Mark Peterson - Host:

I am Mark Peterson, and this is "Before, During, and After: A Podcast from FEMA."

Mark Peterson - Host:

If financial resiliency is an individual or family's ability to handle financial shocks and adjust to financial changes, there is no greater shock than a disaster. They cause both short and long-term financial challenges for survivors. While at times complex, financial resiliency is also full of opportunity to improve our ability to adjust and overcome those challenges that directly impact our ability to recover from emergencies. So, on today's episode, we focus on building financial resiliency before, during, and after disasters, and how financial resilience is far beyond building a savings account.

Mark Peterson - Host:

So, financial resiliency is such an important part of an individual, a family, and an organization's wellbeing and handling financial shocks is a key component of being financially resilient. And disasters present a particularly difficult situation for any of those three entities. And so today, to talk about financial resiliency from a variety of perspectives, I'm thrilled to welcome some really interesting guests that are here at the National Voluntary Organizations Active in Disasters Conference to share their perspective on what it means to be financially resilient. So let me first start with Marlon Trone from Operation Hope. Thanks for joining me.

Marlon Trone:

Thank you for having us.

Mark Peterson - Host:

What is Operation Hope? Tell me a little bit about it. So

Marlon Trone:

So we are an organization created 32 years ago now by John Hope Bryant. Our main focus is to provide education for the uneducated relative to financial resilience, financial prudence—teaching them how to utilize money and how to be responsible with it, right? Because what we've realized within the course of the work that we do, and of course, we all can, can vouch for it, that there's a, just a general lack of understanding around how to manage finances. It's not something that that every family, unfortunately, unfortunately, discusses around the dinner table, not something that every school teaches, right? We, we learn how to read and write, but we don't know how to balance a checkbook, right? So, I, I would venture to guess some people don't even know what a checkbook is these days, so—

Mark Peterson - Host:

Well, I'm, I'm really interested to talk more about how you approach those conversations. And that is, you know—having those conversations is certainly a key part of just inching your way towards being prepared for anything, not just disasters, but anything in this world. Right? So, well, we're gonna get to that, and I'm excited about that. Kate Bulger from Money Management International. Kate, welcome.

Kate Bulger:

Thank you so much. Thanks for having me.

Mark Peterson - Host:

Tell me a little bit about Money Management International.

Kate Bulger:

Money Management International is a nationwide nonprofit financial counseling organization. So, we help people from all walks of life find and create individually tailored solutions to their specific financial challenges. So, we work one-on-one with consumers by phone online and in person. We tackle the specific challenge that they're trying to overcome or the specific goal that they're trying to reach, and they come away with a detailed plan and next steps; and then we follow up with them to help them really see that through.

Mark Peterson - Host:

Excellent. And Kirsten Trusko from Payments as a Lifeline. Welcome.

Kirsten Trusko:

Thank you.

Mark Peterson - Host:

Now, tell me about your organization.

Kirsten Trusko:

So, Payments as a Lifeline is young. It stood up in Covid. It is the only, and the first coalition of financial services companies coming together to assure that that funds get to the right person, right time, for the right purpose. And we partner with government, with NGOs, with nonprofits, with my friends at the table here. And Payments as a Lifeline includes payment companies, banks, insurers, Fintechs, CareTech—it takes, it takes a village—it sounds corny, but to be able to move funds, whether it's for chronic aid or disaster, and to get it delivered in 30 minutes versus eight to twelve weeks, which is what it often takes.

Mark Peterson - Host:

Sure. I wanna start off by just talking about what it means to be financially vulnerable. And we, just kind of in our conversations before we came to the table we talked about different, different types of vulnerability, whether it's an individual or an organization. So maybe Kate let's start with you. What does it mean to be financially vulnerable from the perspective of an individual or a community?

Kate Bulger:

Yeah. So, you know, first I think this—you know, the size of the problem is bigger than however big you think it is. About one in four consumers right now have no savings whatsoever. About half of consumers have less than $500 in savings. And that, that cuts all across that income spectrum. But broadly speaking financial vulnerability is gonna be individuals in communities that are under-resourced, even if that individual themselves is prepared and has you know, a good savings and low amount of debt. If their community is financially vulnerable, they are still financially vulnerable, but it's also individuals themselves who, you know, don't have quite a bit of savings, who don't have a spending plan that they're in agreement with the other adults in their household. It's consumers with a high level of debt—access to credit after a disaster is really critical in your recovery. And so having too much credit card debt, or just poor credit history can really impact someone's recovery. It's also, you know, knowing what your priorities are financially and, and what your plan looks like—that's important. But I, you know, again, financially vulnerable communities are larger than you think.

Kirsten Trusko:

I'll add to that—as the FinTech geek at the table—so there's been all these studies that have come out, and a lot of folks have the misperception that financially vulnerable only live in certain neighborhoods. Yeah. 20% of people making a hundred thousand a year live paycheck to paycheck. So this, this crosses all socioeconomic groups.

Mark Peterson - Host:

Kirsten, we're gonna get into this a little bit, but in that definition of vulnerability part of that is people who maybe don't have access to traditional banking methods. And so, what are some of the challenges that your organization is working through to deliver money to a survivor who needs funds in order to start a recovery?

Kirsten Trusko:

So if there's anything encouraging in disaster, it is that Americans are very generous and, and they really, really wanna help. And so, I was in Hurricane Harvey, right? There's all this money pouring in from these different places, but there was no plan to get the money out to the people who needed it. So in the US there's between 50 and 80 million people who don't have traditional bank accounts. So one of the challenges, if we take a look at, at a big disaster, the money goes out in three tranches. The first tranche, the fraudsters figure out first what are the holes in the system? And they go grab as much as they can before anybody figures out what they've done. The second tranche goes to people who have traditional bank accounts. You can just ACH it in. And, and the people who need it most, that third batch who don't have those traditional bank accounts, if there's any money left, get it last.

Kirsten Trusko:

So what the members of Payments as a Lifeline do is work with heroes like these guys at the table, work with agencies to be prepared to run pilots and proof of concepts, to be ready. There's a county in Florida that has said—has asked, hey could we issue a visa card of this type to each one of our residents? And T minus three. Three days before that tornado hits, could we load? 'cause We know who they are, right? It's not going to fraudsters. We're gonna load those accounts, and the first batch of money is for them to harden their homes—sandbags, blue tarps. Next batch is to get out and get safe.

Marlon Trone:

Kirsten makes a great point. You know, dealing with fraud is probably one of the largest challenge—challenges that all of us face in disaster recovery. As soon as we think we have it figured out, they figure a new, new,

Mark Peterson - Host:

Even if you're not in a disaster area, there's a lot of fraud out there.

Marlon Trone:

Absolutely. But it presents a particularly difficult sort of experience for folks who are already experiencing one of the worst moments of their lives—and having to navigate that recovery system and watch out for those fraud—you know, the people who would do them harm. And that exacerbates that sort of lack of trust that people have in institutions and in folks who want to, you know, come in and help, you know help aid them in their recovery. And the long-range effects of that is, you know, you, you have those more—some of the most vulnerable populations who are, who have this built in lack of trust for good measure, right? For good reason. But they're—they're slowing, the sort of recovery process because they—they're so hesitant to accept aid and help when it's needed. So it's, it's just a, a snowball.

Kate Bulger:

To build on that real quick you know, when folks have that distrust, they're already not interacting with, with groups, right? They're, they're also often a group that does not work within bureaucratic systems frequently. And so suddenly they are having to fill out all of these documents that have, you know, real consequences if they get it wrong. And that is so incredibly intimidating. And so even just not having interacted much with the financial systems and the legal systemsyou know, is another aspect of financial vulnerability,

Marlon Trone:

Absolutely.

Mark Peterson - Host:

In my mind, that's starting to raise a question of—if we're defining what financial vulnerability is, what does financial resilience mean? And I'll just open that up to the table.

Kate Bulger:

So, in an ideal world, if I could wave a magic wand, people have bank accounts, regular bank accounts, not just a savings account and a checking account, but they, they have retirement accounts, and they're really using the banking tools that are available. They have access to banks in that way. They have savings—hopefully six months of living expenses set aside, ideally, in addition to the rest of their savings. They have a lot of accessible credit, so they've got access to credit cards, but the balances on them are incredibly low. And they've got really strong credit scores; that said, like, that is the perfect, and we cannot let the good get in the way of the perfect, so, or the perfect get in the way of the good. So any little step that we can get a consumer to take to move them toward more financially resilient is the right direction. So in our real world, it is anybody working on building their savings, anybody working on getting on the same page with adults in their household about what their spending priorities are? Anybody trying to improve their credit score, right?

Mark Peterson - Host:

So, Marlon, I mean, is that how Operation Hope kind of—works towards this this opportunity or this solution? Is it—it's a spectrum.

Marlon Trone:

It, it always is. And you know I think for, for me, if I could add you know, to the comments, it, it is where—financial disaster preparedness is, is a way of life, right? It is, it is—I mentioned earlier in, in our sort of opening remarks that it is that financial preparedness becomes a part of your culture. It is not—it, it's a necessity. It's not like having insurance, like, you know, that you hope you don't need—but it's there. It's a, it's a part of the, the messaging, it's a part of the communications, it's a part of the conversations we have in our, with our families. This is a part of the realities within our communities. From a business perspective—it is the business owner, you know, taking the time to to, to, to have those continuity plans to assess the vulnerabilities of those, of those businesses. And they're gonna be different for every, every business owner in every, every community. You know, what Kirsten's business, where her vulnerabilities may lie, may be very different than where Marlon's business and my vulnerabilities lie. But to start to think about those and develop an action plan. If, if once you have gone down the road and you've identified, you know you know where your, your point pain points are, then you can start to deal with it. Then you can start to develop—to develop mitigation strategies.

Kirsten Trusko:

Can I ask something from Marlon? Will you please share your stats of what happens in the small businesses if they don't recover quickly?

Marlon Trone:

Absolutely. So, and I wanna make sure I quote them correctly. So what we've, what we've learned in, in our research and with our partners is that number one, 75% of small business owners don't have a financial disaster recovery plan at all. That to me is astounding, right? And, and it is estimated that about 40 to 60% of small businesses permanently close after a disaster, right? And of those that, that close for at least a week, 90% of those are not—will never reopen. So that's how important it is for you as a small business owner, as an individual to, to have—to be financially prepared for disaster.

Mark Peterson - Host:

And unfortunately, we saw the manifestation of, of a lot of that during COVID.

Marlon Trone:

Absolutely, absolutely. Great example.

Mark Peterson - Host:

Kirsten—I wanna go back to your comment about the unbanked. And given what Marlon is sort of talking—talking about, and Kate, about how we're working towards this spectrum of, you know, saving money—if the first thing, if the first step or one of the first steps to saving money is to have an institution that you're going to save the money in and there is a large number of individuals who are unbanked and who may be financially vulnerable. Is there a component of trust there that, that prevents them from?

Kirsten Trusko:

It's huge. And, and my colleagues here have said—if you've not been involved with bureaucratic conservative organizations, right? There's some hesitancy in that. One of the reasons for standing Payments as a Lifeline up as a 501(c)(3) coalition is to bring in banks and credit unions. And it is so inspiring when you go and say they don't necessarily know the underbanked. There's more, way more underbanked than unbanked, right? But if you give a pathway and you go into a community and you say to the banks, here, let's put together a plan. Let's, let's create a pathway for more of these accounts to be open and active. And it takes partners like Operation Hope and MMI, 'cause as, as Payments as a Lifeline—we're the FinTech and insurance and banking geeks, right? We'll execute, our technology will execute what the, the partners or the funders want.

Kirsten Trusko:

And if I put on my emergency managers hat, if I'm in a county or, or a city if you don't have the financial services industry part of it and it's three days before a hurricane's gonna hit, or the hurricane has hit. In the US, you can't just scramble and start moving around money. You've got to know where the money came from. There's all these alphabet of regulations that you have to follow. So, the number one thing I would say out to emergency managers and county managers is contact one of us. Let's, let's partner in—so that your county, your small businesses, your people are, are ready.

Kirsten Trusko:

And the—it was interesting in Florida, so one of the largest FinTech organizations in the world is headquartered in Florida. And they invited us to come down for their PrepareAthon, which was all their employees coming in, and they had the fire department there and the insurance company. And so we're there as the bankers—they're going like, what, what are you here for? Like, you're not gonna rescue my dog. But we put together this plan—that is—it's being prepared for disaster, and it is backing up to certainly savings. But also you're gonna evacuate—where? To whose house? What's it gonna cost you to get there? Do you have that money? Says—Will they even let you come with your three kids and your two dogs. So it's this whole detailed plan, and we're working on putting together a new one to share out. But it's—if, if you don't have a plan, and we need the emergency managers, we need the county managers, the mayors, the governors to understand that financial services is a disaster response and planning and resilience vehicle. And until two years ago, we weren't even at the table.

Marlon Trone:

Well, and you know, what's interesting is all of us—we will get together and we'll, you know, have these sort of intimate conversations about what needs to happen and what can change and wouldn't it be great, you know, sort of pie in this sky discussions and we all land on, at, at its core, some of this stuff just makes sense. Just you know, it's simple. It's blocking and tackling. You know, why wouldn't a, a banking or financial institution want to invest in helping build financial resilience for its customer base? Because a better, more prepared customer base makes a better customer, right? It builds a community.

Kirsten Trusko:

Partnering with you guys—there, there is distrust of banks. If, if you didn't have an account and your dad didn't have an account and your grandma didn't have an account. But by partnering with folks who have boots on the ground to say—hey, these are good financial institutions, these are good payment partners. They want to engage in disaster financial resilience, and the bank gets new customers.

Kate Bulger:

I think on top of that too, it's not just people who historically haven't had an account, it's also people who have an account and who are a little bit behind or even far behind, right? As soon as someone starts to fall behind in their accounts, they're significantly less likely to just pick up the phone and talk to their bank. And that is a huge challenge. And one of the ways that financial institutions can overcome that is by using services like ours, reaching out to partners like us. And what we do is help bring that consumer back. So like at MMI, we'll make a financial plan, and part of that plan is now let's call your bank together and figure out how we're gonna get, you know, your credit card debt under control, or we're gonna work on making sure your home doesn't go into foreclosure or whatever it is that they're struggling with. And so using, using the goodwill of the nonprofit to kind of bolster that is important, both for the customers that you don't have yet, and for the customers that you already have who are at risk of, of falling off your books.

Marlon Trone:

And, and similarly with Operation Hope—you know, when clients come in and sign up for our services, and it's always offered at no cost they're paired with a coach and many times deal with that coach for years. It's not—they may come, you know, in because of a disaster or something that happened, or they may—they may come in because their credit score is low and they wanna, you know, help increase that. But as they develop a relationship and develop that trust you know, that rapport and that, you know—we always approach it from a from a standpoint of we get it. You know, people, we—we can make some bad choices sometimes, but you're not defined by that choice. That was—that was yesterday. You know, this is, this is how we fix it. These, these are some of the options that you have. In most, in most cases, they were unaware that they could even have those conversations, right?

Kate Bulger:

Yes, absolutely. And that—I feel like, you know, debt and not being a part of the financial system is so incredibly isolating. People think they're the only one. There's a lot of shame that's tied up in it and talking to a counselor or a coach who can tell you, you know what, I work with people all day. I've worked with people all day, every day for 20 years who are in exactly your situation, and here's how we get you out of it. Like, that is so empowering to folks and provides such an incredible relief.

Mark Peterson - Host:

And the data seems to support that. It's not some, you know, maybe stereotypical person in your mind that you're thinking of. It's pretty much every spectrum of, of the United States is dealing with this.

Kate Bulger:

Yes. And what we find is—so just talking to a counselor, right? At any, whatever, your income level, just talking to a counselor and making a plan for going forward—within a year, the average consumer has improved their credit score by 30 points.

Kirsten Trusko:

That is amazing. So you're reminding me guys, talking about dignity. So if—my friend Jim Alvey from Good360 was here he always pokes me when we're on stage and say, talk about the dignity piece. So, being able to receive funds, whether it's before, during, or just after disaster, or it's recovery for the next five to seven years, or it's generations. When the SNAP and EBT programs—the food aid programs first went from the little coupon things to the cards—I was part of the, the pilot there—and so the academics did the interviews to say, what's most important of, of this program? And they were expecting, oh, we now have plannable food, or whatever it was—now I'm just like everyone else. When I'm in line, when I'm buying groceries with my kids, I'm just like everyone else. And that's one of the things, one of the, the tenants for the, the Payments as a Lifeline members is to say, this is about dignity, it's about respect. And it is, it's transformational to not have to only wait for goods. Now, you can also have funds.

Marlon Trone:

And what you find though, is when you, when they get a little taste of that, then they want more of it, right? So you, you, you, you get 'em in and, and they can repair this, this one little piece, and then they start to look at, well, well, now that my credit score is up, you know, now I can increase my savings. Now that my savings up, maybe I could buy a house, right? No one in my, no one in my family's ever owned a house before. You know? And then the organ—you know, organizations like ours, we, we start to coach them through, this is how you get prepared for that. This is how—these is all the conversations you have with your financial institutions and let them know that this is what you're preparing to; you develop a track record. And, and it all works out.

Marlon Trone:

What I would love to see, we, you know, it all—to me, it goes all the way back to that education piece of it. And, and helping alleviate some of that fear, that lack of understanding that unknowing, right? You know, we—I, I think as a society, you know, our kids are, you know, they're—they're getting access to information at the drop of a dime. You know, it's coming quick, it's coming fast. They are smarter than we were. They are, you know, they process things a heck of a lot quicker than we do. Their SAT scores are skyrocketing now because we have those types of conversations with them. We don't have conversations with them about high credit scores, right. Imagine what would happen.

Mark Peterson - Host:

How, how do you start those conversations?

Marlon Trone:

For me? I think it is about showing them the value. I think it is about having open, honest, practical conversations with them about why this matters. I often tell a story and I'll share this with the, with with the listeners. I can remember—being a sophomore in college many, many, many years ago and being one of those kids who, again, these conversations didn't happen around my dinner table. I had parents who, you know, worked multiple jobs, and we still scratch the surface to—you know, to keep our heads above water. But I remember going to get my first apartment as a college student, and you have to fill out the credit application and, and whatnot. And I remember the leasing agent, she came and she said, wow, you are far too young to have credit this good.

Marlon Trone:

And I smiled and nodded. I had no idea what she meant. No idea. And a part of me was embarrassed to, to ask, well, what's credit score? You know, I didn't, I never even asked my, my roommate at the time, you know, you got a pat on the back and—atta boy. I'm not sure he knew what it was either. But again as I later learned the value of not having a good credit score, the hard way. Because I didn't appreciate it. I didn't know what that meant, and I was too embarrassed to even have that conversation. Right. Alleviating something as simple as that I, I think goes a long way to opening of the doors for, for more exploration.

Kirsten Trusko:

I love that. If I can add a practical piece. So all three of my kids are Eagle Scouts. So we've been in scouts forever, right? Badge, coach, whatever. And, and so there's this financial badge that's along the lines of, what's your allowance? Whatcha gonna spend it on? And I actually went to our district who told me to quit being such a banker and said, could, could we please add a component that says, Marlon, where do you wanna live? Oh, you wanna live in New York City? Okay, you want this kind of apartment. You, you need this kind of car. Right? Alright, so that's this amount of money. Do a little left of boom. Right? How much money do you have to make to live that life? Do you need a degree? Are you gonna be in the trades? And force those kids to say, I'm 14 years old, what should I be doing?

Marlon Trone:

Practical.

Kirsten Trusko:

Very, very practical. If we could do that more with our kids and our young adults so they could see like, I wanna own a home in Dayton, Ohio, whatever it is. But have a plan. And that's so much of what we're talking about in collaborating. You have to have a, a plan that means something. Not some academic, I'm married to a professor, I can say that. Not some academic thing. A real live actionable plan that people care about.

Kate Bulger:

Yeah. And I'll say, adding on that, most of the consumers that we work with, and we work with adults they have never done a budget before and never sat down and wrote down, here's what I make. Here's all the things I spend it on, and here's the balance at the end. And as a consequence of that, the typical consumer we're working with this year right now has almost a $300 deficit in their monthly budget. Right? 'cause if you don't know what's coming in and out, then you really can't make good decisions about your next financial steps. And I think we're gonna continue to see that. And it's not just new decisions that people are making, it's also the increasing price of goods and services right now. So that has been one of the number one pressures on people's budgets. And it's not something that most people think about planning for, but it is something we need to all plan for, right? That is part of financial preparedness too.

Marlon Trone:

So here's an another interesting story that, that—I have a really good friend who's he's been in finance all his life. And he told me when, you know, a story about—when his oldest son was growing up, and you know how kids always want money for this and money for that. And he had the brilliant idea. I thought he was kind of loony at the time, but later learned it was probably, probably pretty brilliant. But his, his oldest son would always come and ask for money every week. Dad can have to do this, dad can borrow money, do this. And, and he said one day, he said, funny word, borrow. Yeah. I will lend you some money. I'll lend you $20 to go to movies, you know, on Friday and this and that, but you are gonna owe me $22 and 50 cents. And, but dad, I, I only, I only asked to borrow $20. Yeah. But this is called interest. And he started to teach him lessons about how life worked. So when you take out a loan for something, when dad is not an, an ever-ending bank, right? So when you're going to borrow 20 bucks from me, the vig on that is, is going to be attached. And his son learned to process, well, do I really want to borrow money for dad? Do I really need to do this?

Mark Peterson - Host:

But, but the converse could be true as well. You know, if some, if a kid has got a paper route, I mean, I don't know. No, I guess there aren't really paper routes anymore. You know, mowing lawns or something like that. And, you know, you could apply that same sort of lesson, the reverse. Right. Of saving the money or investing it. You know you know, forgive me for stating the obvious here, but it does seem like what we're—what the lesson of this table is that financial resilience at the individual, or even the organization level is disaster resilience. For a community, right? And often the individual who is charged with, you know, creating those plans and those preparedness efforts are the emergency managers or maybe the city managers who are, you know, thinking about that one particular month a year or maybe has a few— or maybe is partnering with Eagle Scouts, you know, something like that. But they are charged with that. But I think I don't think it's a stretch here to say that most emergency managers don't see themselves as necessarily the person to go to, to talk about financial resilience, even though it is so important to disaster resilience.

Marlon Trone:

They should. They should. Yep.

Mark Peterson - Host:

How do you start that conversation with communities, with states—to get them more moving in that direction in their plans and their outreach efforts?

Kirsten Trusko:

So I'm glad you asked. There are disaster preparedness groups, right? Counties, cities, what have you. And it's a table. And you've got fire and you've got police, and you've got electric and water and health. Financial services needs to be at that table. We are part of, of financial prepare—disaster preparedness and resilience. And, you know, shame on us. We haven't broken our way into the door. But that's, we should be part of every single disaster group. And it, it hasn't been that way yet. And part of it is because in financial services, we haven't thought about it. But we should be there. And if you're an emergency manager, a city manager contact Payments as a Lifeline. We'll connect you into whomever in your community would be a good one to be on that—in that room. 'cause you do not want to be shaking hands for the first time in the emergency operation center. We can't help at that point. It's too late.

Marlon Trone:

Kirsten, I, I think that is—truer words never spoken on that. I would love to see a day in time to where, to your point, those conversations are happening far ahead of a, a disaster striking; so that you're having those discussions with city planners and city managers about how to put aside and how to budget for these recovery efforts. Right? I think that's also lacking. Those types of conversations are lacking. And I think, you know, people will certainly sit down with city governments—and I've been a part of some of those discussions. Well, they're gonna allocate X amount of dollars for disaster recovery, largely based on historical, you know, it's a, it's an accounting way of thinking thing versus a disaster preparedness way of thinking or an economic way of thinking about things, right? Not just based on history. We spent X amount last year, so yeah, we think we need to raise it by 5% this year that that's not strategic.

Kirsten Trusko:

You see the hurricane forecast?

Mark Peterson - Host:

But for communities, I mean—even if, if you have an event that doesn't maybe rise to the level of a state declaration or a federal declaration you know, that could significantly impact future taxes.

Kate Bulger:

Absolutely. Yes. Yes. So I think one of the things is to remember that you don't have to be the only one carrying the water, and you don't have to carry all the water. Right? So reaching out to an organization that already—any one of us right—that's already doing this work; we can help do with a lot of, a lot of the lift for you, a lot of the problem solving for you. We're also organizations that know other organizations on the ground. So like MMI is a national organization. We are local in, I think 38 states. But we also know and partner with many of the small institutions that are around there on the ground. And even if it's not somebody we've partnered with before, we know how to get you to 'em. And we know how to start that conversation, and we can work in support of each other.

Kate Bulger:

So for instance, the on the ground might do a lot of face-to-face counseling, but might not have the ability to do online counseling. So we can do it online, they can do it face-to-face, right? Or any number of different ways we can put this together. But you, you don't have to do it on your own. And it doesn't have to be expensive. So for organizations like MMI, our basic budget counseling, right? Create a budget, create a plan to deal with your debt that is free. And so that's, that's easy to get started. It's not gonna be a budget hit. And talking to us—talking to organizations like the three of ours also isn't a budget hit. Right? We can help you problem solve. If you can just set aside a couple minutes to talk about it and, and help make it a priority, even if it isn't a budget priority that year.

Kirsten Trusko:

Kate, I'm gonna give you a plug, because coming outta banking, there's so many organizations out there that it's not free, and they get you in more trouble than, than not. So go to MMI and figure out who to talk to. But the other thing is we talk about preparedness. So picking the right partners. So I speak regularly at events, and I was at a big FEMA region event in a region that gets hit a lot from hurricanes. And I was up there explaining right person, right time, right purpose, getting the money to them. I was showing how the—the automatic reporting and how it reduces your accounting and audit and all. And I got done, and this happens almost every time. There was one other banker in the room—room had like 800 people, one other banker, and he came up and he said he was the local bank, SBA guy.

Kirsten Trusko:

And he said, that thing you talked about—we wanna do that thing. Well, there's very few that have the technology available. We have—through Powell, we have any bank that wants to participate, we can help them. But if you're an emergency manager and you think you're gonna go down to main street bank and they're gonna have any idea what you're talking about, it might get you really frustrated and it might really frustrate the banker. So please come through, let's talk about who the right partners are, and—we could end up getting your main street bank engaged and involved, but this is highly specialized technology that is really cool. And it's never been pointed at disaster and aid before. It's been proven out in healthcare for years, right? But having the right partners.

Mark Peterson - Host:

Marlon and Kate, I just wanna ask this question—working towards financial resiliency, there's a, there's mental health component too, isn't there? And can you talk about of—of course, there are benefits to being—moving along the spectrum of financial resilience—just practically speaking better credit score, having savings things like that. And of course, there is the community resilience that the fact that we know that those communities can bounce back from these emergencies quicker. But there's also the relief, right? Speak to that.

Kate Bulger:

Yeah. So we do a survey of consumers before they take on counseling, and then after they've worked with us for some time and completed counseling. And one of the things we ask is, what, what's your level of stress around your finances? And what we find is about 80% of folks say that they have a high or very high level of stress about their finances prior to having a plan, and then it completely flips. And 80% of consumers say that they are feeling very little stress or no stress about their financial situation after counseling. It is a huge relief. And I feel like finance, that that strain, that that like incredible pressure that finances put on people is detrimental not just to the individual, like from their time of worrying about it, right? Like, there's significant physical health effects that come out of having debt. Having credit card debt specifically is linked to having joint dis—like more likely to have suffer from joint disorders you know, and, and autoimmune challenges. But it also, it's, it's less time at work, right? So from, from an employer perspective, right? Your employees are more effective if they're not spending their workday stressing about how they're gonna pay the light bill that month, right? That makes a huge difference. Finances stabilized communities in so many ways.

Marlon Trone:

I agree 100%. And, and I'll, you know, again, echo Kate's point—perspective there. What one of the things that we've implemented and—I'll say it's ongoing within Operation Hope is we're looking at or we address it as trauma. And experts will tell you that folks who are experiencing—going through those financial hiccups—it is traumatic to them. And the lingering effects are very similar to like PTSD. So all of our coaches hopefully by within the next 18 months, we'll have gone through and received trauma-informed care training. And we'll continue to do that ongoing. Number one it—we wanna make sure that we're being as sensitive and you know, having the appropriate response and perspective to folks who are experiencing their version—their traumatic experience, right?

Marlon Trone:

And whether that occurred because it was the death of a loved one who's put them in financial burden, whether it is the result of a hurricane or tornado who's taken away their homes—which was their nest egg and they found out that they were underinsured and unprepared for that—we wanna make sure that we are addressing that in the most sensitive way and helping guide them through that process. So to Kate's point once they come through that—out of that and, and quite honestly, what you'll find, anyone who works in disaster for any, any period of time—it can be traumatic to the people who are deployed and working in disaster as well. They take on those emotions. Let's face it. Most of us who get into this kind of work—the business of helping folks, we do it because we have soft hearts, right? So we will take on those emotions and those feelings. So it's beneficial across the board for us. So I think that that is probably one of the most underdressed aspects of financial recovery or disaster recovery in general.

Mark Peterson - Host:

You're gonna be at this conference this week, and and you're gonna be out there throughout the rest of the year as we face hurricane season for sure. What, what is maybe one piece of advice or your key thought as you look to the months ahead in the financial resiliency space—knowing that financial resilience is financ—is disaster preparedness. What's your takeaway?

Kirsten Trusko:

Reach out now. We need to prove it out. Not that we need to prove out the FinTech and banking, 'cause the system works, right? But it needs to prove out in your county, in your city, in your NGO, your corporate foundation so that your processes are ready. And let's do it in blue sky as much as there is ever blue sky and, and be ready, and we'll have more resilient communities, people, businesses. And the more that we prepare as the good guys—the big hearted people, right? The more we prepare and know each other in advance, the more we, we lock out the fraudsters. They love it. That, that we haven't all been at the table talking for years.

Marlon Trone:

Yep.

Mark Peterson - Host:

Kate?

Kate Bulger:

Yeah. Yeah. So you know, I think the big thing is start now, right? Start where you are sim—similar to what Kirsten said. You know, hurricane season is gonna come up very quickly, but it's not just hurricanes, right? There are disasters every single day, big and small. You know, and so the sooner—sooner you can get started and get your community started in individual preparedness and, you know, getting 'em on a budget and getting a spending plan and getting down that debt you know, the better off they're gonna be. Because right now, as a nation, the amount of consumer debt that's out there is skyrocketing. Our average consumer last year came to us with about $18,000 in credit card debt on average. This year, it's already up to $24,000 in credit card debt. So we're seeing that go faster and faster, and that's a huge threat to financial resiliency. And it's, it's just a symptom of the larger problem. But you, you have to start now. You have to be mindful about it.

Marlon Trone:

Again, I echo everything my esteem colleagues are saying here. The one thing I hope to get out of, not just this week, but in—in the weeks and months to come, is that I want us to continue to operationalize, to actualize ideas. You know, Kate said something earlier about, you don't have to be the one to carry all the, all the water. And it is, I, I think we can, we can get drowned as an organization, even as a community and thinking we have to have all the answers or fix all the problems, right? We don't—having these kinds of conversations. The thing I love about these two people and their organizations is dat—they have no, they have no egos in any of this. We all wanna do good. We all want to help people, right?

Marlon Trone:

Everybody's bringing ideas to the table. The—and by and large, everyone who comes and sits at the table brings a fresh perspective, and we're all willing to listen and learn. You know and I think we also work in communities the same way. I never show up to a community thinking, I've got the prescription, I'm gonna fix this. I have an idea. I have some tried and true methods of things that have worked. We have programs and services, but at the end of the day, we all—we still listen to the community and assess, examine their needs because what we think they need, or what we think—what worked at that last disaster may not be what works at this disaster, right? So we have to always be agile and willing to listen to one another and bring more people to the table.

Kirsten Trusko:

You know, you guys talking about carrying water, it's like a bucket brigade. You gotta know who's in what position on the line, who has the water? Where's it coming from? Where's it supposed to go? Or something's gonna burn down.

Mark Peterson - Host:

You've been involved in a number of communities around the country, but North Carolina sounds like a particularly interesting situation. Can you tell me a little bit more about that and how you worked with them.

Kirsten Trusko:

And this is—this is coming up. So part of this bucket brigade, right? You get stuff done, you have a plan, you don't just talk about it and write papers. You actually get stuff done. So we are really fortunate as a team here, this FEMA's new disaster financial resilience working group team to have a county in North Carolina. It's Craven County, and we are working with organizations on the ground already there, already trusted to, in blue skies, to put together a disaster financial resilience initiative with a small group of nonprofits and a small number of households and families and businesses to in advance work with Operation Hope, work with MMI to build that long-term financial resilience—generational, improve credit scores so you can buy a house kind of thing.

Mark Peterson - Host:

This is exactly what we're talking about when— how do you have those conversations as a community?

Kirsten Trusko:

Well, and that's so—so the Payments as a Lifeline part—we're, we're just the FinTech, right? Whatever the funder says, whatever the charity says, whatever the government says the money is for and to whom it's supposed to go in for what purpose, that's what we're implementing. But I got a chance today to talk to one of our main partners there, Christie Culver, and she was—talk about a heart. Oh my goodness. But to come in and not just drop in—and we're from the bank. We're from government. We're here to help but to, to come in and partner with the trust—trusted sources on the ground so that the work of Operation Hope and MMI can serve for generations.

Kirsten Trusko:

And the work that the FinTech and the banks is to understand the situation on the ground. And here's an amount of money, whatever they're saying, it's gonna be extra amount per week. And, and what is that for? Is that for food instability? Is it gonna go go for food? Is it gonna go for electricity? What, what will it be? But to partner on the ground—so as we do this first initiative, it's a template, and it's a template to be repeated—in whether there's 3,600 or so counties across the us. And if every county could be ready, imagine if I'm an elected official; I'm ready. My citizens might go to get safe, but they come back. I'm a business, we're ready—I leave, but I come back, look at your voter base, look at your tax base, look at your ability to pay your emergency managers. But if we don't do it in blue skies, we can't do it meeting in the emergency operations center. So the emergency managers, county managers, mayors, governors, whatever, please engage. Please call one of us and, and we can talk about this initiative. And it is it's amazing. The governor's excited about it. FEMA's excited about it. We're all excited. It's not just, just an idea—it's let's get stuff done.

Marlon Trone:

Just to add again I mean, and Kirs has done a great job of explaining it. But it's, it's an opportunity for all of us to put action to the ideas, you know, the concepts. And for us to learn, you know, what works, what doesn't work. You know, our our hope is that we can create a model that can scale and be repeated in other areas. We can, you know, sort of bring that village on and other folks into the tent. This is what—this is what we've put together. This is, you know, sort of the tried-and-true methods. You know, now take and expand. Maybe this will work in you know, in Cary North Carolina, maybe it will work in on Maui, maybe it'll work in south Florida. You know?

Kate Bulger:

I think what I love about it is that it is a local program, but with this national support, right? So it's all the resources that national organizations can bring, but coming down to the local level and really starting at that local level, right? Like, I think that's part of what makes it so repeatable for us. But also I love that it is—like, we are really giving these folks like total wraparound help in their financial world, right? So they're gonna get help with their small business and grow their small business, which is transformational and has generational impacts, right? Like, that is real wealth building. They're gonna get help with their own personal finances, which again, similar—transformational, creates wealth building. And not only that—they're gonna get kind of the, the rocket boots to make these changes quickly in the form of the, the funding that [...] is bringing to the table for folks.

Speaker 3:

And it's not just that they're bringing money, but they're bringing money in in such a cool way so that it's, you know, it's used in the right things again—at the right time, by the right people, but also in a way that gives consumers back the financial control that they often feel like they don't have when they're struggling financially. So it's not just that they're gonna have the resources, they are going to feel empowered too, and that it all comes back down to this local organization who's telling us like, here's what we need. Here's what we don't need. Like, don't do this thing, definitely do this other thing. Right? And that it's—it's a long-term investment that we're all making. Okay? This is not a six-week pilot and then everybody disappears. This is—we're committed to this community and finding ways to make them resilient and working with them at that local level.

Kirsten Trusko:

And with dignity.

Kate Bulger:

And with dignity.

Mark Peterson - Host:

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