

A Little Slice of a Large Pie

PROFILING ONE ATTORNEY'S FINANCIAL LITERACY
OUTREACH EFFORTS IN THE MILITARY COMMUNITY

By Benjamin J. Higgins



Existing financial literacy programs do not adequately educate military service members and their families on financial matters according to a January 2015 report of the Military Compensation and Retirement Modernization Commission.¹ The report highlighted the prevalence of expensive practices among military service members and their families such as making only minimum payments on credit cards, incurring late fees and over-the-limit credit card charges, and borrowing from nonbank financial institutions such as pawnshops. Such poor financial management practices can be harmful to the careers of service members and can lead to financial and legal difficulties that may haunt veterans long after they leave the military.

This profile follows the experience of Donald Lassman, a Massachusetts bankruptcy attorney who sought to harness the skill and effort of local bankruptcy attorneys to help address an unmet need among the local military and veteran community for financial literacy education and access to affordable legal assistance.

On November 12, 2008, Boston-area bankruptcy attorney Donald Lassman attended the Massachusetts Bar Association's annual gala dinner. Of the various speakers addressing the crowd that day after Veterans Day, one stood out for Lassman: Lawrence Feeney, then general counsel to the Massachusetts Department of Veterans' Services. Feeney spoke about an unmet need among local military service members and veterans for access to legal assistance. At the time, Lassman was serving as the co-chair of the Bankruptcy Section of the Boston Bar Association (BBA). In Feeney's appeal, Lassman recognized an opportunity to put the efforts and skills of the local community of bankruptcy attorneys to good use. Later that evening, Lassman sought out Feeney and initiated the first in what would become a series of conversations about how Boston-area bankruptcy attorneys could best assist the underserved population of local military service members and veterans.

Lassman recruited Mark Rossi, another local bankruptcy attorney, and together they began meeting regularly with the staff from the Massachusetts Department of Veterans' Services. Neither Lassman nor Rossi had previously engaged with the military or veterans on any significant level. While the two men understood that a significant need for legal services existed among service members and veterans, it was not immediately clear where their skills as bankruptcy attorneys could be most effectively deployed. To Lassman, it felt like confronting "a maze of veterans issues." Rossi remembers the "realization that veterans are such an immensely diverse population," and it was "a little daunting at the outset to try to establish what the needs were [and to] figure out where we would fit in in our little bankruptcy world." Gail Cavanaugh-McAuliffe, a paralegal at the Massachusetts Department of Veterans' Services, was able to direct the attorneys to one area of need where their services could be most beneficial: financial literacy education.

Many of the attorneys in the BBA's Bankruptcy Section had previously participated in various financial literacy outreach

efforts, including a longstanding program through which local bankruptcy attorneys taught Massachusetts high school students about basic financial literacy concepts such as personal finance and budgeting, credit and credit cards, car purchases, and the consequences of poor financial management. In meeting with representatives from the Massachusetts Department of Veterans' Services, Lassman and Rossi learned that many military service members and veterans lacked such basic financial literacy training that could have helped them avoid encountering the kind of significant financial difficulties that often gave rise to the need for legal services. The attorneys also learned that many current and former military service members who did encounter such financial difficulties might not have understood the full range of resources and options available to manage these problems. Cavanaugh-McAuliffe explained that she had witnessed a spike in the number of veterans facing mortgage foreclosures and that these veterans might not have understood their legal options. In these conversations, Cavanaugh-McAuliffe emphasized the serious need for financial literacy education among veterans, in particular among recent returnees from active duty. She explained to the attorneys that service members who may have been able to afford high interest-rate debt while on active duty, because of their regular pay and low cost of living, frequently encountered trouble servicing that same debt in civilian life, where they faced dramatic changes to their economic circumstances.

This shortfall in financial literacy training for military service members persists today. "Existing financial literacy programs do not adequately educate [s]ervice members and their families on financial matters," according to a January 2015 report issued by the Military Compensation and Retirement Modernization Commission (the Report).² The Report highlighted the prevalence of expensive credit card and nonbanking practices among service members, including providing specific examples. "Service personnel regularly make minimum payments, pay late fees, or pay over-the-limit charges on credit cards. They also commonly borrow

from nonbank financial institutions (e.g., pawnshops)."³ The Report found that "[w]eaknesses in financial literacy are adversely affecting [s]ervice members and their families. A bad credit report, a debt-collection action, or other financial problem can be devastating for a service member's career." For example, in fiscal year 2013, "financial issues were the fourth highest-ranking reason for losing security clearances, costing 1,129 military [s]ervice members their security clearance."⁴ As the Report indicates, the shortfall in financial literacy education does not stem from a lack of interest among service members. According to a 2013 Blue Star Families Annual Lifestyle Survey, 90 percent of respondents indicated they would like to receive more preventive financial education, and 82 percent indicated their spouse should be included in financial readiness courses.⁵

Back in 2009, Lassman and Rossi were just starting to understand the depth of this need for financial literacy education for military service members, veterans, and their families. The more they talked with Cavanaugh-McAuliffe and the representatives of the Massachusetts Department of Veterans' Services, the clearer it became that the BBA's Bankruptcy Section members, many of whom had already participated in various forms of financial literacy outreach, could provide some form of financial literacy training for local service members and veterans. As Rossi explains, the attorneys had discovered an area of need that overlapped with their "area of expertise and personal knowledge base." After some additional brainstorming, the group decided to create a "roadshow"—a traveling financial literacy



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program to be delivered by attorneys at locations across Massachusetts convenient to veterans and their families such as V.F.W. halls. Lassman, Rossi, and other BBA members created a presentation aimed specifically at military service members and veterans in need of basic financial literacy training, and Cavanaugh-McAuliffe and the Massachusetts Department of Veterans' Services helped select the venues and publicize the program.

The presentation had two main emphasis areas: (1) Preventive Financial Literacy—How to Stay out of Financial Trouble and (2) Responsive Financial Literacy—How to Resolve Financial Problems Should They Arise. On the preventive side, the presentation addressed such issues as credit cards, automobile loans, home mortgages, and budgeting. It highlighted common missteps to avoid, such as only making the minimum monthly payment on credit cards, incurring debt with high or highly variable interest rates, and not paying attention to hidden fees. The responsive portion of the presentation addressed warning signs of financial trouble and laid out options for individuals facing financial difficulty ranging from credit counseling, to loan modifications, to bankruptcy. In addition to explaining various tools for resolving financial difficulties, the presentation highlighted various legal aid resources available to veterans and low-income individuals.

The presentation debuted on June 27, 2009, in Holyoke, Massachusetts, at the first annual Conference for Women Veterans organized by the Women Veterans' Network. The Network, a program of the Massachusetts Department of Veterans' Services, was established in 1997 and is a core resource for women veterans in Massachusetts. Its mission is to expand awareness of the needs of women veterans in Massachusetts and identify available health and human resources to meet those needs. Beginning in 2009, the Network began holding an annual one-day conference for women veterans. As part of this first conference, Lassman and Rossi led a panel presentation called "Navigating Difficult Economic Times," including addressing audience questions. Their panel

was well-attended with an engaged audience of women veterans, many of whom stayed behind after the presentation to ask follow-up questions about their particular financial situations. The attorneys felt that they had touched upon a need, and with the support of the Massachusetts Department of Veterans' Services, they took their program on the road.

Every few months from early 2010 through 2012, the group led financial literacy presentations for veterans in V.F.W. halls throughout Massachusetts in such places as Lynn, Wellesley, Lowell, Framingham, Wilmington, Leominster, and Fitchburg. The audiences were filled with former service members and their families who peppered the attorneys with questions. While the military makeup of the audience provided a new context for the bankruptcy attorneys, the questions they fielded were familiar: *How do I manage my credit card debt? What options do I have to lower my monthly mortgage payment?* The attorneys were gratified to discover that their past experiences in financial literacy education and consumer counseling translated well to this new setting. As Cavanaugh-McAuliffe remembers, the presentations were "well-received" and provided "just a lot of good information that people really were looking for at the time." The purpose of the program, according to Lassman, was not just to provide the information, but to "thank the veterans for their service." According to Cavanaugh-McAuliffe, the veterans attending the presentations were greatly appreciative.

With Lassman spearheading the project, he and Rossi adapted their presentation based on the feedback from their audiences, and they eventually recruited other attorneys to get involved. Diane Rallis, an attorney who joined the project around 2011, felt like she was "joining a well-oiled machine" when Lassman recruited her. "They had this great PowerPoint presentation," Rallis remembers, and Lassman was so "inclusive with folks who wanted to participate. He never turned away a volunteer. [He] is just so effusive in his praise and his ability to get people involved, to make you feel like you're part of the team[.]" Rallis's legal practice at the time consisted

primarily of business bankruptcy and commercial litigation, and she was delighted to have "the opportunity to do good" in a context that put her directly in touch with an underrepresented population that could benefit from an understanding of financial literacy and the legal options available to confront financial difficulties.

Lassman's financial literacy roadshow coincided with a larger effort by the BBA as a whole to focus on military and veterans' issues. As explained by then president of the BBA, John Regan, in a 2010 statement in the *Boston Bar Journal*, the BBA established a special committee to focus on the legal needs of military service members and veterans after representatives of the U.S. Army appealed to the bar organization for help:

[The representatives] explained that the Army, and particularly the families of soldiers deployed to Iraq and Afghanistan from National Guard and Reserve components, were being over-whelmed with legal issues arising from the hardships of lengthy deployments and the economy.

The result is that soldiers in the field are being distracted from their missions. They often arrive home to a host of legal issues, some known, some unknown, after lengthy deployments. Many of the legal issues continue after the service members' discharge from active duty or the reserves, and their transition into veteran and civilian status.

The soldiers and their families need help knowing how to access the extensive legal services community in Greater Boston. They also need help learning how to apply for pro bono assistance from the many lawyers and private law firms ready, willing, and able to offer such assistance.

Facilitating access to justice is a key component of the BBA mission.

When we learned that the enlistees and their families, a seemingly invisible client population, need help with many of the same legal issues as other low income people served by Boston's extensive legal services network, the BBA responded.

The BBA promptly formed a Committee for Legal Services for Veterans, Military Personnel, and their Families.⁶

Lassman joined this new committee and worked to fit his ongoing financial literacy outreach into the BBA's larger effort. In coordination with the committee, Lassman, Rossi, Rallis, and others began attending "Yellow Ribbon" events, where deploying and returning military service members and their families could meet with community service partners to learn about benefits and resources available to them. At these events, bankruptcy attorneys delivered an abbreviated version of their financial literacy presentation and then staffed a table where service members and their families could ask the attorneys questions about their individual circumstances. Rossi remembers the worry among the military families regarding their finances in the pre-mobilization period in particular, and he recalls how service members and their families appreciated the opportunity to have an attorney "address questions and concerns prior to folks being deployed about how things might work while on active duty."

As the bankruptcy attorneys met more military service members and veterans facing legal and financial difficulties, they began to realize that the military context added an unexpected layer of nuance to the prospect of counseling a military client. First, the cause of a veteran's legal or financial issues may be linked to his or her time in the military. Some veterans returned home from active duty with lingering physical or psychological issues that inhibited their ability to manage debt, while others had incurred debt while on active duty without contemplating how their eventual exit from the military would

affect their ability to service that debt. Second, some civilian attorneys lack "military cultural competence" in issues ranging from communicating with a military client, to deciphering a military earnings statement, to recognizing manifestations of post-traumatic stress disorder (PTSD). Third, military clients may have some goals and concerns that are unfamiliar to a bankruptcy attorney more accustomed to a nonmilitary client base. For example, military service members who encounter financial difficulties are at risk for losing their security clearances and suffering other adverse actions with negative career implications. Finally, state and federal law provide a range of protections, benefits, and resources for service members and veterans

understand the complexities of counseling a military client. In an attempt to address this need, several Massachusetts bar and legal aid organizations, including the BBA, partnered in late 2010 to launch a military legal assistance hotline to connect military personnel, veterans, and their families to pro bono and low-fee attorneys. The launch of the hotline was followed in subsequent years by a series of continuing legal education sessions geared toward preparing attorneys to address the unique needs of veterans and military personnel. These training sessions included legal training from attorneys in military-specific substantive law as well as training in "military cultural competence" from military representatives such as Cavanaugh-McAuliffe.



of which both the client and the attorney may be unaware. To name a few, Massachusetts law provides public assistance to eligible veterans to help temporarily cover home mortgage arrears,⁷ the federal Bankruptcy Code provides an unlimited federal exemption for a debtor's right to receive a veterans' benefit,⁸ and the federal Servicemembers Civil Relief Act "temporarily suspends judicial and administrative proceedings and transactions that may adversely affect the civil rights of servicemembers during their military service."⁹

The attorneys involved in these various military outreach efforts came to realize that local military service members and veterans were in need of access not just to affordable legal assistance, but also to lawyers who

The BBA hosted one such training session in the fall of 2013 when it presented a four-part continuing legal education series focused on military issues in legal areas of need including family law and domestic relations, bankruptcy and consumer finance, estate planning, employment law, landlord/tenant law, and veterans' benefits. Lassman, Rossi, Rallis, and Cavanaugh-McAuliffe all participated as panelists for the bankruptcy and consumer finance training, a session aimed at educating attorneys about commercial, consumer, and bankruptcy law issues affecting members of the military and veterans. Rallis helped to prepare the materials for this panel. She relished the opportunity to delve into the substantive law in this area and identify "traps for the

unwary” attorney unfamiliar with the intersection of military concerns and bankruptcy. Cavanaugh-McAuliffe acted as the panel’s bridge to military culture, exploring such topics as deciphering a complex military leave earnings statement and recognizing and understanding the “hidden wounds of war” such as PTSD and traumatic brain injury. Lassman recalls, “the training session provided those in attendance with excellent resource materials and expert guidance on legal issues that are unique to military service men and women in bankruptcy cases and consumer finance cases, including debt collection law suits, residential evictions, foreclosures and auto loan repossessions.” He further explains, “we tried to provide assistance in a respectful manner and provide people that were trained to understand the psychological issues involved, emotional issues involved, and financial issues involved, so people could be treated with respect.”

This notion of respect pervades Lassman’s discussions of these various outreach efforts. Financial difficulties often leave people feeling vulnerable, anxious, and embarrassed. Attorneys can provide legal assistance, but they can also help preserve a sense of dignity in the face of such difficult circumstances by treating clients with patience and deference. Lassman explains that military service members and veterans are deserving of the time, effort, and respect of the legal community. “The project started because we wanted to thank people for their service. [It was] heart-wrenching to see people suffering financially because of their service. Everyone can agree that this is a population deserving of special consideration.”

Today, the financial literacy roadshow has ceased. Lassman explains that he wound down this outreach effort when he saw other private and government groups moving into this area and providing similar services. For example, Cavanaugh-McAuliffe cites a recent “Operation Money Wise” conference, a free annual financial empowerment conference offered to the Massachusetts military community by the Office of the Massachusetts State Treasurer and Receiver General. In December 2015, this program was expanded to provide grants for nonprofit organizations, public agencies, and Massachusetts

institutions of higher education to provide financial education to veterans, service members, and their families.¹⁰ Additionally, as part of the approval of the 2016 National Defense Authorization Act, Congress recently enacted both a financial literacy training requirement for military service members and a financial counseling program for service members and their spouses.

The BBA committee formed in 2010 to address military and veterans’ issues still exists today as the Active Duty Military, Family Members & Veterans Committee. This committee continues to provide legal services and outreach to local military service members and veterans. Lassman served as co-chair of this committee from 2014 to 2016. He continues to act as a liaison between this committee and the BBA’s Bankruptcy Section. The hotline launched as a collaboration of multiple bar and community aid organizations back in 2010 also still operates today as the Military & Veterans Legal Help Line as part of the BBA’s Lawyer Referral Service.¹¹ This service refers callers to qualified attorneys offering reduced-fee legal assistance or to the appropriate government or nonprofit agency. All attorneys who have elected to take cases through the Military & Veterans Legal Help Line have been trained to assist with the unique legal issues that members of the military and their families face.

When asked to reflect on his experience reaching out to the military community over the last several years, Lassman is self-effacing and deferential to the individuals who have helped him to navigate the “maze of veterans’ issues.” He explains, “We have to be very patient. You cannot expect immediate results. You have to have patience and perseverance and dedication to a goal and you really have to be able to work with [others]. There are a lot of really smart people that know a lot about this problem. [It is] very important to carefully listen to everybody, gather information, and figure out the best way to go. They know the best way to go. You have to listen to them—how do they want to get it done? You can be successful, but you have to be patient with it, and you can make a meaningful difference for these people who are at sea on financial education.”

Rossi echoes this sentiment, describing the needs of service members and veterans as varied and vast. He explains that he and Lassman attempted to direct their knowledge, skill, and effort at an area identified by people who understood the needs of the community. He is quick to concede that “we just had a little slice of a large pie.” There is plenty of “room for others” to do the same.

Cavanaugh-McAuliffe still lives and breathes these issues every day in her work at the Massachusetts Department of Veterans’ Services. She can rattle off a list of organizations and individuals who have helped bridge the gap between lawyers and the military community, including the BBA, Veterans Legal Services, and the Massachusetts Bar Association. Nevertheless, she notes that even with this assistance, “there never seems to be enough.” The need for access to affordable legal assistance among service members and veterans still persists today. This community can benefit from attorneys following Lassman’s lead by reaching out to learn where their talent and time might make a difference. ■

Endnotes

1. MILITARY COMP. & RET. MODERNIZATION COMM’N, THE FINAL REPORT OF THE MILITARY COMPENSATION AND RETIREMENT MODERNIZATION COMMISSION 47 (2015), http://www.ngaus.org/sites/default/files/MCRMCM%202015_0.pdf.

2. *Id.*

3. *Id.*

4. *Id.* at 48.

5. *Id.* at 47.

6. John J. Regan, *The Army and the BBA*, 54 Bos. B.J. 2, 3 (Winter 2010).

7. MASS. GEN. LAWS ch. 115; *Financial and Medical Assistance*, MASS.GOV, <http://www.mass.gov/veterans/benefits-and-services/financial-medical-assistance.html> (last visited Nov. 22, 2016).

8. 11 U.S.C. § 522(d)(10)(b).

9. 50 U.S.C. § 502(1).

10. *Operation Money Wise*, MASS.GOV, <http://www.mass.gov/treasury/empowerment/fnlit/monewise> (last visited Nov. 22, 2016).

11. *BBA Lawyer Referral Service—Military & Veterans Legal Help Line*, Bos. B. Ass’n, <http://www.bostonbar.org/in-the-community/public-service/veterans-initiative> (last visited Nov. 22, 2016).