CD-ROM—containing interactive worksheets and valuable information related to budgeting, spending, credit, debt, and school expenses—to teachers and students around the country for no charge. Besides distributing the program at many of our classes, we have also listed it on Jump\$tart's national clearing house of financial education materials, through which we regularly receive requests for copies. In the past two years, we have distributed thousands of copies to high school students and teachers nationwide.
 6. *Berenstain Bears Trouble with Money*. In part through the assistance of grants from local retail stores, we have been able, over the past two years, to visit dozens of elementary school classes and provide, at no charge, a copy of this enjoyable and educational book to elementary school children (ages 5-8). In addition to the books, we also send home with the children a "Conversation Checklist" for their parents to help spark meaningful discussions about money in their homes.
 7. *Monthly eTips*. We send out each month a brief email to current and former clients with three to five practical financial tips. We also send them to a list of individuals who have opted into our regular emails. Currently, our email list contains more than 15,000 addresses.
 8. *Monthly Community Newsletters*. We write, publish and mail nearly 1,000 tri-fold newsletters each month to businesses, government officials, community leaders, religious leaders and others across the country, providing an educational article with

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practical tips, as well as highlighting the free educational materials and services that we provide.

9. Quarterly Client Newsletters. We write and publish a quarterly newsletter for our current debt management clients that includes two personal finance articles, a section of practical tips, and news of interest to our clients regarding our community involvement and our debt management program.

If you would like further details about these events or projects, or about other education activities we are currently developing, please do not hesitate to contact me. You can also visit our education web site at www.NationalFinancialEducationCenter.org. Otherwise, I look forward to meeting you at the Canyon County Home Show in October.

Best regards,

A handwritten signature in blue ink that reads "Todd Christensen". The signature is stylized with a large initial "T" and a long horizontal flourish at the end.

Todd Christensen
Director of Education

Enclosures