Speaker 1:

Welcome to the Keys to Financial Inclusion Podcast, brought to you by National Disability Institute's Center for Disability Inclusive Community Development. Hear from thought leaders in the disability and financial communities who will share insights, analysis, and emerging strategies to improve and increase investing, lending, and service activities for people with disabilities. And now here's your host, Michael Morris.

Michael Morris:

Welcome to the Keys to Financial Inclusion podcast series. Today we have with us as our guest Molly Barackman-Eder, Senior Manager, Financial Capability with NeighborWorks America. As the manager at NeighborWorks America, Molly designs, administers, and evaluates programs and initiatives for nearly 250 nonprofit organizations across the United States, including the District of Columbia and Puerto Rico. NeighborWork organizations provide financial capability services integrated with community development and affordable housing activities. Prior to joining NeighborWorks America, Molly served as a financial wellness manager at Goodwill Industries International. Molly earned her MBA from Georgetown University and has a BA degree in International and Comparative Political Science from Western Michigan University.

Michael Morris:

Molly, thank you so much for joining us today.

Molly Barackman-Eder:

Thank you for having me. I'm really excited to be on this podcast with you. I'm such a big fan of the National Disability Institute, and from our work together on past projects, I really appreciate what you all do, and I'm really pleased to join you today.

Michael Morris:

Great. Well, let's go right to questions. National Disability Institute established in June, 2019 a new Center for Disability Inclusive Community Development to bring added and new attention to financial institutions and community development organizations on the unmet needs of low and moderate income people with disabilities, and to encourage greater investment and lending activities from financial institutions to support this vulnerable population. Molly, what does inclusive community development mean to you, and why is it important?

Molly Barackman-Eder:

That's a great question. As far as inclusive community development at NeighborWorks, it really starts with resident leadership, and that includes all residents of the community. NeighborWorks organizations develop resident leaders, they support resident-driven groups, and they make connections for community building activities. And what that results in is skilled and engaged residents, responsive community organizations, and strong community relationships, all of which lead to vibrant communities that reflect an inclusive vision from community members themselves.

Molly Barackman-Eder:

Resident leadership is the foundation of all of our work. Before we were this big national network of nearly 250 organizations, there was just one neighborhood housing services organization in Pittsburgh. It was started by Dorothy Richardson, who had the vision to empower her neighbors to build houses in their community through resident leadership and partnership with financial institutions and government officials. She persuaded banks to invest in the community in partnership with residents. The model she developed was so successful that it was replicated nationwide through the formation of NeighborWorks America. So inclusive resident leadership is part of our origin story.

Michael Morris:

That's great. Can you tell us a little bit more of NeighborWorks America, a little bit about its history, its origins, and how you've grown into this national network?

Molly Barackman-Eder:

Well, in 1968, as I mentioned, Dorothy Richardson had this vision for her neighbors being able to have a stake in the future of their community, as developers were interested in changing the neighborhood that she lived in. She had the inspiration and the motivation to build all these resident leaders, her neighbors, to think about how they could actually be the ones driving the future of their neighborhood. And it didn't take long after she galvanized all of her neighbors to form this neighborhood housing services organization for others to see the potential for this kind of model, where residents were making decisions about their communities, figuring out how to work with banks and government officials to change the face of their neighborhoods, to mold them into the vision that they had. By 1971, NeighborWorks America was forming, and in its early stages, there was this single model that was the neighborhood housing services approach. Over time, there were a lot of other different models that were recognized as being critical parts of this same idea of resident-driven leadership and change in communities.

Molly Barackman-Eder:

So today, our network of nearly 250 organizations, it's not a whole bunch of cookie cutter organizations. Each one is unique for the community that they serve, and for what that community needs. So we have more than 80 CDFIs in our network organizations, who are financial institutions helping to give people access to capital, to make change in our neighborhoods, to start small businesses, to invest in their communities. We have organizations who do housing counseling to help people become homeowners. You have organizations doing real estate development to help create affordable rental properties or affordable homes for purchase. The area that I work in, financial capability, touches on all these different kinds of models. We also cover organizations that help people prepare their taxes for free. We have 44 network organizations that provide free tax preparation services to the community, and all that is related to community development. So the saying is, if you've seen one NeighborWorks organization, you've seen one NeighborWorks organization, but the thing that they all have in common is thinking about residents first and letting residents be self-directed in what they want for their communities.

Michael Morris:

That's a great story, and it's an organization having huge impact nationwide with low and moderate income people. You are probably aware that National Disability Institute has worked with the FDIC on a variety of research projects. What we've learned from the data is that almost one in two working age adults with disabilities are underbanked. Many people with disabilities lack access to affordable credit. That obviously plays into their ability to get and think about affordable housing options. How is your organization working with financial institutions to help bring people with disabilities and others with low and moderate income into the financial mainstream?

Molly Barackman-Eder:

Well, this is another situation where this can take many shapes and forms depending on what a community needs across the country. So I'll give you a couple of different examples. In the rental housing space, there are organizations like CommonBond in St. Paul, and they don't factor credit scores into the applications for people to rent their units. Instead, they look specifically at the credit report and they look at the utility history on the credit report to see if people will be able to maintain their payments. If it turns out that a resident is behind on their utility bills when they're in that lease application process, CommonBond encourages them to get on a payment plan with the vendor. And once they're on a payment plan, they're able to continue processing the lease.

Molly Barackman-Eder:

Once people move into a CommonBond property, they have access to extensive financial capability services. One exciting example of this as a credit builder loan, so people have fewer barriers to affordable and accessible rental housing with organizations like CommonBond, And then they also have a chance to improve their credit score while they're there through the resident services that CommonBond offers, which sets them up for success if they want to do something else like buy a house later on down the road.

Molly Barackman-Eder:

And then in the home ownership space, another network organization, Pensacola Habitat for Humanity, has an alternative home ownership model with their own financing mechanism. Their financing model offers affordable home ownership with floor plans that all meet visitability guidelines, so every floor plan they have meets visitability guidelines, and there are also optional ADA accommodations available, like roll under sinks in kitchens and bathrooms, and those are the kinds of accommodations that might be too expensive for people shopping on the conventional real estate market.

Molly Barackman-Eder:

We also have many organizations in our network who are themselves lenders. That gives them a lot of flexibility and control over the final cost of home ownership. They can offer favorable mortgages and interest rates for customers, if a person completes their financial capability program, for example. Other organizations connect people to down payment assistance programs or other local grants to help them get over the barrier of having enough savings to buy a house.

Michael Morris:

This all is really an eye opening picture of opportunity for low and moderate income people with disabilities and their families, with your nationwide network of providers, lenders, as you said, as well. NeighborWorks has benefited from investment activities and multiple financial institutions and critical relationships to create affordable housing. Can you talk a little bit about, what are critical elements of an effective partnership at a local community level between your members and a financial institution?

Molly Barackman-Eder:

Sure. At a national level, we've had a very positive relationship with JPMorgan Chase for our financial capability programs. They've been very interested in our perspective on how to best serve our network and their customers. Being open with them about what we want to learn about the people our network serves has been mutually beneficial. A critical element to a successful partnership, in this case, is treating it as a mutual learning opportunity.

Molly Barackman-Eder:

In the most recent Chase project that we worked on, our Financial Capability Learning Lab, one of our network organizations in Portland, Maine, CEI, built a successful partnership with a local bank. They were open with the bank about what was special about the target audience they were working with. In this case, it was manufactured housing residents in a resident-owned community model, where the residents had purchased the community that folks live in, and the bank had been focusing on connectivity and access points to consumers, but mostly through digital channels, so they were thinking about apps and email, but the population CEI was serving really more tactile, quote-unquote "old school" points of contact. So that was an opportunity for CEI to lean into their expertise. They had that community relationship. They could share that information with the bank, who didn't have an existing relationship with anyone really in that community, and it complemented the digital strategy that the bank was working on.

Molly Barackman-Eder:

Another network organization, DHIC in Raleigh, has a similar complementary relationship with their local bank. The bank supplies mobile computer labs, which is technology that DHIC probably would not be able to stand up on their own. It's a big bus that has a whole bunch of computer stations set up. DHIC provides frontline staff to bring credit report services onsite to HBCU campuses, to populations that the bank isn't already reaching. They're taking their community relationship, they're complementing the bank's existing technology infrastructure, and together they're having a better result by working in partnership to complement each other's skills.

Molly Barackman-Eder:

So I would say finding a mutual benefit with your financial institution partner, developing a complementary relationship, and communicating openly are critical elements of successful partnerships with banks.

Michael Morris:

Wonderful. Thank you for those insights. I think we all know that mortgage foreclosures remains a significant issue for many low and moderate income individuals who have pursued the dream of home ownership. Today's current environment, with the coronavirus challenges creating a health and financial crisis, these issues are front and center. What efforts is your organization making to help low and moderate income individuals make informed financial decisions that improve the viability of home ownership options, and even help them through the current challenges?

Molly Barackman-Eder:

I'm so glad you asked about this. Our network's goal is not to hurry up and get someone into a house before they're ready. It's to bring them to the point where they need to be financially to maintain their mortgage payments and address unexpected costs of home ownership. NeighborWorks organizations take the education and counseling components of their work very seriously. They spend a lot of time with customers, and they build strong relationships throughout that process. That puts them in a great position to help with post-purchase support. Some of them offer tool lending libraries to help homeowners do preventative maintenance on their house after they buy it, for example, and as you mentioned right now, as we're dealing with this current coronavirus crisis, it's been amazing to see the network response and the way that we've been able to support them in communicating with folks who they might have helped through the home purchase process, who now have questions about how to make sure that they don't lose their home because of a global pandemic that they didn't really have any control over.

Molly Barackman-Eder:

They're still continuing to do the good work of educating people about which resources are available to them, walking them through what their options are, making sure that they're making responsible financial decisions, even in a time of unprecedented crisis. One of the most interesting success stories that I've heard pre-pandemic is someone who worked with Neighborhood Housing Services of Baltimore to buy a house. She was talking about her, she was a successful graduate who had come back to talk to some financial coachees, and she explained that after she bought her house, she lost her job and started a new one with lower pay. And as she's telling this story, I'm thinking like, "How is this a success story? This is not going in the direction that it's supposed to go."

Molly Barackman-Eder:

But she went on to say that because she had great counseling, her mortgage payment was still affordable even at her new lower income. She let out a cheer when she finished her story, because she was so happy to have chosen an appropriate mortgage that she could maintain as her financial situation changed. So it really starts with laying the foundation of education and support, helping people get to the position where they need to be financially before they purchase the house, and then continuing to be there as a community resource after someone makes the purchase for when life situations change and people need additional resources.

Michael Morris:

Let's go to a slightly different issue. We talk about one in four families in the United States has a family member with a disability, but there is much less discussion of the intersectionality of race, gender, and disability, and the low and moderate income population. This intersectionality presents added challenges to equity and inclusion. With your work at NeighborWorks America, what can community groups do to be more responsive to these challenges?

Molly Barackman-Eder:

I think this issue is something where the coaching approach to financial capability really shines. When you use a coaching approach for financial capability, it's a customer-driven process where the coach uses active listening to support the customer in defining and achieving their goals. They're co-creating an action plan with the customer, they're sharing technical expertise when the moment calls for it, and they're providing accountability throughout the relationship. Financial coaching doesn't assume there's a single best path forward for people, but rather it checks in, you pay attention if the plan a customer designed isn't working for any reason. It's reason neutral. It's nonjudgmental. There's ample opportunity in a coaching relationship to uncover a barrier that either the coach wasn't aware of, or maybe even the customer didn't know about, until they started checking in with their coach and talking about why their plan for the last month or two didn't really work out as expected.

Molly Barackman-Eder:

I think some of the power in this is that you're not putting together a prescribed formula in your head about what barrier someone might face based on which boxes they check. You can't always know what those are, but being really individual and focusing on the whole and individual person is a really powerful way to make change in a meaningful way where people can stay engaged. They don't feel like they're shut out of a conversation, because the kind of mainstream path or that typical or traditional path might not be serving them.

Molly Barackman-Eder:

The other piece of this really has to do with a bad habit that a lot of us have, and I include myself in this group when I say "us," where we want to slice and dice data by demographic characteristics, and use that to draw really big conclusions. In our Financial Capability Learning Lab, we spent time with the grantees talking through the appropriate role for demographic data in designing programs. We provided training to the organizations in that learning lab on how to run an effective focus group and how to develop customer psychographic profiles. Both of those tactics help you get to know your customers as whole and complex people instead of a bunch of disconnected characteristics where we're not really factoring in how some of those different identities might be interacting with each other.

Michael Morris:

Boy, that's really a great concept. I would love to see more organizations take that on as a way to look at this set of challenges related to the intersectionality of race, gender, and disability. You know, one of the things that I realized as we have this conversation today, there are many people with disabilities who may never have heard of the work that's being done so effectively by the organizations that make up the NeighborWorks network nationwide, and there are many community-based disability groups that we live in our own world of just what we do related to people with disabilities, and may not be aware of the opportunities, the options that might be available to them through your network. Are there ways you might suggest people with disabilities and disability-related community groups could become more engaged with your organizations in partnership with mainstream financial institutions?

Molly Barackman-Eder:

Yes. Yeah. Well, I think National Disability Institute does a really great job of listening to what organizations do and offering suggestions to make services more accessible. There are so many people who want to do a better job of serving people with disabilities, but they don't know where or how to start, but you all make it really easy to think about our work differently just by taking the time to understand the services that we offer and noting some areas for us to consider improving. So that's one piece of advice, is to copy National Disability Institute.

Molly Barackman-Eder:

I have two other examples from local organizations. Pensacola Habitat for Humanity had a similar experience. They said that they know a lot about the resources that they typically work with for their customers, but there may be some that they don't know about that a customer with a disability might be aware of. So they'll know about certain grant programs or financing options for their houses or community resources, but that doesn't mean that they know everything, so if an organization hasn't raised something with you, don't assume that it's not an option for you. There's a chance they just don't know about it. If you can mention a resource that you've heard about in one of your conversations with your community and make them aware of it so they can look into it and see how it might complement other resources, organizations are interested in doing a better job at serving people with disabilities. Sometimes they just need to know which grant project or which support resource they need to be looking for.

Molly Barackman-Eder:

Another network organization in Maine, Penquis, has focused on improving services for people with disabilities. They have an ongoing relationship with their local financial institution where they recognize that the employees at banks and credit unions might be the first people to see someone with a disability who would benefit from the services that Penquis offers. So they've actually educated staff at the financial institutions in their community about the services that they offer, to help people connect to community resources that they might not have otherwise known about. You're exactly right that somebody in the community might not realize that Penquis is an organization that can help them, until they go in to do some in-person banking and their bank teller is able to tell them, "Hey, there's a program that you really might benefit from. Here's some more information about it."

Molly Barackman-Eder:

So my advice is to understand the group that you're working with, which NDI does really, really well. Don't assume that the organizations you're working with already know about all of the resources available. They could need that lead from you, and then treat your partners as equals in your work. So when you're working with a financial institution, if they have something else to bring to the table, they're seeing a lot of people who have to take care of banking needs that might not come through your community organization doors unless they get the tip from the bank teller that you have a service that can help them.

Michael Morris:

Great advice. Let me back up a little bit. I was just looking again at your background, which you worked on Capitol Hill, you worked at one of the largest organizations working with people with disabilities, Goodwill Industries International. But I'm going to take us even further back. You earned an MBA degree from Georgetown. When you were going through that program, or as you came out, did you ever envision that you would be in the kind of job you're in today and having the kind of impact that you're having on people across the country? Can you share some insights about it, and how did you get from there to here?

Molly Barackman-Eder:

Well, the MBA was an evening program, and it was a bridge between my time working on Capitol Hill, where I knew that I wanted to make a difference in my world, and I felt like there was a missing piece somewhere. I'd been working on Capitol Hill for about four or five years, and a colleague of mine, I said, "I really have a knack for numbers. I like working with numbers. I think maybe I missed my calling as an accountant," and she suggested that I try out this free tax preparation, Volunteer Income Tax Assistance, VITA, service work to see if I really was interested in some of the drudgery of accounting. So I started volunteering with local DC EITC campaign, and I've continued on and off to volunteer with them since that first experience, almost 10 years ago, doing free tax prep for people. And I said, "That was really fun. I liked doing that. I think I'm really interested in seeing if this accounting thing has legs."

Molly Barackman-Eder:

So that's when I decided to start an MBA program. Through the MBA program, I realized some of the things weren't working for me working on Capitol Hill, and had also had this Volunteer Income Tax Assistance experience, so there was an opportunity to work on an online free tax preparation project, which is where I worked with the National Disability Institute on MyFreeTaxes, several years ago now, at Goodwill Industries International. And that really opened my eyes up to all of the interesting ways that people can solve problems.

Molly Barackman-Eder:

I think the MBA, I was still finishing it up while I was at Goodwill. The MBA helped me understand more of the stuff that I've been talking about, about understanding what your partner's needs are, thinking about value propositions and returns on investment. I think sometimes people think about those terms and they think about them as being cold hearted, and those are the terms that cause people to make efficiencies and corporate radars cut jobs when they use those terms, but there's another interpretation of them, which is really about understanding what people want to get out of a relationship and being able to find the way that you can add value to that relationship, and I think that's really been one of the interesting dimensions of having that experience in the nonprofit space, is being able to think like a business person and think like the humans that are involved in businesses, think of how you might tap into what energizes them and is important to them and makes them passionate, and that's where you find your value proposition for them.

Michael Morris:

Right. I wanted to ask that kind of question, because I think it's a great lead in to, you've had multiple experiences, each one building to both impact, as well as you keep gaining new insights and expertise as well. The title of this podcast series is Keys to Financial Inclusion. So from your multiple experiences, could you perhaps identify, what are keys to financial inclusion, where all of us, whether it's organizations, financial institutions, or just individuals, neighborhoods, how can we all work to improve financial inclusion for low and moderate income people with disabilities?

Molly Barackman-Eder:

So I have a couple of NeighborWorks specific examples, but I'll end with something that speaks to this whole value proposition idea. So from the NeighborWorks perspective, Dorothy Richardson, our founding inspiration, Dorothy Richardson's vision is carried out today through our community building and engagement work. And that's the work that supports residents' visions for their communities. Each year, we have a leadership training event for teams of residents called our Community Leadership Institute. There's an action planning element to the training, and after the event, NeighborWorks America awards more than $200,000 for community-based projects that are developed at the events. There's also an annual Dorothy Richardson Award that recognizes outstanding individual resident leaders who make changes stick in their communities. If you want to read a whole bunch of really amazing individual stories, I recommend Googling "Dorothy Richardson Award winners," because the residents who are featured in that award program are truly amazing.

Molly Barackman-Eder:

As a network, we also continue to develop financial coaches. We have more than 200 trained financial coaches in the NeighborWorks network. They're all prepared to help people set and achieve unique financial goals in a way that makes the most sense for their specific situation.

Molly Barackman-Eder:

And then the third NeighborWorks effort at increasing financial inclusion for low to moderate income people with disabilities is we have two briefs coming out soon based on our Learning Lab that have practical guidance for organizations who want to become more customer-centric. So when we were talking earlier about thinking about how to design focus groups and develop customers' psychographic profiles, if that sounded really interesting, keep an eye out for these two new briefs that are coming out. They help you think about concrete ways to move away from a one size fits all program and service, and really understand where your customers are coming from. That's something that benefits all of us, but it's particularly valuable in thinking about how we can change the way that we do business to be more inclusive of people with disabilities.

Molly Barackman-Eder:

And so the last thing that I'll say that has to do with our value proposition is having a conversation with the folks at Penquis about this, and the work that they've done to be more inclusive in their community and make sure that their resources are available to everyone in the community. I think it's really important that we recognize that being inclusive requires some flexibility on all of our parts.

Molly Barackman-Eder:

It requires us not having an answer to people where we say, "Sorry, you have to come to an in-person class. It has to be during one of these prescheduled times, and you're going to have to find a way to get up these three flights of stairs and an elevator that's too small," or whatever it is. It's being able to say, "Yes, we can figure out a way to make sure that you have access to these services. We're going to find a way to either talk to you over the internet and do a video conference with you to make sure you receive this service. If that's not an option for you, we can do a phone call. If that's not an option for you, we can figure out how to come to you."

Molly Barackman-Eder:

And what's been interesting is that the organizations that already have that mindset in place, from my anecdotal experience in the last few weeks, are the organizations that are in the best position to respond to something like a global pandemic. So if you're thinking about the value proposition of inclusive services, it makes your organization more flexible, more nimble, more resilient when you get a curve ball thrown at you. If you have a snowstorm, if you have a hurricane, you can still provide services if something happens to your onsite location, because you haven't been so rigid in saying, "In order to receive our services, you have to be able to meet these specific criteria that don't consider what kinds transportation challenges you might have, or what kinds of other services you might need just to get to our building."

Molly Barackman-Eder:

So I think the value proposition in serving, providing inclusive services, is that it's not just a special add-on that's inefficient, but it actually builds a more resilient and flexible organization.

Michael Morris:

Wonderful insights. Molly, let me thank you on behalf of National Disability Institute and the Center for Disability Inclusive Community Development. This podcast series is about bringing insights and analysis from thought leaders in the disability and financial community, and I consider you a thought leader in both. You have traveled in both worlds, and NeighborWorks brings this intersection together on the ground in communities across the country. Thank you so much today for being with us.

Molly Barackman-Eder:

Thanks for having me.

Speaker 1:

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