

NYC Department of Consumer Affairs Office of Financial Empowerment:

Progress Report, 2010–2013



Department of Consumer Affairs
Office of Financial Empowerment

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New York City Department of Consumer Affairs
Office of Financial Empowerment

Michael R. Bloomberg
Mayor

Jonathan Mintz
Commissioner

December 2013

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Acknowledgments

The initiatives described in this report would not have been possible without the leadership of Mayor Michael R. Bloomberg. His Administration's innovative antipoverty efforts, supported by First Deputy Mayor Patricia E. Harris and Deputy Mayor for Health and Human Services Linda I. Gibbs, along with the continued guidance of the Center for Economic Opportunity, have emboldened the Department of Consumer Affairs Office of Financial Empowerment (OFE) to pursue a far-reaching, aggressive financial empowerment agenda.

OFE's programs are supported by the Mayor's Fund to Advance New York City, led by President Megan Sheekey, and numerous foundations and financial institutions. OFE wishes to thank each of our funders for their invaluable assistance in piloting innovative programs and products that are helping New Yorkers become more financially stable.

OFE is also supported by a rich network of community-based organizations and sister City agencies that have a deep understanding of the day-to-day realities of New Yorkers with low incomes. We depend on their expertise and partnership to implement our programs successfully. We also benefit from working closely with a number of financial institutions that partner with us to provide safe and affordable banking products, as well as a multitude of local, state, and national researchers and policymakers who assist us in advancing impactful programs and policies. We also thank the members of our Advisory Council for their wisdom and guidance. Comprehensive lists of our Advisory Council members, funders, and program partners are available in Appendices B and C.

OFE's impact is further strengthened by our sister divisions within the Department of Consumer Affairs under the leadership of the Senior Management Team.

Finally, we recognize the incredible efforts of the OFE Team, who work every day to financially empower New York City residents. OFE's current staff members include:

Tara Brown, Senior Program Officer for Financial Counseling
Monica Copeland, Senior Program Officer, Financial Services & Asset Building
Madjiguène Diop, Financial Empowerment Contracts Specialist
Peter Donna, Data Associate
Luis Duprey, Financial Empowerment Call Center Representative
Amelia Erwit, Executive Director and Associate Commissioner
David Friedman, Senior Policy Advisor to the Executive Director
Kathryn Glynn-Broderick, Deputy Director, Field Research, Data & Analytics
Kate Hamaji, Project Coordinator
Stephen Lee, Program Officer
Tamara Lindsay, Director of Programs
Sarah Marrara, Database Manager
Katie Plat, Chief of Staff
Marguerite Price, Financial Empowerment Call Center Representative
Matthew Spring, Program Associate
Erika Van Gundy, Program Associate
Jessica Vásquez-Molina, Operations Assistant

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Acronyms

AFCO	Assessing Financial Capability Outcomes Pilot
CBI	Capacity Building Initiative
CFE	Cities for Financial Empowerment
CFED	Corporation for Enterprise Development
CFPB	Consumer Financial Protection Bureau
CIDI	Center for Innovation through Data Intelligence, New York City
CUNY	City University of New York
DCA	Department of Consumer Affairs, New York City
DHS	Department of Homeless Services, New York City
DYCD	Department of Youth and Community Development, New York City
EITC	Earned Income Tax Credit
FDIC	Federal Deposit Insurance Corporation
FEMA	Federal Emergency Management Agency
FEN	Financial Education Network
HPD	Housing and Preservation Development, New York City
HRA	Human Resources Administration, New York City
HUD	Housing and Urban Development, U.S. Department of
MCU	Municipal Credit Union
MOIA	Mayor's Office of Immigrant Affairs
NYCHA	New York City Housing Authority
NYIC	New York Immigrant Coalition
OFE	Office of Financial Empowerment
OSY	Out-of-School Youth
POP	Parks Opportunity Program
RCT	Randomized Controlled Trial
REES	Resident Economic Empowerment & Sustainability, Office of
SIF	Social Innovation Fund
WPP	Work Progress Program
YAIP	Young Adult Internship Program

Letter from the Commissioner

In only seven years of existence, the Office of Financial Empowerment (OFE) has grown from a general idea about financial education to an international movement about the way local government can make both meaningful and large-scale improvements to families' and individuals' economic stability. Integrated into the City's Department of Consumer Affairs (DCA), OFE has been enormously successful in developing multiple and innovative approaches linking residents to financial products, services, and protections—and, on a parallel track, has laid the foundation for the creation of the municipal financial empowerment field that is sweeping the hemisphere. OFE owes our existence and vitality to the support and leadership of Mayor Michael R. Bloomberg and his bold vision of how municipal efforts can and must innovate to increase economic opportunity. Under his Administration, and with the deep support of First Deputy Mayor Patricia E. Harris and Deputy Mayor for Health and Human Services Linda I. Gibbs, financial empowerment and asset building became the responsibility of City government, central to the way that New York City delivers social services.

OFE's efforts to build the financial education field; amplify access to safe, empowering asset building products and services; and deploy targeted consumer protections to help consumers with low incomes move forward financially have led to the comprehensive integration of financial empowerment into municipal service delivery. No longer left only to the nonprofit sector, the work that OFE is doing has harnessed the unique strengths of local government to embed financial empowerment into antipoverty service delivery, helping New Yorkers realize millions of dollars in debt reduction and savings.

OFE has also benefited from the rich network of community-based organizations, financial institutions, researchers, advocates, state and federal government agency partners, and philanthropic organizations that have helped shape and implement our work. Our partners have held OFE accountable to our mission—to use all the power and politics and programming opportunities of local government to educate, empower, and protect families and individuals with low incomes.

OFE's secret weapon has been our creative, deeply committed, and hardworking team. OFE's founding Executive Director, Cathleen Mahon, was a vital force in shaping the Office's approach and groundbreaking efforts, and our current Executive Director, Amelia Erwit, has continued to build and deepen this innovative vision. Their teams have done—and continue to do—simply stellar work.

As we celebrate our seventh anniversary, OFE looks forward to the work ahead. Recently characterized by the Center for an Urban Future as a top 10 “innovation to build on” in the coming years, the Office looks forward to doing just that under a new mayoral administration. New Yorkers are depending on us.



Jonathan Mintz
Commissioner
New York City Department of Consumer Affairs

Letter from the Executive Director

The end of 2013 is a momentous occasion for the Office of Financial Empowerment (OFE). Against the backdrop of the national recession and high unemployment, at a time when scarce public resources increasingly require governments and others to “do more with less,” innovative, nimble financial empowerment strategies have never been more vital. As we approach the coming years with an ambitious set of goals, we pause for a moment to reflect on our accomplishments since our last progress report in 2009. The work outlined in that report was foundational to where we are now, and it is remarkable how much our Office—and this field—have grown. As our reach has spread, we have kept our mission to educate, empower, and protect families and individuals with low incomes at the core of everything we do.

OFE has had tremendous impact since 2006, when the Center for Economic Opportunity (CEO) first approached the Department of Consumer Affairs (DCA) to launch OFE. By incorporating an aggressive financial empowerment mission into government, particularly into the strongest and oldest consumer protection agency in the nation, OFE has leveraged our unique position to transform widespread challenges into scalable opportunities. This impact is reflected not only locally but, increasingly, on a national scale—in cities that now look to OFE’s programs as replicable models for helping individuals access safe and affordable banking products, connect to effective opportunities to build assets, and navigate the oftentimes complex territory of debt management and credit building. National think tanks and policymakers seek our expertise on innovative approaches to savings, financial education, and debt reduction strategies.

OFE’s local successes have been many—helping more than 25,000 individuals gain control of their finances through the nearly 30 Financial Empowerment Centers; enabling clients to pay down more than \$14.7 million in debt and build more than \$2.4 million in savings; providing free tax preparation services to over 90,000 New Yorkers in nearly 100 VITA sites annually, helping families receive more than \$1 billion in refunds; developing five safe banking products in partnership with 16 financial institutions; and using our municipal voice to advance advocacy, policy, and regulatory enforcement aimed toward a more fair and balanced marketplace for consumers in the financial services arena.

As a result of these local successes, our work has increasingly received national attention. For example, our innovative tax time savings pilot, \$aveNYC, was replicated in four other cities through the federal Social Innovation Fund; the initiative, now called SaveUSA, enrolled nearly 4,800 participants and incentivized more than \$4 million in savings during its three-year pilot. In partnership with the Cities for Financial Empowerment (CFE) Coalition, which DCA founded and co-chairs, we continue to build, professionalize, and standardize the field of “municipal financial empowerment.” Organizations across the country partner with OFE to advance policy and establish and enhance programs based on our work that create meaningful pathways for those with low incomes to increase their financial security.

OFE is deeply grateful to an incredible network of partners, without whom these accomplishments could not have been realized. Community-based organizations, financial institutions, City agency partners, state and federal government agencies, philanthropic organizations, and researchers have all played a vital part in shaping our work.

It is with great excitement that we present this progress report, an update to our 2009 report that demonstrates just how much we have grown. We hope that this document successfully showcases our greatest accomplishments to date but, more importantly, that it serves as a platform from which other organizations, cities, and policymakers can launch their own initiatives, continuing to grow and enhance the field of financial empowerment.

Sincerely,



Amelia Erwit
Executive Director and Associate Commissioner
Office of Financial Empowerment

Introduction

Since the creation of the Office of Financial Empowerment (OFE) within the New York City Department of Consumer Affairs (DCA) in December 2006, there have been many opportunities and challenges for the City's financial empowerment efforts. The financial crisis and Great Recession in 2008 followed by the foreclosure crisis and high unemployment increased the awareness of, and need for, financial interventions. While financial empowerment and asset building work has been traditionally located in the nonprofit sector, OFE brings to bear the resources and regulatory power of New York City government and the ability to convene stakeholders from a variety of sectors as a way to create more opportunities for New Yorkers to achieve greater financial stability.

Demand for this type of financial empowerment work remains high, given the uptick of the poverty rate, widespread reductions in key federal benefits, and the continued presence of predatory financial products.¹ All the while, funding cuts and scarce resources have meant that services are being reduced across New York City. This predicament has led to increased attention, both in the City and nationally, to financial instability and government's mandate to address it—for example, the formation of the federal Consumer Financial Protection Bureau (CFPB) and the investment in research the Federal Deposit Insurance Corporation (FDIC) has made in their biyearly study on the un- and underbanked.

In New York City, OFE has taken a unique approach—informed by research, data analysis, and small-scale pilots—to help families and individuals build financial security.² This report highlights specific accomplishments from 2010 to 2013, as well as OFE's strategies to expand financial empowerment and poverty reduction efforts.

New York City Financial Landscape

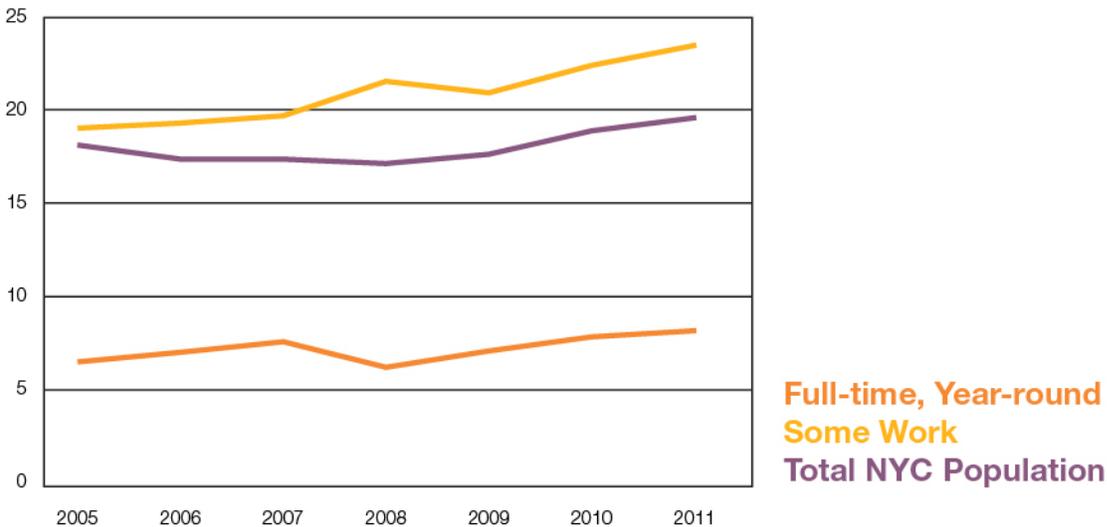
Though the recession ended in 2009, many New Yorkers with low and moderate incomes have yet to experience the effects of the economic recovery. New York City's poverty rate continues to climb slowly—it rose to 21.2 percent in 2012, an increase from 20.9 percent in 2011 and 20.1 percent in 2010, according to the U.S. Census Bureau.³ According to the CEO poverty measure, a supplemental poverty threshold developed by the Center for Economic Opportunity, poverty levels are even higher than those reported under the official threshold—21.3 percent of New Yorkers were living below the poverty line in 2011.⁴

Of New Yorkers living in poverty, a significant number are working adults who struggle to make ends meet despite full-time employment. According to the CEO poverty measure, the share of the working poor, or full-time working-age adults living below the poverty line, rose from 6.2 percent in 2008 to 7.3 percent in 2011.⁵

Compounding New York City's increasing poverty rates are persistent disparities in income—a particularly jarring trend against the backdrop of an economic recovery. Citywide in 2011, the median income for the top fifth of income earners was \$223,385, or nearly 25 times that of the median income for the bottom fifth (less than \$9,000).⁶ Since the recession ended in 2009, the overwhelming majority of income gains have been made by top earners. The U.S. Census Bureau found that the top 5 percent of earners nationwide have recouped their losses, earning roughly as much in 2012 as they did before the recession. Those in the bottom 80 percent, however, have not successfully recovered, earning considerably less in

2012 than they did prior to the recession, while simultaneously facing high unemployment rates and stagnant wages.⁷ For those in the lowest income bracket, the recession did not represent an isolated period of financial insecurity, but only contributed to enduring conditions of economic hardship.

Figure 1. CEO Poverty Rates, by Work Experience of Individual Total NYC Population, 2005-2011
(Percent of the Population 18 and Older, Not Currently Enrolled in School)



Poverty rates are based on CEO Methodology. See *The CEO Poverty Measure, 2005-2011* for further information.

The core of financial stability—overall economic security that can sustain individuals or families for the long term, past their next paycheck—is asset building. Unfortunately, a recent study by the Corporation for Enterprise Development (CFED) found that 43.9 percent of households in the United States and 45.5 percent of households in New York are considered “liquid asset poor,” meaning they lack the savings to survive at the poverty level for three months if they no longer received income.⁸

Additionally, CFED found that 33 percent of New York households are “net worth asset poor,” meaning the limited assets they do possess, such as a savings account, a home, a business, or a car, are “overwhelmed by their debts.”⁹ With limited or no savings to cushion the blow of unanticipated financial crises, families often turn to alternative financial products and services, and may become saddled with debt.

Against a backdrop of growing poverty and persistent income inequality, shrinking government budgets, and increasing social service caseloads, dwindling public funding could have disastrous repercussions in the absence of innovation.¹⁰ As financial instability is often the root cause of many other social service needs, investment in quality financial empowerment services and products and thoughtful integration of financial empowerment strategies can result in more impactful, cost-effective service delivery. Indeed, OFE uses this innovative approach to maximize programmatic outcomes—financial and otherwise—for New Yorkers with low and moderate incomes.

Table 1: OFE Program Highlights

Financial Counseling and Education	
Financial Empowerment Centers	<ul style="list-style-type: none"> • 25,000 clients served • \$2.4 million in client savings • \$14.7 million in reduced client debt • Partnerships with 9 City agencies and dozens of nonprofit organizations
Financial Education Network	<ul style="list-style-type: none"> • 240 partners • 18 Citywide Forums
Capacity Building Initiative Pilot	<ul style="list-style-type: none"> • 9 partner organizations over two cohorts • 330 individuals served in Year 1 • 1,027 financial milestones and outcomes achieved
NYC Restoration Centers (for Hurricane Sandy survivors)	<ul style="list-style-type: none"> • 4,000 clients served by OFE and partners
Access to Banking	
NYC Direct Deposit	<ul style="list-style-type: none"> • 7,500 City employees opened accounts since 2011
Product Development	<ul style="list-style-type: none"> • 5 safe banking products developed in partnership with 16 financial institutions
Asset Building	
\$aveNYC	<ul style="list-style-type: none"> • 2,100 accounts opened • 81% of participants saved for full program term • \$1.8 million in savings
SaveUSA	<ul style="list-style-type: none"> • 4,770 participants • Approximately 74% of participants saved for full program term¹¹ • \$4 million in savings • Replicated in 3 additional cities through federal funding
Tax Preparation	<ul style="list-style-type: none"> • 100 Volunteer Income Tax Assistance (VITA) sites annually • \$1 billion delivered in refunds over the 11 years of the campaign
Consumer Protection	
Debt Collection	<ul style="list-style-type: none"> • \$6,000,000 in wrongful debt collection erased through DCA mediation

Information as of September 30, 2013.

OFE's Work

Since our inception, OFE has leveraged the influence, infrastructure, and politics of City government to expand access to safe financial products and services, connect residents to effective opportunities to build assets, and embed financial empowerment in traditional social service delivery. Crucial to these strategies is thoughtful integration with other City agencies and close collaboration with nonprofit organizations and financial institutions to effectively address the underlying financial instability that many New Yorkers with low incomes face.

All of OFE's major initiatives are founded on three long-term goals, which provide a clear framework to conduct research, develop programming, build partnerships, and advance policy:

- Empower individuals with low incomes by ensuring that they have sufficient knowledge to make financial decisions in their own best interest

- Increase financial stability in low-income households by increasing assets, decreasing debt, and boosting incomes to help families meet their present and future needs
- Make New York City’s financial marketplace safer by diminishing predatory practices and increasing access to appropriate and affordable products and services

When OFE first launched, we focused our efforts on demonstrating the value of providing financial empowerment services to working poor New Yorkers. This began with conducting research to gauge the need and demand for such services, building strong partnerships, and testing specific approaches. From the beginning, sustaining these efforts through reaching scale was crucial to the effectiveness and longevity of such an office within New York City government. Without true scale, financial empowerment strategies would remain a niche “add-on” to traditional antipoverty services instead of being foundational to improving clients’ overall financial stability and in turn the impact of other services. Through early partnerships and initiatives, OFE saw that the key to bringing financial empowerment strategies to scale was to embed them within social service delivery systems and leverage partner expertise, existing programs, and current funding streams. This work must be integrated into core services at a variety of organizations—both City agencies and nonprofit social service providers—instead of solely channeled through referrals to a small number of expert organizations. Equally important is that City agencies and social service organizations see their efforts strengthened as a result of these strategies, as overall financial stability boosts the effectiveness of their work and the success of their own service outcomes.

Today, OFE’s work is rooted in continued field and programmatic research, successful replication of pilot programs, program integration, technical assistance, and larger-scale interventions for financial empowerment and inclusion. Our current strategies, which are described in detail in this report, include:

- **Providing professional financial education and one-on-one financial counseling:** The foundation of OFE’s work lies in ensuring that consumers are armed with the best information to make educated decisions and take action about their finances. Often, consumers need a trusted guide to help them address financial crises, access safe financial services, build assets, and navigate the oftentimes complex territory of debt management and credit building.
- **Helping people access safe and affordable mainstream banking products:** As our research indicates, New York City has more than 825,000 adults¹² with no bank account, with many choosing to remain out of the financial mainstream primarily because of unpredictable fees. Given the fundamental mismatch between available mainstream banking products and expressed consumer needs, OFE uses our position to change this dynamic, facilitate access to safe and affordable products, and enable consumers to engage with mainstream financial institutions.
- **Connecting people to effective opportunities to begin building assets:** Recognizing that New Yorkers with low incomes do not have access to shorter-term, emergency savings to weather financial shocks, which oftentimes severely impact a family’s ability to meet their basic needs, OFE works to develop on-ramp savings opportunities to help households begin building a stable financial base so they can emerge from poverty and grow wealth.
- **Impacting policy change based on learning and evidence:** To impact the marketplace and support our programmatic efforts, OFE advocates for legislation and regulations that help to

ensure that consumer financial products are offered fairly and transparently and that products and services are not permitted to include predatory tricks and traps that erode consumers' limited financial resources. In addition to these consumer protection policy efforts, OFE also works to advance affirmative policy reforms that create or support pathways for New Yorkers to increase their financial security through access to meaningful asset building opportunities; connections to safe, mainstream financial products; and linkages to high quality financial counseling and coaching.

Each of these strategies is underpinned by a strong foundation of research—evidence, data analysis, and measurement of impact are at the core of all of OFE's programs and policy work. Over the past several years, OFE's research team has evolved by professionalizing data collection and reporting and increasing our reliance on data-driven results. Our evidence-based efforts focus on field and market research of financial services in low-income communities as well as performance measurement of OFE programs and products. The research team has been refining the approach to reporting by operationalizing custom-built reports for smoother data entry, increasing provider communication, and improving OFE's ability to manage increasingly complex data and reporting.

Market and field research are among OFE's contributions to the field of financial empowerment, where traditionally there has been little locally based field research available for policymakers and practitioners to guide and inform their work. OFE's comparative advantage is having real-time research to accurately inform our programs and policy, along with the work of local and national partners. We continue to explore opportunities to better understand market needs and consumer financial behaviors.

I. Financial Counseling and Education

OFE's financial counseling and education initiatives have expanded tremendously since our 2008 *Neighborhood Financial Services Study*, which found that many in target neighborhoods (72 percent) had never received formal education on money management. This led to the creation of the first Financial Empowerment Center in the Bronx, where New Yorkers could get free, one-on-one financial counseling, as well as the Financial Education Network Directory, an online tool listing existing free and low-cost financial education classes and workshops around the City. Financial Empowerment Centers have now grown to close to 30 sites located throughout the City, and the Financial Education Network (FEN) has developed into an important resource for clients seeking services and organizations looking for professional development, networking, and learning.

As OFE's financial counseling initiative continued to grow, the demand for services and the recognition that financial counseling needed to be fully integrated into social service delivery required expansion and adaptation of the model. At the same time, given widespread variability in quality and consistency of financial education and counseling, the need to standardize the field of financial empowerment was evident. Recognizing that our partners serve clients from diverse communities with unique needs, OFE created a model that is flexible, based on setting, but bound by consistent standards, enabling us to evaluate the impact of these services in a variety of delivery contexts. OFE's efforts toward professionalization include establishing standardized client outcomes with a rigorous data tracking system, developing intensive financial counselor trainings, and cultivating a professional network of practitioners.

This chapter outlines how OFE has refined and continued to grow our Financial Empowerment Center model through understanding our data and clients; worked to professionalize the financial empowerment field through developing high quality counselor training courses and convening the FEN; thoughtfully integrated financial counseling with a host of City and nonprofit services through referral partnerships; and built capacity in the field.

Growing and Refining the Financial Empowerment Center Model

Based on the clear need for individualized counseling services identified in OFE's *Neighborhood Financial Services Study*, OFE's first Financial Empowerment Center, piloted through private funding, opened in June 2008 in the Bronx. Demand for the services grew, and Financial Empowerment Centers were expanded to three sites Citywide in May 2009. As demand for the Centers, and their demonstrated impact, remained consistent, a number of additional Centers were launched through new sources of private funds. Finally, recognizing the importance of this work, the Financial Empowerment Center initiative was baselined as a core City service in January 2011 through a significant investment of public funds by the Bloomberg Administration.

Financial Empowerment Center Public Sites as of December 2013

Bedford Stuyvesant Restoration Corporation (Brooklyn)

Bedford Stuyvesant Restoration Corporation
Grand Army Plaza Library
Brooklyn Cooperative Federal Credit Union
Brownsville Multi-Service Center

Urban Upbound (Queens)

Urban Upbound
Far Rockaway Workforce1

Neighborhood Trust Financial Partners (All 5 boroughs)

Neighborhood Housing Services of the South Bronx
Neighborhood Housing Services of East Flatbush
CAMBA
Northern Manhattan Improvement Corporation
Neighborhood Housing Services of New York City
NYCHA Manhattanville Community Center
Lower East Side People's Federal Credit Union
Midtown Community Court
Neighborhood Housing Services of Northern Queens
El Centro del Inmigrante

Phipps Community Development Corporation (Bronx)

Phipps Opportunity Center
Phipps Community Education Center
Catholic Charities HomeBase

The Financial Clinic (Queens)

Catholic Charities HomeBase
Queens Community House
Make the Road New York
Safe Space

As OFE expanded our financial counseling model, it was vital for the model to be of consistent, demonstrable high quality. A critical factor in professionalizing delivery and demonstrating impact has been to implement an outcomes-driven service delivery model. This includes both agreement about the key outcomes that financial counseling should achieve as well as the technological infrastructure to ensure that data related to milestones and outcomes are captured accurately and consistently across service provider organizations and service delivery sites. As the Financial Empowerment Centers expanded from a privately funded pilot to a public-private partnership, the model was continuously adapted to better serve client needs and ensure consistent performance and outcome standards.

Overview of Financial Empowerment Center Clients

OFE's mission is to educate, empower, and protect families and individuals with low incomes, including families headed by working adults. This demographic represents a large slice of the New York City population—nearly one million working-age adults fall below the poverty line by the CEO poverty measure (or 750,000 adults by the federal poverty measure).

Financial Empowerment Center clients are representative of New York City's working poor population. Twenty-four percent of clients who have visited the Centers since 2010 are employed. The average age of

Center clients is 43. About half of Center clients are African-American, and about 35 percent are Latino/a. Over 68 percent of clients are renters, while 13 percent live with family or friends and 13 percent own a place of residence. One third of clients have a high school diploma or General Educational Development (GED) while about 17 percent have not completed high school. Over 30 percent of clients attended a two- or four-year college.

Clients come to the Centers through a range of sources: calling 311, New York City’s number for non-emergency services and information about City government; being referred by one of OFE’s nonprofit or City agency partners; or being referred by a family member or friend who had visited a Center previously.

See Financial Empowerment Center Client Demographics on the following pages.

Financial Empowerment Center Client Demographics (January 2010-August 2013)

Table 2.

Age	
Average Age	43
Median Age	42
Family Composition	
No children/dependents	47%
One or more children/dependents	53%
Gender	
Male	36%
Female	64%

Figure 2.

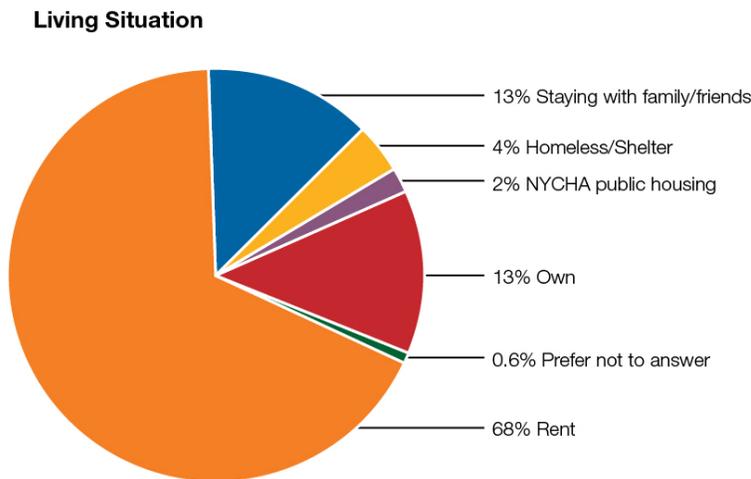


Figure 3.

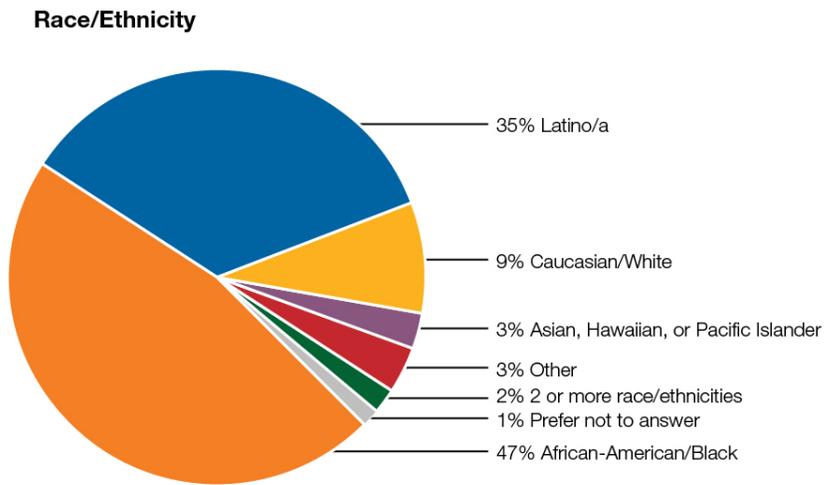


Figure 4.

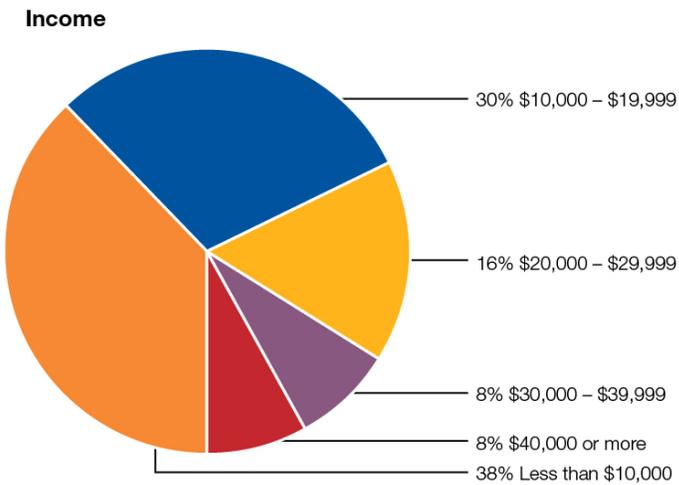
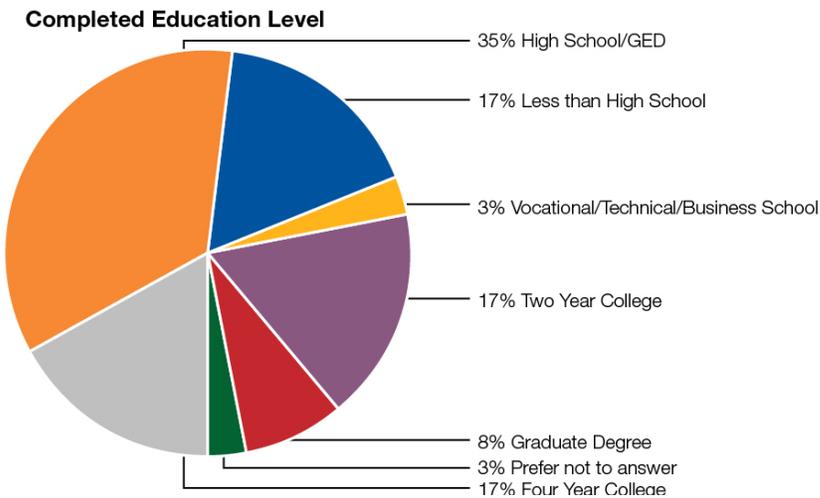


Figure 5.



Research Insights: Refining Outcomes and Data Tracking

Vital to the growth of OFE’s financial counseling model was the establishment, and later refinement, of a standardized data tracking process and outcomes.

OFE standardized a 30-milestone client outcome list, then customized an integrated database system that Financial Empowerment Center counselors use as a case management tool to track client progress against four distinct service plans: Access to Banking, Improving Credit, Reducing Debt, and Increasing Savings. Each service plan encompasses high-achievement outcomes and midpoint milestones that are continually refined. Further, the database is shared, enabling each and every service provider working at close to 30 different locations to “speak the same language” when it comes to client program impact. This system’s ability to aggregate data provides macro-level snapshots of client need and counselor performance, allowing program managers to identify trends and adjust service interventions nimbly. This also allows OFE to understand the impact of our work across all sites and providers.

Though data collection requires a significant organizational investment of both time and money, data is crucial to understanding the impact of our work; aggregate data ultimately is analyzed and shared with program partners, funders, and City leadership, who then possess a common understanding of program impact.

See Figures 6 and 7.

Figure 6: Financial Empowerment Center Counseling Process: Assessment to Outcomes

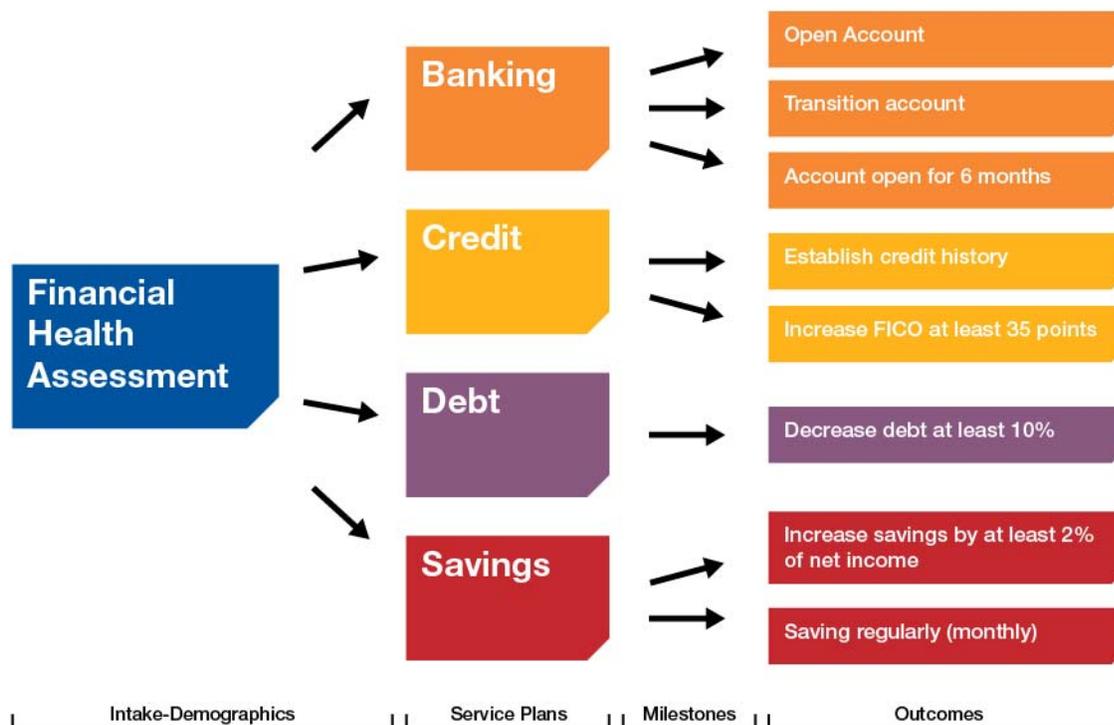
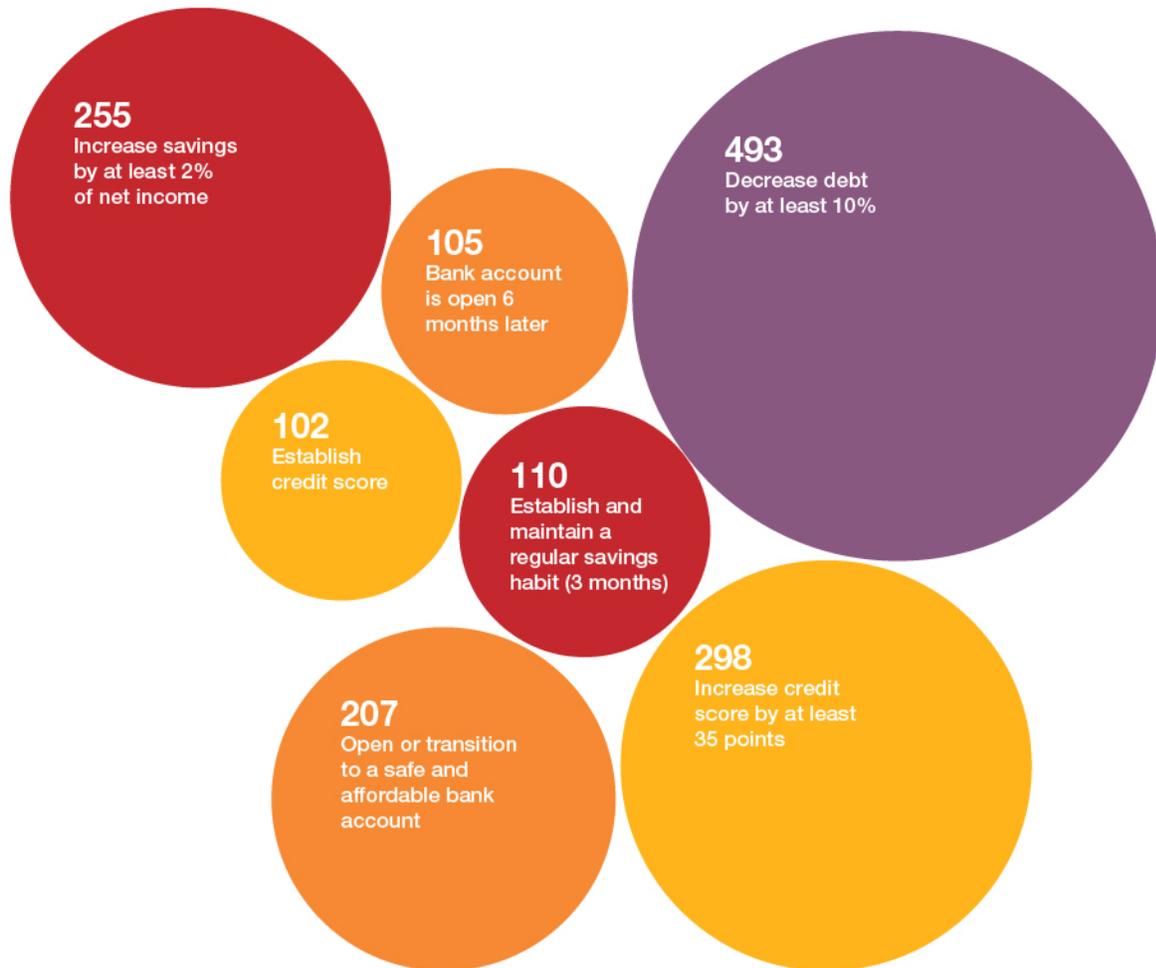


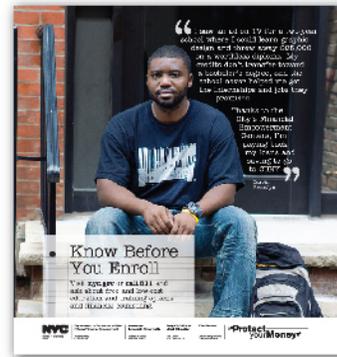
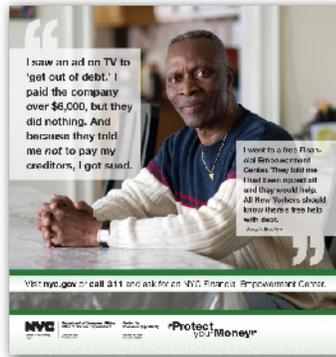
Figure 7: 2012 Total Number of Counseling Outcomes Achieved

Banking
Credit
Debt
Savings



Marketing and Operations

OFE's marketing and educational campaigns are targeted to low-income neighborhoods to ensure that services are delivered to those who most need them. "Protect Your Money" is a public awareness campaign series to help New Yorkers take advantage of City services to manage and protect their money. Many ads direct people to call 311 to schedule a free one-on-one financial counseling appointment at a Financial Empowerment Center. Examples of ads are on page 19.



As the initiative was baselined into the City budget and the scale of services expanded, OFE had a responsibility to ensure the equitable availability, smooth operations, and high quality of counseling services. Some of the adaptation of the Financial Empowerment Center model was around the operation and processes of the model. For example, OFE worked to create a centralized infrastructure to support the growth and ongoing management of the network of Centers. This included the creation of a Call Center to facilitate appointment scheduling and ensure that all Center locations are efficiently utilized. The Call Center has also served as an initial touchpoint for light financial education and triage—Call Center staff often help clients identify financial issues to address with counselors and explain the value of the financial counseling sessions. The Call Center is integrated with 311, so that any New Yorker looking for help in dealing with their finances can easily access Financial Empowerment Center services. Referral partners were also given the Call Center’s direct number, so they could directly access appointment scheduling without needing to go through 311.

Standardizing the Field with Professional Training

To ensure that clients across the City have access to the same high standards of service, OFE has set the bar for quality professional instruction at the top, partnering with educational institutions to develop training and creating opportunities for partners to engage in continuous learning. OFE chose to partner with established educational institutions to develop and deliver rigorous, professional training at both the undergraduate and graduate levels in credit-bearing courses. These courses are used to train Financial Empowerment Center counselors; staff at other City agencies and partner nonprofit organizations regularly enroll in the courses, as well.

Developed with the City University of New York (CUNY), the undergraduate course “Consumer and Personal Finance” is offered by CUNY’s School of Professional Studies through its Financial Studies Certification Program. The course is comprised of a comprehensive personal finance curriculum with practical applications, and is now in its fifth semester. OFE and CUNY have also developed a two-week-long intensive course intended to immerse students in financial education content and prepare counselors to begin services sooner.

In an effort to identify additional ways to integrate financial counseling services into the broader social services arena, OFE developed a graduate-level course with the Columbia University School of Social Work. “Personal Financial Management and Financial Counseling Skills” began during the spring 2012 semester, sharing much of the content topics with the CUNY course but also including a wider focus on how these issues fit within the broader economy. In addition, OFE offered a field placement internship to the social work students. During yearlong placements, interns worked closely with senior level staff on OFE’s programs and administration teams to practically apply content learned in the course.

OFE’s FEN is an additional channel for professionalizing the field of financial empowerment. Through the FEN, a Citywide network of service providers, financial institutions, community development corporations, government agencies, and foundations have access to opportunities for continuous education and peer learning. The FEN has grown to 240 organizations throughout the City’s five boroughs; 70 of the organizations provide some form of financial counseling. Via the online FEN Directory, New Yorkers can search easily for free and low-cost financial education services in their neighborhoods and communities.

The FEN equips practitioners across the City with tools to enhance financial education and counseling services and facilitates the exchange of best practices through trainings, Forums, and networking opportunities. To date, OFE has hosted a total of 18 FEN Forums and trainings to support the ongoing professional development of FEN partners. See Table 3 for Forum topics over the past four years.

Table 3: FEN Forum Topics, 2010-Present

Month	FEN Forum Topic
April 2010	Understanding and Supporting Your Client: Techniques for Financial Counselors and Educators
October 2010	Financial Sustainability in Volatile Times <i>Commissioner Keynote: Leveraging Public/Private Partnerships for Increased Resources</i>
February 2011	Taking Control of Debt: Helping Clients Defend Themselves Against Unlawful and Aggressive Debt Collectors
July 2011	Enhancing Foreclosure Prevention Success with Financial Counseling
November 2011	Accessing Your Cash in Today’s Banking Landscape
May 2012	Understanding the Intricate World of Debt Collection
June 2012	Helping Clients Navigate Through Their Student Debt: What You Need to Know Before and After Enrollment
March 2013	Roadmap for Financial Education in NYC
June 2013	<i>Immigrant Financial Services Study: Examining the Financial Services Needs of Recent Immigrants</i>
September 2013	Counseling’s Supervitamin Effect: Lessons for Social Service Programs

Integrating Financial Counseling

Though a high quality, standardized financial counseling model is crucial to bolstering clients' success, so, too, is the ability to identify and leverage effective integration points for financial counseling. For example, in concert with network partners, OFE has learned that clients who are employed or have a steady cash flow are more interested in financial counseling; by contrast, clients were least likely to discuss finances when they were experiencing a moment of crisis. Each referral partnership has required thoughtfully aligned goals and performance measures, an understanding of how financial outcomes can affect client and program needs, and careful selection of the right program points to integrate financial counseling.

Partnerships with City Agencies

City agency partnerships are an important referral source for Center clients, providing a holistic approach to antipoverty services and stretching limited funding dollars to ensure maximum impact with finite resources.

A successful partnership is based on identifying the moment at which financial counseling can benefit the client, as well as an understanding of how counseling can help to improve outcomes and bolster impact for the social service agency that integrates counseling. A number of successful City agency partnerships targeted to varied client needs are highlighted below.

Housing

Eviction Prevention

Through the Homeless Diversion Unit of New York City's Human Resources Administration (HRA), New York renters who are facing eviction can apply for a "One Shot" that provides emergency rent money, which can prevent them from losing their apartment or restore them to housing when an eviction has already occurred. In reviewing applications, HRA not only considers an applicant's need, but also whether the applicant has a plan for paying rent going forward. Financial Empowerment Center counselors are able to look at an applicant's budget as part of a holistic financial picture and create a plan for paying for housing once the "One Shot" has been expended. HRA receives tens of thousands of applications annually and, in 2012 alone, referred close to 1,200 applicants to Financial Empowerment Center counselors. In readying applicants for approval, HRA relies on the expertise of Center counselors to work toward a sustainable, individual financial plan while addressing immediate financial crises.

Preparing for Transition: Moving from Shelter to Permanent Housing

In 2012, The New York Community Trust provided a grant to implement a financial counseling program targeted to 500 homeless families living in shelter in Brooklyn and the Bronx. With New York City facing a crisis of homelessness, the Department of Homeless Services (DHS) aimed to help income-earning shelter residents plan for their transition to permanent housing. While DHS staff had focused on helping residents save for their move, Financial Empowerment Center counselors assisted clients with a wider range of activities to gain financial health and to plan for moving out. Counselors coached clients to create a realistic budget, set attainable savings goals, and address other barriers to moving out, such as high debt or poor credit. Of the 555 residents seen, 51 reduced their debt by at least 10 percent, 18 increased their

savings by at least 2 percent of their income, and 13 improved their credit scores by at least 35 points. In all, 98 clients achieved these or another of OFE's rigorous outcome standards.

Budgeting to Pay Rent

The New York City Housing Authority (NYCHA) serves over 600,000 City residents annually. Financial Empowerment Centers partner with NYCHA to counsel residents who have rental arrears or are facing eviction, among other financial challenges. Through its Resident Economic Empowerment & Sustainability (REES) office, NYCHA connects residents with programs that increase income and assets. Financial Empowerment Center counselors work with the REES office to help residents reduce rental arrears and other debt, budget to pay rent and other expenses, and access safe and affordable financial products. Through counseling, residents can address non-payment issues that NYCHA would like to resolve, while working closely with their counselor to build long-term financial stability.

Research Insights: Evaluating the Impact of Financial Counseling on NYCHA Residents

OFE and NYCHA REES are collaborating with the NYC Center for Innovation through Data Intelligence (CIDI) to measure the impact of financial counseling services received by NYCHA REES residents. The purpose of the analysis is to explore whether and how financial counseling can strengthen the well-being of NYCHA residents who were referred through REES. This measurement examines the role financial counseling may play in improving clients' general financial well-being and stability, as well as clients' ability to stay current on rent payments or fulfill rental arrears or other such financial obligations required by NYCHA. Using both OFE's and NYCHA's data, CIDI acts as a third-party researcher to match and measure NYCHA resident outcomes. CIDI will then use several comparison group proxies—such as NYCHA residents who did not receive financial counseling or seek financial counseling independently without the referral system—to compare with those who did. The findings of this evaluation, currently in the analysis phase, will allow OFE to gain a broader understanding of the motivation of NYCHA REES residents as well as how to better serve this community.

Incentives to Work

Making the Most of Rewards for Work

The Family Self-Sufficiency program, managed through the New York City Department of Housing Preservation and Development (HPD) and funded by the U.S. Department of Housing and Urban Development (HUD), allows Section 8 recipients to build savings as they earn income. Normally, when a resident's income increases, so does the amount the resident is expected to pay in rent. Under the Family Self-Sufficiency program, however, residents receive a match for the amount of the rent increase, held by HPD in an escrow account. Clients receive the match in full upon graduation from the five-year program.

HPD is working with OFE to include financial counseling as part of this program; clients are referred to counseling upon graduation and receipt of the match funds. Recognizing the importance of this rare and valuable moment to counsel New Yorkers who receive lump sum payments, financial counselors worked with clients to determine how best to use these funds to reach their financial goals—by making an investment in education or buying a home, paying down debt, or saving for the future.

Leveraging federal funding streams—in this case, federal HUD funding—is a critical step toward the long-term sustainability of these efforts and an indication that other traditional antipoverty initiatives are increasingly understanding the value of these partnerships in boosting their own outcomes and helping clients become more financially stable.

Making Work Pay

Jobs Plus is a place-based workforce development program administered through HRA and serving public housing residents at 23 NYCHA developments¹³ across the City. The model was based on a seven-year pilot, developed by HUD and evaluated by social research firm MDRC. In 2009, the first site was piloted in New York City, but did not include financial counseling. However, based on the recognition by one initiative funder of the value of financial counseling and the impact it could have on improving workforce development outcomes, financial counseling was added as a core component of the model as it was replicated through the federal Social Innovation Fund (SIF) and the City's Young Men's Initiative. Thus, in addition to job and career development staff, this new expansion employs 11 Financial Empowerment Center counselors who work with program participants to make ends meet while they seek employment, and determine how to make work pay after they have found a job. As participants know that public benefits often decrease when income increases, counselors work one-on-one with individuals to determine their best course of action for building long-term financial stability.

Financial counseling has proven to be an important component of the Jobs Plus initiative, and early results have demonstrated the value of integrating financial counseling into workforce development programs. As one Jobs Plus Director said, "Moving forward, it is hard to imagine any successful workforce development program not having robust financial counseling services as part of it."

Future Replication

In the upcoming months, OFE will partner with the Mexican Consulate and Food Bank For New York City to launch on-site financial empowerment services. The partnership with the Mexican Consulate will provide a financial empowerment window for Consulate visitors; this innovation is based on findings from OFE's recent *Immigrant Financial Services Study*. The partnership with Food Bank will provide financial counseling services to parents through their children's schools. For both partnerships, as with all of OFE's partnership work, financial counselors will connect with clients in trusted spaces to provide individualized counseling services that address the unique needs of the communities served.

Spotlight: Integration and Crisis Moments – Hurricane Sandy

OFE has learned the importance of identifying pivotal moments—usually not times of crisis—when clients are ready to tackle their financial issues. However, in the face of a large-scale crisis, financial counseling can also be leveraged to help disaster victims begin rebuilding financial stability.

In the aftermath of Hurricane Sandy, more than 36,000 New Yorkers visited NYC Restoration Centers to address a number of critical issues, including several around financial assistance, such as which disaster funds to apply for, how assistance could affect benefits receipt, or if they could afford to pay back loans in the future. In addition, survivors grappled with problems ranging from repairing credit, applying for disaster unemployment, and finding jobs and housing to replace those lost in the storm. Survivors made these decisions at a time of incredible stress, often drawing down considerable amounts of relief funding with little guidance on the short- and long-term effects.

OFE staff and partners saw close to 4,000 clients at NYC Restoration Centers, with over a third identifying clear financial empowerment needs. Our experience points to the need for recovery efforts to ensure that disaster assistance is coupled with financial counseling to assist those affected in making choices that will leave them more financially stable.

Building the Capacity of the Field

Despite the significant expansion of the Financial Empowerment Center model through public funds, the demand for financial counseling services has outpaced the availability of services through the Centers and other organizations that offer individualized counseling. To address growing demand, OFE now works with a number of partner nonprofit organizations to build their capacities to provide financial counseling and adapt the financial counseling model to be most relevant to their clients.

OFE's capacity building strategies are designed with the understanding that the impact of social services can be undermined if clients do not have a stable financial foundation—underlying financial instability is often the primary backdrop, if not the actual presenting cause, for those receiving services. However, when financial empowerment is embedded into antipoverty service delivery, a “supervitamin” effect¹⁴ can be seen, increasing clients' overall financial stability and boosting the effectiveness of “host” social services. Given both the impact of integrating financial counseling into antipoverty service delivery and the widespread demand for financial counseling, OFE has launched initiatives to build the capacity of partner organizations to embed financial counseling into their core social service offerings.

Capacity Building Initiative

OFE piloted the Capacity Building Initiative (CBI) in 2012 in response to a growing demand for financial counseling services and an understanding of the importance of building this capacity within partner organizations. Through the initiative, OFE aimed to develop the ability of social service organizations to deliver professional financial counseling services while enhancing their measurement and analysis capabilities to demonstrate and improve program impact. These strategies served as a roadmap for grantee organizations to build their capacity to continue counseling and data collection beyond the grant year, and also aimed to demonstrate a replicable model for other social service organizations to begin offering financial counseling.

CBI is modeled after OFE's Financial Empowerment Center initiative, employing high quality financial counseling services and using standardized measures to assess client progress. A key distinction between CBI partners and existing Financial Empowerment Centers is that, whereas Center counselors are solely

dedicated to financial counseling, CBI counselors are social service employees with a number of other responsibilities related to their organizational mission. Thus, a key component for CBI was providing start-up funding to partners to seed a financial counseling program that offers one-on-one financial counseling in addition to core organizational programming on a more manageable scale compared to Financial Empowerment Centers.

In Year 1 of CBI, OFE provided grants to five social service organizations selected through a competitive application process. Organizations served a broad range of clients, including formerly incarcerated adults, foster care children, young adult interns, young fathers, and workforce development clients. Preliminary findings suggest that some of the participants who received financial counseling in conjunction with regular social service offerings outperformed participants who received only social services. For example, at one partner organization, participants in the financial counseling track earned higher average salaries than those in the regular social service track. At two partner organizations, clients who received financial counseling in conjunction with core services demonstrated higher job placement rates than their counterparts (i.e., those who received social services but not financial counseling).

Achievements from CBI Year 1

- CBI counselors provided counseling services to a total of **330** participants.
- CBI participants achieved a total of **908** financial milestones, or activities leading toward outcomes.
- CBI participants achieved a total of **119** financial outcomes, which reflect significant changes in financial stability.

OFE leveraged lessons learned from Year 1 to launch Year 2 of CBI in fall 2013. In the second cohort, four new partner organizations, focused on support for small business owners and entrepreneurs, will benefit from opportunities for continuous education; technical assistance and training; an improved data tool to better facilitate data collection; and a network of Year 1 partners who can share best practices for sustaining the program beyond the grant year.

Research Insights: Developing a Data Management Tool

In addition to CBI, other OFE financial counseling partnerships often include a strong data collection component based on the outcomes established for the Financial Empowerment Centers. OFE's research team adapted the database used by the Financial Empowerment Centers—the full version of which requires significant organizational investment—to create an easy-to-use Excel tool that helped guide counseling questions and capture client progress, while enabling partner organizations to track their data in a lower-cost, sustainable way. The modified Excel tool, further refined during Year 2 of CBI, helps CBI partners track client performance, analyze data, and identify outcomes of importance.

Aggregate data also allows us to understand the impact of the initiative as a whole. For example, by collecting aggregate participant data from comparison and control groups in Year 1 of CBI, we found that clients who received both financial counseling and core social services sometimes outperformed clients who received only core social services. Though often a heavy lift for partners, data collection is crucial to our work as it allows us to measure our impact, refine our model, and replicate successes.

II. Access to Banking

According to OFE's 2010 *Citywide Financial Services Study*, 825,000 New Yorkers do not have a bank account. Nationally, the reasons given for not having an account include: not having enough money; not wanting or needing an account; and not being able to open an account due to problems with ID, credit, or banking history.¹⁵ However, studies show that using a bank account—being “banked”—is associated with, and may even lead to, increased financial stability. Those with mainstream accounts, as compared to those without, tend to keep more of their earnings, fare better against financial shocks, and save more.^{16,17} They are also more likely to sustain their saving behavior.¹⁸

To encourage New Yorkers with low incomes to become banked as a foundation for financial stability, OFE has focused on incorporating account opening into social service programs. However, the *when* and *how* of integrating a bank account are crucial to the success of the program and the take-up of accounts. The sequencing of account offers matters greatly. OFE has learned that integrating access to banking initiatives works best when account opening is as frictionless as possible and integrated smoothly into program processes. For some programs, the right moment to incorporate access to banking opportunities is during the onboarding or enrollment processes. For others, the time to integrate account opening might come later in the program, at a time when participants or employees understand the value of having a bank account.

OFE has begun to emphasize the importance of maintaining a bank account as a key facet of becoming banked. Opening an account in the first place is an important step, but keeping the account open, and continuing to use it, is vital to longer-term financial stability. OFE has learned that consumers are most likely to become and stay banked when there is a regular paycheck or stipend for a given program to drive people to act on opening accounts. Regular income ensures that account holders will continue to deposit funds in their accounts—which often means looking to integrate access to banking initiatives within workforce development programs or in concert with employers. OFE has also found that recurring payments from a trusted partner are an important way to leverage meaningful participation from mainstream financial institutions—something we have taken into account when designing bank products and programs.

Studying markets and residents' actual experiences engaging in them, in particular the obstacles they encounter, enables OFE to effectively link research to program design and development, and advocate for improved financial products and services. Based on findings from the *Citywide Financial Services Study*, OFE created the NYC SafeStart Account to provide a safe banking product for New Yorkers with low incomes to save money, grow their assets, and guard against unexpected financial emergencies. Other examples of our successes leveraging these lessons learned follow.

NYC Direct Deposit

In fall 2011, OFE worked with the New York City Office of Payroll Administration (OPA) to expand a program offering free checking accounts to City employees who directly deposit their pay. The checking accounts that are part of the NYC Direct Deposit program, offered in partnership with a number of financial institutions, have no minimum balance requirements, no monthly fees, and no overdraft. Since fall 2011, approximately 7,500 City employees have opened free checking accounts affiliated with the NYC Direct Deposit program. In spring 2013, the program was expanded to include additional non-City

employers who wanted to promote free checking accounts for their employees who open accounts and directly deposit their pay.

NYC Direct Deposit provides a number of benefits for both private employers and the City:

- It provides guidance for employees on selecting a banking account with safe, appropriate features and transparency.
- It reduces operational costs associated with providing paychecks—on average, employers currently spend approximately \$2.75 to process and distribute each paper paycheck every pay period.¹⁹ For a large employer issuing thousands of checks each payday, eliminating these paper check costs can result in significant savings.
- Reducing the number of paper checks issued frees up staff members' time and can save unbanked employees hundreds of dollars annually on check-cashing fees.²⁰
- OFE offered partners customizable marketing materials, on-site account opening, financial education workshops, and connections to the Financial Empowerment Centers.

Some agencies and employers had not offered direct deposit to employees yet, so OFE also provided technical assistance on strategies for implementing the program and ensuring take-up, including identifying points when NYC Direct Deposit might be most effectively marketed (during the onboarding process, at an on-site account opening event, etc.). In this way, the City provided a model program that private sector employers could easily adopt; so far, five companies have enrolled in NYC Direct Deposit.

NYC Direct Deposit Partners

City Agencies:

Administration for Children's Services
Department of Citywide Administrative Services
Department of Education
Department of Environmental Protection
Department of Information Technology and Telecommunications
Department of Parks and Recreation
Department of Probation
Department of Sanitation
Department of Transportation
Department of Youth and Community Development
Human Resources Administration
Mayor's Office of Operations
New York City Fire Department
New York City Housing Authority
New York Police Department
Office of Payroll Administration

Private Sector and Nonprofit Partners:

CAMBA
Food Bank For New York City
The Fortune Society
Henry Street Settlement
Verizon

The success of the NYC Direct Deposit initiative highlights the influence that employers have on employees' banking behavior, as employers can insert account opening at times when employees are already thinking about their finances, such as the onboarding process for new hires, and can leverage the recurring payments that employees will receive that can assist in the continued maintenance of the account.

Assessing Financial Capability Outcomes (AFCO) Pilot

From 2012 to 2013, OFE worked on a research pilot with a subset of New York City Department of Parks and Recreation employees who were enrolled in a transitional work program. The pilot, funded by the U.S. Department of the Treasury and fielded in partnership with CFED, aimed to determine if and how the coupling of access to banking and financial counseling enhanced the financial capability of Parks Opportunity Program (POP) participants as they transitioned off of public benefits.

Participants were encouraged to sign up for direct deposit using an existing bank account or apply for a new account with financial institution representatives available on-site. The accounts had no monthly fee, no minimum monthly balance requirement, and there was no direct marketing of overdraft protection. Former POP participants explained the bank account offer and provided “light touch” financial education about the benefits of using safe, affordable bank products and the convenience of direct deposit from a perspective with which participants could identify. Half of the participants were also selected for the opportunity to receive financial counseling at a Financial Empowerment Center during their work hours.

While final findings are still forthcoming, the AFCO pilot suggested a number of lessons learned around integrating access to bank accounts in a workforce development program aimed at a largely unbanked population.

First, there was incredible demand for the bank product and very high take-up for enrollment in direct deposit. During the pilot, of the 67 percent of unbanked POP participants, approximately half (49 percent) applied to open an account, and 55 percent of participants signed up for direct deposit—despite the fact that the population is traditionally largely unbanked and the historical level of direct deposit utilization in the POP program is around 16 percent. This shows that small tweaks to the program process, such as integrating access to opening accounts and coupling the direct deposit enrollment with the product, can have an enormous impact on usage and bankedness—even in populations that historically have very low levels of bankedness.

AFCO was also instructive in terms of the structure of the pilot. The research methodology was a randomized controlled trial (RCT), which is often philosophically problematic for social service providers who want to administer services to all clients, not just a randomly selected half. This pilot, on the other hand, gave all participants a chance to open a bank account on-site and enroll in direct deposit; even if only half of participants received the financial counseling offer, all participants received access to banking services. Randomization for the financial counseling offer happened at alternating sites over an enrollment period of a few months, so no participant was turned down directly. See Table 4 on page 29. The direct deposit/bank account offer was also seamlessly integrated into the existing programmatic processes, which reduced the lift for program staff. Finally, the use of program “graduates” who had been in the program

previously to serve as direct deposit ambassadors helped increase participants' connection to the program and enrollment in direct deposit.

Table 4: Randomization of AFCO Counseling Offer

Borough	January-February 2012	March-May 2012
Bronx	Financial Counseling Offer	No Financial Counseling Offer
Brooklyn	Financial Counseling Offer	No Financial Counseling Offer
Manhattan	No Financial Counseling Offer	Financial Counseling Offer
Queens	No Financial Counseling Offer	Financial Counseling Offer

The AFCO experience also suggested a few areas where future initiatives might tweak the program design. A key lesson was in the timing of the account: while including account opening during orientation ensured a smooth process and high take-up, the beginning of the program may not have been the most opportune time for participants to become banked. Many were just beginning to grapple with managing a regular income after transitioning off of benefits and likely had other financial issues to contend with before becoming banked, including past problems with the banking system. A better time to integrate account access may have been after receiving financial counseling, when participants had a chance to discuss their personal financial circumstances with a trained professional. In addition, as a significant portion of participants did not remain employed after the six-month POP program ended, many had trouble maintaining the account after the program was over. However, even given these lessons around account timing, embedding the offer of a bank account into the program, along with significant supports such as light touch education on bank accounts delivered by a peer, on-site account opening, and financial counseling made a dramatic difference in the banked status of participants.

Prepaid Cards

From the beginning, OFE has prioritized a bank account as the primary financial product that consumers can use to access formal savings opportunities and build assets. For this reason, our asset building and access to banking work has focused on connecting New Yorkers to banking accounts rather than alternative transactional and savings vehicles, such as general purpose reloadable prepaid debit cards and payroll cards.

However, over the past several years, prepaid card usage has been on the rise; in 2009, consumers across the country loaded \$28.6 billion onto prepaid cards, a number that is expected to grow to close to \$201.9 billion in 2013.²¹ As the preponderance of these cards increases, significant differences in costs and features have made identifying safe, affordable, and consumer-friendly products difficult for many

consumers. In addition, prepaid cards can often present a number of predatory traps, such as extremely high fees.

In recognition of the changing financial landscape, along with the need to inform consumers about what to look for if using prepaid cards and how to compare different financial products available in the marketplace, OFE released a Request for Expressions of Interest to offer a prepaid card to selected providers and partners as an additional, voluntary transactional account option. As part of the Request, OFE outlined a number of required and recommended prepaid card features, including:

- No activation, application, or reload fees charged by the prepaid card provider
- No fees for in-network ATM transactions, including withdrawals, balance inquiries, or denied transactions
- Low minimum initial load amount (\$25 or less) and no minimum balance requirements
- Free direct deposit or electronic funds transfer
- At least two ways of receiving balance information for free (e.g., online, phone, text)
- No overdraft fees or credit features
- No or low monthly fees, and no inactivity fees

In early 2014, OFE will work with selected providers that can offer the most advantageous, safe, and affordable terms and connect them to community-based organizations, Volunteer Income Tax Assistance (VITA) providers, employers, and other entities that can offer the card as part of a suite of products and services that meet the varied financial needs of consumers with low and moderate incomes.

Spotlight: Strategies for Engaging Financial Institutions and Partners in Access to Banking Work

Designing strong programs is important to ensuring take-up and scale in access to banking work, but so, too, is securing the right partners. A financial institution partner who truly understands the product needs, program structure and enrollment opportunities, and target population is vital to widespread adoption of the product. OFE's approach to engaging partner organizations and especially financial institutions in access to banking work has been organized around three driving principles: identify the right opportunities, create the supply, and leverage the demand.²²

Identify the right opportunities: Access to banking programs work best when they are targeted to large populations who are disconnected from mainstream banking; when they are seamlessly integrated with program processes and leverage the right integration moment; and when they take advantage of recurring payments. These three factors will ensure the audience for the account is sufficiently large and well-poised to take advantage of the account.

Create the supply: The bank accounts that OFE negotiates need terms that address core concerns about high and unpredictable fees, and are safe enough to bear the City's brand. At the same time, the account terms have to be palatable to a sufficient number of mainstream banking institutions who would agree voluntarily to offer it to large populations. Once OFE found account terms that would work for both consumers and financial institutions, the City presented the opportunity to dozens of financial institutions, ensuring equal access to banking partners. In exchange for offering safe product features and City branding, financial institutions are promoted in the City's marketing efforts, receive credit from their regulators for their efforts, and are connected with an attractive customer population.

Leverage the demand: Effective promotion of a clear, safe, City-branded account, coupled with facilitated account opening at crucial integration moments, ensures that consumers see mainstream banking connectivity as a part of the program itself. The City is offering its brand—in a sense, its guarantee of reliability—but at the same time giving consumers a choice among the many participating financial institutions offering negotiated accounts.

Research Insights:

H&R Block Emerald Card Study

In 2011 and 2012, OFE partnered with H&R Block to conduct the H&R Block Emerald Card Study—a tax time research project examining the use of a particular prepaid card. Underbanked filers from four different H&R Block sites were recruited to participate, and were then randomly assigned to either a treatment or control group. The treatment group received light touch financial counseling, as well as information about opportunities to load tax refunds and saving features with the Emerald Card, whereas the control group did not receive any financial counseling. A total of 45 percent of participants opted to receive their tax refunds on the Emerald Card; 50 percent of these clients received the financial education treatment, while 40 percent did not. This was OFE's initial foray into understanding the prepaid card market and the study focused on how often and for what purpose people used the card, the amount of fees charged, and the take-up rate of the savings account.

One key finding was around the relatively low number of participants who kept the card active after withdrawing their refund amounts. Approximately 50 percent of participants across the treatment and control groups used their cards for two months or less, and 72 percent of participants were charged an inactivity fee for three consecutive months of no activity on the card. Participants gave a number of reasons for not loading additional money on the card after tax refunds had been expended; these ranged from not having the extra money to deposit (43 percent) to “I didn't know I could” (17 percent) to “It cost too much” (10 percent). It seems that many thought of the card as solely for their refund, and not as a product that they might continue using past the initial deposit. In addition, the fee structure of the card might have been an additional deterrent, as 98 percent of card users incurred fees during their use of the card, with an average total fee amount of \$57.53. There were a number of ways to avoid fees—free cash back with purchases, using in-network ATMs—but the light touch financial counseling on how to avoid these fees was likely too light touch.

Our findings informed the required terms for OFE's prepaid card, described previously. For example, the terms include lower out-of-network ATM fees (\$2.50 or less), no inactivity fees, and free over-the-counter withdrawals. In addition to the fee structure, the method by which OFE expects users to be connected to the cards, such as through a Financial Empowerment Center, will ensure a somewhat “heavier” touch education about how to use the card and avoid fees from a trusted counselor who understands clients' unique situations.

Exploring Barriers to Banking

In 2011, OFE partnered with the Mayor's Office of Immigrant Affairs (MOIA) to examine key assumptions about the needs and behaviors of three distinct first-generation immigrant groups in New York City—Chinese, Ecuadorian, Mexican—and also to conduct an in-depth investigation of what drives the supply and demand side of banking behaviors as a way to identify areas in which the financial services marketplace could improve and help these communities move forward financially.²³

The results are captured in our *Immigrant Financial Services Study*, one of the first field research initiatives in New York City that examines the particular financial service needs of recent immigrant New Yorkers, as well as the real and perceived barriers to their full participation in the financial services marketplace.

The *Immigrant Financial Services Study* reveals a clear gap between demand and supply of financial products and services in immigrant communities in New York City. Lack of access to appropriate financial services, as well as a dearth of safe and affordable products, means that first-generation immigrants face great challenges in strengthening the financial security of their households, building assets, and obtaining financial protection. Along with very real concerns about hidden fees and the cost of opening and maintaining an account, barriers often reflected a number of misperceptions and uncertainties about the process of accessing a bank account. For example, study participants cited fears about not having the right documents or not being able to receive services in their native languages—despite the reality that supply-side bank branches surveyed overwhelmingly had flexible identification requirements and bilingual staff. The study also found that the immigrants surveyed were saving, had long-term savings aspirations, and regularly used Money Transfer Agents (MTAs) instead of banks to send remittances home, even when banked. The lack of information and targeted services for immigrant groups reveal a number of important missed educational and market opportunities.

Given the large numbers of unbanked respondents, the long-term savings aspirations of many in the sample, and the high percentage of savings even among unbanked respondents with low incomes, there is ample evidence of the need for programmatic interventions and public-private partnerships targeting these communities with critical financial services, asset building programs, and financial education campaigns. OFE has begun to leverage a number of existing initiatives to help move immigrants in New York City toward safe and affordable mainstream financial relationships, including the NYC Direct Deposit program, Financial Empowerment Centers, the City's free and low-cost tax preparation network, and partnership with MOIA and consulates.

III. Asset Building

Throughout OFE's work with New Yorkers with low incomes, we have seen that they often have limited access to opportunities to help them begin accumulating financial assets—and many of these opportunities focus on longer-term asset building vehicles, such as homeownership and retirement savings. Our work in the last few years has centered on the prioritization of asset building as a key facet of financial stability, in particular since a lack of savings can have a profound impact on a families' overall financial picture when they face an emergency. With this in mind, in OFE's asset building work, we have increasingly focused on short-term, emergency savings while still recognizing the importance of longer-term asset building as the eventual goal. Emergency savings is a necessary, realistic on-ramp on the pathway toward longer-term savings and financial stability.

Recent research shows that families have a variety of savings needs beyond saving for retirement, and that efforts to encourage retirement savings are undermined if people lack other resources to draw from during emergencies. For example, 42 percent of workers changing jobs in 2010 cashed out their retirement accounts despite the taxes and penalties they would incur; and more than one in four American workers with 401(k) and other retirement savings accounts use them to pay current expenses, amounting to \$70 billion in withdrawals annually.²⁴ Additionally, without savings, consumers with low incomes who face an emergency often must turn to costly alternative sources of funds, which can lock them into a cycle of high-cost debt.

Our work has also shown us that for consumers with low and moderate incomes the ability to build assets often first requires either an increase in income or a reduction in expenses so that there are funds available to save, as well as accessible and affordable products in which to save. As a result, OFE's asset building strategy has grown from solely providing safe and affordable banking products to coupling them with moments that consumers receive payments to ensure they have funds to save. Key initiatives within OFE's asset building portfolio include: tax time savings efforts, employer-based initiatives, and programs with partners who see the value of asset building integration, including connecting clients to NYC SafeStart Accounts. These immediate savings opportunities help consumers with low incomes begin building toward long-term financial stability.

Tax Time Savings Efforts

Tax time is a key moment for asset building opportunities since a refund is often the largest lump sum payment received by individuals and families with low incomes all year. OFE helps New Yorkers make the most of their tax refund through connections to safe, affordable, and innovative tax preparation services and the opportunity to enroll in a special matched savings program, SaveUSA.

Tax Preparation

A fundamental strategy of OFE's work during tax time is helping families avoid paying high fees for tax preparation services and assisting them in applying for all the tax credits for which they are eligible. OFE's connection to free tax preparation services is possible through strong partnerships with VITA programs throughout the City. Since 2010, OFE's network of 20 community VITA partners have operated close to 100 sites annually Citywide. These partners prepared nearly 82,000 returns and helped families with low

and moderate incomes receive close to \$120 million in refunds in 2013 alone. OFE also connected New Yorkers to free online tax preparation services and offered a City-sponsored coupon for low-cost tax preparation at select H&R Block locations. Finally, to accommodate the tax time needs of Hurricane Sandy survivors, OFE partnered with H&R Block to provide assistance with the casualties and thefts form used to report lost or damaged property and waive the fees for families in storm-affected ZIP codes. OFE also led trainings for the City agencies and nonprofit partners staffing NYC Restoration Centers to prepare them for the unique financial needs of Sandy survivors.

Table 5: Tax Preparation, 2010-2013

	2010	2011	2012	2013	Total
Tax Returns					
Number of Returns Prepared	72,607	86,905	105,804	96,059	361,375
EITC* Returns	24,118	28,180	31,937	30,972	115,207
Tax Refunds					
Total Refunds	\$118,133,498	\$151,759,390	\$165,120,732	\$151,039,851	\$586,053,471
EITC Refunds	\$57,939,067	\$65,216,435	\$57,489,575	\$61,265,430	\$241,910,507

*Earned Income Tax Credit

During the 2013 tax season, OFE worked with a VITA partner and two Head Start sites to pilot an innovative new method of free tax preparation services. This partnership marked a departure from the traditional VITA model—instead, the service model, known as Virtual VITA, involved drop-off preparation. Families dropped off their tax paperwork at the Head Start location, information was scanned by Head Start staff, and the tax return was completed by a certified tax preparer working remotely at a VITA site. The information was then confirmed with the client by phone and filed electronically. The model connected families to tax preparation services at a convenient location without requiring significant additional work from the VITA partner or host intake site. By leveraging technology and drawing on the expertise of a trusted tax partner, OFE was able to expand tax preparation services in a cost-effective way, which is especially important in light of diminished funding for the traditional VITA model. OFE and our partners will launch a further expansion of the Virtual VITA program in coming tax seasons.

Matched Savings Opportunity

Families with low incomes often indicate that they don't have enough money left over at the end of the month to put aside in a savings vehicle, leaving them with no cushion during an emergency and negatively impacting their overall economic security. However, tax time can provide individuals and families with a large influx of discretionary funds. OFE encourages families to take advantage of the tax time moment and save a portion of their refund that can be leveraged to seed short-term savings and build savings habits. OFE and our VITA site partners provide families with tools and suggestions on how to use the tax form to directly deposit refund money—all or a portion—into a checking or savings account.

Building on early lessons in Earned Income Tax Credit (EITC) matched savings from Chicago and St. Louis, OFE piloted a tax time savings program, \$aveNYC, from 2008 to 2010, using best practice design principles from behavioral economics to test whether tax time is the right opportunity for filers to save. \$aveNYC gave tax filers with low incomes a risk-free opportunity to save a portion of their refund and then receive a 50 percent match if they saved that initial deposit for one year. As part of this pilot, over 2,100 filers were enrolled in the program, and 80 percent of families held onto the deposits for a year in order to receive the match. Results demonstrated that adults with low incomes will save at tax time when

presented with the right opportunity and incentive. Since 2008, 2,200 people, roughly 9 percent of eligible tax filers, chose to open a \$aveNYC Account and commit nearly \$1.8 million to savings. The majority of participants (81 percent) saved for the full program term and received match funds, accumulating over \$2.3 million.

Research Insights: The Importance of Tax Time for Building Emergency Savings

An in-depth analysis of the \$aveNYC program, led by the Center for Community Capital at The University of North Carolina at Chapel Hill, found that the program was positively associated with an increased savings level and, thus, improved financial stability. It also found that participants were better equipped to deal with emergencies or a loss of income, relative to a comparison group.²⁵

As part of their analysis, researchers conducted a number of in-depth interviews with program participants. Participants said the following about the program:

"I would never in a million years think that I can actually do that but after going through it and doing it now the third year, it doesn't feel hard at all to do. In fact, it makes me think about my plans for saving in the future."

"Now it's like, I realize that you can just save a little bit of money and have it when you need it. Now I see how much it [savings] helps."

"I know that now I can say to myself, when I'm on the train and I hear people talk about the money they have in their bank account, I can say, you know what, me too. I have money put away too. I have the ability to do it too. Just because I come from a low-income budget, my life as a low-income person doesn't mean that I can't save."

Based on these promising results, the model is now being replicated in Newark, N.J., San Antonio, Texas, and Tulsa, Okla. through the SIF in partnership with the Mayor's Fund to Advance New York City and CEO. From 2011 to 2013 over 4,700 account holders in the four cities saved portions of their refunds. During the 2013 tax season, savers committed nearly \$1.5 million in initial deposits, despite having an average adjusted gross income (AGI) of just over \$18,000 annually. In 2012, 73 percent of participants saved for the full year and received the match. Seventy-five percent did so in 2011.

While being studied by MDRC through a five-year RCT evaluation, SaveUSA is currently offered at select VITA sites in the participating cities. Other cities have begun to pilot the model outside the SIF grant. The United Way of Greater Houston launched their own version of SaveUSA in 2012; in 2013, the Center for Public Policy Priorities coordinated programs in Eagle Pass and Del Rio, Texas, and the Opportunity Fund in San Jose, Calif., piloted versions, as well.

Employer-Based Initiatives

In addition to tax-centered asset building strategies, OFE has worked on employer-based pilots to encourage saving. In 2009, OFE created a savings account in partnership with the Municipal Credit Union (MCU) called EasySave. This pilot account aimed to learn if City employees would sign up for automatic

payroll deductions, which were then placed into a savings account. OFE worked with MCU to create the account and then worked with human resources and payroll directors at select City agencies to promote the program. Although this account did not earn interest, it did provide employees with flexible savings that could be withdrawn at any time without penalty. Most important, the savings were automatic so employees did not have to make manual transfers twice a month into their accounts. Nearly 200 City employees signed up for the EasySave account, demonstrating that employers could provide a simple account for employee savings; other employers could readily make this type of program available to encourage saving beyond traditional retirement accounts.

Integrating Savings Services and Products

OFE has worked to emphasize the importance of savings as a vehicle for building financial stability. Particularly in low- and moderate-income communities, savings can provide a cushion to help families weather the shock of a financial crisis. Equally important are safe, affordable banking products that enable individuals to build savings without financial risk. Through the Financial Empowerment Centers and the Jobs Plus initiative, OFE has worked to prioritize the Increasing Savings service plan, which encourages individuals to open safe savings accounts and achieve regular savings goals—65 percent of 2013 Center clients are enrolled in the Increasing Savings service plan. OFE has also worked with a number of partners to expand access to the NYC SafeStart Account. Examples of partnerships targeting key populations follow.

Immigrant Populations

OFE has partnered with MOIA and the New York Immigration Coalition (NYIC) to promote access to the NYC SafeStart Account in immigrant communities. Both MOIA and NYIC have launched initiatives to connect constituents to consular identification cards, which often can be used to open a bank account. As we found in our *Immigrant Financial Services Study*, many financial institutions accept alternative forms of ID, such as consular IDs, yet many unbanked individuals do not recognize that these opportunities exist. To build awareness and access around safe banking products, OFE attended events hosted by MOIA and NYIC to connect their constituents to NYC SafeStart Accounts. Moving forward, we will continue to connect immigrant communities with opportunities to become banked and build savings through partnerships like the one with the Mexican Consulate.

Disaster Survivors

The Federal Emergency Management Agency (FEMA) distributed checks to many survivors after Hurricane Sandy; however, this posed a problem for aid recipients who were unbanked, and many considered turning to exploitative check cashers to retrieve their funds. Through NYC Restoration Centers, OFE worked to connect Sandy survivors to NYC SafeStart Accounts, allowing them to maintain their full aid amounts. By connecting individuals to NYC SafeStart Accounts, OFE could also leverage the opportunity to begin conversations about rebuilding savings for future disasters, as well as building savings toward longer-term goals, such as a down payment for a new home.

In addition, OFE worked with CEO on the Work Progress Program (WPP), an initiative to connect temporary workers to jobs in disaster recovery. OFE worked with 23 providers to connect temporary workers to NYC SafeStart Accounts so that they could safeguard their earnings.

Youth

OFE has partnered with the New York City Department of Youth and Community Development (DYCD) on two workforce development initiatives to connect youth to NYC SafeStart Accounts:

- Young Adult Internship Program (YAIP) is a 14-week paid internship program for job-ready youth between the ages of 16 and 24 who are not working and not in school. Once the internship is complete, participants receive job placement and follow-up services.
- Out-of-School Youth (OSY) Program is a year-long program for low-income youth between the ages of 16 and 21 who are not working and not in school. OSY provides extensive job training and employment services to help participants find permanent jobs.²⁶

By connecting youth to NYC SafeStart Accounts, OFE aimed to provide them with a vehicle to protect their earnings, while developing positive savings behaviors.

Research Insights: Citywide Financial Services Study

In 2010, OFE commissioned research firms Social Compact and Acxiom to research financial behavior and access to financial services among New Yorkers with low and moderate incomes. The purpose of the study was to quantify the unbanked marketplace in New York City, identify critical indicators of financial behavior and household financial stability, and inform the development and targeting of financial education and asset building programs and initiatives.

Key findings of the study include:

1. In New York City, more than 13 percent of households are unbanked, meaning they don't have a bank account.
 - New York City households are considerably more likely than households nationally to be unbanked (7.7 percent nationwide).
 - Approximately 405,000 households are unbanked. More than 825,000 adults live in these unbanked households.
 - Bronx households are more than twice as likely to be unbanked than the City average.

Estimated Unbanked Households by Borough

Borough	Number of Adults*	Number of Households*	Percent of Households
Bronx	269,213	134,293	28.7%
Brooklyn	288,432	137,625	15.7%
Manhattan	166,414	95,306	13.0%
Queens	108,413	47,926	6.2%
Staten Island	6,305	2,989	1.8%
New York City Total	827,334	405,573	13.4%

*The New York City Total may not equal the Borough totals due to overlap between Community Districts.

2. New York City's unbanked households are highly concentrated in certain neighborhoods.
 - Nearly half (48 percent) of unbanked households in New York City are in one of 10 neighborhoods.
 - Residents of the top 10 unbanked neighborhoods are predominantly Black or Latino/a (89 percent compared to 53 percent Citywide) and have a median household income of \$30,005 compared to a median income of \$47,581 for the City as a whole.
 - Residents of the top 10 unbanked neighborhoods in New York City are less likely to have a college degree (19 percent) than the City average (32 percent) and less likely to be homeowners (17 percent compared to 34 percent).
3. Proximity to a bank or credit union is no guarantee that residents will open a bank account.
 - The top 10 unbanked neighborhoods have only one bank or credit union present for every two alternative financial services providers. Citywide, there are 1.5 banks and credit unions for every alternative financial services provider.
 - Average distance to financial services also measures access. Unbanked residents of Manhattan live an average of 0.2 miles from a traditional financial institution compared to 0.4 miles for unbanked residents of Brooklyn.

IV. Consumer Protection

Locating OFE in DCA, the strongest and oldest municipal consumer protection agency in the nation, was a strategic choice that allowed OFE to leverage the resources and regulatory power of New York City government, serving as a powerful tool to solve marketplace problems. Consumer protections safeguard all consumers from predatory practices while enabling honest businesses to thrive by ensuring a fair and vibrant marketplace. More than just a regulatory tool, consumer protections—for example, protections against abuse by debt collectors, deceptive advertising by used car dealers, or improper service by process servers—are the backbone of an effective financial empowerment strategy for individuals and families with low incomes, ensuring that their limited financial resources are not eroded by unscrupulous businesses and that opportunities for growth are secure.²⁷

Regulation and Licensure

DCA licenses more than 81,000 businesses in 55 industries, including debt collectors, process servers, used car dealers, and home improvement contractors, giving the Department the ability to set and enforce standards for fair business practices and help businesses establish their own legitimacy. In addition, DCA enforces many other important local laws, including the City’s Consumer Protection Law, which outlaws deceptive consumer sales and advertising practices across the retail sector. DCA uses these licensing and enforcement tools to regulate industries that can have direct adverse impacts on consumers’ financial stability.

Spotlight: Regulation of Debt Collectors and Debt Buyers

Debt collectors and debt buyers (businesses that purchase old consumer debts, often for pennies on the dollar, and then try to collect money) can cause considerable damage to consumers’ finances, especially when illegal collection leads to frozen bank accounts, garnished wages, and ruined credit scores. Under New York City law, all debt collection agencies that seek to collect personal or household debts from City residents must have a DCA license no matter where the agency is located. DCA currently licenses 1,469 debt collection agencies.²⁸

New York City’s debt collection laws and rules provide some of the strongest consumer protections in the country, banning debt collectors from engaging in harassment or deceptive practices while also ensuring that consumers receive accurate and complete information about debts they are alleged to owe so they do not fall victim to predatory practices.

DCA also leverages our licensing and enforcement powers to secure restitution for consumers when debt collectors use illegal harassing tactics or attempt to collect on debts that are not owed or were already paid. Since 2008, DCA has erased over \$6 million in wrongful debt collection. When debt collectors engage in sustained patterns of illegal collection practices, DCA is able to take the further step of revoking their license, thereby banning them from collecting debts from City residents.

Improper debt collection practices can seriously undermine consumers’ efforts to stabilize and improve their finances. Illegal collection efforts that damage consumers’ banking relationships, credit scores, and employment can create long-lasting impediments to financial stability, preventing individuals and families from escaping poverty. Ensuring this industry is appropriately regulated directly reinforces OFE’s myriad financial empowerment efforts.

Outreach and Education to Businesses and Consumers

Enacting and enforcing consumer protections are vital to safeguard consumers from fraudulent practices, but all too often these protections come into play after consumers have suffered setbacks. Equipping both businesses and consumers with the knowledge and tools they need to make smart decisions in the first place is also vitally important to protect consumers' assets. To that end, DCA has conducted several Citywide public awareness education campaigns targeted at asset protection, using both traditional and earned media to disseminate information.

Cited earlier, DCA's Protect Your Money public awareness education campaign series launched in 2010 to help New Yorkers take advantage of City services to empower themselves to manage and protect their money. Avoiding predatory services and scams is a central component, with ads covering issues, such as predatory proprietary schools and debt settlement services. The campaign has featured advertisements in subway cars and stations, on buses, on bus shelters and telephone kiosks, online and in newspapers, and testimonial videos.

DCA's targeted community outreach and education initiatives include:

- Trainings for Financial Empowerment Center counselors and for FEN partners using curriculum that covers relevant consumer protection laws and key consumer protection issues that can directly impact their clients' financial stability.
- Participation in community events to address hot-button consumer issues and industry events to help businesses understand City laws and licensing regulations.
- Regularly scheduled meetings with business and trade associations, Chambers of Commerce, Business Improvement Districts (BIDs), Community Boards.
- Distribution of business publications and consumer publications.
- Trainings for businesses on City rules and regulations at industry-specific Open Houses.
- Business Education Day, an annual event where DCA staff visit businesses in all five boroughs to educate business owners about City laws. Over the past 10 years, DCA has visited more than 14,000 businesses in all five boroughs during Business Education Days.

Whether through public awareness education campaigns, press announcements, or community events, public outreach elicits consumer complaints about unscrupulous businesses, which help DCA focus enforcement and mediation efforts.

Spotlight: Know Before You Enroll

Student loan debt has been a growing issue affecting consumers' financial stability. Research has shown that there is now more than \$1 trillion in outstanding student debt in the United States. Particularly pernicious are predatory proprietary schools that prey upon New Yorkers hoping to improve their economic situation through education by misrepresenting the quality of the courses provided and the job placement potential. Even more troubling is the student loan debts that many New Yorkers have accrued in pursuit of degrees from such schools that ultimately fail to improve their employment situations. Consumers with low incomes are hit particularly hard by schools that take advantage of their circumstances, leaving them with worthless degrees and a high debt burden for years to come.

To help address this pervasive problem, in 2011, DCA partnered with the Mayor's Office of Adult Education (now the Mayor's Office of Human Capital Development) to launch the *Know Before You Enroll* campaign, part of the Department's Protect Your Money campaign. Campaign ads highlighted abuses at proprietary schools and for-profit colleges and alerted New Yorkers to free and low-cost alternatives, among them education and training opportunities and financial education. The campaign featured *Know Before You Enroll* tips, which included advising students to attend a licensed school only; cautioning that, even if a school is licensed, students should thoroughly research the program; and informing students that they have the right to file a complaint when they are deceived. In addition, the ads directed consumers struggling with student loan debts to visit Financial Empowerment Centers for help taking control of their finances.

The campaign generated dozens of media interviews, elicited hundreds of consumer complaints, and sparked multiple conversations with the industry. The success of this campaign has led a coalition of groups, including Iraq and Afghanistan Veterans of America and Student Veterans of America, to replicate the campaign nationally.

Advocacy

OFE's numerous programmatic and research efforts make clear the direct effect that consumer financial services choices can have on New York's families and their economic stability. It is essential, therefore, that the City not only work with providers to develop and promote gold standard financially empowering products and services, but that we advocate for policies that ensure the consumer financial services marketplace works for all consumers and that New York's on-the-ground experience informs and influences policy decisions. OFE's experience with innovative programs has the power to meaningfully shape the way federal and state governments design and invest in programs to effectively support the financial stability of New Yorkers and others. OFE's policy portfolio directly builds on and maximizes the impact of our investments in programs and research by working to prevent predatory credit and debt industries from financially destabilizing consumers, to ensure the banking system works for all consumers, and to promote policies that provide meaningful pathways to financial security and economic stability for those with low incomes.

In the past four years, OFE's policy efforts have benefited from our close working relationship with regulators and policymakers who trust our on-the-ground consumer experience, in particular when it comes to innovative programs. The creation of the CFPB—a federal agency solely focused on consumer protection—has been vital to the headway that OFE's policy work has made. In 2013, the CFPB and the City of New York announced a partnership to replicate DCA's consumer protection and financial empowerment work in municipal agencies across the country.

As the consumer financial services marketplace has shifted since the recession, we have continued to address a broader range of financial service practices.

Policy Priority: Preventing predatory credit and debt industries from financially destabilizing consumers

Predatory credit and debt industries are all too prevalent among the financial services landscape for those with low incomes. From payday loans to abusive debt collectors, debt settlement companies to subprime fee-harvesting credit cards, businesses have proliferated aimed solely at cashing in on those who least can afford it.

Beyond strong local consumer protection efforts, OFE has worked to directly combat a range of these types of rapacious practices by advocating for national or state-level policy reforms to protect consumers. For example, OFE has not only fought efforts by payday lenders to make usurious loans over the Internet under our local regulatory power over debt collectors, but we have also worked extensively to prevent the New York State legislature from authorizing usurious loans made by check cashers. Additionally, through the Cities for Financial Empowerment (CFE) Coalition, OFE has also advocated for federal rules to prevent mainstream financial institutions from making payday loanlike direct deposit advance loans.

OFE's policy engagement in this area also includes, for example, advocating for rules and laws that ensure debt settlement companies do not prey upon consumers struggling with debts. Debt settlement companies aggressively market false hope to consumers at a time when they fear they have run out of options, offering to help people negotiate and settle debts with creditors in exchange for fees. In reality, settlement companies generally only cause further harm to consumers who have already fallen behind, resulting in the accumulation of additional late fees and interest charges from creditors and leading to lasting damage to consumers' credit scores, all as the companies profit from significant fees.

In addition to broadscale public outreach efforts, OFE has pushed for regulatory and legislative actions to regulate these businesses. OFE submitted formal comments to the Federal Trade Commission (FTC) to help advance federal regulations to prohibit debt relief services from charging fees upfront and from engaging in a number of abusive practices. In August 2013, DCA and the Mayor's Office of Veterans' Affairs submitted a comment letter to the Department of Defense (DoD) on abusive lending to military service members and their families, calling on the DoD to take steps to ensure predatory lenders are not able to exploit loopholes and evade requirements in current regulations around payday lending and refund anticipation loans. At the same time, OFE has also been engaged at the state level to ensure debt settlement companies are held to even higher standards and that industry-supported legislation authorizing problematic practices does not advance.

Spotlight: Keeping Payday Lending out of New York City

Payday loans, short-term high-cost loans that often trap borrowers in cycles of debt, are a prime example of the kind of financial product that can devastate peoples' financial security and that can directly undermine financial empowerment interventions. In New York City, payday loans are currently illegal under the state's longstanding and effective 25 percent criminal usury cap.

However, predatory lenders have been pushing to eviscerate this law, one of New York's most important consumer protections, in order to make financially destructive small-dollar loans to residents. Recognizing the direct harm that would result, OFE has used our strong voice and experience to try to prevent the passage of legislation that would authorize small-dollar loans in excess of the state's usury cap. Representatives from OFE have met with state legislators individually on numerous occasions, addressed the State Assembly's Banks Committee, written formal memoranda in opposition to bills, and published Op-Eds and other public statements calling attention to the dangers of this legislation. OFE eventually played an instrumental role in securing the public opposition of the Governor and key legislators to proposed legislation in April 2013, stopping the bill from advancing the remainder of session.

Policy Priority: Ensuring the banking system works for all consumers

A second area of OFE's policy portfolio is focused on improving the way the banking system works for all consumers, especially those with low incomes. This work is both informed by and supportive of OFE's programmatic efforts to connect people to safe, affordable banking products and leverages OFE's significant research and program evaluation in this area to inform policymaking.

A significant component of these efforts involves preventing banking products from being offered with tricks and traps that hit account holders with unanticipated, high-cost fees like overdraft protection fees. Unpredictable fees erode consumers' limited resources and may push them out of the financial mainstream. To this end, OFE has weighed in with federal banking regulators on multiple occasions to make sure that it is not permissible for consumers to be automatically defaulted into high-cost overdraft programs and to ensure consumers are given appropriate opportunities to make informed decisions about their bank account features. OFE has also focused on ensuring that consumers' funds in bank accounts that are exempt from garnishment are not improperly frozen by debt collectors, weighing in on state legislation and federal regulations.

Another key area of this work focuses on advancing policy reforms to remove structural barriers to accessing the banking system. This has been largely focused on improving the way the system works for consumers who are currently locked out of the financial mainstream because they have negative records as a result of past fees in consumer reporting databases, like ChexSystems, used to qualify consumers for banking accounts. OFE has found that issues related to lack of transparency and difficulty in correcting issues with these databases ultimately pushes many who have had problems with the banking system in the past further away from the financial mainstream, undermining efforts to improve access to safe banking. OFE has been working to improve the way this system works for consumers by engaging with the CFPB, FDIC, and the Treasury Department, among others, to advocate for significant reforms. To draw further attention to the problem, DCA has alerted the press; in July 2013, in *The New York Times*, Commissioner Mintz was heavily quoted in a front page article titled "Over a Million Are Denied Bank Accounts for Past Errors." The media coverage has already led to increased industry attention to the issue and sparked an investigation into these practices by New York State Attorney General Eric Schneiderman.

In addition, OFE also advocates for state and federal policy changes to encourage the banking industry to offer safe, affordable financial products and services. Work in this area has included submitting formal comments to the FDIC on proposed safe bank account templates, testifying before federal bank regulators at a hearing on the Community Reinvestment Act to propose rule updates to better encourage banks to offer safe, affordable products and services, and testifying before the New York State Department of Financial Services (formerly Banking Department) about ways to make the Banking Development District program work better. OFE has also advocated for state legislation to allow New York City to have more choice in the financial institutions in which municipal deposits can be placed so that these funds can be used to strengthen credit unions offering safe, affordable products and services.

Policy Priority: Promoting policies that provide meaningful pathways to financial security and economic stability

Creating policies that help families save money and build financial assets not only provides them with cushions in case of loss of income or other unexpected events, but also can meaningfully impact their longer-term economic stability and mobility. Recognizing the potential for scale of the tax time matched savings program, SaveUSA, OFE has been leveraging our experience overseeing the program and its

promising research findings to advance national policy change to incorporate this program model into the federal tax code to improve the financial security of millions of families across the country.

The federal government has a long history of policies that encourage families to save and build assets. However, existing tax credits focus only on longer-term savings, like savings for retirement, and do not encourage the type of savings that meet the realistic shorter-term needs of many low-income households. This gap in federal savings policy was the original impetus for launching the \$aveNYC program in 2008 and has driven our focus on reforming savings policy so it works better for those with low incomes.

To this end, OFE has been working on legislation, based on the SaveUSA (formerly \$aveNYC) program model, that would provide a match for qualified contributions into a range of savings vehicles, including no-risk shorter-term products like savings accounts or certificates of deposit. The Financial Security Credit Act was introduced by Rep. José E. Serrano in the House of Representatives, along with 20 original co-sponsors, on August 1, 2013. The bill would harness the existing infrastructure of the tax filing process to bring the program to scale by creating a refundable tax credit to facilitate personal savings decisions at a critical moment when tax filers have the opportunity and ability to save. Under the proposed legislation, 50 percent of every dollar deposited into a designated savings product would be matched, up to \$500, by a credit directly deposited into the designated account after the funds have been verified for being in the account for at least eight months. If filers did not have an account, they could open one directly on the federal income tax form and deposit all or part of their refund into this newly opened account.

OFE continues to work to advance this proposal and to support other policy reforms that promote asset development to help those with low incomes improve their financial stability and to meaningfully improve their economic well-being.

Technical Assistance, Replication, and Scale

OFE has strived to scale our programs to serve the large number of poor adults across New York City. However, although our programs, financial products, and education campaigns have reached large numbers of New Yorkers, the potential target population for our work in a city the size of New York is enormous. OFE has worked to thoughtfully partner with City agencies and nonprofits to integrate our services and maximize impact, but true scale will only be achieved with the growth of the field at large.

Vital to the growth of the field is technical assistance. OFE has served as a source of technical assistance and guidance for a number of nonprofit and City agency partners looking to integrate financial empowerment strategies into their work; some have partnered directly with us, and some have leveraged our expertise to improve their work independently. Providing technical assistance to partners is central to OFE's mission of building the field of municipal financial empowerment in New York City and nationally.

These efforts started with the 2007 creation of the FEN, and have blossomed into a number of formal and informal relationships. Partners look to OFE for guidance on how to offer safe bank products to clients; how to integrate financial counseling into social service delivery; and how programs can strategically incorporate financial empowerment efforts.

For example, MOIA has asked OFE to consult on projects, such as a citizenship microloan to cover the cost of naturalization for those who may not be able to afford the \$680 fee. OFE has connected MOIA to local credit union partners and the Financial Empowerment Centers to help consumers understand if they qualify for these microloans or choose other financing options, such as leveraging their savings; additional products are being discussed.

OFE has also leveraged partnerships with other City agencies and community-based organizations to promote asset building. For example, OFE has provided guidance on realistic budgeting methods for DHS clients, for whom a traditional monthly budget like those used in the Financial Empowerment Centers might not be appropriate. OFE helped DHS connect with the Women's Center for Education and Career Advancement, who trained DHS case managers on integrating their Self-Sufficiency Calculator. The Calculator screens for benefit eligibility and produces a baseline household budget. OFE provided additional support as DHS incorporated this robust budgeting tool.

OFE also worked with Jobs Plus to advise how financial counseling could be best integrated into the programmatic structure. Additionally, several of OFE's partners seek advice on how to integrate savings as part of workforce development programs and programs for new immigrants. In these instances, OFE has made suggestions to partners based on behavioral economics insights, best practices, and consumer-friendly account structures.

More broadly, OFE provides technical assistance to partners through implementation briefs and toolkits, Learning Networks and Forums, and training opportunities. For example, OFE released a 2012 brief on the implementation of the SaveUSA program aimed at providing concrete guidance for organizations planning their own tax time savings program. In late 2013, OFE and the CFE Fund will continue these efforts through the creation of a national SaveUSA Coalition. The Coalition will offer technical assistance

and opportunities for shared learning among a variety of nonprofit and government partners looking to replicate the program and will work to build evidence and momentum for introducing a matched savings opportunity like SaveUSA through the federal tax code.

Scaling Financial Empowerment

OFE measures our successes through the mandate of local government: impact, scale, and replicability. As we celebrate our seven-year anniversary, we are increasingly aiming to share implementation lessons, policy strategies, and best practices to influence programs and policy throughout the field and across the country.

Cities for Financial Empowerment (CFE) Coalition and Fund

OFE's groundbreaking work in creating the field of municipal financial empowerment led to the founding, with San Francisco, of the national CFE Coalition in 2008 and the independent CFE Fund in 2012. The invitation-only CFE Coalition, founded by Mayor Michael R. Bloomberg and former San Francisco Mayor Gavin Newsom, currently comprises 12 cities working to use municipal power to advance innovative financial empowerment initiatives and help residents advance financially. Member cities go beyond the traditional view of local government providing basic benefits and services. They work proactively to help residents build assets and become financially empowered.

CFE convenes key stakeholders from multiple sectors—financial institutions, nonprofits, research organizations, other government agencies, funders—and adapts programs to fit their communities' needs. CFE convenes regular Forums, where representatives from member cities meet as a “behind closed doors” learning community, sharing key lessons and strategies. OFE serves on the CFE Policy Committee and has played a leading role in advancing CFE policy positions and statements to support OFE's programmatic, research, and policy interests, along with the financial empowerment field overall.

The CFE Fund is a new entity developed out of the CFE Coalition; it works to identify, develop, fund, and implement financial empowerment research pilots and programs. Current key initiatives of the CFE Fund are Bank On 2.0, which will build on a first generation of national programs to create a unified, national approach to delivering safe, affordable banking products and services to un- and underbanked residents through municipal delivery streams; a partnership with the CFPB and New York City to help local governments across the country develop and enhance their capacity to offer their residents consumer protection and financial empowerment; and the Financial Empowerment Center replication initiative.

OFE has provided technical assistance around implementation, referral strategy, and outcome measurement to the five cities replicating the Financial Empowerment Center model. In January 2013, Bloomberg Philanthropies and the CFE Fund announced a \$16.2 million, three-year grant to replicate the Center model in five cities across the country: Denver, Colo.; Lansing, Mich.; Nashville, Tenn.; Philadelphia, Pa.; and San Antonio, Texas. In partnership with the CFE Fund, OFE has offered a host of technical assistance resources, including access to the “Personal and Consumer Finance” counselor training curriculum; planning and implementation documents, operations and protocol manuals, database training manuals, client waivers, MOU templates, and other resources; and support and training on the counseling database and data analysis. Each of these supports has contributed to the growth and continued refinement of the Financial Empowerment Center model and an understanding of its potential impact on financial stability in a number of different contexts.

Partnership with the CFPB

In 2013, the CFPB, City of New York, and the CFE Fund announced a partnership to replicate DCA's consumer protection and financial empowerment work in municipal agencies across the country. The initiative will utilize the CFPB's national reach to amplify DCA's successful work at the vanguard of the municipal financial empowerment field, and help build the capacity of cities across the country to launch similar initiatives. Drawing upon DCA's extensive experience, the replication aims to build, standardize, and elevate the field of financial empowerment in an effort to increase economic opportunity for individuals with low incomes.

Conclusion

In the years since our last progress report, OFE has continued to broaden and deepen our financial empowerment work in New York City and to build the field of municipal financial empowerment. Here in New York, we have:

- Contributed to the professionalization of financial education and counseling, creating a rigorous, outcomes-driven model that is flexible enough to be adapted to integrate with a variety of social services
- Created and deployed a number of banking products and services that connect New Yorkers with low incomes to the financial mainstream
- Leveraged partnerships and moments such as tax time to help consumers build assets
- Taken advantage of DCA's regulatory powers to advocate for, and enforce, policies that protect consumers

As the first local government entity dedicated to financial empowerment and asset building, OFE has charted a path for other local, state, and national public entities seeking to leverage the power of government to help their residents move forward financially. Government, and especially city government, has proven to be a natural fit for financial empowerment programs and strategies. Cities are acutely aware of local challenges, from understanding the context of community barriers to accessing financial products and services to recognizing a larger pattern in predatory practices and consumer complaints. Cities are touchpoints for people in need, controlling the funding, program entry and referral points, and policies that together can be harnessed to affect systemic change. And city leaders are elected to provide genuine, large-scale answers to the growing challenges of financial instability. As such, and with numerous replications of this approach across the country since OFE's creation, cities and their partners now recognize their unique and powerful ability to create measurable change.

In the coming years, OFE will continue to strengthen our financial empowerment work, through piloting innovative programs, advocating for effective policies, and partnering with key stakeholders, such as nonprofits and City agencies to integrate financial empowerment strategies and provide technical assistance—all underpinned by evidence-based research. Looking forward, OFE sees opportunities to provide technical assistance around asset building strategies, such as integrating financial empowerment services in schools; to further develop risk-free savings mechanisms; and to work closely with partners around broader economic issues, including affordable housing and labor protections. This work will be informed by research that seeks to understand New Yorkers with low incomes and the financial marketplace they inhabit; we will field an update to the 2010 *Citywide Financial Services Study* and delve into the potential impact that technology and mobile can have on expanding financial access.

Although much has been accomplished over the last seven years, there is much more work to be done, and OFE looks forward to these promising expansions of our work.

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Appendix A: OFE Milestones

September 2009

- **September 1:** In partnership with the Municipal Credit Union (MCU), OFE pilots the EasySave savings account. Offered at select City agencies, the account provides employees with automatic, flexible savings that can be withdrawn at any time without penalty.

November 2009

- **November 12:** The Federal Reserve finalizes new rules, based in part on recommendations from DCA, to protect consumers from being defaulted into costly fee-based overdraft protection on their bank accounts.

December 2009

- **December 11:** H.R. 4173 passes, supported by DCA, which creates, in part, the Consumer Financial Protection Bureau (CFPB). The CFPB focuses solely on protecting consumers from unsafe products and predatory practices in the financial marketplace.

February 2010

- **February 25:** OFE releases the *Citywide Financial Services Study*, which for the first time quantifies the number of unbanked adults in New York City. In response, DCA creates the NYC SafeStart Account, the City's first banking product available to all New Yorkers. Commissioner Mintz kicks off a Citywide outreach campaign to enroll unbanked New Yorkers who use fringe financial services in the NYC SafeStart Account.

March 2010

- **March 2:** DCA issues more than 2,000 violations in a Citywide crackdown of income tax preparers for illegally advertising refund anticipation loans (RALs).

April 2010

- **April 1:** More than 2,100 New Yorkers file their taxes using the City's first-ever free online filing service.

May 2010

- **May 17:** Mayor Bloomberg and Commissioner Mintz announce new debt collection regulations to protect New Yorkers from being harassed for debts they do not owe. Under the new regulations, any debt collection agency attempting to collect a debt from a New Yorker must provide proof that the debt is owed at the consumer's request and provide documentation as proof.

June 2010

- **June 8:** Commissioner Mintz announces the expansion of the City's Financial Empowerment Center services to include three new Centers that offer homeownership and foreclosure prevention counseling.

July 2010

- **July 29:** DCA and the Department of Youth and Community Development (DYCD) announce the NYC First Account, a safe bank account designed to encourage young New Yorkers to open a bank account as they enter the workforce for the first time. The account is available to all DYCD Summer Youth Employment Program (SYEP) participants between the ages of 18 and 24.

October 2010

- **October 8:** The Center for New York City Neighborhoods (CNYCN) and OFE are awarded funding from the New York State Division of Housing and Community Renewal (DHCR) to provide free financial counseling services and to extend CNYCN's Call Center operations for at-risk homeowners.

November 2010

- **November 29:** The National League of Cities (NLC) awards the 2010 Gold Award for Municipal Excellence to New York City's Financial Empowerment Centers. The award recognizes cities and towns for outstanding programs that improve the quality of life in America's communities.

January 2011

- **January 26:** OFE launches a new City-sponsored discount tax preparation program with H&R Block as part of New York City's 9th Annual Tax Credit Campaign.

March 2011

- **March 18:** OFE opens a new Financial Empowerment Center and two mobile locations in Central and Western Queens.

April 2011

- **April 11:** One NYC One Nation, Mayor Bloomberg's multi-pronged civic engagement initiative for immigrant New Yorkers, launches, laying the foundation for OFE's *Immigrant Financial Services Study*, which takes an in-depth look at the unique financial needs of New York City's immigrant communities. The initiative establishes five Immigrant Civic Engagement Zones, which will provide tools to immigrant communities to better access City government, promote financial empowerment, enhance immigrant entrepreneurship, and help support college readiness opportunities for immigrant families.

May 2011

- **May 5:** The Financial Empowerment Center Initiative is baselined as a City service and is included in the Mayor's Executive Budget.
- **May 10:** OFE celebrates the 10,000th Financial Empowerment Center client at a ceremony at Gracie Mansion.

August 2011

- **August 8:** DCA issues subpoenas to 15 debt settlement companies, all the subjects of complaints by New Yorkers and/or based in the New York City area. The subpoenas reveal the extent to which these companies fraudulently lured New York City consumers with illegal advertising claims and charged additional upfront fees, and seek to examine to what extent anyone has been helped, rather than harmed, by their "settlement" services.

- **August 29:** Twenty-six students, including staff from a number of City agency and nonprofit partners, enroll in “Consumer and Personal Finance,” OFE’s first credit-bearing financial counselor training at the City University of New York (CUNY).

November 2011

- **November 9:** DCA, Office of Payroll Administration (OPA), and Mayor’s Office of Operations announce NYC Direct Deposit. The program, offered in partnership with seven financial institutions, allows New York City employees and individual vendors who receive City payments to open free checking accounts and easily enroll in direct deposit in a few quick steps.
- **November 16:** DCA announces the launch of the *Protect Your Money: Know Before You Enroll* campaign. Ads highlight abuses at proprietary schools and for-profit colleges and alert New Yorkers to free and low-cost alternatives, among them education and training opportunities and financial education.

December 2011

- **December 7:** OFE releases *Municipal Financial Empowerment: A Supervitamin for Public Programs*. The report is the first in a five-report series that documents early signs of successful impact of integrating financial empowerment and asset building strategies into core social services. Subtitled *Strategy #1: Integrating Professional Financial Counseling*, the report highlights the effectiveness of offering one-on-one financial counseling within social service systems.

January 2012

- **January 1:** In partnership with Columbia University, OFE launches the graduate-level course “Personal Financial Management and Financial Counseling Skills.” Like the CUNY course, this course is comprised of a comprehensive personal finance curriculum, but also includes a wider focus on how these issues fit within the broader economy.
- **January 19:** OFE launches the Assessing Financial Capability Outcomes (AFCO) Pilot, a U.S. Treasury-funded research pilot with a subset of New York City Department of Parks and Recreation employees enrolled in a transitional work program. The pilot aims to determine if and how the coupling of access to banking and financial counseling enhanced the financial capability of participants as they transitioned off of public benefits.
- **January 30:** Mayor Bloomberg, Commissioner Mintz, and CEO announce results from the first year of SaveUSA. Residents in four cities—New York City, Tulsa, Newark, and San Antonio—signed up for SaveUSA accounts at free tax preparation sites and saved a portion of their tax refund. Funding from the federal Social Innovation Fund was used for savings matches for 1,662 accounts in four cities. Participating residents of the four cities opened more than 1,600 SaveUSA accounts with close to \$1 million in savings.

April 2012

- **April 1:** OFE releases *SaveUSA Program Implementation: Insights from the Field*. The brief includes lessons learned from the first years of implementing the national replication of the program.

August 2012

- **August 23:** OFE releases the second report in the supervitamin series. Subtitled *Strategy #2: Professionalizing the Field of Financial Education and Counseling*, the report focuses on achieving consistent, professional, high quality financial counseling to ensure quality and consistency in service delivery.
- **August 27:** OFE launches Year 1 of the Capacity Building Initiative (CBI), which develops the ability of social service organizations to deliver professional financial counseling services while enhancing their measurement and analysis capabilities to demonstrate and improve program impact.

September 2012

- **September 20:** OFE releases the third report in the supervitamin series. Subtitled *Strategy #3: Integrating Safe and Affordable Bank Accounts*, the report describes the supervitamin effect of safe banking initiatives on program outcomes for individuals who are unbanked.

October 2012

- **October 11:** Commissioner Mintz announces the launch of *You Can Tackle Your Debt*, a public awareness campaign that empowers New Yorkers to take control of their finances with the help of a Financial Empowerment Center Counselor. The campaign's website features video testimonials from eight New Yorkers who tackled their debt, thanks to the City's Financial Empowerment Centers.

November 2012

- **November-January:** OFE and a number of nonprofit partners staff NYC Restoration Centers, which help New Yorkers in Sandy-affected areas gain access to important information and services to help the recovery process. Overall, close to 1,500 individuals directly affected by Hurricane Sandy receive assistance with financial empowerment issues.
- **November 28:** The CFE Coalition submits a formal objection to the Internal Revenue Service's changes to the procedures for issuing Individual Taxpayer Identification Numbers (ITINs) that force immigrants without Social Security numbers to be without critical ITIN documentation for months.

January 2013

- **January-April:** The NYC EITC Coalition combines the efforts of more than 250 partners to publicize the EITC and to help New Yorkers file their taxes for free or at a low cost. Eleven community-based organizations operate 93 Volunteer Income Tax Assistance (VITA) sites Citywide. These partners prepare nearly 82,000 returns and help families with low and moderate incomes receive \$120 million in refunds. OFE also works with a VITA partner and two Head Start sites to pilot an innovative new method of free tax preparation services; known as Virtual VITA, the model involves drop-off preparation service.

March 2013

- **March 2:** OFE hosts the Financial Empowerment Hackathon, where developers are asked to create digital tools to help New Yorkers achieve their financial goals. Over 25 developers create tools at the event.

April 2013

- **April 2:** Mayor Bloomberg and CFPB Director Richard Cordray announce a partnership between New York City, the CFPB, and the Cities for Financial Empowerment (CFE) Fund to help cities around the country enhance their local consumer protection and financial empowerment abilities.
- **April 11:** New Yorkers with low incomes accumulate more than \$1 million in savings over three years by participating in the SaveUSA tax time savings program. In New York City, there have been nearly 1,700 SaveUSA participants with an average annual household income of just under \$18,000.
- **April 19:** OFE releases the *Immigrant Financial Services Study Research Brief*, which highlights key findings from one of the first field research initiatives in New York City to look specifically at the financial needs of immigrants.

August 2013

- **August 1:** Congressman José E. Serrano, along with 20 original co-sponsors, introduces the Financial Security Credit Act of 2013, which would create a federal tax credit to encourage savings. The bill builds on the SaveUSA program model, which demonstrates that tax filers, despite low incomes, can and will save if they have the right incentive at the right moment. The Financial Security Credit will encourage savings to help millions of Americans make meaningful progress toward improving their financial stability in the short term and, therefore, start on the path toward building longer-term savings.

October 2013

- **October 30:** OFE hosts the New York City Financial Empowerment Conference, which highlights the innovations of our partners in the field. Close to 150 practitioners, representing nonprofits, academics, foundations, financial institutions, and City agencies, attend the Conference. Topics include using incentives to encourage financial stability; integrating financial empowerment strategies into antipoverty service delivery; expanding financial access through technology; and using research and big data to inform programs and policy.

November 2013

- **November 17:** Mayor Bloomberg and Commissioner Mintz celebrate the 25,000th Financial Empowerment Center client.

December 2013

- **December 20:** OFE selects partners to provide general purpose reloadable prepaid cards, offering safe and affordable prepaid cards to selected social service providers and partners as an additional, voluntary transactional account option. OFE leveraged lessons learned from our 2012 H&R Block Emerald Card Study to outline a number of required prepaid card features, ensuring that selected providers offer the most advantageous terms for consumers.
- **December:** OFE releases the final report in the supervitamin series. Subtitled *Strategy #5: Integrating Asset Building*, the report describes OFE's efforts to integrate asset building strategies, in particular short-term savings opportunities, in public programs to help households take a crucial step toward their long-term savings goals.

Appendix B: OFE Advisory Council Members

Eileen Auld, Regional Director New York Tri-state, Citi Community Development

Deborah Boatright, Vice President, Northeast Region, NeighborWorks America

Margot Brandenburg, Fellow, The Nathan Cummings Foundation

John Hope Bryant, Founder, Chairman and Chief Executive Officer, Operation HOPE, Inc.

Anthony W. Crowell, Dean and President, New York Law School

Frank F. DeGiovanni, Director, Financial Assets, Ford Foundation

Daniel Delehanty, Senior Director, Community Development Banking, Capital One Bank

Colvin W. Grannum, President and Chief Executive Officer, Bedford Stuyvesant Restoration Corporation

Bernell Grier, Chief Executive Officer, Neighborhood Housing Services of New York City

Barbara Dwyer Gunn, President and Chief Executive Officer, Seedco

Linda Levy, Chief Executive Officer, Lower East Side People's Federal Credit Union

Sarah Ludwig, Founder and Co-Director, New Economy Project

Cathie Mahon, President and Chief Executive Officer, National Federation of Community Development Credit Unions

Lisa Mensah, Executive Director, Initiative on Financial Security, The Aspen Institute

John Sanchez, Executive Director, East Side House Settlement

Herb Sturz, Trustee, Open Society Institute

Kristin Morse, Executive Director, Center for Economic Opportunity

Mark Willis, Adjunct Professor of Urban Planning, New York University, The Furman Center for Real Estate & Urban Policy

Deborah C. Wright, President and Chief Executive Officer, Carver Bancorp

Appendix C: OFE Funders and Program Partners

FUNDERS

AIG Financial Literacy Fund
Bank of America
Capital One
Center for New York City Neighborhoods
Citi Community Development
CIT/NeighborWorks America
Con Edison
Corporate Fuel Advisors, LLC
Fidelity Investments
Ford Foundation
Goldman Sachs
H&R Block
Insurance Industry Charitable Foundation
Jackson Hewitt Tax Service
Living Cities Inc.
Mayor's Fund to Advance New York City
Morgan Stanley
New America Foundation
Oak Hill Advisors
Robin Hood Foundation/Single Stop USA
The Annie E. Casey Foundation
The Aspen Institute
The Citi Foundation
The F.B. Heron Foundation
The M&T Charitable Foundation
The New York Community Trust
The Rockefeller Foundation
The University of North Carolina at Chapel Hill
University of Wisconsin
U.S. Department of the Treasury
Verizon
William J. Clinton Foundation

PROGRAM PARTNERS

Access to Banking Partners

NYC Direct Deposit

Agency Partners

Administration for Children's Services
Department of Citywide Administrative Services
Department of Education
Department of Environmental Protection
Department of Information Technology and Telecommunications
Department of Parks and Recreation

Department of Probation
Department of Sanitation
Department of Transportation
Department of Youth and Community Development
Human Resources Administration
Mayor's Office of Operations
New York City Fire Department
New York City Housing Authority
New York Police Department
Office of Payroll Administration

Private Sector and Nonprofit Partners

CAMBA
Food Bank For New York City
Henry Street Settlement
The Fortune Society
Verizon

Financial Institution Partners

Carver Federal Savings Bank
Citibank
Flushing Bank
Habib American Bank
Neighborhood Trust Federal Credit Union
Popular Community Bank
Sterling National Bank

NYC SafeStart Account

Amalgamated Bank
Bethex Federal Credit Union
Brooklyn Cooperative Federal Credit Union
Capital One Bank
Carver Federal Savings Bank
Lower East Side People's Federal Credit Union
M&T Bank
Neighborhood Trust Federal Credit Union
Popular Community Bank
Ridgewood Savings Bank
Spring Bank
Union Settlement Federal Credit Union

EasySave

Municipal Credit Union

Agency Partners

Department for the Aging
Department of Citywide Administrative Services
Department of Homeless Services
Department of Information Technology and Telecommunications
Department of Parks and Recreation

Department of Probation
Human Resources Administration

Asset Building Partners

\$aveNYC

Amalgamated Bank
Ariva, Inc.
Bethex Federal Credit Union
Brooklyn Cooperative Federal Credit Union
Center for Community Capital at The University of North Carolina at Chapel Hill
Lower East Side People's Federal Credit Union
New York City Financial Network Action Consortium (NYCfNAC)
Spring Bank
Union Settlement Federal Credit Union
Urban Upbound

SaveUSA

Ariva
Bank of Oklahoma
Bloomberg Philanthropies
Capital One Bank
Carver Federal Savings Bank
Center for Economic Opportunity
Citibank
Community Action Project (CAP)
Corporation for National & Community Service
Food Bank For New York City
George Kaiser Family Foundation
MDRC
Newark Now
Open Society Foundations
Select Federal Credit Union
Spring Bank
The Annie E. Casey Foundation
The Rockefeller Foundation
Tulsa Community Foundation
United Way of San Antonio and Bexar County

Tax Preparation

Volunteer Income Tax Assistance Partners

AARP
Ariva
Baruch College
Benevolent Tax Professional Services
Bethex Federal Credit Union
Brooklyn College
Community Tax Aid
Food Bank For New York City

Hunter College Accounting Society
Lower East Side People's Federal Credit Union
National Association of Black Accountants (NABA)
New York City Financial Network Action Consortium (NYCfNAC)
Ocean Bay Community Development Corporation
Pace University
Partnership for the Homeless
Seedco
The Financial Clinic
Urban Upbound Federal Credit Union
York College

Tax Pilot Partners

Ariva
Bedford Stuyvesant Restoration Corporation
CAMBA
Food Bank For New York City
Goodwill Industries
H&R Block
New York Urban League

Financial Education and Counseling Program Partners

FEN Members

AAFE Community Development Fund
AARP
Abyssinian Development Corporation
Academy of Finance
Accion USA
American Credit Alliance, Inc.
Ariva
Asian Americans for Equality
Asociacion Tepeyac de New York
Astella Development Corp.
AV Consulting Services
Bedford Stuyvesant Restoration Corporation
Benevolent Tax Professional Services
Bethex Federal Credit Union
Bridge Fund of New York City
Bridge Street Development Corporation
BronxWorks
Brooklyn Cooperative Federal Credit Union
Brooklyn Economic Development Corporation
Brooklyn Navy Yard Development Corporation
Brooklyn Public Library
Building Blocs Foundation Inc.
Business Center for New Americans
Business Outreach Center Network
CAMBA HomeBase
Caribbean American Chamber of Commerce

Carver Federal Savings Bank
Catholic Charities Community Services
Center for Employment Opportunities
Center for Family Life
Center for New York City Neighborhoods
Center for Urban Community Services (CUCS)
ChaRosa Foundation Corporation
Chhaya Community Development Corporation
Chinese-American Planning Council
Citi Foundation
Cities for Financial Empowerment Fund
Citizens' Committee for Children of New York
Citizens Committee for New York City
City Bar Justice Center
City University of New York (CUNY)
Coalition for Debtor Education
Community Service Society
Community Solutions, Brownsville Partnership
Consumer Financial Protection Bureau
Council for Economic Education
Creative Financial Concepts, LLC
Cypress Hills LDC
Department of Motor Vehicles
District Council 37, AFSCME, AFL-CIO
Early Earners
East Harlem Business Capital Corporation
East Side House Settlement
Edwin Gould Services
Federal Defenders of New York
Federal Reserve Bank of New York
FEGS
Fifth Avenue Committee
Financial Planning Association of New York
Food Bank For New York City
Forestdale, Inc.
Fort Greene Strategic Neighborhood Partnership
Goddard Riverside Community Center
Good Old Lower East Side
Good Shepherd Services
Goodwill Industries of Greater New York & Northern New Jersey, Inc.
Goodwill Workforce Development
Grameen America
Grand Street Settlement
Grant Associates
Green City Force
GreenPath, Inc.
Harlem Children's Zone
Harlem Congregations for Community Improvement
Henry Street Settlement
Juma Ventures

Kamboh Financial Planning
Law Help NY
Legal Services for New York City
Literacy Assistance Center
Local Development Corporation of East New York
Lower East Side People's Federal Credit Union
Manhattan Chamber of Commerce
Mayor's Office of Human Capital Development (formerly Adult & Continuing Education)
Mayor's Office of Immigrant Affairs
Mayor's Office to Combat Domestic Violence
MFY Legal Services
Mount Hope Housing Corp.
Museum of American Finance
NAICA, Inc.
National Academy Foundation
National Endowment for Financial Education
National Federation of Community Development Credit Unions
National Urban League
Nazareth Housing, Inc.
Neighborhood Economic Development Advocacy Project
Neighborhood Housing Services of Bedford Stuyvesant
Neighborhood Housing Services of Jamaica
Neighborhood Housing Services of New York City
Neighborhood Housing Services of North Bronx
Neighborhood Housing Services of Northern Queens
Neighborhood Housing Services of Staten Island
Neighborhood Housing Services of the North Bronx
Neighborhood Trust Financial Partners
Neighbors Helping Neighbors, Inc.
Network for Teaching Entrepreneurship
New Density Housing
New York Asian Women's Center
New York Center for Interpersonal Development
New York Immigration Coalition
New York Legal Assistance Group
New York Public Library-Science, Industry and Business Library
New York Urban League
Northeast Brooklyn Housing Development Corp.
Northern Manhattan Improvement Corporation
Northfield Community LDC
New York City Administration for Children's Services
New York City Department of Education
New York City Department of Education-Office of Adult & Continuing Education
New York City Department of Homeless Services
New York City Department of Youth and Community Development
New York City Financial Network Action Consortium
New York City Housing Authority
New York City Human Resources Administration/Department of Social Services/Family Independence Administration/Operations
New York State Department of Taxation & Finance

New York State Homes & Community Renewal
New York State Health and Hospitals Corporation-Human Resources/Workforce Development
Ocean Bay Community Development Corporation
Office of Senator Kirsten Gillibrand
Operation Hope
Opportunities for a Better Tomorrow
Parodneck Foundation
Per Scholas
Phipps Community Development Corporation
Pratt Area Community Council
Project Enterprise
Project Hospitality
Proposal Pro, Inc.
Queens Volunteer Lawyers Project, Inc.
Renaissance Economic Development Corp.
Republic Groups
ReServe
Resources For Results
Ridgewood Bushwick Senior Citizens Council
Robin Hood Foundation
Rockaway Development and Revitalization Corporation
Safe Horizon
Safe Space
SCO Center for Family Life
SCO Queens Single Stop Program
Seedco
Shorefront YM-YWHA of Brighton-Manhattan Beach, Inc.
Single Stop USA
Social Compact, Inc.
South Bronx Overall Economic Development Corporation
South Brooklyn Legal Services
St. John's Bread & Life Program, Inc.
St. Vincent's Services
Start Small Think Big., Inc.
The Aspen Institute
The Child Center of New York
The F.B. Heron Foundation
The Financial Clinic
The Osborne Association
The Point Community Development Corporation
Trickle Up
Union Settlement Federal Credit Union
United Jewish Council of the East Side, Inc.
United Neighborhood Houses
United Way of New York City
University Neighborhood Housing Program
Upromise Investments
Urban Upbound (formerly East River Development Alliance)
U.S. Social Security Administration
Violence Prevention Program

Women's Center for Education and Career Advancement
Women's Housing & Economic Development Corporation
Women In Need, Inc.
Working In Support of Education
Workshop in Business Opportunities

Financial Empowerment Centers

Operators

Bedford Stuyvesant Restoration Corporation
Neighborhood Trust Financial Partners
Phipps Community Development Corporation
The Financial Clinic
Urban Upbound

Location Partners

Brooklyn Cooperative Federal Credit Union
Brownsville Multi-Service Center
CAMBA
Catholic Charities HomeBase
El Centro del Inmigrante
Grand Army Plaza Library
Lower East Side People's Federal Credit Union
Make the Road New York
Midtown Community Court
Neighborhood Housing Services of East Flatbush
Neighborhood Housing Services of New York City
Neighborhood Housing Services of Northern Queens
Neighborhood Housing Services of the South Bronx
Northern Manhattan Improvement Corporation
NYCHA Manhattanville Community Center
Queens Community House
Queens Community House Pomonok Center
Safe Space
Urban Upbound
Workforce1 Far Rockaway

FEN Capacity Building Initiative

Center for Employment Opportunities
Forestdale, Inc.
Opportunities for a Better Tomorrow
St. Vincent's Services
The Osborne Association

FEN Financial Capability Integration Program

Business Outreach Center Network
Columbia-Harlem Small Business Development Center
MFY Legal Services
Northern Manhattan Improvement Corporation

Financial Counseling Partnership at the Mexican Consulate

Ariva
Qualitas of Life Foundation
The Mexican Consulate of New York

Consumer and Personal Finance / Personal Financial Management and Financial Counseling Skills Courses

City University of New York
Columbia University School of Social Work

NYC Restoration Center Partners

Food Bank For New York City
Goodwill Industries
New York Legal Assistance Group (NYLAG)
Project Hospitality
The Local Development Corporation of East New York (LDCENY)
The Rockaway Development & Revitalization Corporation (RDRC)

Research Partners

Acxiom
Center for Community Capital at The University of North Carolina at Chapel Hill
Center for Financial Security at the University of Wisconsin-Madison
Corporation for Enterprise Development
EA Consultants
H&R Block
MDRC
New York City Center for Innovation and Data Intelligence
New York City Housing Authority Office of Resident Economic Empowerment & Sustainability
New York City Human Resources Administration
New York City Mayor's Office of Immigrant Affairs
NYU Furman Center
Social Compact
U.S. Department of the Treasury