



STATE OF DELAWARE
STATE COUNCIL FOR PERSONS WITH DISABILITIES

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MEMORANDUM

DATE: February 27, 2015

TO: Members of the Delaware House of Representatives
and Delaware State Senate

FROM: Ms. Daniese McMullin-Powell, Chairperson
State Council for Persons with Disabilities

RE: H.B. 10 (State Office of Financial Empowerment)

The State Council for Persons with Disabilities (SCPD) has reviewed H.B. 10 which is intended to codify the current Stand By Me financial empowerment program by establishing the "Office of Financial Empowerment" within the Office of the DHSS Secretary.

As background, consistent with the attached September 20, 2013 article, many low and middle income families lack financial literacy. As a result, upward mobility is hampered by lack of sophistication with finances and such families are more likely to "fall into the clutches of predatory financial institutions, trapped by exorbitant rates charged by payday lenders or unscrupulous creditors."

Delaware launched a financial literacy and empowerment initiative to promote informed decision-making and economic security. Partners included the United Way, several banks, and DHSS. Financial coaches worked with a few thousand Delawareans who reviewed their credit, developed household budgets, and improved their credit scores. Consistent with the attached May 22, 2014 DHSS Press Release, a hybrid program was launched to address the Hispanic community, "Stand By Me Hispano".

SCPD endorses the proposed legislation since it addresses a huge problem with lack of education about credit, budgets, and financial planning by many Delawareans.

Thank you for your consideration and please contact SCPD if you have any questions regarding our position on the proposed legislation.

cc: Ms. Deborah Gottschalk
Mr. Brian Hartman
Governor's Advisory Council for Exceptional Citizens
Developmental Disabilities Council

HB 10 state office of financial empowerment 2-27-15

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Governor's Blog

The Official Blog of Delaware's Governor Jack Markell

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America's Latest Financial Crisis? It's Incredibly Personal.

Friday, September 20th, 2013

We have not done nearly enough to give Americans control over their financial destinies. It's time to start educating Americans about personal finance.

Many of today's economic proposals from cities, states, and the White House focus on growing the middle class, and for good reason. But we are not paying enough attention to one of the major barriers to joining the middle class: personal finance know-how.

Helping people understand their finances is absolutely essential in today's economy. In an era when wages are pressured by global competition and technological change, having a command of personal finance basics can make all the difference to America's working families. All Americans need to feel comfortable planning for retirement, managing their rent payments, and keeping up with their student loans.

We have not done nearly enough to give Americans control over their financial destinies. Indeed, half of all Americans say they could not pull together \$2,000 in 30 days to fix a car or pay an unanticipated medical bill, according to [a previous study](#) by the National Bureau of Economic Research. When faced with such events, millions fall into the clutches of predatory financial institutions, trapped by exorbitant rates charged by payday lenders or unscrupulous creditors. Too many families find themselves locked in a debt cycle they were never taught to avoid. Emotional stress, depression, and divorce too often follow. The [most recent Census Bureau data](#) shows that half of all U.S. households earn less than \$52,000 a year. These families often face unexpected expenses that can quickly turn into crises.

In a national [Harris Interactive survey](#) released this week, nearly a third of U.S. adults admit their lack of knowledge has led to poor financial decisions and more than 40% acknowledge they've missed out on good financial opportunities as a result.

How do we address these problems? We need to provide financial education and support. The private and public sector — businesses, governments, educators and non-profits — must work together to achieve this goal.

To be sure, knowing how to put together a personal budget or how a credit score works won't raise a person's income. But it can make a paycheck go further and show families how to avoid decisions that cause long-term harm. While some of today's financial stressors will persist until the economy improves, a better grasp of the financial basics can make a huge difference to millions right now.

In Delaware, we have partnered with United Way of Delaware since 2011 to offer citizens of our state access to personal financial coaching. That program, "Stand By Me," provides information about non-predatory financial products, as well as help with financial issues related to post-secondary education, including financial aid and student loan debt.

Staff is trained to be objective, non-judgmental, and confidential. Our businesses offer financial coaching onsite as an employee benefit and our community college offers it to their students. We're testing a new curriculum for K-12 students as well. Our coaches are not simply number crunchers — they help people plan and provide moral support to carry out their goals.

Of the almost 3,000 Delawareans who have worked with a coach since 2011, 82% reviewed their credit for the first time, 53% worked on household budgets, and added savings to their budget, 42% took action to improve their credit. But ours is just one promising approach and we need more help from every corner, including the private sector.

In Delaware, Bank of America, JPMorgan Chase, Citi, and Wells Fargo have supported the "Stand By Me" personal financial empowerment program. And beyond Delaware, Bank of America is focused on making complex financial concepts easy to understand for people of all ages and recently joined with K-12 education innovator Khan Academy to create free web-based financial lessons accessible to everyone at bettermoneyhabits.com. Khan Academy has become the face of K-12 online education in America, teaching more than six million students every month.

While many financial institutions and other companies have taken action to educate their customers about financial literacy, government and business leaders must do more. Delaware is home to many of this country's leading financial institutions, and I'll be reaching out to leaders of these companies to bring their best ideas to the table.

I look forward to enlisting state, local, and federal level officials and private sector leaders. Together, we must empower Americans to be effective stewards of their own economic destinies.

Government and business leaders must stop thinking of financial literacy as courses and brochures and start thinking about it as an essential service for the success of their employees and constituents. Delaware's "Stand By Me" partnership has shown that this investment can be affordable through public-private partnerships and collaboration. Costs can be shared. And just as society saves money when people receive health services that prevent them from getting sick in the first place, it will be less expensive if we help individuals and families avoid personal financial crises.

This blog was originally published in [Fortune Magazine](#).

Tags: [financial education](#), [financial empowerment](#), [quality of life](#), [responsible government](#)
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Stand by Me: Helping Delawareans Achieve Financial Goals

Wednesday, May 18th, 2011

As we keep our focus on putting Delawareans to work and improving our state's future, we're working to provide tools that can enable individuals to improve **financial responsibility** and save up for **college**, to buy a **new home** or achieve other **financial goals**.



I'm particularly excited about a new effort called Stand By Me DE—the Delaware Financial Empowerment partnership. This brings together state employees, the United Way, major banks, non-profits—dozens of groups who are volunteering their time, resources and talents to make a real difference in our community.

(Interested in joining with us to volunteer?)

Here are some of the services offered through Stand By Me available to **all Delawareans**:

- **One-on-one coaching**, sticking with you as you work towards goals
- Help with creating a **budget** and understanding **credit**
- Advice for **college** and **financial aid** applications
- Access to **consumer loans** and **savings accounts**
- **Referrals for additional resources** if needed



feedback about Stand By Me.

We've been hearing some tremendously positive

One participant told us: "This is exactly what I need—a place that does not tell me what I have to do, but **lets me tell the coach what I want to work on** and what I think I need to do first. It's great to have **someone to listen** to my concerns and help me sort out what I can do next."

At the Stand By Me **website**, you can set up a meeting with a coach, find a wide assortment of resources designed to help manage your finances, or volunteer to help grow the program. Initially, sessions will be held at the first Stand By Me **Financial Empowerment Center** in the Hudson State Service Center in Newark, with these efforts later spreading to public agencies, businesses, and non-profit organizations around the state—**free help will not be far away**.

Financial literacy and responsibility are **keys to economic growth and personal stability**, and we hope you'll take advantage of the resources that Stand By Me has to offer.

Visit standbyme.org to learn how they help you or sign up to volunteer!

Tags: [budget](#), [credit cards](#), [Delaware](#), [finance](#), [financial empowerment](#), [financial responsibility](#), [fiscal responsibility](#), [Governor](#), [Jack Markell](#), [loans](#), [United Way](#), [volunteers](#)
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Jack Markell

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DHSS Press Release

Date: May 22, 2014
DHSS-5-2014

Rita Landgraf, Secretary
Jill Fredel, Director of Communications
302-255-9047, Pager 302-357-7498
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STAND BY ME SET TO INCREASE ECONOMIC SECURITY OF HISPANIC IMMIGRANTS

Wilmington, DE - On June 5 at 10 a.m. at the Latin American Community Center in Wilmington, community leaders will launch Stand By Me Hispano, a program to increase the economic security of Hispanic immigrants and residents in the state of Delaware. Stand By Me Hispano is a new resource designed to help Hispanics in Delaware understand more about their finances and achieve their financial dreams.

Stand By Me, the state's financial empowerment program, is a coalition of community partners, led by the State of Delaware and United Way of Delaware. Through stand By Me Hispano, the program is now offering personal financial coaching and educational workshops about money in Spanish to ensure that each member of the Hispanic community has access to the information and support they need to set and achieve personal financial goals. The program offers one-on-one personal financial coaching in convenient locations in communities, at employers, and educational institutions across the state.

In addition to the coaching that helps individuals deal with personal financial challenges, the program offers workshops on topics such as budgeting and building credit. The program aims to address the unique challenges of immigrants, such as sharing living costs with other families, sending money home, navigating the financial mainstream in America, and avoiding scams and predatory financial services. Workshops will be offered in English and/or Spanish in partnership with the Delaware Department of Adult Education's ESL classes.

Stand By Me Hispano is partnering with the Delaware Hispanic Commission, the Latin American Community Center, La Esperanza, and the Department of Education's ESL programs. TD Bank provided support through its foundation to fund program operations.

About Stand By Me Since it started three years ago, Stand By Me has helped more than 12,000 Delawareans with this FREE confidential service. The program is a partnership of the State and United Way of Delaware, and it is a priority of Governor Jack Markell, who believes that it is his responsibility to help all Delaware residents to achieve financial stability. Stand By Me also has sub-programs that reach out to the 50+ population, as well as early care and education providers and people with disabilities, providing financial coaching specific to their concerns. More information available at standbyme.org.

Contact:
Mary Dupont, State of Delaware
(302) 255-9245

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(302) 573-3731

Delaware Health and Social Services is committed to improving the quality of the lives of Delaware's citizens by promoting health and well-being, fostering self-sufficiency, and protecting vulnerable populations.

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