

## Through the Eyes of Financial Coaches

2022 ANNUAL REPORT

### I am a Financial Coach because:



*I am passionate about reducing the ever-widening wealth gap. Bridging the divide between impoverished and wealthy individuals has become an urgent priority, and I strive to be a driving force behind this effort. Earning my clients' trust is important because often I'm the only person they can turn to for sharing their financial issues. As the head of household, this can be an overwhelming burden, and sometimes our sessions become therapeutic. It's impossible to move forward without unburdening yourself.*



**Dametria Douglas**

**Financial Coach at Neighborhood Trust**

**2022 ANNUAL REPORT**  
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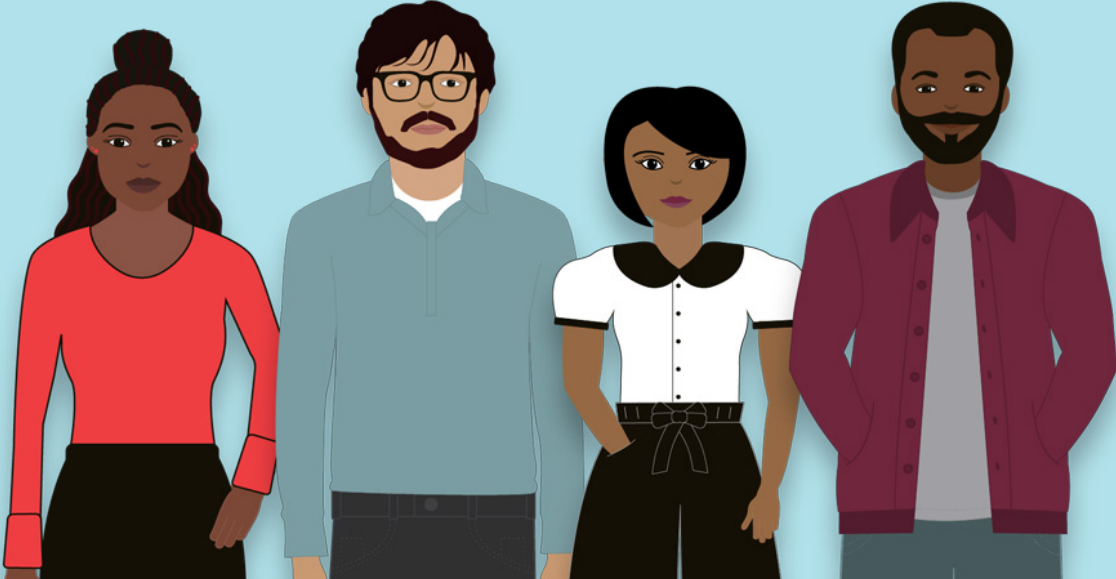
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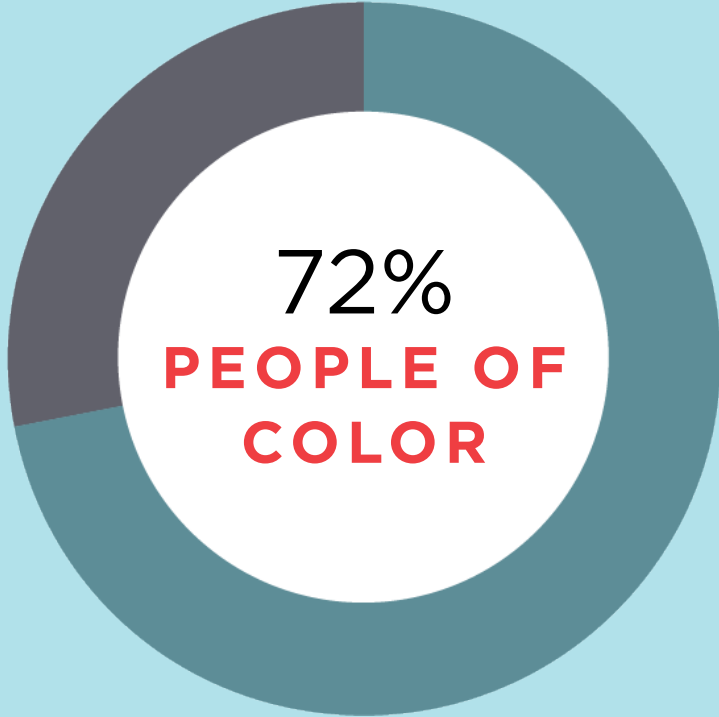
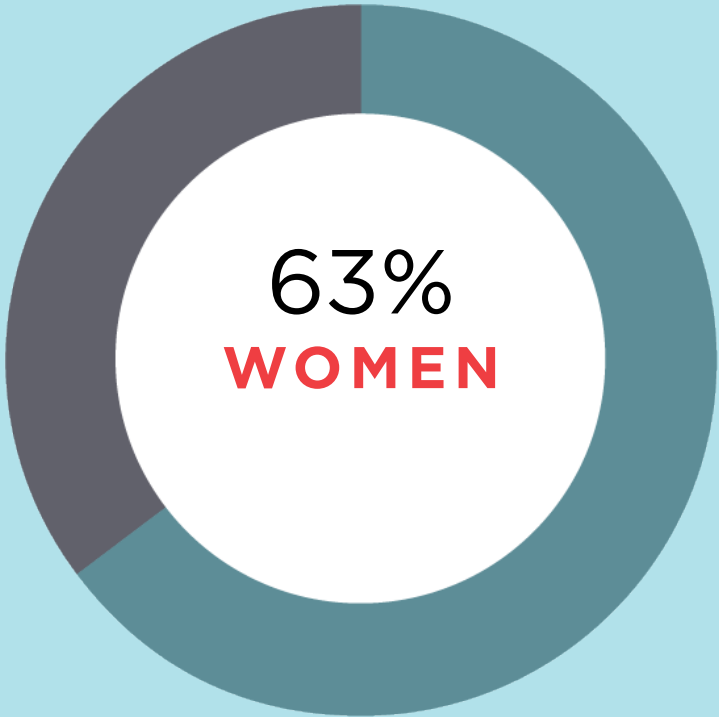
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At Neighborhood Trust, financial coaching is not just a service we provide—it’s at the core of everything we do. In 2022, our Financial Coaches helped workers overcome their financial hurdles and reach their financial goals. And through these daily interactions with clients, we also captured insights that help us amplify workers’ voices across the institutions and systems that deeply impact their finances.



**IN 2022, WE SERVED 8,000 CLIENTS:**



**MEDIAN INCOME: \$32,000**

The current workforce is **struggling with a staggering debt burden**, which is hindering both their short-term stability and long-term economic mobility.

Among the **94%** of our clients with debt:

**87%** carry a median baseline **CONSUMER DEBT BALANCE** of **\$9,800**

**54%** carry a median baseline **STUDENT LOAN BALANCE** of **\$42,000**

**38%** carry a median baseline debt balance of **\$19,000 IN COLLECTIONS**

# Letter from the CEO

Dear Friends and Colleagues,

As I celebrate my 20-year anniversary at Neighborhood Trust I remain inspired by Marisol, a colleague from the early days, circa 2003, when we were a nonprofit fully intertwined with Neighborhood Trust Federal Credit Union.



In response to a survey question on our teller line: “Do you bank here because of a particular product and, if so, which one?” almost all had written across the bulleted options: “Marisol”. Of course. Banking isn’t about transactions. It’s about trust. Especially when you are juggling today’s bills and tomorrow’s dreams, vigilant about predatory “deals” and in the context of a legacy of discrimination.

Marisol was a skilled expert who played a vital role in creating our first Financial Coach role, combining hard-nosed financial analysis with empathy, drawing from shared lived experiences. Today, our Financial Coaches continue to uncover the countless ways our financial markets and policies misunderstand, undervalue, or overlook the financial services needs of the 60% of working Americans living paycheck to paycheck, reliant on expensive debt to get by.

In 2022, we advanced our Worker Insights Initiative so that we could amplify workers’ voices and eliminate indebtedness as an essential feature of their lives.

This Annual Report is a celebration of financial coaching reimaged as a force for market disruption. Alongside welcoming diverse employer, credit union, FinTech and worker platform customers into our network—enabling a worker community of tens of thousands—we’ve progressed with the build of an exciting insights and innovation engine that, at its heart, is a tool for enabling each of our Financial Coaches’ personally cultivated insights and ideas to be a part of our pursuit of systems change for freedom from debt.

Thank you to each of you, who serve our clients each day, and help point to the root causes and identify solutions for insurmountable debt in our hardworking clients’ lives.

In gratitude,

Justine Zinkin  
CEO

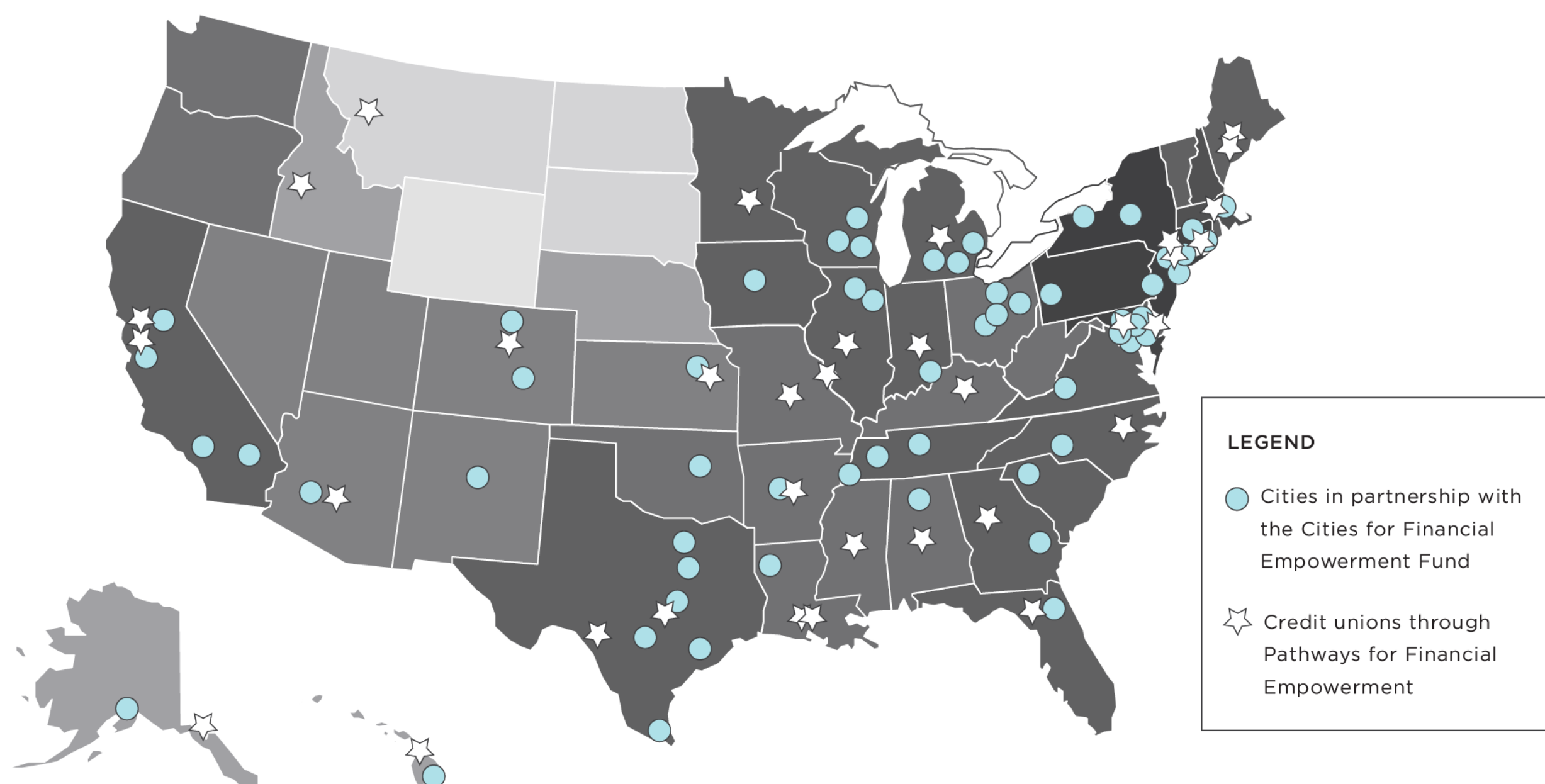
# Who We Are

Neighborhood Trust is a national financial services innovator dedicated to building worker financial security. Our solutions, **TrustPlus** and **Pathways to Financial Empowerment**, provide financial guidance to low wage workers of color, delivered through workplaces and the financial services industry.

TrustPlus is our workplace financial health benefit that is embedded nationwide within employers, financial institutions, and fintechs. Pathways to Financial Empowerment integrates our trusted, action-oriented financial coaching model into credit unions, in partnership with the national credit union network, Inklusiv.

These solutions help workers eliminate and avoid debt, enabling them to build savings and escape the vicious cycle of living paycheck to paycheck. For over 25 years, we have worked closely with workers as trusted human guides, helping them achieve the financial security they deserve.

**Since 2012, Neighborhood Trust has provided financial coaching to individuals nationally. In the past decade, we have reached:**



**70,000 WORKERS ACROSS 49 STATES** and **250+ CUSTOMERS** through **TRUSTPLUS**

**29 CREDIT UNIONS** through **PATHWAYS FOR FINANCIAL EMPOWERMENT**

**66 CITIES** in partnership with the **CITIES FOR FINANCIAL EMPOWERMENT FUND**



## OUR FINANCIAL COACHES SEE: Workers Tackling Consumer Debt

The prevalence of consumer debt was a major issue among our clients in 2022, affecting **9** out of **10**.

The rising costs of essential needs like childcare, food, utilities, and auto loans outpaced wages, forcing many of our clients to rely on debt to cover basic needs. It is no surprise, then, that Financial Coaches, like Adrianna Gregory and Ivania Mora, overwhelmingly identify consumer debt as the most common challenge clients face.

“*The weight of high-interest credit card debt and auto loans is a constant challenge for many people I work with. With monthly payments consuming a large part of their budget, it’s easy for people to feel like they’re not making any progress towards paying down debts. And when so much money is going towards debt and rising living costs, it can be difficult to save for the future or handle unexpected expenses.*”



**Adrianna Gregory**  
**Financial Coach at Neighborhood Trust**

Financial Coaches work with partners like the Hebrew Free Loan Society to provide solutions for workers to manage their debt in a way that aligns with their financial situation, and promotes long-term financial health.

The **Hebrew Free Loan Society** (HFLS) is a nonprofit lender committed to promoting economic stability and opportunity for lower-income New Yorkers of all backgrounds by providing access to safe, affordable interest-free loans.



The Fresh Start Loan program, launched in July 2022 in partnership with Neighborhood Trust, Bedford-Stuyvesant Restoration Corporation, and New York Legal Assistance Group, helps clients pay down high-interest debt by offering 0%-interest loans of up to \$20,000, without any fees. The key to the program's success is that it's only available to applicants referred by a Financial Coach from one of the three partner organizations, and only after the Coach and client have worked together to address the client's overall financial situation and confirm their eligibility and ability to repay the loan. This referral strategy enables HFLS to offer flexible repayment plans based on the clients' unique financial circumstances and take the Financial Coaches' recommendations into account during the loan underwriting process.



*“The Fresh Start Loan Program would not be possible without an experienced, reliable partner like Neighborhood Trust,” said **Kim Kaplan, HFLS Deputy Director**. “The exceptional Financial Coaches at Neighborhood Trust are essential to the success of this program. Our partnership is a shining example of how effective collaboration can lead to life-changing outcomes for lower-income New Yorkers.”*



*For many of my clients, consumer debt is a constant struggle that can easily turn into a vicious cycle. My job is to empower them with options, like Hebrew Free Loan Society's Fresh Start Loan, that will enable them to tackle their debt effectively and find the best solutions to help them get a good night's sleep.*

**Ivania Mora**  
**Financial Coach at Neighborhood Trust**



## Breaking Free From Debt

Mario\* has transformed his finances through the aid of his Financial Coach and the Fresh Start Loan.

### MARIO'S FINANCIAL PROGRESS

#### BEFORE FRESH START

CREDIT SCORE

637

EMERGENCY SAVINGS

\$300

MONTHLY DEBT PAYMENTS

\$1,511

#### AFTER FRESH START

CREDIT SCORE

703

EMERGENCY SAVINGS

\$1,000

MONTHLY DEBT PAYMENTS

\$1,105

*\*Mario is a pseudonym for a real client whose name has been anonymized to maintain their privacy.*

Our financial coaching services have successfully helped clients, such as Mario, access secure financial products like the Fresh Start Loan.



Since the launch of the Fresh Start Loan in July 2022, **14** clients have **RECEIVED OVER \$198,000 IN LOANS**, **SAVING THOUSANDS OF DOLLARS** in interest and fees.



In 2022, the typical client at Neighborhood Trust who **REDUCED THEIR CONSUMER DEBT** eliminated more than **\$3,000** in principal, with a total of more than **\$8.8 MILLION** in **CONSUMER DEBT REDUCED OVERALL.**

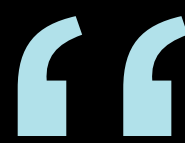


## Pairing Financial Coaching with Safe Financial Products

Our innovative partnership with HFLS on the Fresh Start program is breaking into a market that traditional lenders tend to avoid—loans for people with subprime credit scores. HFLS has designed a new approach to underwriting that doesn't depend on the overly punitive credit scores that make safe financial products unattainable for so many low-wage workers. With the expert guidance of our Financial Coaches, they collaborate with the client and HFLS to determine a realistic loan amount, monthly minimum payment, and timeline, setting up all for success.



### **I am a Financial Coach because:**



*I recognize the immense strain that financial matters can place on people, making it hard for them to focus on their long-term goals. To achieve real financial equity, we must meet people where they are and provide guidance that is both practical and effective. It's essential to listen actively and come up with solutions that are customized to their unique situation, keeping in mind their readiness to receive advice. By doing this, we can provide guidance that truly makes a difference in their lives.*

**Elise Nussbaum**

**Financial Coach at Neighborhood Trust**



## OUR FINANCIAL COACHES SEE: Workers Finding A Place to Call Home

Inflation ran rampant throughout 2022, and the cost of rent was no exception. The **AVERAGE HOUSING EXPENSE** for our clients **INCREASED** by **\$600** in 2022, reaching **\$2,549** per month.

Adrianna Gregory, a Financial Coach, saw many clients struggle due to the staggering cost of housing in 2022. “The high cost of housing is one of the biggest obstacles our clients face today,” she stated. “It’s a major reason people would like to own a home, yet it’s also a barrier to saving for that home. With rents soaring to new heights, there can be pressure to fast-track that path to homeownership, and a temptation to skip important financial steps along the way.”

Adrianna’s personal experience of purchasing a home in 2021 gave her an inside look at the complexities of the process. Now, Adrianna shares her insights and experiences with her clients, empowering them to navigate the process with confidence.

“*Buying my home was an eye-opening experience, so I try to share what I learned with my clients who are preparing for the same process.*”

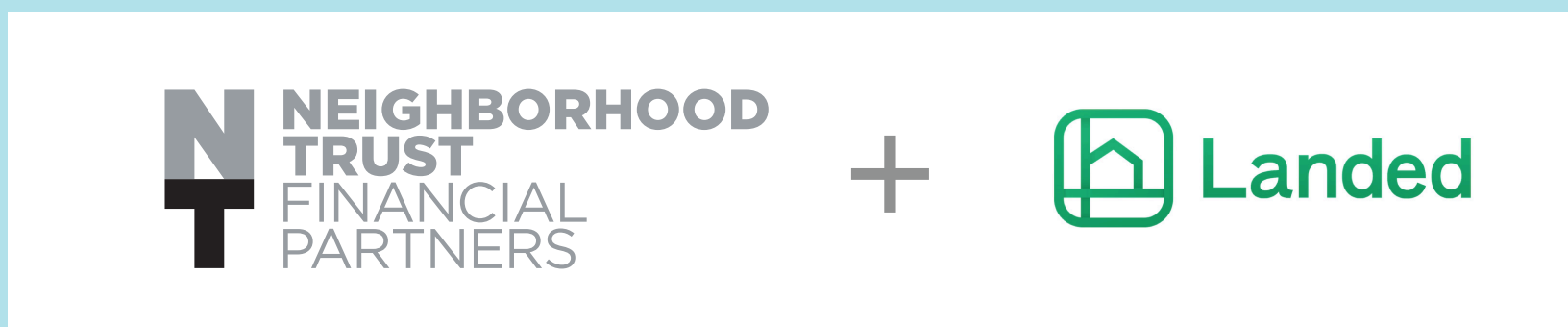
**Adrianna Gregory**  
**Financial Coach at Neighborhood Trust**





## Helping Essential Workers Achieve Their Home Ownership Dreams

James, a South Bronx high school administrator and advocate for preserving Black wealth, was worried about his homeownership dream due to debt he accumulated during the COVID-19 pandemic. James started working with his Financial Coach, Elise Nussbaum, after learning about Neighborhood Trust’s financial health benefit, TrustPlus. through our customer **Landed**, a fintech dedicated to helping essential workers achieve their dreams of homeownership.



With this Financial Coach’s guidance, they analyzed James’ financial circumstances and made a plan for him to apply for a debt consolidation loan and start budgeting, improving on foundational financial health metrics required for a mortgage.

“Working with a Financial Coach through Landed was truly a game-changer for me. The invaluable experience allowed me to gain new insights and learn about my finances in ways I never thought possible. In my opinion, having a Financial Coach is essential for everyone, as there is always something new to discover and learn about.”



Neighborhood Trust, in partnership with Landed, **SUPPORTED 200 CLIENTS LIKE JAMES IN 2022, 53% IDENTIFYING AS BLACK.** Our coaches focused on **IMPROVING MORTGAGE READINESS FACTORS** such as debt-to-income ratio and credit scores. Among clients from Landed:



## Home, Sweet Loan: Increasing Access to Home Mortgages

Financial coaching is valuable for everyone, but it becomes actionable during key financial moments, such as when someone is looking to secure a mortgage. Our integrated service model helps people pursue homeownership by embedding our financial guidance into the mortgage-seeking process early on and pairing our service with innovative products like Landed's down payment assistance program.

Our partnership with Landed involves piloting programs that challenge current assumptions about home loan eligibility. These programs will expand the requirements of Landed's offerings, making home loans more inclusive for low-income workers who are often excluded from traditional underwriting. This approach not only helps more workers access homeownership, but also benefits financial institutions seeking to reach new customer pools, creating a win-win situation for all.



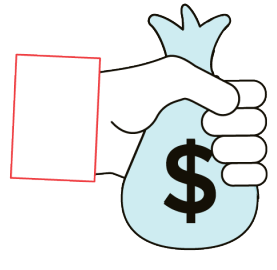
### **I am a Financial Coach because:**



*I believe education is the foundation of everything. It's crucial that people understand their rights, responsibilities, and what they can do to improve their financial well-being. When individuals understand how the financial system operates, they are empowered to make informed decisions and seek opportunities that are most beneficial to them. Ultimately, my goal is to equip all my clients with the knowledge they need to make confident decisions on their own.*

**Ana Paez**

**Financial Coach at Neighborhood Trust**



## OUR FINANCIAL COACHES SEE:

# The Human Side of Debt in Collections

In 2022, many of our clients faced the harsh reality of debt in collections with, **47%** of them having **OUTSTANDING DEBT IN COLLECTIONS**. Financial Coaches, like Ana Paez, observed that these debts often felt like personal failures, making it difficult for clients to focus on their current financial situation and plan for their future. At Neighborhood Trust, we know that our clients' inability to repay debt is not a reflection of personal failure, but rather a symptom of a larger system that entraps individuals in a **cycle of debt**. Our clients have debt in collections because of predatory practices and an inability to repay high cost debt when they must prioritize basic living expenses.

Financial Coach Ana Paez at Neighborhood Trust notes, "Many of my clients who have debt in collections come to our sessions with feelings of helplessness. I notice that the debt influences their mood and motivation. Despite their desire to improve their financial situation, they say they feel powerless and overwhelmed. The process of dealing with unpaid debt, creditors and collections can be overwhelming and intimidating, and worry continually consumes them."

Given that **45% OF HOUSEHOLDS EARN LESS THAN \$50,000 PER YEAR**, many clients face the ongoing struggle of choosing between paying today's bills or yesterday's debts.

*"Talking about debt or collections and how they originated is not an easy conversation. Sometimes, the shame and guilt associated with the debt can be overwhelming, causing some clients to disregard it altogether. It's a delicate balance to manage, but I work in educating them about how the system works, their rights and the options to manage it. Bringing their debt to light so they can begin to move forward can be a slow process. Sometimes they feel stuck, uncertain about how to proceed, or even change their minds, which creates a lot of anxiety. But I reassure them that I'm with them every step of the way and that we can solve the problem together."*



**Ana Paez**

**Financial Coach at Neighborhood Trust**



## Removing the Burden of Debt in Collections

Charlene’s dreams of pursuing a dance career in New York City were quickly derailed by a sudden divorce and job loss, leading her to rely on credit card debt which resulted in two collection accounts that damaged her credit score and made it difficult to secure housing.

Determined to improve her credit score, Charlene first explored expensive credit repair services. She later discovered Neighborhood Trust’s financial coaching service through her credit union, which is a member of our credit union program, Pathways to Financial Empowerment. This program is a nationwide partnership between Neighborhood Trust and Inclusiv, integrating our financial coaching IP and outcomes tracking platform into credit unions across the country.

With the guidance of her Financial Coach, Ana, Charlene was able to dispute several errors on her credit report and negotiate a plan to payoff her collections debt.

With the weight of the collection accounts lifted, Charlene paid off her high-interest credit cards, built up her savings, and secured housing with the help of her improved credit score. Her credit limit also increased from \$500 to \$3,000. This breathing room has given her renewed hope and motivation to strive for financial stability.

“Managing personal finances can be overwhelming, especially when you don’t fully understand the ins and outs of the system,” Charlene said. “Ana has a unique talent for breaking down complex financial concepts into understandable terms. Her level of dedication and patience in teaching her clients the basics of finance is amazing.”



Neighborhood Trust Financial Partners played a crucial role in **REDUCING DEBT IN COLLECTIONS FOR 5,080 CLIENTS** like Charlene who were struggling with this financial challenge.

↓  
\$1,027

Our clients experienced a significant **REDUCTION OF DEBT IN COLLECTIONS**, with a median reduction of **\$1,027, RELATIVE TO THE MEDIAN BASELINE** of \$1,689.

Our efforts to assist our clients with collections debt resulted in a **TOTAL REDUCTION** of **\$3.5 MILLION IN DEBT IN COLLECTIONS** in 2022.

↓  
\$3.5M

## Easing the Pain of Medical Debt in Collections

In 2022, Neighborhood Trust partnered with RIP Medical Debt, an organization that strengthens communities by abolishing financially burdensome medical debt. With this partnership, we are analyzing the pain points workers face when dealing with medical debt. From there, we are working backwards to develop solutions that will help employers and healthcare providers to prevent medical debt before it occurs.

Neighborhood Trust's strong relationships with employers and RIP Medical Debt's partnerships with health systems provide a unique opportunity to turn our trusted client relationships into actionable recommendations for key stakeholders.

Neighborhood Trust will deliver toolkits to our employer and benefits provider customers via TrustPlus, with a goal to change health- and debt-related benefits. RIP Medical Debt will deliver the relevant toolkit to their hospital partners, and will also plan to communicate our overall findings and insights with a broader range of advocacy groups and policymakers.

Medical debt is the most pervasive type of debt in collections. With our blend of Financial Coach insights, client voices and data, and partnerships like RIP Medical Debt's, we can bring solutions to institutions nationwide.



“Medical debt that ends up in collections can be incredibly challenging for clients. My clients frequently find themselves in this position without warning or knowledge of the debt. This situation can be even more difficult for those with complicated medical issues, who receive bills from multiple sources without a clear understanding of the charges. Managing these bills is an enormous challenge, especially for those trying to recover. This is a major reason why medical debt ends up in collections—it's simply too stressful and confusing to manage.”

**Elise Nussbaum**  
**Financial Coach at Neighborhood Trust**

# Celebrate the Wins!

At Neighborhood Trust, we are inspired by our clients' successes, which drives us to continue providing support. In this section, we highlight some of our clients' achievements through snippets from our internal chat. These conversations serve as a powerful source of motivation and remind us of the impact of our work on our clients' lives.



## #ClientWins

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**Ashley Denaë Hannah, AFC®**

Team, it's been quite a week! I have to share some news and want to hear your victories, too. I did an interesting calculation to see how much my client's wealth has increased per session. The results were impressive: my client has increased their wealth by \$962 per session! It's incredible to see how much of an impact our coaching has on their financial health.



**Elise Nussbaum**

That's awesome, Ashley! One of my clients has been working diligently to pay down their debt, including credit cards and a business loan. They have made significant progress and reduced their debt from \$18,397.83 to \$15,482.53 in just 3 months. They were also able to consolidate the remaining credit card debt into a Debt Management Plan with a low interest rate of just 1-2%. Witnessing the progress my clients make on their journey towards financial stability is incredibly rewarding.



**Ana Paez**

Thank you both, I needed this. I received a note from a former client that is a powerful testament to the impact that Neighborhood Trust has on the lives of the people we serve. It was a touching and heartfelt message that filled me with immense pride and gratitude. Witnessing my clients transform themselves into more confident individuals when they believe in themselves, achieving greater financial stability and happiness through our work together, is incredibly meaningful and highlights the importance of replicating Neighborhood Trust's values and teamwork every day.

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## I am a Financial Coach because:



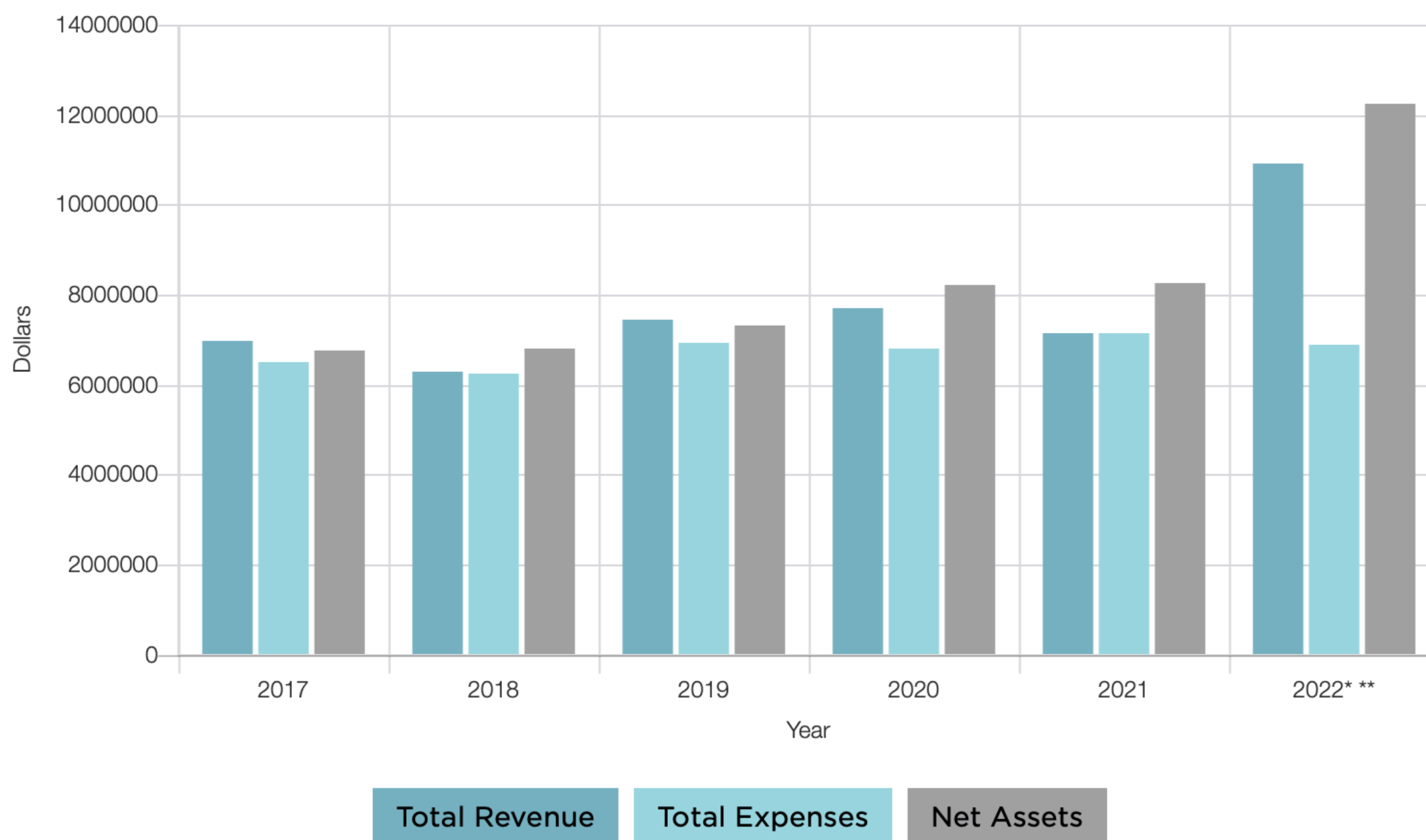
*I believe everyone deserves a safe and trustworthy space to discuss their finances. Too often, people are left without an outlet to express their concerns, without being bombarded by predatory tactics or sales pitches. I take pride in being that sounding board and offering genuine support, always with their best interests in mind. Accessibility to this kind of resource is crucial and unfortunately, not always readily available.*



**Adrianna Gregory**

**Financial Coach at Neighborhood Trust**

## Financials



*\*2022 Unaudited Actuals as of December 31, 2022.*

*\*\*Our Total Revenue in 2022 includes the forgiveness of two Paycheck Protection Program (PPP) Loans in that year, which were received in 2020 and 2021 in response to the pandemic.*

[Click here](#) for additional financial data.

2022 UNAUDITED ACTUALS AS OF DECEMBER 31, 2022

BALANCE SHEET	12/31/2022
<b>ASSETS</b>	
Cash and cash equivalents	\$5,978,674
Receivables	5,172,777
Fixed assets	1,634,335
Other Assets	135,468
<b>Total Assets</b>	<b>\$12,921,254</b>
<b>LIABILITIES &amp; NET ASSETS</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$185,674
Deferred Revenue	-
Government Refundable Advance 2022	119,851
Deferred rent	380,512
Total Liabilities	\$686,037
Net assets without Donor Restrictions	7,059,235
Net assets with Donor Restrictions	5,175,981
<b>Total Net Assets</b>	<b>\$12,235,216</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 12,921,254</b>

2022 UNAUDITED ACTUALS AS OF DECEMBER 31, 2022

INCOME STATEMENT	12/31/2022
<b>REVENUE</b>	
Contributions	\$6,962,429
Government grants	3,526,557
Fees	394,543
Other revenue	12,054
<b>Total Revenue</b>	<b>\$10,895,584</b>
<b>EXPENSES</b>	
Payroll	\$4,694,092
Professional Fees	1,092,887
Technology Expenses	280,302
Direct Program Expenses	41,117
Other expenses	794,319
<b>Total Expenses</b>	<b>\$6,902,717</b>
<b>Change in Net Assets</b>	<b>\$3,992,866</b>