



**Cities for
FINANCIAL
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Fund**



**SF OFFICE OF FINANCIAL
EMPOWERMENT**

Bank On 2.0

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FDIC Committee on Financial Inclusion

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The scope of the problem

- Approximately 68 million adults in the United States live outside the financial mainstream.
- Over \$320 billion is spent nationally on alternative financial services.
- Full-time workers can lose up to \$40,000 over the course of their working lives by using check cashers.
- Traditional income supports, housing subsidies, and workforce programs are undermined by financial instability, causing former recipients of programs to return repeatedly.

The Bank On solution

- From early programs launched in 2005 and 2006, grew to 100 programs with over 500,000 transactional accounts opened
- Multiple national nonprofit organizations engaged in program growth
- Several federal regulator partners investing in banking access

Bank On 1.0 – nationwide program leadership survey results

- Satisfaction with Bank On in current incarnation is split:
 - 37% satisfied or very satisfied
 - 38% neutral
 - 25% dissatisfied
- 55% serve a county/regional area
- 53% have budget less than \$10,000
- 72% receive funding from financial institutions
- 52% of financial institutions provide data
- 4% require no overdraft on Bank On products

Challenges identified by Bank On programs and partners

- Variability of programs and products
- Data collection and reliability
- Ongoing policy issues prevent scale
 - Know Your Customer
 - Consumer Reporting Agencies and account screening
 - CRA credit
- Repetitive account negotiation difficult for national financial institutions

Exploring a vision for the future

- Momentum and ongoing interest in Bank On
- Identifying and implementing best practices, program standards, and municipal integrations
- Increasing number of the right types of safe, affordable products by financial institutions
- Opportunities to address regulatory and private sector policy barriers
- Designing a national infrastructure to assist and improve local efforts

The Bank On 2.0 opportunity

- Research and pilots
 - National program survey
 - Consumer reporting agencies and account screening research
 - Multicity pilot
 - Additional pilots
- Planning and development
 - Policy work
 - Advisory Board
 - Conference

Implemented multicity banking access pilot: *Summer Jobs Connect*

- Developing an infrastructure of banking access
- Summer Youth Employment Program
- Summer One pilot cohort cities:
 - Chicago
 - Los Angeles
 - Miami
 - New York City
 - San Francisco

Commissioned study of consumer reporting agencies and account screening

- Identified ongoing barrier to banking access
- Engaged National Consumer Law Center to prepare study
- Working with CFPB on solutions

Upcoming pilots

- Rural engagement
- Technology solutions
- Direct deposit for municipal employees and/or vendors

Bank On 2.0 National Advisory Board

- Gathering of relevant players for shared vision and advice
- Evaluation and issue key recommendations on:
 - Appropriate financial product guidelines
 - Service delivery best practices
 - Program practices and services
 - Guidance on a go-forward national platform for program support

Bank On 2.0 Conference

- Conference bringing the field together to address how to:
 - Find and structure the right financial products and services
 - Connect those financial products and services to target populations
 - Build strong coalitions to ensure sustained delivery of good products and services

Vision for the future: *what a national platform could accomplish*

- The promise of scaled solutions
 - Energize key partners
 - Upgrade program and partnership standards
 - Connect people to good products at scale
- Growing the field
 - Program improvement
 - Informing policy through practice
 - Engaging federal agency partners

Vision for the future: *ongoing national technical assistance and leadership*

- Product endorsement & national platform for access
- Municipal integration best practices
- Financial institution customer engagement practices
- Ongoing research and pilots

Vision for the future: *resolving policy issues*

- Identification and “Know Your Customer”
- Data collection
- Community Reinvestment Act
- Consumer Reporting Agencies



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