

New Financial Center Signals Change in Southwest Baltimore

BALTIMORE -- It's a sliver of a space, sandwiched between a video store and a dollar store in the Westside Shopping Center.

But with its friendly name "Our Money Place" emblazoned in green and white, it is Southwest Baltimore's freshest symbol of hope for transforming the embattled neighborhood into a desirable place to live, work and play.

Our Money Place uniquely combines a check-cashing operation with a credit union. It represents the type of activity that is part of a broad, inclusive approach developed by the Annie E. Casey Foundation to help families build stability and hope for the future. The approach, called Family Economic Success (FES), relies on neighborhood residents, churches, schools, businesses, government and others to connect to a range of resources, investments and strategies to affect positive, permanent change in communities.

Our Money Place returns a financial center to Southwest Baltimore five years after the last bank pulled out. Residents again have access to the services they need to save money, buy houses and build other assets in their community.

"It's a continuing struggle to move aside what has devastated this community for so long," says Althea E. Saunders-Ranniar, asset-building coordinator with the Bon Secours of Maryland Foundation. "Programs like this that are coming in here are definitely making a change. And finances are at the heart of it."

Significant as it is, Our Money Place is but one piece of an ambitious community effort to shore up Southwest Baltimore's long-term health. The Working Families Initiative seeks to enhance the quality of life in the neighborhood by helping residents to improve their financial planning and make the most of their job skills and careers.

"What they're doing is extremely innovative," says Irene Skricki, program associate with the Casey Foundation, which is helping to fund Our Money Place and other projects of the Working Families Initiative. "Policymakers around the nation are searching for ways to revitalize urban centers, but few have shown a clear idea of how to proceed. This partnership in Southwest Baltimore is different, and holds great promise."

Tapping the Community's Potential

The financial center, which opened its doors in March, is the brainchild of a partnership that includes Operation ReachOut-Southwest (OROSW), a broad coalition that does strategic planning for Southwest Baltimore. It comprises 15 churches, 12 community-based and 10 nonprofit organizations, five businesses and Bon Secours Hospital, West Baltimore's biggest employer.

The other partner is the Bon Secours of Maryland Foundation, the hospital's community development arm.

The two groups joined in the mid-1990s to tackle a bleak set of problems.

Though Southwest Baltimore is a well-organized and active mostly African-American community of about 21,000, it has had high crime, drug-addiction and unemployment rates. One 1995 study found that more than 45 percent of working-age people didn't work.

The median income is \$19,000, with 58 percent of people living below the federal poverty level. About a third of residents own homes; nearly one-fifth of the neighborhood's houses are vacant. Four-fifths of high school freshmen do not graduate.

Those challenges gave rise to a sweeping action plan with strategies to improve safety, sanitation, health, recreational opportunities and the area's physical appearance.

Coalition residents also designed strategies to empower their neighbors to get jobs, become economically self-sufficient and build wealth-creating assets through homeownership and financial planning.

Enter Our Money Place, the most significant of OROSW's responses to the community's financial service needs.

With as many as 6,000 "unbanked" households and many people living from paycheck to paycheck, residents have been prime targets of predatory practices such as charging exorbitant fees to cash checks or loan money. That leaves them even less able to pull ahead financially.

Coalition members researched the neighborhood's financial status and preferences. However impressed members were with the community's collective wealth, most banks didn't share their view, they learned.

But one, the SSA Baltimore Federal Credit Union, needed the neighborhood as much as the neighborhood needed it.

The credit union faces dwindling membership as federal agencies keep downsizing, explains Nina Spencer, the credit union's vice president, branch services. In expanding its charter to underserved areas of Baltimore, the credit union "needed to find members, not only to help people but also to sustain our business," she says.

The credit union signed on with Our Money Place to provide non-cash services. It offers checking, savings, retirement and holiday accounts, as well as some loans and mortgages to anyone who "lives, works or worships" in Baltimore and plunks down \$6 to become a member. Tellers do not dispense cash; an ATM and the check-cashing operation toward the front of the building do that.

Providing Financial Services and Opportunities

OROSW, in surveying residents, also learned that many residents were not in the habit of using banks.

"And why would they be?" says Kevin Jordan, associate director for economic and community development with the Bon Secours of Maryland Foundation. He recounts one elderly African-American woman's view:

“You want us to use a bank?” Jordan recalls her asking. “At first they wouldn’t let us. Then in the ‘70s, they said we could. In the ‘80s, they closed the banks. Now why would I want to use a bank?”

Residents rely on the services of check cashers, Jordan says. “People in the neighborhood like using check cashers and money orders. For some residents it is bad business to help them open in a checking account immediately. If you do not understand the concept of ‘float,’ then a checking account is dangerous.”

Our Money Place considered offering check-cashing services, but found it could not do so competitively. A&B Check Cashing, the area’s biggest operation with more than 20 sites in the Baltimore region, agreed to lease space in the center, with rent suspended for the first year. A&B cashes checks at a reduced rate and provides money orders, bills payment and photocopying services.

“Traditional banking and non-traditional financial services have always been sort of pitted against each other,” says Brian Satsky, who with his brother Alec Satsky owns A&B.

Perceptions suggest “the bank is the right way and the non-traditional services are the wrong way. But that’s not true,” Brian Satsky says. “This center is going to show the public that the two industries can work together and really provide very important services for people.”

In Our Money Place's early weeks, A&B was accounting for 90 percent of the traffic; the credit union had about 150 members a month after opening, Jordan says. The goal is to have 5,000 members within three years.

Achieving that goal involves a third critical component. In the lobby of Our Money Place sits an OROSW volunteer ready to steer customers toward financial management classes at the nearby Bon Secours Community Support Center.

The weekly classes cover topics such as budgeting, money management, savings and checking accounts, retirement planning and home-buying, as well as credit and debt restructuring. More than 130 people have signed up so far, according to Saunders-Ranniar.

Tying Services to Resident's Needs

The goal is to snag people while they have money on their mind and connect them with other aspects of the Working Families Initiative that can help them increase their financial savvy. Among them: workforce development services and a free tax-preparation service for low-income residents, with special focus on the earned income-tax credit.

The tax program, staffed by volunteers, completed a whopping 385 returns this year, up from 110 last year, Jordan says.

Meanwhile, financial instruction is a key part of employment programs for both adults and young people. Youth employment initiatives help young people find summer and full-time jobs, save money for college and develop careers. For adults, a job-placement program is evolving into a career-development program, with added efforts devoted to overcoming barriers to employment, such as drug and alcohol addiction and lack of education.

Each encounter provides an opportunity to match residents with Our Money Place, the tax program and the finance classes, reinforcing the value of financial planning and career development when people are most open to hearing that message, Saunders-Ranniar says.

“We’re working hard on tying all these different services together in a way that’s really cohesive,” Jordan says. “The Working Families Initiative came out of the community planning as three separate initiatives, and now we’re weaving them all together, with credit to the Casey Foundation funding.”

The initiatives are consistent with the Casey Foundation’s mission to help disadvantaged children. The foundation has developed and supports a framework for Family Economic Success (FES) in impoverished communities that:

- _ Hooks people to jobs that pay family-supporting wages and offer opportunities for career growth;
- _ Enables people to increase their personal and family income and build assets; and
- _ Supports policies and programs that spur community investment in housing and businesses in ways that have a multiplying effect.

Southwest Baltimore’s Working Families Initiative “is a great example of all the different parts of the FES framework,” says the Casey Foundation’s Skricki.

Changing Lives, One at a Time

Resident Cathy Hill’s story helps illustrate the principles at work.

Receptionist, part-time student and grandmother of 14, Hill has a fondness for home decorating. Her passion has brought her a pile of debt over the years and with it, ruined credit.

Three years ago, she began taking charge of her finances. She traded her disability income for a job at Bon Secours Family Support Center, found while she was taking computer classes through OROSW partner Goodwill Industries of the Chesapeake.

This year, she saved \$600 by using the tax preparation service, and is managing to save \$40 a month at Our Money Place. She’s attending college part-time to earn a bachelor’s degree in human services. She’s repaying her debt, now down to about \$8,000, to better position herself to one day buy the house she rents.

And she has a new dream. Hill, 45, wants to start a residential center that would welcome both senior citizens and young mothers.

“I’d like to encourage them to help each other,” she says. “I love senior citizens and I love young people. And I don’t like nursing homes and I don’t like foster care.”

If she can get the home going within eight years, Hill figures, she can devote 20 years to her enterprise. “I’ve got a bigger vision now than I used to have,” she says. “I’m happy.”