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### **Increasing HOPE Witness Statement**

Good morning, my name is Dorothea Bernique and I'm the founder and Executive Director of Increasing HOPE Financial Training Center located in Charleston SC. HOPE is an acronym for **H**elping **O**thers **P**rosper **E**conomically. When I started my career as a financial representative, I thought surely this was the way to help teach others about finances and money management. Little did I know the need was so much greater than I'd ever imagined. I was clearly made aware of it on the day I left my job. On this day a client had come in to talk about making an investment. Someone had transported her to the office after she had called my office to set up an appointment. Part way through our conversation, she leaned in closer to me and whispered Ms. Dorothea, what is investing? That was the day I gave myself a pink slip and decided to walk away from my career to start Increasing HOPE. I knew that the need was great and that educating clients about financial products was not enough.

Financial well-being is defined as the state wherein an individual has a sense of (1) control over day-to-day and month-to-month finances; (2) has the capacity to absorb a financial shock; (3) being on track to meet financial goals; and (4) has the ability to make financial choices to enjoy life. The lack of basic financial literacy of individuals no matter the income results in low financial well-being as a result:

29.9% of SC consumers have credit cards for which the outstanding debt exceeds 75% of their total credit limit

15% of SC households have zero or negative net worth

14.4% of SC households reported falling behind on bill payments in the past 12 months

We know that this number is astronomically higher due to covid and the fact that 14.9% of SC households have income below the federal poverty threshold and have a lack of basic financial knowledge, this resulting in a very low well-being score of 18% in SC. This means that they are not in control of their day-to-day month to month finances, do not have the capacity to absorb financial shock that Covid-19 presented, are not on track to meet financial goals. The end result is not having the ability to make choices that allow them to enjoy life. Hence this is how our seniors end up as greeters at the nearest Walmart when

they should be enjoying the golden years of their lives. The lack of knowledge, lack of money management skills and a lack of income make the need for financial literacy and money management training a dire need in our state.

For more than 16 years now, Increasing HOPE has taught more than 333 classes, provided financial education to more than 9500 individuals and families. We have prepared tax returns for free for over 3650 individuals and families and saved more than 300 homes from foreclosure during the housing crisis. As a Housing & Urban Development (HUD) certified housing counseling agency we've helped individuals and families improve their credit scores and become homeowners.

Our current curriculum dfree is an amazing financial literacy life transforming course for the young and senior clients. The d in dfree is not just for debt. We teach our clients how to get set free from the bondage of debt, delinquencies, and deficits so that they can become free to begin to make deposits (becoming savers), make dividends (become investors) and have deeds (become homeowners). By teaching individuals how to manage their money so that they can manage their lives, we get to help change lives. There was Ms. Brown who at more than 60 years old sat crying confessing this was the first time in her life she had ever had a budget. For the first time in her life, she felt like she had control over her finances. A component of the dfree training course is specifically designed for seniors and the financial choices that specifically impact senior citizens.

To make an even greater impact, in less than 60 days we will move into a 30,000sq ft building called the Opportunity Center which will allow us to expand our services in the community. The Opportunity Center is a collaborative effort between 4 local nonprofits. Home of Hope, The Center for Heirs Property Preservation (CHPP), The SC Association of Community Economic Development (SCACED) and Increasing HOPE with a focus on community economic development services. The support of a 2.7-million-dollar grant from the Economic Development Administration (EDA) supported the renovation of the building and a recent 711K grant from the EDA will support the programmatic services of Increasing HOPE as we continue to serve the community in our new location.

The lack of financial literacy, coupled with low financial well-being and the impact of Covid 19 on families could seem over whelming, however, there is still HOPE. And Increasing HOPE Financial Training Center, will continue to make a difference in our community one class at a time, one counseling session at time, one person at a time.

Thank you for the opportunity to testify before the committee. I'll be happy to answer any questions you might have.