

2012 Annual Report

Improving lives
through financial
education

Guiding consumers
on their journey to
financial security,
from beginning
to end



Money Management
INTERNATIONAL

Improving lives through financial education.

AnnualReport.MoneyManagement.org

President's Message

Ivan Hand
President
MMI



Committed to Progress, Committed to Success

For the American consumer, 2012 was a year of slow growth. Recovery from the recession of 2008 has been sluggish. Although the national unemployment rate continues to decline, 12.5 million American consumers remain without jobs. Our debt crisis has leveled off; however, Americans as a whole remain \$11.31 trillion in debt. We are seeing the light at the end of the tunnel, but the journey is far from over.

For the individuals and families we helped throughout 2012, high unemployment and stagnant wages were the most commonly cited cause of financial distress. In order to combat these factors, our focus was to continue providing free to low-cost programs and services that had the biggest impact on the changing needs of our clients. With little to no income, many of those struggling were faced with limited options and a greater sense of urgency for overcoming their financial woes. More than a half million consumers contacted us for help and nearly 300,000 people either participated in a counseling session or one of our education programs.

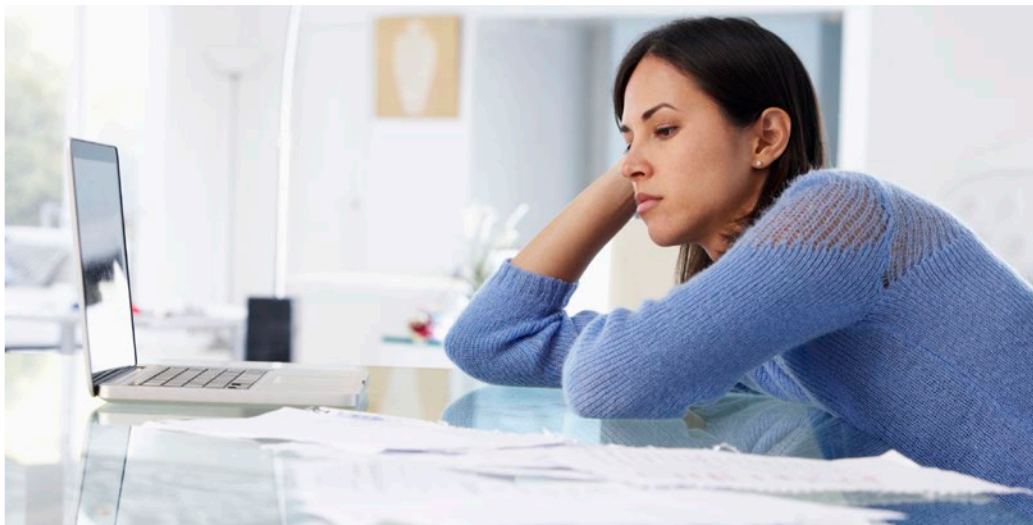
In 2012, our financial educators and counselors:

- Counseled 84,815 consumers struggling with debt
- Assisted 93,926 clients in repaying \$685,498,510 in debt
- Delivered 3,076 education programs; reaching a total 90,308 consumers
- Helped 59,852 homeowners understand their options when dealing with foreclosures and other housing related issues
- Assisted 51,651 bankruptcy filers with pre-filing counseling and post-filing education services

Our 2012 efforts aimed to not only expand our services and extend our reach, but to also improve the efficiency of how we operate. We don't just want to be the largest credit counseling service agency; we also want to remain among the best in everything that we do, from how we find and communicate to consumers in need, to how we train and develop our employees, to how we administer debt management plans.

Looking forward, we understand that although the economic outlook for 2013 is relatively positive, our clients will likely continue to struggle through a time that economists describe as being the slowest recovery following a recession since World War II. But regardless of market conditions or in which direction the economic landscape shifts, Money Management International (MMI) is committed – now more than ever – to remaining ahead of the curve, and focused on providing consumers with the education and outreach services they need to overcome their financial hardships and adapt to today's rapidly changing fiscal environment.

Ivan Hand
President and CEO



Who We Serve

Reduced income and poor money management have long been the primary cause of financial distress for clients seeking our assistance, and the story in 2012 was no different. In fact, the average income for MMI's clients dropped almost \$3,000 in 2012, which illustrates that even as the economy swings upward, consumers continue to struggle and the need for assistance has not diminished.

Our counselors are trained to assist clients in facing the complex nature of economies both personal and collective. They understand that a financial crisis can happen to anyone at any time. In 2012, our credit counselors delivered financial advice and education to nearly 90,000 consumers struggling with the burden of debt. In the course of each one-on-one session, counselors work with clients to assess their financial situation and develop an action plan to overcome their financial setbacks, while simultaneously laying a foundation for long-term success. Of those counseled, 21,165 chose to begin a debt management plan (DMP) in order to help repay their debts. Last year, we assisted our clients in paying back more than \$685 million in personal debt.

Although the housing crisis of 2008 has subsided, hundreds of thousands of homeowners still struggle to remain in their homes. In fact, in 2012 nearly 60,000 people spoke with one of our housing counselors. Through working relationships with **NeighborWorks® America**, **Homeownership Preservation Foundation**, and **HUD (HUD.gov)**, we are able to match homeowners to the best programs and services to fit their housing needs. In addition to assisting struggling homeowners, our housing counselors and educators provided guidance to seniors considering a reverse mortgage and assisted consumers through the first-time home buying process.

"Enrolling with MMI was one of the best decisions I've made. I only wish I had started sooner. I can finally see the light at the end of the dark debt tunnel."

Aaron R, Buffalo, NY

MMI was awarded \$1,144,129 for HUD's Comprehensive Housing Counseling Program and an additional \$452,062 to support Reverse Mortgage Counseling

MMI was also awarded \$3,034,855 in round 6 of the National Foreclosure Mitigation Counseling Program (NFMC funding)

Educating Consumers, Improving Lives

Over one-third of all consumers who came to MMI for assistance in 2012 cited poor money management as their primary source of financial concern. No matter what the national economic environment may look like, our core philosophy that an educated consumer is empowered to overcome obstacles and reach long-term financial success remains steadfast. Last year, MMI was able to impact over 90,000 individuals through educational outreach, while clients completed over 3,000 educational programs.

"Thanks for the outstanding support during Military Saves Week 2013. Your Home Buying Workshop was an absolute highlight of the week with great attendance and great facilitation and instruction! We look forward to working with you again."

Christopher M,
United States Air Force

Our education programs and services include:

- Employee lunch-and-learn seminars
- Homebuyer classes
- K-through-12 school programs
- College programs
- Comprehensive educational webinars
- Train-the-trainer workshops for social service agencies
- Training for our Certified Money Management Volunteer program



Asked to grade their financial literacy, 77 million Americans (34%) would give themselves a grade of C or worse.

(NFCC, 2011)

There is an increasing recognition that financial problems affect more than just a person's bank account. Stress over financial matters can have far-reaching effects, impacting health and relationships. A recent study revealed that one-third of American workers are distracted by personal financial issues while on the job, with 97 percent of those who report being distracted also admitting to spending some amount of work time dealing with those financial issues.

Our **Financial Solutions** program was created with an eye towards offering all-in-one educational services tailored to meet the specific needs of unique groups of consumers. By providing employers, financial institutions and private organizations with a host of personalized educational tools and resources, Financial Solutions empowers their employees, customers and members to create pathways to long-term financial success. Last year, MMI serviced nearly 600 community education partners and their employees, members and their families through comprehensive financial wellness programs designed to increase understanding of personal finance and decrease the stress involved with managing money.



In 2012 MMI was thrilled to partner with the [National Football League's Player Engagement department](#) to provide rookies, veterans and retired players with important financial literacy programs and services designed to equip them with the tools and know-how necessary to maximize their full financial potential at every stage of their career.

"We are committed to offering our players the financial tools and resources they need to make smart financial decisions. The objective of this program is to ensure players' long-term financial stability throughout their football careers and beyond." – James Thrash, player engagement manager for the NFL

Additionally, in 2012 MMI formed a direct partnership with the San Francisco 49ers to provide their organization with customized financial education and services. In 2013, we will continue our efforts to engage large organizations and groups that provide MMI a wide reach to assist more people in need of financial education.

"I just want to say how happy I am and how truly amazed I am that I didn't lose my house because of your service. I lost my job and am literally making half the money. But now I'm more than half way out of debt. I am so thankful to you guys. You don't know what it's like to lose your job and almost lose your house and now be where I am today, and I thank you guys very much!"

Kerry C, Independence, MO



Increased Efficiency, Improved Results

Ultimately, as a leader within the nonprofit credit counseling and financial education industries, our success is measured not only by the number of lives we impact through our services, but also by the quality of the service we provide. In 2012, a significant amount of focus was placed on maximizing our efficiencies. To that end, a priority was placed on ensuring that we have the right people at the right staffing levels with the right knowledge and tools to provide our programs and services at the highest quality, while maintaining maximum efficiency. As a result of this work, we saw improvements in areas such as customer service, employee and customer satisfaction, and technology efficiencies.

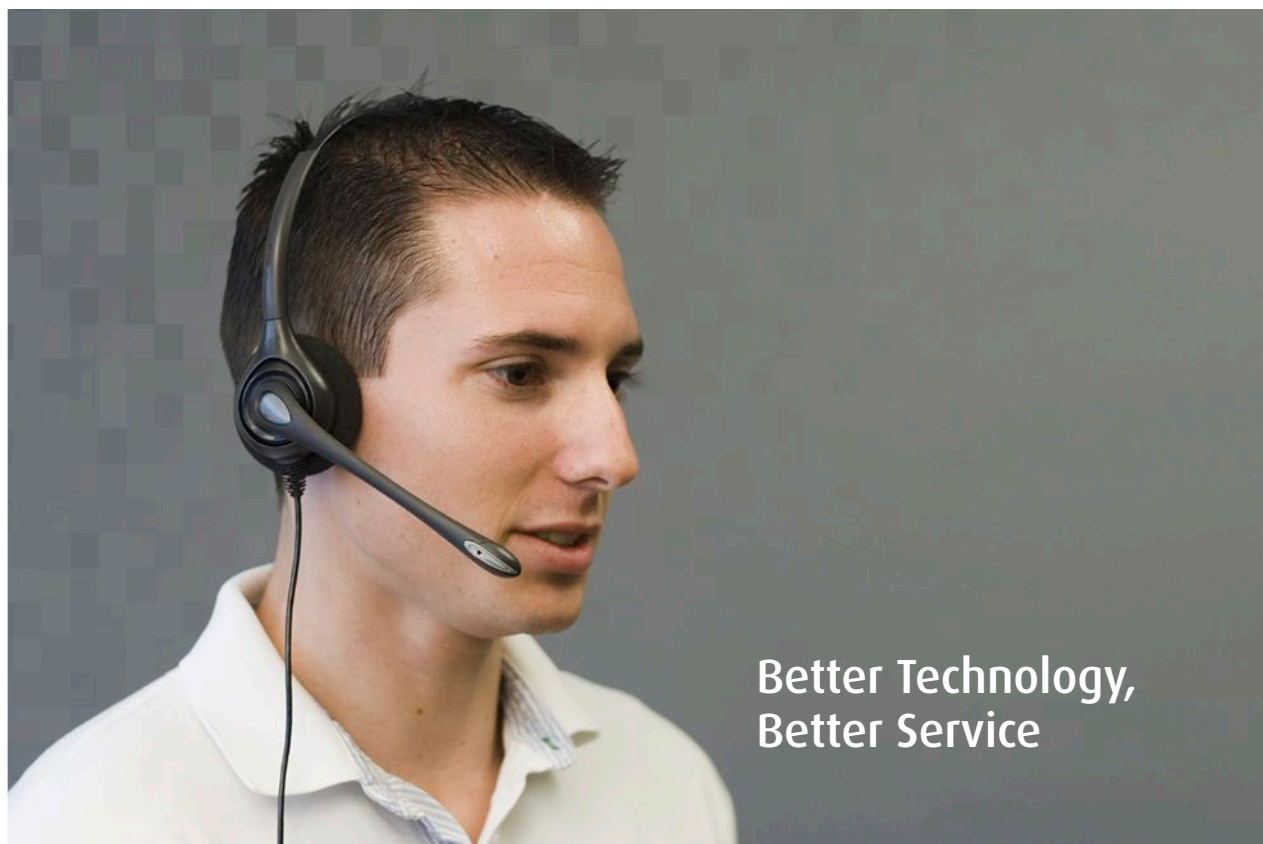
In 2012, our overall customer satisfaction continued to increase, rising 4.4 percent over the previous year. The average client paid

"I want to thank MMI for helping me get out of debt and getting my credit back together. You guys are the best and you guys are the real deal. Thank you so much for helping me the last five years to get this thing done. You have no idea...a burden has been lifted like you wouldn't believe!"

Alessandro M, Reading, PA

back nearly \$22 thousand in debt through MMI serviced debt management plans and felt more fulfilled, more understood, more cared for and more satisfied than ever before.

Our housing counselors continued to excel in both efficiency and performance. MMI was very pleased to pass the [Homeownership Preservation Foundation's](#) annual audit with an overall score of 90 percent (proficiency) and an average of 95 percent (mastery) on all audited monitors. Our counselors also completed the first annual audit for [Making Home Affordable](#) with an overall score of 89 percent.



Technology continues to play an important role in the success of our programs and services as well as the success of our clients. Helping consumers get out of financial trouble is essential, but giving them the tools and resources to stay out of trouble is even more important.

In 2012, we took steps to better the online experience for our website visitors. Our efforts focused on optimizing web content strategies, which is the strategic process of using a mixture of financial education content including videos, audio files, graphic images and dynamic web content to attract the right person at the right time with the most appropriate educational material for addressing their specific needs.



MoneyManagement.org offers:

- detailed information about each of our counseling and education services
- educational questions and answers
- interactive financial education tools, including ebooks, quizzes, infographics and downloadable worksheets
- financial calculators
- comprehensive educational webinars
- financial education video and audio segments
- discussion forum, and
- a personal finance blog.

Last year, we also took steps to identify our true target audience. The goal of our efforts was to build brand awareness, increase visibility of online educational content and provide a more relevant and targeted experience for website visitors. After conducting extensive research, including hosting customer focus groups and interview sessions with internal staff, we were successful in identifying three unique personas. This valuable information allowed us the opportunity to update web content to be specific to the needs of a more precisely realized target audience. As a result of this work, our web traffic through mobile devices increased by 77 percent over the previous year, **our newsletter** open rate improved by 49 percent, and visits to **our blog** improved by 20 percent.

In addition to website improvements, 2012 marked the culmination of a multi-year initiative to replace our existing servicing platform, *Money Management Software (MMS)*, with a newer, more powerful system. *Independence* – officially launched

"From the day I walked into the MMI offices I have been amazed by the professionalism of the staff. I always felt a real sense of consideration and sympathy from everyone I worked with. I felt there was a true team mentality in operation. We were all working together to pay off my debt and change my life. I can't tell you how happy I am to have paid off my debt and I could never have done it without MMI."

Kelsey B. Stanton, VA

in the fourth quarter – provides MMI with a dynamic and agile infrastructure upon which to build the systems required to meet the present and future needs of our clients. The flexibility and versatility of Independence will allow counselors to more quickly and efficiently assess our clients' financial situations and provide solutions with unmatched personalization, and speed.

"Modern, scalable and flexible, Independence provides a set of feature-rich tools that enable our employees to more effectively and accurately recommend financial solutions to consumers that are in need of our services. These tools will allow us to easily expand our counseling and education services in other locations, formats and media, so that we can deliver a proper mix of counseling and education services to consumers with financial struggles." – Don McGee, Vice President, IT

The foundation that Independence provides will allow MMI to offer clients an increasingly individualized experience, with an emphasis on the self-service options that modern consumers have come to expect. Independence will integrate with our existing online access portal to provide clients with a host of new options for a customized experience, including budget trackers, "What If?" analysis of debt repayment options, specialized call outs to articles and appropriate content suited for each client's unique situation and much more.

The movement towards greater efficiency and automation was felt throughout MMI in 2012. In addition to the launch of Independence, we converted to a new image capturing software. With this new software, we have improved the process of capturing client emails to a fully automated practice, all of which resulted in better client communications and experience, in addition to a 25 percent improvement in productivity.

Better technology was also instrumental in improving our bankruptcy counseling process. By launching an online platform to manage and streamline attorney relations and communications, we have seen a savings in time and resources for MMI as well as the attorneys we service. Additionally, we launched an auto-dialer system to confirm bankruptcy education workshop appointments – a seemingly small change estimated to save the company \$20,000 a year.

"The recent enhancements added to our website have provided some really cool opportunities for clients to take a more active role in their DMP."

Josh G., Support Counselor

"Calling MMI is the smartest thing I have ever done, as my husband says."

Adeline G, Friona, TX



Paragon Financial Services (Paragon), an industry support division within MMI, continues to be a vital element of our organization and a further example of MMI's technological leadership within the credit counseling industry. Paragon's mission is to provide industry leading, cost-effective and high quality credit counseling software, products and services to credit counseling organizations and related industries. To that end, Paragon currently supports the efforts of 23 nonprofit housing and credit counseling agencies throughout the United States, including providing full debt management plan support for 13 of those agencies. Additionally, Paragon proudly services the legacy DMPs of agencies that have merged with MMI.

Our Employees, Our Culture

We have always acknowledged that MMI, as an organization, is only as strong as the men and women who dedicate their time and effort to the realization of our mission. Our employees have made MMI the recognized leader in the credit counseling arena through the power of their combined passion to build a culture of excellence and caring.

Having previously been recognized as one of Achiever's 50 Most Engaged Workplaces nationwide, we were very pleased to be named one of Houston's Top Workplaces for 2012. The award was granted based on an extensive employee survey conducted by Workplace Dynamics, which evaluated organizations based on leadership, growth potential, career development, competitive compensation, mission alignment and overall work satisfaction.

"We take pride in building a workplace environment where every employee is inspired and respected. This incredible honor is a testament to the wonderful people who make up the MMI family." – Casey Ferry, Director, Human Resources

As part of MMI's dedication to building a workplace in which our mission of improving lives through financial education aligns fully with our vision of being the recognized leader in educating and empowering individuals and families to attain financial success, we strive to abide by our Guiding Principles:

- Customers will know we care
- We will inspire and respect each other
- We will act with integrity
- We will be financially responsible



87% of employees participated in the 2012 annual survey – up 10% from 2011

"Seeing my employees grow; seeing their enthusiasm for giving back to the community; seeing their enthusiasm for watching their clients succeed is what makes my job so very, very special."

Jeanine L, Vice President, Education and Community Relations

"I enjoy working for MMI because it provides the perfect opportunity for me to combine my career passion and my desire to make a difference in people's lives."

Anna K, Marketing Specialist

Our History

Not long after the credit card was first introduced, a need for consumer financial education was identified. In the early 1950s, groups of volunteers across the country began providing free financial education services to the general public. Consumer Credit Counseling Services (CCCS) was among the first groups offering credit and debt counseling services to consumers in need. The financial educators at MMI have been providing financial education and budgeting advice since 1958. Years later, in 1997, several CCCS agencies joined together to establish MMI in response to the changing needs of both consumers and creditors.

It was clear at that time that consumers wanted and valued the convenience of telephone and Internet counseling, while creditors required fast and effective solutions to disbursing funds and administering debt management plans. However, the expense and effort required to establish a national telephone center and develop the necessary technology was judged to be too great for any one agency to undertake. The founding members of MMI, which included six successful Consumer Credit Counseling Service (CCCS) organizations with more than 100 years of combined service to consumers and their communities, decided to take on the task of building the technology necessary to efficiently serve those in need of credit counseling.

Over the next several years, MMI strengthened its in-person counseling capabilities and community education initiatives by merging or joining forces with CCCS agencies. These mergers helped to elevate MMI to the position of the nation's largest nonprofit, full-service credit counseling organization.



Former CCCS agencies that comprise the MMI family

Agency | Merger Date

CCCS Gulf Coast | August 31, 2000
 CCCS Southwest | June 30, 2001
 CCCS of Greater Chicago | December 31, 2001
 CCCS of Southwest Virginia | June 30, 2002
 CCCS of Lehigh Valley | September 30, 2002
 CCCS of Baton Rouge | October 31, 2002
 CCCS of Greater Denver | April 25, 2003
 CCCS of San Diego | July 1, 2003
 CCCS of The East Bay | September 17, 2003
 CCCS of Maine | October 31, 2003
 CCCS of Central New Jersey | November 30, 2003
 CCCS of South Jersey | March 1, 2004
 CCCS of Mid-Oregon | August 10, 2004
 CCCS of Southern New England | January 31, 2005
 CCCS of Fort Worth | June 30, 2005
 CCCS of Greater Washington, DC | June 30, 2005
 CCCS of Spokane | June 30, 2005
 CCCS of Racine, WI | May 1, 2008
 CCCS of Linn-Benton, OR | June 30, 2008
 CCCS of Greater New Orleans | January 1, 2009
 CCCS of Madison | April 13, 2009
 CCCS of Alaska | January 1, 2012

Thank you!

MMI's mission to improve lives through financial education would not be possible without the support and guidance of our board of directors, major contributors, donors, partners and volunteers.

MMI greatly appreciates the generous financial support of our major contributors, whose 2012 contributions assured the continued success of our programs and services.

We also wish to acknowledge the many organizations that refer consumers in need of our assistance.

We extend our gratitude to all of the organizations and individuals who have supported MMI through the donation of money, time, space and resources. Your dedication allows us to expand our reach and deliver on our mission of improving lives through financial education.

Finally, we would like to thank all of the directors who served MMI in 2012.

Board of Directors

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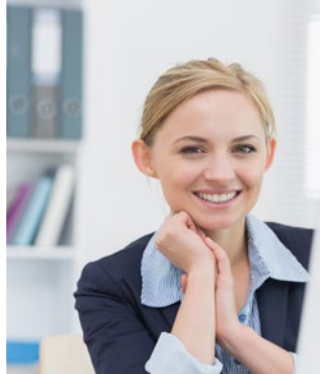
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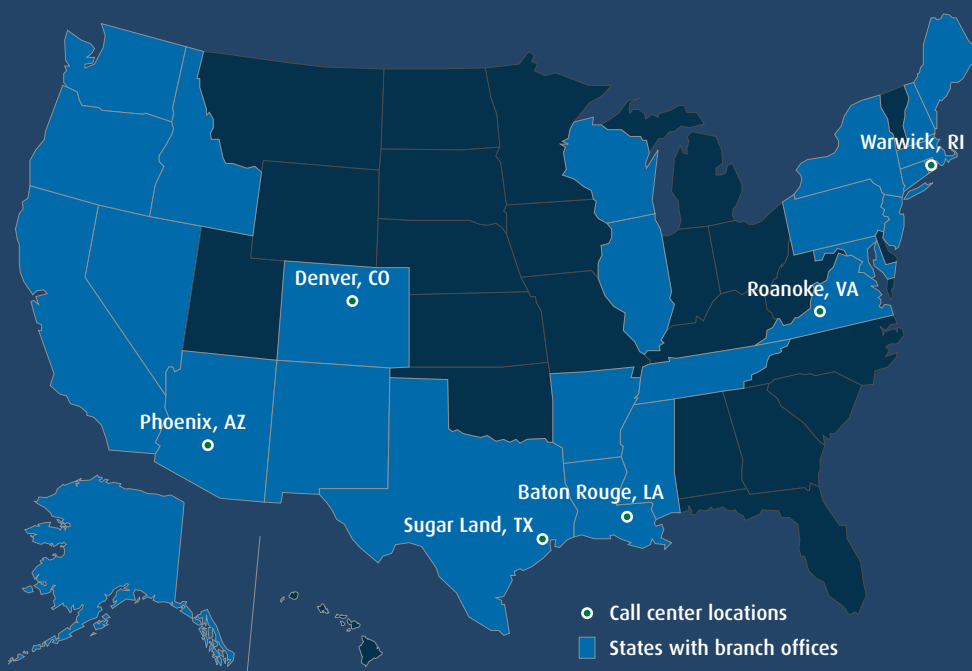
2012 Major Contributors

- AICCCA
- American Express
- Bank of America
- BBVA – Compass
- Capital One
- Citigroup
- Citizens Bank
- Comenity Bank
- Comerica
- Discover Financial Services
- Emergency Home Loan Program (EHLPP)
- Financial Literacy for Alaska
- GE Money
- Homeownership Preservation Foundation (HPF)
- HSBC
- JP Morgan Chase
- Kohl's
- Making Home Affordable (MHA)
- MetLife
- National Financial Literacy
- National Foundation For Credit Counseling (NFCC)
- NeighborWorks
- Pennsylvania Housing Finance Authority (PHFA)
- Retailers National Bank
- Rhode Island Housing
- Security Finance
- State Farm
- Sugar Land Development Corp.
- United Way
- USAA Federal Savings Bank
- US Bank
- US Dept. of Housing and Urban Development (HUD)
- Wells Fargo
- World Financial Network National Bank



About Money Management International

Money Management International is recognized by the Internal Revenue Service as a 501(c)(3), tax-exempt, financial education and credit counseling organization. MMI is headquartered in Sugar Land, Texas, and is the nation's largest nonprofit, full-service consumer credit counseling organization with more than 95 branch offices throughout the country.



Help MMI Go Green!

The report is designed as an online document. Support our going green efforts by opting out of the print version and view the electronic copy at [AnnualReport.MoneyManagement.org](#).



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