

MONEYUP: MORE THAN JUST TAXES

“Helping low-income individuals increase their income, build savings, and sustain assets is a key priority for United Way of New York City. The MoneyUP Initiative embodies this philosophy and we are proud to partner with The Financial Clinic to bring these innovative and comprehensive services to the community.”

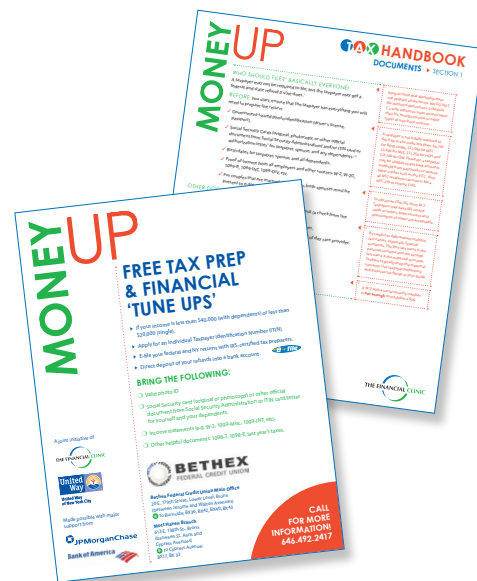
—Mary Stewart Dyer, Program Manager, United Way of NYC

MONEYUP LAUNCHED IN JANUARY, promoting a unique approach to the traditional VITA site model by integrating free tax filing with financial coaching. In partnership with Bethex Federal Credit Union in the Bronx and Partnership for the Homeless in East New York, the consortium filed 1900 tax returns for nearly 1500 customers and secured almost 2 million dollars in refunds for the surrounding communities. This includes a remarkable 37 percent of customers who had not filed a tax return in the previous year.

But customers left with something more important than money; 30 trained volunteer financial coaches helped them develop the tools to achieve their long-term financial goals:

- 99 percent of customers received financial coaching and education in asset building, banking, credit, debt reduction and tax strategies; and
- 158 customers took concrete steps to achieve their goals—we downloaded credit reports, screened for benefits, opened bank accounts, reviewed employee benefit packages and gave advice on the Advance Earned Income Credit.

Nationally, this tax season may go down as “The Year of the Stimulus,” but in New York City, it will mark the establishment of MoneyUP. The quality and importance of the initiative can best be summarized by the most commonly asked question from our customers, “Are you guys gonna be here all year?”



LOOKING PAST APRIL

LUCKILY, THE ANSWER TO THAT QUESTION IS: YES! Thanks to United Way of NYC’s leadership, MoneyUP does not end with the tax season. Two permanent, full-time financial coaches will assist the MoneyUP partner sites in providing services year-round. According to the Clinic’s survey, nearly 70 percent of customers had a financial goal that they needed help reaching, and a quarter of them believed that a financial coach was the best source of financial education and advice.

Year-round financial coaches will continue to assess whether customers need Clinic staff attorneys to address immediate, serious legal issues. Our survey highlighted that customers are anxiously looking for both financial coaching and legal help: 1247 of those surveyed said that in a pinch they would have \$500 or less to fall back on; 75 customers are interested in exploring bankruptcy to resolve their outstanding debt; and 34 customers have significant tax balances.

Using all of the staff’s experience and resources, the Clinic is working hard to both build on the tax season’s success and momentum to build better financial security for low-income New York City residents.



\$200,000!

THIS SPRING MARKED A SIGNIFICANT MILESTONE for the Clinic: As a result of our financial development services, we helped our customers accumulate over \$200,000 in increased assets and reduced debt by:

- Coaching a customer about high-interest bearing banking options;
- Securing the return of an unauthorized repossession of a customer's car;
- Managing debt by eliminating an unused bank loan, thus saving hundreds of dollars in monthly fees; and
- Amending three years of tax returns for a family, resulting in larger tax refunds.

Securing work supports, increasing savings, improving credit, and alleviating debt are the foundation for our customers to realize their goals. In pursuit of our mission to improve working poor families' economic security, we are looking forward to reaching our next milestone: \$500,000!

NEW TO THE CLINIC TEAM

REBECCA SMITH joined the Clinic in April as part of United Way of NYC's MoneyUP Initiative to bring financial coaching and free tax preparation to underserved communities. She will draw from her previous experience as a financial planner for the Ayco Company, a subsidiary of Goldman Sachs, where she helped provide counseling to corporate executives and their families through investment, retirement, tax, and estate planning advice, as well as will reviews, education funding, and insurance analysis.

MICHAEL KROLL also joined in April, continuing his work with the MoneyUP Initiative as a Financial Coach. He is no stranger to helping his customers achieve their unique goals and he expertly provides the total dedication that each individual deserves. As the site manager for the Clinic's inaugural year with Partnership for the Homeless, Michael streamlined tax preparation with tax education and helped people turn their refunds into asset building tools. His experience with taxes began in 2005 with Food Change, where he worked to ensure the quality of the program at every level.

Both Rebecca and Michael look forward to building the relationships the Clinic made this tax season with the sites' surrounding communities.

DANGEROUS DEBT

AMERICANS' CREDIT CARD DEBT INCREASED by a whopping 315 percent from 1989 to 2006. Credit card debt carries high interest rates, which can seriously threaten economic security. For example, if one makes only the minimum payments on a \$2,000 balance with an 18 percent interest rate, it will take *14 years* to pay off that debt, assuming no new charges. To avoid dangerous debt, use credit wisely by not charging more on your credit card than you can afford to pay back *in full* by the statement due date.

Tool Kit Launch

This Spring, the Clinic officially launched the Tool Kit and showcased its new offices to a packed house of more than 50 guests. Clinic volunteers, customers, partners, and potential partners all received a copy of the Clinic's media kit and an overview of the Tool Kit, the Clinic's financial coaching system that maps trajectories to greater economic security.

The Clinic thanks the following people who were all instrumental in the Tool Kit's successful launch: Kim Berman, Walla Elsheika, Jonathan Fox, Tracey Maurer, and Carol O'Rourke.