

## Transcript

### **Better conversations. Better outcomes.**

#### **Episode 52 – Financial Literacy**

*Brenda Campbell* - And it's not just about socioeconomic, because I will tell you advisors and I'm sure your advisors will tell you stories, of very wealthy individuals who live paycheck to paycheck. Because at the end of the day, it's what you do with your money, not about how much you make, but what you do with it. I think that's the number one thing that we need to focus on.

*Ben Jones* - Welcome to *Better conversations. Better outcomes.* presented by BMO Global Asset Management. I'm Ben Jones.

*Emily Larsen* - And I'm Emily Larsen. In each episode, we'll explore topics relevant to today's trusted financial advisors, interviewing experts and investigating the world of wealth advising from every angle. We'll also provide you with actionable ideas designed to improve outcomes for advisors and their clients.

*Ben Jones* - To access the resources we discuss in today's show, or just to learn more about our guests, visit [bmogam.com/betterconversations](http://bmogam.com/betterconversations). Again, that's [bmogam.com/betterconversations](http://bmogam.com/betterconversations). Thanks for joining us.

*Emily Larsen* - Before we get started, one quick request. If you have enjoyed the show and found them a value, please take a moment to leave us a rating or review on iTunes. It would really mean a lot to us.

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*Ben Jones* - The ability to manage ones finance objectively in order to achieve financial security is something that as financial professionals, we think about almost every day. But many people have never been educated on even the basics of financial literacy. Not from their schools and possibly not even from their family.

*Emily Larsen* - April is financial literacy month, and in recognition of this, we have a very special episode for you. First, we're going to explore the importance of financial literacy, then we'll discuss the ways you can get involved in helping people along their path to financial well-being. And finally, at the end of the episode, Ben has a personal story to share about a mentor who changed the lives of so many. The focus of today's episode is actually a nonprofit that BMO has had the opportunity to partner with for the better part of the last decade - the SecureFutures organization in Milwaukee, Wisconsin.

*Ben Jones* - Our guest today is Brenda Campbell, the president and CEO of SecureFutures. Secure Features is a nonprofit organization that's focus on financial literacy and BMO has had the privilege of partnering with SecureFutures for over a decade, providing both associate

volunteer hours and financial support to the organization. Brenda sat down with Emily in Milwaukee, Wisconsin to discuss why advisors should be invested in financial literacy education and how their program works.

*Brenda Campbell* - We started in Milwaukee public schools; we tested and piloted the program back in the 2006-07 school year. And then we just slowly began to expand, so other high schools in Milwaukee, then to the suburban community, then to other parts of the state. Two years ago we were invited to deliver programming in Chicago schools, so that's really our footprint now. We have 110 partners, they're mostly high schools, but also some community based organizations that appreciate what we can do for the teens they serve. And we have now to date reached, I can't even believe this when I say it, but 68,000 teens.

*Emily Larsen* - Wow. What was it the state of Wisconsin saw that was important about financial literacy? Why should people in general care about this and why did the state decide that this was paramount that we attack this and address this issue?

*Brenda Campbell* - And I'll jump ahead, too, because you said something that's very important. The state released those standards in late 2005 or early 2006, but they weren't mandated at that time, so it was sort of put out there as best practice, and those are my words, not their words. But this is what our students should know, do what you can to provide this. It wasn't until November of last year that our governor signed a bill to mandate financial education in Wisconsin schools. So, we now have a mandate, but the interesting thing is that between 2006 when we started as Make a Difference Wisconsin and now, there's been this incredible trend where school districts have taken it upon themselves to put their own self-imposed mandate in. We see, and that could look like a range of things. It could look like a required personal finance course, which is most typically a one semester course delivered at the high school level. Or it could be that they've worked financial education into a required course like Economics or a social studies course. Or it could even be that they found a way to weave it in K through 12, so teachers are being trained to weave it into other course materials. And so clearly there has been this growing awareness and I certainly believe that our economic downturn in 2008 and 09, really brought to light for a lot of people the tremendous need that we have to give kids these tools. And we have to really think about the crisis we went through and all the people that lost their homes and all the people dealing with credit card debt and student loan debt, there's so much more awareness today than there had been back then, so the trend makes sense to me. And it's a great thing.

*Emily Larsen* - Right, right and it really speaks to the name of your organization, right, it's securing the future of people of these students and so that they can have a better, brighter future.

*Brenda Campbell* - Absolutely. Yeah, and we like to call this a movement. It's the movement for financial capability, financial security, and what a great place to start with our teens. So, before they've ever made mistakes and we really see that as a sweet spot for financial literacy. Getting to them when they're teens, one because everything we teach is relevant to them, at that age 16 to 18, if they don't yet have a job, they are thinking about it. If they don't yet have a bank account, they're thinking about it, credit cards are right around the corner, and they are on teen's minds. It is the perfect time to catch them while it's relevant, but before any mistakes have been made. And that's why I love this. We are very narrowly focused on that part of the population and its high school only, but specifically if we can stay juniors and seniors, sometimes we get into that sophomore level because it makes most sense for the school. But it's absolute the sweet spot.

*Emily Larsen* - And it's where you get the traction, it's where you have an engaged audience.

*Brenda Campbell* – Absolutely.

Emily Larsen - I did read some stats, and you can tell me if they're valid or not, but that 59% of teens do not have a money management class in their schools, does not that seem representative of what you're experiencing?

*Brenda Campbell* - Well, I think that is the most recent survey that was released by the Department of Financial Institutions. Right after that mandate was signed by the governor, that indicates 71% of school districts now have a self-imposed mandate for financial education. It might mean the personal finance course requirement, but like I said, it might mean something else. So, definitely we're getting there. If you look nationwide, we have huge gaps. There are many states, and off the top of my head I'm not remembering the number, but there are more states without a personal finance course requirement or a financial education requirement than there are with.

*Emily Larsen* - SecureFutures main program is Money Sense, which pairs financial advisor volunteers with groups of students to teach lessons on managing budgets, how bank accounts work, how credit works, and more. But their newest program, called Money Coach, pairs students one-on-one with a financial coach or mentor.

*Brenda Campbell* - We now are in our fifth year of the Money Coach program and like I said, the outcomes are phenomenal. We're looking at really three requirements to get into the program.

1. Socioeconomic need.
2. They have to want to be in the program. We don't want anyone forced.
3. They have to have the availability to make the sessions.

The way that it works is we have hand selected some incredible volunteers who serve as coaches. And typically a site is 12 students with three coaches. One of those coaches we call the group coach, and that coach is responsible for making sure that all 12 of those students understand the concepts that we teach in Money Sense. So, if it means giving them a second dose, or if they somehow missed it, we make sure that they get that education first. And then there's two one-on-one coaches. And this is where the magic happens. There is this powerful, magical experience that happens when there's an adult volunteer willing to work one-on-one with a teen. And they are, basically they're guiding them, they're helping them make decisions about putting a budget together and we're very focused on budgeting. So, if you look at sort of what are the three things we're looking for in this program if I had to sum it up, and obviously there's a lot more to it, but one, we want them banked. Because so many of our kids in this program, they're coming in with no experience with banking. Parents are unbanked. And it's such a foreign thing to them, and I don't think that the general public really understands how intimidating it is for kids that have no experience with that to walk into a bank and open an account. It sounds so simple and so easy and you probably had one when you were a baby. But if you've never set foot inside a bank and you have this idea that banks are for rich people and I'm not wanted there.

*Emily Larsen* - And I can't see my money, right? That's a whole other mental leap.

*Brenda Campbell* - Absolutely, absolutely. So that's number one. And I really believe that that's getting them in the game. And we don't want them to just have an account, we want them to know how to responsibly manage that account, because you know, you can get in trouble if you don't know what you're doing. That's the first piece. The second piece is they have to know where their money is going. They have to be able to track their expenses. And you'll hear Money Coach kids talk about things like needs versus wants. And a lot of teens will tell you that they spend a ton of their money on junk food. And it's fast food, it's the vending machines, and that stuff is marked up so much. And when they start to see that and start tracking and they say, oh, my goodness, I spend 60% of my money on food I didn't need. That is so -- it's like a light bulb going on for them. And then the last thing is they have to have a plan. And what is a plan but a budget. So, we really drive home that. We want them to understand how to do that. And the beautiful thing about this is the program is over months, so it's not just in and out. Those teens have an opportunity to develop habits. And think about how powerful that is. Because we're not just looking for them to change their behavior while they're in this program. We want to give them the development of habits that will stay with them for a lifetime and this is, I really believe, we're seeing life changing impact with this program. And when you hear Money Coach kids talk about this experience, it's powerful. One, to have this trusted, caring adult willing to spend time with them. And think about this, too. One of the pieces of this program is we built in a scholarship and it's not a traditional college scholarship, it's what we call a college/career scholarship and really it's \$350 per student and the whole idea is to get money in their hands while they have this trusted caring adult watching over their shoulder and holding them accountable for their decisions.

*Emily Larsen* - You literally almost read my notes. It's this adult that has the personal interest, they're able to keep someone accountable and they're able, because they're working with so few students, to be nimble to adjust to exactly what that student needs at the exact time they need it.

*Brenda Campbell* - Exactly. And to have -- think about the conversations that I see in that program. It's like, okay, let's look at the last two weeks, what did you spend your money on? And actually looking at their online bank account. "Look here, I see that you took Uber to go to Culvers. Let's talk about that."

*Emily Larsen* - Frankly, how many adults do that, right?

*Brenda Campbell* - Yeah, so it's really getting them to think about every decision. And there is something so powerful when you connect decisions you make today to the future. And what is financial planning and what are advisors doing? That's what they're doing, so it's like giving them a little bit of taste of financial planning in their teen years.

*Emily Larsen* - Working with them over time, too, I remember, I spoke to my husband this morning who worked in the Financial Literacy space for some time and I said what was the key learning that you had. He's like it's not just a seminar, it's not a one and done, someone goes and gives a presentation and everyone has learned. It is the stick-to-itiveness of the student as well as the organization to carry that person through in order for them to really adapt like you're saying, the new habits and the different mind frame.

*Brenda Campbell* - And I was just looking at my notes here, because I wrote down the law of formative effect, and what that is, it's all about building habits. So, how we become accustomed to acting in the present, how that relates to how we're going to act in the future. It's like there's again, this sweet spot with teens, because they're developing this and we're giving them this

habit, helping them develop this habit at such a critical time. And think about it, there's something also powerful about not making those mistakes, because think about the cost of something like credit card debt, or even something as basic as overdrawing on your bank account. I have this great story. When my daughter went off to college, she had been responsibly managing a checking account for a few years while she was in high school with me looking over her shoulder and then she goes off to college, and BAM, within a couple of weeks, she had five purchases, all under \$5 each, a piece of pizza, a bottle of shampoo, a binder, and she didn't have the money in her checking account. So, the bank sends her this notice and it was \$39 per overdraft and she calls crying. "Mom, what do I do?" And I was like, "okay, look. It's your first time, so first call the bank and ask them what they're going to waive for you," and they will, and they ended up waiving three of the five, so that was good. And then secondly, "transfer the money from your savings account to your checking account now." And so while this is happening, I'm thinking about some of the kids that we serve in this program. If you don't have that savings account to transfer the money to, you know what happens is now they start charging interest on what you owe, and then you end up in the check system where no bank wants to work with you and you're forced to use check cashing stores and maybe pay day loan stores. And when you get stuck in that cycle, it's nearly impossible to get out. It is years and years of that. Same thing with credit card debt; you can get in so far over your head that it takes you years and years to work your way out and all of that interest that you're paying is money that you're not saving and investing. All the seeds that we're planting with teens; because that's what it's all about, to get them to think big picture and long-term.

*Ben Jones* - I'm sure you caught it, but this program is powered by a dedicated army of financial professionals, who volunteer their time and energy to coach a small group of teens through their financial decision making and help them build their self-efficacy around money. This concept gets back to what Brenda said at the top of the show; it's not about how much money you make, but what you do with that money. Financial literacy is something that all advisors are invested in in the long run. The more that everyone is able to responsibly handle their finances, the more money they're able to save, invest, and engage financial advisors for their services.

*Emily Larsen* - Brenda and I discussed how organizations like theirs create a ripple effect in the larger community.

*Brenda Campbell* - A lot of the Money Coach kids talk about taking it home and sharing it with others. We have an alumni from the program, her name is Taleavia, and she completed our program at one of the community based organizations here a year and a half ago. She went on to school, she went on to college at Howard University and then ended up, because of some challenges, coming back to Milwaukee and she's now at MATC. And she recently came to a board meeting to share her experience with the SecureFutures board. And one of the things she said was that when she went home and told her mom that she had to open up a bank account to be in this program, her mom said, well, I don't have one, I don't know what to do. They ended up going down together, and her mom opened an account too, and later on her dad opened an account. And she said her dad was that guy that saved money in a shoe box in the closet. Somebody needed something and he would go to the closet and come out with some cash and here you go. And she's like it had never even occurred to them to have a bank account. And she's the youngest or the second to youngest of six siblings, and now she's working on her siblings. So it's like this is ripple down, ripple up, ripple all over the place. It is about community. It's not just changing the life for one student, it's that student's future family, it's that student's current family and ultimately the community.

*Emily Larsen* - I think it's amazing that there's the ripple, intergenerational ripple, which is very excited. One of the questions that my co-host had for you was, are there are programs that are specific to adults? If there is kind of this gap in understanding that maybe a financial advisor could leverage or could utilize the curriculum to help bring clients along in terms of their learning curve.

*Brenda Campbell* - Yeah, there's a lot of programs out there. Locally, there are a couple that are go-to for me. When somebody comes to me and says I really need this for this group of adults. What I worry about with our programming is adults, if they've gotten into trouble, they often need credit repair. We don't have to touch credit repair because we're helping teens avoid it. But there are programs like Greenpath which is a nationwide program, it's kind of a sliding scale fee-based program. There's Consumer Credit Counseling if someone is in trouble. Then there are various different financial institutions that have people ready to go out in the community and teach on various topics, I mean, they're all over the place.

*Emily Larsen* - What can a financial advisor do knowing more about financial literacy?

*Brenda Campbell* - I mean to begin with, just why I think people get involved, is because they see the impact that financial literacy and financial capability has on an individual, but also on a family and ultimately on a community. So if you want a stronger community, it only makes sense that you support financial literacy. And advisors, I mean, this is right where they live, every day and I know that every one of them could share a story about a family that comes in and they have a goal, and they see pretty quickly that their goal is unrealistic. Because they haven't built a good credit score, or because they haven't been saving enough or multiple reasons. I think at the end of the day it's about a stronger community for all of us.

*Emily Larsen* - Let's talk about your annual investment conference. Let's make sure we highlight that. Tell us a little bit more about the format, who's attending, who benefits from it.

*Brenda Campbell* - I have to say we are so incredibly grateful for BMO. Because BMO has been our premier sponsor now, this is our 10th anniversary event and they've been involved since the beginning. Their investment is now \$0.25M and that investment means more than 5,000 teens served so to me that's incredible. But our investment conference will be May 17, 2018. We do that at the Hyatt here in Milwaukee. Our keynote is David Herro from Harris Associates. It's a real coup for us to get him so he doesn't do a lot of public speaking, so we're super excited about that. And he has ties to the community, he graduated from UWM. So that's exciting. We also have a BMO speaker on our emerging manager panel, that's Scott Kimball from BMO Global Asset Management. Really what this is, it's our signature event. It's our one and only fundraising event. We're so proud of the fact that this event ties to our financial literacy mission. It's not a golf outing or a gala, it's an investment conference. It's promoted to individual investors, and investment professionals and it's an afternoon full of incredible investment perspective and even some stock tips.

*Ben Jones* - If you want to look into organizations that provide these services in your area or if you live in Illinois or Wisconsin and would like to check out the SecureFutures investment conference, we'll link to these resources and more on our show notes page at [bmogam.com/betterconversations](http://bmogam.com/betterconversations).

*Brenda Campbell* - Get involved. So there's something so powerful in being involved in your community. If financial literacy, financial education is something you care about, then we might be a good fit. But if this isn't it, think about what you do care about and get involved in some

way. I think that for the financial sector this is a good fit and it's kind of right in the wheelhouse for people. But volunteers that have gotten involved will say they feel like they took more from this experience than they gave. Because it is so rewarding to see that impact and to hear students talk about what they're going to do with what they learned.

*Emily Larsen* - Thanks to Brenda Campbell for her time on this episode. We hope you were inspired to go out there and make a difference in your own community. While we're on the topic of making a difference, we're dedicating this episode to a mentor of Ben's, Marlon Andrus. Ben tells the story of the importance of Marlon in his life. This is a narrated story based on an article featured in *Financial Planning Magazine*.

*Ben Jones* - All I had ever wanted to be from the time that I was a kid was a pro snowboarder and of course a professional ski bum, a term that I use affectionately. So after a serious knee injury and some coaxing from my parents, I enrolled in school to find a new path. As a young child I would count my penny bank, play budget meeting and roll my coins up in paper wrappers. So when I saw the elective course called Personal Finance, I couldn't resist and I enrolled. I walked into class on my first day to see a tall, slender man with odd, crimped hair standing at the front of the room, he began to speak.

*Marlon Andrus* - My name is Marlon Andrus. This course is called Personal Finance. I was a bank officer for over 15 years. I've been a college professor now for just over 7 years. I have personally invested, given financial counseling, etc., for over 20 years. And this course, I think, will be tremendously interesting and have tremendous benefit to you. During our lifetime most of us are going to work probably at least 40 years. Let's assume we begin work about age 25, hopefully we'll retire at about age 65, so that gives us 40 working years. During that time, we're going to earn an awful lot of money. 40 years times \$25,000 is \$1M. 40 times \$50,000 is \$2M. Now, here's an interesting point, if we add just 5% inflation factor to those numbers, in 20 years all of those amounts will double. So many of you here, during your lifetime, are going to earn and handle, \$3M, \$4M, \$5M. How we handle that amount of money is going to tremendously impact our life. How we manage it, how we spend it, how we borrow it, how we invest it. It's going to affect our happiness. It's going to affect our home life. It's going to affect our children. It's going to affect our marriage. It's going to affect our ulcer and our blood pressure, trust me, all of those things. Money is very, very close to our hearts. This class has the potential to change your life. It's a class that is extremely usable. Information in here you can take and put directly into your lives right now. The goal of this class is to help you reach what I like to call a financial comfort zone. Where you reach a level in your finances that you don't have to worry where the next rent payment or house payment is coming from. You don't have to worry about your college tuition. You don't have to worry about buying food for the next two weeks. You have those funds available, in fact you have extra. If you want to take a trip. If you want to buy something. If you do want to do something nice for someone else, you can do that. That would be a nice level to reach. Some of you will reach that, hopefully all of you will reach that. That's going to be the goal.

*Ben Jones* - Marlon was a masterful finance teacher. Knowing for sharing real life stories that showcased the pragmatic application of financial concepts. In fact he would literally tell his class on the first day.

*Marlon Andrus* - This class is going to be very, very hands-on, down-to-earth, here's how to do it, practical. I'm not going to spoon feed you the text. You can read the text, it's an excellent text. What you're going to do is you're going to get double your money's worth. The text is going to give you the theory and the basic principles. I'm going to turn those theories and basic

principles into real life, here's how to do it, down-to-earth, practical methods. And out of that, you're going to get double value.

*Ben Jones* - Professionally, Marlon was a banker and an investor. But by the time I met Marlon in the late 90s, he was in his second career as a teacher and someone who would ultimately have a profound impact on the trajectory of my life. On the morning of January 10th, this year, I was sitting down to write in my journal when I received an e-mail informing me that Marlon Andrus had passed away in his home at the age of 79. As I digested the news about Marlon's passing, I sat quietly thinking about how different my life would've been had I not met Marlon as a young, impressionable kid. Had he not taken a genuine interest in me in and out of class, I might never have pursued financial services as a career, learned about the Rule of 72 or attained my securities licenses before I even graduated from college. Since Marlon's passing, I have found myself thinking a lot about my opportunities to mentor. Am I providing guidance to as many people as I can? Maybe put another way, for all of the knowledge and experience I benefited from early in my career, am I paying that forward. As I reflect on my time spent with Marlon and other impactful mentors in my life, I recognize some commonalities that have been shared among them.

1. They take a genuine interest. Their interest is both personally and professionally, and it's genuine.
2. They act as a coach, not an expert. I found it easier to learn from my mentors because they played the role of coach or teacher, not that of an all-knowing expert.
3. They share success. Good mentors view their mentees success as their own success.

Over the course of recording this podcast, nearly every guest has shared a story with me about a mentor that got them into this profession. With April being financial literacy month, I encourage you to join me in pondering our contributions to those who come after us. How many people have you taken a genuine interest in? Are you sharing your wisdom as a coach or a teacher? How are you positively impacting the success of others? For me, and I'm sure many of you, the answer to these questions is, I wish I was doing more. I would encourage you to pass along your knowledge and experiences to the next wave of financial professionals among others. So that when our time comes to leave the industry, they're well prepared to carry forward that proverbial torch because after all their success will be our greatest success. What I realize now more than ever is that, while Marlon was one of a handful of mentors who have really shaped my path in life, I was one of hundreds of people that he mentored in his.

*Marlon Andrus* - This class has the potential to change your life.

*Ben Jones* - You will be missed, Marlon, trust me.

*Emily Larsen* - We're also interested in hearing from you about your mentors. What were their attributes, what made them stand out? Let us know your experiences with or as a mentor. E-mail your story to [betterconversations@bmo.com](mailto:betterconversations@bmo.com). We'd like to sincerely thank Rose Jansen and Brian Midgley for their help rounding up the audio archives of Marlon. They, like Ben, benefited from having Marlon as a mentor.

*Ben Jones* - Thanks for listening to Better conversations. Better outcomes. This podcast is presented by BMO Global Asset Management. To learn more about what BMO can do for you, visit us at [www.bmogam.com/betterconversations](http://www.bmogam.com/betterconversations).

*Emily Larsen* - We value listener feedback and would love to hear what you thought about today's episode, or if you're willing to share your own experiences or insights related to today's topic, please e-mail us at [betterconversations@bmo.com](mailto:betterconversations@bmo.com). And of course, the greatest compliment of all is if you tell your friends and co-workers to subscribe to the show. You can subscribe to our show on iTunes, Google Play, the Stitcher app, or your favorite podcast platform. Until next time, I'm Emily Larson.

*Ben Jones* - And I'm Ben Jones. From all of us at BMO Global Asset Management, hoping you have a productive and wonderful week.

*Emily Larsen* - This show and resources are supported by a talented team of dedicated professionals at BMO, including Pat Bordak, Gayle Gipson, Matt Perry, and Derek Devereaux. This show is edited and produced by Jonah Geil-Neufeld and Annie Fassler of Puddle Creative.

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