

**TESTIMONY BY**

**JOHN BRYANT  
FOUNDER, CHAIRMAN AND CHIEF EXECUTIVE OFFICER  
OPERATION HOPE, INC.**

**TO THE**

**U.S. HOUSE OF REPRESENTATIVES COMMITTEE  
ON FINANCIAL SERVICES , SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND  
CONSUMER CREDIT**

**HEARING ON “SERVING THE UNDERSERVED: INITIATIVES TO BROADEN ACCESS TO  
THE FINANCIAL MAINSTREAM:**

**U.S. CAPITOL HILL, WASHINGTON, DC**

**TUESDAY, JUNE 26, 2003**

Good morning. I am indeed honored to be here before you today. Thank you, *Chairman Bachus*, Subcommittee on Financial Institutions and Consumer Credit, and all the members that comprise the Subcommittee and U.S. House of Representatives Committee on Financial Services, for the kind invitation.

I want to take a moment in particular to acknowledge those Members of your Committee from the Great State of California, namely Congressman Edward R. Royce (R), Congressman Doug Ose (R), Congressman Gary Miller (R), and Congresswoman Barbara Lee (D), Congressman Joe Baca (D), Congressman Brad Sherman (D) and Congresswoman Maxine Waters (D).

## The Silver Rights Movement

How concerned should America be if approximately 80% of its annual economic activity was tied to the U.S. consumer? Very -- because it is true.

How concerned should the President and this Congress be, if some propose that we manage our own Social Security Accounts when a good number of us cannot responsibly manage our own bank accounts? Very -- because it is true.

How concerned should economist and policymakers be, if billion of dollars in yet unrealized taxable income and other tax receipts were effectively being “left on the table,” so to speak, in urban, inner-city, rural and other low wealth communities; because people don’t know better and as a result, find it hard if not impossible to “do better?” Very – because it is true.

How concerned should all of us be that American citizens filed more than 1 million actions for Bankruptcy protection in 2000, and more than 1.5 million actions in 2001, with the largest group of Bankruptcy filers being youth between 18-24 years of age? Very – because it is true.

But not all news is alarming news. I come with good news too, and I call it the Silver Rights Movement.

I have a vision for America, and all of Americans, in all of the under-served regions of America, and it is called the Silver Rights Movement. “From the strong roots of 20<sup>th</sup> century civil rights, grows the foundation and strength of and for 21<sup>st</sup> century silver rights.”

***“If the 20<sup>th</sup> century was marked, both here and abroad, by issues related to race and the color line, then the 21<sup>st</sup> century will be marked by issues of class and poverty.” John Bryant.***

Let me frame the issues, as I see them.

Today's indicators strongly suggest that in spite of the destabilization of the stock market, the lingering recession and what appears to be a mostly jobless (economic) recovery, the rich are getting richer (statistically based), the poor are arguably getting poorer, and it is harder for the average person, simply to remain "middle class."

30 short years ago, middle class meant one parent working, and one parent raising our children at home, as a sort of "domestic engineer." Today middle class most often means two parents working, and the television set and popular culture is raising our children, in our place.

According to a 2001 study by CNN, half of all Americans, be they black, white, red, brown or yellow, are living from paycheck to paycheck. Effectively one paycheck away from poverty.

Against this backdrop we have another phenomena of the 21<sup>st</sup> century. The penta-millionaire. According to USA Today there are 600,000 penta-millionaires in America today (individuals with a net worth of \$5 million or more, not including their primary residence), and according to their data, there will be **four million penta-millionaires by 2004.**

And then you have the poverty;

An estimated 65 million Americans, or 10 million households, have no traditional banking relationship.

According to new Census Bureau data for 2001, 33 million Americans are dirt poor in this, the richest nation in the world. That's more than the combined population of the District of Columbia plus 21 states: Alaska, Arkansas, Delaware, Hawaii, Idaho, Iowa, Kansas, Maine, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Rhode Island, South Dakota, Utah, Vermont, West Virginia and Wyoming.

According to the 2001 Census, child poverty rates were 16.3 percent (one out of six children) in 2001. In contrast, child poverty rates were 14.4 percent in 1953, and a low of 14 percent in 1969.

Median incomes are going down. Median pre-tax household income fell by more than \$900 from \$43,162 in 2000 to \$42,228 in 2001. In fact, income dropped everywhere but the top. The average income of the top 5% of Americans *actually rose* from \$259,445 in 2000 to \$260,464 in 2001; and respectfully, this number is understated because the Census Bureau excludes capital gains income, for example, which goes disproportionately to the wealthy.

According to the United Nations, five billion of the more than six billion individuals inhabiting and sharing our planet live on less than \$1 dollar per day.

And then you have, our children.

According to the JumpStart Coalition, more than one million Americans file for bankruptcy every year, with the largest group being young adults between 18-24 years of age. In my opinion, these are not principally minority youth, but middle-class, white college students. Young people who also were not given any economic literacy education growing up in fairly affluent families; and today they unfortunately believe that credit card limits equate to “free money,” and a check is a form of credit. They are paying for the pizza with a credit card, and are increasingly graduating with a masters’ degree in psychology, and an under-graduate degree in bankruptcy.

In a year 2000 study conducted by the JumpStart Coalition and the National Endowment for Financial Education, students in all fifty states, of all races and socio-economic standards, were asked 30 multiple-choice questions on money management, savings, investment, and credit.

The compiled results confirmed an average failing score of 51.9 percent. Of all students polled, only 6.7 percent achieved a “C” or higher. Based on the results of the test, it was concluded that the majority of America’s young adults are not prepared to make sound financial decisions.

At Operation HOPE we call the economic empowerment work that is directly linked to and with this new era, the “Silver Rights Movement.” The Silver Rights Movement is a movement of empowerment for the wealthless in America. A movement reflective of all people and all races, because without strong, consistent and positive intervention, all the major trend lines suggest a large and growing economic disparity gap; and “any nation is at its greatest risk by those who have no stake in it.” But with positive intervention, consistency and a spirit filled with HOPE, we can realize the rebirth of the American dream of equality for all. An era of economic prosperity in America, and justice, instead of “just-us.”

An economic era where all boats truly rises.

An economic era where selfishness is replaced with enlightened self-interest, and where “doing well and doing good,” truly grows and develops into a business ethic of “doing well by doing good.”

An economic era where people make a choice of the permanent wealth associated with promoting good selfishness (where I benefit and everyone else benefits more), over the temporary and shortsighted gains of bad selfishness (where I benefit and everyone else pays a price for it).

An economic era giving birth to the stakeholder class. Lodged between the working class and the middle class, the stakeholder class doesn’t necessarily make more money, but makes better decisions with the money they make.

An era that links our past gains with our future purpose.

Of course, we all well know of the pioneering and important work of Dr. Martin Luther King's in our nation around issues of civil rights. But what most Americans *don't* seem to know, is that in 1968, the year he was assassinated, Dr. King was focused on something different; something called the "The Poor People's Campaign."

The Poor People's Campaign was about moving poor Blacks, poor Hispanics, poor Asians, poor Indians, and yes, even poor whites, into the economic mainstream in America. It is a fact that there are more poor whites in America today, than poor anyone else. Dr. King realized what smart business leaders today also realize – that this is *an American issue*, and not just a minority issue.

Yes, Dr. King realized by 1968 that you could not legislate goodness in America, nor pass a law to force someone to respect you. That the only way to achieve the first rung of social justice in America, essentially a capitalist and consumer led country, was through economic parity.

Translation: **ownership**. That any society was at its greatest risk by those individuals that had no stake in it.

But the connection between social justice and economic progress for all, was not born by way of Dr. King nor the civil rights movement of the 50's and 60's.

If you reflect back on America's civil war, you can see clearly the parallel and connection even then.

The north of that era was focused on modernizing and diversifying, and seemed, to many, to be "open for business," so to speak, and to new ideas.

The south of that era was, shall we say, very "comfortable with the way things were."

The result: according to a report by the Council on Foreign Affairs in Washington, D.C., America's northern states began attracting a broader and more "diverse" cross section of America's new immigrant population, mostly from less affluent parts of Europe.

Issues of social justice were bound up and inter-connected, with issues of diversity, markets, growth and money, even then.

And so, today I have hope for America.

As we enter the 21<sup>st</sup> century, we see a bold and proud America, which is the lone super power in the world today -- **and the only nation in the world where every race of people is within its borders.**

To find the two leading economic engine-states in the nation today, one must look to New York and California, with California checking in as the 5<sup>th</sup> or 6<sup>th</sup> largest economy in the world today, based on pure economic output. That means that the great state of California is a larger producer than Italy.

California and New York – the two largest economic engines in America, **and the two most diverse states in America.** Accident coincidence.

I would make the case that America is the leading economy in the world today, and that California and New York are the two leading economic engine-states *in* America today, not by accident, but by insight.

Some of us know and act upon what others, both here and abroad, for some reason don't even want to acknowledge; **that diversity is a strength.** One of America's greatest strengths.

Simply put – *“you cannot do business with people you don't respect, reflect, or understand.”* And *“unless you want a larger and larger share, of a smaller and smaller marketplace, we all need to better understand how to do business with folks who are Black, brown and different.”*

It's enlightened self-interest, and *“doing good by doing well”* at its very best.

When I have the opportunity, as I do now, I advise CEOs of growing, leading edge banks, savings institutions, financial service companies and major corporations, *“don’t put Blacks, Latinos, women, and others on your boards, and in key positions within senior management, because it looks good, ...do it because it IS GOOD.”*

Good for business, and good for your bottom-line too.

And for the skeptics, here are a few helpful statistics.

The largest condiment seller in the nation, for generation after generation, as you well know has been ketchup. It’s now Salsa.

And African-Americans are an economic force to be reckoned with as well.

According to a recent university report, African-Americans represent a \$500 billion per year annual consumer spending force, or the 9<sup>th</sup> largest spending force in the free world.

We represent 25% of all movie ticket sales, yet we are only 11% of the U.S. population.

THAT is why the ever so wise Earvin Magic Johnson partnered with Sony Corporation to build a movie theatre in South Central Los Angeles. Investing in that movie theatre, which is now a chain, wasn’t charity – it was simply good business. It was “doing well *by* doing good.” Enlightened self-interest. A way forward, and a viable vision for the future.

That theatre, in South Central Los Angeles, is now one of the top 10<sup>th</sup> best performing theatre in the entire Sony chain.

My message for you here today, is a message of vision, for the Bible says “where there is no vision, the people perish...”

**The communities you have been told about for years, and advised to effectively right off, are the last bastions of lost capitalism here in America, and untapped markets.**

These are not Black communities, or brown communities, but under-served communities, and Operation HOPE has proven through its work that these communities, and the people who live within them, make for a much better partner than protestor.

The people who live in this community are not dumb or stupid, no more than anyone in this room here today. They are uninformed or misinformed, at worst. They want to get ahead, but *“it’s what they don’t know that they don’t know that’s killing them,” and in a blind town a one eyed man is king,”* someone once said.

In short, our experience tells us if most folks knew better, they would do better. No rational person one wants to be consciously ignorant or stupid. And so, once again, we come back to the issue of education as the ultimate poverty eradication tool.

Starting with a mere \$61,000 operating budget a decade ago, founded immediately following the worst urban civil unrest in U.S. history, with one employee and a vision to change the world and to eradicate poverty as we know it. And more than a decade later Operation HOPE is still here.

Today Operation HOPE has a \$5 million annual operating budget, more than 40 full-time employees, offices in Southern California, Northern California, Chicago (thank you Oprah), New York, Washington, D.C. and Virginia, 120 bank partners with combined assets of \$2.6 trillion dollars between them, more than \$120 million in lending commitments and \$90 million in funded loans, we have served more than 500,000 individuals since our founding 10-years ago, and in partnership with countless institutions in this

room today, we have embarked upon our most ambitious mandate yet – teaching every youth in America economic literacy by the time they leave 8<sup>th</sup> grade!

**Banking on Our Future**, our economic literacy program which has the only national urban delivery platform in the nation, has already taught more than 107,000 youth, in more than 350 schools, with more than 1,100 trained volunteer banker-teachers (program to date), the basics of a checking account, a savings account, and the importance of credit and investment in their young lives....

...And we have only just begun!

Banking on Our Future is the official national partner with the FDIC and their Money Smart program, in educating the entire family in economic literacy. I believe that the FDIC's MoneySmart is one of the best curriculum efforts available today through the Federal or local governments, and should be strongly supported and expanded in its reach. FDIC Chairman Donald Powell should be commended for his leadership here.

Banking on Our Future has also entered into national economic literacy partnerships with America's Community Bankers and the American Bankers Association Education Foundation. Thinking global and acting local, Banking on Our Future has also entered into local partnerships with the William Jefferson Clinton Foundation in Harlem, to educate every child in Harlem in economic literacy within 5 years, with the Department of Banks and Financial Institutions in Washington, D.C. and the New York Bankers Association in New York City, amongst others.

We will soon enter into important economic literacy partnerships and agreements with the U.S. Department of Education, Veteran Affairs and the Internal Revenue Service, and are working on other

innovative economic literacy initiatives with this Administration. We hope to work closely with Congress and this Committee as well over the coming months.

At Operation HOPE we believes in a hand up, and not a hand out.

We believe in the James Brown version of affirmative action – *“open the door, and I’ll get it myself!”*

At Operation HOPE we believe in the three-legged stool of government, community and the private sector working as collaborative partners.

At Operation HOPE we believe in the power of conversion.

**We believe in converting check-cashing customers into banking customers.**

And that is why we partnered with Union Bank of California to acquire an interest in Nix Check Cashing, the largest and best run check cashing operation in South Central Los Angeles, with 47 locations and more than 600,000 customers. If you can’t beat’em, buy’em – and our conversion rate of new customers in approximately 40%. **More than 10% of all new checking accounts for Union Bank of California in 2002, or more than 3,000 accounts, came through the conversion of check cashing customers into banking customers.**

Building on the success of this partnership, we have now moved the HOPE Alliance into a one-stop location in the Watts/Willowbrook area of Los Angeles, in order to focus the power of conversion.

**We believe in converting renters into homeowners.**

More than 3,000 structures damaged in the civil unrest of April 29<sup>th</sup>, 1992, and not one was a home.

Because you do not burn that which is your own. Enlightened self-interest.

35% of the residents of South Central Los Angeles owned their own home in 1992, while 65% rented for the same cost of a mortgage payment.

Now, why would 65% rent - for the same cost of a mortgage payment? It must be a combination of a lack of education, low self-esteem, and access to capital and credit.

But here is the miraculous part – 35% of the residents of South Central owned a home in 1992, and the voter turn out rate in 1992 was 38%.

That told us that the same dynamics apply in the inner city as in the suburbs. Enlightened self-interest. Ownership made the difference.

That you weren't really concerned with tax policy, unless you had a job.

That you weren't really concerned with the bond issue for infrastructure investment, unless you owned a home or business.

That at the end of the day, one was not nearly as concerned with black, brown or white, as they were with green!

According to the non-profit Greenlining Institute, we made more loans in South Central, East Los Angeles and Watts, California, for individuals making under \$35,000 annually in 2000 and 2001, than the

top 8 banks in California combined. ...And IN EIGHT YEARS NOT ONE HOME LOAN HAS EVER GONE BAD.

**We believe in converting small business dreamers into small business owners.**

Again, partnering with many institutions in the audience today, we created approximately 100 new minority small business enterprises. After all, more than 70% of all new job creation comes from small business, and women owned businesses employ more people than the Fortune 500 combined!

**We believe in converting unbanked communities into communities of choice.**

And that is why we decided to partner with Hawthorne Savings Bank, Wells Fargo, Union Bank of California, Washington Mutual, to build HOPE Centers in the inner city. And so, in 1996 and 1998 we build an Operation HOPE Banking Center & Inner City Cyber Café (HOPE Centers) in South Central, Watts and the Southeast city of Maywood, California.

Six short years later we have 16,000 customers a month, \$130 million in total lending commitments, and in 2002, as reported on the front page of the Los Angeles Times Business Section, as well as the front page of the American Banker, we became the first non-profit in U.S. history to build a bank branch – and SELL IT TO A BANK!

Hawthorne Savings Bank and California National Bank saw real emerging market opportunities, and decided to make a long-term commitment to these communities, building full-serve bank branches where we started fledgling HOPE Centers, ...and we will be standing right there with them.

**We believe in converting minimum wage workers into living wage workers with modern economy job skills.**

And so, we partnered with UCLA Extension, which made each of our inner city cyber café locations official UCLA Extension satellite facilities – and now we provide 16 college credits, a UCLA Extension certificate in Basic Information Technology, and even a job to those who are the most ambitious, to individuals with no more than a GED degree out of high school.

A little more than 18 months since the start of this program, we have 800 committed students, and we have a waiting list that lack only partial tuition sponsorship, but not ambition.

And so, my request of you today is a “call to action.”

Together, we CAN make a difference. Together we can help to change the world.

**For the record, I would like to submit the Operation HOPE, Inc. Vision Statement.**

Operation HOPE, Inc., a national non-profit self-help organization and a leading provider of economic empowerment tools and services for the under-served and the wealthless, is America's first non-profit social investment banking organization. Headquartered at Wilshire Boulevard and Hope Street in Los Angeles, California, Operation HOPE has regional operations in Southern California, Northern California, Chicago, New York, Washington, D.C., Virginia and soon Maryland.

Founded May 5<sup>th</sup>, 1992 in Los Angeles, California, immediately following the worst civil unrest in U.S. history, Operation HOPE emerged from the ashes as a symbol of new and *renewed* HOPE for underserved communities, the poor, and the wealthless everywhere. And reflecting this new approach to HOPE building in under-served communities, even the word "poor" meant something different to the passionate builders of Operation HOPE.

John Bryant, the founder of Operation HOPE, believes *"there is a difference between being broke and being poor. That being broke is a temporary economic condition, but being poor is a disabling state of mind, and a depressed condition of your spirit; and that we, each of us, must make a vow never, ever to be poor (in spirit) again."*

The mission of Operation HOPE is the eradication of poverty, as we know it here in America. This done utilizing education as the ultimate poverty eradication tool, a philosophy of practical "self-help," real tools for economic empowerment, and ultimately the creation of mental, spiritual and economic wealth amongst individuals and communities. At Operation HOPE we call this body of work ***the Silver Rights Movement***.

Working in partnership with leaders representing what Operation HOPE calls the "three-legged stool of HOPE," government, community and the private-sector, Operation HOPE creates and proactively nurtures into operational maturity a holistic and focused group of companies, targeted projects and empowerment initiatives, that together provide real solutions to poverty in America.

The true test of Operation HOPE lies within its "*power to convert;*" converting check cashing customers into banking customers; converting renters into homeowners; converting small business dreamers into small business owners; converting minimum wage workers into living wage workers with 21<sup>st</sup> century job skills; converting the economically uneducated into the economically literate and empowered.

The tools of and for conversion at Operation HOPE include:

- Economic education.
- Economic literacy.
- Credit counseling.
- Budget counseling.
- Case management.
- Borrower preparation.
- Homeownership and small business creation.
- Banking and financial services.
- Emergency financial counseling services ("economic triage").

*Some of the companies of Operation HOPE I'd like to highlight as it pertains to the unbanked:*



**Bruce Willison**

Dean

The Anderson School at UCLA  
HOPE Center Chairman

The Operation HOPE Banking Centers, known as HOPE Centers, are a growing network of inner-city banking and one-stop economic empowerment centers. The HOPE Center (OHIC), operated through a for-profit subsidiary of Operation HOPE the national non-profit organization, is a sophisticated financial products and services conduit for traditional financial institutions. Working with a growing network of FDIC insured banks and other credible providers of mainstream financial services, the HOPE Center network is the premier provider-model of and for economic education and soft banking services in urban, inner city and under-served communities.

Currently Operation HOPE operates three HOPE Centers locations in Southern California, with two additional HOPE Center locations scheduled to come online in 2003, in Washington, D.C. and Oakland, California respectively. A first in U.S. banking history, in 2002 Operation HOPE “sold” three of its mature HOPE Center locations to FDIC insured banks, thereafter converting them into full-service bank branches, featuring hard and soft banking services.



**Richard Hartnack**

Vice Chairman

Union Bank of California  
HOPE Alliance Chairman

Building on the success of the HOPE Centers, but focusing even more squarely on the potential conversion of countless check cashing customers into mainstream banking customers, in 2000, Operation HOPE partnered with Union Bank of California to acquire an interest in Navicert Financial, parent company for Nix Check Cashing, forming the Alliance Partnership. Nix Check Cashing is the largest and arguably the best run check cashing operation in South Central Los Angeles, with 47 locations and more than 600,000 customers.

In 2002 it is reported that more than 10% of all new checking accounts for Union Bank of California came from the successful conversion of check cashing customers into mainstream banking customers, through both the Alliance Partnership and Union Bank’s own Cash & Save operation.

Building on the success of this partnership to date, in December, 2002, Operation HOPE, Union Bank of California and Navicert moved the new HOPE Alliance into a full-service, one-stop location, located in the Watts/Willowbrook area of Los Angeles. Objective: to focus the power of conversion in under-served communities.



**Lora Watts**

President External Affairs  
SBC Communications  
HOPE Inner-City Cyber Café Chairwoman

Operation HOPE has utilized the same direct, bottoms-up entrepreneurial approach and spirit to bridging the digital divide in inner-city and under-served communities as it did in meeting the under-served banking needs of these communities.

Operation HOPE Inc. currently operates three (3) HOPE Inner City Cyber Cafés, servicing the Central, South Central and South East areas of Los Angeles County, which are designed to bridge the digital divide with digital empowerment solutions.

The HOPE Inner City Cyber Café, complete with gourmet coffee kiosks, also provides the local community with a comfortable, relaxed and positive atmosphere in which to meet, to conduct e-commerce related business and research, hold one-on-one business meetings, and to unleash the enormous untapped power of the Internet and the World Wide Web. The HOPE Inner City Cyber Café is equipped with a minimum of fifteen (15) cutting edge technology stations, and through a unique partnership with leading high-tech hardware and software providers, access to the most cutting edge, up to date PC tools and equipment available today.

The three (3) HOPE Inner City Cyber Café locations in Southern California also serve as official satellite learning facilities for UCLA Extension. Two additional HOPE Inner City Cyber Cafes are scheduled to come online in 2003 serving Washington, D.C. and Oakland, California.



**John Bryant**

Founder, Chairman & Chief Executive Officer  
Operation HOPE, Inc.  
HOPE Consulting Chairman

Capitalizing on the vast accumulation of knowledge and insight of Operation HOPE over more than a decade in operating successfully in under-served communities, HOPE Consulting was developed by the Operation HOPE leadership team to address, support and achieve the following:

1. Provide a practical means for redistributing the accumulated and invaluable experience and knowledge, gained by Operation HOPE in its hands-on implementation, management and analysis of its empowerment programs, back into the wider community.
2. Utilizing the HOPE Soft Banking Services model pioneered in the HOPE Centers, HOPE Consulting will provide mainstream financial institutions with creative, alternative concepts for converting non-bankable customers into a bankable customer; thus allowing a Partner Bank to offer products and

services, maintain their existing customers, increase their customer base, increase market share and practical new market opportunities.

3. Provide unique marketing and business development strategies that target individuals and small businesses for the purpose of converting them into traditional banking customers.
4. Provide a resource for emerging market research.



**Paul Irving**

Chief Executive & Managing Partner  
Manatt, Phelps & Phillips, LLP  
HOPE Coalition America Co-Chairman

**Simone Lagomarsino**

President and Chief Executive Officer  
Hawthorne Savings  
HOPE Coalition America Co-Chairman

**Lynn Pike**

Managing Director  
Consumer Banking and Distribution  
Fleet Bank  
HOPE Coalition America Co-Chairman

Created as an emergency rapid response economic triage team, for the families of the victims following the tragedy of September 11<sup>th</sup>, 2001, HOPE Coalition America is the national emergency economic response initiative of Operation HOPE, and its private-sector, government and community partners. Calling on bank CEO's, bank presidents, senior bankers, insurance professionals, and other volunteer financial specialists, HOPE Coalition America shall provide victims of natural disasters and national emergencies with what one prominent bank president referred to as critical, on-the-ground "economic triage" assistance, to those in need.



**John Bryant**

Founder, Chairman and Chief Executive Officer  
Operation Hope Inc.  
Inner-City Economic Summit Co-Chairman

**Honorable Jack Kemp**

Co-Director  
Empower America  
Inner-City Economic Summit Co-Chairman

**Governor Preston Martin**

Chairman  
Martin & Associates  
Inner-City Economic Summit Co-Chairman

Capitalizing on the success of the first Inner-City Economic Summit (ICES), held in April of 2000, Operation HOPE, Inc., America's first non-profit investment banking organization, and a broad cross section of supporting organizations, in partnership with leaders from the private sector, government and the civil society, hosted a 2<sup>nd</sup> Bi-Annual Inner-City Economic Summit in April of 2002.

Based on the overwhelming success of the first two Summit gatherings, Operation HOPE and the Summit Organizing Committee published in a written "best practices" report. The first Summit report, entitled "The 2001 Inner City Economic Report," was published and released nationally in 2001.

This 2<sup>nd</sup> historic Bi-Annual ICES Summit meeting brought together more than 600 of the most substantive players on the American economic field. Delegates to the Summit included CEOs and other business leaders, heads of federal government agencies, mayors from cities where private/public partnerships are working, and leaders from the civil society. This event served as a historic opportunity to chart a new course for the future of America's urban, inner city and under-served communities.

The 2000 and 2002 ICES Summits strongly made the case that America's urban, inner city and under-served communities represent, in fact, the last bastion of lost capitalism in America, and a genuine "new markets" opportunity where everyone wins.

The objective of the ICES Summit is to create and begin the implementation process of the Inner-City Economic Summit Strategic Plan that will create more stakeholders, improve the economic quality of life for individuals and stabilize and grow the economy in under-served communities.



**John Bryant**

Founder, Chairman & Chief Executive Officer  
Operation HOPE, Inc.  
Banking on Our Future Chairman

Banking on our Future is an economic literacy program which teaches inner city youth, as well as those from low wealth and under-served communities, the basics of a checking account, a savings account, and the importance of credit and investment in their young lives. Called a "Life 101" class for youth growing up in a country rooted in capitalism and a market economy, Banking on our Future has provided instruction to more than 110,000 youth in Greater Los Angeles, New York, Chicago, Washington D.C., Virginia, San Francisco, and other cities across the country.

As one of the four main priorities for the organization, Operation HOPE will build upon the success stories of the Banking on our Future program to date, while adding the needed resources and tools required for the expansion and growth of the popular program.

Banking on Our Future is the national partner of the FDIC in its efforts to educate the entire family in economic literacy. Operation HOPE has also entered into a national online partnership with \$300 billion Wells Fargo, providing free online economic literacy access at [www.bankingonourfuture.org](http://www.bankingonourfuture.org).

**Below are some key highlights of our Banking On Our Future Program.**

- In line with Operation HOPE, Inc.'s mission to bring economic self-sufficiency and a sustained spirit of revitalization to America's inner city, underserved communities, the *mission* of the OHI **Banking on Our Future (BOOF)** program is to execute a nationwide delivery system for economic literacy education for youth.
- Banking on Our Future acts as a catalyst of empowerment by exposing youth to their potential financial future and encourages parents, teachers, government, community and corporate America to lead by example and work with youth to enact comprehensive change in behavior.
- Working in partnership with local **Departments of Education, the FDIC, the Federal Reserve System, the Department of Banking and Financial Institutions, Washington DC, the OCC, OTS, New York Banker Association, New York State Banking Department, American Bankers Association, American Community Bankers, Community Bankers Association, California Bankers Association, and 150 additional public and private partners**, Operation HOPE, Inc. delivers Banking on Our Future instruction to thousands of youth annually via "face-to-face" classroom presentations and the interactive computer program, [www.bankingonourfuture.org](http://www.bankingonourfuture.org).
- On April 18, 2002, the FDIC and OHI announced a partnership where OHI will provide Banking on Our Future instruction for youth and the FDIC will provide Money Smart instruction for adults. Collectively, OHI and the FDIC are working to educate the "entire family" nationwide.

***The Need for Economic Literacy Education –***

***– The Solution – Quality Content and Seamless Delivery***

In a year 2002 study conducted by the Jump\$tart Coalition, 4,024 12<sup>th</sup> graders in all fifty states were asked multiple-choice survey on money management, savings, investment, and credit. The compiled results confirmed an average failing score of 50.2 percent.

As reported by Jump\$tart Coalition, in a nation where nearly a third of high school seniors already use a credit card, a higher proportion have an ATM card, and nearly 1.5 families filed for bankruptcy last year, the need for personal financial literacy is apparent. Yet fewer than 30 percent of young Americans are given the opportunity to take even one week of course work on personal finance in high school.

**BANKING ON OUR FUTURE - RESULTS**

- **Since program inception in 1996, over 107,415 youth have received Banking on Our Future instruction in 335 schools and 25 community-based organizations.**
- **OHI has a volunteer base of 750 "Banker-Teacher" volunteers**

- BOOF is currently delivered in the following regions/cities:
 

<b>Southern California</b> Anaheim Greater Los Angeles San Diego Ventura	<b>Northern California</b> East Palo Alto Oakland San Francisco
--	--
- **Arlington, VA**
- **Boston, MA**
- **Chicago**
- **New York City**
- **Washington DC**
- [www.bankingonourfuture.org](http://www.bankingonourfuture.org) was launched on October 31, 2001 in partnership with **Wells Fargo Bank** to provide 24/7 on-line access to an advanced interactive and print Banking on Our Future financial literacy curriculum.
- **Operation HOPE conducted a three week financial literacy marathon called Banking on Our Future Across America between October 29, 2002 and November 19, 2002, teaching 15,000 youth, utilizing bankers, celebrities and elected officials. During the five-region effort, Banking on Our Future celebrated its 100,000<sup>th</sup>-student milestone.**
- President Bush **highlighted a Banking on Our Future volunteer during his April 29th, 2002 visit as part of his USA Freedom Corps activities and in November 2002, Banking on Our Future was highlighted as a *Spotlight/Take Action Now* opportunity on the USA Freedom Corp site.**
- **In demonstration of the FDIC/ OHI partnership, FDIC Chairman Donald Powell taught a BOOF session alongside OHI Founder John Bryant and Secretary Martinez in a Washington DC classroom on November 19, 2002.**
- **In April of 2002, OHI and the William Jefferson Clinton Foundation formed a partnership to implement Banking On Our Future in every middle and high school in Harlem over a four-year period.**
- **Operation HOPE, Inc. received Oprah's Use Your Life Award in May 2001, and the money has been allocated towards the Banking on Our Future program in Chicago.**
- **On June 5, 2003, Federal Reserve Board of Governors Chairman Alan Greenspan taught a BOOF Session alongside OHI Founder John Bryant and Federal Reserve Bank of Richmond President J. Alfred Broaddus in a Washington, DC classroom.**
- **Beginning in April, 2003, Federal Reserve Bank Presidents from Boston, Dallas, Chicago, and St. Louis taught a BOOF Session alongside OHI Founder John Bryant in a local city classroom.**

## **BANKING ON OUR FUTURE – PROGRAM STRUCTURE AND STRENGTH**

- Banking on Our Future provides year-round financial education for youth ages 8-18 at no cost to school districts, and is primarily focused on urban, under-served communities. The program consists of four modules, I. Basics of Banking, II. Checking & Savings Accounts, III. The Power of Credit, and IV. Basic Investments, that are taught by volunteer Banker-Teachers who are trained to break down their knowledge of banking into terms that youth can understand and utilize immediately. In addition to economic education, the students are left with a message of empowerment, a message of responsibility, and most important, a message of HOPE.
- **Banking on Our Future is administered by OHI staff in each region who coordinate activity with participating schools and local volunteers. During the first module, students are each provided with a Student Guide, which covers the basic principles of the entire curriculum, including definitions of key terms, practical application of the learning material and money tips. During the second or third module, students receive documentation to open no-fee starter savings accounts within our participating financial institutions. For as little as \$5-\$25, depending on the participating bank, students can implement their newly acquired financial skills by beginning a savings program. Upon conclusion of the fourth module, students receive a certificate of completion.**

#### MEASURES OF SUCCESS

- ❖ **Program success is measured on a variety of levels including tracking the number of sessions and students taught, conducting a sampling of surveys with the volunteer Banker-Teachers and students, direct follow-up with participating school staff, monitoring of the number of starter savings accounts that are funded by students, and the compilation of support letters and anecdotal information from students and teachers on a monthly basis.**
- ❖ **In 2003, OHI will be conducting a survey of 25% of all of the students that complete the program in preparation for a formal program assessment in 2004.**

#### SUMMARY

It is critical for the future stability of our global economy that students learn the basics of money management at an early age and, as adults, make sound financial decisions and actively participate as educated consumers throughout our country. Our goal is to reach children while they are still developing their financial habits and equip them with tools to make wise decisions when spending their money and planning for their future. Through our state and national partnerships and alliances and with our proven mechanism for delivery, Operation HOPE, Inc. will continue to empower the entire family and reach our goal of eradicating poverty.