



Building Economic Security in America's Cities

New Municipal Strategies for Asset Building
and Financial Empowerment

Questions

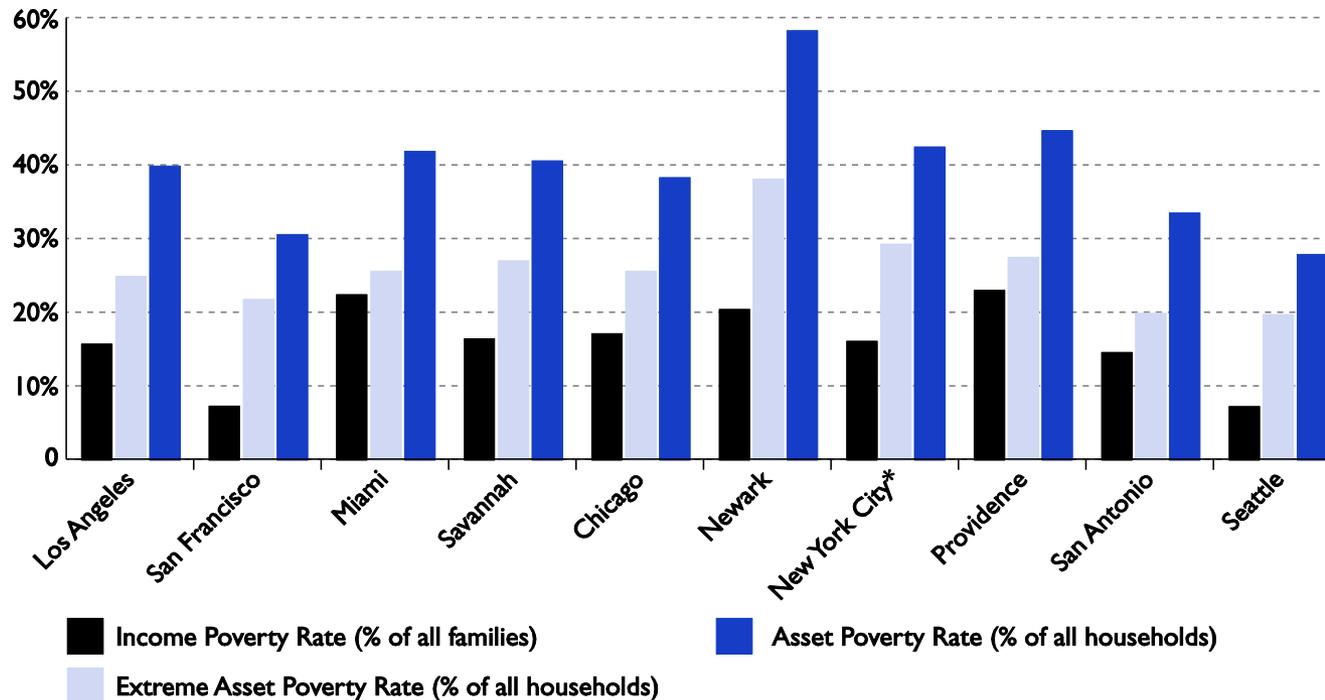
1. What is the status of household financial security in cities?
2. What are the value added roles that city leaders can play in this work?
3. What are the broad categories of strategies that cities are implementing to enhance financial security among residents?
4. What is the potential for this work and what are the policy implications?



Cities for Financial Empowerment Coalition



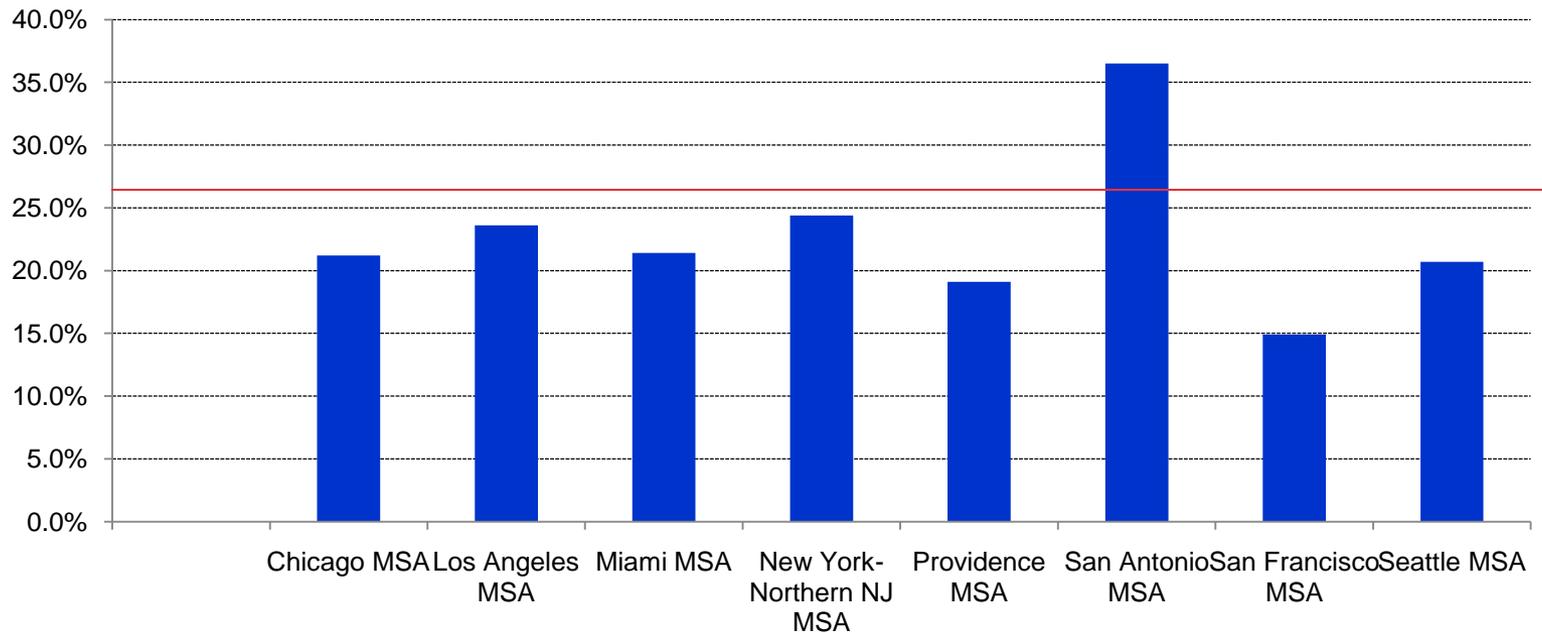
Income vs. Asset Poverty in CFE Cities



Source: Income Poverty Rate: U.S. Census Bureau, 2005-2007 American Community Survey. Asset Poverty and Extreme Asset Poverty are estimates calculated by Beacon Economics, based on U.S. Census Bureau's 2004 Survey of Income and Program Participation, Wave 6 (2006) and 2005-2007 American Community Survey.



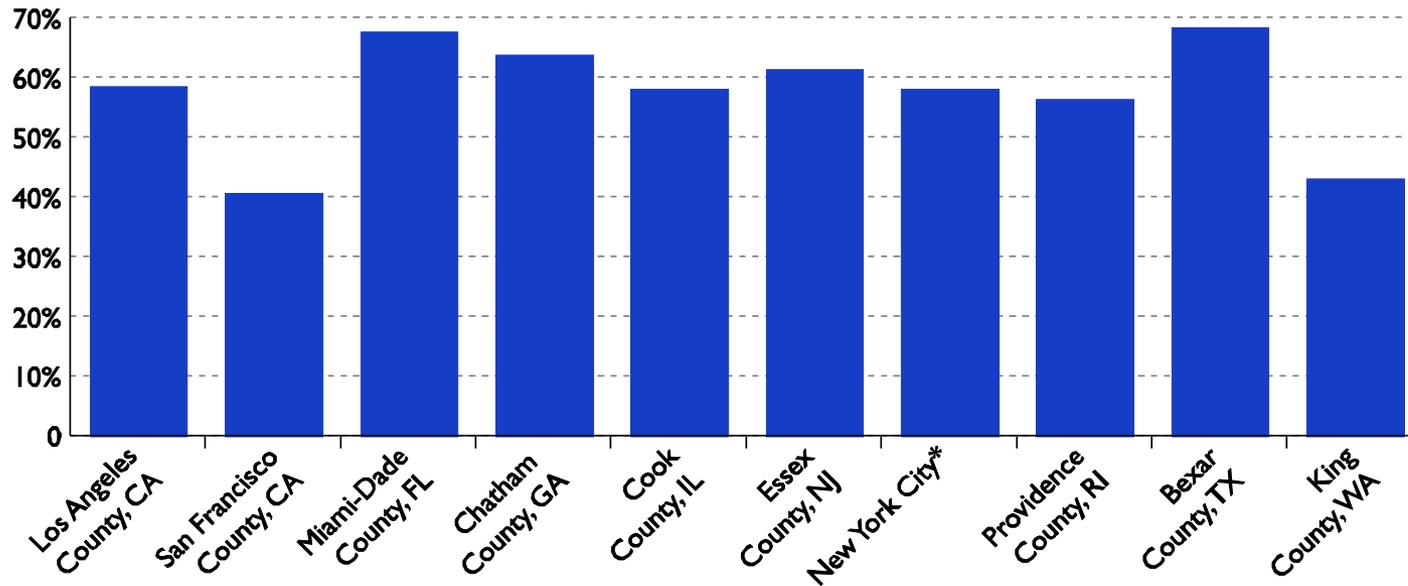
Unbanked + Underbanked Households



Source: FDIC National Survey of Unbanked and Underbanked Households (2009).
Data was unavailable for Savannah MSA



Percentage of Consumers with Subprime Credit Scores in CFE Cities

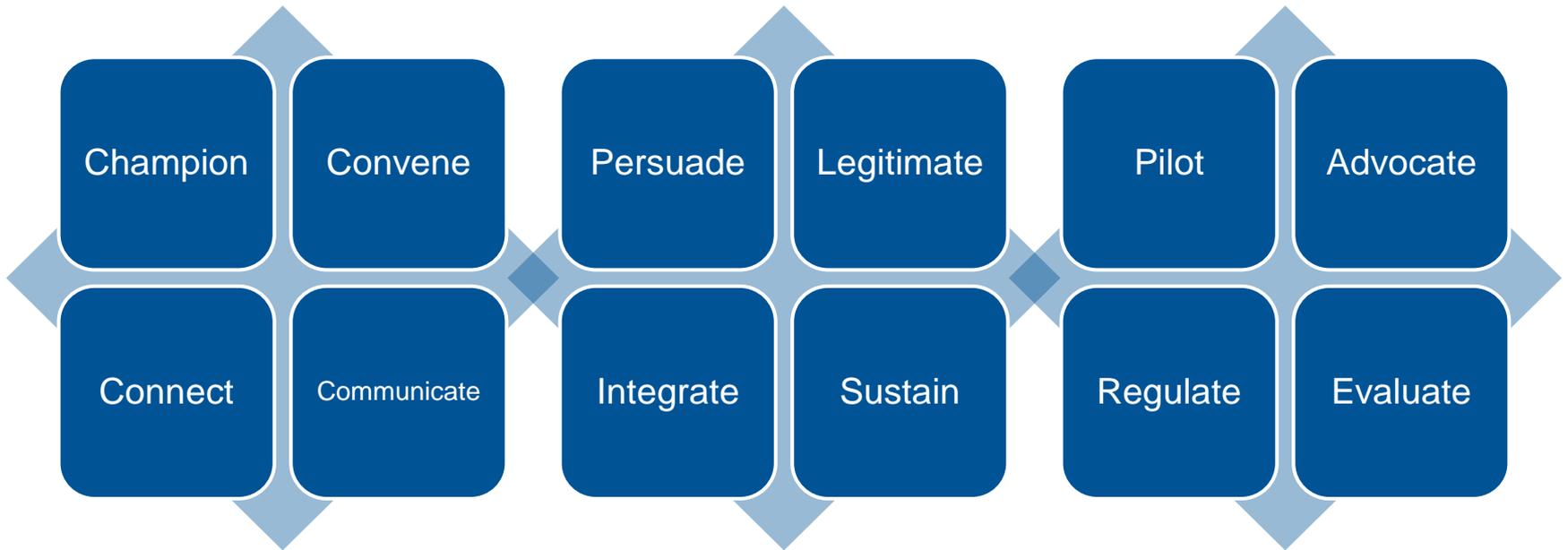


Source: TransUnion (Q1 2009). Subprime Credit Score is defined as a TransRisk score ≤ 700 on a scale of 150-934.

* New York City's data is a weighted average of the 5 counties that compose the City.



12 Key Roles for Local Government



Financial Empowerment Strategies

Five Main Goals

- 1** Improve access to high quality financial information, education and counseling
- 2** Increase access to income-boosting supports and tax credits
- 3** Connect residents to safe, affordable financial products and services
- 4** Create opportunities to build savings and assets
- 5** Protect consumers in the financial marketplace



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City Strategies

- Financial education and counseling networks and referral structures
- Neighborhood-based financial one-stop centers
- Incorporating financial education into social service and workforce programs
- Standardizing and credentialing of financial education services and providers



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City Strategies

- Leveraging technology to streamline public benefits screening and uptake
- Access points for benefits screening in high-need communities
- Funding for free/low-cost tax prep services
- VITA and EITC public awareness campaigns
- Enacting a locally-funded EITC



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City Strategies

- Creating and promoting low-cost transaction and savings products through Bank On campaigns or in partnership with financial institutions
- Affordable credit products, e.g., small dollar, refund anticipation or auto refinance loans
- Encouraging employers to use direct deposit



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City Strategies

- Short-term and emergency savings products
- Incented savings accounts, e.g., Individual Development Accounts (IDAs), college savings accounts, or other accounts for uses such as buying a home or a vehicle
- Expanding access to small business capital and training
- Tax assistance for the self-employed
- Shared-equity homeownership



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City Strategies

- Limiting or managing the proliferation of alternative, high-cost financial service providers through licensing and zoning powers
- Curbing predatory consumer lending through enforcement of local disclosure laws or litigation
- Foreclosure prevention strategies, including foreclosure counseling, forgivable emergency loans, encouraging lender workouts and assistance to tenants in foreclosed properties



From Innovation to Systems Change: The Road Ahead

Four Key Recommendations

1. Integrate financial empowerment and asset building into city services
2. Invest in evaluation
3. Plan for political transition
4. Align local, state and federal policies





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