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## United Way largely funds Financial Stability Center

Lynn residents receive financial and credit counseling, and more

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Putting a bandage on homelessness and poverty was not enough for a coalition of 13 nonprofits, business leaders and elected officials in Lynn, who last fall launched a financial literacy center that goes to the heart of why families and individuals end up on the street.

Funded largely by **United Way of Massachusetts Bay and Merrimack Valley** and operated by Lynn nonprofit SPIN, or **Serving People In Need Inc.**, the literacy center provides financial and credit counseling, banking assistance, tax preparation assistance and financial training, among

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other services. Called the Financial Stability Center, it is housed in a cavernous former Eastern Bank branch on a prominent downtown Lynn street corner, bringing life to a building that had been vacant for five years.

Perhaps the biggest initiative of the center is to help participants who are qualified

to apply for the Earned Income Tax Credit. Known as EITC, this federal income tax credit is available to low- and moderate-income individuals and families and, in short, puts money in the pockets of people who need it most.

According to **Internal Revenue Service** estimates, Lynn residents are eligible for a total of \$3.2 million in now unclaimed EITC funds. All that's required is for those who are eligible to complete and file the proper IRS tax documents — a simple task for some, but daunting for those who are unaware of the EITC or who fear the IRS.

Nationwide, the United Way has been working for a decade to increase the numbers of people who apply for EITC credits. The goal for the new Financial Stability Center is to connect 500 families with services that propel them toward more financial stability, and for Lynn residents who are eligible for EITC credits to claim \$2.5 million in this tax year.

"This is right here, right now," said **Mike Durkin**, president and CEO of the United Way of Massachusetts Bay and Merrimack Valley, which has committed \$1 million over five years to the Financial Stability Center and \$20,000 to the EITC initiative alone. "We want people to earn it, keep it and save it."

Until the Financial Stability Center started last fall, SPIN had been exclusively providing homeless services to area families. The organization still offers those services. For example, it manages 77 apartments where homeless families can stay for a year until they find more permanent placements.

But SPIN recognized there was a deeper problem — that homeless families have little understanding of how to manage money — and providing housing merely is

a bandage, said **Mark DeJoie**, the organization's executive director. The recession, he said, also has shone a spotlight on those who may not be homeless but are hanging on by a thread and lack financial savvy.

For Lynn's city officials as well as local business leaders, the center's value is part social, part economic. For example, Lynn residents who collect a few extra dollars from EITC credits are likely to be strong consumers for Lynn's downtown businesses, and during a January meeting of the **Lynn Chamber of Commerce**, about 50 local leaders turned out to hear more.

"This is where economic development meets social services," said Rep. **Steven Walsh**, D-Lynn, who is a member of the center's advisory board. Most of the center's current clients are not car owners or homeowners, he said, "But if they build credit, they're going to buy cars. And they're going to look for college loans for their children."

Indeed, on a recent cold Friday morning, nearly a dozen people sat in a semi-circle of chairs during a workshop focused on how to build credit and improve credit scores. An employee from the nearby **Community Credit Union** ran the workshop, one of many investments the credit union is making, not only to ensure the Financial Stability Center succeeds but also with the hope of building a future base of banking customers.

"Clients who come to the bank have varying degrees of financial literacy, but in just a few months you can see real progress," said Nicholas Sarantopoulos, president of the credit union and a member of the center's advisory board.

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