

Financial education program leads to home ownership, business startups

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Myron Hayes, with wife Shunta . . . “I had a certain vision for my first house and where I wanted to live. I got everything I wanted.”

As former residents of public housing in Milwaukee, Shunta and Myron Hayes take pride in their new ranch-style home on a quiet, tree-lined street in Brown Deer.

The couple moved into their three-bedroom, 2-1/2-car home last July, fulfilling a dream that had been out of reach until they enrolled in a financial awareness program that helps low-income families get a foothold in the mainstream economy. The couple previously lived in the Cherry Court housing project on Milwaukee’s north side.

“We live in a nice neighborhood. It’s quiet. People speak to you,” said Myron Hayes, who works in the call center at We Energies, Milwaukee. “I had a certain vision for my first house and where I wanted to live. I got everything I wanted.”

For Shunta Hayes, the couple’s new home represents a bright future after struggling for several years to make ends meet.

“I was ready to move out of public housing,” said Shunta Hayes, who works at Froedtert Hospital in Wauwatosa. “I said to myself, ‘I can do better than here.’ It feels good to have something that’s your own.”

The Hayeses are among the nearly 900 low-income Milwaukee residents who have learned better savings habits by completing the Make Your Money Talk program, an initiative of the Wisconsin Women's Business Initiative Corp., Milwaukee.

The couple represents the 100th homebuyer to complete the Make Your Money Talk program. They graduated from the program in 2009, the same year they were married, and purchased their home a year later. Shunta Hayes has since re-enrolled in the program to save toward culinary arts school.

Make Your Money Talk, which primarily benefits low-income, African-American women, provides personal finance classes on saving, budgeting and understanding credit along with matched savings accounts or individual development accounts, known as IDAs, that help low-income and working-poor individuals buy a home, start or expand a business, or go to college. To qualify for the program, a person or family must earn income less than 200 percent of the federal poverty guidelines.

Participants stay in the program for two years, starting with a financial education classroom series followed by the savings segment of the program.

At the end of the two years, each dollar the participant saves is matched by a generous two-for-one. The federal IDA program provides one dollar of the match and the second dollar is privately raised by the Wisconsin Women's Business Initiative Corp.

For example, \$1,500 saved becomes \$4,500 — enough for the down payment on a home, a business loan or to cover tuition and books.

NATIONAL MODEL

The Wisconsin Women's Business Initiative Corp. (WWBIC) launched its financial education initiative in 1999 to help its loan clients, interested in starting or growing businesses, improve their finances. Now, IDA programs are gaining momentum nationwide as a means of helping low-income families jump-start their savings and accumulate assets.

The Business Initiative Corp.'s IDA program is considered one of the most successful in the nation, making the women's business organization a national model for combating poverty.

"We really began this as a test pilot," said Wendy Baumann, WWBIC's president and chief executive officer. "As years passed, we began to see we were a frontrunner in advancing financial education in our programs."

Research shows that participants in financial education and matched-savings programs are less likely to get into subprime mortgages or lose their homes to foreclosure, although it's not clear whether such habits are long-standing.

"Having an incentive program such as the matching combined with a knowledge program and combining that with the opportunity to build a connection with a bank,

these are programs that, on the surface, have a lot of promise,” said Mark Schug, professor emeritus at the University of Wisconsin-Milwaukee, who specializes in economics and financial education. “Other variables have to be considered as well, such as putting yourself in a position to get a better job through education.”

In a tough economy, low-income families are especially challenged to save for a house or college education. For that reason, programs that help low-income people improve their financial situations are vital in the aftermath of the recession, Baumann said.

Homeownership was a dream long overdue for Myron Hayes, who lived in public housing in Milwaukee for a decade.

“It was a very good feeling to know that I finally made it. I’m happy to be where I’m at,” said Myron Hayes, who is scheduled to receive an associate degree in business management from Milwaukee Area Technical College in May. “It took me 10 years to get here (home-ownership), but I got here.”

The Hayeses were dating when they signed up for the program in 2007. Both were tenants of the Cherry Court housing project at the time and each long had dreamed of owning a home, but individually their limited incomes made it difficult to set aside money for a down payment.

“Public housing was never really my mindset,” said Myron Hayes. “Once I started making more money, I made a decision to start making a plan to move forward.”

Myron Hayes jumped at the chance to enroll in the Make Your Money Talk program because he saw it as a path to better financial security. He later encouraged Shunta to join him in the program.

It was convenient for the couple to participate. Make Your Money Talk classes are held at Cherry Court, where the Hayeses formerly lived, as well as at other housing projects around the city in partnership with the city of Milwaukee’s Housing Authority.

“I didn’t have to make a huge effort to be there,” said Myron Hayes. “All you had to do was go downstairs.”

Now, Myron and Shunta Hayes hope their story will encourage others in public housing, especially single mothers, to aim high.

“I was ready to step in deep waters. I wanted to do something I have never done,” said Myron Hayes.

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