



Strategy on Wealth Building

The National Black Church Initiative (NBCI), a faith-based coalition of 34,000 churches comprised of 15 denominations and 15.7 million African Americans, has taken great care over the last three years to evaluate our members' understanding of financial literacy issues including stock markets, wealth building strategies and investment techniques. To date, we have conducted two major surveys across a broad spectrum of 50,000 members to evaluate their knowledge of financial topic and participation in critical wealth-building activities. The details of our Financial Literacy Program are as follows:

NBCI Comprehensive Financial Literacy Program

- Conducting a six-month forensic budget analysis for an exact map of each penny moving into and out of the participant's bank account.
- Emphasizing savings, cutting out needless spending. This is when our members will join NBCI Program: *Saving One Year's Salary over the Next 7 Years*.
- Using the *NBCI Money Booklet* to organize finance. The goal here is to have all financial numbers in one booklet accompanied by important financial papers. This booklet is in its final draft and going through a rigorous evaluation process.
- Engaging in *NBCI Online Money Course*.
- Seeking out Wealth Professionals from well-known and respectable financial institutions for assistance on how to manage and grow wealth.
- NBCI Financial Strategy in Helping Our Children Prepare for the Future.

NBCI Financial Data Survey Capacity

NBCI's incredibly expansive membership base represents every major segment of the African American community, across all ages, locations, incomes, sexual orientations and genders. We have worked to cull meaningful population data from this cross-section of 15.7 million congregants. To that end, NBCI periodically conducts congregational surveys around finance, wealth building and financial strategies and techniques. This has guided and shaped the NBCI Comprehensive Financial Literacy Program.

Based on our findings, we learned that the church has a specific role to play in fostering financial education and identifying credible financial institutions that will help the black community maintain, and in some respects achieve, wealth. Nearly 50,000 couples have sought out the church's assistance for help finding credible financial assistance.¹

During the early days of the Recession, in the first major survey of our membership, we found that African American middle class families were spending 30% over their budgets. We also were able to understand why this Recession had such a deep and abiding impact on Black economic development. African American housing was up 49% at the height of the housing boom. Some housing experts cannot agree how steep of a fall of those statistics experienced given the fact that there are still 4 million homes in foreclosure. Some housing experts say it is down to around 30% while others say it has recently hit 43%.

Below are questions from our first survey:

1. Are you male or female? Churchgoer, yes or no? Age?
2. Do you have a bank account? Do you have a mortgage?
3. Are you underwater in a mortgage?
4. Do you have retirement savings? Do you have a regular savings account?
5. Do you own stocks? Where do you get your information concerning how to pick stocks?
6. Do you have sufficient insurance? Health? Auto? Life?
7. Do you have substantial credit card debt? Ten Thousand? Fifteen Thousand? Twenty Thousand? Thirty Thousand?
8. Do you have an emergency fund? How long would that emergency fund last you? Six months? Twelve months? Twenty-Four? Thirty-six?
9. Are you looking for a house?
10. Have you ever consulted with a professional financial planner or wealth manager?

NBCI Saving Program

NBCI has created a program entitled *The National Black Church Initiative Wants Every Black Family in America to SAVE: 1 Year of your Annual Salary over the Next 7 Years and the Twelve Rules for Financial Health*. Through this program, we require every employed person in each family, to save 1 year of their salary over the next 7 years.

NBCI Online Money Course and Money Booklet Program

NBCI introduced its *Online Money Course and Money Booklet Program*. NBCI's Money Course is a take on Finance 101. Its curriculum seeks to make money management easy to understand, and break course material down into adjustable time frames spanning from either six months to up to three years. These courses cover fundamental principles and give students the tools they need to feel confident and financially literate. Minorities, especially African Americans and

Latinos, will be encouraged to enroll. Over the course students are given an NBCI Money Booklet alongside other relatable and accessible course texts. Our inaugural class will begin in the fall of 2014.

The NBCI Money Booklet has a thoughtful and comprehensive layout, allowing individuals and families to get a complete picture of their assets and liabilities in an easy-to-read, unintimidating format. Having their financial scorecard at their fingertips will give users a sense of control over their money and encourages smart financial decisions. NBCI's Money Booklet will consist of information including but not limited to – salaries, tax status, insurance, stocks and other relevant financial data.



To further assist our constituents NBCI created a partnership with TrustEgg, Inc. Through this ground-breaking strategic initiative both organizations work together through grassroots efforts to engage as much of the black faith community as possible, carrying the message that early financial planning delivers great rewards and creating over one million accounts for families and children. The partnership will engage families across America to start saving with TrustEgg to help ensure a bright future for all of their children. This collaboration will leverage TrustEgg's financial resources to help bridge the socioeconomic divide affecting the black faith community, adding to the 125,000 families NBCI has already educated on financial literacy issues.

NBCI Community Built Program

We also found one of the reasons African American homeowners, especially those who signed subprime no-doc loans, did not have sufficient reserves to cover the mortgage before it was readjusted to a higher rate. Budgeting was the main culprit – mainly the fact that most did not have one and their monthly income was fluid. Given these factors, it is clear these homeowners did not have a chance of surviving the economic crisis. As a result of this statistical survey analysis, we created a game plan to strengthen the wealth-based education of our 15.7 million congregants.

NBCI as a community leader received over 7,000 calls from distraught pastors and congregation members pleading for mortgage assistance from either the church or NBCI directly. Responding to this outcry, we proactively partnered with the housing industry through Fannie Mae and the Mortgage Bankers Association to help launch a national foreclosure prevention educational program. NBCI showcased one of the first foreclosure prevention guides - *The National Black Church Initiative Foreclosure Prevention Guide – Help for Homeowners Facing Financial Hardship*. NBCI worked as a partner with the Homeownership Preservation Foundation Hope Program, launching the trailblazing, first-of-its kind African American foreclosure assistance program.

After our joint launch NBCI's regional offices, called Faith-Commands, worked tirelessly to advocate and educate across our membership base and beyond. We held over 3,700 educational housing sessions and participated in over 1,700 housing workshops with lenders including every

major bank. As a result, NBCI helped over 250,000 families and individuals receive critical information on how to save their homes and their families.

NBCI distributed over 700,000 copies of *The National Black Church Initiative Foreclosure Prevention Guide – Help for Homeowners Facing Financial Hardship* with the help of various lenders and Fannie Mae.

As the housing crisis continued NBCI learned the root cause of problems facing African Americans in our community and refocused our efforts. We learned through our outreach that homeowners, especially African Americans, were not communicating with their lenders and were not adequately educated enough to handle their finances.

In order to dive deeper into the problem, we sent a directive to our pastors and bishops to survey their congregations and to make sure that those distressed homeowners were in touch with their lenders no matter the situation. NBCI also focused programmatic efforts on connecting people to federal and state resources available to homes hit by the crisis.²

Partners Benefits

We are prepared to offer our wealth-building partners the following opportunities. All of these markets need careful development.

1. Help provide financial advice to our 350,000 – 500,000 African American couples who have strongly expressed a desire to understand what it means to have a financial advisor and how to grow wealth.
2. We would allow our wealth partners an opportunity to help shape our congregational-based financial surveys for the purpose of understanding our membership's approach to finances and achieving actionable data.
3. An opportunity to help NBCI interpret that data for the purpose of creating profitable financial products for our wealth-building membership sector.
4. An opportunity to help shape the educational approach to NBCI's membership through our money course and money booklet.
5. An opportunity to impact and service the various mortgage needs of our 15.7 million members

² National Black Church Initiative Homeowners Workout Seminar. November 6th, 2010

NBCI faith Community financial Profile



- No. of NBCI Member Churches 34,000
- No. of NBCI Sister Churches 115,000
- Estimated income of NBCI Non-Mega Church Congregants \$15,000 – \$10 million
- Estimated income per church \$250k – \$100 million
- Estimated income of NBCI churches \$20 - \$45 billion
- No. of Mega-Churches 105
- No. of Small businesses in NBCI member churches 70,000
- Average size of Mega-Churches 8,500 - 20,000 people
- Estimated income of Mega Church Congregants \$40,000 – \$10 million
- Estimated income per church \$6 – \$70 million
- Average size of NBCI Churches 250 people
- Percent of African American Ministers with M. Diva Degrees 6%
- Percent of congregants that Saves 12%
- No. of churches who have credit Union 3500-7500
- No. of churches who have separate Economic Development Corp. 4,675
- No. of Congregants who own their cars 83%
- Percentage of Congregants who are finically secure 35%
- No. of Congregants who own their home 30-52%
- No. of congregants who invest in the stock market 13%
- No. of congregants who have purchased financial products 15%

The Prudential 2013 Study Prudential 2013 Study: African American Financial Experience

Financial Progress the African American community is a growing economic force fueled by an increasingly powerful middle class.

Middle Class and Affluent Continue to Grow

Approximately 4 in 10 surveyed have an annual household income of \$75,000 or more, and nearly 25% earn six figures.

- About one-third (35%) of African Americans surveyed have \$50,000 or more in financial assets, including savings, investments, and employer-sponsored retirement accounts.
- Personal Progress Made in Difficult Economic Times.
 - Despite feelings that the U.S. economic downturn is still ongoing, primarily due to high unemployment, half of African Americans feel better off financially than a year ago, while only 19% feel worse.
- More Confidence and Preparedness than General Population
 - Forty-six percent of African Americans compared with 35% of the general population feel very well prepared to make financial decisions.
 - Compared with the general population, African Americans feel significantly more confident (42% v. 30%) and optimistic (30% v. 21%) when making decisions about their money. Consistent with this confidence, African Americans feel less uncertain (22% v. 31%), anxious (18% v. 28%), and intimidated (5% v. 10%) about financial decisions

Financial Challenges

The emerging middle class shares many of the financial challenges of the larger community, including debt reduction, supporting more family members on a single income, and achieving retirement security.

- Reducing Debt
 - African Americans are significantly more likely to have some type of debt (94%) compared with the general population (82%). Credit card debt, student loan debt, and personal loans are all significantly higher in the African American community.
 - Non-mortgage debt, particularly student loan debt, is significantly higher than the general population. College-educated African Americans report student loan debt at a ratio of nearly 2:1 compared with all college-educated Americans.
 - One in four African Americans has felt anxiety or depression as a result of debt.
- Supporting Family Members
 - African Americans are more likely to live in female-headed households. Two-thirds of African American women surveyed are working compared with 58% of women in the general population. African American women are less likely than the general population to have a spouse or partner present (60% v. 74%), and thus more likely to carry the financial responsibilities of the household on a single income.
 - Multi-generational households—with parents, adult children, and grandparents—are more common among African Americans. Moreover, African American families are also particularly likely to provide support for extended families regardless of whether they live under the same roof. About six in ten African Americans provide financial support to

someone else. They are significantly more likely than the general population to financially support parents and other relatives.

- The so-called “sandwich generation”—those supporting both younger and older family members—is especially prominent in the African American community. One-third of African Americans are financially supporting children under 18 or grandchildren, and 9% are supporting parents or grandparents—both higher than the general population (25% and 4%, respectively).
- Achieving Retirement Security
 - One in five African Americans say that concern about their ability to retire keeps them up at night, and one in four is worried about the future of Social Security.
 - On average, African Americans expect to—and do—retire earlier than the general population, despite lower retirement savings. One in four non-retired African Americans expect to retire before age 60, compared to one in five of the general population. The expectation of an earlier retirement aligns with the experience of the current retirees surveyed; the average retirement age for African Americans (56) is significantly lower than for the general population (59).
 - Nearly half of African Americans have a workplace retirement plan, such as a 401(k), and eight in 10 eligible to contribute are doing so. Yet, many continue to contribute less than their employer match or take loans from their plan.

“The African American Financial Experience” survey was conducted March 7 - 19, 2013. We surveyed 1,153 Americans who identify as African American or Black and 471 general population Americans on a broad range of financial topics. All participants met the following criteria:

- Age 25 - 70
- Household income of \$25,000 or more
- Some involvement in household financial decisions

The findings are representative of the population described above, subject to a margin of sampling error of +/- 5% for African Americans and +/- 6% for the general population.

Now is the time to achieve your GOLD over the next Seven Years.

How much does a cup of coffee cost?

The tall (small) is \$1.75; The medium (grande) is \$1.96; and the large (venti) is \$2.07

How much does a pack of cigarettes cost?

In the US, between \$4 and \$6 dollars depending where you buy them. But many states tax the sale of cigarettes heavily.

How much does your lunch cost?

If you can save a little from each of these 3 things, look what you can save in a year. WOW!

SALARY	PER YEAR	PER MONTH	PER WEEK	PER DAY
\$5,000	\$714	\$60	\$14	\$1.96
\$10,000	\$1,429	\$119	\$27	\$3.91
\$15,000	\$2,143	\$179	\$41	\$5.87
\$20,000	\$2,857	\$238	\$55	\$7.83
\$25,000	\$3,571	\$298	\$69	\$9.78
\$30,000	\$4,286	\$357	\$82	\$11.74
\$35,000	\$5,000	\$417	\$96	\$13.70
\$40,000	\$5,714	\$476	\$110	\$15.66
\$45,000	\$6,429	\$536	\$124	\$17.61
\$50,000	\$7,143	\$595	\$137	\$19.57
\$55,000	\$7,857	\$655	\$151	\$21.53
\$60,000	\$8,571	\$714	\$165	\$23.48
\$65,000	\$9,286	\$774	\$179	\$25.44
\$70,000	\$10,000	\$833	\$192	\$27.90
\$75,000	\$10,714	\$893	\$206	\$29.35
\$80,000	\$11,429	\$952	\$220	\$31.31
\$85,000	\$12,143	\$1,012	\$234	\$33.27
\$90,000	\$12,857	\$1,071	\$247	\$35.23
\$95,000	\$13,571	\$1,131	\$261	\$37.18
\$100,000	\$14,286	\$1,190	\$275	\$39.14
\$125,000	\$17,857	\$1,488	\$343	\$48.92
\$150,000	\$21,429	\$1,786	\$412	\$58.71
\$200,000	\$28,571	\$2,381	\$549	\$78.28
\$250,000	\$35,714	\$2,976	\$687	\$97.85
\$300,000	\$42,857	\$3,571	\$824	\$117.42
\$350,000	\$50,000	\$4,167	\$962	\$136.99