Focus on Reentry: Financial Success after Prison

FinEx Webinar | March 14, 2019
Disclaimer

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This document is being used in support of a live discussion. As such, it does not necessarily express the entirety of that discussion nor the relative emphasis of topics therein.
Bureau representatives

- Heather Brown, Office of Financial Education
- Mary Griffin, Office of Community Affairs
Guest Speaker

- Susan Ingles, South Carolina Legal Services
Overview

- Background on the Bureau
- Goal of financial education and consumer engagement - Financial Well-being
- Your Money, Your Goals financial empowerment resources
- Why Focus on Reentry?
- Sampling of tools
- Experiences in the field
- Q and A
Background on the Bureau
The Bureau’s Statutory Objectives - DFA

OBJECTIVES. – The Bureau is authorized to exercise its authorities for the purposes of ensuring that, with respect to consumer financial products and services –

1) Consumers are provided with timely and understandable information to make responsible decisions about financial transactions;

2) Consumers are protected from unfair, deceptive, or abusive acts and practices and from discrimination;

3) Outdated, unnecessary, or unduly burdensome regulations are regularly identified and addressed in order to reduce unwarranted regulatory burdens;

4) Federal consumer financial law is enforced consistently, without regard to the status of a person as a depository institution, in order to promote fair competition; and

5) Markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.
The Bureau’s Mission and Vision

MISSION
To regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws and to educate and empower consumers to make better informed financial decisions.

VISION
Free, innovative, competitive, and transparent consumer finance markets where the rights of all parties are protected by the rule of law and where consumers are free to choose the products and services that best fit their individual needs.
Meet Consumer Education & Engagement

**MISSION**

The Consumer Education and Engagement Division (CEE) creates opportunities for people to make choices about money to better reach their own life goals.

1. **Reach consumers with direct financial education through the Bureau’s web and print financial education resources.**

2. **Grow the delivery of financial education in the U.S. by providing professionals in the community with tools, approaches, and research to use as they provide financial education or financial capability skills training.**

3. **Provide an efficient and effective complaint and inquiry handling service for consumers and companies while sharing complaint insights with internal and external stakeholders.**
Meet Consumer Education & Engagement

CEE serves the general public and focuses on special populations:

- Servicemembers, Veterans, and their families
- Older Americans, their families and caregivers
- Traditionally underserved and economically vulnerable consumers
- K-12 students
- College students
- Student loan borrowers
- Consumers with financial product or service complaints
Financial Education Exchange (CFPB FinEx)

An online and in-person opportunity to access Bureau tools and resources, and connect with the Bureau and your peers engaged in financial education.

Our goal is to help you improve the financial well-being of the people you serve.

Monthly e-newsletters
Annual surveys

Regional convenings:
- Dallas, TX
- Fort Worth, TX
- Maryland
- Denver, CO
- Kansas City, MO
- Atlanta, GA
- Sacramento, CA
- Madison, WI
- St. Louis, MO
- Tacoma, WA
- Nashville, TN
- Boston, MA

Number of financial educators signed up for CFPB FinEx: Over 5,000 Members!

To sign up, email CFPB_FinEx@cfpb.gov

Monthly webinars include:
- Fraud prevention for older adults
- Disaster recovery and preparedness
- Resources for servicemembers
- Accessing credit scores
- Managing spending
- Debt collection resources
- Credit card spending
- Libraries as Financial Education Resources
- Financial Coaching
- Financial Education Programs Serving Immigrant Populations
- Federal Financial Education Resources
- Take Control of Your Auto Loan
- Financial Rules to Live By
- Resources for Parents
- Tips for Strengthening Financial Education Curriculum
- Resources for Parents and Caregivers
- Resources for Financial Caregivers
- Measuring Financial Well-Being
- Owning a Home
- Tax Time Savings
- Your Money, Your Goals Toolkit
Office of Community Affairs
Office of Community Affairs

Vision
Economically vulnerable consumers can achieve their financial goals.

Mission
Promote a more inclusive financial marketplace, and empower economically vulnerable and traditionally underserved consumers to make informed financial decisions by providing tools and information.

Values
All consumers:
1) Are treated fairly in an inclusive financial marketplace.
2) Are equipped with knowledge and tools to improve their economic lives and achieve their goals.
3) Can achieve greater financial well-being that strengthens their families and communities.
Financial Well-Being
What is financial well-being?

A state of being reflecting a person’s ability to meet current and ongoing financial obligations, feel secure in their financial future, and make choices that allow enjoyment of life.

<table>
<thead>
<tr>
<th></th>
<th>Present</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security</td>
<td>Control over your day-to-day, month-to-month finances</td>
<td>Capacity to absorb a financial shock</td>
</tr>
<tr>
<td>Freedom of choice</td>
<td>Financial freedom to make choices to enjoy life</td>
<td>On track to meet your financial goals</td>
</tr>
</tbody>
</table>
**Financial Well-Being Scale**

<table>
<thead>
<tr>
<th>Questions</th>
<th>Response Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>How well does this statement describe you or your situation?</td>
<td></td>
</tr>
<tr>
<td>1. I could handle a major unexpected expense</td>
<td>• Describes me completely</td>
</tr>
<tr>
<td>2. I am securing my financial future</td>
<td>• Describes me very well</td>
</tr>
<tr>
<td>3. Because of my money situation, I feel like I will never have the things I want in life</td>
<td>• Describes me somewhat</td>
</tr>
<tr>
<td>4. I can enjoy life because of the way I’m managing my money</td>
<td>• Describes me very little</td>
</tr>
<tr>
<td>5. I am just getting by financially</td>
<td>• Does not describe me at all</td>
</tr>
<tr>
<td>6. I am concerned that the money I have or will save won’t last</td>
<td></td>
</tr>
</tbody>
</table>

| How often does this statement apply to you?                              |                                            |
| 1. Giving a gift for a wedding, birthday or other occasion would put a strain on my finances for the month | • Always                                  |
| 2. I have money left over at the end of the month                        | • Often                                   |
| 3. I am behind with my finances                                         | • Sometimes                               |
| 4. My finances control my life                                          | • Rarely                                  |
|                                                                           | • Never                                   |
Find out your financial well-being score – online

How can your work influence financial well-being?

- **Financial skill**: How you find, process, and use relevant financial information.
- **Financial behavior**: Day-to-day actions you take to secure your financial life.
- **Financial situation**: The objective facts of your financial life.
- **Financial well-being**: Your perceived financial security and freedom of choice.
Financial empowerment

What is financial empowerment?

How is it different from financial literacy, financial capacity, or other commonly used terms?
Financial empowerment and service providers

Access + Trust = Opportunities for providing financial empowerment
Opportunity to financially empower through service providers

Your Money, Your Goals
Your Money, Your Goals: Resources

- Toolkit
- Online resources
- Issue-focused tools
  - Behind on bills? (also in Spanish)
  - Debt getting in your way?
  - Want Credit to Work for You?
- Companion guides
  - Native communities
  - Reentry
  - People with disabilities

https://www.consumerfinance.gov/practitioner-resources/your-money-your-goals/
Toolkit organization

**Introduction**
- Tool: Financial empowerment self-assessment
- Tool: My money picture

**Module 1: Setting Goals**
- Tool: Setting SMART goals
- Tool: Putting goals into action
- Tool: Planning for life events and large purchases
- Handout: Revising goals

**Module 2: Saving**
- Tool: Savings plan
- Tool: Saving and asset limits
- Tool: Finding a place for savings
- Handout: Saving at tax time

**Module 3: Tracking Income and Benefits**
- Tool: Income and benefits tracker
- Tool: Choosing how to get paid
- Tool: Increasing income and benefits

**Module 4: Paying Bills**
- Tool: Spending tracker
- Tool: Bill calendar
- Tool: Choosing how to pay bills
- Tool: Cutting expenses

**Module 5: Getting through the Month**
- Tool: Creating a cash flow budget
- Tool: Improving cash flow
- Tool: Adjusting your cash flow
- Tool: Prioritizing bills
Toolkit organization

Module 6: Dealing with Debt
- Tool: Debt log
- Tool: Debt-to-income calculator
- Tool: Debt action plan
- Tool: Comparing auto loans
- Tool: Repaying student loans
- Tool: When debt collectors call
- Handout: Avoiding medical debt

Module 7: Understanding Credit Reports and Scores
- Tool: Requesting your free credit reports
- Tool: Reviewing your credit reports
- Handout: Disputing errors on your credit reports
- Tool: Getting and keeping a good credit history

Module 8: Choosing Financial Products and Services
- Tool: Finding financial products and services
- Tool: Comparing financial service providers
- Tool: Opening a checking or savings account
- Tool: Avoiding checking account fees
- Tool: Evaluating your prepaid or payroll card
- Handout: Knowing your prepaid card rights
- Handout: Sending money abroad

Module 9: Protecting your Money
- Handout: Protecting your identity
- Handout: How to handle identity theft
- Handout: Spotting red flags
- Handout: Submitting a complaint

Handout: Avoiding medical debt
Handout: Disputing errors on your credit reports
Handout: How to handle identity theft
Handout: Spotting red flags
Handout: Submitting a complaint
Your Money, Your Goals: Build Capacity
Why Reentry?

- 70 to 100 million individuals with criminal records\(^1\)
  - Impact on access to employment, housing

- Financial challenges
  - Background screening reports and employment
  - Consumer and criminal justice debt

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\(^1\) Bureau of Justice Statistics, *Survey of State Criminal History Information Systems, 2014* at 2 (U.S. Department of Justice, 2015), available at https://www.ncjrs.gov/pdffiles1/bjs/grants/249799.pdf (stating “Forty-nine states, the District of Columbia, Guam, and Puerto Rico report the total number of persons in their criminal history files as 105,569,200, of which 100,024,400 are automated records.”) The report also acknowledges that this number of persons includes some individuals who may have criminal history files in more than one state. Recognizing that the 100 millions may overestimate the number, organizations have been using a 70-100 million estimate based on various methodologies. See, e.g., Michelle Natividad Rodriguez and Maurice Emsellem, “65 Million ‘Need Not Apply’: The Case For Reforming Criminal Background Checks For Employment” (New York: National Employment Law Project, 2011), available at http://www.nelp.org/page/-/SCLP/2011/65_Million_Need_Not_Apply.pdf?nocdn=1.
Focus on Reentry

Purpose:

- To help frontline staff and volunteers working with individuals with criminal records address some of the specific financial challenges they may face.

Available at https://www.consumerfinance.gov/practitioner-resources/your-money-your-goals/companion-guides/
Helping frontline staff help people to...

- Have a conversation about money
- Identify financial challenges to successful transition
- Create goals and identify steps to achieve them
- Obtain documents related to identification to help ease the transition process
Helping frontline staff help people to…

- Identify and prioritize their debt, including criminal justice system debt
- Access and review credit reports
- Understand their rights regarding the criminal background screening process during the employment application process
Focus on Reentry contents

- Getting started
- Managing money
- Dealing with debt
- Understanding credit reports and scores
- Background screening and reports
- Using and protecting your money
- Additional resources
How to use Focus on Reentry

- Anytime while someone is awaiting trial or sentencing, in jail or prison, serving a sentence, or following release
- Along with Your Money, Your Goals toolkit
  - Provides additional or substitute narrative information and tools
  - Addresses the special issues faced by the individuals in the criminal justice system
  - Tracks the modules as they appear in the main toolkit
- Can be used in one-on-one or small group settings
Settings for using *Focus on Reentry*

- Prison or jail
- Prison libraries
- Post-release community supervision
- Probation offices
- Drug Court
- Community organization settings
- Along with other training
- Integrated into other materials
Getting started
Three approaches
Getting started

1. Have the money conversation
   - Reflect on values around money and current financial situation
2. Set specific goals and plan for them
   - Set SMART goals and define steps to achieve them
3. Get documentation of identity
   - Many financial activities require documentation of identity
Have the money conversation:
My money picture worksheet

- Help the individual assess their financial goals and challenges
- Identify which topics, in the *Your Money, Your Goals* toolkit or the *Focus on Reentry* to cover
- Focus the discussion on the individual’s values or financial situation
<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
<th>I don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. When unexpected expenses or emergencies happen, do you think you have or will have some money set aside to cover them?</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>9. Do you or do you expect to have court-ordered fines or debts related to your conviction that you are struggling or may struggle to pay?</td>
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<tr>
<td>10. Do you have student loans or other debts such as child support, you are or may have trouble paying?</td>
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<td></td>
<td></td>
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<tr>
<td>11. Do you have an idea of your credit score? Have you ever ordered your credit report?</td>
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<td></td>
<td></td>
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<tr>
<td>12. Do you have a copy of your criminal record or RAP (Record of Arrest and Prosecution)? If not, do you know how to get it?</td>
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<tr>
<td>13. Do you or will you have a checking or savings account at a bank or credit union? A general purpose prepaid card?</td>
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<tr>
<td>14. Have you had issues with a financial product or service like a bank account, loan, mortgage, debt collector, or credit report that you haven’t been able to resolve?</td>
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</tbody>
</table>
Set specific goals and plan for them: Setting goals worksheet

- Help people set SMART goals
- Define the steps to achieve them
- These goals may be short term or longer term
Get documentation of identity: Documents and identification checklist

- Applying for a job or benefits, opening a bank account, and many other activities require identity documents

- Help the individual identify sources for identification documents and possible barriers to getting them
Get documentation of identity: Documents and identification checklist

- Applying for a job or benefits, opening a bank account, and many other activities require identity documents

- Help the individual identify sources for identification documents and possible barriers to getting them
Dealing with debt

- **Your Money, Your Goals toolkit Module 6: Dealing with debt**
  - Helps individuals prioritize and manage their debt payments
  - Addresses potential issues associated with using short-term, high-cost loans

- Individuals involved with the justice system may have debts related to their:
  - Arrest
  - Sentencing
  - Incarceration
  - Supervision

[CFPB] Consumer Financial Protection Bureau
Help people list and prioritize debts

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**Tracking your debt worksheet**

This tool will give you a clearer picture of your debt. Write down to whom you owe the debt, how much is owed in total, and how much you can afford to pay. Then check off the potential consequences of delaying payment.

<table>
<thead>
<tr>
<th>To whom do you owe the debt?</th>
<th>How much do you owe in total?</th>
<th>How much can you afford to pay?</th>
<th>What could happen if you do not pay off the debt?</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>☐ Reincarceration</td>
</tr>
<tr>
<td>☐ Weekly</td>
<td>☐ Monthly</td>
<td>☐ Weekly</td>
<td>☐ Repossession (of something you own)</td>
</tr>
<tr>
<td>☐ Monthly</td>
<td>☐ Weekly</td>
<td>☐ Monthly</td>
<td>☐ Loss of driver’s license</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>☐ Loss of housing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>☐ Garnishment (a portion of your paycheck or money in an account is taken to pay what you owe)</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>☐ Loss of service (utilities cut off or loss of cell phone service)</td>
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<td></td>
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<td></td>
<td>☐ Lawsuit or other collection effort from a creditor or debt collector</td>
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<td></td>
<td></td>
<td></td>
<td>☐ Negative report to credit reporting company</td>
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<tr>
<td></td>
<td></td>
<td>☐ Other</td>
<td>☐ Other</td>
</tr>
</tbody>
</table>

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**CFPB**

Consumer Financial Protection Bureau
Background screening reports

- Special rules apply when employers use consumer reports for employment purposes (commonly referred to as “background screening reports”)
- Individuals should know their rights and how to dispute errors
- Reports can include information about credit history, criminal record, public records, and information about employment or rental history
- If the background report contains some negative information, the individual should be prepared to explain it — and the reason it shouldn’t affect their ability to do the job
Help people learn their rights with respect to background screening reports.

Under federal law, an individual has the right to receive:

- **Prior notice:** The employer must tell person they might use information from the report.

- **Prior written consent:** The employer must ask for their written permission before getting a person’s report (with some exceptions).

- **Pre—adverse action:** Before taking any “adverse action,” e.g., not hiring or promoting, based on the report, the employer must give person a copy of the report and a summary of their rights.
Help people review background screening reports and dispute errors
Closer look handout: Obtaining your criminal records

- Background screening reports (and other types of consumer reports) may include criminal record information
- Help people check their criminal record for mistakes
Help people dispute inaccuracies or incomplete information on their criminal record

Disputing errors in your criminal records

Disputing inaccurate or incomplete information on your criminal records is important but may be difficult. You may need to seek help from legal aid, expungement clinics, or other organizations that provide assistance. If there is an error in your Identity History Summary (which is your criminal history record or RAP sheet), the information that is wrong might also appear on your background screening report. The FBI's Criminal Justice Information Services (CJIS) division is responsible for the storage of fingerprints and the related Identity History Summary information for the nation. The FBI does not have the authority to modify any information unless specifically notified to do so by the agency that owns the information.

Requesting a change or correction

If you believe your Identity History Summary contains inaccurate or incomplete information, you have two options for requesting a change or correction:

Option 1. Contact the agency or agencies that submitted the information to the FBI

For state information, most states, through agreement with the FBI, require that modification requests for Identity History Summary information be processed through their respective state central repository (the State Identification Bureau) before the FBI can apply any update to its record. You may contact the respective state central repository(ies) for assistance, and, if applicable, request that they provide the FBI with updates to your "Identity History Summary." Contact information for state repositories can be found at https://www.fbi.gov/about-us/cjis/identity-history-summaries-checks/state-identification-bureau-listing.

For federal information, Identity History Summary updates, the FBI must receive a request directly from the original arresting agency, from a court with jurisdiction over the arrest data, or from another agency with jurisdiction over the arrest data.

Option 2. Send a written challenge request to the FBI's CJIS Division

Your written request should clearly identify the information (state or federal) that you feel is inaccurate or incomplete and should include copies of any available proof or supporting documentation to substantiate your claim. The FBI will contact appropriate agencies in an attempt to verify or correct challenged entries for you. Upon receipt of an official communication from the agency that has jurisdiction over the data, the FBI will make appropriate changes and notify you of the outcome.
How to ask questions and submit complaints

(855) 411-2372

www.consumerfinance.gov/complaint
Complaint process

- Complaint submitted
- Review and route
- Company response
- Complaint published
- Consumer review
Everyone Has a Story

When it comes to making financial decisions, knowing where to get help and who to trust isn’t always easy. We’re here for you. Check out stories from people looking for help along their financial journey.

Featured stories

Harry and Art: Struggling with an auto loan
Harry spoke up when he noticed his son struggling with a car loan; he ended up helping thousands of servicemembers.

Leah: Repaying student loans
Leah was struggling to keep up with her student loan debt, until she learned that she had options with the Paying for College Repayment Tool.

William: Paying debts you don’t owe
Debt collectors requested that William pay $3,000 for a debt he never owed, ruining his credit in the process. William took charge by submitting a complaint.

consumerfinance.gov/yourstory
Questions?