

Budgeting HOPE available

Mark Sage

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By NATE HUBBARD/Staff

While the federal government may be able to get away with a trillion dollar budget deficit, individual household budgets can become troublesome as soon as the ink starts running red.

In response to the difficult economic times, HOPE (Helping Overcome Poverty's Existence) Inc. has refined its intake process by mandating a budget course for anyone seeking its services.

The Wytheville-based human services organization plans to begin offering the classes three times a week starting in early February.

"We really pride ourselves on this budget counseling," said Andy Kegley, HOPE's executive director.

When people first arrive at HOPE seeking assistance, Kegley said they are required to fill out demographic information. In the past, a budget worksheet also was part of the initial intake process.

Under HOPE's new system, though, prospective clients will fill out the financial paperwork during a course that is designed to provide solutions to any budgeting problems the worksheets may reveal.

The free courses also will be open to any area residents simply interested in improving their budgeting skills. Kegley added that HOPE is working on a partnership with the Department of Social Services to reach other people that may need help in organizing their finances.

The classes will be offered on Mondays from 1 to 3 p.m., Tuesdays from 10 a.m. to noon and Thursdays from 2 to 4 p.m.

Amanda Romans, HOPE's financial education and housing counselor, will be leading the classes. The organization plans to offer the first class on Feb. 9.

Romans said anyone wishing to participate in the classes simply needs to show up at HOPE (located at 680 W. Main St.) at the designated times.

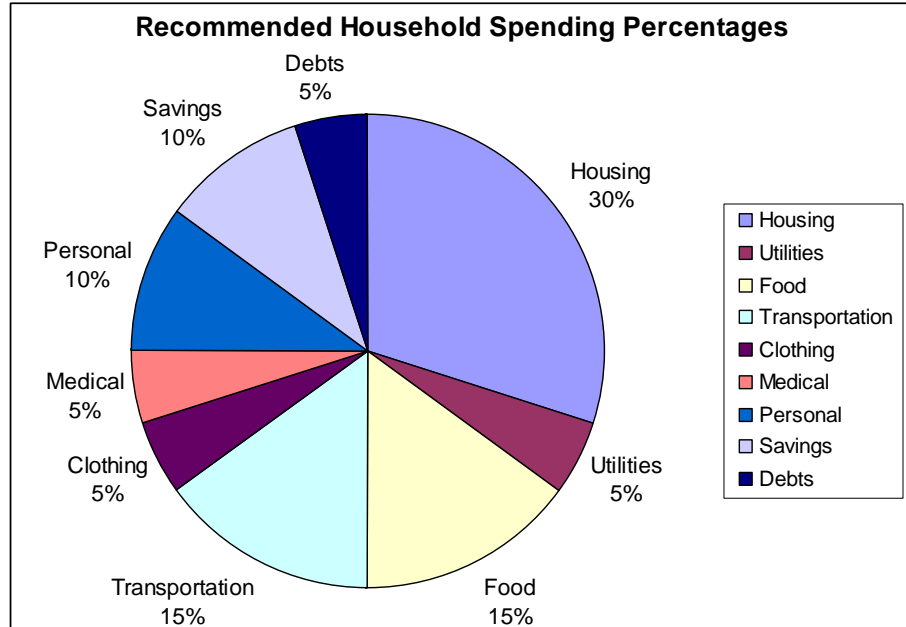
For now, Romans said, each class will feature the same basic outline and materials. In the future, though, Romans said she hopes to lead a series of meetings on specific financial topics if there is interest from the community.

In addition to income vs. expenses budget worksheets, Romans said the classes will provide participants with other area resources that offer help with finances and strategies for organizing financial information.

The classes also will feature specific ways to reduce expenses and tips for boosting income.

Another important aspect of the classes that Kegley and Romans highlighted is their emphasis on teamwork.

Although Romans, whose position is funded by a grant from the Wythe-Bland Community Foundation, will lead the courses, she said class participants will share ideas and experiences in an effort to learn from one another.



“We think that there will actually be strength in numbers,” Kegley added. “We’re trying to be more effective in how we deliver the counseling.”

HOPE expects payday lending loans to be a particular financial trouble spot for Virginia residents in the coming months.

Last year, the Virginia General Assembly passed new regulations on the payday lending industry, most notably restricting borrowers to one outstanding loan.

While Kegley and Romans said the law, which took effect on Jan. 1, eventually will provide some measure of protection for borrowers, they said many people unaware of the law change will be unable to immediately repay their 2008 loans that suddenly can no longer be rolled over due to the new one-loan-at-a-time rule.

Romans said one woman who visited HOPE earlier in the month has five loans that she planned to continue rolling over into new loans until she had extra money to pay them back, such as from a tax rebate in the spring.

Under the new law, though, Romans said the woman has to pay back at least four of the loans by the end of January – a prospect that would leave her with no money for food or rent.

“With the law change, she’s not going to be able to renew those loans,” Romans said.

While HOPE plans to help people avoid getting caught up in payday lending debt in the first place through the budget classes, Kegley and Romans said they expect the next few months to be a difficult transition phase as borrowers adjust to the new regulations.

“We kind of think it’s the tip of the iceberg,” Kegley said. “It’s going to be ugly.”

In 2008, Kegley said HOPE dealt with 692 households in need of financial help. Of that group, the executive director said HOPE provided financial assistance (ranging from one month's electric bill to extended rent or mortgage coverage) to 345 families.

Those 345 families received a total of \$378,943, an average of \$1,100 per household.

In addition to providing financial assistance and counseling, HOPE also continues to work toward reducing homelessness in the area.

The organization is looking for volunteers on Thursday to assist in its annual count of the area's homeless population. For more information or to help with this year's undertaking, call (877) 818-8680 or visit <http://www.wythehope.org>.

Nate Hubbard can be reached at 228-6611 or nhubbard@wythenews.com.