New Working Cars for Working Families Website and getting to know More Than Wheels

John Van Alst, National Senior Citizens Law Center
Terri Steingrebe, More Than Wheels

Jessica Hiemenz
National Consumer Law Center

This webinar is sponsored with a grant from the Annie E. Casey Foundation and is one of a series of webinars about working cars for working families.

February 16, 2011
Presenter – John Van Alst

• Joined NCLC in 2006 as a Staff Attorney at the Center’s Washington, DC Office.
• At NCLC John specializes in issues related to car sales and finance.
• Prior to joining NCLC John work for seven years as an Attorney with Legal Aid of North Carolina.
• While at Legal Aid he focused primarily on consumer issues. He was also the Chair of the North Carolina Consumer Law Task Force.
Presenter – Terri Steingrebe

- Chief executive officer of More Than Wheels a not-for-profit organization headquartered in Manchester, New Hampshire with offices across New Hampshire and in Boston, Massachusetts.
- Terri has more than 28 years of experience in finance and operations.
- Learn More: www.morethanwheels.org
Agenda

• Getting to know More Than Wheels
  – Terri Steingrebe

• Questions

• New Working Cars for Working Families Website
  – John W. Van Alst

• Questions
Contact Information

• John W. Van Alst- National Consumer Law Center
  – jvanalst@nclc.org
• Terri Steingrebe-More Than Wheels
  – terristeingrebe@bonnieclac.org
For more information

• To subscribe to the listserv of those interested in Cars and Working Families just go to: http://lists.nclc.org/subscribe/ and check the Auto Ownership, Finance, and Policy list

• Visit the following website:
  – National Consumer Law Center’s Auto Page:
    • http://www.consumerlaw.org/issues/auto/index.shtml
National Consumer Law Center – Webinar Series

Terri Steingrebe
CEO
More Than Wheels
terristeingrebe@morethanwheels.org
IMAGINE your life without access to personal transportation

Educational opportunities

Job advancement

Picking up a sick child from school

Grocery shopping

Medical care access

Overnight shifts and multiple job locations

Assistance to elderly parents

Doing laundry when you don’t have a washer or dryer in your building

Child care options

Access to recreational and cultural activities

Access to after school programs for children
The More Than Wheels Program is for people who have the *ambition* to improve their lives

### Barriers to economic stability

- Poor financial decision making and lack of personal financial skills
- Abuses prevalent in used car marketplace make getting a reliable car at a reasonable interest rate very hard
- Lack of access to educational and job related opportunities
- Limited advancement opportunities - stress & anxiety associated with normal household duties

<table>
<thead>
<tr>
<th>The “car” is a proven and powerful incentive to overcome these barriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• a “tool” in the battle of securing <em>self-sufficiency and security</em></td>
</tr>
<tr>
<td>• a catalyst for lasting change</td>
</tr>
<tr>
<td>• A self esteem and confidence booster – a sense of real accomplishment</td>
</tr>
</tbody>
</table>
The biggest challenge holding working poor back is breaking the cycle of poor financial decision making. Un-reliable transportation results in unplanned expenses, clients get further into debt. Payday loans and credit cards act as the buffer, clients can’t get to work, or take care of their families properly. Clients are living paycheck to paycheck, solving short term transportation issues alone will not bring lasting success.
Break the cycle of poor financial decision-making for struggling individuals and families using the car buying process as the catalyst to bring lasting change, economic stability & control.
1. A focus on new cars and good (2-3 year old) used cars
2. Guarantee of loans at “B” tier interest rates through unique banking partnerships
3. Proven program for re-building credit ratings for the long term
4. Tested and effective personal financial course that changes behaviors
5. Comprehensive support of the car-buying process from beginning to end
6. Ongoing support and advocacy for the life of the loan

More Than Wheels has helped almost 1500 individuals and families, arranging for over $16M in car loans
How the program works

1. Recruiting
2. Screening
3. Counseling & Steps to Success
4. Financial Fitness
5. Credit repair & establish positive payment history
6. Vehicle Selection
7. Loan Financing
8. Car Delivery
9. Alumni
Why a new or good used car makes financial sense

**More Than Wheels**

Get a Low Interest Loan on a Good Car!

### Need a Car?

$74/Wk — Financing Guaranteed
Bad Credit — No Problem

### 2001 Ford Explorer

<table>
<thead>
<tr>
<th>Down Payment</th>
<th>$2,195</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car Mileage</td>
<td>97,160</td>
</tr>
<tr>
<td>Gasoline MPG</td>
<td>19</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>34%</td>
</tr>
<tr>
<td>Monthly Payment</td>
<td>$318.20</td>
</tr>
<tr>
<td>Warranty</td>
<td>NONE</td>
</tr>
</tbody>
</table>

(60 month financing)

### Lifetime Car Ownership Costs

- Car with Interest: $19,092
- Maintenance & Repairs: $7,641
- Gas: $8,684
- Cash Down Payment: $2,195
- Fee: $0
- Residual Value: $500

**Total: $37,112**

### 2009 Toyota Corolla

<table>
<thead>
<tr>
<th>Down Payment</th>
<th>-$0-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car Mileage</td>
<td>100</td>
</tr>
<tr>
<td>Gasoline MPG</td>
<td>32</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>5.29%</td>
</tr>
<tr>
<td>Monthly Payment</td>
<td>$301.05</td>
</tr>
<tr>
<td>Warranty</td>
<td>6 Yr/100,000 Mile Extended</td>
</tr>
</tbody>
</table>

(66 month financing)

### Lifetime Car Ownership Costs

- Car with Interest: $19,869
- Maintenance & Repairs: $3,351
- Gas: $5,672
- Cash Down Payment: $0
- Fee: $895
- Residual Value: $5,500

**Total: $24,287**

---

More Than Wheels is a car dealership that offers financing options, including low interest loans for new or used cars. The image compares a 2001 Ford Explorer and a 2009 Toyota Corolla to illustrate how choosing a good used car can make financial sense. The 2001 Ford Explorer requires a $2,195 down payment and has a 34% interest rate, resulting in a total cost of $37,112. In contrast, the 2009 Toyota Corolla has no down payment and a lower interest rate, leading to a total cost of $24,287.
“clients are a diverse group with often strained financial situations that have prevented them from accessing reliable personal transportation. Their experiences with More Than Wheels are largely very positive, and they report substantial program impacts.” *


**Results**

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better able to get to work</td>
<td>50%</td>
</tr>
<tr>
<td>Overall improvement in finances</td>
<td>73%</td>
</tr>
<tr>
<td>Changes in spending/finances:</td>
<td></td>
</tr>
<tr>
<td>- spend less on car repairs</td>
<td>76%</td>
</tr>
<tr>
<td>- spend less on gas</td>
<td>45%</td>
</tr>
<tr>
<td>- spend less on interest</td>
<td>45%</td>
</tr>
<tr>
<td>- improved timely bill paying</td>
<td>47%</td>
</tr>
<tr>
<td>- more careful about spending</td>
<td>43%</td>
</tr>
<tr>
<td>Changes in family life:</td>
<td></td>
</tr>
<tr>
<td>- better able to shop &amp; run errands</td>
<td>71%</td>
</tr>
<tr>
<td>- better able to transport family</td>
<td>55%</td>
</tr>
<tr>
<td>- can attend community events</td>
<td>47%</td>
</tr>
<tr>
<td>- improved access to healthcare</td>
<td>52%</td>
</tr>
<tr>
<td>- better access to nutritious food</td>
<td>38%</td>
</tr>
</tbody>
</table>
Preliminary Data from current evaluation work

Survey results at enrollment

✓ 60% worried their food would run out before they could buy more
✓ 80% of clients with children said they couldn’t feed a child a balanced meal due to affordability
✓ 80% of clients with children said they were not eating enough because they couldn’t afford food
✓ 40% were using emergency food outlets
✓ 80% of clients said things just were not going their way
✓ 17% of clients used checking Accounts
✓ 44% used budgets
✓ 22% used online bill paying

Survey results 6-18 months later

✓ 38% worried their food would run out before they could buy more
✓ 13% of clients with children said they couldn’t feed a child a balanced meal due to affordability
✓ 5% of clients with children said they were not eating enough because they couldn’t afford food
✓ 22% were using emergency food outlets
✓ 18% of clients said things just were not going their way
✓ 48% of clients used checking accounts
✓ 78% used budgets
✓ 41% used on line bill paying
High Level Business Model

Fees from Clients → Revenue

Fees from Partners → Revenue

Highly discounted products & services from partners → Revenue

Support from Philanthropy → Revenue

Revenue → Costs

Costs → Local
  - State Directors
  - Consultants
  - Client recruiting & partnerships

Costs → Central
  - Intake
  - Car & Loan Services
  - Internal & External training

Costs → Corporate
  - Management
  - Finance/IT
  - Development
## Social Impact Metrics

<table>
<thead>
<tr>
<th>Short Term</th>
<th>Intermediate Term</th>
<th>Long Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Complete Fin Fit (100% for all required)</td>
<td>➢ Make car payment on time (89.2% on time payments)</td>
<td>➢ Maintain health &amp; well being (based on survey results)</td>
</tr>
<tr>
<td>➢ On time savings or loaner car payments (58% on track for savings 82% on track for tasks, 88% on track for loaner car payments)</td>
<td>➢ No new negative activity on credit report (begin measurement in July)</td>
<td>➢ Credit score above subprime (650)</td>
</tr>
<tr>
<td>➢ Buy a car that fits budget (100% of payments fit into budget)</td>
<td>➢ Improvements in health &amp; well being (survey results – on target)</td>
<td>➢ Default rate 5% or less (on track)</td>
</tr>
<tr>
<td>➢ Satisfaction with the More Than Wheels program (98 % client satisfaction)</td>
<td>➢ Loan Portfolio Performance by Financial institution</td>
<td></td>
</tr>
</tbody>
</table>
Questions?
The New Website

February 16, 2011
John W. Van Alst
• Goals for the new site
  – A central location to find lots of related information and materials at one place
  – A searchable database of car programs for those in need or wishing to donate a car
  – Make it easier for interested people and groups to get involved
• Started design and development in 2010

• Gathered resources, wrote content

• Incorporated database from Opportunity Cars
A walk through the site
Working Cars for Working Families

A safe and reliable car is essential to the success of most working families. Child care, jobs, groceries, medical appointments, and so many other everyday tasks are often out of reach for families without a car. Yet, buying, financing, and keeping a reliable car is fraught with dangers for everyone and simply not possible for some families.

Working Cars for Working Families is fighting to ensure that families get a fair deal when buying and financing a car and that the lack of a car does not stand in the way of families’ ability to become economically successful. We seek to bring about policy reform to bring transparency and fairness to the markets for used cars and car finance. We also promote policy and practice solutions to help non-profit ownership programs that help struggling families get a car.

Find a Program
Find a program that helps low-income families get a car if you need a car or want to donate one.

What’s Going on in your Area?
The struggle to ensure that working families can get and keep a reliable car at fair terms is going on everywhere.

Get Involved
Find out about opportunities for you to join the fight to ensure working families can get and keep a reliable car at fair terms.

News
NCLC launches new Working Cars for Working Families website
The National Consumer Law Center has launched a new website to serve the community of organizations fighting to ensure that working families can get and keep a safe and reliable car at fair terms.

“Working Cars for Working Families: Real Progress, Real Opportunities” Conference On October 20, 2010, advocates, academics, government regulators, practitioners, and others came together at the offices of the Federal Reserve Board to examine the vital importance of a car to family economic success, the hurdles to car ownership that families face, what efforts are currently being made to overcome these obstacles, and what more can be done to facilitate successful car ownership by families.

Modernizing the Massachusetts Exemption Laws
Massachusetts has amended its exemptions laws to better protect the family car and other necessities. This law sets out what property debtors are able to protect from unsecured judgment creditors. From the article in the Boston Globe: The new law updates decades-old property
About Us

Working Cars for Working Families is a group of organizations united to ensure that working families can get, keep, and use a reliable used car at fair terms. We are a coalition of varied organizations, yet we all recognize the importance of a car to the success of families. Collectively and individually we strive to improve public policy, practices, and understanding. We work in variety of areas such as:

- Improving consumer protection to stop abuses in car sales and finance and bring fairness and transparency to the marketplace.
- Promoting non-profits that provide struggling families with cars or financing or both at subsidized rates.
- Improving data collection and analysis to better understand the benefits of and challenges to car ownership for working families.
Sales and Financing

Most consumers finance their car at the dealer. In fact, dealers now make more profit from selling financing and similar products than they do from selling cars. Working families trying to buy and finance a car are vulnerable to a host of predatory sales and financing practices including high-pressure sales tactics, exorbitant interest rates, dealer mark-ups and add-ons. The purchase is often made under a great sense of urgency because a car is a necessity for most households. Dealers systematically take advantage of consumers’ need by cajoling, manipulating, and often outright deceiving them into buying and financing at unfair terms.

Consumers who have been taken advantage of generally have a difficult time trying to get matters resolved fairly. A lack of adequate protections and remedies, widespread use of forced arbitration agreements hidden in contracts, and a limited number of competent attorneys to handle consumers' claims all contribute to this difficulty.

Click here for additional information on sales and financing issues.
Application

Program Locations

Zip code: [ ] Search within [ ] miles
State: [Select an option]
City: [ ]

Go

powered by
[location locator]

Further Information

Donate a Car FAQs
Our Programs FAQs

Get Involved
Find out about opportunities for you to join the fight to ensure working families can get and keep a reliable, car at fair terms.
Application

Program Locations

Here are your results:
Found 3 matches

1. Ways to Work Inc.
   1212 N. Wolfe Street
   Baltimore, MD, 21213 - U8
   Telephone: (410) 534-1366

2. Vehicles for Change
   6230 Washington Blvd
   Baltimore, MD, 21227 - U8
   Telephone: (410)242-9874

3. Garrett County Community Action
   104 East Center Street
   Oakland, MD, 21550 - US
   Telephone: (301) 877-8043

Further Information
Donate a Car FAQs
Our Programs FAQs

Get Involved
Find out about opportunities for you to join the fight to ensure working families can get and keep a reliable car at fair terms.
**News Archive**

**NCLC Launches new Working Cars for Working Families website**

The National Consumer Law Center has launched a new website to serve the community of organizations fighting to ensure that working families can get and keep a safe and reliable car at fair terms. [more](#)

**"Working Cars for Working Families: Real Progress, Real Opportunities" Conference**

On October 25, 2010, advocates, academics, government regulators, practitioners, and others came together at the offices of the Federal Reserve Board to examine the vital importance of a car to family economic success, the hurdles to car ownership that families face, what efforts are currently being made to overcome these obstacles, and what more can be done to facilitate successful car ownership by families. [more](#)

**Modernizing the Massachusetts Exemption Laws**

Massachusetts has amended its exemptions laws to better protect the family car and other necessities. This law sets out what property debtors are able to protect from unsecured judgment creditors. From the article in the Boston Globe:

The new law updates decades-old property exemptions, allowing consumers to keep a car worth up to $7,500 out of reach of collectors, up from $700 in the past. Owners who are 60 or older or disabled will get a
General Resources


Training and Webinars

NCLC has an ongoing series of webinars about working cars for working families sponsored by the Annie E. Casey Foundation. The webinars are free and open to the public. To sign-up to receive webinar registration emails, email jhjohmo@nclc.org. You can find past webinars below to download the PowerPoints and recordings. Most webinars on this topic are on the 3rd Thursday of every month at 2pm EST.

Webinar Training

The Importance & Impact of Cars for Family Economic Success
Date: December 5, 2010
By: Urvi Neelakantan, Martin Schwartz, Evelyn Blumenberg
Presentation Recording

Add-ons and Loan Packing: How and Why Car Dealers "Pack" Loans and the Products They Use to Do It
Date: September 16, 2010
By: Mark H. Steinhach, John Van Alst, Mary C. Ledtell
Presentation Recording

Dealer Kickbacks: How Car Dealers are Paid to Put Us in More Expensive Loans and How We Can Stop It
Date: August 19, 2010
By: Chris Kulka, CRU; John Van Alst, Stuart Rozman
Presentation Recording
The struggle to ensure that working families can get and keep a reliable car at fair terms is going on across the country. This page will allow us to update you on local efforts to address these issues. If you know of something going on in your area that we should share with others please contact us.

Map

Alabama

Alaska

Arizona

Arkansas

California

Colorado

Connecticut

News

NCLC Launches New Working Cars for Working Families Website
The National Consumer Law Center has launched a new website to serve the community of organizations fighting to ensure that working families can get and keep a safe and reliable car at fair terms.

"Working Cars for Working Families: Real Progress, Real Opportunities" Conference
On October 29, 2010, advocates, academics, government regulators, practitioners, and others came together at the offices of the Federal Reserve Board to examine the vital importance of a car to family economic success, the hurdles to car ownership that families face, what efforts are currently being made to overcome these obstacles, and what more can be done to facilitate successful car ownership by families.

Modernizing the Massachusetts Exemption Laws
Massachusetts has amended its exemptions laws to better protect the family car and other necessities. This law sets out what property debtors are able to protect from unsecured judgment creditors. From the article in the Boston Globe:

The new law updates decades-old property exemptions, allowing consumers to keep a car worth up to $7,500 out of reach of collectors, up from $700 in the past. Owners who are 60 or older or disabled will get a $25,000 car exemption. Consumers also may hold on to $2,500 in a bank
Get Involved

Find out about opportunities for you to join the fight to ensure working families can get and keep a reliable car at fair terms.

News

NCLC launches new Working Cars for Working Families website
The National Consumer Law Center has launched a new website to serve the community of organizations fighting to ensure that working families can get and keep a safe and reliable car at fair terms.

“Working Cars for Working Families: Real Progress, Real Opportunities” Conference
On October 29, 2010, advocates, academics, government regulators, practitioners, and others came together at the offices of the Federal Reserve Board to examine the vital importance of a car to family economic success, the hurdles to car ownership that families face, what efforts are currently being made to overcome these obstacles, and what more can be done to facilitate successful car ownership by families.

Modernizing the Massachusetts Exemption Laws
Massachusetts has amended its exemptions laws to better protect the family car and other necessities. This law sets out what property debtors are able to protect from unsecured judgment creditors. From the article in the Boston Globe:

The new law updates decades-old property
• Website:  
http://www.workingcarsforworkingfamilies.org/

• Listserv:  
  – Go to http://lists.nclc.org/subscribe/  
  – And click on the Auto Ownership, Finance, and Policy list
Questions