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Black churches have become financial planning educators

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The National Black Church Initiative (NBCI) foresaw the mortgage crisis that hit the U.S. in 2008 a number of years before anyone even suspected such a cataclysmic event would happen.

Within the African-American community, at any rate.

As far back as 2004, “our pastors were calling us up, concerned at the number of people buying houses and asking for dedications [a church blessing],” says Reverend Anthony Evans, NBCI’s president. “They did not recall many of these individuals having steady and consistent employment and that set off a red flag.”

But in 2004, there wasn’t even a hint of the crisis to come, and convincing any official entity of that eventuality, as the NBCI tried to do, was next to impossible. So the NBCI went ahead on its own, Evans says, initiating a concerted financial literacy and education program that today remains a focus for the organization and aims to rebuild and increase the savings rate of **African Americans across the country**.

Once 2008 hit, of course, most of America was badly affected by the mortgage crisis and its after-effects, but because the African-American community is usually “three years behind every boom and bust,” the effects of the crisis have been even deeper and more protracted, Evans says. More importantly, they have impacted the capabilities of the church, to which many – even those in the higher-income brackets who were its key financial supporters – have turned to and continue to look toward for help.

Given that the church is the main pillar of the Black community (“the pastor is the spiritual leader of the church – he comes to grandma’s bed when she dies and visits Little Timothy in jail... nothing happens in an African-American church without the pastor’s sanction,” Evans says), it has to be financially sound in order to provide support to its congregation, so a major part of

the **ongoing financial literacy** and education program is aimed at fortifying the church's finances first.

However, "we also want our congregation to know that the church is *not* the lender of last resort," Evans says, so the program also hopes to be able to impart the basics of proper financial planning, from day-to-day budgeting to saving, to church members. Not only will these people **become more financially astute** and able to fend for themselves better, but as their savings increase, they will be in a position to give back to the church, which will then be able to extend a helping hand to the neediest members of its congregation, Evans says.

Thus far, NBCI has successfully educated 125,000 families on the important facets of proper financial planning, Evans says, through classroom-style financial literacy classes and other grassroots approaches. The church also asks all its members to save one year of their salary over the next seven years and it has applied for a grant to kick off an online, faith-based financial education course that can be completed in anywhere from six months to three years.

"Our program remains in effect over the next 10 years as a way to establish budgetary discipline in the church and in families that attend our church," he says. "We want to improve church members' overall credit rating and we also want to deal with the unemployment in the African-American community. We have to be able to find jobs for the middle-class members of our congregation that are unemployed but are the backbone of our church budget."

To that end, one of the fastest growing sectors looking to employ African-Americans and other minorities is the financial planning industry. Firms like Wells Fargo and others are keen to hire more minorities and are making a concerted effort to recruit African Americans, Evans says.

He firmly believes that over the next decade, there will be a significant increase, to the tune of 6% to 7%, in the domestic savings of the African-American community, and that this will pique the interest of the financial services industry.

To ensure that happens, the NBCI will shortly be conducting its own survey of the financial health of its community members.

"Ours will be a microscopic study of where every dollar goes in the black community," Evans says.

To date, he says, the availability of data that allows the financial services industry to assess the financial condition of the Black community is limited, "so we want to be able to document the exact rate at which the savings rate is going to increase over the next several years, to allow the financial industry to measure deposits based on geography and other factors."

Evans has been president of NBCI since 1992 and continues to work on behalf of social and economic justice issues. He leads a coalition of 34,000 churches across the country.

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