

## FORGING A NEW FIELD: “FINANCIAL DEVELOPMENT”

“Financial development is the work that improves economic security.”

### NEW PARTNERSHIPS

**PRODUCTIVE PARTNERSHIPS ARE CRITICAL** to the formation of any new organization, and the Clinic is no exception. In addition to hosting the Clinic, the Brooklyn Cooperative Federal Credit Union has provided the Clinic with financial and infrastructure support. This partnership has enabled the Clinic to serve dozens of Brooklyn Cooperative members. The New York City Financial Action Consortium is acting as the Clinic’s fiscal sponsor, allowing it to fundraise during the incorporation and nonprofit processes. Peter Bray, its Executive Director, remarked: “We’re pleased to be supporting the Clinic. Connecting the community development financial field to the Clinic’s work is intuitive; it makes all our services stronger.”

**TO DATE, THE FINANCIAL CLINIC HAS** improved the economic security of over 50 families; saving them over \$25,000 in assets and resources. While “economic security” refers to the outcome of helping the working poor make ends meet, we’ve been grappling with how to describe the collective “work”—reducing debt, improving credit-worthiness, fostering savings habits, resolving legal matters, accessing financial planning—that improves economic security.

“Financial development” is the sum of the parts.

It is the work the Clinic does on behalf of Helena, a medical assistant at Brooklyn Medical Center whose credit union account was levied and salary garnished because of an outstanding debt with a health club. The Clinic’s work started with vacating the judgments and continues with financial

planning so that she can afford additional job training. She is aiming to become an operating room technician, which would be a significant increase in her income.

Financial development captures the range of the Clinic’s work with Winston, a carpenter who is starting his own general contracting business. In addition to filing his tax returns, Clinic staff also advocated on his behalf with the IRS and succeeded in reclassifying him as an employee instead of an independent contractor. As a result, his tax debt was significantly reduced, thereby allowing him to pursue his own microenterprise.

The Clinic’s work not only saved Helena and Winston \$10,807 collectively, but it also helped develop their finances. Improving their financial situation improves their economic security, and shortens their trajectory to their financial future.

## NEIGHBORHOOD ACTION GROUP

**THE CLINIC BELIEVES** that how and why its participants experience economic insecurity must inform and support system-level changes. To that end, the Clinic has formed a Neighborhood Action Group to draft an “Economic Justice Agenda” and create strategies for implementation. Members of the Group are a combination of Clinic stakeholders, community residents and people who have received Clinic services. Our work this summer included synthesizing research by students at El Puente Academy for Peace and Justice and the presenting issues of Clinic clients. We examined a variety of issues and decided to draft the Clinic’s policy agenda along the same framework of the Clinic’s financial health assessment. Moving forward, the Clinic’s advocacy work for systemic change pursues the same objectives we have for our participants: existence of safety net, use of non-predatory banking services, ability to manage debt, and access to credit reports and scores.



## TAX SEASON WRAP-UP

**BROOKLYN COOPERATIVE FEDERAL CREDIT UNION'S FIFTH YEAR** of free tax preparation services was, by all measures, wildly successful. Partnering with the Clinic, we exceeded our initial targets by a third, filing 1,300 tax returns for credit union and the community members. Moreover, 221 new community residents from Bushwick and Bedford-Stuyvesant joined as credit union members. Best yet, the partnership secured nearly \$2 million in refunds to be returned back to our communities.

## INCORPORATION AND NOT-FOR-PROFIT STATUS

**THE CLINIC IS NOW INCORPORATED** thanks to the work of the Urban Justice Center's Financial Fairness Initiative. The Initiative was created by UJC to help community-based organizations access consumer protection laws for their participants. Staff also provides legal services to build organizations that provide financial counseling, like the Clinic. Now that the Clinic is incorporated in the State of New York, we've been busy creating bylaws and applying to the IRS for not-for-profit status, a recognition we hope to receive in the Spring.

## FRIDAYS AT THE CLINIC

*by Teodora Evtimova, Clinic Volunteer*

**THE INDUSTRIAL OPEN SPACE** in the back of the credit union is humming. Every Friday, the Clinic schedules intake and appointments from noon to 6 o'clock. A staff of five volunteers offers the steady streams of customers with patience and professionalism, with or without appointment, with or without the documentation needed.

Bahadur Rajan and Barbara Gartner, volunteer tax preparers who stayed with the Clinic after the tax season, are filing past year taxes, amendments, installment agreements, as pro-CPAs. Michael Kissner, a pre-med student at Columbia University, has crafted many of the financial counseling

tools and is working with people to develop their financial action plans. Teodora Evtimova, an MBA graduate, has created a "low-bono" calculator for the Clinic's fee for service model; she also pitches in with her Spanish-speaking skills.

Meanwhile, Mae Watson Grote, the Clinic's director, is assisting clients with IRS and legal issues, which can mean a lot of time on the phone holding for an answer—occasionally marked by a victory outburst, one step closer to a successful case resolution.

Seeing the clients face-to-face, their problems, and gratitude is a very special experience for everybody that works here. A full-service financial clinic, this place definitely has become a center for social justice in Brooklyn.

**STAY TUNED** The Clinic has been busy! Stay tuned, because very soon we will be unveiling our new Economic Justice Agenda, financial counseling tools and website!

## ¡Gracias!

The Clinic is indebted to the following people for their in-kind donations, financial support, or gifts of time and effort:

Stephanie Copelin, United Way  
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Thank you!

### We need your help!

Should you be interested in supporting this new and innovative organization help create economic security for our community, please do not hesitate to contact

**Mae Watson Grote at 718.418.8232 ext. 205** to arrange for a donation.