

IDEAS
IN
INDIANA

Strategies for Promoting Financial Literacy

June 24, 2009



Sagamore Institute
FOR POLICY RESEARCH

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FOR POLICY RESEARCH

Ideas in Indiana injects innovative approaches to help solve the leading challenges of our day. Based on Sagamore's

belief that public policy belongs to all the public, not just government officials, these forums place citizens at the center of the conversation with a bias for action rather than debate. Sagamore's fellows supply first-rate objective research to stimulate strategic, action-oriented partnerships among creative individuals and institutions, many of whom would be unlikely to talk to one another without the occasion of an **Ideas in Indiana** session. **Ideas in Indiana** discussions are often timed in tandem with best practices being tested on the ground or academic conferences and other collaborative activity. This fosters an on-going conversation among a range of multi-sector leaders and provides participants an opportunity to start working together to design and implement concrete programs. Effective May 2009, Sagamore Institute will unveil a totally revamped website that will host an **Ideas in Indiana** online forum to deliver resources that prepare participants to benefit fully from the session, to learn more about the issues after the discussion, and to connect with groups in the community and beyond that are working for change.

INDIANA INVESTMENT WATCH

In an effort to combat the lack of investment knowledge in Indiana, Secretary of State Todd Rokita created Indiana Investment Watch to increase financial literacy in Hoosiers and to educate them about the various types of securities fraud. The program is not funded by taxpayers, but rather by the money collected from settlements in securities fraud cases. Indiana Investment Watch has educational materials covering the various types of fraud, as well as general financial literacy tools such as a "Money Skills for Newlywed Couples" guide and Financial Football, a computer game distributed in partnership with Visa and the NFL. Workshops and outreach events held throughout the state provide more in-depth information on detecting and avoiding investment scams.



**NETWORKS FINANCIAL
INSTITUTE**

At Indiana State University

Networks Financial Institute is a non-profit organization launched in 2003 as an outreach of Indiana State University, and made possible through a grant from Lilly Endowment Inc.

NFI's targeted initiatives include developing future financial services industry leaders, improving financial literacy of current and future consumers, and improving financial services industry decision making innovation and progress. NFI's *Kids Count* and *My Family Counts* programs focus on increasing financial literacy of both children and their parents, and research topics include home foreclosures, corporate responsibility, interest rates and payday lending. NFI is headquartered in Indianapolis, IN, with additional offices in Washington, D.C. and on the campus of Indiana State University in Terre Haute, IN.

INTRODUCTION

IDEAS IN INDIANA

Today's economic crisis results from several mutually reinforcing factors. Individuals and businesses miscalculated the consequences of debts they took on. These miscalculations were caused by failures to understand aspects of markets that are both simple and mind-numbingly complex. State and national regulations that might have protected the financial system from those who are irresponsible or predatory turned out to be inadequate. Underpinning all this, some believe, were troubling shifts in Americans' cultural and moral views about the relation between debt and social well-being.

One of the country's leading experts on consumer finance, Christopher Peterson, will explain how these factors have led to personal and national disaster, and explore possible solutions. In his talk "**Usury Laws, Payday Loans, and Statutory Sleight of Hand: Rediscovering a Common Language of Debt**," Prof. Peterson will argue that throughout the country's history, the American people and their leaders have vigorously condemned the danger and immorality of usurious lending to vulnerable families. In his study of state usury laws, Professor Christopher Peterson demonstrates that in the past fifteen years many jurisdictions have lost sight of their moral heritage on usury. The study surveys the price limit on typical "payday" loans: in 1965, all fifty states had a usury limit with the national median interest rate cap of 36%; but in 2007, the national median limit had risen to an astonishing 391%, with several states having no limit whatsoever. Moreover, all of the usury limits allowing interest rates of over 300% are written with misleading accounting and terminology favored by special interests. Fortunately, he argues, a growing number of state legislatures and the U.S. Congress (in loans to military personnel) are returning to historical American values by reestablishing traditional usury limits.

Discussing the local implications of Prof. Peterson's research on payday lending and financial literacy will be a group of Central Indiana researchers, religious leaders, community activists, regulators from state agencies, and officials from banks and credit unions. Join an important discussion of how these problems are battering our neighborhoods, and what we can do to protect and educate vulnerable groups.

AGENDA

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Strategies for Promoting Financial Literacy

June 24, 2009

8:30 A.M. TO 11 A.M.

- 8:30** **Registration and Networking**
- 9:00** **Welcome**
Jay F. Hein, President, Sagamore Institute
- 9:10** **The Importance of Financial Fitness for Indianapolis Families**
Winnie Ballard, First Lady of Indianapolis
- 9:15** **Introduction to Christopher Peterson**
Jay F. Hein
- 9:20** **“Usury Laws, Payday Loans, and Statutory Sleight of Hand:
Rediscovering a Common Language of Debt”**
Prof. Christopher Peterson, S.J. Quinney College of Law,
University of Utah
- 9:50** **Discussion of Local Efforts to Increase Financial Literacy and
Prevent Financial Abuse**
- 10:15** **A New Approach — “Bank on Indianapolis”**
Winnie Ballard
- 10:20** **Discussion of “Bank on Indianapolis” and Other Ideas for
Promoting Financial Stability in Indianapolis**
- 11:00** **Adjourn**

Payday loans: What is to be done?

What are payday loans?

Payday loans, also called cash advances, are short term loans that borrowers use to pay expenses until their next paycheck. In recent years payday lending has become a widespread phenomenon throughout the United States, prompting many states to create legislation to regulate small loans. Americans for Fairness in Lending estimates that payday loans cost borrowers \$4.2 billion in financing charges and fees annually, and its tally of 23,600 payday lending locations means there are more payday lending branches than McDonald's in the US.

Loans are usually acquired in retail settings, though online loans are growing in popularity. Many lenders require that borrowers provide proof of income. The usual loan term is two weeks, and a typical principle is \$300, and the maximum financing charge permitted by Indiana law for a \$300 loan is \$44, which equates to a 381% annual percentage rate (APR).

$$\text{APR} = (\text{Financing Costs} / \text{Principle}) \times (\text{Number of loan terms in one year})$$

$$\text{APR} = (\$44 / \$300) \times (26) = 381\%$$

When the loan is made, the borrower leaves with the lender a postdated check for the full amount of the principle and financing charges. The lender holds the check until the borrower's next payday, at which time the lender processes the check. Before the lender processes, in some states the check the borrower may have the option to renew or rollover the loan. Borrowers can quickly become immersed in debt if their checking account balance is not high enough to cover the amount of the postdated check. If the check bounces they will face fees from their bank as well as additional charges from the lender, and possibly a higher interest rate.

Indiana is among the 35 states where payday lending is legal and regulated. The Indiana Department of Financial Institutions, which monitors payday lenders, reports that as of June 2009, there are 46 licensed payday lend-

ers in Indiana, three of which are online lenders without a physical presence in the state. The remaining 43 lenders have a combined 422 branches. In combination with online lenders, from June 2008 to May 2009 they issued almost 1.6 million payday loans with an average principle of \$315.

Indiana's laws regulating lending are among the strictest in the country. The maximum financing charge permitted by Indiana law for a \$315 payday loan is \$45.95, which amounts to a 379% APR. In 2002 and 2004 Indiana passed significant legislation to regulate small loans. Small loans are defined as loans of \$50 to \$550 with a minimum term of two weeks, and Indiana law caps all outstanding loans at 20% of the borrower's monthly income. On the first \$250 of principle the maximum finance charge allowed is 15%, and for any addition principle from \$250 to \$400 the finance charge is limited to 13%, and for \$400 to \$550 the maximum finance charge is 10%. This limits the APR to a maximum of 340% on a \$550 loan. Lenders are allowed to charge one Non-Sufficient Funds fee per loan of up to \$25. Borrowers cannot have more than two pay day loans outstanding at one time, and lenders can have only one outstanding loan with any borrower. Perhaps the most important stipulation limits borrower's dependency on payday loans; borrowers are not allowed to renew their loans and cannot be issued a new loan until one week has passed since the maturity of a previous loan. After three consecutive loans a lender is obligated to offer an extended payment plan to the borrower without charging additional fees.

Are payday loans a problem?

Payday loans are controversial because of the extremely high APRs that lenders charge. Many borrowers become trapped in a brutal cycle of borrowing and credit dependence. Critics argue that payday loans have the effect of reducing the assets of the poor because the most avid users of payday loans are low income earners. In many cases these borrowers may not understand the terms of loans and all penalties associated with delinquency. Critics also point to unethical practices by lenders, such as threatening delinquent borrowers with criminal prosecution. Consumer protection organizations such as the Center for Responsible Lending argue that payday lending ensnares low-income borrowers in a cycle of debt by lending more than they can afford to borrow. According to Jane Bryant Quinn of *Newsweek* borrowers are lured by the availability of easy credit, but can quickly become immersed in debt, "The attraction: quick loans in small amounts, with no traditional credit check. The trap: high costs and a good chance of spiraling into monstrous debt."

By contrast, proponents feel that payday lenders offer valuable services

to low income groups that may find it impossible to borrow from banks because of past transgressions. They argue that high APRs simply reflect the cost of doing business in a high-risk industry. “Payday Holiday: How Households Fare after Payday Credit Bans,” a frequently cited staff report from the Federal Reserve Bank of New York, argues that payday loans are not “predatory” because in some cases they can increase household welfare. The study found that banning payday loans in Georgia reduced consumer welfare: “Relative to other states, households in Georgia bounced more checks after the ban, complained more about lenders and debt collectors, and were more likely to file for bankruptcy under Chapter 7.” Tim Miller of the Center for Consumer Freedom, a controversial organization in favor of consumer responsibility, argues that “laws against payday lending do serious economic harm to the people likeliest to use such a service.”

An opposite perspective says that these loans became a problem because the government failed to regulate the market adequately, or even at all. Some point at the decline of laws prohibiting usury, others at broader changes in the banking and credit system itself. Christopher Peterson’s “Usury Law, Payday Loans, and Statutory Sleight of Hand” examines the decline in usury laws by comparing maximum legal APRs in each state in 1965 and 2007. He finds that “since 1965 usury law has become much more lax, more polarized, and more misleading.” Robert H. Frank, an economist at Cornell University, argues that the problem has arisen because of deregulation of the financial services industry, “Liberalizing credit access may have made many mutually beneficial transactions possible, but its adverse consequences were completely predictable.”

Some critics say the problem is that this sort of lending preys on those who lack the capacity to make mature, rational decisions. Children are not able to take out these loans. Reflecting a similar view, the Military Lending Act of 2007 limited APRs that could be charged to servicemen and their families. Congress passed the Military Lending Act after a Defense Department report highlighted the predatory practices of payday lenders and the lack of financial literacy among soldiers. Predatory lenders “take advantage of borrower’s inability to pay the loan in full when due and encourage extensions through refinancing and loan flipping,” and soldiers are sought out because they are “young and financially inexperienced borrowers who have bank accounts and steady jobs.”

A variation of the criticism of predatory lenders contends that payday lending takes advantage of groups and individuals who lack the education or experience to make rational financial decisions. This is a subtle distinction based on an important assumption: it assumes that through education and

experience people can develop the capacity to make rational decisions. Advocates of this view are supporters of financial literacy education, for children and adults.

What should be done about payday loans?

Many states are debating whether to limit the interest rates that can be charged on loans, effectively making the practice too unprofitable for lenders to carry it out legally. In Ohio, legislation introduced by the state government cut the number of payday offices by more than a third. In Wisconsin, the Payday Lending Consumer Protection Act is intended to provide similar protection for consumers by capping loans at 36% APR. However, not all states are limiting payday lending. South Carolina Governor Mark Sanford vetoed a bill which would limit payday loans by establishing maximum legal loan amount of \$550 and ban renewing of loans.

National legislation being considered by Congress includes the Payday Loan Reform Act (HR 1214) which is intended to “establish additional payday loan disclosure requirements and other protections for consumers, and for other purposes.” Proposed by Representative Luis Gutiérrez of Illinois, the Payday Loan Reform Act would amend the Truth in Lending Act to impose disclosure requirements and set the maximum APR for a two week period at 390% APR. The Center for Responsible Lending opposes the bill, “We continue to oppose the provisions of HR 1214 because they do not address the fundamental problems with payday lending that trap borrowers in debt: the high cost of the short-term credit and the requirement that the borrower payback the loan with a single paycheck.”

Those who don’t believe that payday loans are a problem argue that most legislative and regulatory reforms will only make matters worse by restricting choices available to poor people. According to Robert DeYoung, a University of Kansas finance professor, payday lending is not a problem because the loans are more transparent than other forms of borrowing. He also argues that the proposed Payday Loan Reform Act will hurt rather than help the poor, “In reality, the legislation will reduce the supply of these loans and make borrowing more expensive.”

Not all reforms focus on capping interest rates or banning payday lending. Advocates of better financial literacy education want to help potential borrowers recognize the costs and implications of payday lending. The influential sub-discipline of behavioral finance suggests forms of “nudging” that protect individuals’ range of choices, while sheltering these individuals from decisions damaging over the long term by making loans and other transactions more transparent. In a study done by The Center of Community Capital, they found that “simplifications are an important part of the appeal of payday loans.”

To prevent the abuses of payday lending, some credit unions have begun offering small loans as a service to members, and not as a profit generating tool. The State Employees Credit Union has successfully become an alternative to aggressive payday lenders for North Carolina state employees. The program, which also features a savings component, has issued 100,000 loans, and saved borrowers \$145 million when compared to payday loans.

An alternative to payday lending is micro-lending. In April of 2008 Grameen Bank has opened its first United States branch in New York City. Grameen Bank founder Muhammad Yunus won a Nobel Prize in 2006 for the groundbreaking work of his organization, which loans small amounts of money for entrepreneurial uses, and relies on social systems to ensure that loans are repaid. Currently the New York branch has 660 borrowers with an average loan of \$2200. Kiva.org, a "person-to-person" micro-lending website -- has launched a pilot expansion in the United States, allowing individuals anywhere to make small loans to U.S. entrepreneurs.

Predatory Lending and Mortgages

Compared to other factors producing the current economic crisis, payday lending is not too important. Predatory finance manifests itself most prominently in the mortgage industry. David Musto, a Wharton finance professor, has examined the theoretical rewards for predatory lending in the mortgage industry, a practice he believes lowers the welfare of homebuyers. According to James Carr and Lopa Kolluri of Fannie Mae, predatory lending involves any one of three practices, "marketing to households on the basis of their race, ethnicity, age or gender or other personal characteristics unrelated to creditworthiness; unreasonable and unjustifiable loan terms; and outright fraudulent behavior that maximizes the destructive financial impact on consumers of inappropriate marketing strategies and loan provisions." During the build up to the mortgage crisis these practices were commonplace. A study conducted by the Center for Responsible Lending found that in California minorities in similar financial circumstances as their white counterparts received less favorable mortgages, "CRL found that African-Americans and Latinos are commonly almost a third more likely to get a high-priced loan than white borrowers with the same credit scores." Mortgages leading up to the financial crisis were unreasonable, products like adjustable rate mortgages with low teaser rates and negative amortization mortgages left borrowers unable to pay their mortgages. Among the most sinister of practices is charging high administrative costs in order to ensure that a loan is subprime, which allows the lender to charge a higher rate.

However, not all subprime mortgages are the result of predatory lending. According to Carr and Kolluri of Fannie Mae there is an important distinction between subprime lending and predatory lending that is often ignored. Subprime mortgages justifiably carry higher interest rates than prime mort-

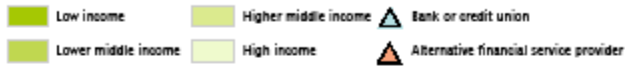
gages because of higher default risk, but “predatory loan terms are structured to extract the greatest possible return to the lender.” As for the third aspect of predatory lending, fraudulent behavior, in some of the most inflated housing markets leading up to the mortgage crisis fraud was widespread. In Kansas City, Jacksonville, and Broomfield, Colorado checks were handed out in exchange for personal information that could be used to obtain and sell fraudulent mortgages. In of the most extreme examples of impropriety, a New York security guard with two children earning \$10 per hour was able to obtain a \$470,000 home loan.

Jaskaran Heir, Sagamore Institute and the Wharton School
David Pulliam, Sagamore Institute and Taylor University

City Profile: Indianapolis

Basic Financial Services Infrastructure (estimates)

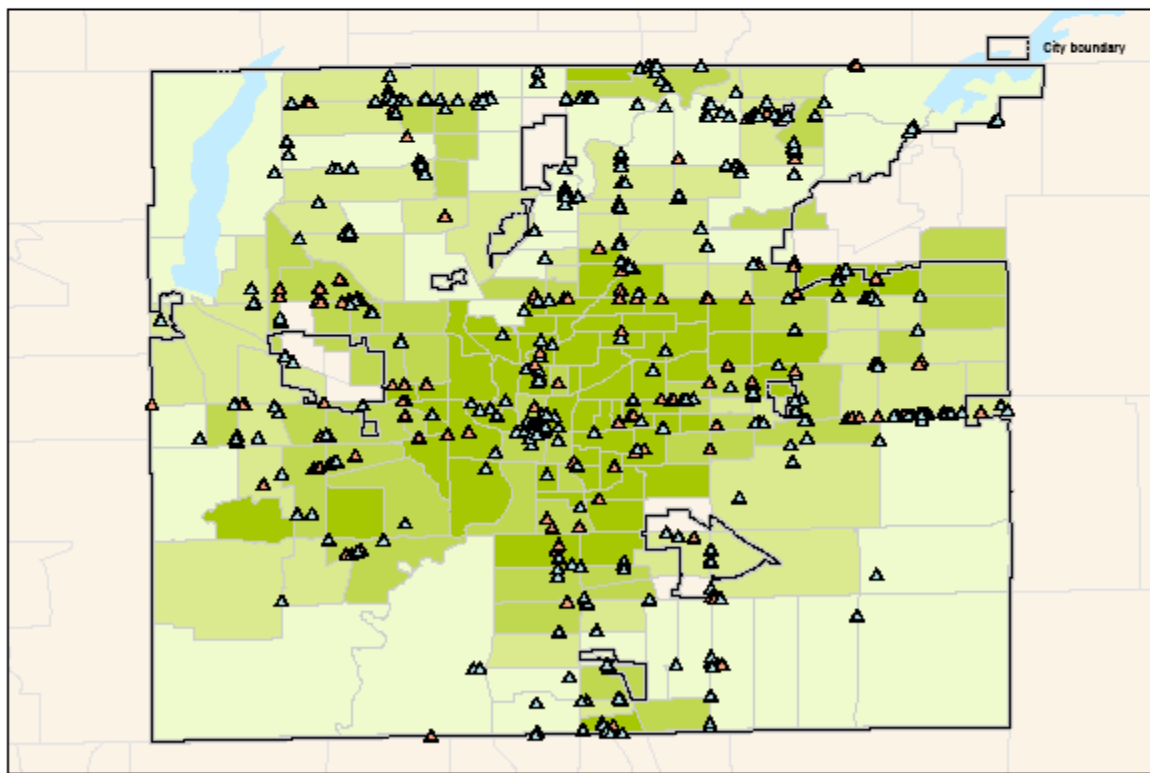
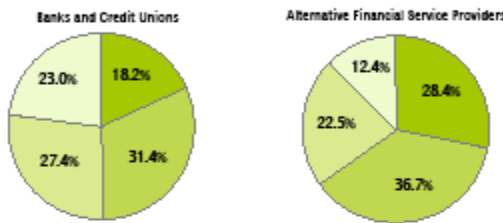
Number of non-bank check cashers	162	Number of payday lenders	130
Total value of checks cashed	\$373,573,158	Total value of payday loans	\$227,133,747
Total fees on checks cashed	\$9,339,329	Total fees on payday loans	\$36,909,234
Number of pawnshops	29	Number of banks and credit unions	318
Total value of pawn loans [§]	\$6,972,495	Major banks, by number of branches	Chase, National City, Charter One, Sky, Fifth Third



Proportion of Neighborhoods Containing a Financial Services Branch, by Neighborhood Income



Distribution of Financial Services Branches, by Neighborhood Income



Brookings analysis of data from the Indiana Department of Financial Institutions, the Federal Deposit Insurance Corporation, infoUSA, and the U.S. Census Bureau. The estimates in these analyses were generated using the best available data, but should be treated as estimates nonetheless. [§]Because we lack reliable data on pawn loan fees, they are not included here. Alternative financial service providers include any non-bank institutions that offer check cashing, payday loans, and/or pawn loans. Neighborhood income represented by census tract. Income groups were determined using national neighborhood income quartiles where median neighborhood income is greater than \$0 (low income is \$37,146 or less; lower middle income is between \$37,147 and \$48,258; higher middle income is between \$48,259 and \$64,190; and high income is \$64,191 or greater). Census tracts that are not fully contained within city boundaries are included in this analysis only if more than half of tract population falls inside the city. Financial services data are current as of 2006; neighborhood income data are from 1999 and have been adjusted to 2006 dollars using the Bureau of Labor Statistics' CPI Research Series.

PRESS RELEASE

FOR IMMEDIATE RELEASE

April 14, 2009

INDIANAPOLIS SELECTED TO PARTICIPATE IN *BANK ON CITIES CAMPAIGN* PROMOTING FINANCIAL STABILITY

INDIANAPOLIS – Indianapolis has been selected by the National League of Cities’ (NLC) Institute for Youth, Education, and Families as one of eight cities to participate in the *Bank On Cities Campaign*. Indianapolis was chosen because of a strong commitment to helping residents achieve financial stability. The campaign will provide cities with assistance in helping residents build and protect assets by promoting connections to the financial mainstream at a time when many families are struggling to make ends meet.

“Financial fitness and asset building for Indianapolis families is an absolute necessity,” said Indianapolis First Lady Winnie Ballard, who chairs Indy’s Campaign for Financial Fitness. “Launching a *Bank On Indianapolis* program will be key to building on our existing financial stability platform to accomplish this. *Bank On Indianapolis* will provide needed access to banking products, including savings and checking accounts for the un-banked in Marion County. In the current economic climate, these services are imperative for helping families attain long-term financial stability.”

Modeled after the *Bank On San Francisco* initiative, the *Bank On Cities Campaign* helps create relationships among local governments, citizens, local banks and credit unions, and community partners to ensure that all residents have access to bank accounts, financial education, and other asset-building opportunities. Many families, particularly those with low-incomes, rely on payday lenders, check cashers and other high-cost fringe financial services for their banking needs. The project aims to expand families’ access to free and low-cost bank accounts to help them keep more of their paychecks, build savings, and establish a credit history.

The City of Indianapolis in partnership with the Indianapolis Asset Building Coalition has worked to shape and maximize community resources to help low and moderate income residents of Indianapolis to become more financially fit. Save-Earn-Learn: Indy’s Campaign for Financial Fitness has provided free tax preparation during the 2009 tax season at ten community centers. Free ongoing workshops and one-on-one financial coaching at the five Centers for Working Families along with other financial education sessions are available.

The Bank On campaign will help expand these existing financial fitness initiatives and reach more of the estimated 79,800 un-banked citizens in Marion County.

Throughout the one-year project, Indianapolis will receive intensive technical assistance from NLC through conference calls, web seminars and convenings with other project cities to engage in peer networking and share successful ideas. City representatives, the Indianapolis Asset Building Coalition and other community partners will develop action plans to outline the city’s goals in the *Bank On Cities Campaign*, using advice and resources from NLC staff and national experts.

The *Bank On Cities Campaign* is supported by the Annie E. Casey Foundation and the Ford Foundation. In 2008, the YEF Institute’s *Bank On Cities Campaign* provided technical assistance to ten cities, many of which have already launched successful programs to reach un-banked residents.

The National League of Cities is the nation’s oldest and largest organization devoted to strengthening and promoting cities as centers of opportunity, leadership and governance. NLC is a resource and advocate for 19,000 cities, towns and villages, representing more than 218 million Americans.

www.nlc.org.

UPCOMING EVENTS

IDEAS
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Next Discussion

August — “More than Just Good Sports: Linking Athletics with Civic Development”

A quarter century ago, the city’s government, business, and civic leaders articulated a strategy to make sports a cornerstone of the economic and cultural development of Indianapolis. The strategy’s outcomes have exceeded anyone’s expectations. This session of Ideas in Indiana will be part of a larger Sagamore Institute assessment of the effects of sports on the city’s civil health and well-being. It will explore the future of the city’s strategy in the rapidly changing worlds of amateur and professional athletics, and will ask how to apply the fruitful approaches of public-private-community strategy-formation to other policy areas.

Future Events

September — “Too Small to Fail: Indiana Dropout Prevention Summit”

Sagamore Institute will partner with the American Promise Alliance and dozens of state and local organizations to host an action-oriented conference focusing on Indiana’s frighteningly high dropout rates. Following a model used in a statewide conference on Latino education that Sagamore helped organize in 2008, the Dropout Prevention Summit will facilitate the formation of regional and local teams of administrators, teachers, parents, businesses, civic leaders and others who can design and implement effective strategies and programs. Sagamore Institute will contribute: methodologically sound comparisons of dropout rates over time and across groups and regions; and innovative prevention programs from other states.

October — **“Coming Home: Strategies to Engage Ex-Prisoners in Families, the Economy, and the Community”**

With some 600,000 ex-offenders being released across the country each year, it is urgent to ensure these individuals are assets for communities rather than liabilities or threats. Sagamore Institute has partnered with Work-Force Inc. and other groups on a pilot program addressing the challenges of prisoners’ re-entry to society by providing transitional jobs, training in “life skills,” and a variety of “surround services” that promote responsible parenthood. This session of Ideas in Indiana will report on the pilot program and discuss other approaches to prisoner re-entry.

November — **“Crossing Borders, Overcoming Barriers: New Thinking about Immigration in Indiana”**

In five years, Sagamore has emerged as Indiana’s leading immigration research institution. This symposium will bring together other top researchers and policy-shapers from around the Midwest to exchange ideas about what newcomers mean for education, workforce development, and fostering international trade.

December — **“Indiana Invents a Clean Energy Future”**

“This is the IDEA that we believe will change the world.” This statement was made by Indiana auto executive John Waters as he unveiled his company’s hybrid electric vehicle capable of achieving 100 miles per gallon. The December *Ideas in Indiana* event will explore the road map necessary for such a promising invention to come to market, including the impact such innovation will have on Indiana’s economy. Also featured will be Sagamore’s comprehensive research, commissioned by South Korean Ministry of Knowledge Economy, of global and local implications of the Obama Administration’s clean energy policies.

BIOGRAPHIES

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■ Prof. Christopher Peterson

Christopher Peterson is Professor at the S.J. Quinney College of Law at the University of Utah. Prior to joining the faculty in 2008, Professor Peterson taught for five years at the University of Florida, Fredric G. Levin College of Law. He also served as judicial clerk for the Honorable Wade Brorby on the United States Court of Appeals for the Tenth Circuit and then as a consumer rights attorney for the United States Public Interest Research Group in Washington, D.C. While in Washington, he lobbied Congress and federal regulatory agencies on consumer lending policy. A recognized authority on consumer finance, Professor Peterson has appeared before the U.S. Senate Banking Committee, the Federal Deposit Insurance Corporation, Federal Reserve Board of Governors, and at the White House. He has lectured widely on credit policy, including recent presentations at Harvard Law School, New York University, and international presentations in Berlin, Hyderabad, Lima, London, Warsaw, and Zurich. Professor Peterson is widely published, including a piece discussing subprime home mortgage lending which was recently named the outstanding consumer finance law review article of the year by the American College of Consumer Financial Services Lawyers. In 2007, the National Association of Consumer Agency Administrators named Professor Peterson the nation's outstanding consumer advocate in recognition of his role in promoting an act of Congress limiting the price of loans made to military service members. Professor Peterson teaches contracts, commercial law, and consumer protection.

■ Winnie Ballard

Winnie Ballard became First Lady of Indianapolis in 2007, when her husband Greg Ballard was elected mayor. She was born in Binalonan, on the island of Luzon in the Philippines. After studying chemical engineering at Assumption College in Pampanga, she moved to California, where she met Greg Ballard. During her husband's two decade career in the US Marine Corps, Ms Ballard lived in Japan and Germany, and across the United States. As First Lady, she chairs the Indianapolis Campaign for Financial Fitness, a collaborative effort involving community centers, financial institutions, charitable organizations and government agencies working to provide free tax preparation to Indianapolis residents who qualify for the federal Earned Income Tax Credit (EITC); financial fitness coaching during tax prep, and continued financial fitness education throughout the year.

■ Melanie Woods

Melanie Woods is the Investor Education Coordinator at the Office of the Indiana Secretary of State. She heads the Indiana Investment Watch initiative, which is charged with increasing the financial literacy of Hoosiers and educating them about securities fraud. Woods is also an Adjunct Professor at the University of Indianapolis. She received both her Bachelor's degree in Journalism and Master's degree in Communication from the University of Dayton.

BIOGRAPHIES

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■ Abigail Lawlis Kuzma

Abigail Lawlis Kuzma was appointed Director and Chief Counsel for the Consumer Protection Division by Indiana Attorney General Greg Zoeller in March. Prior to assuming her current role Kuzma served as Executive Director of the Neighborhood Christian Legal Clinic, which she co-founded in 1994. Kuzma also spent five years in Washington D.C as a legislative assistant to Senator Richard Lugar and in various roles for the U.S. Senate Committee of the Judiciary. Kuzma earned a Bachelor of Arts degree with honors in philosophy from the University of Wisconsin and is a graduate of the Indiana University School of Law.

■ Pastor John Ramsey

Pastor John Ramsey is the Senior Pastor of New Life Worship Center located in Indianapolis, Indiana. Under his leadership New Life has grown to over 3,500 members. Prior to opening the doors of New Life, Pastor Ramsey founded and led the Victory Christian Center Church, located in the inner city of Indianapolis. He serves as a Board Member for the National Organization of Disorders of the Corpus Callosum, Chaplain for the IUPUI Jaguars and is a featured national keynote speaker for various leadership and development programs. He has authored two books entitled *Smart Money Management, A Biblical Approach to Financial Stability* and *Armed and Dangerous, Equipping Leaders for Effective Ministry* and co-authored *About My Father's Business*.

■ Jack A. Tatom

Dr. John Tatom, a distinguished economist, joined Networks Financial Institute as Director of Research in 2005. He also serves as associate professor of finance in Indiana State University's College of Business. Before joining Networks Financial Institute, Tatom served as an Executive-in-Residence at DePaul University in Chicago, where he conducted research and taught MBA courses. He also held positions with UBS Investment Bank in both Chicago and Zurich. Tatom also served for nearly 20 years in the research department at the Federal Reserve Bank of St. Louis.

■ Priscilla Wolfe

Priscilla Wolfe is Director of Education for the Networks Financial Institute at Indiana State University, which helps the financial services industry transform itself through better leadership, creative collaboration, and community-based financial literacy initiatives. Dr. Wolfe has earned a BA, MA, and PhD from Indiana State University's College of Education. Before becoming Director of Education at NFI, she was Director of Indiana State University's Leadership Development Institute.



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