

Op-Ed 2013

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SUPPORT UNITED WAY TO ADVANCE FINANCIAL STABILITY IN WHATCOM COUNTY

Poverty affects 1 out of 6 people in Whatcom County. A large contributing factor is lack of financial stability and financial literacy. When individuals and families have the skills needed to earn money, manage bank accounts, and maintain their credit they are more likely to invest back into our local economy, be less dependent on social services, and build a stronger life for themselves and their families. United Way of Whatcom County knows that we all win when families are financially stable and that's why one of the goals in their Income focus area is increasing financial stability.

Four years ago, the Opportunity Council took the lead in creating the Whatcom Asset Building Coalition to increase financial stability and independence of lower-income residents in Whatcom County. Stakeholders from public, private, and non-profit sectors came together to design the Whatcom Asset Building Coalition using the United Way's Financial Stability Framework. The framework has three key components— increase income, build savings, and gain and sustain assets. Social service agencies and community volunteers have helped people increase income through promotion of the Earned Income Tax Credit, employment readiness, and financial education. Banks and credit unions have helped households build savings through education on banking options, how to avoid fees, and promotion of savings through Bank On North Sound and prize-linked savings. Financial advisors, attorneys, and entrepreneurs have helped people gain and sustain assets through budgeting, small business development, home ownership, and asset protection.

At Opportunity Council, we believe that financial stability is a building block for self-sufficiency but we know that not everyone in our community experiences the same level of financial security. United Way partner agencies like Opportunity Council receive hundreds of requests from local families facing crisis as a result of lack of financial resources and education. Some of the families we serve are among the 15% of Whatcom County residents that rely on alternative financial services like check cashing and payday lending. These families pay high fees to access their own money. Fees for services such as check cashing and pre-paid debit cards can add up to 10% of household income. Some people in our community pay interest rates of up to 391% APR to access payday loans to meet emergency needs.

Last fall I worked with a young woman named Amy while she participated in a job-training program at Opportunity Council. Amy earned a little less than \$1,000 a month to support herself and her 3 year-old daughter. She used check cashers and pre-paid debit cards to access her money and paid her bills with money orders. Fees for these services added up to \$100 each month. Amy was spending 10% of her income to access her own money because she didn't have a bank account. I told Amy about Bank On North Sound, a program that offers entry level and 2nd chance accounts at 12 participating financial institutions. I also referred her to classes that would teach her how to manage her account. Amy opened an account through Bank On and put the money she saved by avoiding fees towards tuition at Bellingham Beauty School. Now that Amy has increased her income, transitioned off of public assistance, and built some savings she is ready to work toward her next goal of opening her own salon.

Through United Way of Whatcom County's collaboration with the Whatcom Asset Building Coalition, and many other programs working to impact financial stability, thousands of lives have been strengthened in our community and this impacts us all. United Way has done the research and is working with a variety of individuals and organizations to solve large community-wide issues, and you can help.

Right now United Way is conducting its annual campaign to raise dollars for the Community Impact Fund, which focuses on solutions in Education, Income, and Health. I have seen first-hand the lives changed and the impact on the entire community that financial stability can create, so I invite you to make your contribution today to United Way of Whatcom County's Community Impact Fund. If we all give what we can and teach others how to strengthen their lives through financial planning, we all win. That's what it means to LIVE UNITED!

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About the Author

Anjali Englund is the Outreach and Development Manager for the Opportunity Council as well as the coordinator of the Whatcom Asset Building Coalition. United Way of Whatcom County runs 150 workplace giving campaigns during the fall to benefit Whatcom County's Community Impact Fund, which focuses on advancing education, income, and health. For more information about conducting a United Way workplace campaign, contact Kristi Birkeland at 360-733-8670. For more information or to make your donation to United Way of Whatcom County, go online at unitedwaywhatcom.org

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