



MOVING FORWARD. MAKING THINGS HAPPEN.



prosperity connection®

2016 ANNUAL REPORT



## CHAIRPERSON'S REPORT

According to the Corporation for Enterprise Development (CFED), successful financial capability programming incorporates four key elements: financial coaching, a focus on credit improvement, integrated service delivery, and financial product innovation. Prosperity Connection has spent the first five years of its existence building out its capacity, based upon these elements, to ensure the success of clients. Our commitment to the St. Louis community stems from a belief that in order to serve, we must do so with the best of practices in mind and in action.

I, like my fellow Board members, staff, and volunteers, have become deeply engaged in Prosperity Connection because many people of modest means want to make their lives better, but cannot get the break they deserve to make that happen. That is why we have committed our time and resources to providing realistic solutions and guidance to the individuals and families we serve. Together, we're making a difference.

2015 was a productive year for Prosperity Connection. We reached more than 6,000 individuals through classes and one-on-one coaching sessions,

awarded four \$2,500 Janice Mosby scholarships, and added three full-time staff. Our focus on coaching services, as well as outcomes-based service delivery, has helped us to move the needle forward for families hoping to improve personal credit, obtain assets like a car or home, and build wealth for a stable, brighter future.

We extend a special thank you to our generous and forward-thinking donors, as well as our outstanding staff. Because of them, we have positioned Prosperity Connection to be the 'go-to' organization for financial capability services in the St. Louis region. As we look toward the next five years, we will build upon our past successes to assist families as they strive to achieve their financial goals and dreams.

On behalf of Prosperity Connection's Board, thank you for your current and continued support as we reach out to as many people as possible, helping them accomplish with their lives what will be positive for them and those they love.

In appreciation,

Susan E. Katzman  
Chairperson

*"...we have committed our time and resources to providing realistic solutions and guidance to the individuals and families we serve. Together, we're making a difference."*

# OUR COMMITMENT





Every person deserves to be treated with financial dignity. This premise lies at the core of Prosperity Connection's mission and is what drives our staff to serve the community every day. In order to achieve this ideal for the St. Louis region, our team offers free financial classes, as well as one-on-one financial coaching. Through these offerings, people are able to increase their financial aptitude, identify realistic financial goals, and execute a financial plan that meets their needs on their terms.

While our roots are grounded in the financial education sphere, we have taken another step forward by offering financial services through a new venture called RedDough Money Center®. RedDough® exists to help consumers who face difficult decisions when they are in need of a small loan for an emergency, or when they are unable to qualify for services from banks or credit unions.

For too long, the payday and title lending industry has exploited this gap in financial services by charging outrageous rates for small-dollar loans. This can prove disastrous for consumers who take the loan out because of a need, yet have no realistic way of paying it back. Prosperity Connection®

knew it had to do something to assist consumers stuck in this position by providing a one-stop shop for financial education and services.



Thus, the Wealth Accumulation Center (WAC) was born. Through a partnership with St. Louis Community Credit Union (SLCCU), Beyond Housing, and the 24:1 Community Land Trust, we launched our first WAC in Pagedale, Missouri. The WAC houses RedDough Money Center, a small transaction hub for SLCCU, and an Excel Center® for financial education. Separate, each offers valuable services to consumers looking to manage their finances. Together, they create a pathway to financial stability by offering both the knowledge and tools necessary to build financial confidence and capability.

We are excited to report that 2016 was an outstanding success for both RedDough Money Center and the Excel Center. The outcomes and impact of our work, as well as the accomplishments of the efforts of our enterprise, are highlighted on the following pages.

One person, one family, and one community at a time, we are working to move the St. Louis region forward.

*Our Vision: To transform communities by empowering people with tools  
and connections to build wealth and family legacies.*

# FINANCIAL DIGNITY



## RED DOUGH® MONEY CENTER AND EXCEL CENTER®: PARTNERS IN PROVIDING GROUND-BREAKING SERVICES FOR THE COMMUNITY

*Financial well-being is greatly enhanced when the check-cashing and payday lending industry is not a consumer's first or only choice.*

red dough

The RedDough® Money Center provides safe and affordable financial products and services for low/moderate income individuals and families. Services include; low-cost check cashing, short-term loans, bill-pay, reloadable debit cards and more to individuals who either cannot qualify for a bank account or, for personal reasons, have decided to stay out of the mainstream. RedDough Money Center provides people with a wide variety of options to pay less for banking services and have access to development services through the Excel Center® so that they may continue to work toward attaining long-term financial goals.



**Pagedale Center Ribbon Cutting:** From left to right: Jaison K. D. McCall, Gerald Brooks, Susan Katzman, County Executive Steve Stenger, The Honorable Mary Louise Carter (Mayor of Pagedale), Tony Grandison, Jr., Paul Woodruff, and Chris Krehmeyer.

excel center

Prosperity Connection's efforts depend upon our ability to meet people where they live and work. That is why we have dedicated our resources to the deployment of a network of facilities throughout the St. Louis region where clients can easily access resources in a judgment-free zone. At each Excel Center®, our highly trained educators and volunteers provide free group seminars and one-on-one coaching services in an effort to help clients set reasonable goals and get the assistance they need to achieve their financial dreams.

In addition to offering our services, Prosperity Connection staff places a special emphasis on tracking client outcomes. By monitoring key metrics such as credit score, debt load, asset attainment, and more, we are able to tailor client interventions for each individual to ensure the best opportunity for success. Additionally, we are able to provide an enhanced level of accountability to funders, communities, and other stakeholders invested in Prosperity Connection programming.

*We have found that simply providing "financial education" is not enough.*

# COMMUNITY IMPACT



# 2016

Financial Services



Financial Education

reddough



excel  
center

492 loans issued

\$215,250 in loans issued

\$237,000 saved by borrowers

**Individuals who  
are capable and  
well-equipped to  
reach their  
financial goals.**

508 coaching sessions held

3,155 class participants

4,500 people reached at events

## Borrower Profile

**Age:** 21-71

**Monthly Income:** \$600-\$7,000

**Average Loan:** \$313

**Race:** 99% African-American

**Zip Code:** 34 Unique Zip Codes



## Client Impact

**Decreased Debt:** 20

**Increased Credit Score:** 7

**Increased Savings:** 12

**Acquired Asset:** 1

**Became Banked:** 9



### LINDA – COACHING CLIENT

From time to time, we all hit roadblocks on the highway of life. These events can prevent or delay us in achieving our financial dreams. Despite being on a fixed income, Linda has been determined to reduce her existing debt, build her credit, and combine households with her daughter in an effort to maximize their combined resources.

However, Linda's prospects for renting a larger apartment for both she and her daughter were dim. Landlords had routinely denied her housing applications due to previous debt related to a different apartment she had rented in the past. After hitting this roadblock in her financial pathway, she decided to seek the assistance of Coach Alnita Smiley.

Alnita helped Linda to access a free copy of her credit report, where they discovered that recent bankruptcy proceedings from the previous summer had finally removed the old rental debt. Furthermore, they worked to create a debt reduction plan that would help Linda to systematically eliminate other debts listed on her credit report. She finally had a way to get her new apartment!

Everything was looking up for Linda, until her financial institution referred her to a predatory installment lender. Linda had intended on opening an affordable credit builder loan with Alnita's help. Before they could do this though, a representative from Linda's bank referred her to a local, high-cost lender who opened a \$400 loan for her. This 'credit builder loan' was to be repaid over 8 months and would cost her \$677 in interest (376.11% APR)!

Once Alnita found this out, she took swift action to review Linda's contract, contacted the lender to understand what had happened, and helped Linda to make an action plan to pay off the loan immediately so that she could avoid paying unnecessary interest and open a more affordable product with a more consumer friendly institution. While Linda still has work to do in order to achieve her dreams, she can be comforted in knowing that Alnita is there to help her along the way.



### WILLIE – COACHING CLIENT

For years, Willie had been working to find the best pathway to improve his personal finances. "I have tried countless attempts, and spent thousands of dollars to various agencies attempting to repair my credit." In fact, he spent more than \$5,000 with so-called 'credit repair agencies' and saw no improvement to his credit report. It wasn't until Willie came across information about Prosperity Connection's programs that he felt like he had the resources he needed to make progress toward his goals.

Willie stated, "I'm a member of St. Louis Community Credit Union, and one day as I was exiting the bank, I saw some literature inviting anyone to come here [Prosperity Connection]." Willie decided to attend the class 'Living with Bad Credit', which helped him to evaluate his options, as well as get connected with Coach Evette Baker. After going through the intake process and getting down to work with his coach, Willie was able to establish a plan to eliminate debt and build his credit score.

"This program was the best thing that could have happened for me...Although I still got some way to go, I am eternally grateful to God for positioning me with the right company and the right people," said Willie about his experience with Prosperity Connection. Since starting this journey with his financial coach, Willie has increased his credit score by 108 points and eliminated outstanding debt by \$8,563! Willie continues work toward his goals, the biggest being his dream to own his own home so that he can watch his grandchildren play in the back yard.

*"This program was the best thing that could have happened for me...I am eternally grateful to God for positioning me with the right company and the right people."*

# CLIENT SPOTLIGHT



### AMETHYST – COACHING CLIENT

When we first met Amethyst in September of 2016, her primary goal was to obtain a full-time job and to decrease her expenses. Little did we know that not only would Amethyst achieve these goals and more, but she would teach Prosperity Connection a new way to help clients set and reach their personal savings goals.

After working with Coach Alnita Smiley to create a financial plan, Amethyst got to work by committing herself to eliminating \$2,700 in credit card debt. By setting a goal and committing herself to regular large payments each month, she had a plan in place to keep on track. As Amethyst continued her regular sessions with Alnita, she decided that in addition to gaining full-time employment and paying down debt, she also needed to start saving in order to be able to afford a future move to Texas.

To keep herself motivated, Amethyst conceived of and launched her very own 'Savings Photo Book'. The Savings Photo Book project (see photo) is based on a simple premise; keep your progress in sight to stay on track. And she has done just that. Her goal is to save \$6,000 by the end of 2017. Between December of 2016 and March of 2017, Amethyst saved \$600 toward her goal! Coach Alnita was so impressed that she decided to start her own Savings Photo Book.

While we strive to teach and guide our clients down the pathway of financial empowerment, we also realize that sometimes we too can learn something new. Amethyst is well on her way to meeting this savings goal, and has even greater capacity to do so since she became a full-time assistant retail manager at the department store where she works.



Like many St. Louisans, Elizabeth was unable to open a checking account. Due to past mistakes in managing her personal finances, she owed nearly \$1,000 to a bank, which caused her account to be closed and prevented her from opening a new one with a different financial institution. With no way to deposit her paycheck or even pay bills via check or online billpay, Elizabeth seemed to be out of options for accessing mainstream banking services. That is, until she started working with Coach Alnita Smiley.

After helping Elizabeth assess her financial situation, Alnita worked with her to create a plan that would put her back on track and help her to gain the trust of a new financial institution. Acting as Elizabeth's navigator, Alnita reached out to Carrollton Bank, a trusted referral partner of Prosperity Connection. Elizabeth met with one of Carrollton's representatives to discuss the situation. By the end of the meeting, she was able to open a second chance checking account.

It didn't stop there though. Over a month's time, Elizabeth used her personalized financial plan to save \$20 per paycheck until she had the \$100 minimum required to open a savings account. Three months later, she'd managed to save more than \$500 and was able to open a \$1,000 credit builder loan, which would further assist Elizabeth in strengthening her credit score and saving for a down payment on a more reliable automobile.

Elizabeth, and many people like her, face difficult situations every day that can prevent them from achieving and sustaining financial stability. By working with Prosperity Connection, even people who face seemingly overwhelming barriers are able to move ahead and beyond past mistakes.

*By working with Prosperity Connection, even people who face seemingly overwhelming barriers are able to move ahead and beyond past mistakes.*

# FINANCIAL SUCCESS





## JANICE MOSBY SCHOLARSHIP – 2016

The Janice Mosby Scholarship Fund hit several big milestones in 2016; 20 awardees since 2011 and \$50,000 in total awards. Additionally, we celebrated three years of partnership with TIAA Direct as the title sponsor for the Fund. Since launching the program in 2011, Prosperity Connection has been able to assist adult learners attain two and four-year degrees in nursing, education, accounting, social work, and more.

Our 2016 scholarship winners came from a variety of backgrounds and have overcome many challenges to pursue their academic and professional dreams. Ryan Gross, who is pursuing a Bachelor's Degree in nursing from Goldfarb School of Nursing, stated that the decision to complete his degree was not easy. However, the faith his wife has put in him makes that journey easier. In his essay he stated, "Her belief that I can do this has kept me going, even when things were difficult. Going back to school as an adult learner has been one of the hardest and most challenging experiences of my life, but also one of the things I am most proud of."

Belinda Calhoun, who is pursuing a Bachelor's Degree in Healthcare Management from Harris Stowe State University stated that "the next four years will be challenging requiring much juggling of schedules and time management



**2016 Scholarship Winners:** From left to right: Teaira Spencer, Marie Long, Belinda Calhoun, Hugh Scott, Ryan Gross, Tashandra McFarland (not pictured).

expertise—but I have done it before, and with my clear goal in my mind, I know I can do it again with equal or greater success."

We are so proud to support our six honorees from 2016 and look forward to their continued success!



### Scholarship Program Facts:

- The Janice Mosby Scholarship Program was founded in 2011 after the passing of our Founding board member and long-time educator
- 20 awards have been given for a total of \$50,000
- Scholars have come from eight schools in the St. Louis region. They include: Fontbonne University, Goldfarb School of Nursing, Harris Stowe State University, Lindenwood University, St. Louis University, St. Louis Community College, the University of Missouri – St. Louis, and Webster University
- Since inception, the program has been funded by St. Louis Community Credit Union and TIAA Direct

# SCHOLARSHIP NEWS





**Paul Woodruff**  
Executive Director



**Abby Clavin**  
Assistant Director of Operations



**Treina Lind**  
President  
RedDough Money Center



**Jaision K. D. McCall**  
Assistant Director of Education  
and Financial Capability



**Torrey Park**  
Marketing and Development  
Associate



**Evette Baker**  
Financial Coach



**Allyn Dault**  
Financial Coach



**Meghan Gardner**  
Financial Coach



**Robert Nelson**  
Financial Coach



**Alnita Smiley**  
Financial Coach

## BOARD OF DIRECTORS

**Susan Katzman**  
Chairperson  
Retired

**Suzanne Hough**  
Vice Chair  
Carrollton Bank

**Tom Sullivan**  
Treasurer  
Matthew's Dickey

**John Windom**  
Secretary  
Retired

**Tony Janssen**  
Director  
US Bank

**Felicia Pulliam**  
Director

**Kathy Reeves**  
Director  
Enterprise Holdings Corp.

# PROSPERITY TEAM



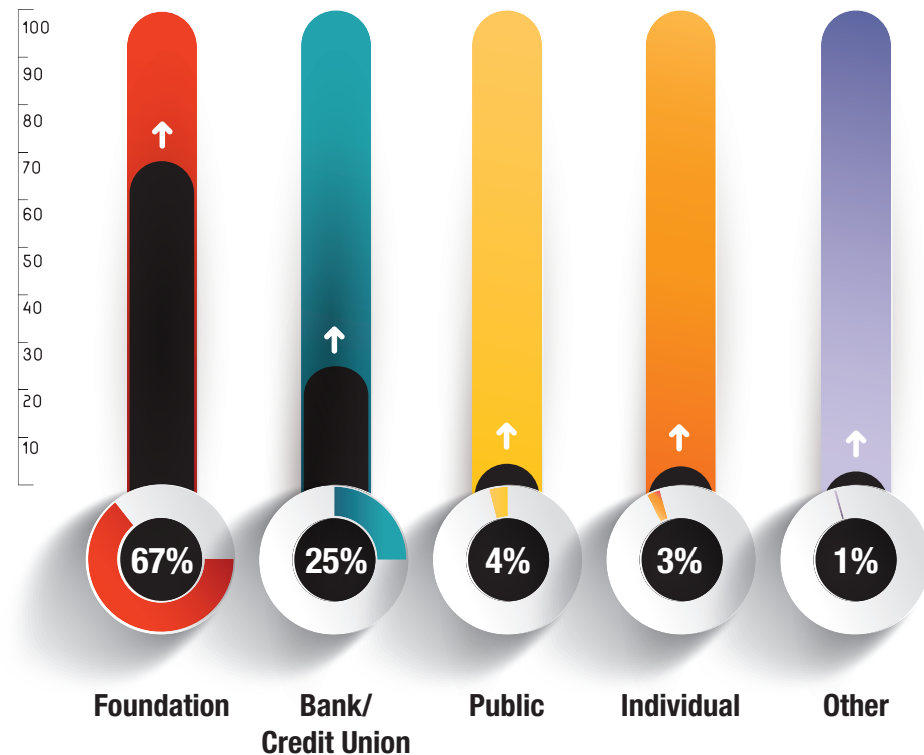
## STATEMENT OF FINANCIAL CONDITION FOR FISCAL YEAR ENDING DECEMBER 31, 2016

### ASSETS

Current Assets	
Checking/Savings	
All Accounts	\$ 594,616.05
Total Current Assets	\$ 594,616.05
Fixed Assets	
Furniture and Equipment	\$ 75,353.87
Capital Improvements	\$ 181,615.58
Accumulated Depreciation	\$ (7,710.83)
Total Fixed Assets	\$ 249,258.62
Other Assets	
Loans Receivable, Net	
Loan Principal	\$ 121,231.10
Total Loans Receivable, Net	\$ 121,231.10
Loan Loss Allowance	\$ (23,458.18)
Total Other Assets	\$ 97,772.92
<b>TOTAL ASSETS</b>	<b>\$ 941,647.59</b>

### LIABILITIES & EQUITY

Total Long & Short-Term Liabilities	\$ 573,369.14
Equity	
Unrestricted Net Assets	\$ 294,492.29
Net Income	\$ 73,786.16
Total Equity	\$ 68,278.45
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 941,647.59</b>



SOURCES OF FUNDING

# FINANCIAL REPORT



**The Prosperity Connection Team:** Left to right: Paul Woodruff, Alnita Smiley, Abby Clavin, Torrey Park, Evette Baker, Jaison K. D. McCall, Robert Nelson, Meghan Gardner, Allyn Dault, and Treina Lind (not pictured).



Through the generous support of our funding partners, Prosperity Connection was able to impact the lives of thousands of low-to-moderate-income families throughout the St. Louis region. Without their support, our financial coaches and RedDough Money Center team would not have been able to provide clients and customers with access to free financial coaching sessions, community events, and affordable financial services. Prosperity Connection would like to thank each of its individual, corporate, public, and philanthropic supporters for their contributions.

*We are especially grateful to these presented organizations that provided support of \$ 10,000 or higher:*



24:1 Community Land Trust • St. Louis Community Credit Union • Carrollton Bank • Equifax • US Bank  
Beyond Housing • Community Development Administration (CDA) of St. Louis City • St. Louis County • Midland States Bank  
Stifel Bank & Trust • PNC Foundation • TIAA Direct

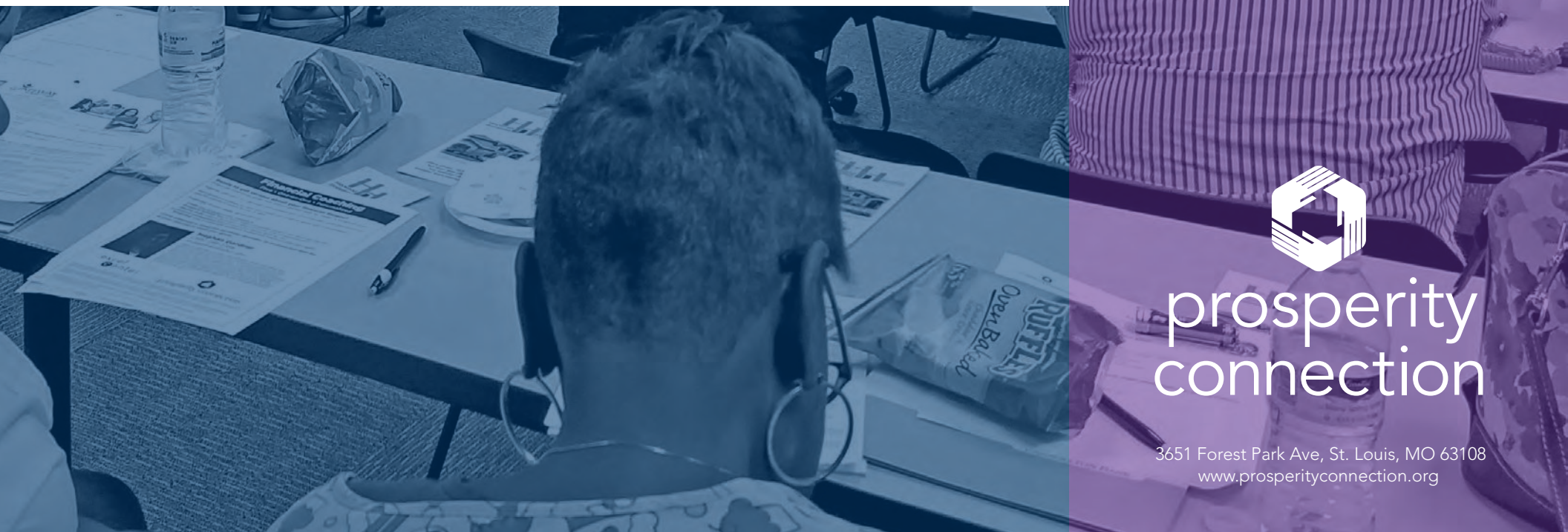


# FUNDING PARTNERS





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