



BANK ON CITIES

CONNECTING RESIDENTS
TO THE FINANCIAL
MAINSTREAM

A TOOLKIT FOR MUNICIPAL LEADERS

ABOUT THE NATIONAL LEAGUE OF CITIES INSTITUTE FOR YOUTH, EDUCATION AND FAMILIES

The Institute for Youth, Education, and Families (YEF Institute) is a special entity within the National League of Cities (NLC). NLC is the oldest and largest national organization representing municipal government throughout the United States. Its mission is to strengthen and promote cities as centers of opportunity, leadership, and governance.

The YEF Institute helps municipal leaders take action on behalf of the children, youth and families in their communities. NLC launched the YEF Institute in January 2000 in recognition of the unique and influential roles that mayors, city councilmembers and other local leaders can play in strengthening families and improving outcomes for children and youth.

Through the YEF Institute, municipal officials and other community leaders have direct access to a broad array of strategies and tools, including:

- Action kits that offer a menu of practical steps that officials can take to address key problems or challenges.
- Technical assistance projects in selected communities.
- The National Summit on Your City's Families and other workshops, training sessions and cross-site meetings.
- Targeted research and periodic surveys of local officials.
- The YEF Institute's website, audioconferences and e-mail listservs.

To learn more about these tools and other aspects of the YEF Institute's work, go to www.nlc.org/iyef or leave a message on the YEF Institute's information line at (202) 626-3014.

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INTRODUCTION

Families who do not use bank accounts and other safe, affordable financial services often live paycheck to paycheck — and precariously close to a serious financial crisis. Often considered the “on-ramp” to financial stability, a bank account provides a family with the means to save and make the basic financial transactions necessary for day-to-day life. Yet millions of American families lack access to this key pathway to economic security.

WHO ARE THE UNBANKED?

Research conducted by the Federal Deposit Insurance Corporation (FDIC) reveals that just more than a quarter of the U.S. population relies on alternative financial services. Of these 30 million households, 9 million are “unbanked” — they do not have a bank account. Twenty-one million are “underbanked” — they have a bank account but still use costly alternative financial services. Barriers to mainstream banking are most prevalent in low-income and minority communities. Almost 7 million households earning less than \$30,000 per year are unbanked, accounting for more than 70 percent of unbanked people. Moreover, 54 percent of African American households and 43 percent of Hispanic households are either unbanked or underbanked.

THE RISKS AND COSTS OF LIVING OUTSIDE THE FINANCIAL MAINSTREAM

Without access to mainstream financial services, individual families may spend tens of thousands of dollars over a lifetime on the high fees associated with check cashing, money orders, payday lending and other alternative financial services. In fact, the average unbanked worker spends an estimated \$40,000 throughout his or her life just to cash paychecks. These individuals also

frequently fall prey to short-term, high-interest loans offered at check cashing outlets and other fringe financial institutions, becoming trapped in endless cycles of debt. Overall, alternative financial services cost Americans about \$13 billion per year.

Moreover, individuals without safe bank accounts are at greater risk of being victims of theft, and have no way to access money remotely in the event of a disaster such as a fire or an earthquake. The unbanked are also less likely to build assets. A relationship with a financial institution can open doors to a range of asset-building opportunities, such as financial education, homeownership savings and development of a stronger credit record.

BARRIERS TO BANKING

There are a number of reasons why individuals do not have bank accounts. An FDIC survey found that unbanked individuals cited convenience as the primary reason that they use alternative financial services, which are typically located in proximity to low-income neighborhoods and are often open during non-traditional hours when typical mainstream financial institutions are closed. Many low-income workers cannot take time away from their jobs to attend to financial needs.

Alternative services are also attractive because they provide individuals, who are often living from paycheck to paycheck, with immediate access to their money. A payday loan can be obtained in a matter of minutes, for example, while a bank loan requires an underwriting process and may not be available for several days or weeks. In addition, people who are unbanked are often less likely to have sufficient financial knowledge to navigate through the mainstream checking, saving and loan product options in their communities.

Some individuals rely on alternative financial services because they simply have no other options. They may

be unable to open a bank account due to prohibitively high minimum balance requirements or monthly service charges. Some do not have access to the proper identification, such as a U.S.-issued driver's license, required by banks. Many have made mistakes in previous banking relationships that have landed them in ChexSystems, a national database that financial institutions use to identify people who have had past problems with bank accounts, such as unpaid overdraft charges.

CONSEQUENCES TO COMMUNITIES

Lack of access to the financial mainstream makes it difficult for families to thrive and also saps the economic potential of the communities in which they live. Not only do families miss out on opportunities to keep more of their paychecks and build assets, but local economies also suffer when residents are financially unstable, are more prone to reliance on public services and lack the savings and credit needed to invest in homeownership, entrepreneurship and education. When a large proportion of families are struggling through financial crises, cities must also confront greater needs with a thinner tax base. In addition, local neighborhoods experience the negative consequences of a cash economy, which can erode public safety by increasing theft and related crimes.

Because a city's economic health depends on the financial stability of its residents, municipal leaders are increasingly interested in connecting residents with safe, affordable financial products. Local officials have found that a transactional bank account and accompanying financial education can give individuals the tools they need to learn money management, begin saving and eventually take advantage of more advanced products that will help them accumulate wealth and other assets.

THE BANK ON CITIES CAMPAIGN

As communities continue to grapple with the fallout from the recent financial crisis and the impact of wide-

spread family financial instability, the Bank On program has emerged as a national model for promoting access to mainstream financial services, supporting working families, and strengthening local economies. A Bank On program involves local partnerships among city officials, financial institutions and community-based organizations working together to better serve unbanked and underbanked residents. Bank On initiatives create pathways to safe, affordable financial products — including low- or no-cost checking accounts — that are offered by all participating financial institutions, rely on outreach campaigns to inform the public about the program and provide financial education to help targeted residents achieve and maintain financial stability.

In response to the growing interest among municipal leaders in helping residents connect to the financial mainstream, NLC's Institute for Youth, Education and Families launched the Bank On Cities Campaign in early 2008. The campaign was designed to help cities replicate the Bank On San Francisco program model launched in 2006 by Mayor Gavin Newsom and Treasurer José Cisneros in an effort to help San Francisco's 50,000 unbanked residents access safe and affordable financial services.

NLC's Bank On Cities Campaign built on an earlier technical assistance project that helped municipal officials develop comprehensive asset-building agendas and included a site visit to San Francisco just before the launch of its Bank On San Francisco program. During the first two years, NLC worked closely with mayors and their senior staff in two cohorts of 18 cities to help them develop and launch Bank On initiatives. These cities included: Boston; Houston; Los Angeles; Miami; New York; Providence, R.I.; San Antonio; San Francisco; Savannah, Ga.; Seattle; Bryan, Texas; Denver; Gaithersburg, Md.; Indianapolis; Louisville, Ky.; Newark, N.J.; Rapid City, S.D.; and St. Petersburg, Fla.

Participating cities were encouraged to collaborate with financial institutions and community-based organizations to provide residents with access to basic, low-cost financial services. The campaign also helped municipal officials develop and advance local asset-building agendas to help families achieve financial stability.

Since 2009, NLC has continued to work with a broad range of cities to build and expand their Bank On initiatives and other efforts focused on access to financial services. The number of cities and states that have developed Bank On campaigns has grown rapidly. About 100 cities, counties and states are at some stage of developing or managing a Bank On initiative, including more than 25 cities and three states that have launched their programs. Moreover, federal officials have taken notice of local efforts and may provide new resources for these efforts depending on Congressional action. In his 2011 budget proposal, President Obama requested \$50 million to fund a national Bank On USA initiative that would support the development or expansion of local Bank On initiatives.

KEY COMPONENTS OF A SUCCESSFUL BANK ON INITIATIVE

Through the Bank On Cities Campaign, NLC has identified six core components that are key to the success of a municipal initiative to expand access to mainstream financial services:

- The mayor or another prominent local official should serve as a champion of the initiative. Local elected officials have the power to raise public awareness of the issues related to financial services, and bring local financial institutions and other partners to the table.
- Strong partnerships are the backbone of an effective Bank On initiative. No one entity can achieve success on its own. Community organizations have direct connections to the target populations. Financial institutions have the capacity to deliver low-cost financial products and services. City government staff can serve as coordinators and conveners. Other community stakeholders can bring additional knowledge and resources to a Bank On program.
- By bringing key partners together in the early planning stages, city leaders can draw on their

expertise and facilitate buy-in, particularly among financial institutions.

- Local partners should develop a data collection strategy in the early stages of the initiative. This process requires negotiating with financial institutions on how to report data on Bank On accounts, and in some cases developing an evaluation component outside of the tracking conducted by financial institutions. The ability to measure the Bank On program's impact is vital to its sustainability, continued involvement of partners, political viability and funding.
- There is no need for cities to “reinvent the wheel” in developing a Bank On initiative. Local officials can use resources, expertise and technical support from NLC, the FDIC, the Federal Reserve regional banks and other cities that already have programs in place. Moreover, websites such as joinbankon.org can offer a portal to helpful information.
- Finally, creating a Bank On program in isolation is a missed opportunity. By incorporating a Bank On initiative into a larger community asset-building agenda, cities not only help families open bank accounts, but also enable them to achieve long-term financial security.

ABOUT THIS TOOLKIT

This toolkit is a resource for local elected officials, municipal staff, community organizations, financial institutions, and others who wish to develop a Bank On initiative in their communities. It provides a step-by-step guide while taking into account the diverse circumstances facing individual cities and towns. The toolkit is designed to offer suggestions and strategies that city leaders can adapt to meet the needs of their communities.

The toolkit's 11 chapters offer practical information for the early stages of creating a Bank On program (e.g., developing partnerships, conducting preliminary research, forming committees), and for launching and

sustaining the initiative. Each chapter contains specific city examples and sample documents used by cities that have already launched Bank On programs.

The following section, “Bank On At A Glance” provides a quick overview of each of the stages in a Bank On campaign that will be described in detail in later chapters.

BANK ON INITIATIVES

THE NATIONAL LANDSCAPE

In October 2010, NLC conducted a survey of existing Bank On programs to gain a better understanding of the national landscape of these efforts. NLC and its partners contacted 95 city, state and county programs in varying stages of implementation and representatives of 43 programs responded. Just over half of these programs had been launched within the past two years and were serving customers. Most respondents to the survey represented programs located in the Midwest and South. In addition, most programs were city-specific, although a minority of programs were countywide or encompassed a broader region beyond the city limits. The following findings highlight common features of and challenges facing Bank On programs.

ORGANIZATION AND PROGRAM GOALS

Most Bank On programs were launched after a six to 12 month planning phase. For 87 percent of initiatives, one or more people from a city agency or community organization dedicate a portion of their hours to managing the program. Others rely on volunteers and hire consultants. Even when a community organization leads the program, city officials were involved in development and implementation of all but one of the initiatives. More than two-thirds of respondents said the city was “very involved” in the Bank On program. In 37 percent of cities, the mayor serves as the program’s primary champion, while in other cities a council member, treasurer or city agency plays that role.

Bank On program leaders typically set specific numerical goals for how many new accounts will be opened, usually 10-20 percent of the estimated number of unbanked residents in the community. Some set additional goals to decrease the number of check cashers in the community, increase access to financial education and serve specific demographic groups such as the homeless, youth and seniors.

PROGRAM FEATURES

Most respondents’ programs have similar baseline financial product features as the original Bank On San Francisco model. Almost all programs have no or low monthly fees. Eighty percent have no minimum balance requirements and offer pathways to participation for residents who are in the ChexSystems database. Other common features include ways to minimize overdraft fees (72 percent) and acceptance of alternative identification (69 percent). Just under half (47 percent) offer a savings option as part of the standard Bank On product. All of the programs include a financial education component, either as a requirement for those on

ChexSystems seeking a second chance or “fresh start” account, or as an option for all participants. A few programs offer incentives to increase participation in financial education.

PARTNERSHIPS

Ninety percent of Bank On programs have formed partnerships with federal regulators — either the regional Federal Reserve Bank or the FDIC. Financial institution partners usually include a combination of national banks, community/regional banks, community development financial institutions (CDFIs) and credit unions. Survey respondents reported partnering with between one and five of each of these types of institutions. However, respondents were least likely to be working with CDFIs.

BUDGETS

Bank On program budgets vary widely in scope depending on the region and details of the program. About 40 percent of programs have budgets of \$25,000 or less while 20 percent had budgets of more than \$100,000. Funds are predominantly spent on marketing materials. Other costs include contracts for services from commercial firms (e.g., for marketing or research) and/or nonprofit organizations (e.g., for fiscal agent services, financial education, etc.). Most programs spend less than 25 percent of their budgets on staffing.

CHALLENGES

In response to an open-ended question about the biggest challenges programs have faced, common responses included data collection and evaluation (specifically obtaining data from financial institutions), funding, securing buy-in from key partners and maintaining momentum for the program after it is launched.

INNOVATIONS

A number of respondents reported that their Bank On programs have unique components that enhance the initiative’s impact. For example, several programs have formed creative partnerships with police departments, schools, summer youth employment programs or employers. Other innovations include: offering incentives such as grocery vouchers; using unique marketing strategies such as CheckMark, Indianapolis’ financial access superhero; marketing through social media such as Facebook, MySpace and Twitter; and targeting specific neighborhoods or populations. A few communities are incorporating Bank On programs into other asset-building strategies, such as online financial education, free tax preparation and America Saves campaigns.

BANK ON AT A GLANCE

The following summary provides a quick overview of each of the stages in a Bank On campaign that will be described in detail in later chapters.

PARTNERSHIPS AND STEERING COMMITTEE STRUCTURE

A successful Bank On program relies on partnerships among city officials, financial institutions and community-based organizations. Each partner brings important strengths, connections and areas of expertise to the table. For example, in the most successful models, municipal officials act as the convener, publicly championing the program and providing staff time and other resources to coordinate the project. Community-based organizations play an outreach and referral role and provide financial education to participants. Financial institutions develop and provide a uniform, baseline Bank On account that meets the needs of unbanked consumers. A steering committee with representatives from these and other stakeholders can advance the initiative and hold working groups and subcommittees accountable for meeting program goals.

PRELIMINARY RESEARCH

Research on how many residents lack bank accounts, barriers to the financial mainstream and residents' needs can provide leaders of a Bank On initiative with valuable information. By gathering data in the early stages of the initiative, city officials have a baseline from which to develop measurable goals and information to guide program development. Although there are costs to any research effort, strong data collection and analysis can help the city build public will, engage funders and part-

ners, promote the development of appropriate financial products and better evaluate the success of the program.

WORKING GROUPS AND SUBCOMMITTEES

Bank On initiatives should have a clear structure, well-defined goals and a reasonable timeline. The creation of a subcommittee structure to design and implement Bank On will help keep the effort organized and moving forward. Subcommittees or working groups chaired by committed leaders can help cities engage a wide net of stakeholders with needed expertise and resources.

BUDGETING AND RESOURCE DEVELOPMENT

A sustainable Bank On program budget may draw upon a wide array of resources available within the community, including in-house resources, in-kind donations, pro bono services and contributions from financial institutions. Consideration of each component of overall program costs — particularly for marketing and outreach — will help ensure that a Bank On program is effectively advertised and introduces unbanked residents to the financial mainstream.

DATA TRACKING AND ANALYSIS

Tracking, analyzing and reporting data are key steps in the development and evaluation of an effective Bank On program. Without valid and reliable evidence that the program is having its intended effect, it is difficult to keep stakeholders engaged and secure buy-in from

potential partners and funders. Outcome data also help cities make informed decisions on how to address challenges and improve the program so that it responds to residents' needs. Bank On program staff typically track the number of Bank On accounts opened and closed, account performance details (e.g., average monthly balance, non-sufficient fund occurrences), information on how the customer learned about the program and the impact of financial education.

PRODUCT DEVELOPMENT

Bank On products must simultaneously meet the needs of unbanked residents and offer benefits to participating financial institutions. By researching financial service needs in the community, engaging financial institutions in product development and tapping into the knowledge of community-based organizations that work with unbanked families, cities can facilitate the creation of appropriate financial products that provide pathways to asset building and protection. Typical Bank On products feature low- or no-cost checking accounts, low or no minimum monthly balances, forgiveness of at least one non-sufficient funds/overdraft charge in the first year and flexibility in opening accounts for individuals in ChexSystems. In some cities, participating banks and credit unions accept alternative forms of identification to reach a larger proportion of unbanked residents.

MARKETING AND OUTREACH

As with any new product, the success of Bank On accounts and services requires marketing. In addition to developing a product that meets the needs of unbanked residents, city teams must develop an appropriate marketing and outreach strategy to reach these individuals. Marketing messages not only encourage use of the product, but also incorporate general public service messages about the importance of saving and keeping money safe.

FINANCIAL EDUCATION

Accessible financial education enhances program efforts to introduce unbanked individuals to the financial main-

stream. By designing financial education to meet the unique needs of residents who are unbanked, city leaders prepare these residents to avoid predatory financial practices, better manage their income, and develop long-term plans for saving and investing. City officials can provide input into the development of a financial education curriculum, which may be delivered in classroom settings or through individualized coaching.

TRAINING AND CUSTOMER SERVICE

Before the launch of a Bank On initiative, all partners must be trained appropriately to discuss the program and product, and understand their role in referring customers, providing financial education, and tracking data on customers. In particular, Bank On program leaders must develop a training system for branch staff of financial institutions. A continuous training plan should be in place to mitigate the effects of employee turnover.

LAUNCHING AND SUSTAINING A BANK ON PROGRAM

The launch of a Bank On program marks the end of the planning stage and the beginning of implementation and management of the program. By hosting a public launch event, cities formally introduce the program to the community and demonstrate the high level of support from municipal leaders and other partners. Most importantly, the launch event signals that the Bank On program is up and running and available to potential customers. Therefore, it is important to plan a visible, dynamic kickoff event to raise awareness among local residents.

As program planners transition into implementation and management roles, one individual may be designated to serve as program manager or maintain the committee structure. Program leaders must also decide how to expand or improve the program, take advantage of new financial services innovations, ensure the program continues to meet residents' needs and sustain involvement

of and trust among key partners. Regularly scheduled meetings following the program launch can help cities continue the momentum and monitor program performance.

DEVELOPING A BROADER FINANCIAL STABILITY AGENDA

A Bank On initiative can be an important first step in helping residents build assets. However, once a city has its Bank On program in place, the work is not necessarily over. Bank On program leaders may want to build upon and improve their programs by reaching more unbanked and underbanked residents, using the program infrastructure to develop a more robust asset-building agenda and improve program components, such as financial education or evaluation.

1. PARTNERSHIPS AND STEERING COMMITTEE STRUCTURE

The early stages of a Bank On initiative can have a tremendous impact on the program's long-term success. Once city leaders have decided to pursue this strategy, they must identify and carefully consider key stakeholders that can serve as partners and co-conveners. An important first step is to build a stakeholder team that can work together effectively to lead the initiative and engage other important partners. No one entity can implement a Bank On program by itself. A variety of partners add depth to these efforts and provide the resources needed to develop and sustain the Bank On program.

IDENTIFYING KEY PARTNERS

Traditional partners in a Bank On initiative include municipal staff, federal regulatory agencies, nonprofit or community-based organizations (CBOs) and bank or credit union representatives. However, each initiative advances under unique local circumstances, and city leaders should consider approaching potential partners beyond the “usual suspects.” Faith-based organizations, advocates for people with disabilities, media partners (such as Univision and other ethnic media outlets), universities, local businesses, former elected officials, media and marketing representatives and state officials are among the various partners that have been involved in Bank On efforts.

MUNICIPAL LEADERS AND OTHER ELECTED OFFICIALS

Municipal leaders often provide the initial spark for a Bank On campaign. The support of local elected officials and high-level city staff will help the program garner clout and proper attention from financial institutions and CBOs. Successful programs often involve city staff representing an agency such as economic development or human services who can act as a leader or project facilitator.

Connections with individuals at the state level also strengthen a Bank On initiative. Members of the state legislature can advocate for policies that protect consumers and expand access to mainstream financial services. Officials in state departments, such as the Treasurer's Office or Department of Banking, can help inform the work and expand it within a larger statewide context.

FINANCIAL INSTITUTIONS

Financial institutions are the main point of delivery for the Bank On program, and also have the necessary expertise in financial products and services. The earlier they are engaged, the more likely they will become involved with the program. Financial institution representatives who participate in the development of a Bank On initiative may be members of regional leadership teams, community development staff, branch managers or others within the bank or credit union. It is preferable to target either high-level bank staff who are authorized to make decisions, or representatives who have direct access to those staff.

When engaging banks and credit unions, it is often helpful, at least initially, to meet individually with representatives of key financial institutions that are likely to join the initiative. City officials should also consider reaching out to a variety of different kinds of institutions, including large national banks, regional banks, smaller community development banks and credit unions. Some financial institutions, especially community banks and credit unions, may already have a mission to reach financially underserved markets. By identifying these institutions in advance, local officials may learn how their current programs can fit into a Bank On initiative. Larger or national financial institutions may also offer a standard product for this market. As larger banks become more involved in local programs to reach underserved residents, some are being proactive about offering a Bank On product.

FINANCIAL REGULATORS

Working with federal financial regulators can be extremely beneficial to the success of a Bank On initiative. The Federal Deposit Insurance Corporation (FDIC), Federal Reserve Bank and Office of the Comptroller of the Currency (OCC) can help clarify regulations and provide strategic advice about financial products and services. Staff at FDIC and Federal Reserve Bank regional offices around the country are often eager to participate in Bank On planning committees (a list of the regional offices of these regulators is available below). Regulators can offer guidance on issues that affect Bank On programs, such as how the Community Reinvestment Act (CRA) can extend to participating banks and the impact of Patriot Act compliance on programs. Regulators can also help identify financial institutions serving the community and assist with research and data tracking.

COMMUNITY ORGANIZATIONS

Community groups such as faith-based organizations, neighborhood groups, financial education providers and local institutions of higher education are important members of a Bank On coalition. These partners not only provide expertise in research, financial education and other key aspects of the program, but they are often most connected to unbanked and underbanked communities. Members of the population to be served by a Bank On initiative often see community organization staff as trusted messengers. In addition, community groups frequently serve as the program's fiscal agent.

Moreover, community organization leaders are often enthusiastic about participating in a Bank On program since it provides their clients with opportunities to become more financially stable and helps their organizations build relationships with other stakeholders, such as city government and financial institutions.

Additionally, larger nonprofit organizations such as local United Ways have already provided considerable support and expertise to Bank On initiatives across the nation. A local university may be willing to help conduct preliminary and evaluative research.

EXISTING COALITIONS

Many communities have existing coalitions that can be ideal partners in a Bank On campaign, such as Earned Income Tax Credit (EITC), savings and asset-building coalitions. These collaboratives and their members already have considerable expertise in helping families achieve financial stability and are likely already working with most of the other key partners. In many cases, a Bank On program has emerged from the work of an existing coalition. Leaders of a Bank On program should connect with these coalitions to identify whether it makes sense to build on, integrate or leverage their efforts in the community.

NATIONAL EXPERTS AND RESOURCES

A number of national organizations have become involved with local Bank On efforts by either providing communities with direct assistance or conducting research on financially underserved populations. Many of these organizations are available to offer technical and research support. The National League of Cities Institute for Youth, Education and Families, U.S. Department of the Treasury, national headquarters of the FDIC and Federal Reserve Bank, Social Compact, Pew Charitable Trusts and other organizations can provide helpful resources, sample documents and other assistance. Some charitable foundations have also provided limited funding to local Bank On efforts. In the future, federal grant opportunities may also be available to support communities' Bank On programs.

FORMING A STEERING COMMITTEE

Many cities have created a leadership team or steering committee composed of the partners who are best positioned to provide overall leadership and direction for the Bank On initiative, and then engaged additional partners to play specific roles in the planning and implementation process. A high-level municipal staff person, frequently within a related city agency such as economic development or human services, often leads the steering

committee. In some cities, this individual works in the office of the mayor or another elected official.

The strong support of the mayor, a city councilmember and/or other elected leaders is crucial in attracting additional partners to participate in the Bank On program. In addition to including the primary organizers and program planners, the leadership team should reflect the diversity of stakeholders involved in the initiative. For example, the steering committee should have representatives from city government, financial institutions and community organizations.

SECURING PARTNER COMMITMENT

Once municipal leaders have engaged key partners and elicited their interest in participating in a Bank On initiative, they may want to consider ways to ensure a long-term commitment. This can be accomplished informally through a verbal agreement, or through formal memoranda of understanding (MOUs).

For instance, the cities of Seattle, Savannah, Ga., and Gaithersburg, Md., have each used participation agreements to secure commitment from their financial institution partners. Seattle officials developed an optional MOU that was distributed after the program's kickoff event to formalize each institution's involvement in the overall initiative and in specific working groups. In Gaithersburg, local officials created a participation agreement for financial institution partners to sign as a less formal, legally non-binding alternative to an MOU. San Francisco and Evansville, Ind., leaders have used a less formal approach with their Bank On partners. Both cities rely on verbal agreements from each individual financial institution to formalize their commitment to the initiative.

MAINTAINING MOMENTUM AND ENTHUSIASM

It is important to keep partners engaged and enthusiastic about their involvement in the program, particularly during long negotiation periods or times when the program development process becomes temporarily stalled. One way to ensure continued momentum is to plan regular, ongoing meetings that occur on a reasonable schedule. This will encourage a consistent workflow and help partners avoid "meeting fatigue." Also, efforts by city officials and other community leaders to publicly thank Bank On partners for their time and dedication and offer support and encouragement to program planners can foster sustained enthusiasm.

CITY EXAMPLES

SAVANNAH

Program leaders in Savannah distributed a commitment form to local financial institution presidents at an informational meeting held a few weeks prior to the program's launch (see below). While financial institution representatives were given the opportunity to ask questions and address concerns about their participation in the Bank On initiative, they were required to sign the document in order to participate as full partners.

SAMPLE COMMITMENT TO PARTICIPATE

Bank on Savannah Commitment to Participate

Thank you for agreeing to participate in the *Bank on Savannah* initiative. The purpose of this Commitment to Participate is to outline the steps you are agreeing to take in order to be a participating member of *Bank on Savannah*. If you wish to participate, then we ask that you return this signed by March 13th.

Although this is not a legally binding agreement, it expresses the intention of the financial institution that signs this Commitment to Participate to actively engage in the *Bank on Savannah* initiative. In the event a financial institution wishes to discontinue its participation, it may do so in writing to the initiative.

The purpose of this initiative is to connect people in Savannah who are unbanked with mainstream financial services including affordable checking, savings, credit, and financial education opportunities. The initiative will help people keep more of what they earn and start on a pathway to improved financial success.

In order to achieve the goals of this initiative, we need your commitment to the following recommendations that have been agreed upon by the institutions participating with the Banking Taskforce:

- Make a financial investment to cover marketing and development costs for the 2009 launch.
- Participate in the initiative through 2009 and 2010.
- Offer the products and services that meet or exceed the agreed upon Criteria.
- Participate in tracking and sharing data universally accepted by all institutions in a timely manner. Aggregate data, but not data from individual financial institutions, will be reported back to all *Bank on Savannah* partners.
- Make available *Bank on Savannah* marketing and education materials at your institution.
- Allow branch employees to be oriented and trained by the initiative partners so they are able to offer high-quality customer service to potential *Bank on Savannah* customers;
- Make a good faith effort to comply with all *Bank on Savannah* recommendations, including considering recommendations that are strongly encouraged but not required;
- Commit a marketing manager to be part of a subcommittee that will assess the effectiveness of the campaign by attending quarterly meetings;
- Commit to working with *Bank on Savannah* to provide quarterly financial education classes for which facilitation and curriculum will be provided.

We are excited that you have agreed to participate in *Bank on Savannah* and provide important financial services to people who currently are unbanked. We look forward to working with you to make the *Bank on Savannah* a success for both the financial institutions and your new customers.

_____ agrees to participate in *Bank on Savannah*.
[Name of Financial Institution]

Financial Institution Representative:

[Signature]

Date: _____

[Title]

FDIC REGIONAL OFFICES AND FEDERAL RESERVE BANKS

Federal Deposit Insurance Corporation (FDIC) Headquarters and Regional Offices

City leaders interested in learning more about the FDIC's role in expanding access to mainstream financial services through initiatives like Bank On programs may want to begin their search through the Community Affairs office within the FDIC system. The Community Affairs staff assist financial institutions in developing strategies that are responsive to the credit, service and investment needs of their communities.

FDIC Headquarters

Washington, D.C.
Phone: (877) 275-3342
Area: all insured banks

Atlanta Regional Office

Atlanta, Ga.
Area: Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia, West Virginia
Thomas E. Stokes, Community Affairs Officer
Phone: (678) 916-2249

Boston Area Office (New York Region)

Braintree, Mass.
Area: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
Timothy W. DeLessio, Community Affairs Officer
Phone: (781) 794-5632

Chicago Regional Office

Chicago, Ill.
Area: Illinois, Indiana, Kentucky, Michigan, Ohio, Wisconsin
Angelissa Harris, Community Affairs Officer
Phone: (312) 382-6940

Dallas Regional Office

Dallas, Texas
Area: Colorado, New Mexico, Oklahoma, Texas
Elloy Villafranca, Community Affairs Officer
Phone: (972) 761-8010

Kansas City Regional Office

Kansas City, Mo.
Area: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
Teresa Perez, Community Affairs Officer
Phone: (816) 234-8151

Memphis Area Office (Dallas Region)

Memphis, Tenn.
Area: Arkansas, Louisiana, Mississippi, Tennessee
Clinton Vaughn, Community Affairs Officer
Phone: (901) 818-5706

New York City Regional Office

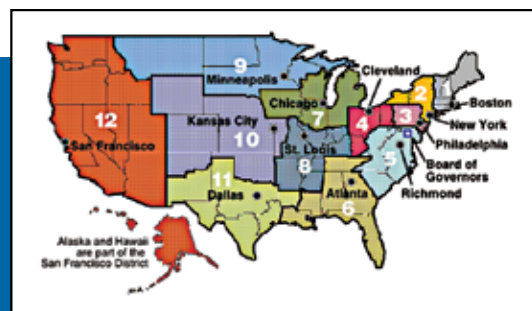
New York City, N.Y.
Area: Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania, Puerto Rico, Virgin Islands
Valerie J. Williams, Community Affairs Officer
Phone: (917) 320-2621

San Francisco Regional Office

San Francisco, Calif.
Area: Alaska, Arizona, California, Guam, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington, Wyoming
Linda D. Ortega, Community Affairs Officer
Phone: (415) 808-8115

THE FEDERAL RESERVE SYSTEM

City leaders interested in learning more about the Federal Reserve System's role in Bank On initiatives may want to contact the Community Affairs office within their regional Federal Reserve Bank. The Federal Reserve System, through its Community Affairs program at the Board of Governors and the 12 Federal Reserve Banks, engages in outreach, educational, and technical assistance activities to help financial institutions, community-based organizations, government entities, and the public understand and address financial services issues affecting low- and moderate-income persons and communities.



Federal Reserve Board of Governors

Washington, D.C.

Phone: (888) 851-1920

Federal Reserve Bank of Boston

Boston, Mass.

Area: Connecticut (excluding southwest Connecticut), Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

Richard Walker, Vice President and Community Affairs Officer

Phone: (617) 973-3059

Federal Reserve Bank of New York

New York City, N.Y.

Area: Fairfield County, Conn., New Jersey (12 northern counties), New York, Puerto Rico, U.S. Virgin Islands

Tony Davis, Senior Community and Economic Development Advisor

Phone: (212) 720-6369

Federal Reserve Bank of Philadelphia

Philadelphia, Pa.

Area: Delaware, southern New Jersey, eastern Pennsylvania

Dede Myers, Vice President and Community Affairs Officer

Phone: (215) 574-6458

Federal Reserve Bank of Cleveland

Cleveland, Ohio

Area: Ohio, eastern Kentucky, western Pennsylvania, northern West Virginia

Ruth Clevenger, Vice President and Community Affairs Officer

Phone: (216) 579-2392

Federal Reserve Bank of Richmond

Area: District of Columbia, Maryland, North Carolina, South Carolina, Virginia, West Virginia (excluding northern panhandle)

Kimberly Zeuli, Assistant Vice President and Community Affairs Officer

Phone: (804) 697-2782

Federal Reserve Bank of Atlanta

Atlanta, Ga.

Area: Alabama, Florida, Georgia, southern Louisiana, southern Mississippi, eastern Tennessee

Paige Dennard, Community and Economic Development Director

Phone: (404) 498-7200

Federal Reserve Bank of Chicago

Chicago, Ill.

Area: northern Illinois, northern Indiana, Iowa, Michigan, southern Wisconsin

Alicia Williams, Vice President and Community Affairs Officer

Phone: (312) 322-5910

Federal Reserve Bank of St. Louis

St. Louis, Mo.

Area: Arkansas, western Kentucky, southern Indiana, southern Illinois, northern Mississippi, eastern Missouri, western Tennessee

Glenda Wilson, Community Development Officer

Phone: (314) 444-8317

The Federal Reserve Bank of Minneapolis

Minneapolis, Minn.

Area: Michigan (upper peninsula only), Minnesota, Montana, North Dakota, South Dakota, northwestern Wisconsin

Jacqueline King, Assistant Vice President and Community Affairs Officer

Phone: (612) 204-5470

The Federal Reserve Bank of Kansas City

Kansas City, Mo.

Area: Colorado, Kansas, western Missouri, Nebraska, northern New Mexico, Oklahoma, Wyoming

Tammy Edwards, Community Affairs Officer

Phone: (816) 881-2123

The Federal Reserve Bank of Dallas

Dallas, Texas

Area: northern Louisiana, southern New Mexico, Texas

Alfreda Norman, Assistant Vice President and Community Development Officer

Phone: (214) 922-5377

The Federal Reserve Bank of San Francisco

San Francisco, Calif.

Area: Alaska, American Samoa, Arizona, California, Guam, Hawaii, Idaho, Nevada, Northern Mariana Islands, Oregon, Utah, Washington

Scott Turner, Vice President and Community Affairs Officer, Community Development

Phone: (415) 974-2722

2. PRELIMINARY RESEARCH

Conducting preliminary research on the city's financial services landscape is a crucial step in the development of a Bank On initiative. This research can help local officials understand approximately how many of the city's residents lack bank accounts and identify barriers these residents face in using safe, affordable financial services. Cities can also gain greater insight into the needs of the unbanked and the costs resulting from lack of access to mainstream financial services.

Gathering this information in the early stages of the initiative helps establish a baseline from which to develop measurable goals and makes subsequent tracking and evaluation efforts more meaningful and informative. In addition, early data collection and analysis equips decision-makers with the knowledge necessary to craft appropriate initiatives that effectively address local needs, and can be an especially effective tool in:

- Highlighting the need for the program among potential funders and partners;
- Building public will and engaging financial institutions and other partners in providing the appropriate products and services;
- Guiding and validating ongoing discussions among key stakeholders involved in shaping the Bank On program;
- Developing appropriate Bank On products that meet the specific needs of both residents and financial institutions in the community; and
- Structuring other components of a program appropriately and effectively, such as financial education, other banking services, and outreach strategies.

Finally, ongoing research-based evaluation adds credibility to the Bank On program, which in turn leaves a city well-positioned to obtain outside funding for future efforts. Both quantitative and qualitative research can help to inform the development and implementation of a Bank On initiative.

CONDUCTING QUANTITATIVE RESEARCH

Quantitative research provides Bank On program leaders with comparatively objective, easily measurable information, but can be time-, labor- and cost-intensive to conduct. To reduce these costs, leadership teams may be able to use organizational or programmatic data from other agencies in the community. For example, cities may analyze demographic data already being collected by a nonprofit organization or government agency to identify segments of the population who are likely to become Bank On customers. Some community organizations may agree to help conduct research through their intake processes and other work with families.

Cities may also find it beneficial to contract or partner with a university or other institution with the capacity to collect and analyze data. Colleges and universities may be able to offer research expertise at low costs, as many can build data collection and analysis into projects for graduate students (e.g., in social work or urban planning) or other “pro bono” work. Some Bank On teams have found opportunities to leverage support from other community partners, such as local marketing or advertising firms that are willing to donate resources in-kind. Local or regional foundations may serve as resources for either funding or carrying out quantitative research.

Bank On program planners commonly seek to collect data on the following indicators as part of their preliminary research process:

- Number of households or individuals who are currently unbanked or underbanked;
- Type of mainstream or alternative financial services used and why;
- Cost of using alternative financial services;
- Barriers to mainstream banking;
- Employment status;
- Income, race/nationality, age, and other demographic information;
- Past banking relationships of individuals and family members;
- Housing status;
- Prevalence of mainstream and alternative financial services institutions in the region; and
- Information about sources of local news and information used by individuals (for outreach purposes).

As attention to the issue of access to financial services grows, several national organizations have focused on identifying and understanding the unbanked and underbanked population. From 2007 to 2009, the Pew Charitable Trusts Safe Banking Opportunities Project provided city officials expressing interest in developing Bank On initiatives with profiles about the number and distribution of unbanked households, as well as the prevalence of banks, credit unions and fringe financial institutions such as pawn shops and check cashers, in their communities (see the profile of Indianapolis/Marion County below).

Although Pew Charitable Trusts is no longer engaged in this work, other organizations such as Social Compact (socialcompact.org) and federal agencies such as the Federal Reserve and FDIC have worked with a number of cities to collect similar information. In 2009, the FDIC released a *National Survey of Unbanked and Underbanked Households*, which contains comprehensive data on the

number of households that are unbanked and underbanked, their demographic characteristics, and their reasons for disconnection from the financial mainstream. These data are available at the national, state and metropolitan statistical area (MSA) levels. The FDIC survey provides a previously unavailable snapshot of the nation's unbanked and underbanked households that can inform policy and program decisions and highlight the need for expanded access to mainstream financial services. The survey results are available at economicinclusion.gov. The FDIC also conducted a 2008 survey of FDIC-insured banks to assess their efforts to serve unbanked and underbanked individuals and families. Survey findings and recommendations can be found on the FDIC's website at fdic.gov/unbankedsurveys.

The Federal Reserve Banks have conducted similar research at the regional level, collecting data on how and why unbanked and underbanked consumers manage their finances outside of the traditional financial services sector. For instance, a qualitative research project conducted in 2009-10 by the Federal Reserve Bank of Kansas City involved interviews of dozens of unbanked and underbanked individuals. Results from the study are available at kansascityfed.org/research/community/unbanked.cfm.

CONDUCTING QUALITATIVE RESEARCH

Local officials can use qualitative research as a valuable tool for gaining a more solid understanding of residents' financial habits. Cities have used surveys, interviews and focus groups as sources of qualitative information for their population or subject of interest, which can include both unbanked residents and financial institutions. Qualitative research often highlights additional needs and issues that quantitative information cannot capture. It can help inform the development of a Bank On initiative's specific components by painting a more comprehensive picture of the unique needs of a community. Cities can also use surveys and focus groups to develop appropriate marketing strategies to reach targeted populations.

Conducting qualitative research may introduce extra time, labor and costs to a Bank On effort in similar ways as quantitative research. However, qualitative research may be less expensive because it can be done on a smaller scale and thus tends to require fewer resources. As with quantitative research, a city may want to consider contracting or partnering with an external organization with the capacity to develop and administer the survey or convene a focus group. To reduce costs, community-based organizations participating in the initiative can recruit volunteers to administer the survey.

CITY EXAMPLES

Bank On planners in Savannah, Ga., Providence, R.I., and New York City have used a combination of quantitative and qualitative research to reach and learn about their cities' unbanked residents. These cities primarily used surveys asking residents about their financial services usage, perceptions of the availability and quality of financial services, saving and borrowing behavior and current financial situation.

The three cities shared similarities in how they funded their research efforts, how they collected, analyzed and used data and in their use of focus groups to gather qualitative information. Each of the cities drew upon a combination of foundation grants and city funds that were already tied to their Bank On initiatives, while the William J. Clinton Foundation provided some additional funding and technical support for research.

All three cities used external support to administer surveys door-to-door in low-income residential areas. For instance, local officials in Providence engaged New England Market Research to help with their survey design and analysis. Each city collected quantitative data by obtaining random, proportionate sampling from each neighborhood so that the information could be analyzed statistically. Findings from these analyses helped local officials identify differences in the financial behaviors and attitudes between the banked and unbanked, and how to best bridge the gap between unbanked residents and mainstream financial institutions. The cities also conducted focus groups with low-income residents to supplement the survey findings.

Local Bank On program leaders in other cities throughout the country have found value in collecting both quantitative and qualitative data. For instance, city leaders in San Francisco cited their focus groups as being particularly helpful in understanding why San Franciscans were unbanked.

NEW YORK CITY

New York City Bank On leaders partnered with several local and national organizations to help conduct their research. Phipps Community Development Corporation and Neighborhood Housing Services of Jamaica (Queens) helped recruit and train volunteers to administer 640 in-person surveys in their two target neighborhoods. The William J. Clinton Foundation and the Neighborhood Economic Development and Advocacy Project then analyzed these data.

SAVANNAH

In Savannah, faculty from Savannah State University trained graduate students and several neighborhood volunteers to administer a survey, and provided a report of the findings from their analysis to the Bank On leadership team. The Savannah team also used focus groups to discern specific barriers that were preventing the unbanked from using financial institutions, what components of a Bank On product would be most appealing to them, and what kind of marketing tools would be most effective in reaching this population.

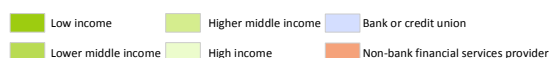
PEW CHARITABLE TRUSTS' BANK ON PROFILE OF INDIANAPOLIS/MARION COUNTY

Bank On Profile: Marion County (Indianapolis)

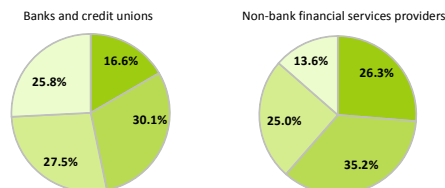


Basic financial services infrastructure (estimates)

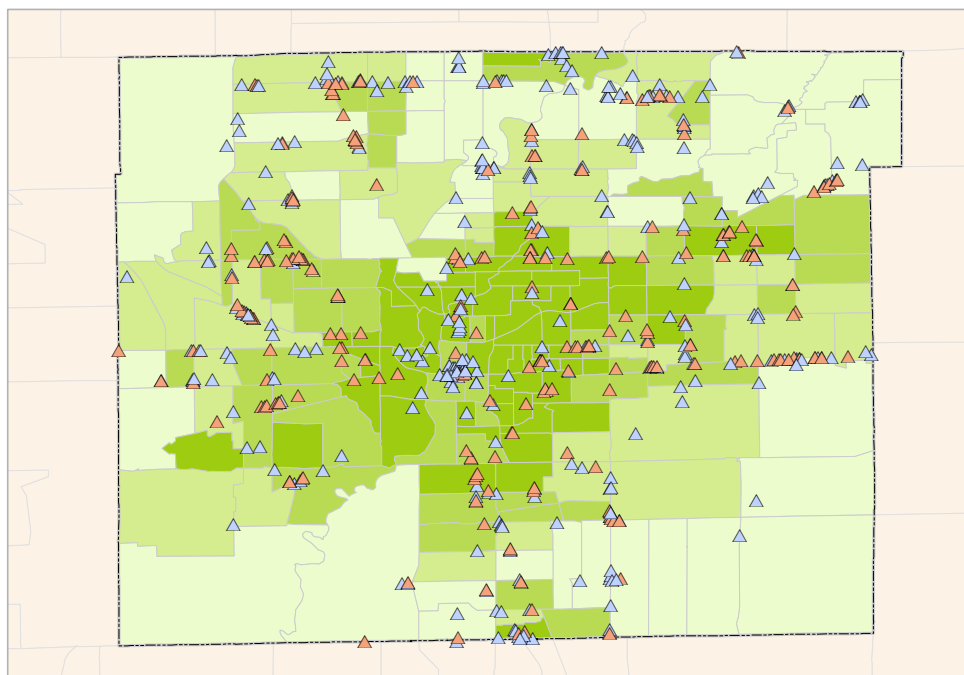
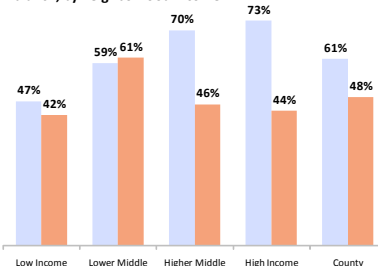
Number of unbanked households	79,800	Share of check cashers located one mile or less from a bank or credit union branch	80%
Number of bank and credit union branches	349		
Number of non-bank financial service providers	236		



Distribution of financial services branches, by neighborhood income



Share of neighborhoods containing a financial services branch, by neighborhood income



The Pew Safe Banking Opportunities Project's analysis of data from the Indiana Department of Financial Institutions, FDIC, infoUSA, and the U.S. Census Bureau. Alternative financial service providers include any non-bank institutions that offer check cashing, payday loans, and/or pawn loans. Neighborhood income represented by census tract. Income groups were determined using national neighborhood income quartiles where median neighborhood income is greater than \$0 (low income is \$37,146 or less; lower middle income is between \$37,147 and \$48,258; higher middle income is between \$48,259 and \$64,190; and high income is \$64,191 or greater). Financial services data are current as of 2006; neighborhood income data are from 1999 and have been adjusted to 2006 dollars using the Bureau of Labor Statistics' CPI Research Series. Our estimate of unbanked households was generated using a proprietary algorithm developed and owned by the Pew Safe Banking Opportunities Project and incorporating data from the Federal Reserve's 2007 Survey of Consumer Finances, U.S. Census Bureau, Indiana Department of Financial Institutions, and infoUSA. Contact: Mia Mabanta (mmabanta@pewtrusts.org).

3. WORKING GROUPS AND SUBCOMMITTEES

Developing a Bank On initiative can be a long process, full of careful negotiation with financial institutions and other partners, strategic development of goals, budgets and marketing plans and other activities. Before municipal officials can launch a Bank On program, many pieces must already be in place to ensure that the program runs smoothly. This section provides information about how to develop working groups or subcommittees to handle the various components of program development.

A carefully planned leadership structure can provide a Bank On initiative with organization and direction and help define goals and action steps to move the initiative forward. Generally, cities engaged in Bank On programs have formed subcommittees and working groups to inform program design, deepen partners' sense of ownership and buy-in, and address complex challenges effectively. Strong leadership structures provide opportunities to engage key stakeholders who can contribute unique skill sets and resources. For example, a Federal Reserve Bank member may offer expertise, meeting space and funding while a neighborhood association member may provide insight about and access to a particular neighborhood or ethnic group.

Many cities have used a two-tiered committee structure to carry out their Bank On activities. This structure involves a steering committee to provide oversight, develop the overarching goal or mission of the project and identify the specific tasks needed to achieve the desired results. The steering committee delegates these tasks to a second tier of subcommittees or working groups. In San Francisco, Seattle and many other cities, community organizations and financial institutions participate in the decision-making process by joining one of four workgroups:

1. Financial products and services;
2. Marketing and outreach;

3. Financial education/money management; and
4. Tracking and evaluation.

These subcommittees cover some of the basic components of a Bank On program. Cities have also established additional subcommittees to reflect their specific goals and local needs. For example, the Seattle team added a new training committee later in their planning process. This committee developed a training guide for financial institution branch staff and “train-the-trainer” classes for representatives from each financial institution.

It is important that subcommittees and working groups charged with designing and implementing Bank On initiatives have a clear structure, well-defined goals and a reasonable timeline (see the sample roadmap for creating a Bank On campaign below). A larger steering or coordinating committee can help set the overall goals of the working groups and hold them accountable. Designating a chairperson or leader of each subcommittee can also ensure that the groups stay on task. It is helpful if group leaders are viewed as “unbiased” and trusted by both financial institutions and community partners.

PRODUCT DEVELOPMENT

The product development subcommittee is primarily responsible for developing baseline criteria for the Bank On product and negotiating with financial institutions to ensure that they provide the product. This subcommittee may also lead the way in building relationships with financial institutions, developing participation agreements and ensuring that financial institution staff are trained and knowledgeable about the Bank On program. Because they bring valuable insight into appropriate products that are both feasible for financial institutions to provide and responsive to the needs of unbanked and underbanked consumers, representatives from local

banks and credit unions often make up the majority of this subcommittee and/or chair the group. In San Francisco, the first major task of the product development group was to develop a set of “minimum thresholds” to which each financial institution adheres when offering a Bank On San Francisco product.

MARKETING AND OUTREACH

The marketing and outreach subcommittee should focus on developing an effective campaign for promoting the program, as well as garnering the resources needed to implement the marketing strategy. This group may be responsible for accessing market-based research to understand the target population; securing in-kind services from marketing and printing professionals if possible; developing a strategy for disseminating information about the program; forming partnerships for outreach; and asking for contributions from participating financial institutions to support marketing of the program.



GAITHERSBURG, MD., RESIDENTS LEARN ABOUT BANK ON GAITHERSBURG AT A COMMUNITY EVENT.

A wide variety of stakeholders typically sit on the marketing and outreach subcommittee, including financial institutions, nonprofits that serve the unbanked and underbanked and city agencies. In Evansville, Ind., the marketing committee created a plan and budget, and formed several of its own subcommittees, including:

- A subcommittee to develop a logo and marketing materials. Two local marketing firms provided in-kind assistance with designing the logo and adapting San Francisco’s marketing materials to fit Evansville’s needs.
- A public relations/media subcommittee, which created public service announcements that were aired by local public television and radio stations.
- A community outreach subcommittee, which engaged area community organizations, schools and churches in the outreach campaign.

In San Francisco, the marketing and outreach group engaged the advertising firm McCann Worldgroup, which donated their time and expertise to create a set of marketing materials for the city’s advertising campaign. The firm helped the marketing and outreach subcommittee design a marketing strategy that would appeal to local residents targeted for participation in the program.

FINANCIAL EDUCATION AND MONEY MANAGEMENT TRAINING

Many cities create a subcommittee to incorporate appropriate financial education services into their Bank On programs. Typical members include banks and credit unions, financial education providers and community organizations. The subcommittee often has to consider how to provide Bank On customers with financial education opportunities and how to ensure that financial education providers make their services accessible and relevant to the target population. The money management/financial education group in San Francisco developed and applied a set of standard criteria for the provision of financial education in the community. These criteria helped the city identify which financial education providers would be certified to participate in the Bank On San Francisco program.

DATA TRACKING AND EVALUATION

This subcommittee is responsible for developing and implementing a system to collect program data from participating banks and credit unions and use the data to evaluate the effectiveness of the program. Staff from regional FDIC or Federal Reserve Bank branches are well positioned to lead this group, since they are able to encourage banks and credit unions to report data in a timely manner. Regulatory agency staff can also answer questions about what type of information banks and credit unions are allowed to share with outside organizations. This subcommittee usually develops a set of common criteria for data reporting, creates a spreadsheet or other mechanism to capture the information, collects and analyzes the data and works with other partners to capture additional program information and evaluate effectiveness.

To evaluate the success of Bank On San Francisco, the data tracking and evaluation group worked with financial institutions and the Federal Reserve Bank of San Francisco to identify important outcome indicators and develop methods for analyzing aggregate data provided by financial institutions. Financial institutions agreed to report to the data tracking group twice yearly the number of accounts that had been opened as well as the average account balance.

CITY EXAMPLES

SAN FRANCISCO

As the architect of the first Bank On initiative, the City and County of San Francisco developed a committee structure that would become the model for all other Bank On programs. The city organized four working groups (listed above), which met over the course of six months.

After it launched the program, the Bank On San Francisco steering committee continued to convene city staff, representatives from the Federal Reserve Bank of San Francisco and leaders of the Earned Assets Resource

Network (EARN), a local community organization. This group meets monthly to assess the success of the program, identify challenges and new opportunities and plan next steps.

The city formed another leadership group consisting of financial institution representatives, participating community groups and staff from McCann Worldgroup after the launch of the initiative. This group meets quarterly and focuses primarily on the operations of the program. Members report on activities, data, and other program-related issues, and often benefit from hearing guest speakers discuss relevant topics.

SEATTLE

In 2007, the Seattle-King County Asset Building Collaborative (SKCABC) developed a coordinating committee to create the Bank On Seattle-King County program. The committee included representatives of SKCABC, the Federal Reserve Bank of San Francisco, the Washington State Department of Financial Institutions and the City of Seattle. The chairpersons of the initiative's four working groups also served on this committee.

The coordinating committee organized the initiative's activities and established overall goals for the program. Community organizations and financial institutions were invited to participate in the decision-making process by joining working groups on financial products and services, marketing and outreach, financial education and financial management and tracking and evaluation. Later in the process, the Seattle team added a training committee, as noted above. A local credit union representative who had a background training credit union staff played a key role in the development of the curriculum for "train-the-trainer" classes for financial institutions.

Each workgroup selected a chair or "convener" to organize the meetings. Financial institution representatives volunteered to participate in each workgroup, with many serving as chairs or co-chairs. These group leaders regularly reported back to the larger coordinating committee on their progress.

After the launch of Bank On Seattle-King County, the coordinating committee expanded to include additional

sponsors and community groups. This committee continues to meet regularly to discuss ongoing progress of the Bank On initiative and address continuing challenges concerning funding, costs and participation requirements.

EVANSVILLE

The City of Evansville built its Bank On Evansville structure upon existing collaborations among government, business and community-based organizations. The mayor's office houses and continues to be the driving force behind the initiative. Bank and credit union representatives co-chaired most Bank On subcommittees, with the exception of the tracking committee, in which a United Way staff member served as chair. As a loaned executive from Old National Bank to the City of Evansville, the Bank On project manager coordinated and staffed all steering committee meetings.

In addition to establishing four subcommittees, the Bank On Evansville team held monthly "Big Table" meetings with a wider network of partners to keep financial institutions and community organizations updated on the progress of the committees. Participants at these meetings finalized and voted on major decisions, such as financial product parameters and the marketing budget.

Like San Francisco and Seattle, committees in Evansville focused on product development, marketing, financial education and tracking and evaluation. The work of the financial education committee highlights the structural adaptations that cities may make as they move forward.

The committee first identified area financial education opportunities and specific financial education programs that would be most suitable for teaching the basics of successfully managing a checking account. After this assessment, the committee determined that a separate financial education curriculum specifically tailored toward the needs of potential Bank On clients would be most effective.

Because no funding was available to help service providers deliver this program, the committee formed new curriculum development and training subcommittees. These groups were responsible for developing a suitable curriculum and implementing a "train-the-trainer" program that would equip volunteers to deliver this Bank On financial education curriculum in community settings.

Bank On Evansville's structure has proven sustainable since the city launched the initiative. Financial institution and community organization representatives serve as co-chairs, with the initial Bank On project manager from Old National Bank and the local United Way's financial stability partnership coordinator filling those roles in the first year. United Way has undertaken many of the logistical tasks of managing the Bank On Evansville program that were formerly carried out by the project manager. Evansville leaders will hold quarterly Big Table meetings, and committees and subcommittees will continue to meet as needed. Finally, a roundtable meeting of financial institutions will also meet quarterly to discuss progress and consider development of additional products.

ROADMAP FOR YOUR BANK ON CAMPAIGN

	Committee: Identify key stakeholders and establish your steering committee.	Research: Gather information about unbanked residents in your community.	Target-setting: Establish a shared vision and goals for the initiative.	Subcommittees: Identify and establish subcommittees and working groups.	Product Development: Develop an appropriate baseline Bank On product.	Marketing and Outreach: Design an effective campaign to reach unbanked residents.	Data Tracking and Evaluation: Develop a plan to track and store account data.
What is your timeline for accomplishing this?							
Who needs to be at the table to help you accomplish this?							
What information do you need to accomplish this?							
What have you done or are you currently doing to accomplish this? What else could you do?							
What are some steps you would like to take in the next 1-2 months?							
What are some steps you would like to take in the next 12-18 months?							
What support and resources are already available to you?							
What support and resources do you need to help you accomplish this?							

SAMPLE SIGN-UP SHEET FOR COMMITTEES

Bank On It Volunteer Application (Bryan, Texas)



Contact Information

*Name	
Institution Name	
Street Address	
City ST ZIP Code	
Work Phone	
E-Mail Address	
*Please provide us with the appropriate contact person for your institution if other than yourself	

Type of Organization

<input type="checkbox"/> Bank	<input type="checkbox"/> Credit Union	<input type="checkbox"/> Other
-------------------------------	---------------------------------------	--------------------------------

<input type="checkbox"/> We will participate in Bank on Bryan		
<input type="checkbox"/> We will be part of the Bank on Bryan Steering Committee (Select one of the following steering committee options)	<input type="checkbox"/> Marketing <input type="checkbox"/> Products <input type="checkbox"/> Implementation <input type="checkbox"/> Evaluation	<input type="checkbox"/> We are willing to help with underwriting costs for Bank on Bryan.

SAMPLE INVITATION TO COMMUNITY LEADERS

Invitation Letter to Participate in Bank On It (Bryan, Texas)



September 11, 2009

Dear Financial Services Leader:

Please accept this invitation to join Mayor Mark Conlee and Councilmember Ann Horton from 1:30 - 3:30 p.m. on Wednesday, September 30, 2009, at the Bryan Municipal Court building located at 401 S. Tabor Avenue next to the Bryan Municipal Office Building for the unveiling of an exciting new community initiative aimed at increasing the financial stability of working families in Bryan.

Bank On It is a collaborative effort of the City of Bryan, the United Way of the Brazos Valley, the FDIC, the Federal Reserve, the Office of the Comptroller of the Currency, financial institutions, advocacy groups and the National League of Cities. The goal of this initiative is to connect working families to basic bank accounts and financial services that best meet their individual needs. The program is modeled after the very successful Bank On San Francisco effort that has, to date, provided banking services to approximately 20,000 previously unbanked San Franciscans. With the help of leaders like you, the Bryan initiative is sure to meet with equal success.

We are pleased to have representatives from many of the financial services regulatory agencies that have confirmed their attendance and commitment to support this local initiative. Gina Vincent with the FDIC, Jackie Hoyer with the Federal Reserve and Scarlett Duplechain with the Office of the Comptroller of the Currency have all confirmed their plans to attend this initial meeting. In addition, Sarah Bainton Kahn, Senior Program Associate with the National League of Cities (NLC), will also be in attendance for this important gathering. NLC is working with over a dozen other cities across the country on similar initiatives.

To RSVP, call Becky Aldridge at 979-209-5008 or send an e-mail to baldridge@bryantx.gov. We look forward to the opportunity to speak with you about Bank On It and how your institution can participate.

Best regards,

D. Mark Conlee
Mayor
City of Bryan

Ann Horton
Councilmember
City of Bryan

Ronnie Jackson
Neighborhood/Youth
Services Manager
City of Bryan

4. BUDGETING AND RESOURCE DEVELOPMENT

Most cities that launch a Bank On initiative do so without a source of substantial or centralized funding. Cities have addressed this challenge by pursuing in-kind services and resources, donations from participating financial institutions, pro bono services, contributions at fundraising events and occasionally grant funding or city general revenues. Overall, Bank On teams rely primarily on in-kind or pro bono resources, especially in the beginning stages. Most of the up-front costs of a Bank On initiative are advertising and marketing expenses.

Cities implementing Bank On initiatives might consider forming a subcommittee dedicated to budgeting and funding. Another option, as the Evansville, Ind., example below illustrates, is to assign the task of garnering in-kind or donated resources to certain subcommittee members.

SECURING A FISCAL AGENT

Cities should consider selecting a fiscal agent to manage the budget and handle the funds raised for a Bank On program. In addition to receiving donations and disseminating funds for designated activities, the fiscal agent may also apply for grants to support the program. Community organizations such as the United Way often play this role. In San Francisco, the nonprofit Earned Assets Resource Network (EARN) functions as the fiscal agent. The fiscal agent for Bank On Evansville is United Way of Southwestern Indiana. If the chosen fiscal agent is a 501(c)(3) organization, financial institutions and other corporations receive a tax deduction for their contributions to the program.

Some fiscal agents may request or require a fee for their services. For instance, the Seattle Foundation receives 5 percent of the donations for Bank On Seattle-King County to cover the cost of their work. In contrast, other

fiscal agents, such as Covenant Community Capital Corporation in Houston, do not charge a fee.

FUNDING SOURCES

FINANCIAL INSTITUTIONS

For many Bank On programs around the country, the largest cost involves marketing the campaign to consumers. Because financial institutions benefit from the increased advertising that a Bank On campaign can produce, most cities have asked or required that participating banks and credit unions contribute funds toward a marketing campaign. When approaching financial institutions for marketing contributions, it is important to emphasize that a Bank On program will generate new business by helping them reach an untapped customer base. Most banks and credit unions are often willing to contribute to the marketing campaign because they recognize the benefits of being involved in the program.

Bank On programs have typically requested contribution amounts based on bank size (e.g., a specified fee per branch) or created a sponsorship structure (e.g., bronze, silver, and gold levels) for financial institutions, other companies or local foundations to consider (see the sample sponsorship levels used in Savannah, Ga., below). For example, Bank On leaders might provide a gold sponsor with more exposure on certain marketing materials.

Because a Bank On program marketing campaign must be sustainable beyond the initial launch period, cities should plan ahead to ensure that there will be sufficient funds for materials after that period is over. It is helpful to ask participating financial institutions what they may be willing and able to contribute in the future to help sustain or grow the city's marketing efforts. Local officials may also encourage financial institution partners to

consider when to plan for future contributions in their budget cycles.

LOCAL FOUNDATIONS AND COMMUNITY ORGANIZATIONS

Cities might also consider asking local foundations to become “non-participating partners” in supporting the program. Local leaders can present the establishment of a Bank On program as an investment in the community when speaking with local foundations, which often have charters or missions to invest in the communities in which they are located.

In addition, cities can partner strategically with community-based organizations. While these organizations may not have dollars to contribute, they may be generous with in-kind staff time and resources to support a program’s marketing and outreach campaign. Community groups can also be a resource for other important components of the initiative by providing financial education, serving as the fiscal agent and tracking data to evaluate the program’s effectiveness.

BUSINESS PARTNERS

Beyond financial institutions, other local businesses may also be interested in offering resources to a Bank On program. Because expanding access to mainstream financial services may help residents keep more of their money and become more responsible consumers, a variety of businesses may see value in supporting a Bank On initiative.

Business partners can provide in-kind resources from envelopes and stamps for mailings to coupons or door prizes that can be used as incentives for opening a Bank On account or taking financial education classes. For instance, leaders of Bank On Washington, D.C., have encouraged local businesses to provide prizes for residents who receive financial education through the program’s online portal. Bank On Denver recruits volunteers from local businesses, and offers them training and certification to provide financial education.

CITY EXAMPLES

EVANSVILLE

Evansville’s marketing subcommittee developed a basic budget for advertising their campaign that considered the type and quantity of advertising items needed by financial institutions and nonprofit organizations (e.g., brochures, window clings), bids for production, appropriate contributions from financial institutions and other potential advertising outlets (e.g., television ads, bus ads).

In 2009-10, Bank On Evansville’s total advertising budget was \$20,000. This figure includes reserve funds for future printing and advertising costs. To support the program budget, the city requested that financial institutions contribute \$300 for each branch located in the county, and received in-kind services from local businesses for the design of the Bank On Evansville logo.

The marketing subcommittee also created a public relations team, which secured earned media coverage in the form of television appearances, radio interviews and newspaper articles. The local public broadcasting television station donated air time to develop a public service announcement for Bank On Evansville. The program team was successful in generating coverage without spending any funds on radio, print or television advertising in the initiative’s first year.

EXAMPLES OF MARKETING MATERIALS FOR BANK ON EVANSVILLE:

- Buck slips: 20,000
- Window clings: 200
- Foam core posters: 100
- Customer tri-fold brochures: 2,500-5,000
- Billboard posters: 5
- Bus side ads: 10 (\$60 each)
- Bus shelter ads: 12 (\$105 each)

HOUSTON

In Houston, the Covenant Community Capital Corporation serves as fiscal agent for a \$123,000 advertising budget, from which the Bank On program team began spending funds in December 2008. So far, Bank On Houston has spent approximately \$118,000 on marketing, including \$100,000 for television advertisements and the remainder for water bill inserts and program and financial literacy materials.

Houston's Bank On program does not operate with a formal budget with a specific time frame. The city treats staff time dedicated to Bank On as an in-kind donation, and has also covered various miscellaneous expenses such as postage costs. Although the city does not require contributions from participating banks, local officials encouraged large banks to contribute \$25,000 toward the cost of the program. Program leaders crafted their marketing campaign based on the amount of money they were able to raise from participating financial institutions.

The program has also received in-kind or pro bono services that include television advertising on Comcast

Cable and two Hispanic stations, billboard space, and marketing campaign design services from a communications firm. The program planners produced all marketing materials in English and Spanish to ensure that they were reaching the city's large Latino population. With an understanding of the barriers facing unbanked residents, the Bank On Houston inserts sent out with residents' water bills read, "Open an account. You can protect your money even if you had problems with an account in the past. You don't need a social security card or a driver's license."

Houston has also conducted direct mail campaigns with local school districts.

WASHINGTON, D.C.

The budget on the next page for Bank On Washington, D.C., highlights some of the costs of launching and sustaining a Bank On program.

SAMPLE BANK ON PROGRAM BUDGET

BANK ON WASHINGTON, DC PROPOSED BUDGET

BUDGET COMPONENT	ITEM	DETAILS	COST	NUMBER	DISPLAY COSTS	NUMBER2
MARKET RESEARCH	Focus groups	\$25 incentive * 20 people	500	6		
16%	Social Compact contract		20,000	1		
	Total			23,000		
MARKETING	Development		20,000	1		
78%	Subtotal			20,000		
	Public Service Campaign	Metrorail Diorama Display	105	5	20	5
		Bus queen size display	60	20	30	20
		Bus interior card	5	200	4	200
	Subtotal			2,725		1,500
	CBS Outdoor Campaign	Metrorail Diorama Display			960	1
		Bus queen size display			11,200	1
		Bus interior card			1,200	1
		Metrorail Car Cards	5	220	49,280	1
	Subtotal			1,100		62,640
	Mailings	Buck slips	1	20,000		
	Bank collateral	Window clings	5	200		
		Foam core posters	5	100		
		Customer tri-fold brochures	2	5,000		
	Subtotal			21,500		
	Total			108,365		
EVENTS	Kickoff	\$15 * 100 people	1,500	1		
6%	MOU Signing	\$15 * 100 people	1,500	1		
	Launch	\$15 * 100 people	1,500	1		
	Working team meetings	\$15 * 20 people	300	12		
	Total			8,100		
GRAND TOTAL				139,465		

SAMPLE SPONSORSHIP/CONTRIBUTION FORM FOR FINANCIAL INSTITUTIONS

Bank On Savannah Sponsorship Levels

Bank On Savannah has three levels of sponsorship available.

\$500-\$2,499	Silver
\$2,500-\$4,999	Gold
\$5,000 and above	Platinum

Silver sponsorship level includes the following marketing benefits:

- Inclusion of your financial institution in Bank On Savannah marketing materials promoting the Bank On Savannah initiative.
- This includes at least 5,000 customer brochures and 5,000 buck slips distributed in 2009.
- Mention in all press releases about the Bank On Savannah initiative throughout 2009.
- Opportunity to participate in any city-sponsored events and promotions where Bank On Savannah has a booth or presence.
- Inclusion of your financial institution in both the customer referral hotline, 2-1-1, and on the Bank On Savannah website, which identifies participating institutions.

Silver sponsorship level includes the following support benefits:

- Access to reporting and data from the Bank On Savannah campaign.
- Access to information from other cities about how they expanded deposits and grew Bank On customers.

In addition to the benefits above, Gold sponsorship level includes the following:

- On the Step Up Savannah website, your financial institution may use a linked logo to your website, instead of just a text link. This linked logo will appear in the section of participating banks, and can be the same size as the Bank On Savannah logo.
- Your financial institution will be included in all talking points about the initiative. These talking points will be available on the website and distributed to members of the clergy and other people-of-influence.
- Opportunity to use Bank On Savannah logo in your print ads and other marketing materials.

Platinum members receive all of the benefits above (Gold and Silver) plus the following:

- An opportunity to make 2-minute remarks at the April 15 press conference kicking off the Bank On Savannah initiative.
- One (1) radio remote at your financial institution, to drive new sign-ups.

5. DATA TRACKING AND ANALYSIS

Effective Bank On campaigns include a strong evaluation component that helps local officials identify challenges, make improvements and inform the future growth of the program. The ability to demonstrate that the program generates positive outcomes is key to its sustainability and continued funding. In addition, as needs change for residents, financial institutions and the broader community, ongoing tracking and evaluation will ensure that a Bank On program evolves to address those needs.

Developing mechanisms to collect, analyze and evaluate data for a Bank On program requires thoughtfulness and creativity, as well as cooperation from partner organizations, including financial institutions, community-based organizations and financial regulatory agencies such as the regional Federal Reserve Bank. Regardless of how cities choose to evaluate their Bank On programs, it is important to think about this component in the campaign's early planning stages.

IDENTIFYING KEY INDICATORS

An early step in planning an evaluation strategy is to identify the measures of success that the city will use to evaluate program outcomes. To date, most Bank On programs have tracked only very basic data such as the number of accounts opened and average account balances. This is because privacy regulations limit the information financial institutions are legally allowed to collect.

When possible, Bank On program leaders should look for more comprehensive data on the initiative's impact on the target population. For example, tracking how long Bank On accounts remain open, or whether a customer migrates to another product such as a savings account or loan, can help indicate whether a program is effective in creating positive behavioral changes among unbanked individuals.

In general, Bank On programs keep track of the following information:

- Basic account information, such as the number of Bank On accounts opened and closed;
- Account performance details, such as the average monthly balance, use of debit cards or other account features, and non-sufficient fund (NSF) occurrences;
- Marketing information that indicates how the customer learned about the program; and
- Indicators demonstrating what knowledge customers retain from financial education services and how that education affects their success as accountholders.

Considering financial institutions' data collection and reporting limitations, cities may want to create a baseline reporting plan that includes the minimal level of information banks will be required to track (such as the number of accounts opened), as well as a more comprehensive list of desired measures (see the sample tracking sheet used by Bank On Washington, D.C., at the end of this chapter). For the latter, cities can either negotiate with financial institutions to expand their tracking responsibilities or explore alternatives, such as engaging community partners to gather additional data.

For instance, the City and County of San Francisco identified a basic set of measures that participating financial institutions must track, including:

- Number of Bank On accounts opened;
- Number of accounts closed;
- Average monthly account balance;
- Information about delinquent accounts with non-sufficient funds;

- Number of accounts in good standing; and
- Account holder's zip code.

Additionally, the city asked each participating financial institution to determine whether customers open new accounts as a result of outreach or marketing. To gather this information, bank and credit union staff ask customers if they have heard of Bank On San Francisco or seen any of the program's materials.

Program partners collect and report this information to the Federal Reserve Bank of San Francisco on a quarterly basis. The Federal Reserve Bank then aggregates the data to provide a snapshot of the program's overall results. For example, between September 2006 and August 2008, local residents opened a total of 31,347 Bank On San Francisco accounts, with 80 percent remaining active and averaging a monthly account balance of \$980. In addition, the city encourages participating financial institutions to track account activity patterns while adhering to privacy and confidentiality regulations.

Many cities have followed San Francisco's approach. The City of Newark, N.J., ensures that all banks and credit unions participating in Bank On Newark track the number of unbanked residents who open accounts, the type of account opened, the number of Bank On accounts that have been closed, and the average account balance. Some financial institutions have agreed to track additional information.

In its participation agreement with financial institutions, the City of Gaithersburg, Md., requires that financial institutions report the number of accounts opened and average account balances on a quarterly basis. In addition, the tracking subcommittee is developing ideas for obtaining other information from community partners, such as the types of financial education classes offered, number of participants, and percentage of participants who open a Bank On account. Bank On Savannah (Ga.) program staff track many of these basic account details, and also trained 211 operators to ask how callers inquiring about Bank On heard about the program.

These additional details, along with information on account activity (e.g., why customers close accounts, use of online banking and direct deposit, upgrades to savings

accounts) can help inform ongoing product development, financial education, and marketing and outreach efforts. By understanding how customers use their accounts, Bank On teams can adjust their products to best meet the needs of both residents and financial institutions.

In addition, cities can also use this information to improve financial education programs. If the majority of Bank On clients are overdrawing their accounts through debit transactions, it may be helpful to add extra material on debit card usage and alternatives to debit cards to a financial education curriculum. Finally, cities use data on how and why clients opened a Bank On account as market research to guide the development of their outreach campaigns.

ESTABLISHING MECHANISMS FOR TRACKING AND EVALUATION

In addition to identifying key indicators to measure the success of their Bank On program, cities must select an appropriate method or mechanism for collecting and analyzing the data. As the point of entry into the program, financial institutions are in a good position to fulfill this role. Bank and credit union staff can note when a customer opens or closes a Bank On account, as well as other details discussed above. With the help of partners such as regional Federal Reserve Banks, Seattle, St. Petersburg, Fla., and other cities have developed data tracking spreadsheets that participating financial institutions can use to report information in a consistent format. Providing a formatted spreadsheet reduces the workload for financial institution staff and may increase the speed and accuracy with which they report information.

Other partners are often better suited to aggregate, analyze and report the data. In most programs, a third-party agency collects and analyzes data, alleviating any potential tension financial institutions may have regarding the sharing of information. Most cities have partnered with their regional Federal Reserve Banks to carry out this task, including San Francisco, Evansville, Ind., Newark, Louisville, Ky., and Houston. However, the FDIC, the

United Way and other partners may also perform this function. Financial institutions participating in Bank On Seattle-King County send data to the Washington State Department of Financial Institutions. In Gaithersburg, the city collects and analyzes these data in-house.

Once the appropriate “data repository partner” has been identified and engaged, Bank On teams can work with the designated agency to develop a consistent reporting form and schedule, determine how often data will be aggregated and analyzed (typically quarterly), and to whom it will be reported. The Federal Reserve Bank has created a standard form that financial institutions can use to report basic data about accounts and zip codes or census tracts. Planners of the Bank On Philadelphia initiative partnered with Financial Education & Literacy Advisers (FELA), an independent financial education services company, to handle data tracking and report-

ing. FELA staff created a user-friendly online form that participating banks complete quarterly.

Most Bank On programs require that data be reported on a quarterly basis because this schedule helps stakeholders monitor the program’s progress and make mid-course corrections if necessary. Reporting data each quarter also provides different baseline measurements from which to compare program growth throughout the year, and is especially useful if the Bank On team introduces new strategies or products at different points in the program.

COMMON CHALLENGES

City teams must start thinking about data tracking from the initial planning stages, and many teams continuously search for ways to improve their program’s evaluation strategy over time. Cities have been creative in address-

Bank on Houston-Account Tracking Worksheet-Quarter 3 2009

Instructions: Please report Checking and any additional information in the designated columns. The additional information noted by * may be provided should your institution be able to report the data. The greater amount of data collected, the better the possibility to measure the impact. *** Send your completed report to Jackie Hoyer (jackie.hoyer@dal.frb.org) by the designated deadline, which is the third week following the end of the quarter. ***

		as of 4/28	as of 8/3	as of 11/09		
(number of institutions reporting)		2009				Total Reported
		1st Q	2nd Q	3rd Q	4th Q	
1	Number of New Accounts					
2	Checking (9)	10264	10356	10842		
3	Savings* (5)	234	61	81		
4	Other* (2)	187	140	107		
5	Direct Deposit* (1)		4	29		
6	Number of Closed Accounts* (2)	5	24	13		
7	Total Reported Active Accounts* (4)	3913	108	5115		
8	Average Monthly Balance* (1)	\$1,513.59	\$429.89	\$707.08		
Number of Accounts Opened by Referrals*		18	11			
9	Bank on Houston Referral	7	2			
10	Bank on Houston Signage/Media	11				
11	Lobby Customer Service	0	9	74		

ing some of the following inherent challenges to measuring progress.

LEGAL RESTRICTIONS FOR FINANCIAL INSTITUTIONS

Financial institutions are prohibited by law from collecting certain information about customers that would be useful for tracking and evaluation purposes, such as gender, ethnicity, income level and other demographic data. In addition, confidentiality requirements restrict what kind of data financial institutions are able to share with outside partners. For example, although Bank On program staff may want to compare individual account details with other data collected from certain residents, financial institutions would be prohibited from releasing that information.

Because of these restrictions, it is important for Bank On teams to consider other methods of collecting this information from Bank On clients. For example, community-based organizations that work with the targeted population may be able to learn about clients' financial behavior through questionnaires and intake interviews. Doing so would enable Bank On partners to follow up with those customers to offer services.

OBTAINING COMPLETE, ACCURATE AND TIMELY DATA

Even if a Bank On program requires participating financial institutions to track and report data, program staff may find it difficult to get accurate and timely information. Tracking account information is an added responsibility for bank and credit union staff. Financial institutions that are unable to effectively incorporate Bank On accounts into their existing electronic tracking systems may have difficulty presenting accurate information. Finally, because of high rates of turnover in financial institution branches, new staff may not always know about the program and understand their role in steering potential customers to the Bank On product and capturing important data. Cities may want to consider building incentives into their tracking requirements, such as extra advertising in a branch's immediate location in exchange for full, timely and accurate reporting.

DETERMINING A CUSTOMER'S UNBANKED STATUS

Not all customers who open Bank On accounts necessarily fall into the category of "the unbanked." Some individuals may simply be switching banks or changing products. Since opening accounts for previously unbanked individuals is perhaps the most significant outcome measure for the program, it is important to develop a standard procedure for identifying whether an individual already has a bank account before opening one through the Bank On initiative. In San Francisco, for example, financial institutions track all Bank On accounts opened for customers who do not already have a checking account. This measure includes customers who have a closed account or are on the ChexSystems list at another institution, but does not include those who are switching banks or under the age of 18. As part of their general training for the Bank On program, financial institution staff in San Francisco are taught to follow this tracking protocol.

LACK OF DIRECT ACCESS TO CUSTOMERS

Because financial institutions are the entry point into the Bank On program, many other partners have little or no opportunity to interact directly with Bank On clients. This lack of access makes it difficult to connect customers with appropriate products and refer them to other beneficial services, such as financial education or credit counseling. Bank On program planners may want to confirm that bank and credit union branch staff learn to offer these products and services as part of their Bank On training. Cities may also consider organizing "secret shoppers" to call and visit branches as a way to verify that financial institutions are serving potential customers appropriately.

LIMITED INDIVIDUAL-LEVEL DATA

Because of limited access to individual-level data, it is difficult to understand how Bank On programs affect the financial behaviors and choices of those who open an account. Although aggregated data helps city officials assess the overall progress of the program, it does not capture a variety of nuances that are more visible at the

individual level. For example, cities may not know if a client who closes an account due to inactivity does so because they recently lost a job, have limited access to the bank branch or prefer to continue using alternative financial services.

ADDITIONAL IDEAS TO CONSIDER

While evaluation can be challenging, cities are finding other ways to track and highlight the outcomes of their Bank On programs.

FINANCIAL EDUCATION EVALUATIONS

Bank On Philadelphia leaders have developed assessments that clients complete before and after participating in financial education programs. These assessments will help the city determine the impact of financial education courses on participants' financial knowledge and behavior.

QUALITATIVE EVIDENCE OF PROGRAM IMPACT

In addition to collecting quantitative data from financial institutions and other partners, cities can use interviews, focus groups or surveys to obtain qualitative information from clients. Gathering this information can help cities tell a story about how the program affects the day-to-day lives of individual participants. Cities use these stories as part of their marketing or media relations strategies and to describe the success of the program when requesting funding from a foundation, business, or other donors.

USE ONLINE TOOLS TO COLLECT DATA

Program leaders can encourage customers to participate in online, goal-based financial education that provides data on customers' financial needs. For instance, Bank On Washington, D.C., worked with Financial Education Literacy Advisors (FELA) to create an online portal for financial education. The online tool helps identify clients' goals, interests, and needs; measures learning outcomes; and connects clients with resources that help them achieve their personal financial goals. The program

also collects data on substantive knowledge acquisition and positive behavioral changes.



FORMER WASHINGTON, D.C., MAYOR ADRIAN FENTY SPEAKS TO RESIDENTS ABOUT BANK ON DC.

Information about specific usage patterns helps Bank On Washington, D.C., leaders in several ways:

- **Assessments:** Clients participate in an assessment for each financial goal both before and after using the online program, which enables Bank On Washington, D.C., staff to evaluate the knowledge acquired through its financial education program and identify opportunities to provide additional support to customers and providers.
- **Goal selection:** Participants must achieve at least two specific goals to meet the educational requirements of the program, which exposes them to a wider set of goals that they can add to their personal wellness plan. Bank On Washington, D.C., leaders can then determine which additional resources (e.g., in-person workshops) to provide, depending on the most frequently selected goals.
- **User activity:** The online portal tracks user activity, including information on the most widely read articles, the most popular action items completed by clients, and the

most commonly accessed resources. This information helps program leaders identify specific interests and needs.

- **Preferences and interests:** Each goal includes questions about the participant's preferences and interests. These responses alert partners to the resources, products, or services that will help clients complete their goals.
- **Connections:** The online portal lists each Bank On Washington, D.C., partner so that clients can contact partners directly.

CITY EXAMPLES

SEATTLE

Compared with other cities, the City of Seattle developed a more comprehensive list of measures for participating financial institutions to track, including:

- Number of accounts opened for previously unbanked customers;
- Number of checking and savings accounts opened;
- Customer zip codes;
- Number of customers on ChexSystems at time of opening account;
- Average quarterly balance for all accounts;
- Number of customers using direct deposit in a given quarter;
- Number of accounts that had one or more incidents of non-sufficient funds/overdraft;
- Number of accounts that had one or more ATM transactions, and the total number of ATM transactions during the quarter;
- Number of accounts closed;
- Number of accounts that were active during each quarter (i.e., three or more account activities such as withdrawals or deposits); and
- Number of accounts still open at the end of the quarter.

Banks and credit unions are required to track all of this information in order to participate in the program, but the city makes exceptions on a case-by-case basis. Financial institutions participating in Bank On Seattle-King County have agreed to make every effort to track these data. In addition, program partners strongly encourage participating financial institutions to track why an account was closed (e.g., the customer upgraded to another account, the account was closed due to inactivity), whether a customer uses online banking, and how the customer heard about the program.

LOS ANGELES

The City of Los Angeles Community Development Department partnered with community-based organizations to collect a rich set of data from potential and current Bank On customers. With the help of funders and other experts, Bank On LA leaders developed a computer-based intake questionnaire that gathers information about residents' current financial services usage, level of debt, income and perceived future financial services needs.

The Community Development Department incorporated the Bank On LA intake system into its 2009 launch of the FamilySource System, which helps the department better integrate and evaluate the city's anti-poverty programs. Funded by a combination of Community Development Block Grant and Community Services Block Grant dollars, the FamilySource System comprises a network of 21 community centers that deliver coordinated, outcome-driven services to residents in high-need areas of the city. Each FamilySource Center (FSC) provides a continuum of core services through partnerships with a diverse group of agencies. These services assist low-income families in becoming self-sufficient by increasing their incomes and boosting academic achievement among youth.

As the primary vehicle for the city's poverty reduction initiatives, FSC caseworkers administer the Bank On questionnaire as part of their intake and follow-up interviews with individual clients. Caseworkers are also prompted to tell clients about Bank On LA, assess their interest in various mainstream financial services and discuss banking options and how to open a Bank On account.

Clients complete three subsequent computer-based questionnaires after six, 12 and 18 months in which they state whether or not they have opened a Bank On account, where they are banking, how they are using the account and what challenges they have experienced in managing the account and their new banking relationship. Analysis of these data informs the city's product development and marketing strategy. The data may prove particularly useful in fostering the development of segmented marketing strategies and banking products that best meet the needs of specific neighborhoods or populations.

In addition, the FamilySource data collection system enables FSC caseworkers to track the outcomes of targeted initiatives like Bank On LA. The University Corporation at California State University-Northridge (CSUN) is responsible for developing an evaluation system and customer satisfaction survey for the 21 FSCs, and providing them with guidance and feedback.

SAMPLE BANK ON ACCOUNT TRACKING SHEET



Bank on DC Account Tracking Worksheet

Instructions: Please fill all white cells below. The information noted by * may be provided should your institution be able to report the data. The greater the amount of data collected, the better the possibility to measure the impact.

Reporting: Send your completed report to Shannon McKay (Shannon.McKay@rich.frb.org) and Fiona Greig (fiona.greig@dc.gov) by the third week following the end of the quarter.

Year: 2010		Timeframe:				
Parameter Number	Parameter	Number of Accounts	Average monthly balance	Minimum monthly balance	Maximum monthly balance	Number with Negative balance
1 New Bank on DC accounts this quarter						
1a	Checking					
1b	Savings					
1c	Other* (credit card, personal loan, certificate of deposit)					
1d	Total new Bank on DC account holders					
2 Existing Bank on DC accounts (beginning of quarter)						
2a	Checking					
2b	Savings					
2c	Other* (credit card, personal loan, certificate of deposit)					
2d	Total existing Bank on DC account holders					
3 Existing non Bank on DC accounts (beginning of quarter)						
3a	Non Bank on DC Checking in DC					
3b	Non Bank on DC Savings in DC					
4 Bank on DC accounts closed during the quarter						
4a	Checking					
4b	Closed by account holder					
4c	Closed due to insufficient funds					
4d	Closed due to other reason					
4f	Average days open					
4g	Savings					
4h	Total Bank on DC account holders lost					
5 Customer Attributes						
5a	Number with Direct Deposit					
5b	Second Chance Account / ChexSystems					
5c	Presented Foreign ID					
5d	Currently unbanked					
5e	Number with signed up for SMS Text Message alerts					
6 How customer came to Bank on DC*						
6a	Bank on DC Signage/Media					
6b	Bank on DC event					
6c	Bank on DC Community Referral					
6d	Bank on DC Employer Referral					
6e	Friend or family member referral					
6f	Other					
7 Account Holder Home Zip Code						
Target Area		20001				
		20002				
		20003				

6. PRODUCT DEVELOPMENT

As more and more cities across the country launch their own Bank On initiatives, it has become clear that there are several key programmatic features that are essential to a successful Bank On program. While these components include financial education, a thoughtful marketing strategy and training of frontline staff, this chapter covers the basic features of a Bank On account. While Bank On programs should be tailored to meet community needs and take advantage of existing resources, it is important to consider these features when developing the Bank On product.

TIPS FOR CREATING THE BANK ON PRODUCT

While each community may have a different approach to product development, a typical strategy includes the following components:

REPLICATING SUCCESSFUL PRODUCTS FROM OTHER CITIES

There is no need for city officials to “reinvent the wheel” when considering the elements of a Bank On product. Cities can identify appropriate criteria for a standard Bank On account by drawing upon existing Bank On programs in other cities and exploring the growing body of research about the financial needs and challenges facing unbanked individuals. If possible, local officials may want to conduct surveys or focus groups to better understand the financial services landscape in their communities and the financial behavior of unbanked and underbanked residents.

In addition, municipal officials do not always need to look beyond their city limits for ideas. City leaders may consider surveying local financial institutions to determine whether any of their existing products may be

appropriate and what tailored products they may be willing to offer in the future.

CONVENING A PRODUCT DEVELOPMENT COMMITTEE

As discussed in section three, many cities invite key stakeholders to participate in a subcommittee on product development. Community groups serving residents who tend to lack bank accounts can provide insight as to what financial products and services would best suit those populations. Involving financial institutions helps secure their buy-in and commitment to offer the Bank On product. They can also help city teams understand the abilities and limitations of banks and credit unions in meeting the financial needs of the community.

RECOGNIZING COMPETING NEEDS

While Bank On initiatives seek to align the interests of unbanked residents and local financial institutions, they do not erase the fact that these groups sometimes have competing needs and objectives. City officials leading a Bank On program can work with financial institutions and other members of the product development committee to develop and formalize baseline product criteria that address the concerns of all groups.

NAVIGATING LEGAL ISSUES

Cities can refer legal questions to regulators such as the regional Federal Reserve Bank or the FDIC. Local or regional representatives from these agencies can also provide valuable insight as members of the product development committee.

DEVELOPING APPROPRIATE FINANCIAL PRODUCTS

Connecting residents to mainstream financial services and products can help place individuals and families on a pathway toward financial stability. The Bank On program is designed to address the barriers keeping these individuals and families from entering the financial mainstream, including their limited access to safe, affordable banking products. Because unbanked and underbanked residents tend to have different needs than traditional bank customers, financial institutions must tailor their products appropriately.

In addressing these varied needs, city leaders and other stakeholders face the challenge of negotiating product details through a strategic process. This process involves researching the financial services needs of the community, engaging financial institutions in committee work and other product development activities, and tapping into community-based organizations' ground-level knowledge and experience working with unbanked families. The ideal result of this process will be greater availability of appropriate financial products that provide residents with opportunities to build and protect wealth.

Many individuals do not have traditional bank accounts for a variety of reasons and sometimes face multiple obstacles to entering the financial mainstream. Therefore, there are several elements to consider when crafting a safe, appropriate Bank On product for these underserved populations.

First, Bank On products should avoid requiring prohibitive minimum deposits or monthly minimum fees. Some low- and moderate-income individuals may not use traditional financial institutions because they must live paycheck-to-paycheck, leaving them vulnerable to financial emergencies. Large minimum deposits, monthly fees or monthly balance requirements can be immediate barriers for many lower-income families who are struggling to make ends meet. Minimum balance requirements, fees and overdraft penalties, if necessary, should be considered carefully.

Second, banks and credit unions must develop clear and consistent product features. Many unbanked individuals have had or heard about negative experiences related to maintaining a bank account and therefore do not trust banks. Developing product features that are understandable and consistent, particularly regarding any fees, can help mitigate this distrust. Financial institutions should provide clearly worded disclosures about product features and free educational materials about products offered and banking in general.

Third, Bank On products should be available to individuals on ChexSystems, which is a network of financial institutions that helps members assess the potential risk of opening accounts for new customers. Many unbanked individuals have made financial mistakes or had negative experiences with bank accounts in the past, and have been reported to ChexSystems. Most financial institutions have strict policies against providing services to individuals placed on this list. However, access to safe, appropriate financial products and financial education can provide a fresh start for individuals who are in ChexSystems (for reasons other than fraud) to become low-risk, profitable accountholders. Pathways to the financial mainstream for those on ChexSystems may include financial education requirements, flexible restitution policies, or provisions for opening accounts when individuals have a ChexSystems history that is more than six months old.

Finally, cities can encourage banks and credit unions to accept alternative forms of identification when opening a Bank On account. Immigrants often face a real or perceived barrier to opening a bank account due to the varying identification requirements of financial institutions. Others may distrust financial institutions as a result of cultural norms. In some communities, immigrants make up a large percentage of the unbanked. By accepting alternative forms of identification such as consular identification, the growing numbers of immigrant families can gain access to safe, affordable banking products, and financial institutions can reach this previously untapped market.

TYPICAL BANK ON PRODUCT FEATURES

The handful of cities that have launched Bank On programs thus far have developed similar baseline products (see the sample Bank On account features grid at the end of this chapter). In recognition of the barriers that the unbanked face, as well as the willingness and ability of financial institutions to offer certain features, Bank On products in San Francisco, Evansville, Ind., Seattle, Savannah, Ga., and Houston have the following standard components:

- Low- or no-cost account;
- Low or no minimum monthly balance;
- Forgiveness of at least one non-sufficient funds/overdraft charge within the first year; and
- Flexibility in opening accounts for individuals who have been on ChexSystems.

Most of these cities have incorporated a variety of additional features into their baseline product, such as:

- Acceptance of alternative forms of identification, such as consular identification or an Individual Taxpayer Identification Number (ITIN);
- A free ATM or debit card;
- Clear and thorough disclosure of bank product features and policies;
- Offer of a savings account;
- Free online banking; and
- Encouragement of direct deposit.

Once a city has developed and launched its baseline product, the product development subcommittee may want to consider adding other, more innovative products that meet the specific needs of the unbanked and underbanked populations. For example, Bank On Newark offers customers one free money order per month as a feature of their baseline product. The Newark team made this decision after preliminary research indicated that many local residents rely on money orders to pay

their rent. Bank On Central Texas partners invited a prepaid debit card provider, Mango, to the table, enabling this financial services provider to share its understanding of the popularity of these products with unbanked and underbanked communities. Cities with large populations of young adults could particularly benefit from offering a prepaid card to introduce these residents to the financial mainstream.

BANK ON NEWARK PRODUCT CRITERIA

Minimum opening balance must be \$25 or less

No minimum monthly balance

Monthly service fee must be \$10 or less, though \$0 is strongly encouraged

Waive non-fraudulent ChexSystems violations that do not involve debts over \$250

Waive one overdraft fee per year, upon client's request

Accept foreign passports as primary ID and individual taxpayer identification numbers in lieu of Social Security numbers

Offer one free money order and/or bank-certified check per month

Full disclosure of fees and penalties

Ability to track accounts and report aggregate data on a quarterly basis

The unbanked population is diverse and can benefit from a variety of bank products and services. A small dollar loan product, for example, could meet the need for credit that payday lenders often satisfy for many unbanked and underbanked individuals. Many cities that have launched Bank On programs continue to add new, innovative products to their suite of Bank On offerings. The last section of this toolkit describes product innovations in more detail.

LESSONS LEARNED IN PRODUCT DEVELOPMENT

Through its 2008 to 2010 Bank On Cities technical assistance project, NLC identified several lessons that are important to take into consideration when developing financial products to meet the needs of unbanked and underbanked residents.

First, cities should involve financial institutions in the development of financial product criteria from the beginning of the process. It is important to obtain the buy-in, expertise and support of these partners since they will be offering the product.

City leaders can also customize product features to meet communities' unique needs, which often surface through surveys of potential customers and other preliminary research. Products that go beyond basic banking transactions, including foreign remittances, money orders, small dollar loans and prepaid debit cards, can help residents build and protect assets.

It can be instructive to examine some of the successful practices of check cashers and other fringe financial service providers and incorporate the positive practices into bank or credit union operations. For example, financial institutions may consider maintaining hours that are more suitable to individuals who cannot take time away from their jobs during the typical work day, or providing more visible information about available financial products.

Cities should consider incorporating account tracking requirements into baseline product criteria for participating financial institutions. Doing so will ensure that cities have a mechanism for evaluating the effectiveness of the program. It is also helpful to establish a formal agreement securing the participation of financial institutions and other partners and ensuring their commitment to offer the agreed-upon baseline Bank On product. However, this approach can also be time consuming, as some banks and credit unions must navigate multiple levels of management within the company before entering into a formal agreement.

Finally, training financial institutions' and community organizations' frontline staff about the Bank On product features and other elements of the program prior to its launch is a crucial step. These workers will be the primary points of contact and financial education for potential Bank On participants. Several cities have developed a specific training module to help bank tellers understand how to serve this population most effectively.

CITY EXAMPLES

SAN FRANCISCO

Bank On San Francisco requires that participating financial institutions adhere to several stipulations. Banks and credit unions offering the baseline Bank On product must:

- Offer a low or no cost account.
- Accept the Mexican and Guatemalan consular identification cards as primary identification;
- Open accounts for those with a ChexSystems history that is more than one year old.
- Open accounts for those with a ChexSystems history that is less than one year old if they receive financial management training;
- Waive one set of non-sufficient funds/overdraft fees per client;
- Require no monthly minimum balance;
- Participate in four financial training sessions in the community each year;
- Actively partner with community groups to promote the product; and
- Track account data and report that information on a quarterly basis.





































SAMPLE BANK ON ACCOUNT FEATURES

Bank On Accounts

KEY:

 = Requirement

 = Additional Feature*

	Bank on SF	Bank on CA	Opportunity NYC	Bank on Houston*	Bank on Seattle	Your Institution
Low or no cost account						
Accept Mexican/Guatemalan ID						
Accept ChexSystems history over 1 year						
Accept ChexSystems history less than 1 year with financial management training						
Open accounts for people on ChexSystems if the activity is more than six months old						
Open accounts for people on ChexSystems if activity is less than six months old, if possible						
Waive one set of NSF/OD fees						
No monthly minimum balance						
Free ATM/Debit Card						
Remittances						
Free checks						
Free online banking						
Offer a savings account						

*Bank on Houston requires 1) no or low-cost account, 2) no minimum balance, 3) accept alternative forms of ID, 4) ATM/Debit card, 5) at least one additional feature

7. MARKETING AND OUTREACH

Bank On leaders must market their services just as any business would when introducing a new product. Even if a city's Bank On team has developed an exceptional product, the program will not be successful unless there is a strategy for reaching the targeted customers and encouraging them to open a Bank On account. Key steps involve identifying funding for a marketing campaign, developing materials and crafting appropriate outreach strategies that can be carried out by trained community-based organization staff. In addition, a city team's message may not only encourage use of the product, but also raise general public awareness about saving for the future and keeping money in a safe place.

It is important to utilize fully all resources available within the community, including in-house resources, in-kind donations, pro bono services and contributions from financial institutions. Each aspect of a marketing campaign — from studying the target audience to identifying appropriate outreach channels and creating a sustainable budget — will help ensure that a city advertises its Bank On program effectively and introduces unbanked residents to the financial mainstream.

INITIAL PLANNING STEPS

Bank On marketing campaigns aim to reach even the hardest-to-serve individuals. Most cities begin planning their campaign by designating a specific committee to coordinate marketing and outreach. Cities have found it helpful to receive different perspectives from both financial institutions and community-based partners as they outline their marketing strategies.

As a first step, Bank On marketing teams have typically focused on creating a budget and raising funds, usually through contributions from participating financial institutions and in-kind resources from city and community partners. Cities can still be successful with a small bud-

get if they make use of free or in-kind resources and outreach efforts conducted by community partners.

After developing a budget and prioritizing marketing goals based on available funding, Bank On marketing teams can then focus on developing an appropriate message, scanning available outreach opportunities and developing materials, such as a logo, website, printed information and advertisements. Several city teams have benefited from the expertise of marketing firms, while other cities have used donated resources and in-house public information offices for the creation of a marketing strategy and production of materials. In addition, the planning team should develop a flexible timeline to ensure that the materials are ready prior to the program's launch.

Throughout this process, the marketing committee can draw upon ideas from other Bank On cities, but should also use its local knowledge and research to determine the needs of its target audience. For example, the Bank On Houston team produced all of its materials in English and Spanish, while local officials in St. Petersburg, Fla., and Savannah, Ga., engaged the faith-based community in helping many residents overcome their mistrust of mainstream financial institutions.

A city may consider developing a marketing brief or proposal, which outlines the goals of the program, demographic information on local unbanked residents, and the type of distribution and outreach channels the city plans to use. These proposals can serve as a useful resource for engaging potential funders or marketing/advertising agencies, and can also help solidify partnerships among banks, credit unions and community organizations.

BASIC COMPONENTS OF A MARKETING STRATEGY

FUNDING AND RESOURCE DEVELOPMENT

Advertising and marketing expenses make up the majority of the up-front costs of a Bank On initiative. Cities have relied primarily on in-kind or pro bono resources to fund their marketing and outreach campaigns. Contributions from participating financial institutions also feature prominently in most cities' marketing budgets.

For example, the City of Indianapolis turned to a variety of partners to fund its Bank On marketing campaign. First, Bank On Indy leaders identified the Greater Indianapolis Progress Committee (GIPC) as an appropriate fiscal agent to manage the funds. GIPC is a nonprofit organization that has traditionally worked in conjunction with the mayor's office since 1965. As fiscal agent, GIPC plays an integral role in program planning and management and receives a seven percent fee for managing the Bank On Indy account.

Second, Bank On Indy partners created a marketing committee. The committee decided that the best use

of participation fees from financial institution partners would be to hire a marketing firm at a cost of \$1,500 per month. The committee also set a minimum participation fee of \$300 per branch for all participating financial institutions. In addition to these contributions, the mayor and his wife have secured a variety of in-kind marketing resources, such as bus ads, billboards, television spots and tables at community events.

IDENTIFYING AND UNDERSTANDING THE TARGET AUDIENCE

Marketing teams must clearly identify and understand all segments of their target audience, including barriers that may prevent their message from having its intended effect. The unbanked population often encompasses a disproportionate share of low- to moderate-income residents, immigrants, the elderly and individuals who have long used fringe financial services for a variety of reasons.

To develop an appropriate outreach strategy and message, Bank On teams will likely find value in looking at local or national research on their target population. Focus groups or surveys of unbanked residents can provide insight into specific characteristics of the population, as well as barriers that keep them from accessing



INDIANAPOLIS MAYOR GREG BALLARD TALKS ABOUT BANK ON INDY AS RESIDENTS LEARN ABOUT THE PROGRAM AT A LOCAL EVENT.

the financial mainstream. National organizations such as the Center for Financial Service Innovations (CFSI) have also conducted research that highlights the characteristics of the unbanked and underbanked population, as well as effective marketing and outreach techniques to reach these individuals.

CRAFTING AN EFFECTIVE MESSAGE

Cities can use a Bank On marketing campaign to not only advertise the program, but also to promote the importance of achieving financial stability. Cities with successful Bank On programs have found that an effective message demonstrates both the benefits a potential client could receive from mainstream banking and the heavy costs they will incur if they continue to use fringe financial service providers. For example, San Francisco's marketing materials communicate these high costs with advertisements that read, "Check Cashing Rips You Off. Now You Can Open a Bank Account."

This type of messaging addresses perhaps the largest barrier keeping individuals out of the financial mainstream: misperceptions about traditional financial institutions. To address this issue, Bank On campaign leaders may want to convey the fact that mainstream banking is regulated by an independent federal agency and that the FDIC insures up to \$250,000 of customers' money.

Marketing materials can also advertise the less restrictive nature of a Bank On program compared with traditional accounts. For example, fliers and ads could emphasize that banks and credit unions will accept alternative forms of identification and be more flexible with ChexSystems violations when opening a Bank On account.

Finally, cities can target their Bank On marketing messages toward unique segments of the unbanked population. In addition to developing materials in multiple languages, cities can craft messages that appeal directly to the senior population. Many cities with Bank On programs have used Bank On San Francisco's basic tagline, "Everyone is Welcome," and used images and text in their materials that reflect unique community needs (see the sample brochure at the end of this chapter). Some of Philadelphia's materials, for instance, emphasize saving and building credit.

DEVELOPING MATERIALS AND ADVERTISEMENTS

Bank On campaign leaders often use a variety of materials and media to promote their products and services, with marketing efforts often dictated by the available budget. Local media outreach may involve making public service announcements, printing op-eds in local newspapers, putting information in voter information guides, and airing sound bites on television and radio.

Distribution of printed materials is also a large component of most Bank On marketing campaigns. Outdoor marketing options may consist of billboards, bus advertisements and posters placed in bus shelters and other public locations. Fliers and buck slips, which are generally considered essential marketing materials, can be made available at banks and community-based organizations and distributed to employers, affordable housing providers, city agencies and other settings frequented by unbanked residents. Several cities, including St. Petersburg, Fla., and Houston, have conducted direct mail campaigns with key partners like the local utility company and school districts. It is also helpful to display basic materials on the city's Bank On website so that partner organizations can print out more fliers or other informational materials as needed.

Bank On San Francisco leaders have made their marketing materials available at no cost to other cities launching Bank On programs. Cities that want to use these materials must show that their initiatives will meet basic Bank On requirements and sign a memorandum of understanding with the City and County of San Francisco. Bank On teams can then give these materials a "local flavor" so that their message resonates with their community's residents. The Cities of Evansville, Ind., St. Petersburg, Philadelphia, Louisville, Gaithersburg, Md., and the Borough of Manhattan, N.Y., have all adapted the Bank On San Francisco logo and message for their communities.

CHOOSING THE RIGHT MESSENGERS AND DELIVERY MECHANISMS

The delivery channels for a marketing campaign are often as important as the message and materials. A mes-

sage that does not reach the target population will clearly not have its intended effect. It is important for Bank On campaign leaders to engage trusted voices in the community in promoting the program. Local elected officials and leaders of established community-based organizations can often serve as effective spokespeople. City agencies and community-based partners that work with the target population are excellent points of outreach as well. Distributing marketing materials through these channels, as well as training staff from these organizations to provide information about the program, have proven to be effective outreach strategies (see the sample referral slip used in Los Angeles at the end of this chapter).

It is recommended that cities concentrate their outreach efforts in settings that are focused on personal finance, such as Volunteer Income Tax Assistance sites or financial education classes. Cities can also build on their communities' existing infrastructure for social services and asset building by disseminating information about the Bank On program. These efforts may include marketing Bank On products and services through an Earned Income Tax Credit campaign, including fliers in utility bills, or putting information about the program on the city's 211 or 311 information line. Additionally, financial institutions can participate in community outreach fairs and other events, particularly if they occur in targeted, low-income neighborhoods. Many Bank On programs participate in a local United Way community event to raise the program's visibility. Bank On Gaithersburg leaders launched their program at the Gaithersburg town festival. The Cities of Indianapolis and Louisville



FINANCIAL INSTITUTION REPRESENTATIVES SHARE INFORMATION ABOUT BANK ON GAITHERSBURG AT A COMMUNITY EVENT.



FORMER LOUISVILLE MAYOR JERRY E. ABRAMSON ANNOUNCES THE LAUNCH OF BANK ON LOUISVILLE.

hosted community outreach fairs in conjunction with the launch of their Bank On campaigns.

Finally, banks and credit unions are key access points for a Bank On program. As part of a broader marketing strategy, cities can train frontline bank staff on how to interact with potential Bank On clients. It is important to ensure that these staff have the information and materials they need to answer questions about the program and refer clients to financial education classes. For instance, Bank On St. Petersburg partners created cardboard “table tents” for each bank teller to put on their counter. The front side has the Bank On logo and the back side has a list of frequently asked questions that prepare tellers to discuss the program.

Training financial institution staff and community-based partners effectively creates positive word-of-mouth advertising about the program. Satisfied and well-informed customers are more likely to tell friends, neighbors and relatives about the program and even encourage them to become Bank On customers as well. Word-of-mouth advertising introduces an element of relevance and trust that traditional marketing strategies often do not achieve and has been found to be one of the most effective forms of advertising. Training staff who are primary points of contact to provide potential Bank On clients with pleasant and informative experiences will go a long way toward cultivating positive word-of-mouth advertising for the program.

CREATING A BANK ON WEBSITE

Finally, an online presence not only provides information to the public, but cities can also use a Bank On website to disseminate pertinent information and materials to Bank On committee members and other partners. Some cities have bought website URLs, or have hosted content on internal websites to save money. For instance, in Philadelphia, the City Controller's Office houses Bank On Philadelphia's website, which program partners can visit to download and print the program's financial education and marketing materials.

TRACKING THE IMPACT OF YOUR MARKETING STRATEGY

If possible, Bank On program staff should try to track the impact of their different marketing strategies. City teams may be able to receive this information from customer surveys administered by financial institutions or community groups that ask why respondents were interested in opening a Bank On account and how they heard about the program. This information can be valuable for assessing which marketing and outreach techniques are most effective.

CITY EXAMPLES

SAVANNAH, GA.

The City of Savannah has conducted separate focus groups of unbanked residents and community leaders to better understand the characteristics of their target audience and identify the most effective marketing strategies. The focus groups revealed that the majority of partici-

pants were aware that check cashers are more costly than other financial service providers, which helped inform the city's messaging about the Bank On program. The city also learned from community leaders who work with the target audience that bus ads and positive word-of-mouth were both effective forms of advertising for reaching potential customers.

In addition, Bank On Savannah leaders have requested that when the local United Way's 211 operators receive inquiries about the program, they record information about where and how callers heard about Bank On Savannah.

INDIANAPOLIS

The City of Indianapolis developed its own unique marketing materials, centering its outreach campaign around a Bank On Indy "mascot" named Checkmark. A local marketing firm designed Checkmark to be an easily identifiable brand for the city's Bank On program and financial stability work.



CHECKMARK, BANK ON INDY'S "CHAMPION OF FINANCIAL FITNESS"

SAMPLE BANK ON CUSTOMER BROCHURE – SAN FRANCISCO

HOW TO OPEN YOUR OWN ACCOUNT.

- 1 Find a participating bank in your neighborhood.** Check the list of partner banks and credit unions in this brochure, or look for the Bank on San Francisco sign at a bank or credit union near you.
- 2 Ask them about opening an account through Bank on San Francisco.** Our partner banks and credit unions have special products that are designed just for you. They'll answer your questions and help you open an account that works best for you.
- 3 Remember to bring some identification.** You don't need a Social Security Number, but you will need a California ID, Mexican Matricula card, or Guatemalan Consular identification card. And most banks will request a second form of ID, such as a utility bill.
- 4 Open your new account.** The person at the bank or credit union will walk you through the entire process. And they can even sign you up for free money management training classes to help you get the most from your account.

To find the participating bank or credit union nearest to you, visit: www.bankonsf.org
Or, if you prefer to speak to a person, call 2-1-1 and be connected to an operator.

CÓMO ABRIR SU PROPIA CUENTA.

- 1 Encuentre un banco participante cerca de su casa.** Revise la lista de nuestros socios en este folleto, o busque el anuncio de Bank on San Francisco en un banco o unión de crédito cerca de usted.
- 2 Pregunte acerca de abrir una cuenta por medio de Bank on San Francisco.** Nuestros socios tienen programas especiales que están diseñados justo para usted. Ellos le contestarán todas sus preguntas y le ayudarán a abrir una cuenta que funcione mejor para usted.
- 3 Recuerde traer alguna identificación.** No necesita tener número de Seguridad Social, pero necesitará una identificación de California, la tarjeta de matrícula consular mexicana, o la tarjeta de identificación consular. La mayoría de los bancos solicitarán una segunda forma de identificación, como una factura de servicios públicos.
- 4 Abra su nueva cuenta bancaria.** La persona en el unión de crédito le guiará durante todo el proceso. Incluso pueden inscribirle en clases gratuitas de capacitación para la administración de dinero y así ayudarle a aprovechar al máximo su cuenta bancaria.

Para encontrar el banco o unión de crédito participante más cercana, visite: www.bankonsf.org

O si prefiere hablar directamente con una persona, llame al 2-1-1 y hable con un operador.



CALL 2-1-1 www.bankonsf.org



**YES,
YOU CAN OPEN
A BANK ACCOUNT.
WE'LL SHOW
YOU HOW.**

Why spend hundreds of dollars a year at a check cashing company when you can deposit your own checks and pay your bills at no additional cost?



TODAY, EVERYBODY CAN GET A BANK ACCOUNT.

Here are ways participating banks and credit unions can help:

- **Open a free or low-cost checking account.** Our partners are offering special free or low-cost products to help you keep more of your money.
- **Keep an account open with no minimum balance.** Our partners will keep your account open even if you need to spend all your money each month.
- **Open an account even if you have had trouble with a prior account.** Talk to a representative at a partner bank or credit union about your options.
- **Open an account without a Social Security Number.** Partner banks accept California IDs Mexican Matricula cards, and Guatemalan Consular identification cards.

LEARN TO MAKE THE MOST OF YOUR MONEY.

Bank on San Francisco has programs to help you learn to manage your money. Call 2-1-1 or visit www.bankonsf.org to find out how we can help you:

- Stay on a budget
- Manage a checking account
- Improve a credit rating
- Pay off debt

PARTNERS ARE HERE FOR YOU.

Bank on San Francisco has partnered with 15 banks and credit unions all over the city to help you open your own bank account. Our partners are:

Bank of America
Bank of the West
Citibank
Mission Area Federal Credit Union
Mission National Bank
Northeast Community Federal Credit Union
Patelco Credit Union
San Francisco Federal Credit Union
Spectrum Federal Credit Union
Sterling Bank and Trust
Union Bank of California
United Commercial Bank
US Bank
Washington Mutual
Wells Fargo

To find a participating branch near you, look for the Bank on San Francisco sign:



WE'D LIKE TO HEAR FROM YOU.

The City of San Francisco and participating banks and credit unions are working together to make opening a bank account as easy and stress-free as possible.

If you have any questions, problems, or comments, please contact Bank on San Francisco. Call 2-1-1 or visit www.bankonsf.org today.

UN DÍA, TODO EL MUNDO PUEDE TENER UNA CUENTA BANCARIA.

A continuación se mencionan algunas formas en que los bancos y las uniones de crédito participantes pueden ayudar:

- **Abrir una cuenta de cheques gratuita o de bajo costo.** Nuestros socios ofrecen productos especiales gratuitos o de bajo costo para ayudarle a ahorrar más de su dinero.
- **Mantener una cuenta abierta sin saldo mínimo.** Nuestros socios mantendrán su cuenta abierta incluso si usted necesita gastar todo su dinero cada mes.
- **Abrir una cuenta incluso si ha tenido problemas con una cuenta anterior.** Hable con un representante de un banco asociado sobre las opciones que tiene.
- **Abrir una cuenta sin un número de Seguro Social.** Los bancos asociados aceptarán la tarjeta de matrícula consular mexicana y la de identificación consular guatemalteca como identificación principal.

APRENDA A APROVECHAR AL MÁXIMO SU DINERO.

Bank on San Francisco cuenta con muchos programas para ayudarle a administrar su dinero. Llame al 2-1-1 o visite www.bankonsf.org para averiguar cómo podemos ayudarle a:

- Mantener un presupuesto
- Administrar una cuenta de cheques
- Mejorar una calificación crediticia
- Pagar deudas



Por qué gastar cientos de dólares al año en una compañía de cobro de cheques cuando puede depositar sus propios cheques y pagar sus facturas sin costo adicional?

SAMPLE REFERRAL SLIP – LOS ANGELES



EVERYONE IS WELCOME®

REFERRAL

Remisión

I was referred by _____ to you. I'd like to discuss the accounts you have available as part of the Bank on LA campaign.

He sido recomendado por _____. Me gustaría hablar con usted acerca de las cuentas bancarias que son parte de la campaña "Bank on LA."

I'm interested in:

Me interesa lo siguiente:

Checking Account <input type="checkbox"/> <i>Cuenta de Cheques</i>	Direct Deposit <input type="checkbox"/> <i>Deposito Directo</i>
Savings Account <input type="checkbox"/> <i>Cuenta de Ahorros</i>	Remittance <input type="checkbox"/> <i>Remesas</i>
Online Banking <input type="checkbox"/> Bill pay <input type="checkbox"/>	Other _____ <i>Otro</i>

Referring Organization's contact:

Bank on LA is a campaign brought to you by the City of Los Angeles. The purpose of the campaign is to educate Angelenos about the benefits of bank accounts and refer interested residents to low-cost accounts at partner financial institutions. See attached list of participating branches.

Bank on LA es una campaña traído a usted por parte de la Ciudad de Los Angeles. El propósito de esta campaña es educar a los Angelinos de los beneficios bancarios y referir a personas hacia las instituciones financieras, que son socios de esta campaña, para ofrecerles cuentas de bajo costo. Favor de referirse a la lista de sucursales que son participantes.

Bankers: If applicable, please enter your institution's Bank on LA "code" when you open this account.

8. FINANCIAL EDUCATION

In today's marketplace, consumers can choose from countless financial services options. Many of these options are predatory and can be harmful to individuals who lack the knowledge or resources to navigate the often complicated financial landscape. Residents need strong financial skills and access to sound advice in order to fully understand their best options in the financial services market. Incorporating accessible financial education into a Bank On campaign is a key step in helping unbanked individuals transition to the financial mainstream and avoid predatory practices.

In the long run, financial education also helps residents protect and build their assets and achieve lasting economic security. A strong financial education component embedded within a Bank On initiative may have the additional benefit of alleviating financial institutions' hesitation to reach out to a customer base that may be more risky due to previous negative banking histories.

While there is a limited amount of research available on which financial education curricula are most successful for different target groups, cities can learn from a variety of promising practices when designing their financial education programs.

DEVELOPING A FINANCIAL EDUCATION CURRICULUM

Cities with Bank On programs have used a variety of financial education curricula, many of which contain similar basic content that is relevant to unbanked individuals. Many appropriate curricula are available at no cost, such as the FDIC's MoneySmart program, or the U.S. Department of the Treasury's MyMoney.gov (see the Additional Resources section at the end of the toolkit for more information). Cities may also want to consider reviewing the curricula used by major financial institu-

tions, such as PNC or Wells Fargo. Interactive, Web-based financial education tools and curricula are often available at no cost by request or on the websites of these institutions. Additionally, existing community-based financial education providers offer curricula that are tailored toward unbanked and underbanked individuals.

Bank On program planners can also use a variety of resources that offer tools to enhance financial education. For example, the AssetPlatform.org is an online resource designed for nonprofit organization staff that provides financial education and other asset-building services. The site provides a platform to gather tools and resources for financial education that are immediately accessible online. In addition, cities can learn about new financial education tools and resources through peer networks. National organizations such as the Corporation for Enterprise Development (CFED) host interactive listservs that allow practitioners to ask questions and share resources. Cities may even want to develop their own online network of local financial education providers and experts for similar purposes.

When developing a financial education curriculum, it is important to consider the unique needs of unbanked and underbanked individuals. Cities can survey residents to learn how their financial services needs and attitudes can inform the design of a financial education program. For example, an unbanked individual may not have been exposed to basic banking tasks such as balancing a checkbook or making a deposit. In addition, he or she may have misperceptions about banks and their products and fees. Cities can address these common barriers as part of their financial education programs. Moreover, understanding how a potential Bank On client will use his or her new banking relationship can inform content development. For example, Bank On financial education programs would better serve customers by teaching them how to budget their money and set savings goals for the

future, rather than providing instruction on advanced savings and investment products.

Cities with Bank On programs have included the following basic concepts or core competencies in their financial education curricula:

- Information about why it is important to avoid predatory financial services and products;
- How basic bank products work, as well as specific information about the Bank On product offered by the city and partnering financial institutions;
- Basic budgeting concepts such as understanding income, prioritizing expenses, creating a budget and spending plan and budgeting within a fixed income;
- The benefits of saving, how to develop sustainable savings habits and basic savings products that can help residents build wealth; and
- Account management concepts such as record keeping, how to avoid overdrawing accounts, how to use debit cards and other account features appropriately and common banking procedures such as writing checks and making deposits and withdrawals.

Bank On programs may also incorporate key topics such as credit building or money transfer products that address identified needs or gaps in existing financial education services.

Some cities choose to shape the basic criteria for financial education classes rather than developing specific lesson plans. Program leaders who follow this path first identify key topics that are most appropriate for potential Bank On accountholders, and then encourage or require financial education providers to incorporate these topics into their existing curricula. The City of Philadelphia took this approach, developing a set of core competencies for participating financial education providers. The city created a set of guidelines for the level of proficiency that participants must gain in several required content

areas: budgeting, savings, account management, banking products and an overview of financial services. Alternatively, local leaders in San Francisco developed three course options from which providers could choose: Budgeting and Saving; Financial Booby Traps to Avoid and Resources to Take Advantage of; and Credit Reports and Credit Cards (see a description of the course offerings at the end of this chapter). All of these options emphasize the importance of having a bank account and the basics of banking as a core component.

MAKING HIGH-QUALITY FINANCIAL EDUCATION ACCESSIBLE

The delivery of financial education is as important, and sometimes more important, than the content of the curricula. The best financial education classes will have little value if they are not accessible to those who will most benefit. While it is important to take into account the opportunities for financial education already available in the community, cities can ensure that these opportunities are readily available and sustainable over time. Cities may consider the following strategies for making high-quality financial education accessible:

PROVIDING A DIRECTORY OF FINANCIAL EDUCATION OPPORTUNITIES

City officials can take an inventory of the community's existing financial classes and programs, identify which are appropriate for unbanked and underbanked individuals, and develop a directory or information packet for residents. For instance, New York City's Office of Financial Empowerment surveyed and indexed financial education programs available across the city, and developed a comprehensive online directory of services. Philadelphia and St. Petersburg, Fla., have also followed this model. Cities can make these directories available to community organizations that can refer potential customers to the Bank On program.

TRAINING COMMUNITY PROVIDERS

Well-trained providers are a key factor in the success of a Bank On program's financial education component. Although most cities with Bank On initiatives use providers' existing programs, including their training techniques, cities can also establish standards for training financial education providers to ensure that the curriculum meets residents' needs. The City of Evansville, Ind., developed a trainer handbook. Cities can also host "train-the-trainer" classes in coordination with a financial education provider or national organization. For example, San Francisco officials partnered with the non-profit Earned Assets Resource Network to provide training sessions, while the City of Savannah, Ga., partners with the FDIC to deliver train-the-trainer sessions using the FDIC's Money Smart curriculum.

DEVELOPING SPECIFIC INSTRUCTIONAL CRITERIA

Cities can identify instructional methods that are most appropriate for potential accountholders, and then persuade or require providers to incorporate these criteria into their existing financial education practices. For instance, Bank On Philadelphia leaders not only encourage providers to consider participants' literacy levels and linguistic diversity, but also developed guidelines for financial education programs. In addition to covering the content areas described above, these guidelines include suggestions for each program's reading level, class length, and how programs recognize student achievement. Moreover, the guidelines ask providers to offer programs that are flexible in their delivery based on student needs, and that incorporate diversity and cultural sensitivity into their classes.

Bank On San Francisco program leaders encourage providers to include small group activities and discussions in their classes. The program team also asks providers to make classroom exercises relevant to the real-life experiences of participants as much as possible, so they can apply the concepts they are learning to their daily lives.

OFFERING ONLINE CLASSES

An increasing number of financial education programs are now offered online as well as in a classroom setting. For example, the FDIC's Money Smart curriculum is available in a computer-based instruction format, and participants can also access the curriculum as a podcast. Online financial education can be more accessible since it allows for more flexibility in completing the course without concerns about child care, work schedules and transportation.

However, for those who do not have access to a computer or the Internet, or who prefer in-person, specialized assistance, online financial education may not be an appropriate fit. Cities can consider offering curricula that have online versions as options for those individuals who may need or prefer this type of financial education opportunity. Cities can also work with public libraries or other facilities with public Internet access to provide online financial education programs.

DEVELOPING A REFERRAL SYSTEM

Regardless of which delivery method a city chooses to employ, it is imperative to develop a comprehensive referral system prior to launching a Bank On program. Participating financial institution and community-based organization staff should have a mechanism with which to refer customers to appropriate financial education opportunities. This mechanism could be as simple as a referral card that lists available financial education providers or classes in the community. Cities can also develop a more sophisticated referral process such as an online directory with a mapping feature, which referring agency staff can use to help Bank On customers locate the most appropriate and convenient financial education option.

ADDITIONAL CONSIDERATIONS

LONG-TERM AND SHORT-TERM FINANCIAL EDUCATION

Bank On programs typically offer short-term financial education opportunities that are usually delivered in one session lasting a day or a few hours. Providing more comprehensive financial education over a period of several weeks or longer could be even more beneficial to Bank On participants. Long-term financial education programs may include one-on-one follow up with students and other services that are more likely to improve outcomes. While properly designed short-term financial education should give individuals the knowledge they need to master basic banking transactions, long-term financial education could prepare them to access more advanced bank products and build assets over time.

Ideally, a Bank On program would provide opportunities for both long- and short-term financial education. A focus on the short term might be necessary to facilitate the opening of accounts, but continued access to classes, counseling and coaching can promote clients' long-term financial success.

MANDATORY OR VOLUNTARY FINANCIAL EDUCATION

A financial education requirement could pose a barrier to participation in the Bank On program for potential customers who may not have the time and flexibility to attend a class. Moreover, a community's financial education options may be limited. If the financial education providers only offer their curriculum online, lack of Internet access could be an additional barrier.

However, because financial education is essential to helping unbanked individuals successfully enter and remain in the financial mainstream, many cities have included a recommended financial education component in their program parameters. This component is especially useful in encouraging banks to be more flexible in their policies toward customers who have a negative banking

background and have been placed in the ChexSystems database. In San Francisco and other cities, certain individuals who are on ChexSystems, such as those with a more recent negative record, are required to complete financial education before opening a Bank On account. Regardless of whether their financial education components are required or voluntary, cities with Bank On initiatives strive to make these opportunities accessible to all participants.

INDIVIDUAL FINANCIAL COUNSELING OR COACHING

In addition to providing financial education in a traditional classroom setting, some cities are considering ways to provide Bank On customers with the individual financial counseling or coaching that higher-income individuals often receive. Ideally, financial advisors would give Bank On clients an initial individualized assessment of financial needs and goals, and then provide instruction and advice tailored to clients' situations. Individual financial education might be especially effective in helping residents set and achieve financial planning goals, overcome a financial crisis, or make lasting changes in their financial behavior. Finally, cities could use customized financial education to connect families to public benefits like the Earned Income Tax Credit (EITC) and food stamps, credit-building services and other asset-building opportunities.

Because financial counseling or coaching can be more expensive and time-consuming to administer, many cities have delivered financial education through group classes. However, as a Bank On program evolves and garners more resources, and as Bank On customers continue to successfully maintain their accounts, cities may consider incorporating individual financial education into their program.

CREATING INCENTIVES FOR PARTICIPANTS

Cities that require participation in financial education classes can reduce barriers to access by providing individuals with incentives and supports to attend. For example, the availability of child care and a free meal not only incentivizes attendance, but also provides sup-

port for residents who would not otherwise be able to participate. Other incentives could include drawings for gift certificates and door prizes, which are often easy to solicit as donations from community partners or corporations. Cities and their partners can also provide a deposit into clients' Bank On accounts upon completion of a specific course as a powerful incentive for participation in financial education (see the list of incentives provided by financial institutions participating in Bank On Seattle-King County at the end of this chapter).

As part of its EITC campaign, the City of Phoenix offers free financial education courses at local community centers. The city provides a variety of incentives to encourage participation, including free food and drinks, concurrent financial education classes for youth ages 4 to 18, drawings to win savings bonds and the opportunity to open a free, no-fee savings account for children or adults at participating financial institutions.

CREATING INCENTIVES FOR PROVIDERS

Sometimes, offering a new program or class, or establishing mechanisms to track and evaluate clients' progress, can be a drain on community-based organizations' time and resources. By providing community organizations with incentives to offer financial education programs, cities can increase the number and accessibility of financial education sites. For example, Bank On San Francisco offers free training and a \$100 mini-grant to help interested community groups host a financial education seminar for their clients and employees.

MEASURING IMPACT

As an important tool for helping clients access mainstream financial services, measuring the effectiveness of financial education programs can help cities gauge the success of their larger Bank On programs. Some national programs such as Checking Network USA and local programs such as the American Center for Credit Education in Rapid City, S.D., track a student's progress and make this information available to participating banks where the individual may open an account.

Cities in the process of developing a Bank On program may want to examine specific measures of the impact of financial education, including a student's scores on tests before and after participating in financial education classes, whether or not the student opened an account, account performance, and whether or not the student continued their financial education by enrolling in more advanced classes. Both financial institutions and community organizations can track this information. While evaluation can increase the workload of participating organizations, the information these organizations collect is invaluable. Bank On working groups may find it helpful to consider streamlined ways to gather data on the success of the program's financial education component.

CITY EXAMPLES

EVANSVILLE, IND.

Upon cataloguing local financial education opportunities in Evansville, Ind., members of the Bank On Evansville financial education committee determined that there were not enough appropriate services for potential new accountholders. The committee then developed a unique financial education curriculum, which included financial basics and an introduction to core concepts such as checking, budgeting, setting financial goals and the importance of saving. Because no funding was available to help service providers deliver this curriculum, the Bank On Evansville team developed a corresponding "train-the-trainer" program equipping volunteers to offer the course in community settings. The financial education training program incorporates important lessons from a separate "culture of poverty" training, which focuses on understanding clients of a different background, culture or economic status than the service provider, and recognizing one's own biases in order to most effectively serve diverse residents.

PHILADELPHIA

The U.S. Department of the Treasury's Office of Financial Education and Access supported Bank On efforts in Philadelphia, strengthening the financial education component of the Bank On Philadelphia initiative. The Bank

On Philadelphia team agreed to basic criteria — or “core competencies” — for the financial education classes that would complement other aspects of the program (see below). They first identified key topics that were most appropriate for potential Bank On accountholders, and then encouraged providers to incorporate lessons on these topics into their existing curricula.

Bank On Philadelphia leaders also created a directory of financial education opportunities in the community by taking an inventory of existing financial education classes and identifying those that are appropriate for unbanked and underbanked individuals. The directory is accessible online, and community organizations that work with potential Bank On customers can easily provide referrals. Finally, the team developed a survey that is designed to test participants’ financial knowledge both before and after participation in the class (see the pre-test below). Data collected from this survey help the city gauge the success of financial education providers’ curricula and training techniques.

SAMPLE GUIDELINES FOR FINANCIAL EDUCATION PROVIDERS (1 OF 3)

Bank on Philadelphia Financial Education Network

The Bank on Philadelphia Financial Education Provider Network strongly recommends following the practices outlined in this document for providers interested in providing financial education and preparing clients to open a checking or savings Fresh Start Accounts (Second Chance Account) with a participating BoP financial institution. The financial education providers under this network all are considered BoP accepted providers.

Core Competencies

Classroom curricula should include budgeting, savings, account management, banking products, an overview of financial services, information about local resources and other competencies as determined by provider.

Spending Plan	Learners gain understanding of elements for preparing and managing a personal spending plan.
Saving	Learners are introduced to the benefits of saving and how to set reasonable and achievable savings goals. In addition, strategies for establishing a savings account and developing savings habits will be reviewed.
Account Management	Learners will review: <ol style="list-style-type: none">1) the importance of record keeping and be introduced to a variety of record keeping strategies;2) the functionality of the debit card as well as common mistakes and pitfalls that can come with debit card use; and3) common banking procedures (i.e. writing checks, deposits, withdrawals, and deposits availability);4) choosing and opening an account.
Banking Products	Learners are introduced to no or low-cost financial products specifically designed to help lower their costs in conducting daily financial transactions. These products and services are found in the BoP Financial Products and Services Catalog.
Cost of Financial Resources	Learners are introduced to the high cost of using alternative financial services such as pay-day lenders, check cashers, and the effect these services have in depleting their personal earnings.

Pre and Post Survey

Instructors will ask learners to take a pre and post survey as part of the financial education session. The purpose of the survey is to measure the impact of the financial education session and learning achieved by the learner. The results of the pre and post surveys will be reported on a macro level on a quarterly basis.

SAMPLE GUIDELINES FOR FINANCIAL EDUCATION PROVIDERS (2 OF 3)

Certificate of Completion

Providers will issue a Bop Certificate of Completion to the learner upon completion of the financial education session. For providers teaching the PNC Financial Education Curriculum, you will issue a PNC Certificate of Completion. The client must take the certificate to a participating BoP financial institution to open a Fresh Start Account. PNC will only accept the PNC Certificate of Completion to open an account. Go to <http://www.philadelphiacontroller.org/boP/default.htm> to download and print

copies of the certificate for your students.



Learners

The Financial Education Provider Network encourages providers to ensure that their curriculum meets the diverse needs of their learners.

Literacy	The reading level is appropriate for the learners.
Diversity	Materials reflect diversity in areas such as age, race, gender, and household income.
Culturally Sensitive	Text, illustrations, and learning activities are culturally sensitive and appropriate for the learners. Text is translated if necessary.
Comprehension	Sessions are 1 1/2 hours to 2 hours in length.
Achievement	The BoP Certificate or PNC Certificate of Completion is provided to all participants upon completion of financial education session. A pre and post survey will also be distributed in class to measure knowledge gained and the impact of the learning session on the learner.
Delivery	The delivery of the financial education material is flexible for the learners (one-on-one, group or class instruction, self-study via CD, or online study).

Note: Participants 'must' take their certificate to a participating BoP financial institution to open a Fresh Start Account or new account as applicable.

Tracking and Reporting

It is recommended for the financial education providers to track and report the following performance measures. Providers may also include other measures as appropriate.

- Number of referrals to financial institutions for accounts by non-financial institutions
- Total number of financial education workshops
- Total number of participants in financial education classes
- Total number of participants surveyed
- Average score for pre-test by percentage
- Average score for post test- by percentage

SAMPLE GUIDELINES FOR FINANCIAL EDUCATION PROVIDERS (3 OF 3)

- Number of referrals to financial education workshops
- Demographic background of financial education participants (if available)

Note: Calculating Scores for Quarterly Reports

1. Add all scores for pre and post-tests / total number of participants = Average Score
2. Average score (13.65) / Perfect score (21) = Average Percentage

Reporting Period Requirements

Period Ending:	Reporting Due Date:
June 30, 2009	July 10, 2009
September 30, 2009	October 10, 2009
December 31, 2009	January 10, 2010

Data Collection Contact

Holly A. Chase
Financial Education Specialist
Pennsylvania Office of Financial Education
17 N. Second Street, 13th Fl. | Harrisburg, PA 17101
Phone: 717-783-2498
hollychase@state.pa.us

SAMPLE PRE-TEST FOR FINANCIAL EDUCATION PARTICIPANTS



Participant Pre-Survey

Name _____ Phone _____ Date _____

Address _____ City _____ State _____ Zip _____

Email _____

Assessment score _____

1. Using a debit or check card with a credit card logo (Visa, MasterCard, etc.) is more like writing a check than using a credit card.
 - a. True
 - b. False
2. The balance shown on your bank statement is always an accurate indication of how much money you have in the bank.
 - a. True
 - b. False
3. Purchases made with your debit card are usually deducted immediately from your checking account.
 - a. True
 - b. False
4. It is alright to write a check if you don't have sufficient funds to cover it if you are sure you will deposit money before the check is processed.
 - a. True
 - b. False
5. You should update your check register every time you write a check, use your ATM/Debit card, and deposit money.
 - a. True
 - b. False
6. When you write a personal budget and savings plan you will need the following information
 - a. Income
 - b. Fixed expenses
 - c. Flexible expenses
 - d. Amount to save
 - e. All of the above
7. Developing a personal budget and savings plan will assist you to
 - a. save for your future
 - b. reduce your debt
 - c. meet your everyday needs
 - d. prioritize your spending
 - e. all of the above

SAMPLE PRE-TEST FOR FINANCIAL EDUCATION PARTICIPANTS

8. It is important to save money
 - a. in case of emergencies
 - b. for a vacation
 - c. for your dream home
 - d. any reason is an important reason to begin saving
9. Check cashers will help you save money
 - a. True
 - b. False
10. Going to pay day lenders
 - a. saves you money
 - b. helps you establish good credit
 - c. charges you less than you borrowed
 - d. none of the above
11. A bank or credit union will deduct a service fee from your account if you overdraft, write checks for over the amount that you have in your account, and use your debit card for purchases that are over the amount that you have in your account.
 - a. True
 - b. False
12. When you use your debit card with a credit card logo (Visa, MasterCard, etc.) the purchases you make are immediately deducted from your account.
 - a. True
 - b. False
13. It is VERY important to understand how YOUR account works. Different banks or credit unions have different rules, so make sure you get a clear outline of when your bank might charge you for things you don't expect. What question should you ask?
 - a. Is there a minimum balance for this account?
 - b. What happens if I go below the minimum balance? How much does it cost?
 - c. After I deposit a check, how long must I wait before I can take the money out?
 - d. All of the above.
14. Overdraft protection will ensure that you do not get charged overdraft fees if your account goes below the minimum balance allowed.
 - a. True
 - b. False
15. Before opening an account, you should make sure that the checking or savings account is right for me?
 - a. True
 - b. False
16. Do you currently have a checking or savings account with a bank or credit union? Please circle type of account.
 - a. Yes checking account savings account
 - b. No
17. If you ever had an account with a bank or credit union, has it been closed?

SAMPLE FINANCIAL EDUCATION COURSE OFFERINGS (1 OF 3)



Bank on San Francisco Financial Management Training Course Outlines

Bank on San Francisco has partnered with the non-profit organization EARN to ensure free financial management training to anyone interested in opening an account. Interested agencies, employers, CBOs, etc., can partner with the Bank on San Francisco program to host a financial management training for the clients they serve. See below for information on the classes offered.

Course Length and Contents:

Course Length: Each class could range from a minimum of 90 minutes to 2.5 hours each.

Course Contents: Key Learning Objectives: Each class will discuss the importance of being banked and basics of banking as a core component. There are three classes offered through the Bank on SF initiative that an agency could choose from: Budgeting and Saving, Financial Booby Traps to Avoid and Resources to take Advantage of, Credit Reports and Credit Cards.

Class One:

Budgeting and Saving			
Banking Basics	Importance of Goal Setting	Saving Money	Creating a Spending Plan
By the end of the class, participant will have outlined things to look for in a savings or checking account and discussed local options (banks and credit unions).	By the end of the class, the participant will have defined a Specific, Measurable, Achievable, Results Oriented, and Time-bound (SMART) goal and sketched a goal of his/her own.	By the end of the class, the participants will have outlined ways to save money and identified ways to cut expenses in his/her household.	By the end of the class, participant will create a spending plan and budget.

SAMPLE FINANCIAL EDUCATION COURSE OFFERINGS (2 OF 3)



Class Two:

Financial Booby Traps to Avoid and Resources to take Advantage Of			
Banking Basics	Five Financial Booby Traps to Avoid	Facing Obstacles in the Way of Meeting Your Goal	Resources
By the end of the class, participants will have outlined things to look for in a savings or checking account and discussed local options (banks and credit unions).	By the end of the class, the participants will have an understanding of the true cost of using fringe financial services such as Check Cashers, Pay Day Lenders, Rent to Own, Refund Anticipation Loans, etc.	By the end of the class, the participants will have outlined obstacles that might arise as they work toward their asset goals and identified ways to plan for those issues.	By the end of the class, participants will have an outline of asset building resources and services that are free, and easily accessible through public transportation. These resources are meant to help participants take their next step toward achieving their goals.

Class Three:

Credit Reports and Credit Cards			
Banking Basics	Introduction to Credit	Credit Reports and Identify Theft	Understanding credit cards
By the end of the class, participants will have outlined things to look for in a savings or checking account and discussed local options (banks and credit unions).	By the end of the class, participants will have: *defined what credit is *discussed when to use credit & not to use credit *determined their debt-to-income ratio.	By the end of the class, participants will have: *reviewed a sample credit report & determined how to correct errors *discussed tips on how to improve credit scores *identified resources to help them with any credit issues.	By the end of the class participants will have: *described what to look for in a credit card *calculated the cost of paying the minimum balance.

EARN • 235 Montgomery, 300, SF, CA 94104 • 415.217.3660 • www.sfeam.org

SAMPLE FINANCIAL EDUCATION COURSE OFFERINGS

(3 OF 3)



Format for Learning Objectives/Training Philosophy:

EARN wants lively discussion in our classrooms! We believe that participants can learn as much from each other as they can from us. To that end, we have included partner and small group activities, as well as numerous discussion points. As a general guide, EARN instructors use the following format for each learning point they are presenting:

- 1) **Anchor** the subject by using a relevant introductory exercise that gives participants the opportunity to reflect on something they relate to personally. For example, when introducing the subject of goal setting, start by asking participants to discuss in pairs a goal they've met in the past, and how they went about meeting that goal.
- 2) **Add** the information you want the participants to learn. For example, provide information on how to set goals and track progress. Lead participants through your "goal-setting strategy" and explain why setting goals in this manner can help them succeed.
- 3) Have participants **apply** what they've learned so that they have a solid **take-away**. For example, ask participants to outline a goal that they have currently and use the "goal-setting strategy" you just discussed. They will have a "take away" that is relevant to their individual needs.

SAMPLE INCENTIVES FOR PARTICIPATING IN FINANCIAL EDUCATION



Financial Education Certification Requirements to Qualify for Financial Incentive from Participating Bank On Seattle-King County Financial Institutions

A key component to the Bank on Seattle-King County initiative is to help “unbanked” people access free financial education to help them be successful once we have connected them to affordable, mainstream financial services. To that end, the Financial Education Providers Network was formed to improve the quality of and access to financial education throughout Seattle and King County. This network has developed the following requirements that delineate the minimum criteria that a program must meet in order to certify that a student has attained the quality and quantity of financial education to qualify for a financial incentive from participating Bank On Seattle-King County financial institutions.

MINIMUM CRITERIA:

1. Must include the following topics covered by the network’s Financial Education Standards (Attachment A):
 - Financial Goal Setting
 - Controlling Your Money
 - Checking Accounts
 - Savings
 - Credit and Credit History
 - Credit Cards
 - Consumer Rights
2. At least 8 hours of class time
3. A minimum of 2 separate class periods (e.g., 4 hours each)
4. Take-home resources and/or homework should be given
5. Testing of financial education knowledge acquired through these classes

Once these criteria have been met, a financial education provider will complete a Bank On Seattle-King County participation certificate. Presentation of the certificate to a participating financial institution will permit the student to qualify for one financial incentive.

SAMPLE INCENTIVES FOR PARTICIPATING IN FINANCIAL EDUCATION

Providers Who Can Certify Customers for Incentives for Completing Financial Education

American Financial Solutions
Consumer Counseling Northwest
El Centro de la Raza
Hopelink
International District Housing Alliance
Neighborhood House
Parkview Services
Multi-Service Center
United Indians of All Tribes
Urban League of Metropolitan Seattle
YWCA

Incentives Offered by Financial Institutions*

Banner Bank

Banner will offer \$100 to each customer who successfully completes the minimum educational requirements as certified by the Certificate of Completion under the Bank On Seattle-King County program.

Frontier Bank

Frontier will offer \$50 to each customer who successfully completes the minimum educational requirements as certified by the Certificate of Completion under the Bank On Seattle-King County program.

HomeStreet Bank

HomeStreet will provide \$100 for each customer who:

- 1) successfully completes the minimum educational requirements as certified by the Certificate of Completion under the Bank On Seattle-King County program.
- AND
- 2) maintains a Bank On Seattle-King County checking account at HomeStreet Bank for a minimum of three months with a positive balance.

Verity Credit Union

Verity will provide a \$50 matching deposit into a six-month Savers Certificate for each member who:

- 1) Successfully completes the minimum educational requirements as certified by the Certificate of Completion under the Bank On Seattle-King County program.
- AND
- 2) Member must be in good standing with Verity at the certificate maturity date in order to withdraw the \$50 matching deposit.

*All banks and credit unions reserve the right to modify the amount in the future, or discontinue the incentive program entirely.

9. TRAINING AND CUSTOMER SERVICE

TRAINING STAFF FROM PARTNER ORGANIZATIONS

Before municipal leaders unveil their city's Bank On program, they must have already developed a plan for ensuring that financial institution and community-based organization staff are fully trained to make the program a success.

Potential customers typically first encounter the Bank On program by interacting with bank, credit union and community organization employees. If the customers do not have positive experiences, stories of their first impressions may spread by word of mouth and could hamper broad participation in the program. Additionally, if staff are not trained to refer the right clients to a Bank On account and track their participation, cities will not be able to evaluate the program's results effectively. Therefore, cities must develop a training plan for their partners and determine which group will deliver the training.

One option is to create a "train-the-trainer" model in which Bank On program staff or committee members develop a training program and disseminate the program to the staff at each financial institution who will provide the training to their colleagues. In this way, cities can mitigate training gaps due to employee turnover. However, it is recommended that a representative of the lead agency or steering committee attend at least one training session at each financial institution to ensure trainings are properly conducted and to thank the bank and credit union employees for their participation and support.

DEVELOPING CUSTOMER SERVICE SYSTEMS

Although Bank On program leaders must train all partners, including community organizations and rel-

evant city departments, training is most important for financial institutions. The appropriate subcommittee must develop a training program for branch staff, set a schedule for trainings and ensure that all bank and credit union staff receive training before the launch of the Bank On initiative. Cities must also ensure that training plans take into account ongoing employee turnover and the need to continually train new staff.

Local officials should address customer service training during the planning phase. Some cities, such as Seattle, have established separate training committees. City officials may want to develop a presentation, video or backgrounder about the program that participating organizations can use to train their staff. Alternatively, Bank On program planners may choose to visit each participating organization to provide some basic customer service training and information on the program.

TRAINING MATERIALS

In general, customer service training materials should include information on the purpose of the Bank On initiative, how to refer individuals to an appropriate financial institution or financial education opportunity, how to open an account for new customers and how to track Bank On accounts and activities. It is important to make sure that training materials fit easily into the operations of participating financial institutions and community organizations. For instance, the City of St. Petersburg, Fla., provides basic information in table tent format to financial institutions (see below). Likewise, frontline staff in San Francisco keep a list of frequently asked questions nearby and can refer to it throughout the day as they assist potential Bank On customers (see below). As part of their customer service training, Bank On Savannah program leaders provided financial institution staff with a checklist of key items to cover in explaining fees and banking procedures for a new Bank On account.

VIRTUAL TRAINING TOOLS

While representatives of most Bank On programs have hosted in-person training for financial institution branch managers or, in some cases, their staff, some cities instead choose to develop online training tools, presentations and videos. These tools will need to be customized to match the specific product and policies in place at each participating financial institution (e.g., employees need to know their tracking code or how to override ChexSystems in their particular computer system). Computer-based training tools can be particularly useful for state-based Bank On programs and other initiatives that are spread out over large geographic areas. For instance, Bank On program planners in Louisville, Manhattan and Indiana decided to host webinar trainings.

REFERRAL PROCESS

Because some potential customers may have checkered banking histories, a Bank On program's referral strategy will serve more people if it contains contingency plans for assisting customers who are in ChexSystems or have additional needs. For instance, city officials may refer customers to financial education classes if they appear in ChexSystems or to a credit union that has less stringent requirements for opening an account.

Cities have found it beneficial to have one organization, like the United Way's 211 service or a city's 311 service, handle the overall customer service system for the program. Customer service staff should have information on all of the account features and information for each branch location, including the name of the branch manager. As part of this effort, cities must determine the process for handling, tracking and reporting complaints. San Francisco officials created a script for the customer service staff receiving Bank On calls that included information about where to open an account, basic account features and costs, identification requirements, information about ChexSystems and financial education, to whom residents can ask questions that customer service staff cannot answer and a list of frequently asked questions.

CITY EXAMPLES

SEATTLE

When Seattle residents call 211 and are placed on hold, they may hear the following message about Bank On Seattle-King County:

"If you don't have a bank account, you could be spending hundreds of extra dollars each month on transaction fees. A program called 'Bank On Seattle-King County' is helping people get checking and savings accounts to help them save money, even if they don't think they qualify. Participants can open an account at one of 21 participating banks and credit unions. Once enrolled, they can also receive financial education."

Bank On Seattle-King County leaders have also developed a comprehensive training curriculum to ensure that financial institution staff are prepared to serve potential new Bank On customers. The following document outlines the key topics covered during this training.

SAMPLE TRAINING CURRICULUM/CHECKLIST (1 OF 3)

Bank On Seattle-King County Training Curriculum/Checklist

1. Program Overview

Why the Program Was Initiated

- To integrate people who are currently unbanked and underbanked into affordable mainstream financial services, including checking, savings, and credit and;
- To provide access to financial education opportunities.

Program Goals

- First year: To bank 5,000 unbanked and underbanked people who live and/or work in Seattle-King County; and
- To bank an additional 5,000 people the second year;
- 80% of new customers will successfully maintain their account for at least one year; and
- A substantial number (% to be determined) of customers will complete financial education (at least 4 hours) through organizations that have agreed to participate in this program.

Initial Target Population

- Unbanked and underbanked people who do not have relationships/connections with mainstream financial institutions (no checking accounts), or people who may have accounts, but who do not use them for most of their financial transactions.
- People who use higher cost services of check cashers and payday lenders rather than the lower cost/affordable financial services offered by banks and credit unions.

Summary of Program Minimum Requirements – Participating Financial Institutions:

- Program & Services
- Data Collection and Reporting
- Marketing & Outreach Activities

2. Program Timeline

- Training Schedule
- Kick-off
- Implementation

SAMPLE TRAINING CURRICULUM/CHECKLIST (2 OF 3)

3. Program Education/Training

- Training Objective
- Executive Management Awareness – presentation by bank-designated program team member
- Marketing Materials
 - Program Brochure (will include participating financial institutions and providers of financial education)
- Branch Staff Training
 - Designated staff at each branch (designated trainer/coordinator that is responsible for providing training).
 - Bank-wide communication announcing the program.
- Back-Office Training
 - Program overview and flow
 - Data collection and reporting (who, what, when)
- Branch Training Topics
 - Program benefits for customer and financial institution including financial institution program goals if applicable.
 - Program workflow
 - How to determine customer qualification (bank policy and procedures for this program)
 - Products and services offered in connection with this program (name, features, benefits)
 - How to flag accounts for reporting purposes
 - When to provide the program disclosure to the customer
 - How to order the program disclosure
 - Who to call with questions concerning the program, bank policies and procedures, and account offerings
 - Referral process for referring a customer to a provider of financial education.
 - Referral process when another financial institution offers products and/or services that are better suited for the consumer
- Training Materials
 - Training materials with program overview, all topics, and contact information

SAMPLE TRAINING CURRICULUM/CHECKLIST (3 OF 3)

- Cheat Sheet – for use by front line staff
 - Where stored- company intranet for on-demand access
- Training Going Forward
 - How will *new employees* to the bank receive training (form, when and by whom?)
 - How will *existing employees* who transfer into positions that provide products and services related to this program receive training (form, when, and by whom?)
 - How will new trainers receive training (form, when, and by whom?)
- Who to Contact or Source for Obtaining Information Concerning:
 - The program
 - Products and services offered by the financial institution
 - Financial institution procedures for determining eligibility
 - Referrals for financial education and/or services offered by participating nonprofit organizations for people who are not currently eligible for products offered by the financial institution; or
 - For customers who are interested in financial education opportunities.
- Changes to Products and Services Offered in Connection with this Program and New Products that Meet the Minimum Requirements of the Program:
 - How will the financial institution ensure minimum program requirements are met?
 - Who will communicate changes internally/process?
 - How will the information be incorporated into training curriculum and materials?
 - Who will communicate information externally/process?

SAMPLE TABLE TENTS FOR BANK ON CUSTOMERS



www.BankOnStPete.org

**We're Proud to be a
Bank on St. Pete Partner**

Bank on St. Pete is:

A partnership between participating banks, credit unions, social service and non-profit organizations in the community to help people without a checking or savings account learn to manage their money and save for the future.

Bank on St. Pete offers products to meet EVERYONE'S needs, even if you have a troubled banking past*, including:

- no or low minimum opening balances
- no or low maintenance fees
- no minimum monthly balances
- direct deposit of paychecks or monthly benefit checks
- free debit cards
- online banking

Our partners have designed special programs that make it easy for you to open a checking or savings account, pay your bills on time, have quick access to your money and keep it safe from theft or natural disaster. And your money is insured by the Federal Deposit Insurance Corporation (FDIC) so you know it will always be there.

With your Bank on St. Pete account, you'll learn how to make the most of your money with financial education classes offered through our non-profit partners. That way, you can begin saving for your children's education, a car or your first home.

Get started saving your pennies at www.BankOnStPete.org or call 2-1-1 for a list of partner banks and credit unions or to find out more about improving your financial freedom.

*You may be required to attend financial education classes in order to qualify/maintain new accounts.

SAMPLE LIST OF FREQUENTLY ASKED QUESTIONS FOR FRONTLINE BANK STAFF (1 OF 3)



What is Bank on San Francisco?	Bank on San Francisco (BoSF) is a joint initiative of Treasurer José Cisneros, Mayor Gavin Newsom and the Federal Reserve Bank of San Francisco. The goal of this initiative is to help bank the estimated 50,000 unbanked San Francisco households – families who currently have neither a checking nor a savings account. We are aiming to bank 10,000 unbanked residents in the first two years of the program.
Why did the Treasurer and the Mayor create this program?	There is an estimated 50,000 households in San Francisco with no checking or savings account – including 50% of all African-American and Latino households. This means families are forced to pay money to cash checks and pay bills, have no way to save for the future and have no safe place to keep their money.
What features should I offer a client who asks for a BoSF account?	BoSF banks and credit unions have agreed to offer the following: <ul style="list-style-type: none"> • Help clients to open a basic low or no cost checking and/or savings account (insert product name) • Open accounts for people on ChexSystems if the activity is over 1 year old* • Open accounts for people on ChexSystems if the activity is less than one year old, following completion of financial management training* • Open accounts for people using the Mexican Matricula card or the Guatemalan Consular ID card as primary ID • Waive one set of NSF/Overdraft fees • Fully disclose and explain all fees to clients at the time of account opening • Refer any client unable to open an account with your bank to another financial institution, or back to the BoSF program, for help. • Steer clients towards financial management training and participate in four trainings per year in the community. *modify with specific product details for your bank or credit union
What might a customer ask for when they come to my branch?	Clients may refer to many things instead of just Bank on San Francisco. Be alert to customers asking for the city's banking program, an anti check cashing program, a program for low-income residents, the Working Families Credit program, the free banking program etc.
What happens if we cannot help a customer?	If you are unable to help a client (for example, if they owe money to another institution, if they have had an issue with fraud etc) you can refer them yourself, or ask them to call 2-1-1 to be referred to a more appropriate bank or credit union. The Northeast Community Federal Credit Union will open accounts for most clients and is a great place to refer people to if you think a mainstream bank or CU cannot help them.

SAMPLE LIST OF FREQUENTLY ASKED QUESTIONS FOR FRONTLINE BANK STAFF (2 OF 3)

Is financial training available?	Financial training is available to all BoSF customers. If interested, they should call 2-1-1 for details, or visit www.sfgov.org/bankonsf
Who should I call if I have questions or comments?	You should call your key contact branch manager for help: Name: Phone number: E-mail: If your key contact cannot answer your question, please call Leigh Phillips at the San Francisco Treasurer's Office: 415/554-4320
How do I order materials for my branch?	Your key contact will be responsible for ordering materials for all branches and making sure they reach the appropriate locations.
What other financial institutions are involved?	Your institution is one of 15 partner banks and credit unions currently partnered with BoSF: Bank of America, Bank of the West, Citibank, Mission Area Federal Credit Union, Mission National Bank, Northeast Community Federal Credit Union, Patelco Credit Union, San Francisco Credit Union, Spectrum Federal Credit Union, Sterling Bank and Trust, United Commercial Bank, US Bank, Washington Mutual, Wells Fargo, Westamerica.

BoSF coupon:

**KEEP YOUR MONEY.
GET A BANK ACCOUNT.**



Don't let check cashers take a penny of your hard-earned money. Even if you've had problems with an account in the past, or don't have a driver's license or Social Security card, you can open a bank account in San Francisco.

Find out how you can start depositing money in your own bank account by visiting one of the participating banks or credit unions listed below.

BANK OF AMERICA • BANK OF THE WEST • CITIBANK • MISSION AREA FEDERAL CREDIT UNION • MISSION NATIONAL BANK • NORTHEAST COMMUNITY FEDERAL CREDIT UNION • PATELCO CREDIT UNION • SPECTRUM FEDERAL CREDIT UNION • STERLING BANK AND TRUST • US BANK • WASHINGTON MUTUAL • WELLS FARGO

SAMPLE LIST OF FREQUENTLY ASKED QUESTIONS FOR FRONTLINE BANK STAFF (3 OF 3)



How you can help!

1. Help unbanked clients open the right product when they come to your branch:
 - a. BANK NAME is using the PRODUCT NAME as the primary product
 - b. You have the discretion to offer a more suitable product
2. Help clients with negative banking history get back on the path to success:
 - a. Arrange payment plans and help clients contact Chex.
 - b. Monitor Bank on SF accounts to ensure clients are managing their accounts.
3. Educate each client on how to succeed with their new account:
 - a. Make sure every client understands the account, especially all fees
 - b. Let each client know they can come to you for help. YOU are their main advisor for financial matters!
4. Refer clients to other partners, to 2-1-1 or to bankonsf.org:
 - a. No one should be turned away
 - b. If a client has a problem with another aspect of their life, 2-1-1 can help
5. Make sure everyone in your branch knows about the program and can help clients:
 - a. Use our materials in employee areas to help raise awareness
 - b. Send e-mails to staff with reminders
 - c. Ask new hires to read bankonsf.org
6. Track unbanked clients and report data each quarter:
 - a. Use your tracking code to make sure we count all eligible clients
 - b. Follow the data tracking protocol and track as much info as possible.
7. Partner with community groups to provide financial education and opportunities to open accounts at Bank on SF events:
 - a. Attend outreach events in the community
 - b. Look at your non-profit or business clients and offer to host trainings.
8. Help spread the word about Bank on SF and promote YOUR BANK:
 - a. Let us know if you hear any good stories or meet any remarkable clients.
 - b. Keep track of clients who can participate in media interviews
 - c. Volunteer to speak about YOUR BANK experience at Bank on SF events

10. LAUNCHING AND SUSTAINING A BANK ON PROGRAM

Once the work of designing a Bank On initiative is complete, it is time to open the program for business. City leaders, financial institutions and community organizations must be prepared to transition from planning to management as the program becomes fully operational. This section outlines important considerations when publicly launching a Bank On program, and addresses key issues involved with moving to the implementation phase.

PREPARING FOR THE LAUNCH EVENT

The public launch of a Bank On program is an important step, marking the end of the planning stage and the beginning of implementation and management of the program. By hosting a public launch event, city leaders can formally introduce the program to the public and showcase its high-level of support among local elected officials and other important partners. Perhaps most importantly, the launch event signals that the Bank On program is available to local residents. That is why it is important to plan a visible, dynamic launch event to kick off the start of the program.

While the length of the planning period for each city may vary, it is important to ensure that certain program components are in place before officially “opening for business.”

TRAINING

As the primary point of entry for the Bank On program, frontline bank and credit union branch staff will serve as the program’s public face. By this point, these staff should have received appropriate training and the most up-to-date information on the program, product and tracking methods. As secondary points of entry, community-based organization staff must be informed about the

goals of the program and familiar with the client referral process. Overall, city officials must be sure that bank and community organization staff are knowledgeable about the program, ready to open bank accounts and/or make appropriate referrals for customers and know how to track account information and other important data.

MARKETING MATERIALS

Before formally announcing the program, cities must have all marketing and outreach materials printed and distributed to partner organizations. In addition, Bank On partners will by this point have agreed upon a clearly defined marketing strategy that they are ready to roll out immediately following the launch event.

DATA TRACKING

Prior to a public launch, cities should ensure that their Bank On program has clearly defined data tracking and reporting procedures, and that all organizations taking part in the tracking and reporting (e.g., financial institutions, regulatory agencies, community-based organizations) have agreed to the procedures and have been trained to begin tracking and reporting the data.

BANK ON PRODUCTS AND FINANCIAL EDUCATION

The Bank On product and financial education opportunities must be “shelf-ready” before a program is launched. At this point, participating financial institutions should be prepared to offer the agreed-upon Bank On product and have materials that fully disclose and explain all account features. Similarly, banks, credit unions and community-based organizations that have agreed to provide financial education should be ready to offer their courses and materials to clients.

WEBSITE

Most cities have developed websites as a key source of information about their Bank On programs. Because a launch event is designed to garner public attention, those who are implementing their city's Bank On program may be inundated with questions and requests as residents' interest is piqued.

It is helpful to direct both residents and current and potential partners to one central site where they can obtain answers to basic questions and find information about the program, whether it is a list of participating banks and credit unions or how to sign up as a financial education provider. Before the launch event, cities must make sure that the Bank On website is live and up-to-date.

COMMUNITY LEADERS' ROLES

Public launch events offer excellent opportunities to showcase a Bank On program's support among local elected officials, bank and credit union representatives, and other prominent and trusted community leaders. Whether these individuals have speaking roles or not during the actual event, it is important that Bank On program planners supply them with background information on the program. It is also helpful to clearly define their roles and prepare them with talking points so they can serve as excellent Bank On "spokespeople" as the program is introduced to the public and the media.

CUSTOMER SERVICE SYSTEMS

Finally, before cities launch their Bank On program, they must have created a centralized customer service system and trained appropriate staff. Many cities use their 211 lines to provide information about the Bank On program, which is especially helpful to residents who do not have Internet access. If program leaders will be offering customer service information through a 211 line, it is important that customer service staff are well-versed in the Bank On program in general, each financial institution's product features, financial education opportunities and how to provide appropriate information and referrals.

LAUNCHING THE PROGRAM

The launch event itself will vary from city to city but should be highly visible to the public and involve local elected officials and other trusted city leaders. It is often helpful to tie a launch event to a related initiative, such as an EITC outreach campaign or America Saves Day. Doing so helps further contextualize the program and can allow a city to "piggyback" off of existing media attention.

In addition to sponsoring an event that attracts widespread public attention, cities may consider several other factors for a successful launch:

VENUE AND FORMAT

When identifying an appropriate venue for launching a Bank On program, some cities have chosen City Hall or another local government facility. If a city is targeting a particular neighborhood with a high number of underserved residents, then a community center or organization in that neighborhood might be an ideal location. An outdoor city festival may be another venue for a program launch since it is likely to attract a diverse cross-section of residents.

MEDIA INVOLVEMENT

Cities can invite and encourage the participation of key television, radio and printed media contacts by sending marketing materials and other newsworthy details about the program (see the sample press release from San Francisco at the end of this chapter). If television stations are interested in covering the event, cities may consider including a visibly interesting poster or backdrop. Program planners must also remember to prepare any individuals who will be speaking at the launch event to answer questions appropriately and knowledgeably.

SPEAKERS AND GUESTS

As with other press events, it is important to identify the right speakers, which may include local elected officials and other key stakeholders, and to ensure that speakers keep their remarks concise. Some cities have

found that inviting a national expert to serve as a speaker adds national visibility to the program. Including an unbanked or recently banked resident to share their personal experiences of what it is like to live without a bank account can also add a human interest angle to the Bank On launch event.

SPONSORSHIP

Most cities do not have separate funding to host a launch event. Participating financial institutions or other local businesses might be willing to sponsor a public launch event due to its high visibility. Federal regulators such as the Federal Reserve Bank may also be able to contribute funds for the event. However, it is important to consider the implications of highlighting just a few partner organizations as sponsors.

INFORMATIONAL MATERIALS

Media representatives and others attending the event should have access to materials that include a description of the program, a list of participating financial institutions, information about the city's Bank On website, financial education or coaching information and referral cards for participants. Some cities have also offered giveaways at launch events such as piggy banks or t-shirts as a way to both attract event guests and draw attention to the program after the event ends.

For example, San Francisco Mayor Gavin Newsom and Treasurer José Cisneros launched Bank On San Francisco at a local college, where they announced the program and its partners and unveiled an outdoor media campaign. Leaders of Bank On Gaithersburg (Md.) and Bank On Indy decided to host launch events that were designed to be more like community fairs. The event in Gaithersburg took place in conjunction with the town's annual festival, which draws thousands of residents. Indianapolis leaders launched Bank On Indy as a stand-alone event, which included remarks from Mayor Gregory Ballard and other community leaders. Participating banks, credit unions and community partners each had a booth at the event, giving them an opportunity to interact with potential customers, answer specific product questions, and open accounts on site.



INFORMATION ABOUT BANK ON GAITHERSBURG (MD) DISPLAYED AT A COMMUNITY EVENT.

MAINTAINING AND MANAGING A BANK ON PROGRAM

Once local leaders have formally launched a Bank On program, they will have to transition into implementation and management roles. Cities may choose to select one individual to serve as the program manager or keep each subcommittee intact and task committee members with managing different segments of the program. Municipal officials may also consider how to grow the Bank On program, take advantage of new innovations for expanding access to mainstream financial services and continue to meet the evolving asset-building needs

of unbanked residents. Finally, it is important to make sure the Bank On initiative is sustainable and continues to maintain a high level of public trust.

KEY ISSUES TO CONSIDER

During their planning phase, cities may want to consider how they will carry out the following activities in the ongoing management of their Bank On programs:

- Determining the frequency and agenda of post-launch steering committee convenings;
- Monitoring and reporting program outcomes and setting new, appropriate goals;
- Maintaining partner involvement and engaging new partners;
- Monitoring and securing ongoing media coverage, as well as support from local officials newly elected to office;
- Addressing unforeseen challenges and responding to criticisms of the program;
- Incorporating additional, more advanced bank product features; and
- Using Bank On as a tool for building a larger asset-building strategy.

By continuing to schedule committee meetings regularly after the program's launch, cities can keep their momentum going and report the latest account data to the group. Financial institution and community partners can also use these meetings to report positive and negative experiences, as well as new ideas, to the group. For instance, the City of Evansville, Ind., continues to host "Big Table" meetings on a quarterly basis to accomplish each of these goals. Bank On leaders in Savannah have published a brochure featuring program highlights (see below).

CONTINUED TRAINING OF FRONTLINE STAFF

Just as program planners must continually engage new local officials as leadership transitions occur, they must also ensure that frontline staff at participating financial institutions and community organizations, as well as those handling customer service, continue to be well-

informed about the Bank On initiative. New staff must be able to direct potential customers to a Bank On account or financial education opportunity. Ongoing trainings sponsored by the city or its partners can mitigate the effects of frontline staff turnover, which can be common at both financial institutions and community-based organizations.

Cities may sponsor these trainings for one large group or at individual bank and credit union branches. For instance, Bank On Philadelphia leaders host quarterly orientation sessions, which any partner can attend. These orientations offer new staff a primer on the program, removing the burden of providing training from each individual partner. On the other hand, leaders of Bank On Seattle-King County and Bank On Houston conducted individual branch visits to discuss the program, share expectations with their partners and explain the account tracking protocol.

Additionally, program planners should make extra training and marketing materials available for subsequent trainings. Cities will need to brainstorm how to make their training efforts sustainable and effective and will likely revisit this issue regularly.

CITY EXAMPLES

PHILADELPHIA

The City of Philadelphia organizes ongoing training, orientation and planning meetings to engage more than 150 Bank On Philadelphia partners. These periodic trainings and meetings both introduce new financial institution and community organization staff to the Bank On initiative and keep partner organizations updated on the initiative's progress (see the sample orientation session invitation below).

SAMPLE BANK ON ORIENTATION SESSION INVITATION



Please join **Philadelphia City Controller Alan Butkovitz** and representatives from the more than 150 of your fellow, citywide Bank on Philadelphia Neighborhood Affiliates, financial institutions, representatives from our Bank on Philadelphia Financial Partners and others for an...

Orientation Session, Website Tutorial...

...and update on the progress of Bank on Philadelphia in our campaign to enroll 10,000 low-to-moderate income Philadelphians in savings and checking accounts. All Bank on Philadelphia Neighborhood Affiliates and financial partners are welcome and encouraged to attend.

When: Wednesday, August 5, 2009
10:00-11:30 AM

Where: Pennsylvania Convention Center
Room 107AB
NW corner of 12th and Arch Streets
Philadelphia, PA 19102

The **Agenda** will include the following:

- Presentation and tutorial on the new website, including detailed explanation of available online resources to help you achieve your Bank on Philadelphia goals.
- Discussion of next steps and efforts to fully engage Bank on Philadelphia's citywide network of more than 150 neighborhood affiliates.
- Ideas and testimonial of the new partnerships and expected outcomes as a result of our Bank on Philadelphia effort.

Please **RSVP** by return email with estimated number attending from your institution by Friday, July 31, 2009.

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SAMPLE PRESS RELEASE

Office of the Mayor
City & County of San Francisco



Gavin Newsom

FOR IMMEDIATE RELEASE:

Thursday, September 28, 2006
Contact: Mayor's Office of Communications
415-554-6131

*** PRESS RELEASE***

Mayor Newsom and Treasurer Cisneros Launch *Bank on San Francisco* Initiative
San Francisco becomes first city in the nation to create a comprehensive program to bank the unbanked

San Francisco, CA —Mayor Gavin Newsom and Treasurer José Cisneros today announced the launch of *Bank on San Francisco*, an innovative new program which allows San Francisco families dependent on high-cost check-cashers to easily open a starter bank account with reputable financial institutions. The launch coincides with the mailing of 11,595 checks totaling \$2.3 million to Working Families Credit recipients.

"Over the next two years, we plan to bring 10,000 of the 50,000 un-banked San Francisco families into the financial mainstream so they can begin to save and build assets," said Mayor Newsom. "Our goal is to have the fewest un-banked residents of any major American city. We are the first city in the country to undertake such an initiative," said Mayor Newsom.

Treasurer José Cisneros spearheaded the initiative by working with banks and credit unions across the City to develop banking products which meet the needs of unbanked San Franciscans. Earlier this year, Treasurer Cisneros worked with Supervisor Tom Ammiano to pass legislation that placed a temporary moratorium on opening new commercial check-cashing outlets and will create new land use regulations for check cashers.

"We're thrilled to launch Bank on San Francisco," said Treasurer Cisneros. "Thousands of hard-working unbanked San Franciscans will be able to open an account – even if they have mismanaged an account in the past, need to use their Matricula card as ID, or simply want quality financial management training. This is a real alternative to high-priced, predatory check cashing and payday lending businesses."

Participating banks and credit unions that have agreed to help local low-income families become "banked" by offering new products and services include Bank of America, Bank of the West, Citibank, Mission Area Federal Credit Union, Mission National Bank, Northeast Community Federal Credit Union, Patelco Credit Union, Spectrum Federal Credit Union, Sterling Bank and Trust, US Bank, Washington Mutual, and Wells Fargo. The program is run in partnership with the Federal Reserve Bank of San Francisco and local non-profit, EARN.

An estimated 50,000 households in San Francisco have neither a checking nor savings account, representing 15% of all households in the City. Among African Americans and Latinos, approximately 50% of adults are unbanked. Families without bank accounts pay high fees to cash checks and pay bills, and with no safe and reliable way to access their money they are particularly vulnerable in times of crisis.

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SAMPLE PROGRAM HIGHLIGHTS BROCHURE (1 OF 3)



A MESSAGE FROM THE MAYOR AND STEP UP SAVANNAH BOARD CHAIR

In May 2009, we launched the Bank on Savannah program as the first comprehensive program in Georgia to work collaboratively with financial institutions, local government, financial regulators and community-based organizations to bank the unbanked.

One year ago our research told us that there are an estimated 10,000 people who are unbanked in Savannah's highest poverty neighborhoods. Today, thanks to help from our local financial institutions we are very proud to report that we have reached the goal that we set one year ago—to open 1,000 bank accounts in Savannah. In addition to banking hundreds of unbanked Savannahians, the program has also taught financial education classes to over 3,000 people and developed alternative financial products that have saved low-income hard working families thousands of dollars. More importantly we have sparked a local grassroots movement to bring low-income consumers into healthy financial products and increase the economic stability of hundreds and ultimately thousands, of families.

This brochure provides a review of the successful first year of Bank On Savannah and, most importantly, an opportunity to recognize the hard work of all of our program partners who have contributed so much to this unique initiative.

Best Wishes,

Olis Johnson Sister Pat Baber
Mayor Chair
City of Savannah Step Up Savannah Board of Directors

Olis Johnson
Mayor
City of Savannah

Sister Pat Baber
Chair
Step Up Savannah Board of Directors

BANK ON SAVANNAH BY THE NUMBERS

April 2009 - May 2010

Financial Institutions	Participating financial institutions	11
	Participating branch/office locations	28
Accounts	Total accounts opened	1,011
	Alternative Refund Advance Loan	155
Financial Education	Financial Education Clients	3,024
Marketing & Outreach	Brochures Printed and Distributed	22,000
	Flyers Printed in Spanish	500
	DVDs	100
	Bus Signs (48 CAT Buses)	99
	Car Decals	300
	Financial Ed class schedule postcards printed	7,500
	Speaking Engagements/Neighborhood Meetings	38



SAMPLE PROGRAM HIGHLIGHTS BROCHURE (2 OF 3)

BANK ON SAVANNAH: CUSTOMER STORIES

Wachovia/Wells Fargo – downtown customer

Downtown Teller Pat Page served a customer who thought she wouldn't be able to qualify for a bank account because of past ChexSystems history. A single mother who is self-employed and raising three children, her past bank experience left a terrible taste in her mouth. As a result, she avoided traditional banks for years. She had been cashing her checks at a check-cashing store and paying fees she really couldn't afford.

With assistance from Teller Pat Page and Angie Moore, financial specialist, the customer qualified for a new Bank On Savannah account without any trouble. By taking just a little extra time, Angie was able to explain how to balance a checkbook and the responsibilities of maintaining an account. Angie provided the woman with the Bank On Savannah checklist, education flyers and phone numbers for financial education classes held at local libraries. She's not only the proud holder of a bank account now but is SAVING as well because of the time Pat and Angie invested.

Carver State Bank – Ms. Wiggins

Ms. Wiggins' bank account had been closed for some time because of too many overdrafts. She explained that it had been her first; she was young and immature and didn't understand how to manage a checking account at the time. Given the opportunity to open an account again, Ms. Wiggins is now determined to handle her finances responsibly.

When Ms. Wiggins opened her Second Chance Account at Carver State Bank, a Customer Service Representative explained to her in detail how to balance her checkbook. Ms. Wiggins said that having an account makes a difference now when paying her bills. She realizes she gave away hundreds of dollars of her hard-earned money when she used a check-casher or purchased money orders at a store. Now, she's able to save for emergencies and even trips with her children. Ms. Wiggins said she was thrilled about having the chance to create a new financial life.



BANK ON SAVANNAH: Media Coverage Excerpts

Savannah Magazine, March 2010 – Lending a Hand

A community organization enlists local banks in helping those less fortunate. Through Bank On Savannah, participants can open a checking account with \$100 or less with no monthly minimum balance. Bank representatives also work with applicants with no credit or bad credit, helping them access the best available financial options.

La Voz Latina, September 2009 – Step Up Savannah brings banking services to poor neighborhoods

Building wealth with the help of a bank account is an important first step away from poverty and financial literacy is an important focus for Step Up Savannah.

Bank On Savannah is focused on moving poor families toward economic self-sufficiency by encouraging them to utilize the services of their neighborhood bank.

Savannah Morning News, May 2009 – Rumors: Helping the poor fight predators

Bringing unbanked residents to mainstream financial services will save them money, since they won't have to pay fees for predatory financial services. It will also provide new opportunities for unbanked families to build their financial stability. That's why Bank On Savannah is essential in our efforts to alleviate poverty in Savannah.

Wall Street Journal, January 2008 – Beyond Payday Loans

Helping the 'unbanked' enter the financial mainstream by opening checking and savings accounts... will put money in the pockets of individuals and grow the economy... Over a lifetime, the average full-time, unbanked worker will spend more than \$40,000 just to turn his or her salary into cash.

The William J. Clinton Foundation's Economic Opportunity Initiative will help more people enter the financial mainstream by supporting the work of California -- as well as that of mayors in Boston, Los Angeles, Miami, New York, Providence, San Francisco, Savannah and Seattle, each of whom are spearheading their own efforts.

SAMPLE PROGRAM HIGHLIGHTS BROCHURE (3 OF 3)



ACKNOWLEDGEMENTS to our Community and Supporters

Step Up Savannah would like to thank the following partners and supporters for their contributions to Bank On Savannah.

GOVERNMENT AGENCIES

Chatham County
City of Savannah
FDIC
Federal Reserve

NATIONAL ORGANIZATIONS

National League of Cities
William J. Clinton Foundation
Cities of Financial Empowerment
American Insurance Group (AIG)
Pew Charitable Trust

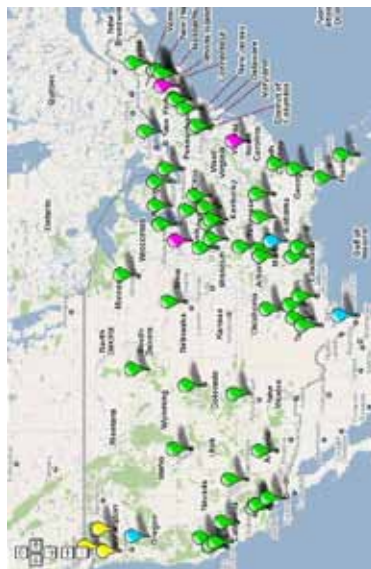
COMMUNITY BASED ORGANIZATIONS

Consumer Credit Counseling Service
United Way of the Coastal Empire 2-1-1
Neighborhood Improvement Association
Live Oak Public Libraries
La Jolla Magazine
La Voz Latina
Savannah Neighborhood Associations
VITA / Chatham - Savannah
Asset Development Coalition

FINANCIAL INSTITUTIONS

Atlantic Bank & Trust
BBK
Capitol City Bank & Trust
Carver State Bank
First Chatham Bank
The Coastal Bank
The Savannah Bank
Sea Island Bank
SunTrust Bank
United Community Bank
Wichovia / Wells Fargo Bank
Georgia's Own Credit Union

WORKING TO BANK THE Unbanked Across the Nation



Areas engaged in Bank On Campaigns (as of March 2010) 67 total
Savannah was one of the eight Facility Cities to Launch BANK ON through the National League of Cities

www.joinbankon.org

Contact Bank On Savannah
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stepupsavannah.org/bankonsavannah

11. DEVELOPING A BROADER FINANCIAL STABILITY AGENDA

Access to a bank account can be an important first step on the road toward financial stability. However, once a city has developed a Bank On program, the work of enhancing families' economic security is not necessarily over. There are other ways to connect unbanked and underbanked residents to mainstream financial services. Local officials can also build a more comprehensive asset-building agenda upon the Bank On program infrastructure.

EXPANDING THE BANK ON PROGRAM

There are many ways to build on a Bank On initiative. One common practice is to expand the program after the pilot phase or first year. City leaders can also reach out to new financial institutions and community organizations, or incorporate new products and services that are appropriate for the underserved market. There may be opportunities to strengthen other specific components of the program, such as financial education or evaluation. Finally, municipal officials can infuse a commitment to financial empowerment into the community's broader service delivery efforts.

OFFERING NEW PRODUCTS AND SERVICES

As Bank On program leaders assess whether the program meets the needs of unbanked and underbanked consumers, they may consider adding new features or services to supplement the baseline product. Cities that have expanded their Bank On initiatives are offering the following products and opportunities: prepaid debit cards; short-term, small-dollar loans (typically under \$1,000) with a low or capped interest rate (typically an Annual Percentage Rate under 36 percent); credit-building and

repair services; acceptance of alternative data for evaluating credit and awarding alternative loans; and innovative savings options.

PREPAID DEBIT CARDS

In recent years, prepaid debit cards have become an increasingly popular method of payment. These debit-like financial transaction cards are “open loop” — they can be used for many kinds of transactions at multiple locations. For instance, consumers can use general purpose reloadable (GPR) cards branded by major payment networks such as MasterCard or Visa almost anywhere. Holders of these prepaid debit cards can reload money onto the cards either electronically or at specified merchant locations.

Volunteer income tax assistance (VITA) sites have been experimenting with the use of prepaid debit cards for the past few years. In some communities, up to 50 percent of residents who claim the Earned Income Tax Credit at VITA sites lack a bank account. Prepaid cards provide these unbanked tax filers with a safe and secure way to access their refunds more quickly than if they received paper checks. Refunds are directly deposited onto the card 8-15 days after the tax return is filed. Consequently, the cards can render unnecessary the services of a check casher.

According to the Center for Financial Services Innovation, prepaid debit cards can serve as a safe and less costly alternative to a bank account that helps unbanked and underbanked residents make purchases and pay bills. In addition, some GPR prepaid cards open the door to other financial services, such as savings accounts, loans and the opportunity to build a credit history. However, these cards may also have certain drawbacks. Most prepaid card vendors do not offer capabilities such as savings options or access to a mainstream home or car loan. Prepaid cards also carry a range of fees that vary greatly

among vendors. At best, GPR cards can be a stepping stone toward a traditional depository account or a useful alternative for those residents who cannot or will not open an account with a bank or credit union.

Launched in June 2010 in the greater Austin area, Bank On Central Texas incorporates a prepaid debit card provider, Mango Money Center, into its program. Customers do not have to undergo a credit check to access this product, which charges minimal fees. In addition to reloading their cards at the Mango Money Center, customers can also reload at many local retail locations, such as CVS and Walgreens.

In September 2010, the U.S. Department of the Treasury announced a pilot program to be launched during the 2011 tax season to connect unbanked and underbanked residents with safe, low-cost financial services and promote and assess the delivery of tax refunds to debit card accounts. Through direct mail and payroll outreach partnerships with employers, the program will deliver targeted offers to low- and moderate-income tax filers to sign up for new accounts with debit card access and directly deposit their tax refunds onto the reloadable debit card accounts. The program will assess whether residents use these accounts year-round to deposit other sources of income, store money safely, make purchases, pay bills, withdraw cash and build savings. The federal government could potentially save tens of millions of dollars each year by issuing refunds electronically in lieu of more costly paper checks.

MODEL BANK AND CREDIT UNION PRODUCTS

In August 2010, the FDIC announced a Model Safe Accounts pilot program designed to better meet the financial needs of unbanked and underbanked households. Under the pilot program, participating, FDIC-insured financial institutions will offer safe, low-cost electronic transactional and savings accounts for this population. The accounts will have product features identified as safe and affordable by the FDIC, including reasonable rates and fees that are proportional to the cost of the accounts and are subject to applicable consumer protection laws, regulations and guidance. Participating

institutions may not charge fees for non-sufficient funds or overdrafts for these accounts.

The FDIC hopes that access to mainstream financial services will not only provide consumers with a safe place to keep their money and conduct basic financial transactions affordably, but that it can also help consumers build a credit history, access credit on favorable terms, and work toward financial security.

The National Credit Union Foundation's REAL (Relevant, Effective, Asset-building, Loyalty-producing) Solutions® program works through state credit union leagues to help credit unions offer new products and services that meet the financial needs of low-income families.

The REAL Solutions® program currently operates in 34 states and 1,200 credit unions. The program helps these credit unions attract new members who may have been paying for costly alternative financial services through payday lenders, check cashers, title lenders or buy-here/pay-here auto dealers. In addition, participating credit unions can also provide existing members with new products and services that they may not have been able to access in the past.

SMALL-DOLLAR LOANS AND PAYDAY ALTERNATIVES

Cities can incorporate mainstream alternatives to predatory lending into a Bank On program and a larger asset-building strategy. When residents cannot obtain and build credit or repair their credit scores, they often rely on high-cost options such as payday loans or car title loans to obtain the financing that they need to make ends meet. Because these residents often find themselves unable to pay the exorbitant costs of these fringe services, they get caught in a cycle of credit and debt and have difficulty moving up the economic ladder. These challenges not only affect residents with bad credit, but may also ensnare individuals who cannot obtain mainstream loans because they have thin or nonexistent credit files. All of these residents are in need of safe credit alternatives, as well as assistance in understanding their finances and building credit so that they can take the next step toward financial stability.

Innovative products such as affordable small-dollar loans for low- and moderate-income individuals and alternative refund anticipation loans are becoming important forms of safe credit for many unbanked and underbanked residents. By partnering with banks, credit unions and community organizations to establish a mainstream alternative to predatory small-dollar loans, municipal leaders can help residents keep more of their paychecks and keep their debt from spiraling out of control. For instance, many financially strapped borrowers rely on payday lending, an often predatory practice in which fringe financial service providers make small, short-term loans at high annual interest rates (averaging an Annual Percentage Rate, or APR, of about 400 percent). Borrowers often have to roll over these loans with each paycheck, which traps them in a cycle of debt. While some communities have managed to curb predatory lending by banning the practice or imposing interest rate caps (typically of 36 percent APR or less), another strategy is for city partners to offer a lower-cost alternative.

Cities such as Savannah, Ga., Seattle and San Francisco have partnered with credit unions to develop and market safe, small-dollar loan products for residents who qualify for Bank On accounts (see the Payday Plus SF brochure at the end of this chapter). Whether offered as part of a Bank On account or marketed separately, these small-dollar loans represent a safe credit alternative for unbanked and underbanked residents.

The FDIC recently completed a two-year pilot program in which they worked with more than 30 banks (primarily community banks) to offer a standardized, small-dollar loan product as an alternative to payday loans and costly overdraft protection. The results of the pilot indicate that financial institutions can safely and profitably offer small-dollar loan products as an alternative to fringe financial services. The pilot program also helped outline some basic parameters for a safe, affordable, and profitable small-dollar loan product: terms of 90 days or more; a maximum 36 percent APR; low or no fees; and streamlined underwriting and loan decisions made within 24 hours. At the conclusion of the pilot, participating financial institutions had made more than 34,400 small-dollar loans with a principal balance of more than \$40 million. The FDIC's results also showed that the

small-dollar loan default rates were in line with default rates for similar types of unsecured loans. The findings from this research demonstrate that mainstream financial institutions can provide low-cost, small-dollar loans as an effective mechanism for engaging unbanked and underbanked residents and cultivating them into a new, loyal and profitable customer base.

Another example of an effective small-dollar loan initiative is the Better Choice program, which the Pennsylvania Credit Union Association (PCUA) developed in 2006 with a \$20 million investment from the Pennsylvania Treasurer and support from the Pennsylvania Department of Banking. Participating credit unions offer 90-day loans of up to \$500 with application fees capped at \$25 and interest rates capped at 18 percent. These loans also have a savings component in which an additional amount equal to 10 percent of the loan balance is deposited into a savings account. The loans cannot rollover, and the funds in this savings account cannot be withdrawn until the loan is repaid. The program also requires participating credit unions to offer financial counseling to borrowers.

CREDIT BUILDING AND REPAIR

In addition to offering safe alternative credit products such as small-dollar loans, cities can also help residents build and repair credit through individual financial counseling and coaching. The first step in building credit is to obtain a credit report. While credit reports are free and widely available, many unbanked and underbanked residents do not have the tools and knowledge needed to understand what their credit reports mean and how to improve them. Cities can integrate targeted financial education into their Bank On program to help residents better understand their finances and the steps to building or repairing credit. For instance, community-based providers offer Bank On San Francisco customers three core financial management training courses, one of which focuses primarily on understanding credit and credit cards.

Cities may also want to consider including one-on-one financial counseling, with an emphasis on credit building and repair, in their Bank On initiative's financial educa-

BANK ON SEATTLE-KING COUNTY SMALL DOLLAR LOAN PROGRAM PROPOSAL



BANK ON SEATTLE-KING COUNTY SMALL DOLLAR LOAN PROPOSAL

Product Requirements:

- Loans up to \$1,000
- APR not to exceed 36%.
- Payment periods beyond one paycheck cycle.
- Closed end loans must be paid in full before another advance.
- No underwriting but customer must show proof of income and qualify for a checking account under the terms of the Bank On Seattle-King County program.

Product Recommendations:

- Encourage participation in financial education.
- Encourage or require automatic savings component.
- Encourage or require direct deposit of paycheck, SSI or other source of monthly income.
- Payments are encouraged or required to be automatically deducted from checking account or ACH transfer from other institution.
- No minimum member/customer tenure – loans can be made immediately upon opening a checking account.
- Other suitable loans should also be promoted, e.g. payday loan consolidation loans, credit builder loans, etc.

Note: Loans can be either closed or open end.

tion component. New York City's Financial Empowerment Centers are equipped to offer 2,000-2,500 intensive financial counseling sessions to individual residents in high-need areas on an annual basis. Between May 2008 and September 2009, the city's two Financial Empowerment Centers helped more than 1,000 residents review their credit reports, and assisted 619 residents in creating a debt reduction plan.

Because many residents do not have a credit file, cities may consider reaching out directly to this population, which often includes minorities and residents under 25 years of age. For these residents, a bank account provides an initial foundation upon which to establish credit. As a Bank On program grows, cities may direct more resources toward a segmented marketing campaign with targeted messaging about the importance of building credit.

Bank On programs may also provide an ideal vehicle through which city leaders, community-based organizations and credit reporting agencies can work with lending institutions to accept alternative data for evaluating credit and awarding loans. Recent studies have shown that data on residents' consistency meeting recurring payment obligations such as rent, utilities and insurance can provide an effective and safe proxy for traditional credit report information. If lending institutions accept these alternative forms of data, a large, previously-excluded segment of the population would gain access to mainstream credit. As Bank On programs demonstrate effectiveness in connecting low- and moderate-income residents to the financial mainstream, city leaders may consider encouraging financial institutions and credit reporting agencies to develop new policies for accepting alternative data to prove creditworthiness.

SAVINGS OPTIONS

Research by CFED and other organizations has shown that individuals of all income levels save when given the right opportunities and incentives. One of the first steps a resident can take to become financially secure is to open a savings account. Saving helps families weather emergencies, avoid dependence on fringe financial services, secure other assets such as a home, or advance their education.

According to CFED, saving also provides individuals with opportunities for economic mobility, increases their expectations for the future and helps children and youth learn about money and finance. Cities can fully leverage the asset-building potential of a Bank On initiative by promoting savings options to participants.

Once Bank On customers have maintained a basic transactional account successfully, they may be ready for a savings account or other more advanced savings mechanisms. Many cities with Bank On programs encourage their financial institution partners to offer a low-cost savings account as part of their Bank On product. A potential next step could be requiring participating financial institutions to provide an optional savings account in their baseline product. Direct deposit and other features that make it easier to maintain a savings account could also be helpful additions to the baseline product.

Municipal leaders can raise residents' awareness of the importance of saving. A number of cities support savings "campaigns," which help market the Bank On program at a low cost. For instance, Bank On Philadelphia leaders include messages about saving in their marketing and outreach strategy. The City of Indianapolis launched a citywide campaign encouraging residents to set personal savings goals and helping residents track their progress through a new website. Bank On Indy partner organizations promote the campaign at their sites, providing savings tips to clients and encouraging unbanked residents to open a Bank On Indy account as the first step in making and meeting their savings goals.

Other savings mechanisms that could be incorporated into a Bank On program or a broader city asset-building strategy include children's savings accounts, 529 college savings plans, individual retirement accounts (IRAs) and individual development accounts (IDAs). In 2009, the City of San Antonio launched an innovative children's savings account program called Cribs to College. City leaders leveraged their strong financial stability partnerships, working with the local United Way, the San Antonio Children's Museum and Citibank to create a program that provides low-income families with incentives to save for their children's college expenses.

A growing number of cities offer, or work in partnership with other entities to offer, IDAs, which are matched savings accounts that help low- and moderate-income families save for future investments. Through IDAs, participants receive a financial match for personal savings toward specified goals, such as purchasing a home, starting a business or pursuing higher education. Some cities, such as Bryan, Texas, support nonprofit IDA providers, while other cities directly offer an IDA. For instance, the City of Durham, N.C., offers an IDA focused exclusively on saving for the purchase of a home.

Bank On program leaders may want to compile a resource directory of savings opportunities available to residents and provide this information to clients at financial institutions and community organizations. Cities can also incorporate these savings mechanisms into the Bank On initiative more formally by marketing them with the Bank On “brand,” including them in financial education programs, or including them in the overall suite of Bank On products and services. The Bank On infrastructure provides cities that do not have savings programs in place with an excellent starting point to begin developing these products.

Bank On program planners can coordinate with savings campaigns such as America Saves. This nationwide campaign brings together a broad coalition of nonprofit, corporate and government entities to help individuals and families save and build wealth. The campaign calls on residents to sign up as “savers” and set personal goals. Then, by providing information, advice and encouragement, the campaign assists savers in reaching their targets to pay down debt, build an emergency fund and save for a home, an education or retirement. Cities and local coalitions often use the annual America Saves Week as an opportunity to raise awareness about the importance of saving and host activities promoting financial empowerment. For instance, the City of Kansas City, Mo., leads a regional effort to combine local Bank On and America Saves campaigns, and will highlight the importance of having both a checking and savings account during Kansas City Saves Week.

The AutoSave program offers another creative strategy that cities can add to their Bank On work. Devel-

oped by the New America Foundation, AutoSave is an employer-based savings plan in which a small amount of an employee’s wages are automatically diverted from each paycheck into a savings account. AutoSave encourages saving by establishing automatic transfers to a savings account as a default option, requiring employees to opt out if they do not wish to participate. Employees can withdraw funds at any time without penalty in case of a financial emergency. Through a pilot project launched in 2009, a handful of employers, including the cities of New York and San Francisco, are working to test the AutoSave program’s feasibility and effectiveness. In each pilot site, employers are collaborating with financial institutions. The New America Foundation will release findings from an evaluation of the pilot in 2011.

In addition, cities can promote savings bonds as a tried and true method of helping residents save for the future. In 2009, Doorways to Dreams (D2D), a nonprofit organization based in Roxbury, Mass., worked with partners to capitalize on a new federal policy enabling tax filers to purchase U.S. Savings Bonds (in multiples of \$50) with all or a portion of their refunds. D2D developed a social marketing campaign to spread the word about this new opportunity to save at tax time. Because many low-income families receive an EITC refund when they file, tax time provides a unique opportunity to save, and savings bonds are a trusted, safe, and easy mechanism for doing so. However, tax filers can only purchase savings bonds with their refunds if they have a bank account. This requirement provides Bank On programs with an opening to partner with local EITC campaigns in helping residents open bank accounts and save their refund checks.

Finally, D2D, in partnership with the Filene Research Institute and the Michigan Credit Union League, developed the innovative Save to Win Project. Informed by international efforts to increase savings, this project leverages Americans’ penchant for lotteries — in 2007, the average household spent \$479 on the lottery — to improve credit union members’ saving habits. Beginning in January 2009, eight Michigan credit unions started encouraging customers to save through a financial product called prize-linked savings. Customers enrolled in the project earn a chance to win small monthly prizes

or a \$100,000 jackpot each time they save. During the first 32 weeks of Save to Win, eight credit unions helped more than 10,000 Michigan residents open a Save to Win account and save, on average, more than \$140,000 per week.

CONNECTING UNBANKED TAX FILERS TO ASSET-BUILDING OPPORTUNITIES

As noted above, cities can coordinate a Bank On campaign with local EITC outreach and volunteer income tax assistance (VITA) site strategies to reach potential new potential customers, provide unbanked tax filers with quick access to their refunds (in some communities, up to 50 percent of VITA site filers lack a bank account), and offer alternatives to a costly refund anticipation loan.

Bank On program leaders can work with local VITA sites and participating financial institutions to open Bank On accounts on site. Tax filers who directly deposit their refund into a bank account will receive their money more quickly than if they request that a check be mailed from the IRS. If bank staff are unavailable to work directly at the tax preparation sites, they will in many cases work with VITA site coordinators to give them the permission and capability to help eligible, unbanked filers apply for accounts. New York City's Office of Financial Empowerment introduced the \$aveNYC account to help low-income residents save at tax time (see the \$SaveNYC brochure at the end of this chapter). Eligible filers directly deposit at least \$100 from their tax refunds into a restricted savings account and receive a 50 percent match if they save for one year.

Many other VITA sites that focus on asset building have introduced new, innovative products for unbanked and underbanked tax filers who turn to check cashers and refund anticipation loan (RAL) providers to access their tax refunds. These fringe financial service providers charge high fees and interest rates; the average filer can pay up to \$120 in refund anticipation loan fees. Prepaid debit cards and alternative refund anticipation loans (ARALs) share the benefits of quick access to cash

provided by expensive, predatory products, but provide a safer, cheaper alternative. For instance, Washington, D.C.'s Capital Area Asset Builders (CAAB) introduced a prepaid debit card option for unbanked tax filers, who can have their refund directly deposited to an account, or split between the debit card account, a savings account or savings bond.

The City of San Antonio's EITC outreach campaign has worked with San Antonio City Employees Federal Credit Union (CECU) for the last few years to offer an ARAL option that provides the anticipated refund amount to filers in two days at a 0 percent interest rate with a required \$5 deposit. A typical RAL would cost the filer several hundred dollars. In 2009, San Antonio partners completed 38,772 tax returns, bringing \$70 million in tax refunds to local families and individuals. The city also provided more than 1,650 ARALs amounting to a total of \$5 million.

WORKING WITH EMPLOYERS

Bank On program developers can work with local employers, including the city itself, to promote direct deposit of paychecks into a Bank On account. In this way, direct deposit provides a "win-win" for a Bank On program. It encourages unbanked employees to consider safer and cheaper financial transaction options and provides a source of cost savings for employers since direct deposit is cheaper than issuing paper checks.

San Francisco city leaders recently announced the SafePay SF initiative, a partnership among the city, a local nonprofit and the San Francisco Chamber of Commerce. SafePay provides an estimated 67,000 low-wage workers with access to direct deposit and other financial products that meet their needs, while saving employers money on payroll expenses and reducing paper usage in San Francisco. As mentioned above, the City and County of San Francisco and New York City are among a group of employers testing the New America Foundation's AutoSave program — an opt-out, employer-based savings plan that automatically diverts a portion of employees' paychecks into a savings account.

PROTECTING PUBLIC BENEFITS

Millions of Americans receive monthly federal benefit payments by paper check, putting their money at risk of being delayed, lost or stolen. In 2008, more than 485,000 Social Security and Supplemental Security Income (SSI) checks were reported lost or stolen and had to be reissued, and an estimated \$64 million in checks issued by the U.S. Department of the Treasury were fraudulently endorsed. By encouraging the use of electronic payments, a Bank On program can help residents better protect their federal Social Security, SSI, and VA Compensation and Pension benefits and receive those benefits more quickly.

The U.S. Department of the Treasury has launched two campaigns that cities can easily incorporate into their Bank On initiatives to encourage the use of electronic payments. The first campaign, called Go Direct®, encourages Americans to use direct deposit to receive their federal benefits. The Treasury Department's toll-free campaign helpline and website provides individuals who already have checking or savings accounts with a fast, easy way to sign up for direct deposit. The second program, called Direct Express®, is designed for those without a banking relationship. The program deposits Social Security and SSI benefits onto a prepaid debit card as a safe and user-friendly alternative to paper checks. Though having a bank account is not required, cardholders can make purchases, get cash and pay bills.

Bank On programs throughout the country have partnered with these Treasury Department campaigns in a variety of ways. The basic infrastructure of a Bank On initiative — safe, affordable access to the financial mainstream — can serve as a foundation upon which to encourage direct deposit and protection of federal benefits. For example, representatives for the Go Direct® campaign have participated in Bank On California coalition meetings since September 2008. In Los Angeles and Oakland, Go Direct® campaign and Direct Express® card information was distributed at a variety of Bank On events. Bank On San Francisco leaders have highlighted the Go Direct® campaign in the Bank On initiative's monthly newsletter to partner organizations and other important stakeholders.

A number of other cities are incorporating Go Direct® as an important resource in their asset building and protection efforts. Approximately 40 community boards across New York City's boroughs distributed Go Direct® campaign and Direct Express® card materials at community council meetings. The City of Fort Worth Office of Emergency Management distributed materials at an event commemorating the devastation caused by a tornado in the spring of 2000. The materials helped the city raise awareness of how residents can keep their benefit money safe in the event of catastrophic weather in the future.

TARGETING SPECIFIC POPULATIONS

As a Bank On initiative becomes established in the community, cities may want to think about targeting tailored products toward specific segments of the unbanked and underbanked population. For example, a community with a college or university may have a disproportionately large number of young adults who are unbanked or underbanked. A prepaid debit card offered as part of a Bank On initiative's product suite may be appealing to this population and help introduce them to the financial mainstream.

Many cities are interested in targeting vulnerable or underserved neighborhoods. Bank On Indy leaders are working with the largest low-income housing complexes in the city's two lowest-income neighborhoods to reach out to residents. The Bank On partners host events with participating financial institutions so that neighborhood residents can sign up for an account on site.

Many Bank On programs located in areas with large Muslim populations are trying to find ways to make their products comply with Islamic banking rules. Islamic law prohibits the payment or acceptance of interest fees for borrowing and lending money. Under these rules, some residents may not take advantage of interest-bearing accounts or loans offered by financial institutions. A Bank On program can work with financial institutions to provide appropriate alternative products to these residents.

Bank On programs also create an opportunity for cities to help residents protect their assets. Local officials can use the program to share targeted information about homeownership counseling, foreclosure prevention scams, or identity theft with specific or vulnerable populations.

Cities can also adjust the Bank On initiative's financial education component to reach and meet the needs of targeted populations. Several cities, including Louisville, Ky., and Savannah, Ga., are considering ways to introduce financial education and basic bank account management into the curriculum at local public schools. Other cities may consider providing information about how to protect and manage SSI benefits, or refer elderly customers to local agencies that provide financial counseling for seniors.

CITY EXAMPLES

SAN FRANCISCO

In San Francisco, the Office of the Treasurer, with support from the Mayor's Office, spearheads the city's efforts to promote financial empowerment. As the city's asset-building initiatives grew, first through a Working Families Credit program (a local match to the EITC) and then the Bank On San Francisco initiative, the city established an Office for Financial Empowerment within the Treasurer's Office to support San Francisco's growing financial stability agenda. Through private fundraising and other partnerships, the city has managed to hire dedicated staff and enhance its scope of work in this field. Current efforts within the Bank On program are focused on expanding the initiative to include alternatives to payday lending, a companion savings effort and a stronger financial education program. The city also recently launched a matched college savings program for families with children in kindergarten called Kindergarten to College.

INDIANAPOLIS

Launched in November 2009, Bank On Indy forms the third pillar of the City of Indianapolis' Campaign for Financial Fitness, which is housed in the mayor's office

and coordinated by a full-time staff member. The campaign "is a massive coordination of resources from local, state and federal government agencies, nonprofits and financial institutions" to "give residents the tools they need to become and remain financially stable and successful."

The campaign's two other pillars are: 1) Save-Earn-Learn, a set of free tax preparation sites located at 10 community centers, and 2) year-round financial education programs that include workshops and one-on-one coaching at Indianapolis' five Centers for Working Families.

PAYDAY LOAN ALTERNATIVE PROGRAM BROCHURE – SAN FRANCISCO

Need cash today? Pick one.



Fees **Payday loans¹** **Payday Plus SF**

A

B

Bank on San Francisco has partnered with local credit unions to offer a safe way to get money when you need it.

With Payday Plus SF, you can borrow \$50 to \$500, without high fees.

Just like high-fee payday loans, Payday Plus SF provides:

- Quick and easy access to money
- Friendly neighborhood locations

But unlike those loans, you have the benefit of:

- Paying over time with lower fees (maximum 18% APR)
- Building and improving your credit
- Opportunities to consolidate other loans and debts
- Community-focused financial education and other resources

To find out more, call 211 or visit one of these credit unions in your neighborhood.

- Mission SF Federal Credit Union

 - ☎ (415) 431-2268
 - 3269 Mission Street
- Northeast Community FCU

 - ☎ (415) 434-0738
 - 683 Clay Street
 - 288 Jones Street
 - 29 Leland Avenue
- Patelco Credit Union

 - ☎ (415) 442-6200
 - 156 2nd Street
 - 1405 Noriega Street
 - 65 Southgate Avenue (Daly City)
- Redwood Credit Union

 - ☎ (800) 479-7928
 - 100 Van Ness Avenue
 - 241 California Street
- San Francisco Federal Credit Union

 - ☎ (800) 852-7598
 - 770 Golden Gate Avenue
 - 4375 Geary Boulevard
 - 2645 Ocean Avenue
- Spectrum Federal Credit Union

 - ☎ (800) 782-8782
 - 50 Beale Street

Payday Plus SF

The better small dollar loan²

Payday Plus SF

The better small dollar loan²

PAYDAY LOAN ALTERNATIVE PROGRAM BROCHURE – SAN FRANCISCO

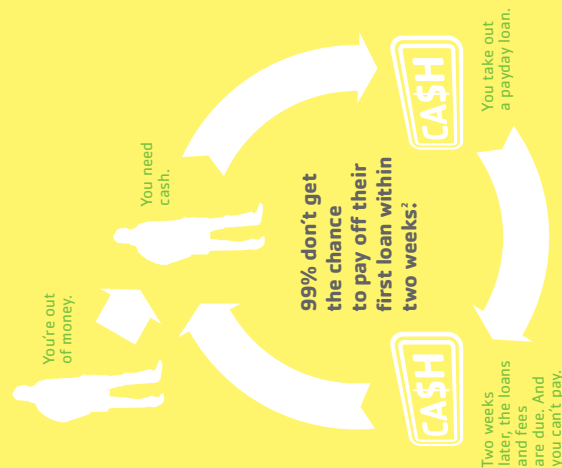
Why you may need a small loan:

Medical emergencies and new medications are not in the budget, especially for those on a fixed income.

An unexpected car repair, when you need a car for work, will not wait until your next paycheck.

Regular bills, plus unpredictable expenses, make it hard to make ends meet.

Why payday loans are not a safe option:



With repeat payday loans, you lose more and more of the money you've earned.

There is an alternative.
Pay over time and pay much lower fees with Payday Plus SF.

1. Based on 391% to 483% APR on typical payday loan vs. 18% maximum APR on Payday Plus SF.
2. On average, CA borrowers take out 10 loans per year. Source: The Center for Responsible Lending (www.responsiblelending.org).

\$AVENYC CLUB ACCOUNTS BROCHURE

Introducing ...

THE \$AVENYC CLUB ACCOUNT

Get Up to \$250 for Saving Part of Your Refund!

New Yorkers already know how easy it is to claim the Earned Income Tax Credit (EITC) and get extra money in their pockets. If you're like most hard-working New Yorkers, you know how hard it can be to save. Now the City of New York wants to help.

When you open a \$AVENYC Club Account, and keep it open for one year, you will receive a contribution matching 50% of your initial deposit from the City of New York. That means for every \$100 you save, you'll have \$50 more at the end of the year! Contributions go up to \$250 to make saving easier.

Your Deposit	Match \$\$	Total Savings After One Year
\$100	\$50	\$150
\$200	\$100	\$300
\$300	\$150	\$450
\$400	\$200	\$600
\$500 or more	\$250	\$750 minimum

*In addition, participating financial institutions will pay between 2%–3% interest on your savings.

The \$AVENYC Club Account is a special savings account being offered at select free tax preparation sites for a limited time.

The Department of Consumer Affairs' Office of Financial Empowerment (OFE) spearheads the New York City EITC Coalition Campaign, now in its sixth year. The Coalition—the nation's largest—includes more than 150 partners from the public, private, and nonprofit sectors all dedicated to helping eligible New Yorkers claim this important tax credit. The Department of Consumer Affairs' OFE is the first program to be implemented under the Center for Economic Opportunity as part of Mayor Bloomberg's aggressive efforts to fight poverty in New York City.



Department of Consumer Affairs
Office of Financial Empowerment

ADDITIONAL RESOURCES

For more information about launching a Bank On initiative, contact Sarah Bainton Kahn at the National League of Cities Institute for Youth, Education, and Families at (202) 626-3044 or bainton@nlc.org.

OTHER USEFUL RESOURCES INCLUDE:

JoinBankOn.org

Center for Financial Services Innovation:
cfsinnovation.com

CFED: cfed.org

FDIC

- Money Smart:
fdic.gov/consumers/consumer/moneysmart/index.html
- EconomicInclusion.gov
- Alliance for Economic Inclusion:
fdic.gov/consumers/community/AEI
- Small Dollar Loan Pilot:
fdic.gov/smалldollarloans
- Model Safe Accounts Pilot:
fdic.gov/consumers/template

Federal Reserve Banks

- Regional banks and contacts:
federalreserve.gov/otherfrb.htm

Treasury Department

- GoDirect.org
- USDirectExpress.com
- mymoney.gov

SELECTED BANK ON PROGRAM WEBSITES:

Austin, Texas: bankoncentraltexas.org

Evansville, Ind.: bankonevansville.org

Fresno, Calif.: bankonfresno.ca.gov

Houston: houstontx.gov/bankonhouston/index.html

Indianapolis: bankonindy.org

Los Angeles: bankonla.org

Manhattan, N.Y.: bankonmanhattan.com

Oakland, Calif.: bankonoakland.ca.gov

Philadelphia: philadelphiacontroller.org/bop

Providence, R.I.: bankonprovidence.org

San Francisco: bankonsf.org

San José, Calif.: bankonsj.org

St. Petersburg, Fla.: bankonstpete.org

Savannah, Ga.: stepupsavannah.org/bankonsavannah

Seattle: everyoneiswelcome.org



