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:

I'm so pleased today to introduce to you our guest speaker, Darlene Goins, who is senior vice president and head of financial health philanthropy for the Wells Fargo Foundation, one of the largest corporate foundations in the United States. In 2019, the Wells Fargo Foundation donated over $450 million to unlock and accelerate economic opportunity for underserved communities with a strategic focus on housing affordability, small business growth and financial health. Darlene is responsible for leading solutions that can empower diverse and vulnerable populations to save money, reduce debt, and build financial stability. She joined Wells Fargo from FICO, where she led a consumer credit score program that earned accolades from the Obama administration and from people in the financial and nonprofit communities nationwide. Darlene is based in San Francisco and currently serves on the board of directors for The American Bankers Association Foundation and Jumpstart Coalition for Personal Financial Literacy. Darlene, welcome. And so glad we'll have an opportunity to have this one on one conversation. I'm looking forward to you sharing your insights and perspective on advancing financial inclusion for people with disabilities.

Darlene Goins:

Thank you, Michael. I'm excited to be here.

Michael Morris:

So let's go right into our first question. The new Center for Disability Inclusive Community Development, managed by The National Disability Institute, is bringing added attention to financial institutions nationwide on the unmet needs of low and moderate income people with disabilities and encouraging greater investment and lending activities to support this population. Darlene, share with us. What does inclusive community development mean to you? And why is it important?

Darlene Goins:

Thanks, Michael. As you know, unfortunately, we are living in a society where there far too few on ramps and far too many off ramps and barriers to economic success. This is especially true for people of color, people with disabilities, seniors, and other vulnerable populations. In fact, research shows that 57% of Americans are struggling financially. Nearly 40% of US households say their families struggle to afford basic needs like food and rent. And 63 million people across the country are un-banked or under-banked. And we understand that these challenges are often even greater for people with disabilities.

Darlene Goins:

Over the past 20 years or so, immense progress has been made in the community development and asset building space. But if we're honest with ourselves, we're really only achieving gains at the margins. Overall trends are worsening, and nothing validates this more than today's wealth gap, which is the issue of our generation. The fact that race, having a disability, community conditions are a predictor of life's outcomes is not only unjustly affecting people's lives today, but it's really setting our country up for socioeconomic crisis tomorrow. So at Wells Fargo, we're working hard to help reverse this trend. We're working with others across the public and private sector to better understand and tackle the root causes of poverty, homelessness, and other systemic barriers that people face, from low wages and discrimination to lack of access to financial services and credits.

Michael Morris:

Thank you, Darlene. At Wells Fargo, you have really been leading efforts to educate multiple defined population, youths, seniors, veterans, and people with disabilities, about informed financial decision making and using credit, managing debt, and the importance of savings. You have played a key role as an architect at Wells Fargo starting and really managing the hands on banking program. Can you share our listeners? What are the program's primary objectives?

Darlene Goins:

Sure, Michael. As a financial institution, helping people become more financial capable is clearly tied to our mission in helping people succeed financially. We conducted a financial health study a few years ago, which found that people are more comfortable talking about politics, religion and taxes than they are about personal finance, which is really surprising. 33% of married or partnered adults say they have difficulty discussing money with their spouse or partner. And 25% have heated discussions with their partners about finances. And only 36% of American parents say that they discuss the importance of saving with their kids.

Darlene Goins:

But well before the findings of this study, we saw a clear need for more personal finance skills, which even today are not taught in many schools. So over 15 years ago, we created hands on banking as a free public service and online curriculum. And a big part of our effort has been around providing resources to teachers and nonprofits that are providing services where there are natural teachable moments for personal finance skills. We also reach many communities through Wells Fargo employees, who lead workshops and hands on exercises with youth and adults.

Darlene Goins:

So hands on banking covers a wide range of topics, such as how to create a budget, save and invest, borrow responsibly, buy a home, and establish a small business. And the program has evolved over the years to meet the needs of a wide range of audience. Today, we have customized curriculum and tools for K through 12 students, adults, entrepreneurs, the military and seniors in both English and Spanish. We understand that money management skills are of particular importance for people living with disabilities as they seek freedom and independence in life.

Darlene Goins:

We actually worked with The National Disability Institute a few years ago to develop supplemental hands on banking resources to support people with disabilities. Together we created resources including a disability sensitivity guide and a tool kit for service providers with six straightforward steps to integrate financial education into existing programs and services at American job centers and vocational rehabilitation offices and other community based organizations. And since we began hands on banking back in 2003, we've reached nearly nine million people with our financial education programs through various classes, workshops, and our website.

Michael Morris:

That's wonderful. I had no idea that the reach numbered in the millions. And of course, still grows every day as the materials are available online. Can you share with us lessons learned, maybe from different target populations, including people with disabilities, who have been using hands on banking? What has that taught you at Wells Fargo? What lessons are there to be shared with others as well?

Darlene Goins:

I'd say some lessons we've learned really revolve around first and foremost meeting people where they are and providing information in a highly accessible way. Also, we've learned that collaborations are really critical to driving scale and impact. For example, we've partnered with Communication Services for the Deaf to figure out a way to better meet the needs of those who are deaf and hard of hearing, including their teachers and service providers. So communication Services for the Deaf created a free online financial education series based on hands on banking, but in American sign language. These videos include dealing with debt and getting started with investing, and are available on the CSD Learns platform, which is a trusted resource for deaf and hard of hearing individuals.

Darlene Goins:

CSD really enabled us to reach people that we likely wouldn't be able to reach on our own. We also collaborated with National Disability Institute to create the Achievable Corner, an educational resource to help people with disabilities and their caregivers better understand all aspects of able accounts. By working with the California State Treasurer's Office, Achievable Corner is offered as a resource on the Cal Able website, making it easy for people to access relevant information in a timely manner. And the engagement has seen tremendous success since its launch in September of 2019.

Michael Morris:

Wells Fargo is beginning, really, I think we could call it a new chapter in its evolution as a financial services company. You have a new CEO. You have new things going on at the foundation. Can you talk with us about your role in support of financial health and inclusion activities, and even perhaps share some of what are emerging new priorities?

Darlene Goins:

Yes, we do have some exciting things happening at the Wells Fargo Foundation. We've started an exciting new chapter. We are on a journey to really transform our philanthropic strategy for great community impact. We're narrowing our focus to help solve three pressing issues affecting underserved communities. Those would be housing affordability, small business growth, and financial health. So if you don't mind, I'd like to share just a little bit about the other two priorities. And then I'll dig in deeper to financial health.

Darlene Goins:

But in terms of housing affordability, we've committed $1 billion in philanthropic capital through 2025 to help address the full spectrum of housing affordability from homelessness and transitional housing to rentals and home ownership. And then second, looking at small business growth to help create meaningful local jobs, we're investing in efforts that will accelerate more capital and technical assistance to diverse and under-represented entrepreneurs.

Darlene Goins:

And then turning to financial health, we are ramping up our philanthropic efforts to help improve the financial health of low and moderate income, racially diverse, and other under-resourced individuals and communities. And I'm really honored to be able to lead the financial health work on behalf of the Wells Fargo Foundation. Despite investing what is likely hundreds of millions of dollars industry wide to try to address financial health, traditional practices have only moderately moved the needle in terms of behaviors and outcomes change. And I think it's because as an industry, we've approached financial health as purely a financial matter, often without examining the broader circumstances of the individual, whether they be social, health, employment, environment.

Darlene Goins:

And so we believe Wells Fargo can accelerate the creation of new systems, policies and solutions and drive societal impact by addressing both the symptoms that we see and hear about every day, as well as the root causes. So we're looking at ways to drive more thought leadership around these topics, building community resiliency, leading new public private partnerships, exploring new products and looking at how to more effectively prepare youth for their financial futures.

Michael Morris:

Let me switch to something that National Disability Institute has been working on for over five years. We've worked with FDIC researchers, and we've been able to pinpoint that almost one in two working age adults with disabilities are un-banked and under-banked. How can financial institutions do more in terms of products and services to change this picture? And perhaps do you see, the fintech have a greater role here to play as well?

Darlene Goins:

Well, you must've seen our recent announcement, Michael. First, I think financial institutions can develop and offer new products and services to help change this picture. Wells Fargo plans to introduce two new low cost bank accounts to help us further expand access to mainstream banking services. Our new offerings will provide great options for consumers who are new to banking and for those seeking an account that will help them manage and keep to a budget and avoid overspending.

Darlene Goins:

One of the accounts is a check-less, no overdraft, fee account, which will meet the Cities for Financial Empowerment Fund's bank on national account standards. And the account will limit spending to the amount available in the account. And customers will not incur any overdraft or insufficient fund fees. The check-less account is another example of how Wells Fargo is working to meet people where they are. The use of paper checks is declining and consumers are increasingly using debit cards and digital payment options. But even more important, these accounts provide access to all of our mobile and online banking services. Smartphones have really become ubiquitous, and more than 85% of low income individuals own a smartphone today.

Darlene Goins:

So to answer your question, your other question about fintech, yes, digital technology and fintech do open up more options for low and moderate income people to gain access to affordable tools and mobile apps that will help them build savings, or credit, reduce debt, and manage their money day to day. So through philanthropy and other means, like the Wells Fargo start up accelerator, we're seeding and research and innovation to identify breakthrough ideas, including fintech products and services that enable all people to fully participate in the financial system and economy.

Darlene Goins:

One other example I'd like to share, we're working with a nonprofit called Consumer Action to help scale fintech tools into financial inclusion programs. So Consumer Action is working to get a variety of mobile apps and other tools into the hands of low and moderate income and limited English proficient consumers to help them budget and manage spending. They also provide training around staying safe and avoiding online scams.

Michael Morris:

Darlene, you have an undergraduate and an advanced degree in engineering from Stanford, certainly one of the most important and well thought of universities in the country. How did you find your path from engineering to being a pioneering leader on economic empowerment for people challenged to become financially stable and healthy?

Darlene Goins:

Well, I had no idea that my career would lead me here. But I have to say, I count my blessings each day to be able to lead meaningful work that I'm extremely passionate about, and that really feeds my soul. So my engineering and decision analysis education led me to the field of data science, applied to the financial services industry. And whether I was in a data scientist role, product management, or sales role, I was always focused on how people make decisions, especially under various constraints, and looking at ways to empower people and businesses to make better decisions.

Darlene Goins:

And then while at FICO, almost a decade ago now, it's hard to believe it's been that long, there were a lot of educational credit scores that weren't used in lending decisions that were flooding the market, creating a lot of consumer confusion around credit scores. And since FICO scores are used in over 90% of lending decisions, there was an opportunity to educate, engage and empower consumers to take control of their credit and improve their credit scores by partnering with financial institutions to share the FICO scores they were already using, but with their customers.

Darlene Goins:

I created the FICO score open access program, which included not only the score, but the top score reasons, explanations, tips, and education to do just that, to empower consumers to take control of their credit. And I couldn't have imagined changing the credit score landscape so dramatically at that time. But now through FICO score open access, over 100 million consumers are empowered through regular access to their FICO scores. And through that work, I found my true passion for empowering people, in particular marginalized individuals and communities, with tools and resources, products and services to improve their financial stability and health.

Michael Morris:

Darlene, the intersectionality of race, gender, and disability in the low and moderate income population presents added challenges to equity and inclusion. What can community groups and financial institutions do together to be more responsive to these challenges?

Darlene Goins:

Yeah. That intersectionality does present added challenges to equity and inclusion. I think first, we must acknowledge that people of color, people with disabilities and gender differences face unique challenges, and that there isn't a silver bullet, one size fits all approach. The wealth gap disproportionately impacts certain groups more significantly, and different solutions are needed to be more responsive to these challenges. I also think we have to work collaboratively to change the narrative around poverty and highlight systemic and policy driven root causes of financial fragility. And with greater understanding, we then need to advocate for policy and system changes to remove harmful barriers to equity and inclusion.

Michael Morris:

As you mentioned, you're really considered a national expert on credit and credit scoring. Challenges for so many people of low and moderate income is limited credit history, or challenges in their credit history. What does the future look like that involves thinking and practices on credit scoring? And what can be done to help low and moderate income people, with or without disabilities, increase their access to credit?

Darlene Goins:

Well, you're too kind, Michael, in terms of calling me a credit expert. And since I've been away from FICO for over four years now, which is also hard to believe, I better leave the credit scoring practices to them. But what I can share is some exciting work that Wells Fargo is supporting with Mission Asset Fund that is increasing access to affordable credit for the credit invisible, which includes about 45% of people living in low income communities. Mission Asset Fund created a zero interest credit building loan program to help people establish or rebuild credit. It's based on the tradition of social lending or peer to peer lending that happens in many cultures around the world. But they formalized the lending circle concept, such that the social loans are reported to all three major credit bureaus.

Darlene Goins:

They're another example of Wells Fargo's efforts to support nonprofits that are increasing financial inclusion through technology driven solutions. Participants use a mobile app to track their progress, payment history, and credit score. And in fact, 90% of their clients without a FICO credit score establish one for the first time. And on average, graduates of their program increase their credit scores by 168 points. Now in order to scale, Mission Asset Fund works through a partnership model with local nonprofits, some which may provide services to people with disabilities.

Darlene Goins:

And the Wells Fargo Foundation funded the expansion of their lending circles to six additional markets, San Diego, Phoenix, Charlotte, Houston, Atlanta, and New York. So they will be selecting nonprofit partners through an application process that just kicked off and will conclude at the end of second quarter of this year.

Michael Morris:

That's very, very exciting. Let me go back to your role at Wells Fargo. You are going to be a key architect in helping advance the bank's commitment to unlocking economic opportunity and empowering low income households to build wealth, including families with a child and/or an adult with a disability. Can you share with you some of your early sense now of excitement, new ideas, new strategies, any glimpse or hints of what's ahead?

Darlene Goins:

I think I've probably hinted about some of our new strategies that we'll pursue. But I plan to bring the same level of excitement to this work that I brought when changing the credit score landscape at FICO and transforming hands on banking into a timely and relevant resource to improve the financial capability of people of all ages. In particular, I plan to be bold and innovative and challenge traditional approaches to addressing financial health, bring a diversity, equity, and inclusion lens to all of our work, and look for intersectionality across our three pillars of housing affordability, small business growth, and financial health, as well as look for ways in which we can bring our business expertise to bear to amplify impact.

Michael Morris:

This podcast series is bringing new thinking and ideas forward, very much in line with what you just shared with us. The future definition of financial health and inclusion for people with disabilities is clearly at the forefront of pioneering work at Wells Fargo and across the financial services community. Any closing thoughts you have that you can challenge our listeners to be more active in building and supporting inclusive community development?

Darlene Goins:

Sure. I would encourage our listeners first to stay tuned for upcoming announcements about our financial health philanthropy strategy and some really new and innovative investments that we're making. We're still working through some of the details around that, but we should be announcing them very soon, and I think you'll be excited about some of the work ahead of us. And then I would just say join us in being bold and innovative and challenging the status quo and traditional approaches to financial health. It's important to value and promote diversity, equity, and inclusion in all aspects of your work. And collaboration is really key to being able to drive societal change.

Michael Morris:

Darlene, thank you. Your insights, your passion, your commitment to unlocking economic opportunity for people with and without disabilities who are challenged in today's economy has come through loud and clear. Thank you so much for sharing your thoughts with us today. And we look forward to continued collaboration to build pathways to a better economic future for people with disabilities.

Darlene Goins:

Thank you again for having me.

Speaker 1:

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