



Center for Financial Security

Family Financial Security Webinar Series

March 13, 2012

Municipal Financial Empowerment: A Supervitamin for Public Programs

Sponsored by a grant from the UW-Madison School of Human Ecology Beckner Endowment



Department of Consumer Affairs
Office of Financial Empowerment

Municipal Financial Empowerment: *A Supervitamin for Public Programs*

Cathie Mahon
Deputy Commissioner for Financial Empowerment
City of New York
Department of Consumer Affairs

March 13, 2012

***University of Wisconsin - Center for Financial
Security***

Family Financial Security Webinar Series



Department of Consumer Affairs
Office of Financial Empowerment

Financial Empowerment

Financial
Education
and
Counseling

Financial
Products
and
Services

Income &
Asset
Building

Consumer
Protection



Financial Empowerment Strategies

Professionalize and Integrate Financial Counseling

- Establish consistency and standards in delivery
- Build local capacity through professional training, monitoring and evaluation

Improving Access to Financial Services

- Employer-based banking through direct deposit
- Safe banking for troubled and underserved populations

Boosting Income and Building Assets

- Safe and affordable tax preparation services
- Tax-time savings programs
- Employer-based savings

Protecting Consumers in the Financial Services Marketplace

- Enforcing consumer protections using municipal tools and strategies
- Coordinate with state and federal agencies



Need for Innovative Approaches

- Demand for services rising ... creating political mandate
- Yet resources declining ... climate of budget cutting, not expanding
- Fewer dollars means fewer services ... *absent innovation*





The Innovation: Supervitamin Approach

- *What?*
 - Boost success and efficiencies of traditional antipoverty approaches
- *How?*
 - Integrate financial empowerment strategies directly into traditional social service delivery streams
- *Why?*
 - Better and quicker outcomes ... financial stability is a critical component to success
 - Cost savings



Supervitamin at Work



Strategy 1: Professionalize
and Integrate Financial
Counseling



NYC Financial Empowerment
Centers (Centers)

NYC Financial Empowerment Centers

- One-on-one, free, professional financial counseling
- Provided through non-profit organizations with expertise in financial education and ties to the community
- Stand alone and co-location with multi-service, multi-purpose organizations and sites
- Tracking 40 client milestones across 4 financial counseling service areas





NYC Financial Empowerment Centers:

Successes to Date

- Over 13,000 clients served
- Over 26,000 counseling sessions
- Reviewed credit reports with nearly 10,000 clients
- Nearly \$7 million in debt reduced
- Over \$920,000 in new savings
- Dozens of integration partners

*As of December 31, 2011

Professionalize Delivery of Financial Counseling

- Establish Consistency and Standards in Delivery
 - Establish certified training programs for counselors
 - Undergraduate and Graduate level courses
 - Combining Hard and Soft skills
 - Develop consistent protocols and parameters
 - Standard parameters for what constitutes a counseling\coaching session
 - Financial Health Assessment
 - Track evaluation and performance
 - 40 milestones across 4 financial counseling service areas

Components of Successful Integration

1. Identify and Build Successful Partnerships

- Align overall goals and performance measures
- Link financial outcomes to program or client needs

2. Structure Program to Ensure Quality Outcomes

- Right touch points
- Customize integration
- Align capacity for scale

3. Operationalize the Integration

- Pilot program on smaller scale first
- Re-evaluate and adjust referrals
- Tighten program linkages

Moving to the National Stage: Cities for Financial Empowerment (CFE)

- Coalition of municipal governments dedicated to working as a collaborative
 - Shares data, best practices, and strategies to help member cities improve
 - Works strategically with state and national stakeholders
 - Increases public awareness of key issues and opportunities

Next Step: Institutionalizing Innovations through CFE

- Replicate effective efforts
- Engage city officials actively in providing technical assistance, training and consulting to other municipalities
- Formulate tools, materials and web platforms to help develop expansion efforts
- Formalize collective negotiations and policy with the private sector, federal and state agencies



Next Step: Pursuing Robust Impact Analysis

Department of Homeless Services Pilot

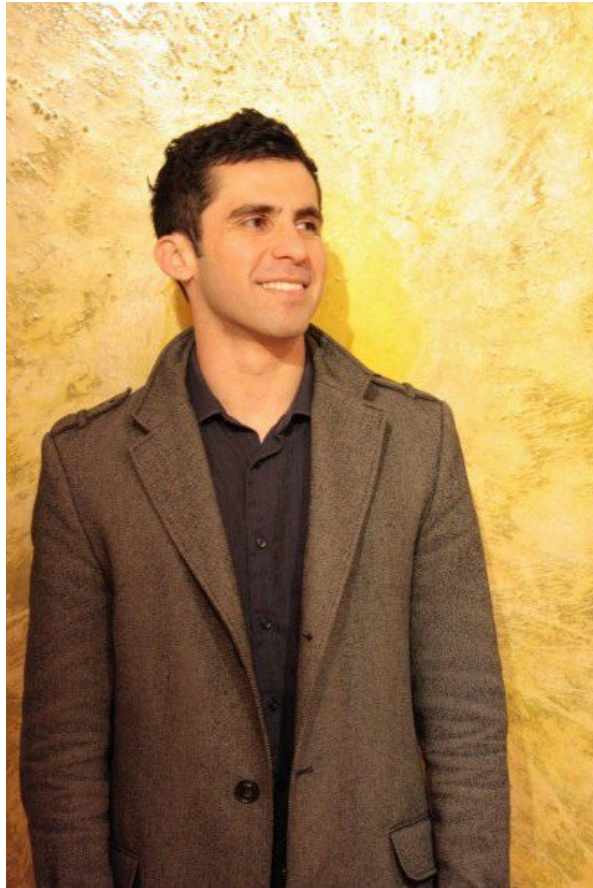
- ❑ Integrating Financial Counseling for Shelter Residents
 - Referrals of shelter residents especially those who are employed and have savings requirements.
 - Financial counseling referrals will launch in Spring 2012

- ❑ Impact Assessment
 - Plans to measure financial stability and independent living goals
 - Developing method for tracking counseling clients and a comparison treatment client groups



Resources

- ❑ New York City Department of Consumer Affairs (DCA)
www.nyc.gov/consumers
- ❑ DCA's Office of Financial Empowerment (OFE)
www.nyc.gov/ofe
- ❑ Cities for Financial Empowerment (CFE) Coalition
www.CFEcoalition.org



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SF OFFICE OF FINANCIAL EMPOWERMENT

Municipal Financial Empowerment

San Francisco Smart Money Network (SF-SMN)

Building a Stronger City by Financially Empowering San Franciscans

Bank on San Francisco (BankonSF.org)

Payday Plus SF (PaydayPlusSF.org)

Kindergarten to College (K2CSF.org)

CurrenC SF (CurrenCSF.org)

SF Smart Money Network (SFSmartMoneyNetwork.org)

Why SF-SMN

The landscape of financial education services in San Francisco is broad, with multiple organizations offering services for diverse populations. While clients benefit from the financial education services, there is a lack of coordination, standardization and evaluation across the local sector.

Until recently in SF, there has been little effort to coordinate the many resources and organizations committed to promoting financial education.

Financial Education Survey Results

Survey – Financial Education Service Providers (26 SF Service Providers)

- Only five organizations have services that are open to the public
- 81% report that they are operating at or above full capacity.
- Evaluation is a key area for growth for most organizations
- English and Spanish are the dominant languages in which Financial Services are delivered.
- Vast majority of organizations are not formally trained to deliver financial counseling, or financial workshops yet do so anyways.

The Ideal Financial Education Landscape

Key Themes:

- Financial education should be accessible and sensitive to the needs of all who seek it.
- Evaluation is necessary and helpful, but can be burdensome and ineffective.
- The purpose/direction of Financial Education Networks should include an agreement of definitions and common language.
- Financial education should be standardized with a focus on moving individuals from crisis to achieving their financial goals (i.e. asset building, debt reduction).
- Clearinghouse of best practices, resources and materials would help the field.

SF Smart Money Network

Mission

SF-SMN is a collaborative group of San Francisco's nonprofit service providers, philanthropic funders and local public sector representatives dedicated to:

- Streamlining access to financial education services and products, and
- Increasing collaboration amongst service providers and sharing industry best practice.

Activities

Streamline access to financial services for San Franciscans by:

- Creating centralized access to an online directory and maintaining a calendar listing all free financial education workshops in San Francisco .
- Coordinate various public awareness campaigns around SF-SMN services.

Build capacities and professionalize the field of experienced Financial Education Providers by:

- Develop Professional Development Series on industry best practices, shared lessons, resources, referrals, collaborations, and service gaps.
- Provide a clearinghouse for potential financial education providers recommending SF-SMN approved standards, evaluation tools, best practices, and more.
- Provide a “Train the Trainer” Certification Program for service providers.

Build capacity of potential financial education service providers by:

- Integrate financial education services into Workforce Development Programs and other appropriate city departments.
- Providing free access to professional Financial Education trainers and appropriate financial products

San Francisco Smart Money Network

It's Everything You Need to Know About Money

The SF-Smart Money Network is now online!

Financial Education Service Provider Directory

- Pre-Screens clients for financial education services and programs.

Workshop Calendar

- Find free financial education, small business and homeownership workshops in San Francisco.

City Wide Events

- Learn more about the SF-SMN upcoming Financial Planning Day and Financial Advice Line.

Tools for Financial Education Practitioners

- Find Resources, White Papers, and evaluation tools.
- Find all of the SF-SMN Professional Development Videos, PPT Presentations and Handouts in one place.



Professionalizing the Field

Financial Education Standards

- Partnered with the SF Mayors Office of Housing to create Financial Education Standards for practitioners receiving funding through the City of San Francisco to host financial management workshops.
- Training and performance benchmarks designed to promote increased quality and reliability in the delivery of financial education workshops across the city.
- They provide a common roadmap which installs a baseline of excellence among all service providers.

Federal Reserve Bank of San Francisco FEN Landing Page – Video Archive

An online archive of all SF-SMN professional development series video recordings, PowerPoint presentations, and handouts.

www.frbsf.org/community/issues/fensf.html

Program Services

Financial Education Workshops

- Partnered with 70 community based organizations to serve over 4,000 clients in the past three years.
- Financial Education workshops highlighted as best practices by the National Disability Institute and the California Partnership to End Domestic Violence.
- Integrating Financial Counseling and Services Screening in 2012.

Professional Development Workshops

2010 - 180 financial education practitioners and stakeholders receiving training through the SF-SMN quarterly professional development series.

2011 - 270 financial education practitioners and stakeholders receiving training through
- Videos being transferred to SF-SMN practitioner page.

2012 – Train the Trainer: Best Practices on FE content, delivery and evaluation.

Public Events

Financial Planning Days and Financial Advice Line – Connected approximately 1,000 clients to certified financial planners and certified credit counselors.

SAN FRANCISCO
SMART MONEY
NETWORK

Thank You!

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BANK ON
Everyone is welcome™

Thoughts on “A Supervitamin for Public Programs” and Transforming the Lives of Families in Financial Distress

Mark Cole

Executive Vice President & Chief Operating Officer

CFS Family Financial Security Webinar Series

March 13, 2012



The Average American Family Lives in Distress

CredAbility Consumer Distress Index (1980 – 2011)

- ❑ Quarterly, comprehensive measure of the average American household's financial condition
- ❑ Measured on a 100 Point Scale, below 70 = Distress
- ❑ Incorporates 41 different public / private data points
- ❑ Composed of Five Key Elements - Employment, Housing, Credit, Household Budget & Net Worth
- ❑ **Score for 2011 4th Quarter was 67.6, the 13th consecutive quarter in Distress**
- ❑ **The last 14 quarters have been the worst 14 quarters in past 31 years**

Get more information at www.credability.org/consumerdistressindex

About CredAbility

Who We Are

- ❑ Nonprofit counseling agency headquartered in Atlanta and founded in 1963.
- ❑ Provide 24/7 counseling in all 50 states over the telephone and Internet, in both English and Spanish.

Our Mission & Vision

- ❑ CredAbility serves as a trusted financial advisor, helping people resolve challenges and build economic security for themselves and their families.
- ❑ We transform the lives of low-to-moderate income people by guiding them toward financial dignity, self-determination and long-term economic success.

Our Reach

- ❑ We have helped more than 2 million households since 2007
- ❑ Maintain a comprehensive database of client information for research

Emerging from Financial Distress

No Quick or Easy Solutions

- ❑ Distress event is 9-18 months, recovery is 2 to 3 times as long
- ❑ Still very financially fragile and will face setbacks
- ❑ Stable employment is the key
- ❑ Little to no private sector help for low-to-mod income families

Capitalize on the Teachable Moment

- ❑ Capturing a Person's Attention is Increasingly Difficult
- ❑ In Seeking Help, A Significant Mindset Shift Occurs - Average 40 point increase in confidence to successfully reach their financial goals after counseling (from 35% to 75%)

Profound Implications for All

Holistic Counseling Offers Measurable Success

- ❑ Addresses their entire life and offers context for decisions
- ❑ Builds good habits through applied learning
- ❑ Reduces Bankruptcy Risk, Increases in Credit Scores, Preserves Stable Housing, Decreases Debt Utilization

What long-term behavior will be encouraged?

- ❑ Distressed People Act Perfectly “Rational”
- ❑ Do they see a hand up versus a handout?



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Q&A





April Webinar

Tuesday, April 10th
1pm - 2pm CDT / 2pm - 3pm EDT

Workplace Based Financial Education

For more information on the 2012 CFS
Webinar Series: <http://cfs.wisc.edu>

