

Let's Meet: Where I Was, Where We Are, Where We Should Be

This month as Capitol Hill was in the throes of appropriations, I was in Washington for a meeting at Treasury on financial education in African-American communities. The Financial Literacy and Education Commission (FLEC) couldn't have hoped for a better turnout – both quantity and quality. (However, I wish the quality aspect of its participants had been better leveraged — see more page 3.)

Organized into blocks of time devoted to topics such as *Credit Literacy*, *Reaching the African-American Market*, and *Youth and Higher Education*, the meeting featured a number of panelists who shared insights and facilitated questions and comments from an engaged audience. Here's what I took away from the discussion ...

Ideal Consumer Interaction

Early on within the Credit Literacy section, Loretta Abrams, SVP Consumer Affairs for HSBC-North America, described her ideal for a financial interaction/transaction as one in which a customer sits down with a financial services provider with the confidence and understanding to describe his needs and to know broadly what potential options are available to him. From that starting point, the financial services provider is able to use her expertise to guide him in making good choices.

It was as if I had channeled my thoughts to and through Loretta! (Alas, further attempts at clairvoyance with others were unsuccessful ...) So yes, I agreed with her – that like people of all backgrounds, a vast majority of African Americans need better foundational knowledge and skills (i.e., financial literacy) to ensure that they take advantage of the opportunities available to them (as opposed to being taken advantage of!) Often when I talk about this idea, I use the terms "active" and "passive" consumers – that financial literacy leads to taking an active role in financial health within and apart from interaction with financial service providers.



Bruce Nofsinger
Principal, Topics Education

Fear, Discomfort, and Unfamiliarity

Loretta's "ideal" scenario pointed to the more common scenario and a pervasive theme of the day – i.e., among many African Americans, there is a pronounced discomfort and unfamiliarity with (and even a fear of) financial institutions. As speaker after speaker touched on this point, I flashed back to a conversation I had last year with a professor from UNC-Charlotte who was researching the bank customer experience among African Americans and other minorities. He told me that the oak paneling and brass fixtures of banks don't communicate a welcoming environment for many African Americans.



PANELISTS

Ms. Loretta Abrams
SVP Consumer Affairs, HSBC-North America

Mr. Lee Baker
CFP, Apex Financial Services &
Chair, Diversity Task Force, Financial Planning Assoc.

Dr. Charles Betsey
Professor Dept of Economics, Howard University

Mr. Kelvin Boston
Executive Producer and Host, Moneywise

Mr. John Hope Bryant
Chairman and Founder, Operation Hope, Inc.

Mr. James Carr
COO, National Community Reinvestment Coalition

Mr. Bill Cheeks
President, ABBA Associates, Inc. &
Regional Director Jump\$tart Coalition

Ms. Carmella Cohen-Perry
Financial Aid Administrator, St. Augustine's College

Mr. Ted Daniels
President and CEO,
Society for Financial Ed & Professional Development

Dr. Farrah Gray
Author: *Get Real, Get Rich: Conquer
the 7 Lies Blocking You from Success*

Ms. Katie Taylor
Director of Housing and Financial Education,
National Urban League

Ms. Lisa M. Toppin
VP, Employee Development & Inclusion,
Charles Schwab & Co., Inc.

Within the FLEC meeting, this theme naturally extended to the idea of trying to reach people where they are. And from all of the work my firm has done on learning and engagement, this is right on the money. The drive to learn something new and to change one's behavior typically requires the engagement process to be familiar and hopefully even comfortable. We can't expect people to apply unfamiliar skills to unfamiliar subject matter because our brains tend to quit when there's no relevant experience (i.e., knowledge or skills) from which to build. (Let me know if you'd like me to expound on this – it can be a bit esoteric, but I love the combination of psychology and cognitive processes coming together to create effective learning.)

"Meeting people where they are" can be both literal (physical location) and figurative (experience level and/or mindset). This approach

ensures that the engagement process includes something familiar, something comfortable – something that provides a foundation from which to build.

So I found myself wondering if the marketplace continues the move away from one-on-one, in-person interaction (to more online interaction, for example), how are financial service providers going to cultivate Loretta's ideal scenario on a widespread and frequent basis?

Information vs. Instruction

I think part of the answer to that question relates to another of the meeting's themes: information versus instruction. During a discussion, somebody made the point that there is a lot of information out there but not enough instruction. Katie Taylor, Director of Housing and Financial Education for the National Urban League, seized on the idea that a preponderance of information absent instruction to help process the information has little value to consumers – particularly those who are reluctant to seek guidance from professionals.

It's Not Really a Roundtable

I've been to a handful of FLEC meetings, and some have been called "roundtable discussions." It's really a panel discussion, not a roundtable. More than quibbling about semantics, my beef is with the format itself. If it were truly a roundtable, there would be greater opportunity for a roomful of passionate and smart people to participate and share their insight, too. As it is now, there is little interaction and participation. And that's unfortunate.

Instruction is how the unfamiliar and uncomfortable information/concepts and skills become more familiar and comfortable. There must be relevance – instruction must meet people where they are. Instruction lays the foundation that's necessary in Loretta's ideal scenario – the foundation that fosters an active consumer in the marketplace, no matter which opportunities exist for interaction with financial service providers.

There really is a lot of information out there, but how well does it communicate with consumers, particularly those in the African-American community? How well does it engage them? How well does all that information invite people to improve their financial health?

Let's meet people where they are with meaningful instruction and engagement opportunities. I'd like to think we will do that and make Loretta's ideal scenario more actual than aspirational.

About Topics Education

Based in Charlotte, NC, Topics Education is a communications firm that specializes in education campaigns. We develop and implement strategies and tactics that foster deep engagement in schools, homes, and communities. We help our clients strengthen their brands and consumer relationships through engagement tactics and communication tactics that embed learning through relevance and experiential opportunities.