



# Consumer Empowerment and Inclusion

FiSCA HAS A PLAN | BY ABBY HANS

**I really like FiSCA's approach to assisting consumers in finding a way to better their financial situation – economic empowerment and inclusion.**

The FiSCA plan takes a common sense approach. It works in the world that our customers live in – not in a world that others would like them to live in. FiSCA members understand better than most bankers, policymakers and regulators what it is that our customers need when it comes to creating a plan for better economic stability and growth.

The basics of this plan are:

- (1) Savings
- (2) Building a good credit history
- (3) Financial education

While you may have heard about these components before, they were bantered around by various groups without much successful implementation. While some meaningful savings plans have been offered through banks, credit unions and the federal government, they haven't hit on the "ease of use and access" that our customers need.

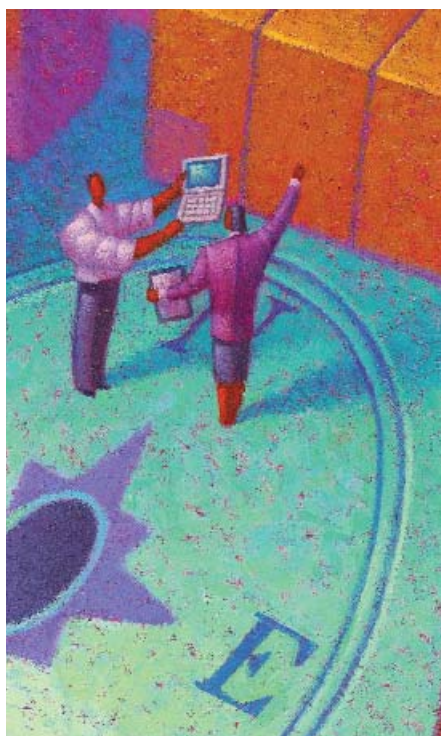
Where are the credit bureaus that can assist our customers in repairing their credit?

Only the Federal Reserve's MoneySmart program has made a name for itself in financial education, partly because of its inclusion in public school curriculums. But this program doesn't speak to the needs of our consumer, addressing its lessons only to those who use or wish to use bank services.

For years, FiSCA sought to have a savings account for the consumers who walk into our locations. But banks always rebuffed the idea because it wasn't cost-efficient and did not fit into their business model. It wasn't until NetSpend partnered with FiSCA that a meaningful savings tool emerged and was embraced by thousands of our customers. The proof is in the pudding.

Besides NetSpend, FiSCA is looking at other models for savings. People who are conscientious enough to put money aside in a savings plan, whether it's in a coffee can or a more sophisticated avenue such as an interest-bearing money market account, are well on their way to a better financial future. Why? Because THEY HAVE A PLAN.

Planning is everything in life. If you don't have a plan, then you don't know where



you're going. And, if you don't know where you're going ... you're LOST.

The second component of the FiSCA economic empowerment plan is to assist consumers in building a credit rating that takes into account the bills they regularly pay. The Pay Rent Build Credit (PRBC) model works because it addresses building a credit history working within our customer's reality.

Rent, utility bills, car payments and the like will build a valid history with which our customers can seek out better credit products and premiums at better rates. I hope that this part of the plan really takes hold with the consumers who use our facilities. It's such an easy way to build a better credit rating. It takes no extra effort on the consumer's part. Since they pay their bills through our locations anyway, why not use this information to empower them to get better standing in the ever-present world of credit.

The last component is really the foundation of a successful plan. Financial education is a vague, over-used term. Even the well-intended financial education program misses the mark if the target audience has to reach out to it. I know it sounds odd that people would not want to make an effort to educate themselves on something that affects every aspect of their lives. But it's true.

And it's not only true about money but about almost every aspect of our lives.

How many of us have learned CPR, first aid, how to change a flat tire on the car that you are driving now, how to put out a grease or electrical fire in your kitchen? Do you know the meaning of recycling numbers on the bottoms of boxes, cans and bottles? How about cholesterol? What's a good HDL number for you? What's the proper tire pressure for your car? All of this information is readily available if we seek it out. But do we?

The same can be said for financial education. There is a dizzying array of these programs available to consumers, if we seek them out. But do we? One thing is for sure. If a program is not "real" to our customers, relevant to their needs and inclusive of the financial services they like and want to use, they won't reach out to it or respond to it in any way.

The FiSCA concept is to bring a "real" program to the consumer, ideally within our locations and into the households of our customers. FiSCA is exploring various ways to accomplish this through different delivery vehicles, including cable access channels throughout the country, playing them in our stores, offering via the Internet and more. The common feature is that the consumer can choose to watch and learn when and how they want to. The education program will be as convenient and easy for them to access as our financial services are.

What's important is consumer choice. The consumer always wins when they can choose what's right for them—given the best information and the best choices available. Need a hand with that flat tire? ■

*Abby Hans is President of Checkexpress, Chicago, Illinois, and former FiSCA Chairman. His views are his own. You can e-mail him with your comments at [abby@mycheckexpress.com](mailto:abby@mycheckexpress.com)*