The Nashville, Tennessee and Columbia, South Carolina city profiles are an addendum to City Financial Inclusion Efforts: A National Overview, a report from the National League of Cities.

Nashville, Tennessee

Partnering to Create Financial Empowerment Centers

Under the leadership of Mayor Karl F. Dean, the Metro Government of Nashville and Davidson County, Tennessee strategically partnered with the United Way of Metropolitan Nashville to expand their financial inclusion programs and services. Building upon the city’s history of supporting the United Way of Metropolitan Nashville’s robust Volunteer Income Tax Assistance (VITA) program, as well as joint efforts to launch Bank On Music City to help residents access bank accounts and financial education, Mayor Dean teamed up with United Way of Metropolitan Nashville to create seven Financial Empowerment Centers (FEC) throughout the city and surrounding county.

Based upon New York City’s model, FECs offer free one-on-one financial counseling to eligible residents. Counselors are professionally trained and provide support to residents in navigating complex financial decisions. Individuals receive assistance with money management, budgeting, reducing debt, establishing and improving credit, connecting to safe and affordable banking services, building savings and referrals to other services and organizations as needed.

Mayor Dean’s office and the United Way of Metropolitan Nashville pursued funding from Bloomberg Philanthropies’ investment in the Cities for Financial Empowerment (CFE) Fund. Through the CFE Fund, cities had the opportunity to apply for a FEC replication grant.

Both partners agreed the model was attractive because it offered a diverse set of services in a convenient location to help residents move closer to financial stability. The United Way took the lead on the grant application, working closely with the Mayor’s staff, metro government departments, city program directors and other nonprofit stakeholders in
the community. Developing the grant application together helped both entities create a
shared vision and enabled both partners to actively participate in the decision-making
process.

In 2013, the CFE Fund awarded Nashville a grant to replicate the FEC model. The CFE
Fund in total selected five cities to receive a $16.2 million, three-year investment from
Bloomberg Philanthropies. The other four cities selected were Denver, Philadelphia, San
Antonio and Lansing, Mich.

Communication, transparency and trust are three ingredients helping make the
partnership between the mayor’s office and the United Way work in Nashville. FEC
staff are employed by the United Way and provide direct services to residents, but both
partners work together to make programmatic suggestions and decisions. All decisions
related to FEC outreach and marketing are decided between partners using a decision tree
that helps detail which partner handles specific aspects of the operation.

“With this program, we are empowering families to take control of their finances, keep
what they earn, and plan for their own financial future.” - Mayor Karl F. Dean

Tracking results and measuring impact is key to ensuring ongoing support and future
sustainability of FECs. All decisions related to the FECs are data driven, building upon
the partners’ use of data to evolve the VITA program. The most powerful and appealing
aspect of the FEC model for Mayor Dean and United Way leaders is the ability to track
financial success using measurable data.

The data collected shows gains of all sizes, small and large, when people’s credit scores
go up, debt goes down and savings lead to homeownership. This data is then used to
demonstrate to stakeholders and others in
the community the value of the program
and the true impact on residents in a way
that is not just success stories, but proven,
hard facts based on data.
Other cities have expressed challenges with fitting the FEC model into existing programs or their organizational structure. In Nashville, existing programs were easily incorporated under the FEC tent of services. One lesson learned by both partners was the need to establish accountability and clear expectations with community partners in order to have a more reliable referral system of services for residents.

There are seven FEC locations throughout Nashville/Davidson County. Since opening in March 2013, Nashville’s FECs have helped over 1,800 individuals and held more than 5,800 individual counseling sessions.

Nashville’s most successful FEC site is located in a multi-cultural community center. This center has effectively created an environment in which residents have a one-stop-shop for all their financial service needs. Co-locating FEC services within existing nonprofits can offer wrap-around support services to individuals in need. The city highly recommends that programs co-locate with other similar services so they can effectively provide wrap-around support.

Looking to the future, Mayor Dean and the United Way of Metropolitan Nashville plan to better integrate other partners into the FEC model. For example, a partnership with Habitat for Humanity is in development and if successful, FEC staff will work with homeless shelters and social service agencies to promote financial education and counseling. The goal will be to help individuals ultimately secure and maintain a home.
Columbia, South Carolina

City Leadership Expands Financial Inclusion for Residents

Since 2010, city officials in Columbia have led efforts to integrate financial inclusion into city government departments and services, directly funded financial empowerment programs, enacted policies to support financial inclusion and partnered with the private and nonprofit sectors to ensure all of the city’s residents have the opportunity to achieve financial stability. City leaders have publicly committed to supporting a financial inclusion agenda and are using their bully pulpit to discuss the importance of financial empowerment and to educate the public on what services and programs exist.

Columbia’s financial inclusion programming developed out of the city’s long running homeownership assistance program. For the past 40 years, the city has made home loans (using Community Development Block Grant dollars) and conducted homebuyer counseling and case management. Since taking office in 2010, Mayor Steve Benjamin has been active in building on this work to develop a citywide financial empowerment agenda.

To integrate financial inclusion into city government departments and services, Mayor Benjamin and Councilmember Tameika Isaac Devine worked with the city manager to create committees within city government to focus on helping unbanked residents access bank accounts, and to curtail the prevalence of and reliance on predatory lending in the city. These committees are using census data in addition to local data to evaluate residents’ needs and plan for future initiatives.

The city is directly funding several financial inclusion programs, including a matched-savings individual development account (IDA) program, credit counseling, a Bank On Columbia pilot initiative and Access Columbia — a fair housing seminar that provides financial education to individuals ages five and older; the last event attracted over 400 residents.

To promote the use of savings accounts, Columbia operates the largest IDA program in South Carolina and offers a 3:1 savings match. The South Carolina Association of Community Development provides funding support, and the city leads the marketing and outreach efforts.
To help residents access mainstream financial services, the city initiated efforts in late 2014 to pilot Bank On Columbia, which is targeted to the city’s largest public housing facility. The city hired a Bank On Columbia administrator to lead the city’s pilot efforts. Partnering with Wells Fargo Bank, the city plans to expand Bank On Columbia citywide if it proves to be successful in the pilot phase.

The city also directly funds dedicated staff responsible for implementing its financial inclusion agenda. Given the city’s growing commitment to and focus on financial empowerment, city officials created the Office of Family Financial Stability, housed within the Community Development Department. Employees within the Office of Family Financial Stability help city departments as well as internal and external stakeholders align programs, track and evaluate results, and strategically plan for the future of Columbia’s efforts to help improve residents’ financial health.

Using local legislative power, elected officials have enacted policies that further Columbia’s efforts to promote financial inclusion. For example, in 2012, the city revamped its home loan program to make housing more affordable. The city now supports 20 percent of the loan at one percent below what banks offer in interest rates for a 30-year loan. To date, the city has $14 million in outstanding loans. To promote small business growth, the city also approved small loans for small businesses, which are often used as gap loans to help individuals to start or grow their business. These types of investments, combined with financial education, are helping the residents of Columbia improve their financial well-being while improving the local economy.

Columbia is not doing this work in a silo. The city has a strong history of building partnerships, particularly with area financial institutions. Since 2002, the city has partnered with Bank of America and Wells Fargo Bank to promote financial education and homeownership. Currently, there are six bank partners supporting the city’s housing programs, which have resulted in over $110 million in loans over the past 14 years. Additional partners in Columbia’s financial inclusion work include the University of South Carolina School of Medicine, United Way of the Midlands, Benefit Bank of South Carolina and HELP — an organization focused on foreclosure assistance.

Looking forward, municipal officials hope to also target financial inclusion programs to middle class residents, city employees and youth. City leaders are reviewing local policies, and hope to revise maternity leave and flexible schedule policies, consider requiring direct deposit and facilitate access to bank accounts – all in an effort to align with the city’s commitment to promote financial inclusion.
Officials also want to strengthen young people’s financial capability. The city plans to expand its current youth employment program and launch a summer youth employment program that will include access to bank accounts, financial education workshops and a matched savings component. Leaders are also working to expand a partnership with PricewaterhouseCoopers to provide financial education seminars to youth.

The City of Columbia is making a difference in the lives of its residents. Through strong city leadership, a strategic vision and dedicated partners, residents have access to programs and services that enhance their financial well-being.