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MAYOR BLOOMBERG OPENS FIRST FINANCIAL EMPOWERMENT CENTER IN THE BRONX

Announces New Study on Low Income New Yorkers' Use of Financial Services and First-ever Online "Financial Education Network"

AIG Commits \$1.45 Million to Expand Financial Empowerment Efforts to New York and other Coalition City Partners

Mayor Michael R. Bloomberg, Deputy Mayor Linda Gibbs, [Consumer Affairs](#) Commissioner Jonathan Mintz and [Center for Economic Opportunity](#) Executive Director Veronica White today announced the City's first Financial Empowerment Center, which will offer free, one-on-one financial counseling and coaching to low-income Bronx residents, as well as an online searchable database that for the first time brings together all of the financial services available to New Yorkers. The Mayor also released the findings of the City's Neighborhood Financial Services Study, which found that the lack of financial services and products that meet the needs of low income New Yorkers, rather than the proximity of a financial institution, leads to greater reliance on non-traditional financial services, such as check-cashing stores.

"We're working aggressively to find new tools and strategies to reduce poverty here in New York City," said Mayor Bloomberg. "Helping working poor New Yorkers maximize their earnings and plan for a better financial future is a common sense yet uncommon practice. We're taking important steps to begin changing that by opening this new center in the Bronx, and I look forward to expanding our efforts if they are successful."

Spearheaded by the Department of Consumer Affairs' [Office of Financial Empowerment](#), the initiatives announced today are part of the more than 40 programs implemented under the Center for Economic Opportunity, the Mayor's aggressive effort to fight poverty in New York City. OFE's approach to leveraging municipal power has led to the creation of the national Cities for Financial Empowerment (CFE) coalition, and today AIG announced a commitment of \$1.45 million to support the coalition's efforts. Of this money, \$250,000 will be awarded to the Mayor's Fund to Advance New York City to support New York's work. The Mayor was joined at the announcement by Ned Cloonan, IICF Chairman and AIG Vice President of International & Corporate Affairs and Stephen Tosh, Executive Director/CEO of Phipps Community Development Corporation.

"The Center for Economic Opportunity's focus on the working poor allows us to encourage and support low income New Yorkers who work hard each day but still have trouble making ends meet," said Deputy Mayor Gibbs. "The fact that other cities are joining us in our fight against poverty shows that New York City is leading the way when it comes to implementing innovative ideas that will both drive lasting policy change and shape the national poverty agenda."

"City government can be at its best when focused on innovative ways to add real value to asset-building efforts traditionally left to nonprofit partners," said Jonathan Mintz, Commissioner of the Department of Consumer Affairs. "With resources like the new Financial Education Network Directory, which compiles every free or low-cost provider of financial education services in the City into a single network, all New Yorkers can now access the financial counseling services they need - and it's as easy as visiting the City's searchable directory online or calling 311."

Financial Empowerment Center

The City's new Financial Empowerment Center in Melrose was launched with support from the Insurance Industry Charitable Foundation of New York to increase access to financial education for Bronx residents. This pilot center, administered by DCA's Office of Financial Empowerment in conjunction with Phipps Opportunity Center, will offer free, one-on-one financial counseling and coaching to Bronx residents. The Center will serve as a pilot to evaluate the demand for, and impact of, these services on the financial well-being of low-income Bronx residents. Services will include money management and budgeting, financial planning, credit and debit counseling, affordable banking services, government benefit screenings and referrals to other services and organizations. The Center is also supported by the Mayor's Fund to Advance New York City, which serves as an umbrella not-for-profit organization for the City of New York. Through private sector contributions the Mayor's Fund supports many of the City's initiatives, including those of OFE and CEO.

"We're proud to be part of this exciting initiative to help people in poverty develop practical financial skills that will enable them to make informed decisions to improve their lives," said Stephen Tosh, Executive Director/CEO of Phipps Community Development Corporation. "The ability to manage your finances and plan for the future is critical to moving out of poverty and achieving self-sufficiency. Phipps CDC believes this is a pivotal first step in creating a thriving community."

Neighborhood Financial Services Study

The Neighborhood Financial Services Study was conducted in the Melrose section of the Bronx and the Jamaica section of Queens to identify the barriers that prevent low income New Yorkers from accessing financial services in their communities. The study found that contrary to popular belief, it is not the proximity of banking institutions but the services they offer that leads many New Yorkers to rely on non-traditional financial methods. The NFS Study surveyed 640 respondents. The Phipps Community Development Corporation and Neighborhood Housing Services of Jamaica administered the surveys face-to-face in English and Spanish. The William J. Clinton Foundation coordinated the collection and initial analysis of financial services in these communities. Mapping of supply-side and other contextual data was conducted by the Neighborhood Economic Development and Advocacy Project. In addition, OFE conducted the demand-side analysis and convened four focus groups to obtain additional qualitative data about the use of financial services in these neighborhoods.

Financial Education Network Directory

All New Yorkers can also access financial education opportunities using OFE's newly launched online Financial Education Network Directory. The directory is a searchable database of free and low-cost financial education classes, workshops and one-on-one counseling services across the City. The Financial Education Network brings together financial education providers for professional development and technical assistance to strengthen the quality and capacity of services for New Yorkers. The online directory is searchable by topics, such as bankruptcy, credit, debt assistance, as well by borough and is available in 13 languages. The directory can be found on www.nyc.gov or by calling 311.

Cities for Financial Empowerment

Launched in March of this year by Mayor Bloomberg and San Francisco Mayor Gavin Newsom, the Cities for Financial Empowerment Coalition today received a \$1.45 million grant from the AIG Financial Literacy Fund to support innovative citywide financial education initiatives in the six coalition cities: New York City, San Francisco, Miami, San Antonio, Savannah, and Seattle. The grant will help fund online financial education directories, enhancements to local telephone information services, financial coaching and counseling pilots and financial education certification and standardization in each of the cities - similar to the initiatives that New York City has already implemented. The CFE Coalition is co-chaired by the City of New York, led by Consumer Affairs Commissioner Jonathan Mintz, and the City of San Francisco, led by Treasurer José Cisneros.

"At no other time has the need for financial education been more apparent," said San Francisco Mayor Gavin Newsom. "I am delighted at the generosity and vision of AIG in supporting the CFE member cities. This grant will allow us to continue creating innovative and effective financial education programs."

"The Insurance Industry Charitable Foundation, the first industry-wide charitable initiative, is proud to support the Mayor and the Department of Consumer Affairs in creating the Financial Empowerment Center to assist Bronx residents," said Ned Cloonan, IICF Chairman and AIG Vice President of International & Corporate Affairs. "At AIG, we are committed to providing the financial support to help replicate this model on a national basis so that cities across the country can benefit from this innovative program."

"Access to mainstream financial services and solid financial advice is critical to everyone's economic success," said San Francisco Treasurer José Cisneros. "The grant from AIG will allow San Francisco and our other partner cities to offer financial advice and assistance to those who need it the most - hardworking families."