

Thursday, January 20, 2011

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NEW YORK CITY AND SAN FRANCISCO LEAD NATIONAL MOVEMENT OF NEW MUNICIPAL STRATEGIES TO HELP LOW- AND MODERATE-INCOME FAMILIES ACHIEVE FINANCIAL SECURITY

NYC's Groundbreaking Approach Assists Residents in Building Savings and Assets

New York City is a leader in developing innovative anti-poverty strategies, according to a report released earlier today by the Corporation for Enterprise Development (CFED) on municipal financial empowerment. The new field—municipal financial empowerment—goes beyond traditional efforts aimed at building residents' income by increasing knowledge of and access to affordable financial products, encouraging savings and investment, and protecting residents in the financial marketplace. According to the CFED report, municipal financial empowerment breaks new ground because city governments are entering an arena previously occupied only by nonprofits. New York City and other municipalities have launched dozens of innovative programs to leverage their power to help residents with low and moderate incomes build wealth and assets on a large scale.

The cornerstone of New York City's efforts has been the launch of a citywide network of Financial Empowerment Centers that offer free and professional one-on-one financial counseling to all New Yorkers. The more than 20 centers have provided over 14,000 counseling sessions and helped New Yorkers pay down more than \$3 million dollars of debt. Earlier this fall, the National League of Cities awarded NYC's Financial Empowerment Centers the 2010 Gold Award for Municipal Excellence.

New York City has also focused on creating innovative strategies to help New Yorkers build savings. The \$aveNYC Account was offered as part of the City's free tax preparation service. Tax filers were given the opportunity to directly deposit portion of their tax refund into a savings account; if they maintained the initial deposit for one year, they received a privately funded 50 percent match, up to \$500. Last July, the Mayor's Fund to Advance New York City was awarded a grant through the federal Social Innovation Fund to replicate \$aveNYC and four additional programs. SaveUSA is now offered in three additional cities: Newark, San Antonio, and Tulsa.

"New York City and San Francisco launched the Cities for Financial Empowerment (CFE) Coalition three years ago because of the unique position of cities nationwide to coordinate key stakeholders and programming to create innovative anti-poverty solutions," said New York City Mayor Michael R. Bloomberg. "CFE's voice has been valuable as the federal government looks to large scale approaches to empower and protect consumers in the financial services marketplace."

"The individual and collective leadership of the Cities for Financial Empowerment (CFE) Coalition mayors continues to expand what municipalities can accomplish when it comes to financially empowering large populations in need," said New York City Consumer Affairs Commissioner and founding Co-Chair Jonathan Mintz. "CFED's report on CFE and the field of municipal financial empowerment demonstrates the successful approaches that have emerged nationwide, at a time when many Americans are struggling for greater financial stability."

"Helping individuals and families achieve economic security has never been more critical than it is today," said Andrea Levere, president of CFED, a national nonprofit that advocates for expanding economic opportunity. "This work has given us a new way of thinking about poverty, one based on the depth of overall financial stability, not merely based on income. The cities that are pioneering these new strategies are to be applauded—and other cities need to join them," Levere said in releasing ["Building Economic Security in America's Cities: New Municipal Strategies for Asset Building and Financial Empowerment."](#)

The report was released to coincide with the U.S. Conference of Mayors winter meeting in Washington.

CFED was joined in releasing the report by the [Cities for Financial Empowerment Coalition](#), which was created in 2008 to bring together city governments implementing these new initiatives. The CFE Coalition now includes Chicago, the County of Hawai'i, Los Angeles, Miami, Newark, New York City, Providence, San Antonio, San Francisco, Savannah and Seattle.

Cities, often working with private sector, nonprofit and philanthropic partners, have developed a variety of programs to meet their financial empowerment goals, in many cases embedding them within existing anti-poverty efforts.

Other Notable City Efforts Include:

- San Francisco recently started a program to provide an initial deposit into a college savings account for kindergartners in city schools, and private-sector funding will match the first \$100 a family saves in the account.
- The Bank On Seattle-King County initiative aims to provide an alternative to check cashers and payday lenders by working with banks and credit unions that provide savings accounts and entry-level checking accounts and, in some cases, small financial incentives to customers who complete financial education classes.
- Newark operates a number of Financial Empowerment Centers to provide residents comprehensive services like free tax assistance, financial education and help in filling out forms to receive financial aid for college. Residents can also meet with counselors who screen them for eligibility for health care and public assistance programs.
- San Antonio, after identifying car ownership as a useful tool for increasing income opportunities for residents, created a pilot program to help low-income consumers refinance their high-cost auto loans through their free tax preparation structure.

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The Department of Consumer Affairs Office of Financial Empowerment (OFE) is the first local government initiative in the nation with a mission to educate, empower and protect New Yorkers with low incomes so they can build assets and make the most of their financial resources. OFE administers a citywide network of Financial Empowerment Centers and seeks to increase access to high-quality, low-cost financial education and counseling; improve access to income-boosting tax credits; connect households to safe and affordable banking and asset-building products and services; and enforce and improve consumer protections to enhance financial stability. For more information, visit DCA online at nyc.gov/consumers or call 311 in New York City or 212-NEW YORK outside of the City.

New York City is also a founding member of the Cities for Financial Empowerment (CFE) Coalition, which works with key partners in the public, private and nonprofit sectors to mobilize their collective power to advance the financial empowerment agenda on a state and national level. The [Cities for Financial Empowerment Coalition](#) brings together pioneering municipal governments from across the country that have begun to use their power and positions to advance innovative financial empowerment initiatives. Already, its members have made tangible and measurable commitments to supporting financial empowerment programming in their cities, and are now joining together to both teach and learn from one another. The 11 cities in the coalition are Chicago, County of Hawai'i, Los Angeles, Miami, Newark, New York, Providence, San Antonio, San Francisco, Savannah and Seattle. For more information, please visit cfecoalition.org.

[CFED](#) expands economic opportunity by helping Americans start and grow businesses, go to college, own a home and save for their children's and their own economic futures. We identify promising ideas, test and

refine them in communities to find out what works, craft policies and products to help good ideas reach scale, and develop partnerships to promote lasting change. We bring together community practice, public policy and private markets in new and effective ways to achieve greater economic impact. Established in 1979 as the Corporation for Enterprise Development, CFED works nationally and internationally through its offices in Washington, D.C.; Durham, N.C.; and San Francisco.