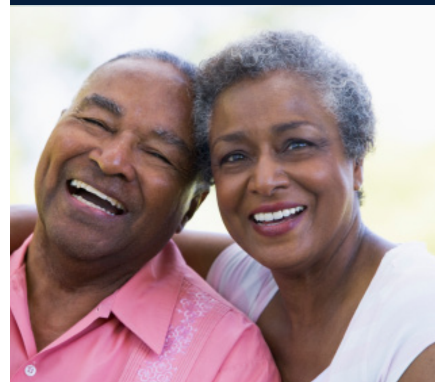

Taking the First Step: Six Ways to Start Building Financial Security and Opportunity at the Local Level

NATIONAL LEAGUE of CITIES
INSTITUTE FOR YOUTH, EDUCATION & FAMILIES

cfed
expanding economic opportunity

INTRODUCTION

Helping individuals and families achieve economic security has never been more critical than it is today. Nearly half (43%) of all households – equivalent to 127.5 million Americans – are liquid asset poor, meaning they have little or no savings to fall back on if faced with a job loss or other financial emergency. In addition, it is likely that simply having a job may not ensure financial security: one in five jobs is low wage; nearly half (46%) of employers do not offer health insurance; and a majority (55%) of workers do not have or participate in a retirement plan. For many, connection to the mainstream financial system is tenuous; more than one quarter (26%) of households are unbanked or underbanked, and more than half (56%) of consumers have subprime credit scores. Foreclosures continue to both hamper economic recovery and devastate individual families. More than four percent of mortgages are currently in the foreclosure process, with another 3.5% of mortgages classified as seriously delinquent.[1]

Without intervention, this country is on a path toward even greater disparities in income, wealth and opportunity. Federal programs and policies that help all Americans build financial security and create opportunity would go a long way toward equalizing the financial playing field, yet in the current environment, enacting policies at the federal and state level is often an uphill battle. Partisan gridlock has limited federal policymakers' ability to make meaningful policy improvements, while continued state budget shortfalls have meant many innovative state policy ideas have little chance for success.

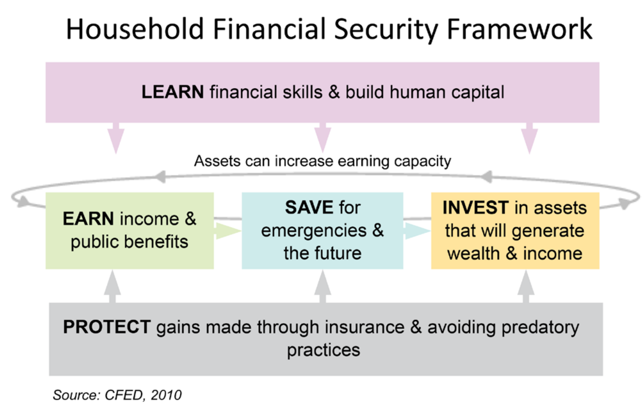

Figure 1: CFED's Household Financial Security Framework describes the iterative path from financial insecurity to economic opportunity. Cities are adopting innovative strategies to address issues at each step of the way.

It is in this context that the work of local advocates, practitioners and policymakers to help local residents become more financially secure is coming into the spotlight. The innovative policies and programs that local leaders are embracing can help families learn financial skills, increase earnings and maximize income, save for emergencies and the future, invest in assets that generate wealth and income, and protect gains made to income and assets alike. (See Figure 1)

Traditionally, efforts by municipal governments to shore up residents' economic security have focused on increasing residents' income through job creation and job training strategies, and by providing subsidies for housing and other basic goods. However, in recent years, many cities have begun to focus on parlaying that increased income into savings and durable assets – and then protecting that income, savings and assets from predatory financial practices. Yet, evidence suggests that to fundamentally change their economic prospects, families not only need income, but also need knowledge of and access to affordable financial products and services; incentives to encourage savings and investment; and consumer protections in the financial marketplace.

An increasing number of local leaders – both within and in partnership with city or county government – understand these needs and are committed to developing new solutions. They are creating partnerships, policies and programs that put more money in the pockets of low-income families, increase financial capability, expand access to mainstream banking and wealth-building opportunities, and help families protect the assets they have in order to become more financially stable. These local leaders are pioneering new ways to leverage the resources and regulatory power of municipalities to work across departments and to scale up economic inclusion and asset-building opportunities for low- and moderate-income families.

Yet, while this group of local innovators is forging a path, the nationwide adoption of these ideas cannot happen without the engagement of many more cities. Cities of all stripes – from the tiny municipality of Itta Bena, Mississippi (population 2,208) to major metropolises like Houston – must seize the opportunity and work together to apply innovative approaches in their localities.

Nationwide adoption of these ideas cannot happen without the engagement of many more cities.

This guide can help local leaders get started. Its purpose is to interest leaders in engaging in work to expand financial security and the asset-building arena by providing a handful of entry points that build on roles that cities already play – but deploying those approaches in new ways and to new ends. The six strategies described in this guide were selected not only because they build on roles that are familiar to municipal government, but also because they are comparatively low-cost, making them examples of "low-hanging fruit."

LOW-HANGING FRUIT: SIX WAYS TO START BUILDING FINANCIAL SECURITY AND OPPORTUNITY

1. Raise awareness about available services and consumer protections
2. Increase access to financial education through provider networks
3. Connect residents to safe and affordable financial products
4. Mitigate foreclosures by coordinating services and leveraging resources
5. Prevent predatory lending through local ordinances
6. Model a strong role for employers through benefit structures and human resources policies

This guide encourages local leaders to start with these ideas, but to also set their sights on what is possible over the longer-term, with additional investment, resources and capacity. For each of the ideas described in this guide, we also include a "what's next" section that describes ways local leaders can build on their initial efforts to continue to expand financial security and opportunity for local residents. Ultimately, local leaders can move beyond these first steps and work toward a comprehensive financial security and opportunity agenda.

SIX WAYS TO START BUILDING FINANCIAL SECURITY AND OPPORTUNITY LOCALLY

1 RAISE AWARENESS ABOUT AVAILABLE SERVICES AND CONSUMER PROTECTIONS

Informing city residents about opportunities for assistance with financial issues, as well as their rights related to financial products, services and consumer protections, is an important role for local government. Many cities already have experience raising awareness about issues that affect public welfare – such as the benefits of healthy eating, the need for automobile safety, or the importance of being tested for HIV or other diseases. Raising awareness about financial security issues is a natural extension of this experience.

Public awareness campaigns and events are a low-cost, high-benefit way to reach large numbers of individuals, increase use of available services, and deliver important information about consumer rights and protections.

Public awareness campaigns and events are a low-cost, high-benefit way to reach large numbers of individuals, increase the use of available services – whether those services are funded by city, state or federal governments – and deliver important information about consumer rights and protections. Cities across the country have led public awareness and social marketing campaigns on a range of financial security topics:

- The importance of **savings and consumer financial protection**
- Availability of **financial education and counseling services**
- Ways to access **tax credits and public benefits**
- Options for **financial products** that are safe and affordable
- The benefits of **direct deposit**
- Ways to access and improve personal **credit scores**
- Availability of **foreclosure prevention assistance**

Some campaigns address several issues simultaneously. For example, in Phoenix, Arizona, the city's EITC outreach campaign also focused on avoiding predatory lenders and access to affordable bank accounts. The campaign distributed flyers advising residents of "pitfalls to avoid," such as payday loans, currency exchanges, and rent-to-own contracts for home furnishings or other products. The flyer also offers advice on saving and opening a bank account.[2]

Campaign elements vary depending on the issue addressed. However, common elements include development of city-branded pamphlets, billboards and other literature; partnerships with community institutions; personal messages from the mayor or other public officials through speeches or public access television and radio messages; utilization of earned and social media; and one-day events or fairs.

Getting started: Steps to a successful public awareness campaign

Step 1: Develop campaign messages and materials that resonate with residents. Crafting a message is the first step in developing an awareness campaign. Cities often use a simple slogan for all of their marketing materials. For example, when promoting the Earned Income Tax Credit (EITC), many cities have adopted the Annie E. Casey Foundation's slogan of "Earn it! Keep it! Save it!" Bank On Seattle-King County used slogans like "Stop Paying for Your Own Money" when promoting safe and affordable alternatives to check cashing.

If a city has a particular population it is trying to reach, such as immigrant families, it is important to translate materials into the dominant language and to emphasize the unique concerns of that population. For instance, individuals who are not citizens may not realize that they can file taxes and receive the EITC by using an Individual Taxpayer Identification Number (ITIN).

To make participation as easy as possible, successful campaigns provide partners with a "toolkit" of marketing materials, key message fact sheets, sample tweets and other communications resources.

Step 2: Build strategic partnerships. Awareness campaigns are most effective when city residents hear the same message multiple times from several sources. Effective campaigns engage a variety of local institutions and organizations that are in frequent contact with the target audience, such as churches, schools, public housing associations, community-based organizations, libraries, government agencies, employment offices and local businesses.

Step 3: Recruit political and other leaders to offer personal messages. Regardless of the issue they are discussing, highly visible champions can help get the word out to residents and attract media attention. Local elected officials can use their bully pulpit to publicize the issue and its value to local families and the community at large. Their statements can also add legitimacy to nonprofit-led efforts. In some cases, state or federal officials have partnered with local coalitions to bring added visibility. Business leaders, faith community leaders, sports personalities or other local celebrities can also help put this issue in the media spotlight.

In Bryan, Texas, for example, City Councilmember Ann Horton launched a campaign through local Spanish and English radio stations to share the message about the importance of having a safe bank account.

Step 4: Plan an earned and social media strategy. Developing a complementary media strategy can also boost the success of an awareness campaign. City leaders and campaign partners can solicit assistance from major newspapers, asking that they place educational ads, editorial articles or online website ads. Some cities have convinced advertising agencies to donate their services pro bono or have secured free media spots. Many cities also target local cable stations and leverage social media such as Twitter and Facebook. Bank On Houston, for example, secured a range of pro bono resources, including free air time on Comcast Cable and two Hispanic television stations, free billboard space and assistance from a communications firm with designing a marketing campaign.

Step 5: Consider one-day events. A complementary strategy to get the word out via ongoing campaigns is to host one-day events or fairs that bring together many service providers and residents at one time. Events may either be targeted to a specific issue, such as foreclosure, or address a number of issues concurrently. Successful events draw on the expertise of professionals such as attorneys, financial planners, housing counselors, credit counselors, public health workers and volunteer tax preparers to ensure high-quality, accurate information is provided, and offer language interpretation and child care services to minimize barriers to participation. For example:

- Since the housing bubble burst, many cities – from Secaucus, New Jersey to Merced, California – have been hosting foreclosure prevention fairs that offer information and options for residents facing foreclosure. Events often include work-out sessions with counselors and lenders and access to free legal assistance.

- Many cities, including Baltimore, Seattle, Los Angeles, Denver, Hawaii County, New York and Bryan, Texas have hosted comprehensive Financial Fitness or Financial Planning days that provide an array of free services to help residents understand, manage and improve their financial situation. Specific services offered have included one-on-one tax filing help, access to free credit reports, information on applying for public benefits and opening bank accounts, guidance on creating a family budget and planning for retirement, assistance filling out student financial aid forms and advice for avoiding fraud.

WHAT'S NEXT: INSTITUTIONALIZE SUPPORT AND LEVERAGE OPPORTUNITIES

One of the most common public awareness campaigns led by cities are those that encourage residents to claim the Earned Income Tax Credit (EITC) and take advantage of free tax preparation services. Although the primary goal of these campaigns is to increase the number of families who know about and claim the credit, additional goals sometimes include reducing the number of families that use high-cost commercial tax preparers, increasing the number of families that claim related credits (such as the Child and Dependent Care Credit), and using tax time as a "teachable moment" to promote financial capability through credit counseling or connecting to savings and asset-building opportunities.

Funds needed to carry out a campaign can vary from modest to sizable; ranging from less than $10,000 for a time-bound, focused campaign in a smaller jurisdiction to $700,000 for an institutionalized, year-round effort in a large metropolitan area. A more common budget for a significant EITC/free tax preparation campaign in a large city (i.e., a city of more than 500,000 residents) is approximately $80,000-$90,000.

The gold standard for an EITC campaign is one that:

- **Is Institutionalized:** An institutionalized EITC campaign is one in which the same government department, nonprofit or partnership has responsibility for overseeing the campaign each year. This consistent "ownership" not only creates stability within the campaign, it also helps build institutional knowledge in a central agency. Ideally, funding for the campaign will also be predictable and come from the same source(s) every year. In San Antonio, the annual city budget includes a line item to support a year-round tax assistance office housed at the Department of Community Initiatives.
- **Operates Year-round:** Although "tax season" runs from January to April, the strongest EITC campaigns continue to operate and provide services throughout the year. Campaigns that include tax preparation often undertake post-campaign work like evaluating performance of tax sites, continuing to work with tax clients who encounter problems after filing and planning for the upcoming season. Some campaigns continue to do outreach and provide services around additional issues, like financial education and legal aid. In Boston, the Mayor's EITC Campaign now offers year-round tax assistance and access to financial coaches that help residents with credit reports, financial education and budgeting.
- **Uses tax time to connect residents to other products and services:** Tax time is often thought of as an important "teachable moment," where low-income tax filers have a vested interest in learning about managing money, saving and building assets. The strongest campaigns take advantage of this moment not only by helping individuals file their taxes, but also by connecting tax filers to safe and affordable financial products, financial counseling or small business development services. For example, many VITA sites partner with local Bank On programs to offer low-cost and "second-chance" bank accounts to unbanked tax filers, prepaid debit cards or small dollar loan alternatives. New York City's Office of Financial Empowerment introduced the $aveNYC account at VITA sites to help low-income residents save at tax time. In Washington, DC, the EITC campaign introduced a prepaid debit card option so unbanked tax filers can avoid cashing their refund checks at high-cost check cashers.

2 INCREASE ACCESS TO FINANCIAL EDUCATION THROUGH PROVIDER NETWORKS

Today's financial marketplace is increasingly complex. Consumers must navigate a complicated financial services system that includes not only traditional brick-and-mortar institutions, such as banks and credit unions, but also online financial service providers and "alternative" providers that can gouge consumers with high interest rates and fees. The ability to make informed judgments and effective decisions about which providers to choose and generally how to manage one's money plays an important role in overall long-term financial security.

> *Financial education provider networks can make it easier for residents to find available service and be a starting point for ongoing collaboration among providers.*

From understanding the meaning of one's credit score to possessing the necessary skills to balance a checkbook, financial capability is essential to a family's ability to build and protect assets. As the subprime mortgage crisis and proliferation of predatory short-term loan products attests, the ability to discern between safe and dangerous financial products is especially important to low- and moderate-income families who often lack sufficient savings to weather an unforeseen loss.

Unfortunately, many residents do not know where or how to access financial education, counseling or coaching services, nor can they easily distinguish quality programs from those that are not. Despite that in any given city, there may be an ample number of financial education, counseling and coaching services being offered – related to basic financial skills like savings and budgeting, or issue-specific services such as foreclosure prevention or homeownership or small business counseling – services are uncoordinated and uneven in terms of quality. Campaign elements vary depending on the issue addressed. However, common elements include development of city-branded pamphlets, billboards and other literature; partnerships with community institutions; personal messages from the mayor or other public officials through speeches or public access television and radio messages; utilization of earned and social media; and one-day events or fairs.

One low-cost, high-impact solution that many cities have adopted is to create a financial education provider network to connect residents to available services. Cities can connect residents directly to resources through marketing and referral services or leverage general information services like 311 and citywide directories. In some cities, the network is run by a nonprofit and in others the network is staffed by city employees. However, in all cases, there is an emphasis on coordination and collaboration between financial institutions, nonprofits, and city and county government officials.

Because all partners benefit when clients can easily access their services, costs can be kept to a minimum through in-kind contributions of partner staff time and by leveraging funding partners already dedicated to financial education. In Seattle, for example, with dedication of in-kind partner staff time, free physical space to hold meetings and the web-based directory embedded within the Bank On Seattle-King County website, direct costs were less than $50,000 to build and operate the financial education provider network.

Getting started: Steps to a successful public awareness campaign

Step 1: Identify providers. The first step to developing a financial education provider network is for partners to conduct research to systematically identify and document the complete set of providers. Providers may be housed in community-based organizations, social service programs and other programs throughout their city.

San Francisco laid groundwork for the SF Smart Money Network by distributing a survey to financial education providers to assess which services they offered.[3] With the information gathered, the city convened the participants to begin the discussion of creating a network. In Virginia Beach, the local United Way led an effort to gauge both community financial security needs and assets. They formed a Financial Stability Coalition, of which the city government is an active member. The Coalition is working to leverage its existing services and other assets to address identified needs, including coordinating and marketing financial education opportunities.

Step 2: Choose a strategy to connect residents to services. The next step is to develop systems to increase access to those services. The systems to increase access include both shared online databases and coordinated referral structures. In some cases, the referral structures are specifically for financial education, counseling and coaching; in other cases, they leverage existing citywide infrastructure, such as the city's 3-1-1 line or the United Way's 2-1-1 line. Seattle's Financial Education Partners Network can be accessed both ways – either through a searchable Financial Education Locator housed on the Bank On Seattle-King County website, or through the 2-1-1 Community Information Line.[4]

WHAT'S NEXT: USING PROVIDER NETWORKS TO IMPROVE THE QUALITY OF SERVICES

The research, collaboration and learning that occur as part of building a financial education network can be an important input for improving the quality of financial capability services. Many local efforts to increase access to financial education and counseling are tied to efforts to also improve the quality of services.

Cities have taken approaches ranging from sharing industry best practices to standardization and credentialing of services and providers. For example:

- Seattle's "Your Money Helpline" includes an electronic manual used to train professionals and volunteers on multiple financial empowerment topics.
- In Virginia Beach, a regional body called the Financial Education Roundtable of Hampton Roads provides continuing education for financial educators. The city works with these and other educators to develop trainings and enrichment opportunities specific to the financial coaching curriculum that they use with Bank On Virginia Beach participants as a strategy to strengthen the quality of this service.
- San Francisco's financial education collaboration includes sharing of industry best practices through quarterly learning circles and the development of financial education standards so grantmakers (including city agencies) and consumers have a benchmark for quality.

- New York City runs the Education Evaluation Improvement Initiative, which supports the collection of dozens of uniform metrics across providers that it will use to help determine which services have the greatest impact on segments of the low-income population. New York also developed a financial counseling certification program for financial educators, counselors, trainers, coaches and others, allowing them to receive a standardized, rigorous and City-endorsed certificate in financial education and counseling.[5]

Once cities have the basic elements of a financial education provider network it place, it can explore which of these approaches makes sense for the city's particular context.

SEATTLE FINANCIAL EDUCATION PROVIDERS NETWORK[6]

In 2008, the City of Seattle, the Seattle-King County Asset Building Collaborative (SKCABC) and Bank On Seattle-King County led the creation of a Financial Education Partners Network (FEPN). FEPN is a countywide network of just over 20 financial education organizations that are committed to providing free, high-quality financial education to the Seattle-King County community.

FEPN formed as an extension of the Financial Education Committee of Bank On Seattle-King County, which wanted to make financial education an integral part of the initiative. The network makes the delivery of financial education more efficient and effective by reducing duplication of efforts, sharing resources and best practices, and creating a quality standard that allows community organizations and financial institutions to confidently make referrals or offer incentives to people interested in improving their financial capability.

Clients can access FEPN providers through a searchable Financial Education Locator on the Bank On Seattle-King County website. This tool helps match clients with the financial education provider who can best meet their needs based on financial education topic, geographic location, language offered and type of setting (class, workshop or one-on-one counseling). Clients can also be referred to FEPN providers via the 2-1-1 Community Information Line call-in number, which refers target groups to resources and agencies that can answer their financial questions and be of assistance. FEPN subsidizes the Community Information Line's capacity to serve as a portal for clients to access Bank On Seattle-King County and FEPN.

FEPN works to increase quality of financial education provided in a number of ways. For example, Express Credit Union in King County developed quality standards for providers that span 10 topic areas that the network has defined as elements of a high quality financial education. To build consensus around these standards (and FEPN's overall mission), SKCABC distributed pass-through funding from the Cities for Financial Empowerment to the dozen initial members of FEPN. This funding also provided the impetus for the monthly meetings and workshops for members. In addition, members of FEPN can access capacity-building resources through "Your Money Helpline," a resource guide to help case managers from a broad array of social service agencies provide referrals to resources and answer basic financial questions. Seattle-King County's "Your Money Helpline" was based on work done by the New York City Office of Financial Empowerment and was substantially expanded and modified to reflect local resources and information.

FEPN continues to build its reputation and expand its network to reflect a broader membership of partners who are stakeholders in this work, including organizations and agencies interested in integrating financial education into social service delivery.

Once cities have the basic elements of a financial education provider network it place, it can explore which of these approaches makes sense for the city's particular context.

3 CONNECT RESIDENTS TO SAFE AND AFFORDABLE FINANCIAL PRODUCTS

More than a quarter of U.S. households (28%) either do not have a bank account or rely on high-cost financial services – check cashing, money orders and payday lending, for example. Approximately 17 million adults are "unbanked," meaning they do not have an account in a mainstream financial institution, while 51 million are "underbanked," meaning they have an account in a financial institution but still use costly alternative financial services for their day-to-day financial transactions.[7]

Without access to mainstream financial services, families can spend tens of thousands of dollars over a lifetime on the high fees associated with these "alternative" financial services. Local communities are also affected when residents use these services: cities face decreased public safety, increased demand for social services, lower private investment in the community and a smaller tax base. Neighborhoods where large numbers of un- or underbanked residents regularly carry large amounts of cash can see increases in theft and related crimes. Financially insecure residents are not only more likely to need public services, they are also less likely to have the necessary savings and credit to invest in the community and themselves through homeownership, entrepreneurship or education. Ultimately, having a population that is disconnected from the financial mainstream and that is financially insecure can lead to a smaller tax base and a myriad of challenges that stem from constrained local resources.

Municipal leaders are uniquely positioned to improve residents' access to safe and affordable financial services. They can act as connectors, directing residents to mainstream financial products through public awareness campaigns, or by utilizing city-wide communication mechanisms to spread the word, such as through "3-1-1" city information phone lines or utility bill inserts. Local leaders can also leverage their position to convene key stakeholders and broker partnerships. For example, a mayor or county executive may already have strong relationships with local banks and credit unions; these financial institutions may already be investing in the community and can facilitate partnerships among city agencies and community organizations to help reach un- and underbanked residents. In some cities, the treasurer or controller plays a leadership role in developing programs to expand financial access.

There are a range of approaches to look to as potential models – from airing public service announcements on the importance of using safe financial products and promoting direct deposit account management, to implementing programs that help residents open low-cost accounts and supporting programs that provide savings incentives.

In addition, there are a variety of products that residents need to effectively manage their finances and build financial security – from small dollar loans and money orders to interest-bearing accounts. However, a basic transactional account is an important on-ramp to financial security. It provides a family with the ability to carry out basic financial transactions necessary in day-to-day life and provides a place to start putting away extra cash for emergencies.

Bank On: A popular model for connecting residents to safe and affordable products

San Francisco launched the first local Bank On initiative in 2006, followed by Seattle and Evansville in 2008. San Francisco's success sparked a movement of Bank On initiatives across the country; the Bank On model is now being replicated in more than 70 cities, counties, regions and states nationwide.

One common low-cost, effective strategy for encouraging financial institutions to offer financial products that meet the needs of low-income customers is through local "Bank On" programs. The Bank On model, first launched by the City of San Francisco in 2006, is a city-, county- or state-led coalition that brings together government, financial institutions and community organizations to help increase access to safe and affordable financial products for unbanked and underbanked individuals. Bank On initiatives work with financial institutions to design free or low-cost bank accounts specifically targeted at underserved populations. A typical Bank On account features low costs, protections from overdraft and other fees, access without a U.S. identification card, and access for indviduals with past negative histories with bank accounts. In addition, some Bank On programs partner with nonprofits and other organizations to offer financial education to enhance the benefits of using a checking or savings account. Bank On has become a national model with more than 70 Bank On programs launched across the United States, including seven counties, seven regions and eight states.

Bank On programs have demonstrated a concrete positive impact on residents' economic well-being. For example, in the first year of Bank On Central Texas, city residents saved an estimated $2.4 million in check-cashing fees by opening more than 6,000 new bank accounts. During Bank On San Francisco's first six years, more than 70,000 accounts were opened and the program served as a foundation for the City's broader financial security agenda.[8]

Getting started: Steps to establishing a Bank On or similar financial access initiative[9]

Step 1: **Assess need.** As with any new initiative, it is important to define the size and scope of the problem. Existing research on the number of un- and underbanked households across the country from the FDIC, along with new resources like the www.joinbankon.org community assessment tool, allow even cities with limited research capacities to describe the need for financial access interventions. For example, leaders in Bryan, Texas partnered with a local university to conduct a community-wide financial needs assessment. Graduate students took on the project, which made it cost-free for the city. They learned that 29% of low- to moderate-income residents were un- or underbanked and also determined where low-cost, accessible bank accounts were available in the community.

Step 2: **Create partnerships and working groups.** Local elected officials have the important ability to bring together and coordinate the work of diverse actors and organizations toward a common cause. By taking advantage of existing working relationships, or engaging businesses or nonprofits that have a vested interest, city officials can bring disparate stakeholders to a common table.

Financial institutions and community organizations are both critical partners in financial access initiatives. Financial institutions can broker access to basic transactional banking products, like low-cost checking and savings accounts. Nonprofit community organizations, social service agencies and faith-based organizations can reach the targeted population with messaging about financial access initiatives and support the users of financial access programming with financial education and other asset-building services. Once partnerships are established, it is important to identify specific roles and working groups that partners can align themselves with to ensure that program momentum is sustained.

Step 3: **Provide leadership.** Local elected officials can leverage the public spotlight and "bully pulpit" to promote the importance and availability of safe financial products, and to convene and motivate key stakeholders. For example, Virginia Beach Mayor William Sessoms held a press conference to kick off the city's 500 Families Initiative, a comprehensive family-strengthening initiative that focuses on helping low- to moderate-income families become financially fit through access to safe financial products and intensive financial education, among other approaches.

Step 4: **Dedicate resources.** Financial access initiatives, such as Bank On programs, can usually be launched without a significant outlay of new funds, yet the commitment of city leadership to supporting the effort is critical. Local leaders can leverage staff time and other in-kind resources for planning and initial implementation. A Bank On program can be coordinated with as little as 10-20 hours per week of an existing city staff person's time. In Louisville, for example, the Metro Department of Community Services and Revitalization dedicates 10 hours per week of a senior staff person's time and 20-30 hours per week of junior staff time to coordinating the city's Bank On program.

WHAT'S NEXT: BUILDING FINANCIAL ACCESS OPPORTUNITIES BEYOND BASIC BANK ACCOUNTS

A Bank On program can be an entry point for addressing broader financial security issues and a launching pad for other products or programs. A Bank On program creates an infrastructure within the community – of resources, partner relationships and consumer financial products – that local leaders can leverage to reach new populations, offer new services or products, or branch out into other financial security approaches.

In Bryan, Texas, Councilmember Ann Horton, city staff and the local United Way have been working since 2009 to increase the financial security of their residents through access to safe, affordable products. In 2011, the community launched Bank On Brazos Valley, opening 1,500 accounts for financially underserved residents in the first quarter. Later that year, four financial institutions participating in Bank On began offering small-dollar, credit-builder loans of up to $1,000 with a 4-6 month loan repayment period (for comparison, payday loans often require the repayment within one pay period or about two weeks).

In Washington, DC, then-Mayor Adrian Fenty launched a Bank On initiative in 2010 and subsequently partnered with a variety of community stakeholders to increase access to safe financial products for the District's most underserved residents.

Building on the momentum first generated by its Bank On program, in 2009 San Francisco became one of three cities nationwide to create a municipal Office of Financial Empowerment. The San Francisco Office of Financial Empowerment, which is housed within the Office of the Treasurer, was created to help lower-income San Franciscans become financially empowered. Since 2009, it has launched several programs to help residents access financial education and counseling, college savings accounts, electronic pay solutions, responsible payday loans and other initiatives.

BANK ON SAN FRANCISCO

Bank On San Francisco, launched in 2006 by then-San Francisco Mayor Gavin Newsom and Treasurer Jose Cisneros, is proving to be a low-cost, effective way for local leaders to help residents access affordable checking and savings accounts. By engaging the nonprofit, public and private sectors, Bank On San Francisco has helped more than 10,000 San Franciscans each year to open bank accounts and enter the financial mainstream. In the program's first six years, 70,000 accounts were opened.

Bank On San Francisco brought together local banks and credit unions to create and market a safe, affordable Bank On account targeted to unbanked San Francisco residents. To date, Bank On San Francisco has partnered with 14 banks and credit unions, with over 170 branches, across San Francisco.

Bank On San Francisco has also served as a foundation for the City's broader financial security agenda. Using Bank On as a building block to financial stability, San Francisco has introduced several related products to address service and product gaps in the financial marketplace. For example, two years after launching Bank On San Francisco, partners collaborated to create an affordable small dollar loan program, PaydayPlus SF, as an alternative for predatory loan products. In 2012, the city launched CurrenC SF to support a paperless payroll system for all employees working within the city limits benefiting workers, employers and the City of San Francisco.

4 MITIGATE FORECLOSURES BY COORDINATING SERVICES AND LEVERAGING RESOURCES

Five million homes have been foreclosed on since 2007 and another three to five million are seriously delinquent and likely to go into foreclosure in the next few years.[10] Foreclosure is devastating for a household's finances and threatens the long-term financial security of families and communities alike. Many families whose homes are foreclosed are forced into homelessness, which puts a strain on city budgets as the need for supportive services rises. Neighborhoods with high rates of foreclosures typically experience increases in crime and declines in property values, which in turn negatively impacts a city's tax revenue.

Federal, state and local governments continue to seek creative ways to protect homeowners and mitigate the negative effect of widespread vacant properties on neighborhood stability – from investing federal dollars in foreclosure prevention and increasing state regulation of mortgage servicers to creating local land banks that can redevelop foreclosed properties. Local efforts, such as foreclosure prevention public awareness campaigns, free legal assistance and mandatory mediation, have helped stem foreclosures in many cities – even those that experienced a steady rise in foreclosures after the housing boom in the 1990s.

For example, as a result of Phoenix's public awareness campaign, which informed at-risk homeowners about housing counseling and other resources, the City saw declines in home loss and property code violations. Philadelphia's court intervention program averted displacement of at-risk families by providing free legal assistance and housing counseling and by requiring court-mandated mediation before a foreclosure could be completed.

The federal government has injected millions of dollars into local communities to address the foreclosure crisis. In 2010, the National Foreclosure Mitigation Counseling Program run by NeighborWorks America – a federally-chartered nonprofit – was funded at $65 million to support grants for counseling, training counselors and other purposes.[11]

Cities such as Milwaukee responded through a multi-pronged approach. A foreclosure working group led several initiatives, including a permanent Homeownership Consortium that increased the number of homebuyers and homeowners who received homeownership education; a court-based mediation program that provided services to homeowners facing foreclosure; and a "one stop" website to provide information and resources to those affected by foreclosure and those interested in purchasing foreclosed homes.[12] Cities with fewer resources have teamed up with community organizations, such as the United Way, to offer access to housing assistance and interest-free loans for distressed homeowners to help them catch up on their late payments.

Getting started: Steps to establishing a Bank On or similar financial access initiative

Step 1: **Engage strategic partners.** Because foreclosures have far-reaching community impacts, there are a variety of stakeholders – including government, financial services, nonprofit and philanthropy sectors – who have an interest in finding solutions. City leaders can bring these stakeholders together. For example, under the leadership of Milwaukee Mayor Tom Barrett, the City formed a special foreclosure working group called the Milwaukee Foreclosure Partnership

Initiative (MFPI) to coordinate the City's response to the foreclosure crisis. MFPI consisted of 21 core members from local government, philanthropy, financial institutions, financial institution regulators, and nonprofit and community-based organizations, as well more than 100 volunteers.[13] It was particularly effective at bringing financial institutions to the table and leveraging the resources they had to offer. The city convinced a number of Milwaukee banks to fund foreclosure education for residents.

Step 2: Identify available services and fill gaps. With key stakeholders engaged, city leaders can inventory the current foreclosure prevention services in the community and identify any gaps in services that exist. Often there are gaps related to awareness and coordination of services and to bureaucratic or logistical hurdles that could be eased. For example, if a lender required at-risk homeowners to go through a HUD-approved default/foreclosure curriculum in order to qualify for mediation, the city could offer transportation vouchers for homeowners to get to the class.

Step 3: Communicate with at-risk homeowners. A common challenge that communities face is a lack of awareness among at-risk homeowners of the services that are available. Local leaders can design comprehensive communication strategies to get the word out about help that is available. For example, in Milwaukee, the MFPI created a dedicated website and media campaign. With support from Freddie Mac and US Bank, the city launched the "Take Root Milwaukee" to disseminate comprehensive information about affordable housing and foreclosure prevention issues.[14]

One message that cities are increasingly including in their foreclosure-related communications relates to the dangers of loan modification scams that offer the promise of a quick rescue to at-risk homeowners. The number of loan modification scams, which aim to trick homeowners into believing they are legitimate counseling services or government programs, has been on the rise since the foreclosure crisis began. Cities have been working with NeighborWorks America to bring visibility to this issue through its national Loan Modification Scam Alert Campaign – a part of its National Foreclosure Mitigation Program.[15]

Step 4: Facilitate mediation between lenders and borrowers. Municipalities have been effective at encouraging banks to pursue work-outs with homeowners who are at risk of foreclosure. This approach brings together three parties: the homeowner facing the foreclosure, the mortgage lender or servicer, and a third-party mediator to help the mortgage holder and mortgage lender reach a viable settlement before the foreclosure process is completed. Some cities, such as Seattle, have formed action teams that sponsor large events to connect people directly to their lenders, housing counselors and attorneys.

More often than not, cities have leverage with local banks and lenders, especially those that hold city funds or have a stake in the city's economic development efforts. City leaders can use this leverage to intervene on behalf of homeowners once the foreclosure process has initiated. They can help lenders identify acceptable foreclosure mediation packages, which typically allow extra time for mortgage holders and lenders to negotiate the term of the loans.

WHAT'S NEXT: HELPING FAMILIES AND COMMUNITIES RECOVER AFTER FORECLOSURE

In addition to coordinating and facilitating foreclosure prevention efforts, cities also have a role to play helping residents recover after a foreclosure and managing and redeveloping foreclosed properties. States hold some of the power to address these issues, such as by limiting deficiency judgments (which are court orders that hold homeowners personally liable for unpaid debt) and authorizing the creation of local land banks (which are governmental or quasi-governmental entities that can acquire, hold and manage foreclosed properties). Local leaders can advocate for adoption of those polices with state policymakers, but in addition, they can also provide complementary services to stabilize families and communities. For example, cities can connect displaced families with relocation assistance and social services and ensure that eviction protections are in place for renters. Providence provides an example of the last: it enacted legislation to protect renters living in foreclosed homes, requiring lenders to provide tenants notice of foreclosure and/or mandated HUD-approved counseling through foreclosure mediation ordnances.

Cities can also develop comprehensive plans to address the disposition of city and vacant property for future use to help stabilize communities. This preservation strategy often entails working with financial institutions to moderate the flow of "REO" (real estate-owned) properties back onto the market. It can also create an opportunity to partner with community-based organizations to assist in the rehabilitation process.

Another important approach is to leverage federal and private funding resources to address critical issues in hard-hit communities. The Neighborhood Stabilization Program (NSP) is one important funding stream. With funding available through March 2014, NSP funds can be used for acquisition of foreclosed properties to hold, rehabilitate or demolish based on the city's long-term strategy. Local leaders have used these funds to buy vacant housing stock and stabilize the market. For example, Chicago Mayor Rahm Emanuel, in partnership with the nonprofit and private sectors, targeted nine hard-hit neighborhoods with a multi-million dollar effort to address the foreclosure crisis. Baltimore Mayor Stephanie Rawlings-Blake launched a comprehensive six-point "Vacants to Value" Plan in collaboration with Baltimore Housing to address the disposition of city property and the land banking of vacant property for future use.

5 PREVENT PREDATORY LENDING THROUGH LOCAL ORDINANCES

One key element of household financial security and opportunity is protection against loss of income or assets, extraordinary costs, and harmful or predatory external forces. Predatory short-term lending drains wealth from communities and hampers economic development. Local leaders are increasingly concerned that predatory lending practices depress property values, become magnets for crime and lead to overall economic decline.

> *In states with little regulation of high-cost lenders, cities are taking on the task of protecting residents from harmful practices through licensing and zoning powers.*

Over the past decade, businesses that provide alternative financial products and services to low-income individuals who have limited access to mainstream financial institutions have proliferated.

In 2011, alternative financial service providers in the unbanked and underbanked market received approximately $78 billion in fees and interest, originating from a total estimated volume of $682 billion in principal borrowed, dollars transacted and deposits held.[16] These companies include payday lenders, check cashing establishments, pawn shops, rent-to-own businesses, debt collectors, tax preparers, used-auto dealers, employment agencies and loan servicers. Short-term, high-interest loans by such lenders lead families into vicious cycles of debt and dependency. According to the Center for Responsible Lending, 12 million Americans are trapped every year in a cycle of 400% APR payday loans.

Although state regulation of these practices has increased in recent years, it varies widely. In states where little or no regulation exists at the state level, local governments are left to take on the task of protecting residents from harmful lending practices. Many cities have led the way by using licensing and zoning powers to limit or manage the proliferation of such businesses. The types of ordinances that cities have adopted fall into several categories:[17]

- Temporary moratoriums, which bide time while stakeholders study the issue
- Permanent moratoriums that allow current payday outlets to continue operating, but prohibit any new outlets
- Limits on density of, or distance between outlets
- Limits on the zoning districts in which outlets may operate
- Requirement that outlets obtain a special or conditional use permit
- Prohibition of both new outlets and closure of existing outlets

In addition to these types of ordinances, cities have also imposed other kinds of restrictions, such as on the use of neon signs, hours of operation, type of building the outlet can occupy, and distance from schools, military bases or public housing. One aspect of a short-term lenders' business that cities generally cannot regulate is the interest rates that they charge.[18]

Getting started: Steps to passing a local ordinance[19]

Step 1: **Research the local short-term lending landscape.** Local leaders can start by gathering information on lenders, such as the number of outlets, types of loans they offer, where they are located, whether adjacent communities have ordinances that limit lenders and the physical appearance of outlets. State and local licensing agencies can provide lists of all the licensed outlets. Mapping the outlets by neighborhood can demonstrate that predatory short-term lenders are clustered near low-income housing or other areas with vulnerable potential customers. If adjacent jurisdictions have adopted predatory lending ordinances, lenders may open additional outlets in nearby communities. The physical appearance of outlets is important insofar as lenders are contributing to neighborhood blight.

Step 2: **Choose the type of ordinance that fits the community.** The types of ordinances listed above – moratoriums, limits on density, district zoning, licensing and outright prohibitions – have been used in municipalities across the country. However, not every type of ordinance is appropriate or politically feasible in every city. For example, in Washington, DC, Councilmember Mary Cheh, unable to pass legislation that banned payday lending altogether, was able to pass an ordinance that capped payday loans at 24% APR. Further, cities may use a combination of ordinances to achieve their goals. Local leaders should vet each approach and determine which type(s) of ordinance to pursue. Community-based organizations that serve people using predatory products and local chambers of commerce can be important stakeholders in vetting which strategy to pursue.

Step 3: **Understand and effectively use the policy process.** Local elected officials will undoubtedly understand the local process for adopting ordinances; however, community-based leaders may need to educate themselves about the process. In most communities, the process begins by identifying an ordinance sponsor such as the mayor or an elected city or county official. Often, a councilmember who represents an area where the lenders are having a detrimental impact can be a key champion of an ordinance. In other communities, the first step is talking to the planning commissioner. Some jurisdictions require that a predatory lending ordinance be first be presented to a planning or zoning board in the local jurisdiction. If the ordinance will go directly before the city or county council or board of supervisors, it is important to learn whether a public hearing will be part of the process.

Step 4: **Seek a temporary moratorium.** Often, when predatory short-term lenders learn that an ordinance to restrict their business will be proposed, they rush to open outlets before regulations are imposed. For that reason, once local leaders have identified a political champion, efforts should focus on quickly adopting a temporary moratorium, which can range from six months to two years in length.

Step 5: **Prepare arguments and advocates.** With a temporary moratorium in place, local leaders can focus on preparing arguments and advocates. Leaders should not only focus on making their case, they should also research the counter-arguments that the lending industry and unfriendly elected officials will use. If a public hearing at a planning, zoning or council meeting will be part of the process, local leaders should find individuals to testify. Community organizations and individuals harmed by predatory loans can speak to the impact on families. Business owners can make the case that predatory lending outlets lead to blighted neighborhoods and hurt businesses. Law enforcement officials may be able to provide crime statistics to establish a relationship between predatory short-term lending and higher crime rates. Cities that have a Bank On program can leverage that coalition of community organizations and financial institutions to help make the case around the harms of predatory lenders and the benefits of safe bank accounts.

WHAT'S NEXT: PASS LOCAL ORDINANCES TO MAKE THE CASE FOR STATE-LEVEL CHANGE

While local ordinances that regulate payday outlets can limit the growth and prevalence of lenders, the most effective way to curb payday lending is through interest rate caps. Capping the interest rates that lenders can charge to double digits – often 36% – makes the payday business model unprofitable, and ultimately drives outlets out of a community. Unfortunately, local governments generally do not have the power regulate interest rates and so this powerful policy tool is off the table for cities.

The "gold standard" solution for preventing high-cost lenders from gouging residents is for the state government to adopt a policy prohibiting payday lending altogether or imposing an APR cap of 36% or less, as 19 states have done.[20] Thus, as city leaders are tackling payday lending at the local level, they should keep one eye at the state level and continually think about how local actions feed into this larger solution.

One of the main benefits of advocating for and adopting a local ordinance is the substantial attention it can generate. Media coverage of council hearings helps publicize the issue and educate city residents who may have been unaware of payday lending. This attention can help build critical mass for a united front against payday lending. A strong base of fired-up and knowledgeable constituents puts pressure on state lawmakers to act.

In addition to passing ordinances, local governing can adopt resolutions calling on the state legislature to address payday lending. For example, a handful of Virginia cities recently adopted formal resolutions asking the General Assembly to cap predatory lending at 36% APR.[21] Local governments can also include payday lending in their legislative agendas, which local leaders use to lobby at the state and federal levels.

DALLAS ORDINANCE TO RESTRICT PAYDAY AND AUTO TITLE LENDERS[22]

During the 2011 state legislative session, the Anti-Poverty Coalition of Greater Dallas – a coalition made up of nonprofit agencies and service providers – participated in a statewide campaign to urge Texas lawmakers to address the exploitative practices by short-term lenders. The campaign successfully advocated for enactment of two bills that placed new restrictions on "credit service organizations" (CSOs) – which include most payday and auto title lenders in Texas. These bills require CSOs to provide consumers with more disclosures – a victory, but not the entire package of changes advocates sought.

Concurrently, the Anti-Poverty Coalition of Dallas also pushed for stronger regulations locally. The Coalition convinced the Dallas City Council to adopt two ordinances, which took effect January 1, 2012.[23]

The first, unanimously passed by the City Council in May 2011, required alternative financial institutions to:

- Operate at a minimum distance of 1,500 feet from another location.
- Operate at a minimum distance of 300 feet from a lot in a residential district.
- Operate at a minimum distance of 500 feet from an expressway.
- Only operate in a freestanding building.

- Possess a Specific Use Permit (SUP) in all permitted districts.

The second unanimously passed by the City Council in June 2011. It had three provisions that:

- Required loan principal for a payday loan to be capped at 20% of the borrower's gross monthly income, and auto-title loans to be capped at 3% of the borrower's gross annual income.
- Limited payments to four installment loans with no renewals, or a single payment with three renewals or rollovers.
- Required that each installment or renewal payment pay down 25% of the loan principal.

6 MODEL A STRONG ROLE FOR EMPLOYERS THROUGH BENEFIT STRUCTURES AND HUMAN RESOURCES POLICIES

Municipal governments are often one of the largest employers in a community, employing hundreds or even thousands of people. City employees – from meter readers and garbage collectors to policy advisors and councilmembers – span a range of income and education levels, often reflecting the diversity of the city as a whole. As a large employer, cities can directly reach a significant audience who could benefit from financial stability services. In addition, by providing services or benefits to employees, cities can also model approaches that they would like to see private sector employers adopt.

Most employers, including city government, already offer some employee benefits designed to add to their employees' financial bottom line, such as health insurance or a retirement plan. This benefit infrastructure provides a natural base on which to build. The overhead costs of providing or promoting these services are already largely covered. And, by ensuring workers are supported and financially stable, municipal governments can increase their efficiency and productivity. Workers who are financially stable, even if their wages are low, tend to be more reliable and productive.

There are a range of benefits and services that cities-as-employers can adopt in the workplace to address the financial needs of employees.

- **Financial education.** Many employees, regardless of income level, have never had the opportunity to obtain basic financial education to help them make the best financial choices. Cities can select a free or low-cost financial education curriculum from the range of curricula available online or through a local university and promote it with city employees. The curriculum can be delivered by a trained city employee, by a local organization that offers financial education to the community, or online. Cities can incorporate financial education into all new staff orientations, or provide financial education on a monthly basis in "brown bag" lunch sessions.

- **Direct deposit.** Direct deposit is more efficient than paper paychecks and translates into a savings for both the city and the employee. It also encourages un- and underbanked employees to open low-cost, basic bank accounts to receive their wages, and thereby reduces the need for high-cost check cashers. A necessary step in ensuring that all city employees can be paid via direct deposit is for the city to transition to a citywide paperless payroll system. A municipality can work with an existing payroll vendor to transition to paperless pay and then promote the importance of direct deposit through departmental memos or other employee communication mechanisms .

- **Referrals to community services.** Cities can educate employees about existing services that are offered in the community, such as free tax preparation services or organizations that offer local matched savings accounts. This education can also include hosting some of these services, such as a Volunteer Income Tax Assistance site, at city department offices.

In 2010, the City of Bryan, Texas stopped issuing paper paychecks and went solely to direct deposit into bank accounts or onto pay cards for its more than 800 employees. Many other employers within the county are considering a similar practice.

- **Financial counseling.** Cities can engage volunteers to provide free or low-cost financial counseling on-site for city employees. Cities that are home to a local branch of the Financial Planners Association, for example, can partner to provide pro bono financial planning on a monthly basis. Otherwise, they can recruit volunteers from local financial institutions to offer financial coaching to interested employees.
- **Assistance understanding benefit options.** Cities can develop or provide tools and trainings to help employees understand their benefit options and select the best fit for their unique financial situations. For example, a financial health assessment may help employees decide what kind of retirement options are best for them. Cities can also provide incentives, such as an early release day for attendees, to encourage participation.

Getting started: Steps to modeling a financially empowered workplace

In developing a set of initiatives to improve access to financial stability services for city employees, municipalities can take some important initial steps.

Step 1: **Identify a point person.** To ensure successful integration of new benefits and services into existing systems, identify a financial stability liaison or other point person to lead the city's efforts. These dedicated staff can schedule and coordinate financial education courses, disseminate information about new benefits and services, and act as a liaison to the city's human resources department to promote direct deposit and enrollment in other employee benefits. City leaders can also work with the city's human resources department to create an internal cross-agency infrastructure for supporting financial security and opportunity, which could be as simple as human resources recruiting and staffing a "financial wellness" committee of volunteer employees.

Step 2: **Cultivate strong leadership.** To systematically embed financial empowerment benefits and services within the municipal employment structure, strong leadership is necessary. The mayor or another strong local leader, such as the city manager, can champion these efforts. It is equally important to cultivate buy-in and support from city agency department heads. These leaders can participate in public messaging about the city's model employer efforts, encourage participation in financial security programming by authorizing incentives, and leverage their position to create culture change within their agency around the importance of financial security and opportunity.

Step 3: **Begin with a pilot.** Before embarking on a city-wide strategy of enhanced employee benefits, a city can begin with a pilot project at one city agency. An initial pilot effort can test out new strategies and offer an opportunity to make mid-course corrections before engaging all city agencies. A pilot can also provide an effective "hook" for engaging city leadership.

Step 4: **Promote participation.** For a variety of reasons, workplace "extracurricular" programs often have low participation rates. Sometimes outreach may be lackluster, or employees simply feel too busy to engage in activities outside of their usual work duties. In order to ensure robust participation, it may be necessary to make a concerted effort to recruit committed participants. In many cases, incentives are effective. The City of Savannah, for example, gives employees four extra vacation hours if they participate in on-site financial education classes. Bringing in locally-known speakers, including the mayor, can also draw a crowd.

WHAT'S NEXT: A NEW WAY OF "DOING BUSINESS" FOR ALL EMPLOYERS

Once local leaders have some experience piloting workplace financial security strategies in one agency, they can take the next steps: both making this approach a new way of "doing business" for all government agencies city- or county-wide, and encouraging non-government employers to follow government's lead.

For both approaches, high-level leadership is critical. For example, in order for all city or county agencies to adopt this approach, the Mayor or County Executive may need to convene agency heads and give them a formal charge to integrate financial security strategies into their human resources protocols. Backing up this charge with the expectation that each agency will set measurable goals for their employees can ensure accountability. These agency goals can roll up into a city- or county-wide goal. For example, "By 2015, our city will have the resources and infrastructure to provide every city employee facing a major life event or crisis (e.g., buying a home; paying unexpected medical bills) with free, unbiased, professional financial advice." Or, "50% of parents or caregivers in the municipal workforce will have access to an education savings account for their children within the next three years."

To encourage private employers to include financial security and empowerment strategies in their workplaces, government leaders can convene the human resources staff of local businesses to share government's model programs, highlight government and community services that employees of private firms can take advantage of, and show how incorporating these services improves businesses' bottom line.

San Francisco's Office of Financial Empowerment, for example, launched an initiative called CurrenC SF, which is designed to position the City to become the first in the nation to have a fully paperless payroll – not just of City employees but of all employees working within the city limits. The Office of Financial Empowerment is building partnerships with major employers to systematically roll out CurrenC SF. They are also creating toolkits to assist employers with transitioning to paperless pay.

SAVANNAH, GEORGIA'S FINANCIAL WELLNESS PROGRAM FOR ALL CITY EMPLOYEES[24]

In partnership with the local anti-poverty collaborative Step Up Savannah, the City of Savannah is systematically promoting the "financial wellness" of its employees. The City has implemented an online financial education tool, called the Financial Fitness Challenge, which walks employees through six financial capability modules. Individuals who complete the modules within a set time period receive four extra hours of vacation. The online platform, which is advertised across all city agencies through Employee Benefit News, launched in the summer of 2012. More than 20% of the city's 2,500 employees signed up for the Financial Fitness Challenge within the first month of the program's launch.

The City is also offering intensive on-site financial education for employees. In partnership with Step Up Savannah and Consumer Credit Counseling Service of Savannah, the city offers a series of three 3-hour courses, focused on applied learning, which provides opportunities for participants to immediately begin exercising financial behavior change. To encourage participation, the City gives employees paid time off to attend the classes, and also counts their participation as professional development in their employee personnel files. Individuals who complete all three courses successfully are awarded with a graduation luncheon hosted by the city. Since the program's launch in 2011, it has served more than 120 employees.

The City offers on-site income tax preparation assistance to employees at several city agency locations to increase take-up of the Earned Income Tax Credit. It also encourages usage of these sites through agency outreach mechanisms. Some city human resources staff have also been trained to screen employees for 13 public benefits programs, including food assistance and cash welfare, when they encounter employees who might be struggling financially. Employees are screened for benefits at some of the financial education classes as well.

Step Up Savannah is also partnering with a dozen major private employers in a range of sectors – from warehousing and manufacturing to hospitality, health care and nonprofits – to offer on-site financial education and public benefits screenings. Between January 2011 and September 2012, their efforts reached 1,296 lower-wage workers through 59 financial education classes and events.

Through this collaboration with Step Up Savannah, the city is not only taking steps towards embedding financial empowerment services on-site for all city employees, but has also served as a model to other major employers in the community.

FROM LOW-HANGING FRUIT TO COMPREHENSIVE SERVICES TO EXPAND FINANCIAL SECURITY AND OPPORTUNITY

The strategies described above provide local leaders with six concrete ideas for where to start. They were selected both because they build on common roles local governments already play and because they do not require large expenditures of new funding. However, experience suggests that once local leaders are engaged, they will look for ways to build on their success. With some experience of the need for, and the power and potential of these ideas, local leaders often become the best champions for expanding the work.

Two important ways for local leaders to move from these "first steps" to a comprehensive approach to expanding financial security and opportunity are to:

- Systematically integrate strategies across city- and county-funded programs.
- Use local experience to advocate for better policies at the state and federal levels.

The cities participating in the Cities for Financial Empowerment Coalition have done both. For example, the City of New York has developed a series of publications and events designed to popularize what they term the "supervitamin" approach with a range of stakeholders across agencies.[25] As a coalition, these cities have also used their collective influence to weigh in on important policy issues at other levels of government, such as in federal debates over consumer financial protections.[26]

Systematic integration of financial access and asset-building strategies is also being supported at other levels of government. For example, the U.S. Department of Health and Human Services Administration for Children and Families (ACF) launched the ASSET Initiative in 2010 to provide high-level leadership and encouragement to each ACF program to integrate a range of concrete strategies into the services they already provide.[27] This kind of leadership signals to local programs funded by federal or state dollars that integration of these services is important, it helps clarify the flexibility in use of funds that local programs already have, and it provides examples to follow from other jurisdictions.

The remainder of this section describes these two strategies for developing a comprehensive approach to expanding economic opportunity in more detail.

SYSTEMATICALLY INTEGRATE STRATEGIES ACROSS CITY- AND COUNTY-FUNDED PROGRAMS

The "what's next" boxes in each section above describe what a mature, comprehensive version of what the approach could look like with additional time, resources and capacity. However, in addition to going deeper on each strategy, we also encourage local leaders to consider integrating financial security services broadly across all relevant city or county programs.

Rather than reinventing the wheel and establishing a new agency or program, local leaders can integrate financial capability and stability strategies into the services they already provide. Most cities provide basic social and economic supports for residents, including homelessness prevention, workforce development, domestic violence protection, and public health programming. Each comes with an existing service delivery infrastructure, trusted relationship with its service population, and program goals centered on improving the well-being of its clients, making each of these programs excellent platforms for financial security services.

In addition to efficiency or ease, however, another important reason to integrate these strategies is that doing so can make these programs work better and improve an agency's bottom line. For example, when New York City's Department of Small Business Services integrated financial coaching into its adult workforce development programming, it found that not only did clients benefit from the coaching and improve financial well-being, but clients' workforce outcomes also improved. Those who accessed the financial coaching earned an average of an additional $173/week compared to those that did not receive the financial coaching.[28] New York City officials referred to this as the "supervitamin" effect.

Steps toward a comprehensive integration strategy

Step 1: **Listen.** Careful "listening conversations" are a critical first step. They can help advocates of this approach understand the specific goals and challenges each agency faces and provide an opportunity to present financial empowerment services as a solution to those challenges.

Embedding financial security and opportunity programs into an existing agency requires strong leadership; existing staff may not see the need for financial empowerment, or may have competing job responsibilities. Agencies heads are often more receptive if they can see that the resources offered are sorely needed. Once bought in, agency heads can communicate the vision behind this new venture, as well as create any necessary new agency structures or even incentives to most effectively deliver services.

Step 2: **Set an agenda and develop a plan.** Local leaders can take an inventory of all the possible city or county systems and programs that could be enhanced by integrating financial stability strategies. Then, they can assess which services are most feasible to incorporate within existing city service delivery infrastructures. (See Figure 5 on appendix page 40 for an example of a comprehensive local agenda.) Setting short- and long-term goals for what can be accomplished is another key component of any comprehensive plan. Doing so can help city leaders pinpoint the types of interventions that are necessary to meet those goals, as well as the resources and partners that may be necessary. (See Figure 2 for example of goals.)

Step 3: **Test new strategies with a pilot project.** A key way to test the effectiveness of a strategy is to begin with a smaller, targeted project. Piloting a strategy requires fewer initial resources, and allows a model to be tweaked before it is expanded. Local leaders can identify which city agency or program is best suited to pilot a financial empowerment integration model.

Step 4: **Show results.** Perhaps the most important and compelling reason to integrate financial security and opportunity services into city services is that it has the potential to improve overall outcomes and contribute to the bottom line. In order to get the buy-in and to sustain an effort city- or county-wide, it is important to show measurable results from the effort. Local leaders should incorporate data tracking and a rigorous evaluation. Most city programs already track inputs, outputs and, in most cases, client outcomes. The best strategy for data tracking is one that adds onto the data collection system already in place, rather than create new burdensome systems.

Figure 2. Example of concrete goals for a comprehensive financial security and opportunity agenda

- As part of new staff training and ongoing professional development, all city social service agency staff are trained to provide basic financial counseling to clients. Training processes and materials are consistent across agencies and are high-quality.
- There is a streamlined referral system in place to direct clients to more intensive services.
- All social service agencies incorporate data tracking and outcome reporting to show impacts of services.
- Agency leaders are actively engaged in the process to plan, implement and track the impact of financial empowerment services. There is a city-wide culture of incorporating these services as a standard way of "doing business."
- Agencies take a holistic approach to client well-being that includes financial well-being.
- City contracts with nonprofit service providers reflect this holistic approach and require data tracking and reporting consistent with agency processes

USE LOCAL EXPERIENCE TO ADVOCATE FOR BETTER POLICIES AT THE STATE AND FEDERAL LEVELS

Many of the programs, services, opportunities and protections that aim to improve family financial security are created by layering local, state and federal policies. State and federal policy permissions and prohibitions can often dictate what a local government can ultimately achieve. Sometimes these policies can pave the way for local efforts to help families maximize income, reduce debt, save, or build and protect assets. Other policies can stand in the way of local financial security efforts.

Across the spectrum of interventions local leaders might pursue, there are examples of policy synergy among levels of government where funding, rules, and local, state and federal structures align to maximize government investment. There are also, however, numerous instances where policies at different levels of government are out of step or even working at cross purposes.

Despite the complexities and challenges, there are advantages to this multi-layered system. Whether in the federal-state relationship, the state-local relationship or federal-local relationship, "upstream" governments have the potential to equalize resources and opportunities that are available to "downstream" jurisdictions—essentially setting a floor that can be built upon. Upstream governments can also provide incentives to downstream governments to spread innovations that emerge from one state or locality.

In the best case relationship, upstream governments will provide adequate resources to carry out policy mandates, and, at the same time, they will eliminate barriers to innovation for downstream governments. Downstream governments, for their part, will take advantage of incentives to improve policy and use the flexibility they have to devise innovative ways to address local needs.

Local leaders – whether a city mayor, a county agency head or nonprofit service provider – are well-positioned to share their local successes and frustrations with, and be heard by, policymakers at the state and federal levels. Direct experience testing out a new idea or confronting a policy barrier where the "rubber meets the road" is compelling for state and federal policymakers. Local leaders can and should use this power to shape policies at both the state and federal levels. Figure 3 provides examples of the kinds of issues local leaders can advocate for with state and federal policymakers.

Figure 3. Issues for local advocacy with state and federal policymakers

Local low-hanging fruit	Local leaders can urge state legislators and agency officials to …	Local leaders can urge Congress and federal agencies to …
Raise awareness about available services and consumer protections	Enact state EITC that is at least 15% of the federal credit, is refundable, and provides incentives for saving a portion of the credit Fund outreach and public awareness campaigns to increase take-up of federal and/or state credit Align eligibility criteria for public benefit programs and enable data sharing across programs to streamline application processes and make systems more efficient Lift asset limits in public benefit programs over which the state has control: SNAP, TANF and Medicaid	Expand funding for Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs (Congress) Lift asset limits in public benefit programs over which the federal government has control: SSI, SNAP and TANF when each comes up for reauthorization (Congress) Reauthorize and improve the Assets for Independence Act, the primary source of funding for the IDA field (Congress)
Increase access to financial education through provider networks	Include financial education in K-12 curriculum standards, require those standards to be implemented, require completion of a personal finance course as a high school graduation requirement, and require testing of student knowledge in personal finance Allow financial education to count as a TANF work activity and as a service available in Workforce Invest Act One Stops	Require the Departments of Labor and Health and Human Services to integrate financial education into the basic services offered and supported by WIA and TANF when each comes up for reauthorization (Congress) Create a national certification program for financial education providers (Consumer Financial Protection Bureau [CFPB] and the Department of the Treasury) Develop and evaluate sector-specific best practices for delivering financial education to different audiences, and champion pairing financial education with savings opportunities and account ownership (CFPB Office of Financial Education)
Connect residents to safe and affordable financial products	Create banking development districts Create statewide Bank On programs to provide consistency and create economies of scale among local programs Fund IDA programs at a level sufficient to meet demand, stable over time, flexible enough to cover program administration costs, and that is stewarded by a state agency champion Ensure that banking and gaming regulations do not prevent financial institutions from holding private lotteries to enable prize-linked savings programs	Fund local efforts to encourage financial institutions to offer low-cost, convenient savings and transaction products through the Administration's proposed Bank On USA, which would be housed at Treasury's Community Development Financial Institutions Fund (Congress)

Local low-hanging fruit	Local leaders can urge state legislators and agency officials to …	Local leaders can urge Congress and federal agencies to …
Mitigate foreclosures by coordinating services and leveraging resources	Ensure a fair review process by requiring that foreclosures be reviewed in the presence of a neutral third party Regulate mortgage servicers to help protect homeowners during the foreclosure process Limit lenders' ability to sue for outstanding debt by abolishing deficiency judgments or limiting the amount or circumstances for which a mortgage holder can pursue them Stabilize communities after properties have been vacated by permitting land banks to redevelop foreclosed properties	Support and encourage the replication of proven innovative state and local solutions that keep owners in their homes (Department of Housing and Urban Development)
Prevent predatory lending through local ordinances	Explicitly prohibit payday lending or effectively ban the practice by mandating an APR of 36% or lower Require lenders and brokers to report predatory small dollar loan data to the state Strengthen state Unfair and Deceptive Acts and Practices statutes to protect consumers in the financial marketplace Protect consumers from predatory debt collectors by prohibiting debt buyers from filing lawsuits without sufficient evidence	Ensure that the CFPB has broad authority to regulate alternative financial service providers (Congress)
Model strong role for employers through benefits to city employees	Remove prohibition against employers automatically paying workers via direct deposit Adopt Automatic Individual Retirement Accounts (Auto-IRAs) as a state-administered alternative for workers who have no access to an employer-based retirement plan	Require employers that do not sponsor a retirement plan to direct-deposit payroll deductions into an Individual Retirement Account (Congress)

CONCLUSION

This guide presents six concrete strategies that local leaders can deploy to start increasing the financial security of residents. It also provides suggestions for where local leaders can go next, as well as some "gold standard" examples for which to ultimately aim. Helping individuals and families achieve economic security has never been more critical than it is today, which is why cities and counties of all sizes and stripes should use the tools at their disposal to join the fight. The ideas presented in this guide build on the roles that local governments already play and are relatively low-cost, creating a low barrier to entry into this work.

> *As local leaders, the first step is yours: you can fundamentally change the financial prospects of your most vulnerable residents, and at the same time, improve the economic prospects for everyone.*

For inspiration, there is a vanguard of local leaders across the country to look to; for help getting started, the Appendix provides a wealth of resources. As local leaders, the first step is yours: you can fundamentally change the financial prospects of your city's or county's most vulnerable residents, and at the same time, improve the economic prospects for everyone.

ENDNOTES

1 See http://scorecard.assetsandopportunity.org/2012/measure/foreclosure-rate for foreclosure rates and http://scorecard.assetsandopportunity.org/2012/measure/delinquent-mortgage-loans for delinquent mortgage rates.

2 Julie Bosland and Abby Hughes Holsclaw, *Maximizing the Earned Income Tax Credit in Your Community: A Toolkit for Municipal Leaders* (Washington, DC: National League of Cities, 2004).

3 Available online at http://sfsmartmoneynetwork.org/wp-content/uploads/2011/09/Financial-Education-Provider-Survey_Final.doc.

4 Available online at http://everyoneiswelcome.org/class_locator.php.

5 *Building Economic Security in America's Cities: New Municipal Strategies for Asset Building and Financial Empowerment* (Washington, DC: CFED, 2011).

6 Personal communication with Diana Stone, Seattle-King County Asset-Building Collaborative, July 27, 2012.

7 Susan Burhouse and Yazmin Osaki, *2011 FDIC National Survey of Unbanked and Underbanked Households* (Washington, DC: Federal Deposit Insurance Corporation, 2012).

8 Anne Stuhldreher, "Building Better Bank Ons: Top 10 Lessons from Bank On San Francisco," New America Foundation, February 2011, http://newamerica.net/publications/policy/building_better_banks_ons.

9 See http://www.nlc.org/Documents/Find%20City%20Solutions/IYEF/Family%20Economic%20Success/bank-on-cities-kit-april-2011.pdf for more detailed description about establishing a Bank On initiative.

10 Available online at http://www.responsiblelending.org/tools-resources/headlines/Three-Hidding-Costs-of-the-Foreclosure-Crisis.html.

11 *Financial Literacy: Overlap of Programs Suggests There May Be Opportunities For Consolidation* (Washington, DC: U.S. Government Accounting Office, 2012), 7-8.

12 Personal communication with Maria Prioletta, City of Milwaukee, November 2012.

13 Roger Williams, Mark Weinheimer and James Brooks, *Resilience in the Face of Foreclosures: Six Case Studies on Neighborhood Stabilization* (Washington, DC: National League of Cities, 2011), 19.

14 Ibid., 20.

15 See http://www.findaforeclosurecounselor.org/network/nfmc_lookup/.

16 "2011 Underbanked Market Sizing Study," Core Innovation Capital & Center for Financial Services Innovation, November 2012, http://cfsinnovation.com/system/files/CFSI_2011_Underbanked_Market_Sizing_Study_November_2012.pdf

17 Kelly Griffith, Linda Hilton and Lynn Drysdale, *Controlling the Growth of Payday Lending Through Local Ordinances and Resolutions* (Tucson, AZ: Center for Economic Integrity, 2009).

18 Ibid.

19 Ibid.

20 See http://scorecard.assetsandopportunity.org/2012/measure/protections-from-predatory-short-term-loans.

21 Griffith, Hilton and Drysdale, *Controlling the Growth.*

22 Gerald Britt, "Partnerships Address Payday and Auto Title Lenders in Dallas," *Dallas South News,* January 25, 2012, http://www.dallassouthnews.org/2012/01/25/payday-and-auto-title-lenders-in-dallas/. See also personal communication with Stephanie Werner, United Way of Metropolitan Dallas, August 15, 2012.

23 Britt, "Partnerships Address Payday and Auto Title Lenders."

24 Personal communication with Robyn Wainner, Step Up Savannah, August 2012.

25 Available online at http://www.nyc.gov/html/ofe/html/home/home.shtml.

26 See http://www.cfecoalition.org/.

27 See http://www.idaresources.org/page?pageid=a047000000DgGSy.

28 Rebecca Smith, Mae Watson Grote and Karina Ron, "Scaling Financial Development: Improving Outcomes and Influencing Impact," The Financial Clinic, February 2011, http://www.thefinancialclinic.org/publications/68-scaling-financial-development-improving-outcomes-and-influencing-impact.

APPENDIX

RESOURCES

REPORTS

- CFED Reports and Research:
  - Building Economic Security in America's Cities: New Municipal Strategies for Asset Building and Financial Empowerment
  - *Partnerships You Can Bank On: Sustainable Financial Institution Engagement in Bank On Programs*
  - *Why Assets Matter: An Overview of Research on Assets and their Effect on Financial Stability and Economic Opportunity*
  - Local *Assets & Opportunity Profiles*
- NLC Institute for Youth, Education and Families Reports and Toolkits:
  - Banking on Opportunity: A Scan of the Evolving Field of Bank On Initiatives
  - *Bank On Cities: Connecting Residents to the Financial Mainstream (NLC Toolkit for Municipal Leaders)*
  - *Helping Families Achieve Financial Stability for Municipal Leaders (Issue #9), Feb 2008*
  - *Maximizing the Earned Income Tax Credit in Your Community: A Toolkit for Municipal Leaders, 2006*
- New York City Office of Financial Empowerment's *Municipal Financial Empowerment: A Supervitamin for Public Programs*
  - *Initial Report of Series Details "Supervitamin Effect" of Improved Social Service Outcomes When Integrating Professional Financial Counseling*
  - *Second Report Focuses on Professionalizing the Field of Financial Education and Counseling*
  - *Third Report Focuses on Integrating Safe and Affordable Bank Accounts*

WEBSITES/ORGANIZATIONS

- Bank On: http://joinbankon.org
- The *Assets & Opportunity Scorecard*: http://assetsandopportunity.org/scorecard
- CFED: http://cfed.org
- National League of Cities, Institute for Youth, Education and Families: http://www.nlc.org/find-city-solutions/institute-for-youth-education-and-families
- Cities for Financial Empowerment: http://www.cfecoalition.org
- The Financial Clinic: http://thefinancialclinic.org/capacity-building/toolkit
- FDIC Economic Inclusion: http://www.EconomicInclusion.gov
- LISC Financial Opportunity Centers: http://www.lisc.org/section/ourwork/national/family/foc
- The Annie E. Casey Foundation Centers for Working Families: http://www.aecf.org/MajorInitiatives/CenterforFamilyEconomicSuccess/CentersforWorkingFamilies.aspx

12 KEY ROLES FOR LOCAL GOVERNMENT

Champion. City officials can leverage the public spotlight and "bully pulpit" in order to promote and add legitimacy to municipal financial empowerment efforts. Mayors and council members attract media attention and can facilitate the dissemination of program information to the public through press conferences and local media.

Convene. Cities have a unique ability to bring together and coordinate the work of diverse actors and organizations in the community toward a common cause. By taking advantage of existing working relationships, or by engaging businesses or nonprofits that have a vested interest in residents' financial security, city officials and staff can facilitate cooperation.

Persuade. City officials can use their influence as policymakers, customers and employers, along with other incentives such as positive publicity and/or access to new customers to persuade local actors to engage in certain activities.

Communicate. Cities can spearhead public awareness and social marketing campaigns that inform residents about opportunities and rights related to financial products and services, information and consumer protection.

Connect. Cities can connect residents directly to resources through marketing and referral services and can leverage general information services like 311 and citywide directories.

Legitimate. City involvement in financial empowerment efforts has a powerful legitimizing effect for residents. City oversight and/or involvement increases the credibility of programs targeted to lower-income citizens and therefore increases uptake of programs and services. For many people, a clear message that the city's "stamp of approval" has been given to a financial product or a service provider reduces personal risk and fosters trust and willingness to utilize new products or services.

Integrate. Cities can integrate financial empowerment work across agencies by embedding financial education, services and products into existing programming.

Sustain. State and federal grants directed to local governments, as well as available municipal general fund revenues, provide opportunities for municipalities to fund financial empowerment programs. Several federal grants are distributed through the U.S. Department of Housing and Urban Development – namely through the Community Development Block Grants, the HOME Investment Partnership Program and the American Dream Down payment Initiative. These grants provide a natural vehicle for municipal governments to promote asset-building work.

Pilot. Cities are prime testing-grounds for innovation in public programs and policies. By engaging in asset-building work, municipalities create an environment of experimentation which leads to greater innovation in the field.

Evaluate. City representatives are both accountable to their citizens and know that data is necessary for expansion of programs beyond initial pilot phases. Although relatively few cities are now actively engaged in rigorous evaluation of pilot programs, there is considerable interest and desire to evaluate their innovative work. Likewise there is uniform acknowledgement that amassing evidence about the kinds of strategies that are effective is critical to move any initiative to scale.

Regulate. While cities' legislative powers are more limited than those of states, municipalities can enact local legislation, called ordinances, for such local issues as zoning, taxation, budget decisions, capital improvements and department organization. In addition, cities can exercise their existing powers of enforcement to curb abusive lending practices and improve local consumer protections.

Advocate. Municipal-level lobbying of state and federal lawmakers is another avenue for improving economic opportunities for city residents. Given the abundance of state- and federal-level policies impacting local asset building and economic security, city-official lobbying of legislators can have low-cost and high-impact potential. Cities doing innovative financial empowerment work have an important role to play in advocating for new and effective policies at the state and federal level.

From: Building Economic Security in America's Cities: New Municipal Strategies for Asset Building and Financial Empowerment

BUILDING ON ROLES LOCAL GOVERNMENTS ALREADY PLAY

One way to pitch the idea that city or county officials should engage in financial security programming is to focus on the ways it builds on roles they already play. The matrix below shows those common local roles across the top. Another way to interest local officials is to appeal to their concerns for residents' well-being. Along the left side of the matrix below are goals for residents' financial security that are likely to resonate with local officials. The orange boxes in Figure 4 denote a strategy described in this guide; the blue boxes denote additional possible strategies, which are not described in this guide either because the authors do not consider them "low-hanging fruit" or because they are yet untested.

	Local roles						
City/county goals for residents' financial	Run public awareness campaigns & events	Build service provider networks	Negotiate with financial institutions	Adopt ordinances	Model "good employer" practices	Harness federal/state resources	Advocate for better state and federal policies
Increase financial capability of residents	entry strategy	entry strategy			entry strategy		entry strategy
Put more money in residents' pockets through the EITC and benefits	entry strategy	entry strategy		possible	entry strategy	entry strategy	possible
Ensure residents' access to safe, affordable financial products	entry strategy	possible	entry strategy		entry strategy		entry strategy
Make saving simple through direct deposit	entry strategy				entry strategy		possible
Improve residents' credit scores	entry strategy	possible	entry strategy				possible
Mitigate foreclosures	entry strategy	possible	entry strategy	possible		entry strategy	possible
Curb predatory lending	entry strategy			entry strategy			entry strategy

Figure 4: Local leaders can deploy common approaches to address a variety of specific financial security issues.

EXAMPLE OF A COMPREHENSIVE FINANCIAL SECURITY AND OPPORTUNITY AGENDA

- **Connect clients to financial education, counseling or coaching** on a range of topics, such as debt reduction, managing credit scores, budgeting and choosing financial products.
- **Facilitate access to public benefits** offered by federal, state and local governments through integration of benefit screening tools.
- **Coordinate free tax preparation** assistance and access to the Earned Income Tax Credit with your existing services.
- **Connect clients to mainstream financial products** such as basic savings or transactional accounts through partnerships with banks, credit unions and/or community development financial institutions.
- **Refer clients to reputable credit counseling** agencies to enable clients to become credit-worthy for home or business loans, and to remove potential barriers to employment.
- **Accelerate savings** by connecting clients to matched savings programs, such as Individual Development Accounts.
- **Inform clients about the hazards of high-cost financial products** such as predatory short-term loans, high-interest-rate credit cards, prepaid cards with high fees or overdraft fees on bank accounts.
- **Connect clients to foreclosure counseling and mitigation** services to help at-risk homeowners protect their assets.

Figure 5: Example of a comprehensive financial security and opportunity agenda

ACKNOWLEDGEMENTS

This guide was co-written by CFED and the National League of Cities. Many staff from each organization contributed content or advice. From CFED, Jennifer Brooks, Ethan Geiling, LeElaine Comer, Ida Rademacher and Jeremie Greer. From NLC, Heidi Goldberg, Denise Belser, Laura Fischer, Cliff Johnson and Timothy Mudd. The document builds on and borrows from several publications that the two organizations have produced over the years, including the 2011 report, *Building Economic Security in America's Cities: New Municipal Strategies for Asset Building and Financial Empowerment* which describes 20 specific strategies for increasing financial security and opportunity of city residents.

The authors would like to thank Leigh Phillips, Jerry DeGrieck and Cathie Mahon from the Cities for Financial Empowerment coalition who provided early input into the structure and direction of the publication. We would also like to thank Marian Urquilla, Helen Leung and Carmen Rojas at Living Cities for their guidance and support for this publication.

ABOUT THE NATIONAL LEAGUE OF CITIES INSTITUTE FOR YOUTH, EDUCATION AND FAMILIES

The Institute for Youth, Education, and Families (YEF Institute) is a special entity within the National League of Cities (NLC). NLC is the oldest and largest national organization representing municipal government throughout the United States. Its mission is to strengthen and promote cities as centers of opportunity, leadership, and governance. The YEF Institute helps municipal leaders take action on behalf of the children, youth and families in their communities. NLC launched the YEF Institute in January 2000 in recognition of the unique and influential roles that mayors, city councilmembers and other local leaders can play in strengthening families and improving outcomes for children and youth.

Through the YEF Institute, municipal officials and other community leaders have direct access to a broad array of strategies and tools, including:

- Action kits that offer a menu of practical steps that officials can take to address key problems or challenges.
- Technical assistance projects in selected communities.
- The National Summit on Your City's Families and other workshops, training sessions and cross-site meetings.
- Targeted research and periodic surveys of local officials.
- The YEF Institute's website, webinars and e-mail listservs.

To learn more about these tools and other aspects of the YEF Institute's work, go to **www.nlc.org/iyef** or leave a message on the YEF Institute's information line at (202) 626-3014.

ABOUT CFED

CFED empowers low- and moderate-income households to build and preserve assets by advancing policies and programs that help them achieve the American Dream, including buying a home, pursuing higher education, starting a business and saving for the future. As a leading source for data about household financial security and policy solutions, CFED understands what families need to succeed. We promote programs on the ground and invest in social enterprises that create pathways to financial security and opportunity for millions of people. **www.cfed.org**

Established in 1979 as the Corporation for Enterprise Development, CFED works nationally and internationally through its offices in Washington, DC; Durham, North Carolina; and San Francisco, California.

Published December 2012