

NYC Department of Consumer Affairs Office of Financial Empowerment

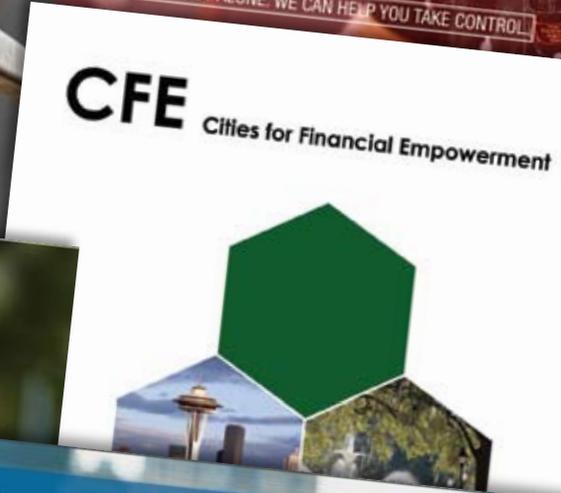
A Progress Report on the First Three Years, 2006–2009



gas food holiday gifts
electric bill rent
grandson's birthday
medical bills paycheck to paycheck
can't pay my bills
credit cards
taxes daughter's wedding
vacation heating

Debt stress?

YOU'RE NOT ALONE. WE CAN HELP YOU TAKE CONTROL.



CFE

Cities for Financial Empowerment



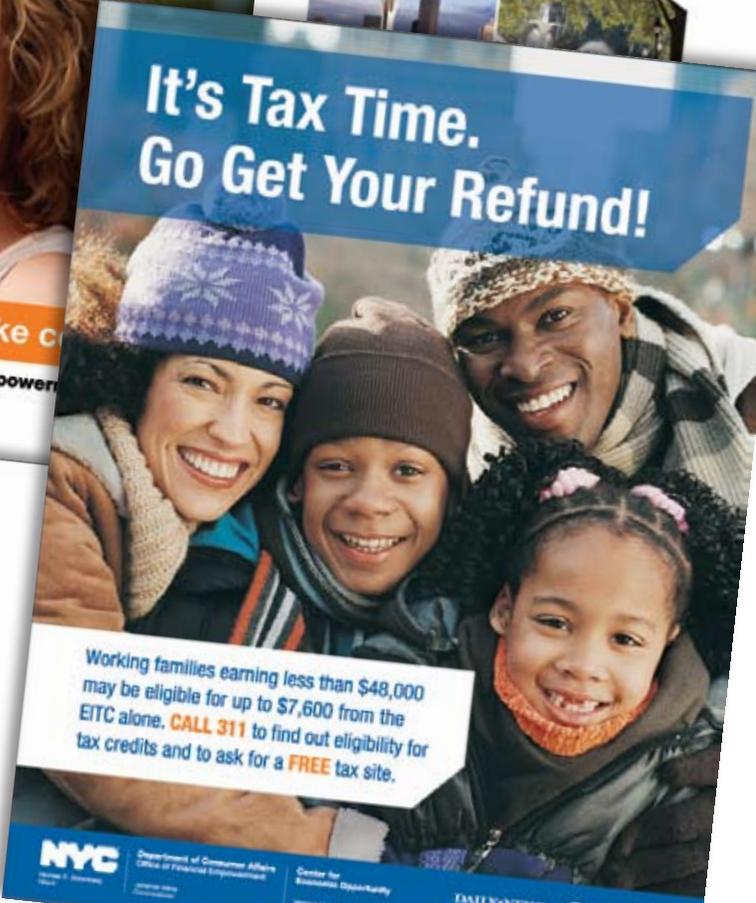
Money Worries?



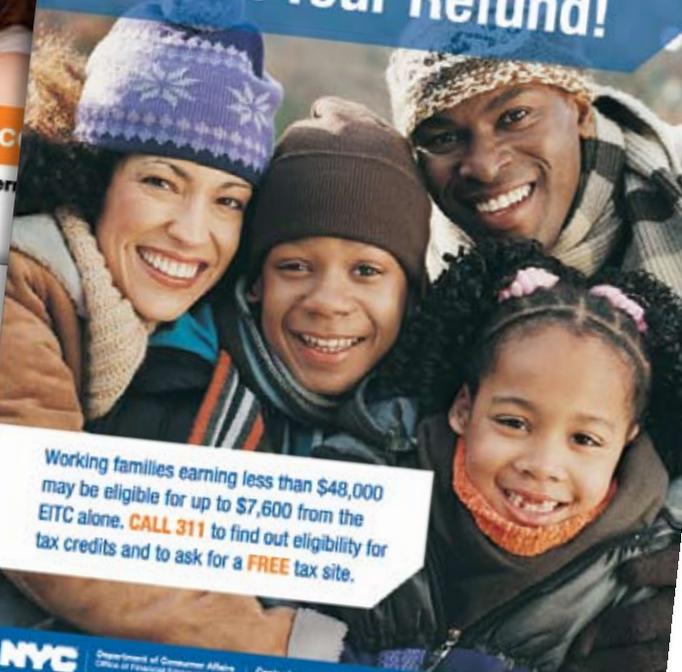
We can help you take control

Call 311 and ask for a **Financial Empowerment**

NYC Department of Consumer Affairs
Office of Financial Empowerment Center for Economic Opportunity



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Working families earning less than \$48,000 may be eligible for up to \$7,600 from the EITC alone. **CALL 311** to find out eligibility for tax credits and to ask for a **FREE** tax site.

NYC Department of Consumer Affairs
Office of Financial Empowerment Center for Economic Opportunity

DAILY NEWS



THE \$AVENYC ACCOUNT

What will you save for?

**NYC Department of Consumer Affairs
Office of Financial Empowerment:
A Progress Report on the First Three Years, 2006–2009**

New York City Department of Consumer Affairs
Office of Financial Empowerment

Michael R. Bloomberg
Mayor

Jonathan Mintz
Commissioner

December 2009

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Acknowledgments

As part of Mayor Michael R. Bloomberg's anti-poverty efforts, the Center for Economic Opportunity, led by Deputy Mayor Linda I. Gibbs and Executive Director Veronica M. White, has consistently challenged the Department of Consumer Affairs and its Office of Financial Empowerment (OFE) to be bold and far-reaching in its efforts to educate, empower, and protect New Yorkers with low incomes in the financial services marketplace. The initiatives described in this report would not have been possible without their leadership and guidance, along with the encouragement and support of First Deputy Mayor Patricia E. Harris and Counselor to the Mayor Anthony Crowell.

OFE's pilot programs were made possible by the support of the Mayor's Fund to Advance New York City, led by President Megan Sheekey, and OFE's many funders: AIG Financial Literacy Fund; The Annie E. Casey Foundation; The Aspen Institute, Inc.; Capital One; CIT/NeighborWorks America; Citi; Con Edison; Corporate Fuel Advisors, LLC; The F.B. Heron Foundation; Ford Foundation; H&R Block; Insurance Industry Charitable Foundation; Jackson Hewitt Tax Service; Living Cities Inc.; The M&T Charitable Foundation; Morgan Stanley; Oak Hill Advisors; The Rockefeller Foundation; Verizon; and the William J. Clinton Foundation.

OFE relies on community-based organizations and financial institutions to implement its programs and services, and works closely with local, state, and national researchers and policy makers to achieve its policy objectives. OFE wishes to acknowledge the members of its Advisory Council for their wisdom and helpful guidance. Comprehensive lists of our Advisory Council members and program partners are available in Appendices C and D.

OFE's impact also depends on its sister divisions within the Department of Consumer Affairs and the leadership of the agency's Senior Management Team: Commissioner Jonathan Mintz, Deputy Commissioner for External Affairs Fran Freedman, Deputy Commissioner for Legal Affairs & General Counsel Marla Tepper, and First Deputy Commissioner Alba Pico.

The New York City Department of Consumer Affairs recognizes the tremendous accomplishments of each OFE staff member who contributed to this report and who work every day to financially empower New York City residents. Special recognition is given to Caitlyn Brazill, who served as the lead investigator and author of this report. OFE's current staff members include:

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Letter from Commissioner and Executive Director

Three years ago, when the Mayor's Center for Economic Opportunity (CEO) first approached the Department of Consumer Affairs (DCA) to launch an Office of Financial Empowerment, unemployment was below 5%, the Dow Jones was nearing 12,500 and our office was around the corner from a 100-year-old investment firm called Lehman Brothers. More than a few things have changed since then.

DCA's Office of Financial Empowerment (OFE) hit the ground running with its mission to educate, empower, and protect New Yorkers with low incomes and help them make the best use of their financial resources to move forward economically. By incorporating this aggressive and traditionally nonprofit-sector mission into government, particularly into the strongest and oldest local consumer protection agency in the nation, OFE has been able to realize significant achievements in a relatively short amount of time. We have conducted groundbreaking supply and demand financial consumption research; developed and implemented scale-oriented pilot programs in basic banking, savings, and counseling; developed a Citywide infrastructure of free financial education and counseling delivery; launched multiple, large-scale public education campaigns; and used the City's power and voice to advance advocacy, policy, and regulatory enforcement aimed toward a more fair and balanced marketplace for consumers in the financial services arena.

OFE's remarkable success in each of its strategies can be attributed to a tenacious and creative team that continues to insist upon transforming widespread challenges into scalable opportunities. None of OFE's accomplishments could have been realized without the continued support and guidance of CEO, led by Veronica M. White, and the tremendous network of community-based organizations, financial institutions, researchers, advocates, City partners, state and federal government agencies, philanthropic organizations, and interested individuals that have helped shape and implement our work.

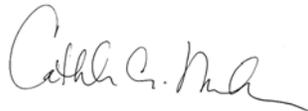
We reflect on our accomplishments thus far with pride—connecting more than 30,000 New Yorkers to classes or counseling through the City's 311 Call Center and our Financial Education Network online directory; helping nearly 2,000 New Yorkers gain control over their finances through individual counseling; guiding more than 226,000 New Yorkers to free or low-cost tax preparers; ensuring that those who choose paid tax preparers are treated fairly by aggressively enforcing the City's consumer protection laws; incentivizing more than \$450,000 in savings in very low-income households despite the worst economy in decades through our innovative \$aveNYC initiative; and successfully advocating for critical new legal protections, such as curbing abusive credit card and overdraft practices nationally, protecting exempt funds held in New York State bank accounts, and expanding the Agency's licensing authority over debt collectors.

The impact of our work can be felt beyond New York City's borders. The Cities for Financial Empowerment (CFE) Coalition, which we founded and co-chair, has built the new field of "municipal financial empowerment." National think tanks and policy makers seek our expertise on new approaches to savings, financial education, and debt reduction strategies.

We pause at OFE's three-year anniversary to reflect on these accomplishments in this report, "NYC Department of Consumer Affairs Office of Financial Empowerment: A Progress Report on the First Three Years, 2006–2009." As much as this report might serve as a guide for other cities and policy makers as they approach similar work for their populations, it also establishes our own baseline for the important work still to come.



Jonathan Mintz
Commissioner
Department of Consumer Affairs



Cathie Mahon
Executive Director
DCA's Office of Financial Empowerment

December 2009

I. A Financial Empowerment Approach to Reducing Poverty

To spearhead his ambitious overarching effort to reduce poverty in New York City and analyze its causes, scope, and consequences, Mayor Michael R. Bloomberg created the Commission on Economic Opportunity, a group of civic, nonprofit, and private sector leaders. Led by Deputy Mayor for Health and Human Services Linda I. Gibbs and co-chaired by Richard D. Parsons, chairman of Citigroup, and Geoffrey Canada, President and Chief Executive Officer of Harlem Children's Zone, the Commission recommended numerous strategies targeting three distinct populations suffering impacts of poverty: young children (ages 0-5), young adults (ages 16-24), and working poor families. To design and implement an array of new interventions aimed at reducing poverty among these target groups, the Commission recommended the creation of an Innovation Fund and the Center for Economic Opportunity (CEO) to manage the interventions.

Led by Executive Director Veronica M. White, CEO was launched in December 2006 to lead the fight to reduce the harmful effects of the poverty experienced by more than 1.7 million New Yorkers.¹ CEO has launched dozens of programs with 20 City agencies. The first such initiative, announced at the Mayor's launch of CEO, was the creation within the Department of Consumer Affairs (DCA) of the Office of Financial Empowerment (OFE). This Progress Report details the accomplishments of DCA's OFE (hereafter OFE), whose mission is to educate, empower, and protect New Yorkers with low incomes to help them make the best use of their financial resources to move forward economically.

Aimed at the 46 percent of households in poverty headed by a working adult,² OFE recognizes that financial services and products can either strip wealth from families teetering at the edge of a financial precipice or be used to help propel families into greater financial stability. OFE has three long-term financial empowerment goals:

1. Empower individuals with low incomes by ensuring that they have sufficient knowledge to make financial decisions in their own best interest;
2. Increase financial stability among low-income households by increasing assets, decreasing debt, and boosting incomes to help families meet their present and future needs;
3. Make New York City's financial marketplace safer by diminishing predatory practices and increasing access to appropriate and affordable products and services.

Each of OFE's major initiatives is designed to advance these long-term goals. This report will assess the progress made on the four major strategies OFE currently employs.

Strategy 1: Increase access to high-quality, low-cost financial education and counseling

- Increase access to quality free or low-cost financial education through the creation of a Financial Education Network (FEN);
- Improve financial education quality by providing technical assistance and training, developing and using a common set of evaluation criteria, and contributing to national efforts to professionalize the financial counseling field;
- Increase access to "gold standard" customized, one-on-one financial counseling through the creation of a Citywide network of Financial Empowerment Centers; and
- Conduct public education campaigns designed to raise awareness of the availability of community-based financial education services.

Strategy 2: Improve access to income-boosting tax credits

- Employ public education campaigns to raise awareness of the federal, New York State, and New York City Earned Income Tax Credits, the New York City Child Care Tax Credit, and other critical credits; and
- Develop, support, and evaluate safe and affordable tax preparation options for low-income taxpayers, including supporting the City’s network of Volunteer Income Tax Assistance (VITA) sites and piloting and evaluating other approaches to free or very low-cost service.

Strategy 3: Connect low-income households to safe and affordable banking and asset-building products and services

- Conduct extensive research to assess the supply and demand for financial products and services among those with low and moderate incomes;
- Partner with financial institutions and community-based organizations to create and provide access to safe basic banking products, such as OFE’s Opportunity NYC Account; and
- Create unique products designed to build short-term emergency savings, such as OFE’s \$aveNYC Account and EasySave.

Strategy 4: Enforce and improve consumer protections to enhance financial stability

- Protect consumers from predatory financial services and products through enforcement and education, including focusing on industries such as tax preparers, debt collectors, employment agencies, rent-to-own stores, and secondhand auto dealers; and
- Inform and advance a national financial empowerment and protection agenda, including the creation and tending of a “municipal financial empowerment” field.

The following table illustrates how OFE’s strategies are intended to reach each of its long-term goals. Because each strategy can have multiple impacts on households and markets, all are designed to achieve multiple goals.

Table 1. OFE Goals and Strategies

Strategy	Goal One: Knowledge & Empowerment	Goal Two: Financial Stability	Goal Three: Safer Marketplace
1. Increase access to high-quality, low-cost financial education and counseling	X	X	
2. Improve access to income-boosting tax credits	X	X	X
3. Connect low-income households to safe and affordable banking and asset-building products and services		X	X
4. Enforce and improve consumer protections to enhance financial stability		X	X

In the three years since OFE’s inception, the Office’s directly funded programs have served more than 19,110 people, including more than 3,000 New Yorkers who were able to open one of OFE’s

specially designed safe banking products. By leveraging community-based partnerships, OFE has facilitated financial education or tax services for an additional 315,270 New Yorkers. Additionally, OFE provided more than 5.7 million informational and educational resources on finances and tax credits, and helped ensure the safety of the financial marketplace by inspecting more than 2,100 businesses that serve New Yorkers with low incomes.

Table 2. OFE Individual Level Impact, December 2006–September 2009

Strategy 1: Increase access to high-quality, low-cost financial education and counseling	
Initiative	Number Served
Direct Services	
Financial Empowerment Centers	1,900
Your Money Helpline	8,950
Partner Services	
Financial Education Network	70,000
Education Evaluation Improvement Initiative	29,020
Resources Provided	
Educational Materials on Finances (brochures, flyers, Web site Visits) ³	362,450
Financial Education Network Directory Searches	21,300
311 Inquiries (Financial Education)	9,200
Community Presentation Attendees	2,300
Number of Individuals Who Attended Education Events for Organizations	360
Strategy 2: Improve access to income-boosting tax credits	
Initiative	Number Served
Direct Services	
Tax Prep Plus	5,250
Partner Services	
Free Tax Sites	221,250
Resources Provided	
EITC/Tax Credit Campaign Materials	5,278,330
311 Inquiries (EITC)	106,150
Free or Low-Cost Tax Assistance Directory Searches	16,970
Strategy 3: Connect low-income households to safe and affordable banking and asset-building products and services	
Initiative	Number Served
Direct Services	
\$aveNYC Accounts Opened	1,210
Opportunity NYC Accounts Opened	1,820
Strategy 4: Enforce and improve consumer protections to enhance financial stability	
Tax Preparer Business Inspections	1,670
Tax Preparation Violations Issued	620
Total Amount of Fines Issued to Tax Preparation Businesses	\$367,820
Employment Agency Inspections	460
Employment Agency Violations Issued	280
Debt Collector Consumer Complaints	2,740
Debt Collector Restitution Paid to Consumers	\$4,199,070

See Appendix B for OFE Individual Level Impact Source Notes.

The ripple effects of enforcement and the accompanying media coverage improve business practices throughout whole industries, and OFE’s pilot programs are causing local financial institutions to rethink their business model related to low-wealth consumers. Beyond household-level impact, OFE has already succeeded in making macro level changes that affect all New Yorkers. OFE’s policy campaign contributed meaningfully to dramatic improvement in federal credit card and bank overdraft protection policies, which will have a material impact on New York’s 4.2 million credit card holders and 5.3 million bank account owners.⁴ Further, the emergent national field of “municipal financial empowerment” spawned the creation of the Cities for Financial Empowerment (CFE), extending OFE’s impact beyond New York City limits.

II. Understanding the New York City Financial Landscape

OFE bases its programs and policies on research and data to better understand and address the needs of low-income individuals and families. OFE staff conducted a series of market research studies (both directly and in partnership with national experts) from 2007 to 2009 to better understand patterns of financial service uses, concentrations of debt and asset poverty, and the perceptions, knowledge, and information sources low-income households use to make financial decisions. Findings from this research provide both critical baseline indicators of Citywide financial stability to measure OFE's long-term impact and the information necessary to make strategic programmatic decisions.

Income and Assets

OFE serves those who are poor and near poor, targeting families headed by working adults. Over the last decade, a growing share of working families do not earn enough to make it over the federal poverty line; in fact, in more than 46 percent of New York City households living below the poverty level, the head of household is working.⁵ As the Community Service Society of New York noted in its 2006 analysis of poverty and employment patterns, steady work alone is no guaranteed ticket out of poverty.⁶

Based on the federal poverty measure, 14.5 percent of working-age New Yorkers—nearly 750,000 adults—are living at or below the poverty threshold.⁷ Based on CEO's proposed national poverty measure, more than one in five New Yorkers (23%) are living in poverty, translating to more than one million working-age adults.⁸ Moreover, almost half (48%) of New York City households have zero discretionary income, meaning they have no cash flow at the end of the month after taking into account basic living expenses, according to a 2009 analysis provided to OFE by Social Compact, a nonprofit analytics firm specializing in alternative data analysis.⁹ This compares to just over one quarter (26%) of U.S. households with no discretionary income. Certain neighborhoods in New York experience widespread distress: 95 percent of the households in Washington Heights/Inwood in Manhattan and Highbridge/Concourse in the Bronx have no discretionary income at the end of the month.¹⁰

To manage fluctuations in income, households can rely on assets to stabilize their financial situation. However, many households are asset poor, meaning they do not have enough net worth to support themselves at even the poverty level for a period of three months. In New York City, 1.3 million households (43%) are asset poor—nearly double the 22.5 percent rate of households nationally.¹¹ Nearly six in 10 Bronx residents (59%) are asset poor, and more than a third are in extreme asset poverty, meaning they have zero or negative net worth.¹²

Banking and Use of Financial Services

OFE's *Neighborhood Financial Services Study*, an intensive supply and demand analysis of consumers' banking patterns in two target low-income neighborhoods released in June 2008, found that the fundamental mismatch of appropriate products is what primarily deters people from accessing financial institutions.¹³ Low-income households have less utility for checks than middle-income households—60 percent of households with a checking account reported they were unable to pay

rent with a check—and place a high premium on being able to anticipate fees and costs, rather than being billed for ATM access or overdrafts on a periodic basis. The most common response to why people choose not to bank is avoiding fees.

In addition to lacking the right mix of products and services, traditional banks and credit unions are often unavailable in low-income communities. Households lacking or foregoing access to traditional banking and financial services are more likely to rely on high-cost alternative financial service providers, such as check cashers and pawnbrokers. In New York City, there are 1,500 banks and 1,044 alternative financial service providers. Brooklyn and the Bronx have the fewest banks per 10,000 households.¹⁴ Alternative financial service providers are concentrated in low-income neighborhoods; the community districts with the highest concentrations are Bushwick and Ocean Hill/Brownsville in Brooklyn and Melrose/Claremont Village in the Bronx.

An OFE-commissioned Citywide analysis of existing data sets found more than 800,000 people in more than 400,000 New York households lack a bank account.¹⁵ Unbanked households are concentrated in the lowest-income communities, primarily in the Bronx, Brooklyn, and Manhattan.

Table 3. Estimated Unbanked Households by Borough

Borough	Number of Adults	Number of Households	Percent of Households
Bronx	269,213	134,293	28.7%
Brooklyn	288,432	137,625	15.7%
Manhattan	166,414	95,306	13.0%
Queens	108,413	47,926	6.2%
Staten Island	6,305	2,989	1.8%
New York City Total	827,334	405,573	13.4%

Sources: Social Compact estimates using U.S. Census Bureau; 2005–2007 American Community Survey; Medium Research Incorporated Survey on Consumer Behavior; Federal Reserve Survey of Consumer Finance; Acxiom data from Transunion

Lacking a bank account limits households’ potential to save for the future, makes them more vulnerable to theft or loss, and impairs access to asset-building credit opportunities. OFE is working with institutions present in low-income communities to create and offer products that can meet households’ day-to-day financial transaction needs at a reasonable cost, and help build savings and wealth for the future.

Credit and Debt Patterns

As low-income families cope with higher cost of living expenses, job losses, and medical and other unexpected financial obligations, many are relying on credit just to make ends meet. This has resulted in escalating debt burden in New York City. From 2007 to 2008, average New York households’ credit card and loan bills increased by 18 percent.¹⁶ In the Bronx, average debt payments increased by nearly 20 percent and, in Manhattan, by more than 30 percent. In the first quarter of 2009, New York City residents were carrying roughly \$12,500 in revolving debt, higher than the national average of \$11,800.¹⁷

There are serious indications that New Yorkers’ debt levels are dangerously high. From March to June 2009, New York City counties had the highest loan delinquency rates in New York State. Nearly eight in every 100 Bronx mortgages (7.8%) were 90 days or more delinquent—the highest rate in New York State and 35 percent higher than the national delinquency rate (4.6%). Queens had the second highest rate (7.3%) and Kings County (Brooklyn) had the third highest rate (6.9%).¹⁸

III. OFE Financial Empowerment Strategies

Strategy 1: Increase access to high-quality, low-cost financial education and counseling

Across the income spectrum, families struggle to manage their finances, and often lack good information and advice to help them make financial decisions. The growing complexity of financial products over the past decade has put tremendous pressure and responsibilities on the shoulders of often ill-equipped consumers in the financial marketplace. Households with low incomes that may have the greatest need for sound advice also have the most limited access.

OFE's neighborhood-level research found that most residents of target neighborhoods (72%) had never taken any formal workshop, class, or seminar on money. Moreover, one-half of survey respondents reported that they had never gotten financial advice from anyone (53%).¹⁹ The report also found that the adults who had taken financial education classes were more likely to have savings than people who had never taken financial education (75% compared to 59%), more likely to have checked their credit scores (68% compared to 46%), and less likely to rely only on fringe credit (10% versus 17%).

OFE seeks to increase the level of financial knowledge of low-income New Yorkers and promote positive financial behavior using a two-prong approach: increasing access and boosting quality.

To increase access to existing resources, OFE made available an online directory of all available free or low-cost financial education providers Citywide on its Web site—nyc.gov/ofe—in April 2008, and widely publicized the online directory using mass marketing and grassroots strategies. The directory is also accessible by calling 311, New York City's Call Center for government information and non-emergency services.

To strengthen the quality of financial education offerings, OFE created a learning network and invested in improvement of data tracking and evaluation. OFE also launched a four-borough network of free, one-on-one financial counseling centers, called Financial Empowerment Centers. Finally, OFE has developed a financial education certification program to build a Citywide cadre of knowledgeable financial education counselors.

Financial Education Network

In December 2007, OFE invited more than 100 service providers, financial institutions, community development corporations, government agencies, and foundations to join the City's Financial Education Network (FEN). These organizations were identified and admitted based on a comprehensive survey of service locations, delivery mechanisms, and target populations serviced. Today, there are 140 organizations in the FEN, including 71 direct service providers that offer financial education classes and counseling in nearly 100 locations throughout the City's five boroughs and serve approximately 33,000 New Yorkers per year.

The development of the FEN Directory has made it easier than ever for New Yorkers to access free or low-cost classes or counseling on money management, credit and debt, homeownership,

bankruptcy, and small business development. Since the launch of the directory in April 2008, there have been more than 21,000 searches for financial education providers. Most commonly, visitors to the online directory are looking for help with debt; 41 percent of topic searches are for programs providing assistance with debt and 13 percent for credit. Additionally, 311 has received approximately 9,200 inquiries regarding financial education, 8,200 of which came after OFE launched its “Take Control of Your Finances” campaign in November 2008.

OFE has held nine Financial Education Forums and Institutes on topics as diverse as immigrant services, legal referrals, financial coaching, and federal credit card policies. More than 300 people have attended these events. FEN members have given positive feedback about the capacity-building and networking impact of these events. A Fall 2008 survey found that 80 percent of FEN members felt that OFE forums were useful for their organization’s development, 88 percent found them to be valuable networking events, and 76 percent reported that the FEN had succeeded in informing them about financial education best practices.

Table 4. Financial Education Network Forums and Institutes

Month	Topic
December 2007	Improving the Quality and Accessibility of Financial Education and Collaboration across the Field
March 2008	Incorporating Adult Education Principles into Financial Education and Coaching
April 2008	How to Keep Them Coming Back for More: Client Retention Strategies
July 2008	Dealing with Debt Collectors
October 2008	Medical Debt: A Barrier to Affordable Credit
February 2009	Making Meaningful Legal Referrals
April 2009	Funders’ Perspective on Advancing the Field
July 2009	Immigration and Financial Education
September 2009	Consumer Financial Protection and Credit Card Policy Reform

Education Evaluation Improvement Initiative

While 80 percent of FEN providers report having some method for evaluating their services, there are few consistent metrics tracked across agencies and little widespread agreement about the most important outcomes and milestones clients can achieve. Provider surveys found strong interest in OFE’s push to improve evaluation strategies and provide resources to better examine the impact of their services.

OFE launched its Education Evaluation Improvement Initiative in August 2009. This program invested awards totaling \$180,000 for technological upgrades and systematic improvements in data tracking systems to 16 community-based organizations selected through a competitive public bid process. These funds are allowing several organizations to invest in customized databases; others are upgrading from a paper-based system to electronic records. For organizations with more sophisticated systems in place, the funds are being used to determine which types of services have the greatest impact on different segments of the low-income population.

The Education Evaluation Improvement Initiative is enabling OFE to collect consistent data across organizations, including the number of clients served and critical milestones achieved by clients. Organizations are also reporting basic client demographics, providing insights into which communities are most in need of additional help. Such important information has never before been reported in a consistent way or at a Citywide scope, and will assist OFE in its work to increase the impact of financial education for New Yorkers.

Data from January to September 2009 shows that these 16 organizations reached more than 29,000 people through classes, workshops, phone hotlines, or counseling. The vast majority of clients served by these organizations are low and moderate income, with more than 79 percent of clients reporting a household income of \$40,000 or less. Most of the organizations serve slightly more women than men (54% across the agencies), and 86 percent of clients are non-white.

Nearly one-third of these individuals achieved at least one financial milestone over this time period, with more than 3,700 reviewing their credit reports, more than 3,400 creating a budget, and more than 2,700 creating debt reduction plans. These are critical early steps that can help people get on a pathway to financial stability.

Table 5: Milestones Achieved by Education Evaluation Improvement Initiative Organizations, January–September 2009

Financial Education Milestone	Number of People
Reviewed credit report	3,735
Created budget	3,467
Created debt reduction plan	2,785
Negotiated with creditors	2,271
Screened for public benefit eligibility	1,070
Opened a bank/credit union account	282
Total Milestones Achieved	13,610

Intensive Trainings: Design and Implementation of Financial Certification Program

OFE has made significant progress toward developing a financial education certification program that would allow financial educators, counselors, trainers, coaches, and others to receive a standardized, rigorous, and City-endorsed certificate in financial education and counseling. Since May 2008, OFE conducted three intensive trainings in financial counseling. Developed in partnership with leading educators and experts in the field of financial education, counseling, and negotiation, these initial trainings are the foundation for the comprehensive curriculum that OFE created in partnership with a professor at the City University of New York (CUNY) who is an expert in the field of personal finance.

OFE’s comprehensive training curriculum in financial counseling is targeted to practitioners working with low- and moderate-income people. OFE submitted this curriculum to the Academic Review Panel at CUNY and is awaiting approval for this certification program to be eligible for course credit. DCA is also working with its CFE Coalition partners, funding partners, and the U.S. Department of Treasury to consider expanding New York’s approach to certification nationally.

Financial Empowerment Centers

While members of the City's Financial Education Network offer the public considerable opportunities for classes and workshops, few offer consistently available one-on-one advice on general consumer financial matters. Based on demand identified in OFE's *Neighborhood Financial Services Study* for individualized counseling services and growing research on the effectiveness of coaching and counseling strategies,²⁰ OFE set out to bolster the availability of this "gold standard" one-on-one counseling in high-need communities.

In June 2008, OFE launched its first Financial Empowerment Center providing neighborhood-based, one-on-one financial counseling for New Yorkers. The Center at Melrose, created in partnership with Phipps Community Development Corporation and with support from the Insurance Industry Charitable Foundation, provides services completely free of charge in both English and Spanish.

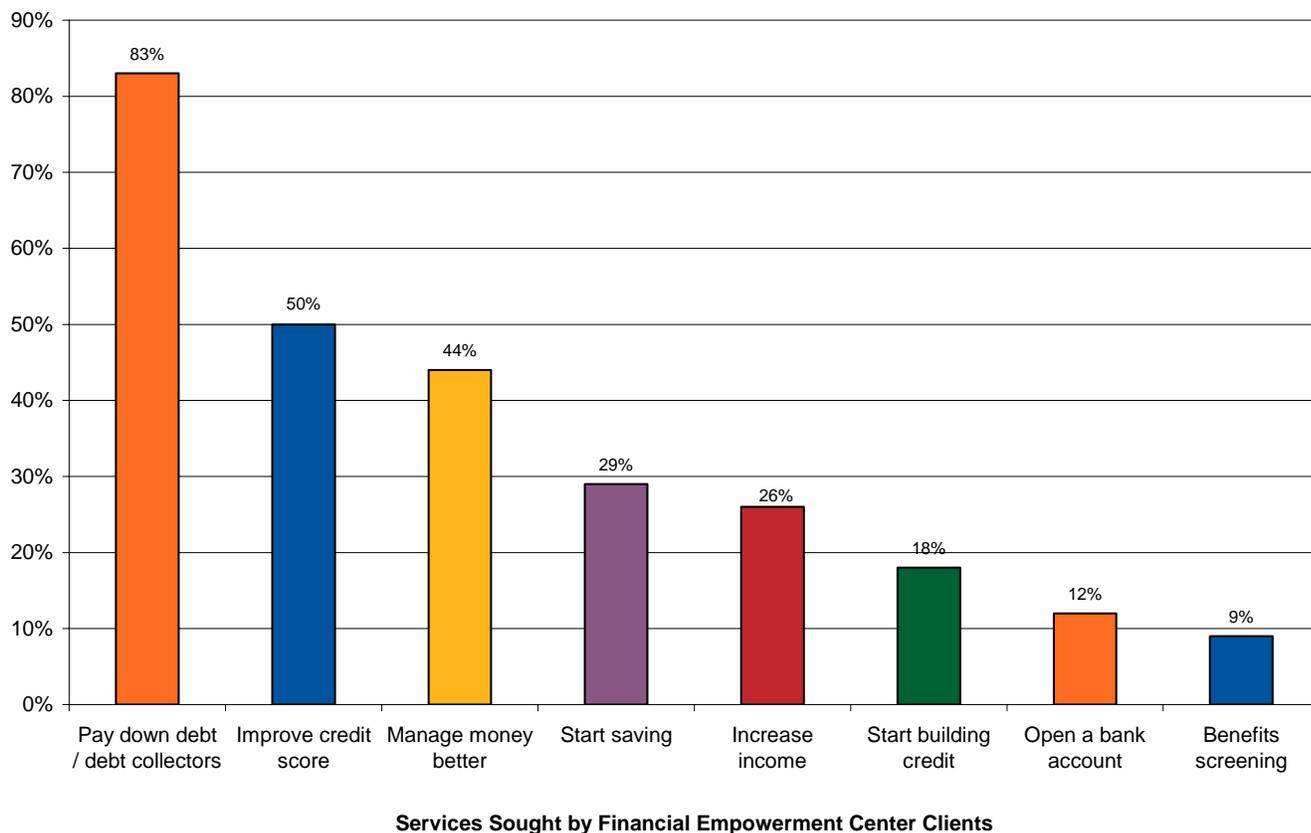
In May 2009, after nearly a year of steadily increasing demand at the Bronx site and in response to increasing demand in the face of the nation's fiscal crisis, Mayor Bloomberg directed DCA to expand OFE's Financial Empowerment Center model Citywide. OFE quickly opened three additional neighborhood Centers in Bedford-Stuyvesant, Brooklyn; Washington Heights, Manhattan; and Jamaica, Queens. To run these three sites, OFE partnered with Bedford Stuyvesant Restoration Corporation, Credit Where Credit Is Due, and The Financial Clinic, respectively. The Centers are funded exclusively through private contributions to the Mayor's Fund to Advance New York City from a variety of local and national foundations and corporate donors.²¹

Counselors conduct basic triage with clients to determine the nature of their financial situation, set goals, provide strategic referrals to social service providers or more advanced asset-building assistance (homeownership, entrepreneurship, post-secondary education, etc.), and establish a coaching/mentoring relationship. Each Center is located within high-need communities, is run by community-based organizations that offer an array of workforce development and case management services, and works closely with schools, homelessness and foreclosure prevention services, community courts, credit unions, and other neighborhood institutions.

OFE has several mechanisms to evaluate the effectiveness of its network of Financial Empowerment Centers. In June 2009, OFE launched a customized Efforts to Outcomes data tracking and evaluation system to provide consistent data on key client milestones and outcome indicators. Additionally, through a partnership with the New School for Social Research, OFE is obtaining information from extensive qualitative interviews with clients to better understand the medium-term impact of the counseling on their financial stability and ability to manage their finances.

Financial Empowerment Centers are expected to provide 2,000 to 2,500 counseling sessions at each site annually. Only four months after the launch of the new sites, the Centers had already conducted nearly 3,000 counseling sessions with 1,900 New York City residents. Most of these clients are low income with a median income of \$14,400, and only 37 percent are working full time.

Figure 1. Services Sought by Financial Empowerment Center Clients, May 2008–September 2009



As illustrated in Figure 1, clients are seeking financial counseling to address a range of issues. Debt tops the list, with 83 percent of new clients seeking help with reducing debt or addressing problems with debt collectors. Unsurprisingly, many clients have high levels of debt, as well. Baseline intake surveys indicate that 69 percent of clients have debt, and are holding an average debt of \$30,893 and median debt of \$11,000. These debt loads represent 62 percent of clients' annual median income. Other top counseling request priorities are improving credit scores (50%), improving money management skills (44%), and starting savings (29%).

Milestones

Between May and September 2009, nearly 1,500 clients achieved at least one milestone as part of the service plan they developed in partnership with a financial counselor, as illustrated in Table 6 on the next page. On average, clients have achieved 2.5 milestones for a total of more than 3,700 key activities completed. Thirty percent of clients return for two or more sessions, and all of these clients have achieved at least one milestone to date.

Table 6. Milestones Achieved by Financial Empowerment Center Clients, May 2008–September 2009

Total Clients Achieving Milestones	1,483
Total Milestones Achieved	3,741
Service Plan	Number of Clients
Establish/Improve Credit	
Reviewed credit report and/or score	1,119
Alerted lender/credit bureau to error	271
Identified and helped manage identity theft	42
Established credit for the first time	3
Debt Reduction	
Total Debt Reduced	\$240,092
Devised and implemented debt reduction plan	619
Reduced debt	106
Budgeting	
Completed estimated budget	685
Completed realistic budget	121
Living by budget	97
Banking	
Discussed benefits of bank accounts	211
Opened savings or checking account	21
Active use of bank accounts	10
Increase Savings	
Total Dollars Saved	\$7,360
Client assigned spending journal	216
Savings plan included in budget	52
Client is saving regularly	33
Benefits	
Screened	75
In process of securing benefits	48
Accessing all desired benefits	12

More than 1,100 clients reviewed their credit report and/or score with a counselor to identify debt owners, tally outstanding debts, and catch any errors. Oftentimes, these reviews will reveal erroneous information; counselors have worked with 271 clients to alert lenders and the credit bureaus to errors that could damage clients' credit scores.

Counselors have helped more than 600 clients negotiate with creditors and develop debt reduction plans. During this same period, more than 100 clients have been able to reduce their debt by a total of \$240,000. Counselors help clients who have received collection calls and letters, often regarding debt that clients no longer owe or about which they know little or nothing. Counselors have helped

more than 370 clients to identify the source and owner of the debt and then send “cease collection” letters to collection agents.

More than 680 clients have completed an initial budget, and 18 percent of those clients have created a realistic budget after tracking their spending for two to four weeks. Budgeting is a critical step toward meaningfully assessing one’s finances, and is generally a prerequisite to creating a spending or debt payment plan. More than 50 of those clients included savings as part of their budget plan and 33 are regularly contributing to savings. From May to September 2009, those clients saved more than \$7,300.

Counselors have also assisted clients with increasing income through public benefits. Approximately eight percent of clients have been screened for a variety of public benefits using the City’s Access NYC online screening tool, and two-thirds of those who have been screened are in the process of obtaining additional public supports.

Public Education Campaigns: Take Control of Your Finances Campaign

OFE launched a yearlong, multifaceted media campaign in November 2008 to spread awareness of free and low-cost opportunities for financial education and counseling and encourage New Yorkers to “take control of their finances.” Outdoor advertising for Phase 1 of the campaign—Debt Stress—included more than 4,000 ads in subways, buses, and other public spaces.

From December 15-19, 2009, OFE conducted a weeklong “Your Money Helpline” in partnership with the City University of New York and the *Daily News*. With the help of nearly 400 trained volunteers, OFE fielded nearly 9,000 calls from New Yorkers in need of advice and help. Concerns about debt were the most prominent factor driving people to call. Volunteers provided on-the-spot assistance during calls and made thousands of referrals to community-based financial education providers part of the City’s Financial Education Network.

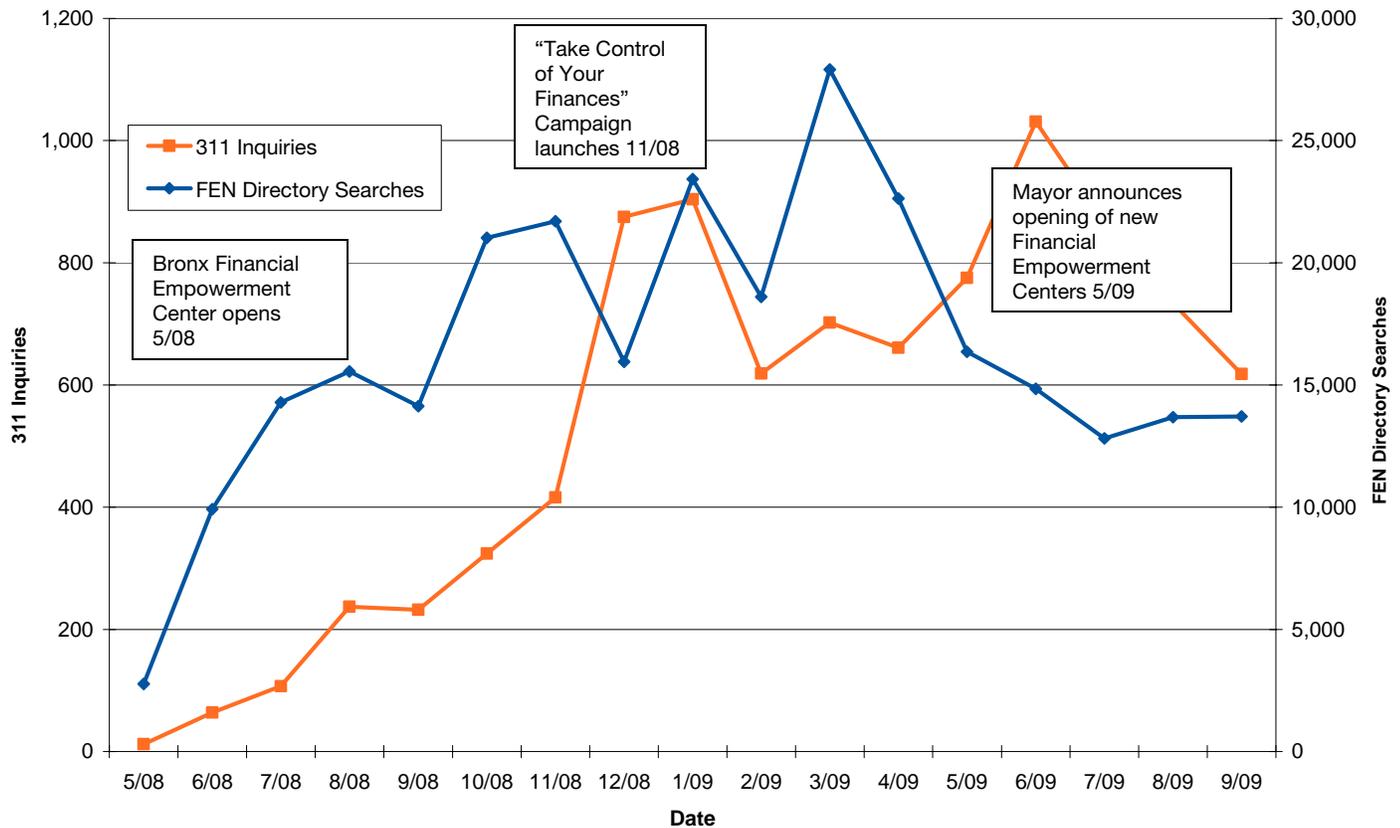
Phase 1 also included informational workshops and the strategic distribution of more than 362,400 educational palm cards, posters, and tip sheets. One strategy, the City’s “Pass It On” campaign, leveraged Mayor Bloomberg’s partnerships with the faith-based community and led to the distribution of 1,200 Financial Empowerment Toolkits for Faith Leaders²² and 10 educational workshops for more than 400 attendees at houses of worship across the City.

In addition to purchased media, the campaign attracted considerable coverage from Citywide newspapers, community publications, radio, television, and online media outlets. The Debt Stress phase of the “Take Control of Your Finances” campaign had 32 media hits since November 2008, which were potentially viewed by more than 32 million people with an equivalent advertisement value totaling more than \$1 million.²³ Thus, DCA garnered \$6 in free media for every dollar it spent on paid advertising.

As illustrated in Figure 2 on the next page, the impact of Phase 1 of the campaign on public awareness is evident in the number of public inquiries. Since May 2008, OFE’s Web site has received more than 279,000 Visits and 311 received 9,200 financial education inquiries. Both numbers spiked in late December and early January and again in June 2009 when 311 received a

dramatic spike in calls accompanying the Mayor’s highly publicized launch of three new Financial Empowerment Centers.

Figure 2. Financial Education Inquiries to 311 and Financial Education Network Directory Searches



Given the results and expenses of the yearlong “Take Control of Your Finances” campaign, OFE paid only \$14.67 for each person referred to a Financial Empowerment Center or Financial Education Network member through the online directory or 311.

Strategy 2: Improve access to income-boosting tax credits

Created in 1975, and considerably expanded over the last three decades, the Earned Income Tax Credit (EITC) is the largest anti-poverty program in the country. It lifts an estimated four million Americans out of poverty each year.²⁴ In 2009, the federal EITC program provided more than \$49 billion in direct tax relief to hardworking, low-income households in the United States.²⁵

When combined with State and City EITC dollars, New York City families eligible for the EITC can receive upwards of \$6,000 per year, which many rely on for basic needs, such as paying down debt, food, and incidental expenses.²⁶ The New York City Child Care Tax Credit (CCTC), established

through the Mayor's Center for Economic Opportunity (CEO) in 2007 and marketed by OFE, provides parents earning less than \$30,000 who have children up to age four an additional credit against child-care costs. In its inaugural year, more than 50,000 New York families received the CCTC with approximately \$30 million paid to families with low and moderate incomes.²⁷

Public Education Campaign

Nationally, researchers estimate that as many as 25 percent of eligible households do not receive the EITC.²⁸ Often, eligible filers do not submit a tax return because their income is so low that they are not legally required to file taxes and do not realize they can claim the credit regardless of their tax liability. Men with no dependents and noncustodial parents are the least likely to file.²⁹

Recognizing that the tax season is a key opportunity for low-income workers to strengthen their financial foundation, OFE has heavily promoted the EITC and NYC CCTC, raising awareness of free tax preparation sites, as well as developing pilots to identify cost-effective and sustainable tax preparation services.

Assisting New Yorkers in claiming the EITC and other key tax credits for which they are eligible is the cornerstone of Mayor Bloomberg's Tax Credit Campaign (formerly EITC Campaign). Launched and led by DCA in 2002, the New York City EITC Coalition is the largest and most comprehensive EITC Coalition in the nation. The Coalition, now administered through OFE, continues to grow, now composed of nearly 186 community-based organizations, City agencies, foundations, leading businesses, and media partners.

Launched in January 2009, this year's Tax Credit Campaign signaled Phase 2 of the yearlong "Take Control of Your Finances" campaign. OFE and NYC EITC Coalition members disseminated more than 1.7 million palm cards and posters encouraging the use of free or low-cost tax preparation to file for the EITC, CCTC, and other credits, resulting in a 31 percent increase in people reached since 2004. Working with key media and distribution partners, OFE distributed more than 19,000 palm cards during leafleting blitz days, focusing on target neighborhoods with high levels of EITC recipients. E-mail blasts and newsletters also served as important promotional tools in 2009 with partners such as the New York City Housing Authority, the New York City Commission on Women's Issues, and Con Edison distributing information to more than half a million New Yorkers.

The Tax Credit Campaign has also benefited from strategic relationships with media outlets and mass marketing vehicles as a way to supplement the City's grassroots outreach efforts. During the 2009 tax season, OFE developed exclusive partnerships with Hot 97 FM and the *Daily News* to publicize tax credits along with free and low-cost tax sites in public service announcements, weekly print ads, and online.³⁰ In 2009, OFE ran 5,000 ads on public transportation, a near-fivefold increase in outdoor ads from the prior year.

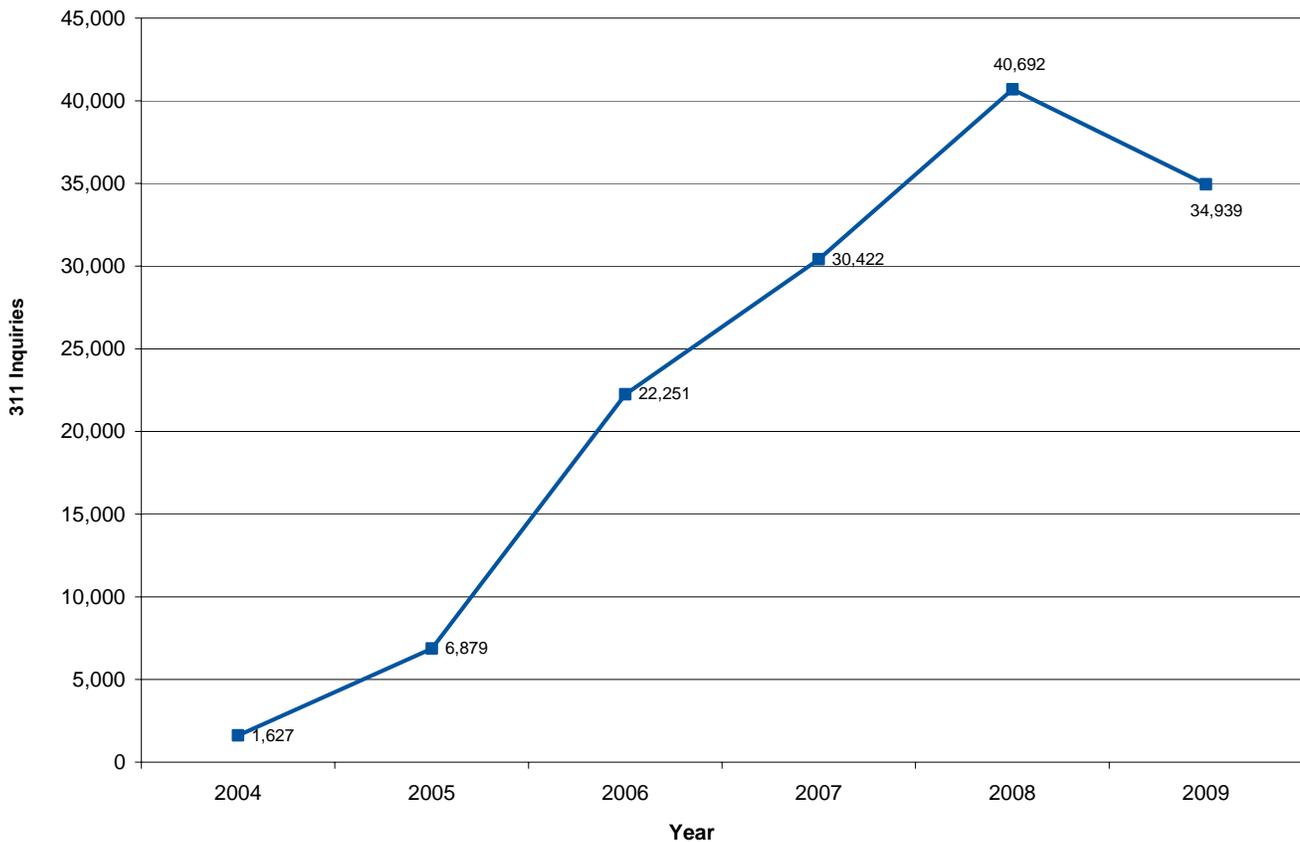
In addition to purchased ads, 61 media outlets ran stories about the Tax Credit Campaign which reached an estimated 1.4 million people in 2009. The estimated value of this earned media was \$2.4 million.³¹ Thus, for every dollar OFE spent on paid advertising in 2009, the City received \$5 in free media.

Outreach Impact

Since 2004, 311 has received more than 136,800 inquiries from New Yorkers about the EITC and free tax preparation services available through community-based Volunteer Income Tax Assistance (VITA) sites and, for the last two years, low-cost Tax Prep Plus sites. In 2008 and 2009, there were 57,400 Visits to OFE's Tax Credit Campaign Web pages, including nearly 17,000 searches for free or low-cost tax preparation sites.

The number of EITC-related inquiries to 311 has increased markedly since 2007. In 2008, 311 inquiries spiked as a result of the Economic Stimulus Act of 2008, which encouraged thousands of New Yorkers who would not typically file taxes to complete a tax return in order to receive a one-time tax rebate.³²

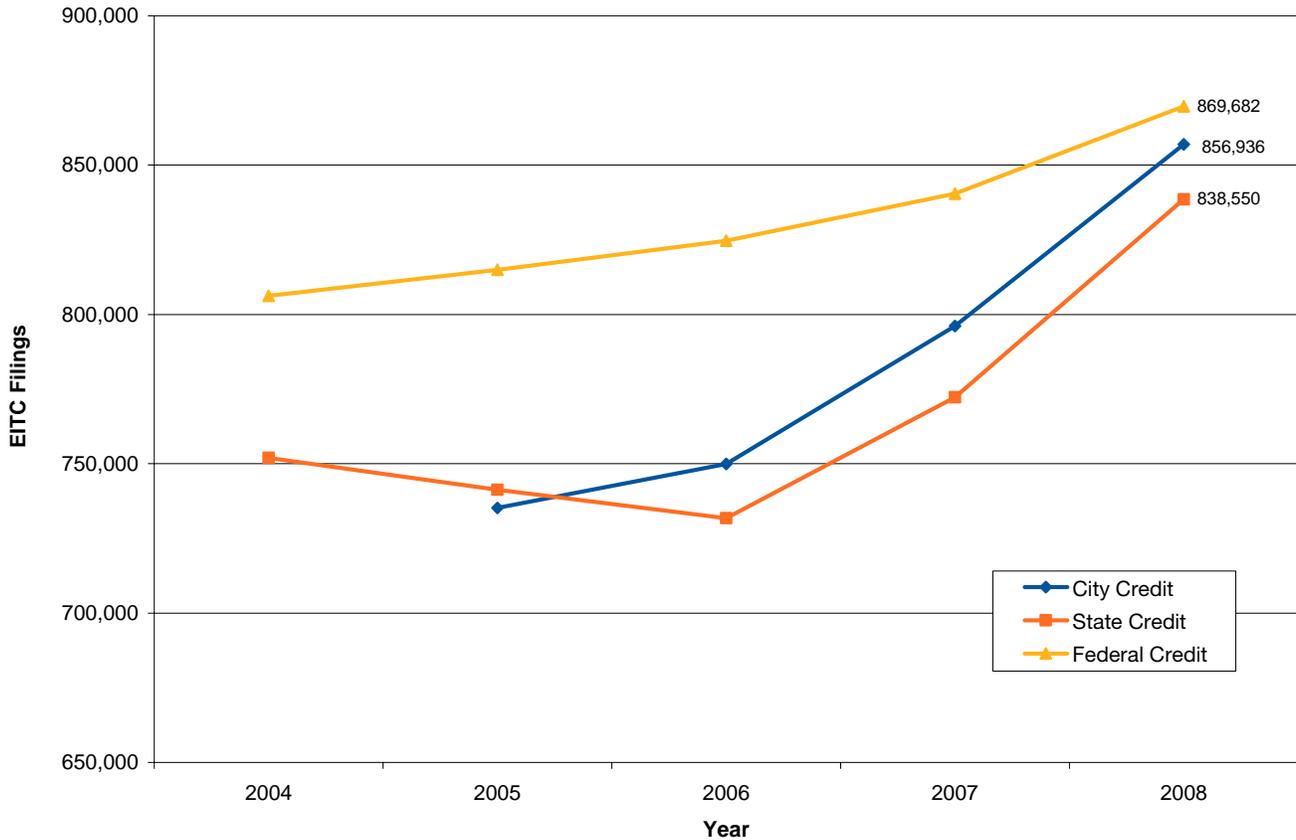
Figure 3. Earned Income Tax Credit (EITC) Inquiries to 311



Since the City launched its EITC Campaign in 2002, the number of New York City residents filing for the EITC has increased each year. From 2004 to 2008, the number of people filing for the EITC in New York City increased by eight percent, from 806,000 to 870,000.³³ Additionally, the number of people filing for the local credit has increased considerably, jumping by 17 percent in the three years since its creation in 2005.³⁴

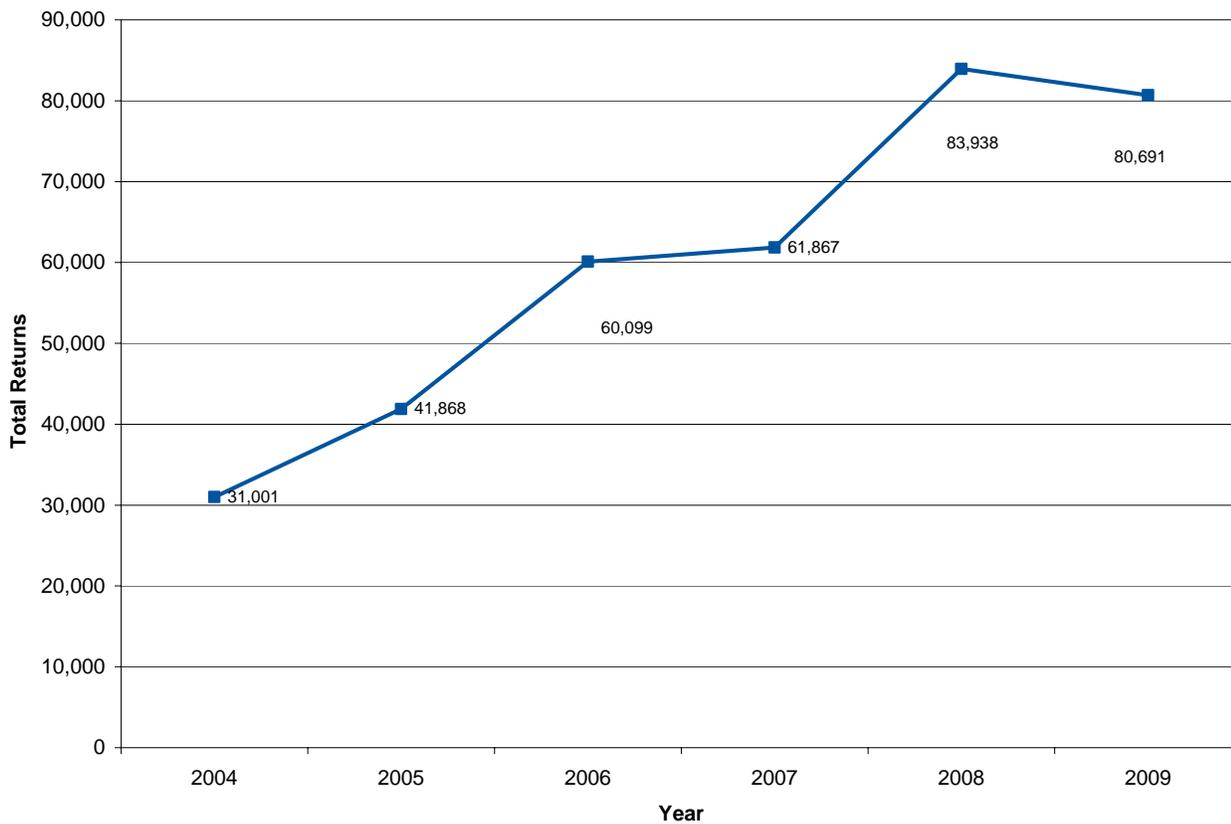
Working poor New Yorkers received nearly \$2.4 billion in City, State, and federal EITC refunds in 2008, an average of nearly \$3,000 per household. Based on OFE's estimation of 2009 refunds, New Yorkers received \$6,700 for every dollar OFE invested in the 2009 Tax Credit Campaign.

Figure 4. Number of New York City Residents Filing for EITC Credits, 2004–2008



Critical to the success of the Tax Credit Campaign are the City's network of partner VITA sites, which not only offer free tax preparation services, but also ensure that eligible tax filers are not offered unnecessary predatory products or loans while they file taxes. In 2009, OFE's network of free and low-cost sites included 90 different locations run by 17 organizations.

Figure 5. Tax Returns Filed at Free and Low-Cost Tax Sites, 2004–2009



Since 2004, the Department’s referrals, marketing, and technical support have helped the five-borough network of free tax sites file nearly 360,000 returns, bringing in almost \$600 million to New York City residents. Since 2007, the first year that OFE coordinated the tax campaign, VITA partners have completed 221,250 returns. With an economic impact of \$1.58 for every \$1 in EITC refunds,³⁵ this figure also translates into an almost \$1 billion economic impact to the City at no cost to consumers.

Additionally, OFE estimates that the VITA network has saved working poor New Yorkers more than \$1 million since 2004 by avoiding Refund Anticipation Loans (RALs) and tax preparation fees.³⁶ RALs are high-priced, short-term cash advances offered by tax preparers, with annualized percentage rates between 70 and 1,700 percent.³⁷ In 2005, advocacy groups estimated that New Yorkers paid more than \$75 million for loans on refunds that would have arrived within approximately a week’s time in full.³⁸

Scalable Model of Low-Cost Tax Preparation Services

From 2004 to 2008, the number of New York City EITC filers who used free tax sites nearly doubled from 14,000 to 28,000 people.³⁹ Despite these impressive gains, 78 percent of EITC filers

continue to rely on paid tax preparers, whose reliability and quality vary widely.⁴⁰ Concerns about costs, quality, and predatory loan products at commercial tax preparers led OFE to test models to supplement the free services offered by the City’s at-capacity VITA sites.⁴¹

Launched in 2008, OFE’s Tax Prep Plus model leveraged technology to significantly reduce the cost of professional tax preparation, while at the same time reducing instances of predatory refund loans. In partnership with H&R Block’s subsidiary Tax One and several community-based organizations, the two-year Tax Prep Plus pilot tested a remote tax preparation model that used scanned consumer documents and off-site professional tax preparers. Customers with low and moderate incomes (maximum income \$40,000 in 2008 and \$55,000 in 2009) were charged only \$20 and, per program design, were not offered refund loans or other costly financial products.⁴²

In 2008, five partners selected through a competitive bidding process operated a total of 14 Tax Prep Plus locations. OFE partnered with only four organizations in 2009, but expanded service locations to 13 stationary and five mobile sites. (For a list of Tax Prep Plus partners, please see Appendix D.) In addition to providing tax preparation, community partners in 2008 offered public benefits screenings to filers as they waited for their returns to be completed using Access NYC, New York City’s online benefit screening tool.

Pilot Program Impact

The Tax Prep Plus model successfully attracted those who would have otherwise used a paid tax preparer: 34 percent of Tax Prep Plus filers used a paid preparer the previous year, and another 17 percent did not file at all the previous year. Moreover, 20 percent of Tax Prep Plus filers who filed a return the previous year also received a RAL; these filers saved approximately \$200,000 by opting for a Tax Prep Plus site instead.⁴³ Across the two pilot years, Tax Prep Plus served 5,250 people, 2,200 (42%) of whom received the EITC. The program returned \$9.6 million to low- and moderate-income households, \$4.2 million of which went to EITC recipients.

Table 7. Tax Prep Plus Program Highlights, 2008–2009

	2008	2009	Total
Tax Returns			
Number of Tax Returns	1,564	3,686	5,250
EITC Filers	438	1,762	2,200
Tax Refunds			
Total Refund	\$1,835,081	\$7,794,941	\$9,630,022
EITC Refund	\$617,580	\$3,617,410	\$4,234,990

The first year of the pilot was designed to test the feasibility of the approach and identify promising implementation strategies. The sites completed more than 1,500 returns and delivered valuable lessons on outreach, technology, implementation procedures, and effective partnership models. Consistent with these lessons, OFE revamped the partner selection process in the pilot’s second year, prioritizing organizations with a track record in tax preparation and clear community roots. Also, based on OFE’s rigorous evaluation of the first-year pilot, H&R Block made key changes to the software that allowed for a user-friendly interface, simplicity in recognizing changes to a client’s return, and simpler information transfers between customers and preparers. In the pilot’s second

year, Tax Prep Plus sites served nearly 4,000 individuals, close to three times the number of people served the year before.

This pilot strongly indicated that low-wage workers are willing and able to pay a small fee for tax preparation services, which can help ensure that nonprofits are not perpetually reliant on private donations to sustain VITA services. Because H&R Block discontinued the scanner technology that made remote tax preparation possible at community-based organizations, OFE will not continue the Tax Prep Plus initiative in the 2010 tax season. In its place, OFE plans to test a new scalable and sustainable tax preparation model. At 12 locations throughout the City, community-based organizations will be piloting an assisted self-preparation program in which trained staff or volunteers assist eligible filers as they complete their own returns with free, user-friendly software.

Strategy 3: Connect low-income households to safe and affordable banking and asset-building products and services

OFE's research revealed that mainstream financial institutions do not offer financial products designed to meet the needs of households with low incomes. Basic transactional accounts have high, hidden, and unpredictable fees that jeopardize the financial stability of families living at very tight margins. OFE partners with financial institutions to create market-based product solutions intended to meet the needs of these households. To date, OFE has launched City-branded products in two categories—safe starter “ATM-type” accounts and matched savings accounts—and intends to continue to work with financial institutions to develop a full suite of products that can help families move forward financially.

Safe Bank Accounts

OFE's research found that consumers with low incomes primarily reject banking relationships because of experience with or fears about unpredictable fees. Check cashers, while expensive, offer services for clearly defined, up-front prices. This quite sensible aversion to risk can cost low-income households thousands of dollars each year in fees they must pay to access their paychecks, limit their ability to save, and expose them to increased risk of theft.

OFE set out to design an account responsive to the needs of those with low incomes as well as transparent and safe, and then identified a suitable juncture within which to test the pilot account program. The “safe starter account” was designed to best serve people with limited banking experience and/or a poor track record with banking, allowing them to build their track record as a desirable customer. These accounts have no minimum balance requirements, no monthly maintenance fees, and no overdraft fees. They are technically savings accounts with an ATM card but not a debit card, making it highly difficult to overdraw the account. Given that 41 percent of overdrafts come from debit transactions,⁴⁴ OFE considered an ATM-only account structure as a key strategy for helping customers avoid fees. Financial institutions also agreed to overlook poor checking account histories, unless applicants actually had defrauded a financial institution in the past.⁴⁵

The juncture at which OFE first offered this account was the enrollment process of CEO's conditional cash transfer program, Opportunity NYC. Starting in September 2007, Opportunity NYC provided a \$50 incentive for New Yorkers enrolling in their program who either already had

an account or opened OFE's Opportunity NYC Account at any of the participating banks and credit unions that had agreed to offer it.

Participants were afforded an opportunity to open accounts on-site at program orientation; by December 2007, more than 1,200 accounts were opened. Families continued to sign up for the account thereafter and, in March 2008, CEO launched the second phase of the Opportunity NYC program in which adults in select public housing sites tested a voucher-based model for account enrollment. By June 2008, approximately 1,800 program participants were holding Opportunity NYC Accounts at 10 different participating institutions.

Overall, 55 percent of Opportunity NYC participants were unbanked when they enrolled in the program; currently, only seven percent remain unbanked. Further, 98 percent of Opportunity NYC Accounts remain open to date. According to quarterly reports from financial institutions, participants have maintained an average balance of nearly \$200. Additionally, 30 percent of Opportunity NYC participants also went on to open other accounts, such as checking or credit products.⁴⁶

OFE leveraged the success of the Opportunity NYC Account program to negotiate a safe starter account open to everyone receiving financial counseling through the City's Financial Empowerment Centers. This Citywide program, currently in soft launch, will offer safe, affordable financial services to the estimated 800,000 unbanked households throughout the City when OFE brings it to scale.

SaveNYC Account

Few low- or moderate-income New Yorkers have sufficient financial resources to financially survive job loss or other financial emergencies. A recent survey of New York City residents found that only one-half of lower-income households have at least \$500 in savings to use for unanticipated expenses, while one-third of lower-income households reported having no savings at all.⁴⁷

Building assets does more than provide a cushion to help families handle loss of income or increased expenditures from unexpected events. Research finds that assets have additional benefits ranging from improved financial stability to better health and education outcomes for families and children.⁴⁸ Asset accumulation can help younger generations go to college or purchase a home, which can break the intergenerational cycle of poverty and help families gain permanent entry into the middle class.⁴⁹

OFE's SaveNYC Account offers New Yorkers with low and moderate incomes a 50 percent match if they save a portion of their tax refund in an OFE-designed SaveNYC Account at any participating financial institution for at least one year. This opportunity was made available to tax filers at select free tax preparation sites serving families with incomes of less than \$45,000 and adults without dependents with incomes of less than \$20,000. The match funds were raised privately in conjunction with the Mayor's Fund to Advance New York City from corporate and foundation sponsors; OFE also used donated funds to give small stipends to community-based organizations that implemented the program.⁵⁰ (For the list of SaveNYC Account program partners, please see Appendix D.)

The SaveNYC Account program tests a viable and scalable model for fostering savings and asset accumulation at tax time; studies the impact of short-term, non-goal directed savings; and seeks to

influence local, state and/or federal policy to create tax mechanisms to incentivize shorter-term savings for working adults with low incomes. There are two core hypotheses behind OFE’s \$aveNYC Account model: first, that the ability to designate savings as part of the tax filing process capitalizes on a unique opportunity to facilitate savings at scale; and second, that households with low incomes first need to have access to liquid, emergency savings before they will be able to engage in building long-term assets.

OFE released its findings from the 2008 \$aveNYC Account pilot in August 2009 in a report titled, “The \$aveNYC Account: Innovation in Asset Building.” To study the second year of the pilot, OFE secured the services of the University of North Carolina at Chapel Hill’s Center for Community Capital. The Center for Community Capital, with support from the Ford Foundation, will follow \$aveNYC Account participants and comparison groups of individuals who declined the account and those never offered the account for at least one year to identify short-term impact on household stability, financial management, and savings and spending behaviors.

Pilot Program Impact

Since inception of the \$aveNYC Account in 2008, 1,206 low-income New Yorkers have opened a \$aveNYC Account at a free tax preparation site, committing to save more than \$450,000.⁵¹ In the second pilot year alone, New Yorkers opened more than 1,000 accounts and exhausted the privately raised match funds in less than eight weeks. Across the two pilot years, eight percent of eligible filers and 16 percent of those who received their refund via direct deposit chose to open a \$aveNYC Account. Participants saved an average of \$382 per household, or eight percent of their total tax refund.

This program has appealed to New Yorkers with very low incomes and little history of saving; the average income across the two years is \$16,920 and 23 percent of the participants were unbanked at the program start. The typical saver is an African-American or Latina mother under age 40. (For additional demographic data, please see Appendix E.)

Table 8: \$aveNYC Account Program Highlights, 2008–2009

	2008	2009	Total
Sites			
Number of Sites	8	12	14
Accounts			
Accounts Opened	177	1,094	1,271
Accounts Funded by the IRS	151	945	1,069 ⁵²
Savings			
Total Initial Savings (<i>funded accounts</i>)	\$58,489	\$359,586	\$418,075
Average Savings	\$387	\$381	\$382
Median Savings as a Percent of Refund	8%	9%	8%
Take-up Rate			
Take-up Rate (Eligible filers)	6%	9%	8%
Take-up Rate (Direct deposit filers)	10%	18%	16%
Participant Data			
Unbanked at Program Start	31%	22%	23%
Opened Savings/Checking or Loan Account	80%	64%	66%
Average Annual Income	\$15,530	\$17,147	\$16,920

At the end of the first pilot year, 76 percent of \$aveNYC Account savers (those whose accounts were funded) successfully earned their match funds, leveraging more than \$73,000 in total savings. On average, participants had \$624 saved at the end of the year, including \$195 in match funds. Further, 74 percent of participants who received the match chose to roll over their account (i.e., keep the account open for another year), while 24 percent participated a second time in 2009. Additionally, only 22 percent of those who did roll over the account first withdrew a portion of those funds.

The successful initial pilot years have taught OFE that low-income families can and will save if given the right opportunity and incentives, and reinforced the value of participant, rather than program-directed savings goals. OFE will expand the \$aveNYC Account program in 2010, increasing the maximum available match to identify the ideal savings level for a scale intervention. OFE will also better market the account to repeat participants and recruit another cohort of participants and non-participants for additional research.

OFE is also working closely with federal policy makers and national think tanks to use findings from this pilot to inform the upcoming tax policy debates, and is diligently sharing findings with community partners and local governments throughout the country to encourage replication and new approaches to help families build liquid assets.

EasySave

In partnership with the New America Foundation and MDRC, a national research firm, OFE is participating in a national pilot for a workplace-based savings model. This program applies the simple lessons of retirement savings—i.e., automation facilitates savings and the decision to save is better made once rather than with each paycheck—to building short-term emergency funds. Using the City of New York as the employer in this significant pilot, this initiative will explore the impact of an automated, employer-based, post-tax savings account on employee financial stability and saving habits.

Initially, OFE is piloting the accounts with employees of select City agencies to test the feasibility and popularity of the program and to identify how and if participants benefit from its simple structure. The account was launched at DCA in September 2009 and will be rolled out to several additional agencies in the coming months. This program will be rigorously evaluated to determine the impact of a workplace-based savings strategy and any promising findings will be disseminated to encourage private sector adoption.

Strategy 4: Enforce and improve consumer protections to enhance financial stability

DCA actively pursues a City, State, and federal financial empowerment advocacy agenda that is already realizing impacts on the consumer protection landscape in financial services. At the local level, enforcement is core to DCA's mission, and includes inspecting firms, mediating complaints, investigating deceptive or unfair practices, and working closely with businesses, community, and advocacy organizations. These strategies are designed to dovetail so as to strengthen consumer safeguards and ensure a competitive and fair financial services marketplace.

Local Regulation and Enforcement

The creation of OFE at DCA allowed an already aggressive consumer protection agency to sharpen the focus of its investigation and enforcement efforts, marshalling investigators, inspectors, and attorneys in their focus on industrywide interventions in pursuit of predatory or unfair practices. OFE has infused resources into the agency's Research and Investigations Unit to target inspection and enforcement efforts to low-income communities where predatory financial products and services are prevalent. Priority industries for local enforcement include tax preparers and Refund Anticipation Loan (RAL) facilitators, debt collectors, employment agencies, rent-to-own businesses, and secondhand auto dealers. All of these businesses serve predominantly low-income communities and are part of the complex, non-bank financial service providers that those with limited access to mainstream institutions rely on to acquire credit, transact business, and boost their incomes.

Tax Preparers/Refund Anticipation Loans

For several years, DCA has been working to curb deceptive advertising of RALs which are sometimes illegally advertised as “fast cash” or “rapid refunds,” bringing action against tax preparers for false advertising and obtaining greater protections for consumers in local courts. In 2005, DCA created a taxpayer bill of rights and obligated tax preparers to distribute it.

There are strong indications that DCA's aggressive strategy is working. From 2004 to 2008, the latest year for which the IRS has data available, the number of New York City EITC recipients who received a RAL decreased from 195,000 to 136,000.⁵³ This 30 percent reduction kept \$16.5 million in the pockets of New Yorkers for whom every dollar counts.

Starting in 2008, OFE, working with the Research and Investigations Unit, identified neighborhoods with high concentrations of EITC filers. DCA inspectors targeted those communities for aggressive enforcement of deceptive consumer practices. In 2008 and 2009, DCA inspectors visited nearly 1,100 tax preparation businesses and issued 547 violations.⁵⁴ While inspectors visited more businesses in 2009 than 2008, the compliance rate increased from 58 percent to 64 percent, indicating that the initial sweep was already impacting business practices. Additionally, in 2009, only 30 percent of the tax-related violations were for RAL violations, including deceptive advertising and failure to provide appropriate disclosures.

Debt Collectors

In 2008, New Yorkers filed more complaints with DCA against debt collectors than against any other type of business. Complaints regarding debt collectors generally concern debts that the consumer claims not to owe or alleged harassment tactics by the debt collector, like making harassing phone calls to consumers' homes or their employers, an illegal practice in New York City. DCA has found that debt collection agencies regularly fail to provide consumers with legally required sufficient information to enable consumers to determine whether a debt being collected upon is actually due.

DCA secured \$2.2 million in restitution against debt collectors for 1,286 consumer complaints in the fiscal year ending June 30, 2008. For fiscal year 2009, DCA received 832 complaints against debt collectors and secured \$1.2 million in restitution.⁵⁵

DCA works aggressively to ensure that the rules are being followed; in January 2009, staff attorneys conducted three trainings at New York City Civil Courts attended by consumers and court clerks to ensure that consumers are aware of the full spectrum of their rights. Relevant civil courts have also agreed to send DCA comprehensive information on unlicensed debt collectors to help with enforcement efforts. Finally, DCA recently proposed rules that would impose further requirements on debt collectors, particularly with regard to due diligence and recordkeeping.

In 2006, in response to complaints about debt collectors, DCA held a public hearing to identify abusive practices against consumers. Based on findings from that hearing, DCA has strengthened the City's debt collection law to require "debt buyers"—businesses that buy defaulted debt in bulk and then collect from consumers directly or through use of the courts—to be licensed as debt collectors. Effective July 2009, City law also increases requirements for debt collectors to document the original owner of the debt, and limits how and when debt collectors can contact consumers regarding the debt.

Employment Agencies

Employment agencies are businesses that provide job search and career assistance for a profit, and sometimes charge customers for services they cannot or do not provide. Since December 2006, DCA has received more than 650 complaints about employment agencies. DCA's targeted enforcement of employment agencies included 460 inspections, resulting in 281 violations and more than \$100,000 in restitution for consumers. The Department has also entered into settlements with 189 employment agencies, requiring them to comply with the law with regard to fees, to post an information poster in every language in which the agency conducts business, and to provide job applicants with a contract and a receipt.

Rent-to-Own Businesses

Rent-to-own (RTO) businesses are, in effect, both a rental business for households and businesses with a short-term need for big ticket items and a provider of long-term financing for households that wish to permanently acquire these items. For consumers in the latter category, this financing is alarmingly costly. Customers who rent products long enough to own them have typically paid a 70 percent annual percentage rate over the listed "cash price."

Moreover, the "cash price" that RTO businesses are required to display is generally unrelated to the market price for similar goods, and used items are discounted minimally, if at all. One recent complainant to DCA paid \$3,600 over three years to own a computer with a cash price of \$2,000 while similar models were available at retailers for less than \$1,000. Such high markups are facilitated by State law, which holds that these transactions are not considered credit and, therefore, not subject to the State criminal usury limit of 25 percent and other federal and State disclosures.

In January 2009, DCA Commissioner Jonathan Mintz testified before the New York City Council advocating for DCA licensing of RTO businesses in New York City as a means of ensuring effective consumer protections. Licensing authority would give DCA the ability to analyze the size and scope of this market, create a consumer bill of rights, and enforce the use of a model contract to ensure consumers understand the terms of the transaction. DCA could also require books and records

inspections and hold RTO businesses accountable for using cash prices that are based on the market. DCA continues to work vigorously with the Council in support of this legislation.

Secondhand Auto Dealers

In response to growing concerns about the used auto dealer industry, DCA held a February 2008 hearing on used car dealership sales and lending tactics. In 2008, DCA received more than 750 complaints against the 850 secondhand auto dealers licensed in New York City, one of the top five complaint categories.

Using findings from the hearing and a two-month investigation of used car dealer advertisements in late 2009, DCA inspected 18 dealerships in all five boroughs that advertised special car sales and deals, and found that less than half of the dealers actually possessed the cars advertised for sale. During this investigation, DCA issued 63 violations to 10 used car dealers. Violations included advertising cars that had been sold already and advertising cars at prices different from the actual price of the car. The fines for these violations could total more than \$20,000. DCA and OFE will continue to work to ensure that secondhand auto dealers provide fair and accurate information to consumers about the cars they sell and the financing arrangements they offer. The agency has also used its experience with used car lending to inform the national dialogue on the scope of the proposed Consumer Financial Protection Agency.

State and Federal Financial Empowerment and Protection Agenda

Recognizing that the financial services marketplace is regulated mostly at the federal and state level, OFE developed a robust advocacy agenda and works closely with other local governments, State partners, and consumer advocates to pursue its ambitious protection goals. OFE's legislative and regulatory priorities are grounded in both research findings and program evaluation. Key focus areas include regulation of banking products, regulatory reform, lending practices, and asset building.

One of OFE's critical partners in advocacy is the Cities for Financial Empowerment (CFE), a national coalition of city governments working to improve the financial health and security of residents with low and moderate incomes. Founded by Mayor Bloomberg and San Francisco Mayor Gavin Newsom, the CFE Coalition brings together 10 pioneering administrations from across the country that use their positions as municipal governments to advance innovative financial empowerment initiatives. CFE's member cities—Chicago, Los Angeles, Miami, Newark, New York, Providence, San Antonio, San Francisco, Savannah, and Seattle—dedicate resources and high-level city officials to the development of municipal programs and initiatives that promote financial empowerment and asset building.

Since inception of the CFE Coalition in March 2008, the original six members have seen four additional cities advance their work to the point of including them within the invite-only coalition. Member cities have held five in-person gatherings where municipal leaders share best practices, learn from experts in the field, plan joint fund-raising and programming, and decide on common strategies for achieving concrete improvement in the financial empowerment field. CFE works closely with the National League of Cities and held a joint one-day symposium in March 2009, which brought together city administration representatives from 20 additional cities across the

country to discuss ways that municipal governments can use their position to advance innovative financial empowerment initiatives.

The CFE Coalition is already becoming a vehicle for common advocacy. The cities submitted joint comments to the Federal Reserve Board in March 2009, advocating for stronger consumer protections on overdraft protection plans, and helped to pass a similar resolution at the July 2009 meeting of the U.S. Conference on Mayors. This coalition has also been an active voice on the Obama Administration's regulatory reform proposal, particularly its proposed creation of a national Consumer Financial Protection Agency.

Banking Products

On the State level, OFE has worked closely with the New York State Banking Department to recommend improvements to their Banking Development District (BDD) program. This 10-year-old program incentivizes banks to open branches in underserved communities. Since 2004, the City has been matching the State's incentives to the 25 BDD banks in the City. While the increased presence of mainstream lending institutions holds great promise for increasing asset-building opportunities, OFE's analysis found little evidence that these institutions are offering products that meet the needs of low-income communities, or that their physical presence encouraged increased mainstream banking. OFE has called for a "next generation" BDD program that would address the mismatch between products and services and include financial institutions that are already on the path to serving the needs of those with low incomes and continues to work both with the State Banking Department and others in Albany to advance these reforms.

OFE also has advocated for increased support for Community Development Financial Institutions (CDFIs), which offer financial products and services aimed at serving low- and moderate-income communities. OFE's innovative banking pilot programs—the \$aveNYC and Opportunity NYC Account programs—have relied upon the flexibility and creativity of CDFIs. OFE supported the creation in 2007 of a New York State Community Development Financial Institutions (CDFI) Program, which provides financial and technical assistance to eligible CDFIs, and continues to support a \$15 million allocation to that fund. Additionally, OFE continues to advocate to change State law to allow city governments like New York City to make deposits into credit unions to encourage new lending and promote the expansion of safe and affordable banking products for local residents.⁵⁶

On the federal level, OFE's attention on banking issues has focused on overdraft protection plans. Fee-based "courtesy overdraft protection" plans erode trust in financial institutions, especially among residents with low incomes who can least afford to be hit with a \$25 to \$35 fee for each transaction that exceeds their account balance. OFE submitted public comments to the Federal Reserve Board four times in the past two years, recommending improved disclosures for fee-based overdraft protection plans and calling for rules requiring banks to obtain affirmative consent prior to enrolling consumers in fee-based overdraft programs, as well as demonstrated support for legislation introduced by Rep. Carolyn Maloney (D-NY) and Sen. Chris Dodd (D-CT). In addition, New York and three other CFE cities signed on to a resolution of the National Conference of Mayors in support of this legislation, and OFE staff traveled to Washington, D.C. to meet with Federal Reserve Board attorneys drafting rules related to overdraft protection, as well as New York Congressional delegation members to urge their legislative support.

Nearly all of OFE's recommendations were adopted in the final Regulation E rules announced in November 2009, which will require customers to affirmatively opt in to courtesy overdraft protection plans that apply to ATM and debit cards. These rules require strong disclosures of the pricing and conditions related to overdraft protection plans, set standards for a clear and distinct process for opting into coverage, prevent discrimination against customers for refusing participation and inducements for participating, and apply the new rules to all new and existing customers starting July 1, 2010. OFE will continue to work to advance stronger laws through the legislative process that will apply to all types of overdraft protection coverage.

Regulatory Reform

As a local regulator with a broad interest in financial services, DCA has been working closely with federal policy makers to shape the national debate about reform of the federal financial regulatory system. DCA strongly supports the Consumer Financial Protection Agency (CFPA), proposed by President Barack Obama and introduced in Congress by Rep. Barney Frank (D-MA) and Sen. Chris Dodd (D-CT). In June 2009, DCA Commissioner Mintz submitted written testimony to the House Financial Services Committee, calling for an independent agency with broad power to regulate banks and non banks. At the same time, DCA has been working closely with the New York Congressional delegation and others on Capitol Hill to ensure that the final legislation will be a floor rather than a ceiling for state and local consumer protection efforts.

Lending Practices

Increasingly, New Yorkers with low incomes are holding complex and costly credit cards. DCA has worked to improve disclosures, make credit card contracts fairer, and eliminate truly deceptive and unfair practices in credit card billing. In July 2008, DCA submitted comments to the Federal Reserve Board regarding proposed changes to credit card rules, calling on the Board to set reasonable limitations on when credit card companies can change consumers' interest rates, prohibit certain unfair practices, and improve the disclosures consumers receive in connection with credit card accounts. Many of the Department's recommendations were included in the final rules passed in December 2008, and then codified into law when President Obama signed the *Credit CARD Act of 2009* in May 2009. DCA continues to work with community organizations, the Federal Reserve, and others to get the word out to consumers about these important changes through fact sheets, forums, and neighborhood events.

DCA has strongly advocated to prevent wealth stripping in low-income neighborhoods and mitigate the effects of the foreclosure crisis. DCA urged the enactment of curative measures to provide relief to consumers facing foreclosure and preventative measures that bar unsound lending practices, testifying and submitting official memos throughout 2007 and 2008, and eventually supporting the passage of the *Foreclosure Prevention and Responsible Lending Act of 2008*, which was signed into law by Governor David A. Paterson in August 2008.

DCA continues to closely monitor action of foreclosure prevention companies, ensuring that "distressed property consultants" are not charging up-front fees or misleading consumers. Additionally, DCA Commissioner Mintz delivered testimony before the House Judiciary Committee, calling for a federal ban on fee-for-service foreclosure prevention businesses, the creation of a National Enforcement Task Force to coordinate local tips, and use of 311 and 211 services across

the country as the single conduit for legitimate mortgage refinancing services. DCA also submitted comments to the Federal Trade Commission on proposals to regulate foreclosure rescue businesses.

Exempt Income Protection from Creditors

DCA mediators handle an average of 845 complaints per year on debt collections alone. This front-line knowledge makes clear that debtor protections are critical. Throughout 2008, OFE worked in partnership with legal service providers and advocates to advance New York State's *Exempt Income Protection Act of 2008*. This bill, which was signed into law in September 2008, ensures that some money held in bank accounts is protected so that New Yorkers have sufficient funds available to meet their basic needs, such as rent, food, and medicine. The new law also protects New Yorkers receiving Social Security or Veterans' benefits from having their bank accounts illegally frozen or money forcibly taken from bank accounts to pay off creditors. Once the law went into effect in 2009, DCA created and widely distributed tips for consumers about their new rights.

Asset Building

OFE's pilot programs are designed as innovation laboratories to test effective models of federal policy. OFE is sharing findings from the \$aveNYC Account demonstration with policy makers to support legislation that would create a simple mechanism to incentivize and facilitate savings using the tax code and the tax filing process. Legislation to create a 1:1 saving match for low- and moderate-income households was introduced in the last Congress and DCA staff are working aggressively to get new legislation in the 111th Congress.

In October 2009, OFE formalized a partnership with the New America Foundation, which will be publishing policy briefs on the \$aveNYC Account, holding educational workshops for Congressional leadership, and holding public events analyzing and publicizing findings from this program to help advance a new savings agenda.

IV. Conclusion

In its first three years OFE has made considerable strides identifying and building a field that is known around the country as much for its innovative approaches as its “on the ground” successes financially empowering New York City residents. While too early to expect meaningful change in the Citywide levels of financial knowledge, financial stability, and marketplace safety, each of OFE’s strategic interventions is starting to see concrete progress toward these long-term goals.

OFE’s groundbreaking research has established baseline data that will allow for long-term measurement of financial stability, and the office is a key player in a promising national dialogue on impact analysis and quality control in the financial education and counseling field. OFE created the infrastructure necessary to provide New Yorkers with Citywide access to high-quality financial education and counseling, and is poised to broaden meaningful access to safe and affordable banking services across the City. OFE has helped set the pace nationally on banking initiatives and asset-building opportunities at tax time, and is making the financial services marketplace safer through a combination of market-based interventions, policy advocacy, and enforcement.

But there remains so much to be done. Mayor Bloomberg has recently announced a vision for expanding financial empowerment work in his coming term in office: increasing availability of services at the City-administered Financial Empowerment Centers; growing the \$aveNYC Account program and creating linkages to higher education and other long-term asset-building opportunities; increasing the capacity of OFE’s credit union partners to serve more New Yorkers; launching a targeted debt consolidation program to help New Yorkers overburdened with high-cost credit to reduce debt, improve their credit, and stabilize their household finances; and more. OFE’s combination research-driven and broad-impact approach will continue as the office develops additional strategies to empower New Yorkers, increase financial stability, and create a safe and vibrant financial services marketplace.

Endnotes

¹ Levitan, M. (2006) "Poverty in New York City, 2005: More Families Working, More Working Families Poor." Community Service Society of New York.

² (2008) "The CEO Poverty Measure: A Working Paper by the New York City Center for Economic Opportunity." New York City Center for Economic Opportunity.

³ Educational Materials on Finances: Distribution of brochures and flyers includes 125,000 tip sheets, brochures, and palm cards and 179,200 Financial Empowerment Center promotional materials. These numbers come from internal tracking logs and printing records. Visits data for the OFE and DCA Web sites comes from WebTrends Analytics 8. There were 42,883 Visits to 22 pages on OFE's Web site, which provides information and resources to consumers on financial education, and 15,362 Visits to the DCA Web site, where the Department's *Debt Collection Guide* is housed.

⁴ Unpublished data (2009) "New York City Financial Environment Assessment." Social Compact.

Underbanked score obtained from Axiom. The underbanked score is derived from a predictive model that uses household data including home equity, debt ratios, income, homeownership, home values, living location, households' behavior (psychographic), demographics (race, ethnicity), and warranty registration to evaluate households' banking relationships and provides a score that ranges from 1 (most likely to be underbanked) to 20 (least likely to be underbanked). Banked households are calculated using all households with scores of 2-20 and population data from American Community Survey, 2005-07. Credit card data from Axiom is a percentage of households with an associate credit line that has been used in the last 12 months, including bank, gas, department store, retail, travel, entertainment, Visa, MasterCard, and Discover cards. For more information on Social Compact, see: www.socialcompact.org. For more information on Axiom, see: www.axiom.com.

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¹⁰ Unpublished data (2009) "New York City Financial Environment Assessment." Social Compact.

¹¹ (2009) "Assets & Opportunity Profile: New York City." Corporation for Enterprise Development. Asset poverty estimates calculated by Beacon Economics, based on U.S. Census Bureau's 2004 Survey of Income and Program Participation, Wave 6 (2006) and 2005–2007 American Community Survey.

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¹³ (2008) "Neighborhood Financial Services Study: An Analysis of Supply and Demand in Two New York City Neighborhoods." New York City Department of Consumer Affairs Office of Financial Empowerment.

¹⁴ Unpublished data (2009) "New York City Financial Environment Assessment." Social Compact.

Financial institution data provided by the Federal Deposit Insurance Corporation, April 2009.

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¹⁵ Unpublished data (2009) "New York City Financial Environment Assessment." Social Compact.

¹⁶ The percent increase was obtained from January 2007–January 2008 Experian Data on monthly debt payments (excluding mortgages) by borough and weighting it by the adult population of each borough using U.S. Census Bureau, 2005–2007 American Community Survey data.

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- ¹⁸ (2009) "U.S. Credit Conditions," Mortgage Delinquency Rate by County, Federal Reserve Bank of New York and Transunion's Trend Data database, Q2 2009, Accessed online on September 24, 2009 at <http://data.newyorkfed.org/creditconditions/>. National mortgage delinquency rate obtained via telephone from Joelle W. Scally, Financial/Economic Analyst, Regional Affairs, Federal Reserve Bank of New York citing Transunion Trend Data, Q2 2009, provided on September 24, 2009.
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- ²¹ Financial Empowerment Centers have received generous support from the Insurance Industry Charitable Foundation, Citi, Capital One, H&R Block, The F.B. Heron Foundation, AIG Financial Literacy Fund, Corporate Fuel Advisors, LLC, and Oak Hill Advisors.
- ²² Financial Empowerment Toolkits for Faith Leaders included more than 125,000 OFE tip sheets, brochures, and palm cards.
- ²³ OFE calculated advertisement value based on the industry standard of measuring the column inches of print media or seconds of broadcast media and multiplying by the advertisement rates for a particular medium. The value is equivalent to the cost of an advertisement of equivalent size or time in that particular medium. Institute of Public Relations on October 29, 2009 at http://www.instituteforpr.org/files/uploads/2003_AVE.pdf. Advertisement rates are obtained from Bacon's media source at <http://us.cision.com>.
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- ⁴⁴ (2008) "Study of Bank Overdraft Programs." Federal Deposit Insurance Corporation.
- ⁴⁵ Customer account histories are recorded in a nationally used and privately owned database called ChexSystems. Financial institutions report unpaid fees or overdrafts and use the system to collect monies owed and screen potential customers for outstanding debts to other institutions.
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- ⁵⁰ The \$aveNYC Account was supported by The Annie E. Casey Foundation, H&R Block, Jackson Hewitt Tax Service, Citi, The M&T Charitable Foundation, Con Edison, and other contributors to the Mayor's Fund to Advance New York City.
- ⁵¹ While 1,206 filers opened \$aveNYC Accounts only 1,069 participants received their tax refund from the IRS. This is due to reductions in refund amounts or diverted refunds related to child support arrears, tax or student loan liens, math errors, or conflicts over dependent eligibility. These accounts were closed due to non-funding on September 30 of the year they were opened.
- ⁵² Twenty-seven of the Year Two accounts are held by participants of the Year One program.
- ⁵³ IRS SPEC (Stakeholder Partnerships, Education & Communication) Year to Year Comparison of EITC Return Information TY 2003–2006.
- ⁵⁴ Since December 2006, DCA inspectors have conducted 1,670 inspections of tax preparation businesses and issued more than 600 violations valued at more than \$367,000.
- ⁵⁵ Since December 2006, DCA has received more than 2,700 complaints against debt collectors and secured nearly \$4.2 million in restitution.
- ⁵⁶ Current law prohibits municipalities from depositing funds into credit unions or savings and loans. New York is one of only five states to have such a ban.

Appendix A: OFE Milestones

September 2006

- Commission on Economic Opportunity, led by Deputy Mayor Linda I. Gibbs, releases report calling for improved financial literacy and access to asset-building opportunities.

December 2006

- **December 18:** Mayor Bloomberg launches the Center for Economic Opportunity and DCA's Office of Financial Empowerment (OFE).

February 2007

- **February 27:** DCA Commissioner Mintz announces Cathie Mahon as the new Executive Director of OFE and Assistant Commissioner at DCA.

June 2007

- **June 20:** OFE sponsors inaugural symposium, "*Asset-Building in the Big Apple: Crafting 'Incentivized' Savings Products for New Yorkers with Low Incomes.*" The event includes leaders from more than 75 New York City community-based organizations, financial institutions, City agencies, and foundations, and is co-hosted with The Feerick Center for Social Justice at Fordham Law School.

September 2007

- **September 12:** Mayor Bloomberg welcomes the first Opportunity NYC participants and announces partnerships with local banks and credit unions offering no-fee Opportunity NYC Accounts (safe starter accounts). M&T Bank Metro Area Executive Kevin Pearson makes remarks.
- **September 30:** OFE finalizes a comprehensive survey of 71 nonprofit financial education providers, finding that they jointly serve approximately 40,000 New York City residents. Financial education providers report that funding opportunities, sharing of best practices, and staff training should be priorities of OFE's new Financial Education Network.

December 2007

- **December 11:** Commissioner Mintz and Executive Director Mahon host the first OFE Financial Education Network (FEN) Forum. Thirty-five financial education providers and stakeholders discuss strategies for improving the quality and accessibility of financial education, collaboration across the fields, and vital policy initiatives to protect low-income New Yorkers from abuses in the marketplace.

January 2008

- **January 23:** Deputy Mayor Gibbs, Commissioner Mintz, Department of Information Technology & Telecommunications Commissioner Cosgrave, and Mayor's Office of Immigrant Affairs Commissioner Linares launch the 2008 Tax Credit Campaign. The 2008 tax season includes 54 free tax preparation sites throughout the City and 14 test sites for an innovative low-cost remote tax preparation pilot program called Tax Prep Plus.

February 2008

- **February 7:** DCA holds a public hearing to investigate secondhand auto dealer practices in New York City.

March 2008

- **March 18:** Mayor Bloomberg and San Francisco Mayor Gavin Newsom announce the creation of Cities for Financial Empowerment (CFE), a coalition of city governments seeking to expand the vision of what municipal government can do to create real pathways to financial stability for their citizens with low and moderate incomes. CFE member cities meet in New York for a two-day inaugural forum to share best practices, identify common policy platform issues, strategize on collective negotiation around products and services, and develop collaborative initiatives. In addition to New York City and San Francisco, initial member cities include Miami, San Antonio, Savannah, and Seattle.

April 2008

- **April 15:** OFE completes the first \$aveNYC Account pilot, an innovative matched savings program to help low-income New Yorkers save at tax time. From February to April 2008, more than 170 New Yorkers commit to save more than \$70,000 at eight free tax preparation sites.
- **April 30:** OFE launches its expanded Web site, featuring an easy-to-search online directory of more than 50 financial education providers in the Financial Education Network and extensive finance and consumer protection information.

June 2008

- **June 19:** Mayor Bloomberg announces the release of OFE's *Neighborhood Financial Services Study* and the launch of the first Financial Empowerment Center in Melrose, the Bronx. The NFS Study finds a mismatch between the needs of residents in two low-income New York City neighborhoods and the financial products and services offered, and suggests market-based reasons why residents disproportionately use fringe financial services. The Financial Empowerment Center offers, for the first time, free, one-on-one advisement and coaching on financial matters for all Bronx residents.
- **June 19:** The AIG Financial Literacy Fund commits \$1.45 million to expand financial empowerment efforts to New York and the five other CFE member cities.

August 2008

- **August 5:** Governor Paterson signs into law legislation supported by OFE that provides additional protections and foreclosure prevention opportunities to homeowners at risk of losing their homes. The new law establishes standards for lenders and mortgage brokers to prevent borrowers from being placed into unaffordable home loans and improves loan servicing standards.

September 2008

- **September 25:** Governor Paterson signs into law New York State's *Exempt Income Protection Act of 2008*. The legislation, for which OFE strongly advocated, ensures that some money held in bank accounts is protected so that New Yorkers have sufficient funds available to meet their basic needs, such as rent, food, and medicine. The new law also protects money that can never be taken by creditors, known as "exempt funds," from being illegally frozen or forcibly taken from bank accounts to pay off creditors.

October 2008

- **October 27:** Chicago joins the CFE Coalition as the seventh member city.
- **October 30:** Mayor Bloomberg announces 18 initiatives to help New Yorkers face current economic challenges. OFE will spearhead the Citywide expansion of the Financial Empowerment Center model, as well as launch a debt management awareness campaign.

November 2008

- OFE launches a yearlong “Take Control of Your Finances” Campaign. Phase 1—Debt Stress—encourages City residents to call 311 or search OFE’s online Financial Education Network Directory to access free and low-cost financial education and counseling services.

December 2008

- **December 15-19:** OFE, CUNY, and the *Daily News* co-sponsor “Your Money Helpline,” a weeklong phone-a-thon that shares money management information and refers New Yorkers to free and low-cost financial education services. Nearly 9,000 New Yorkers are given information by more than 400 volunteers on debt, credit, and money management.
- **December 22:** Mayor Bloomberg and clergy leaders from across the City launch “Pass It On,” a new campaign to help City clergy provide financial education tools to New Yorkers.

January 2009

- **January 12:** Mayor Bloomberg signs Executive Order No. 124, permanently creating the Office of Financial Empowerment within the City Administration.
- **January 27:** Mayor Bloomberg and OFE launch Phase 2 of the “Take Control of Your Finances Campaign.” The Tax Credit Campaign’s slogan is “It’s Tax Time: Go Get Your Refund!” The campaign includes the second pilot season of the \$aveNYC Account and the Tax Prep Plus programs.

February 2009

- **February 5:** Commissioner Mintz announces a Citywide enforcement sweep of income tax preparers. In 2009, DCA inspected more than 700 tax preparers in New York City and issued nearly 300 violations. Top violations included deceptive advertising of Refund Anticipation Loans.

March 2009

- **March 18:** Los Angeles and Providence join the CFE Coalition.
- **March 31:** The Harvard Kennedy School announces that OFE has been selected as one of the top 50 Government Innovations competing for the Innovations in American Government Awards.

May 2009

- **May 11:** Mayor Bloomberg announces the launch of three additional Financial Empowerment Centers in Brooklyn, Queens, and Manhattan. OFE launches Phase 3 of the “Take Control of Your Finances Campaign.” The campaign directs New Yorkers to the City’s Financial Empowerment Centers with the slogan “Money Worries? We can help you take control.”

June 2009

- **June 27:** OFE hosts its first Financial Empowerment Fair in collaboration with Queens Central Library in Jamaica, Queens. The fair attracts nearly 100 community residents.
- **June 29:** The Supreme Court rules in the *Cuomo V. Clearing House* case that States can enforce fair lending and consumer protection laws against national banks. DCA submitted an *Amici Curae* brief with several consumer advocacy groups supporting States' critical role in ensuring financial practices comply with the law.

July 2009

- **July 16:** New debt collection regulations written by DCA go into effect, expanding DCA's licensing of debt collection agencies to include debt buyers, businesses that buy delinquent debt then seek to collect through measures including lawsuits.
- **July 31:** Newark becomes the tenth city to join the CFE Coalition.

August 2009

- **August 6:** OFE announces findings from its \$aveNYC Account initiative in its report, "The \$aveNYC Account: Innovation in Asset Building."
- **August 17:** OFE announces \$180,000 in one-time evaluation improvement grants awarded to 16 financial education providers around New York City.

Appendix B: OFE Individual Level Impact Source Notes

Note: All data reported in Table 2 were rounded for ease of reading.

Strategy 1: Increase access to high-quality, low-cost financial education and counseling

Direct Services

- **Financial Empowerment Centers:** Client enrollment data comes from OFE's online Efforts to Outcomes database and AWARDS database used at the four Financial Empowerment Centers from May 12, 2008–September 30, 2009.
- **Your Money Helpline:** Calls received during the December 15-19, 2008 Helpline were tracked by the *Daily News*' call center tracking software. Calls routed to the Helpline totaled 32,966; volunteers answered 8,946 calls (6,547 in English; 2,399 in Spanish).

Partner Services

- **Financial Education Network:** Service data was reported by FEN member organizations through online and paper Financial Education Provider Surveys administered in fall 2007 and 2008. OFE received 119 surveys: 70 in 2007 and 49 in 2009; 33 organizations responded in both years. Among respondents, 25 organizations are financial education providers listed in OFE's Financial Education Network Directory; only 16 of these providers responded to the survey and reported on the number of clients served in both years. OFE has limited reporting to these 16 providers as it allows tracking of services over time. Providers served 69,897 New Yorkers through counseling, workshops/classes, or hotlines: 43,717 in 2007 and 26,180 in 2008.
- **Education Evaluation Improvement Initiative:** Sixteen (16) organizations served 11,395 clients through counseling, 13,383 clients through workshops, 3,211 clients through classes, and 1,029 clients through hotlines, as reported to OFE on a quarterly basis since January 2009.

Resources Provided

- **Educational Materials on Finances (brochures, flyers, Web site Visits):** Distribution of brochures and flyers includes 125,000 tip sheets, brochures, and palm cards and 179,200 Financial Empowerment Center promotional materials. These numbers come from internal tracking logs and printing records. Visits data for the OFE and DCA Web sites comes from WebTrends Analytics 8. There were 42,883 Visits to 22 pages on OFE's Web site, which provides information and resources to consumers on financial education, and 15,362 Visits to the DCA Web site, where the Department's *Debt Collection Guide* is housed.
- **Financial Education Network Directory Searches:** Search data for the Financial Education Network Directory comes from SQL Server Report Service and is reported to OFE on a monthly basis. In addition to 20,917 online Directory searches, 300 individuals requested and were mailed paper directories.
- **311 Inquiries (Financial Education):** 311 Inquiry data comes from Siebel Analytics. From May 2008 through September 2009, 311 received 9,189 inquiries regarding banking and savings assistance, credit and debt assistance, homeownership assistance, money management assistance, print directory requests, and requests for referrals to the City's Financial Empowerment Centers.
- **Community Presentation Attendees:** 2,296 individuals have attended 41 OFE-sponsored community presentations. This number includes 12 presentations to 390 people conducted as part of the "Pass It On" Campaign.
- **Number of Individuals Who Attended Education Events for Organizations:** OFE estimates that 360 unique individuals representing approximately 140 organizations attended OFE's nine forums, institutes, and trainings, based on RSVP lists and event counts.

Strategy 2: Improve access to income-boosting tax credits

Direct Services:

- **Tax Prep Plus:** Contracted organizations and Tax One provided reports to OFE. In the 2008 tax season, 1,564 returns were filed electronically at 14 locations. In the 2009 tax season, 3,686 individuals filed returns at 13 stationary locations and five mobile sites.

Partner Services:

- **Free Tax Sites:** 221,250 tax returns have been filed, as reported by our partners at the end of each tax season since January 2007. In 2007, 61,867 returns were filed by eight partners with 49 VITA sites. In 2008, 82,374 returns were filed by 15 partners at 52 sites. In 2009, 77,005 returns were filed by 16 partners at 77 sites.

Resources Provided:

- **EITC/Tax Credit Campaign Materials:** Distribution of materials comes from internal tracking logs and printing records. Since the 2007 tax season, DCA has distributed 5,278,322 palm cards, postcards, flyers, and posters.
- **311 Inquiries (EITC):** 311 Inquiry data comes from Siebel Analytics. From December 2006 through September 2009, 311 has received 106,152 inquiries about the Earned Income Tax Credit and the City's network of free and low-cost tax preparation.
- **Free or Low-Cost Tax Assistance Directory Searches:** Visits data for the OFE and DCA Web sites comes from WebTrends Analytics 8. Site assistance was moved to the OFE Web site in January 2008 for the 2008 tax season. Since January 2008, there have been 16,968 online searches for free or low-cost tax preparation sites.

Strategy 3: Connect low-income households to safe and affordable banking and asset-building products and services

Direct Services:

- **\$aveNYC Accounts Opened:** Account openings are tracked using participant enrollment forms and financial institution records. In 2008, 177 individuals opened \$aveNYC Accounts; 151 of these accounts were eventually funded by the Internal Revenue Service. In 2009, 1,056 accounts were opened; 945 were eventually funded by the Internal Revenue Service.
- **Opportunity NYC Accounts Opened:** There are 1,820 active Opportunity NYC Accounts, as reported by CEO implementation partner Seedco on a monthly basis.

Strategy 4: Enforce and improve consumer protections to enhance financial stability

- **Inspections:** DCA Inspectors log inspection and violation data in the Department's CAMIS system. There were 2,130 inspections conducted between December 2006 and September 2009 (1,669 inspections at tax preparation businesses; 460 inspections at employment agencies).
- **Violations Issued:** There were 1,080 violations issued against businesses (620 tax preparation violations; 460 employment agency violations); each violation can list several charges.
- **Fines:** The total fine amount issued against tax preparation businesses was \$367,816.
- **Complaints:** DCA received 2,739 complaints against debt collectors.
- **Restitution Paid:** \$4,199,065 was paid to consumers by debt collectors.

Appendix C: OFE Advisory Council Members

Eileen Auld, State Director, New York Community Relations, Global Consumer Group, Citi
Diane Baillargeon, Executive Director, Seedco
Margot Brandenburg, Associate Director, Rockefeller Foundation
John Hope Bryant, Founder, Chairman and Chief Executive Officer, Operation HOPE, Inc.
Gordon Campbell, President and Chief Executive Officer, United Way of New York City
David Chen, Executive Director, Chinese-American Planning Council, Inc.
Anthony Crowell, Counselor to the Mayor, Mayor's Office
Robert Friedman, Founder and Senior Counsel, Corporation for Enterprise Development
Fatima Goldman, Executive Director, Federation of Protestant Welfare Agencies
Matthew Goldstein, Chancellor, City University of New York
Colvin Grannum, Executive Director, Bedford Stuyvesant Restoration Corporation
Karen Gross, President, Southern Vermont College
Linda Levy, Chief Executive Officer, Lower East Side People's Federal Credit Union
Sarah Ludwig, Executive Director, Neighborhood Economic Development Advocacy Project
Lisa Mensah, Executive Director, Initiative on Financial Security, Aspen Institute
Mark Menting, Partner, Sullivan and Cromwell
Clifford Rosenthal, Executive Director, National Federation of Community Development Credit Unions
John Sanchez, Executive Director, East Side House Settlement
Trooper Sanders, Deputy Director of Policy and Projects for the First Lady
Ronald Soloway, Director, Government Relations, UJA Federation of New York
Herb Sturz, Trustee, Open Society Institute
Zubin Taraporevala, Director, McKinsey & Co.
John Weiler, Senior Program Officer, F.B. Heron Foundation
Veronica White, Executive Director, Center for Economic Opportunity
Mark Willis, Visiting Scholar, Ford Foundation

Appendix D: OFE Funders and Program Partners

FUNDERS

AIG Financial Literacy Fund
The Annie E. Casey Foundation
The Aspen Institute, Inc.
Capital One
CIT/NeighborWorks America
Citi
Con Edison
Corporate Fuel Advisors, LLC
The F.B. Heron Foundation
Ford Foundation
H&R Block
Insurance Industry Charitable Foundation
Jackson Hewitt Tax Service
Living Cities Inc.
The M&T Charitable Foundation
Mayor's Fund to Advance New York City
Morgan Stanley
Oak Hill Advisors
The Rockefeller Foundation
Verizon
William J. Clinton Foundation

PROGRAM PARTNERS

EasySave

Partner

Municipal Credit Union

Education Evaluation Improvement Initiative

Grantees

Asian Americans for Equality
Asociacion Tepeyac de New York
Business Center for New America
Business Outreach Center Network
Coalition for Debtor Education (CDE)
Coalition for the Improvement of Bedford Stuyvesant (Pratt Area)
Community Service Society
Nazareth Housing
Neighborhood Housing Services of Jamaica
Neighborhood Housing Services of NYC
Northfield Community LDC
NY Mortgage Coalition
Parodneck Foundation
South Bronx Overall Economic Development Corp. (SoBRO)
The Financial Clinic
Working in Support of Education

Financial Education Network

Members

AARP
Abyssinian Development Corporation
Academy of Finance
ACCION New York City
Alianza Dominicana, Inc.
Ariva, Inc./CheckSpring Bank
Asian Americans for Equality
Asociacion Tepeyac de New York
Aspen Institute Initiative on Financial Security
Assets Alliance
Association of Neighborhood Housing Developers
Astella Development Corp.
AV Consulting Services
Banana Kelly Development Corporation
Baruch College/Field Center for Entrepreneurship
Bedford Stuyvesant Restoration Corporation
Benevolent Tax Professional Services Inc.
Bethex Federal Credit Union
Bridge Fund of New York City
Bridge Street Development Corporation
Brooklyn Economic Development Corporation
Business Center for New Americans (BCNA)
Business Outreach Center Network, Inc.
CAMBA, Inc
Caribbean American Chamber of Commerce
Carver Community Development Corp.
Catholic Charities Archdiocese of NY
Center for Family Life in Sunset Park
Center for NYC Neighborhoods
Center for Urban Community Services (CUCS)
ChaRosa Foundation Corporation
Chhaya Community Development Corporation
Children's Defense Fund–New York
Chinatown Manpower Project
Chinese-American Planning Council
Christian Motivational Ministries International Corp
Citizen's Advice Bureau, Inc.
Citizens Committee for Children
Citizens for New York City
City Bar Justice Center
Coalition for Debtor Education (CDE)
Community Housing & Credit Resource Center
Community Service Society
Credit Where Credit Is Due
Cypress Hills LDC
District Council 37, AFSCME, AFL-CIO
Early Earners
East Harlem Business Capital Corporation (EHBCC)
East River Development Alliance
East Side House Settlement

FEN Members (continued)

Ernst & Young
FEGS
Fifth Avenue Committee
Financial Planning Association
Financial Women's Association
Food Bank NYC
Fort Greene Strategic Neighborhood Partnership
GE Money
Goddard Riverside Community Center
Good Old Lower East Side
Good Shepherd Services
Goodwill Industries of Greater NY and Northern NJ
Grameen America
Grand Street Settlement
Groundwork
Harlem Children's Zone
Harlem Congregations for Community Improvement
Harlem Hope Banking Network Center
Henry Street Settlement
Kingsbridge Heights Community Center
LaGuardia Community College
Legal Services for New York City
Literacy Assistance Center
Local Development Corporation of East New York
Lower East Side People's Federal Credit Union/People's Center for Economic Independence
Make the Road New York
Mount Hope Housing Corp.
NAICA, Inc.
National Endowment for Financial Education
National Federation of Community Development Credit Union
Nazareth Housing
Neighborhood Economic Development Advocacy Project
Neighborhood Housing Services of Bedford Stuyvesant
Neighborhood Housing Services of Jamaica
Neighborhood Housing Services of NYC
Neighbors Helping Neighbors
New Destiny Housing Corp.
New York City Acorn Housing Corporation
New York City Mortgage Coalition
New York Urban League
Northeast Brooklyn Housing Development Corp.
Northern Manhattan Improvement Corp
Northfield Community LDC
NYC Department of Education
NYC Department of Homeless Services
NYC Department of Small Business Services
NYC Financial Network Action Consortium
Ocean Bay Community Development Corporation
Operation Hope
Parodneck Foundation
Phipps Community Development Corporation

FEN Members (continued)

Phipps Houses
Pratt Area Community Council
Project Enterprise
ReServe
Rockaway Development and Revitalization Corporation
Safe Space
Sanctuary for Families
SCO Center for Family Life
SCO Queens Single Stop Program
Seedco
Shorefront YM-YWHA of Brighton-Manhattan Beach, Inc.
Single Stop USA
Social Compact, Inc.
Social Security Administration
South Bronx Overall Economic Development Corporation
South Brooklyn Business Outreach Center (BOC Network)
St. John's Bread and Life Program, Inc.
The Child Center of New York
The F.B. Heron Foundation
The Financial Clinic
The Jericho Project
The Point Community Development Corporation
Trickle Up
Union Settlement Federal Credit Union
United Jewish Council of the East Side, Inc.
United Neighborhood Houses
United Way of New York City
University Neighborhood Housing Program (UNHP)
Upromise Investments
Wall Street Without Walls
Wildcat Service Corporation
Women In Need, Inc.
Women's Center for Education and Career Advancement
Women's Housing & Economic Development Corporation
Working in Support of Education
Workshop in Business Opportunities
World of Money

Financial Empowerment Center

Operators

Bedford Stuyvesant Restoration Corporation
Credit Where Credit Is Due
The Financial Clinic
Phipps Community Development Corporation

Financial Empowerment Center

Location Partners

Brooklyn Cooperative Federal Credit Union
Catholic Charities HomeBase
Groundwork
Hunts Point Workforce 1 Career Center

Financial Empowerment Center Location Partners (continued)

LaGuardia Community College
Lower East Side People's Federal Credit Union
Midtown Community Court
Partnership for the Homeless
Pratt Area Community Council
Seedco's One-Step Career Center
St. Nick's Alliance
West Farms Technology & Career Center
Workforce1 Career Center

Opportunity NYC Account

Financial Institution Partners

Amalgamated Bank
Bethex Federal Credit Union
Brooklyn Cooperative Federal Credit Union
Capital One Bank
Carver Community Development Corp.
CheckSpring Bank
Lower East Side People's Federal Credit Union
M&T Bank
Neighborhood Trust Federal Credit Union
Union Settlement Federal Credit Union

\$aveNYC Account Program

2009 Financial Institution Partners

Brooklyn Cooperative Federal Credit Union
CheckSpring Bank
Lower East Side People's Federal Credit Union
Neighborhood Trust Federal Credit Union
Union Settlement Federal Credit Union

2009 Volunteer Income Tax Assistance Partners

Ariva, Inc.
Food Bank for New York City
New York City Financial Network Action Consortium (NYCfNAC)
Northern Manhattan Improvement Corporation

2008 Financial Institution Partners

Amalgamated Bank
Bethex Federal Credit Union
Brooklyn Cooperative Federal Credit Union
CheckSpring Bank
Lower East Side People's Federal Credit Union
Neighborhood Trust Federal Credit Union
Union Settlement Federal Credit Union

2008 Volunteer Income Tax Assistance Partners

Ariva, Inc.
East River Development Alliance
New York City Financial Network Action Consortium (NYCfNAC)

Research Partner

University of North Carolina at Chapel Hill's Center for Community Capital

Tax Prep Plus

2009 Partners

Ariva, Inc.
Bedford Stuyvesant Restoration Corporation
Food Bank for New York City
Project Hospitality, Inc.

2008 Partners

Bedford Stuyvesant Restoration Corporation
Chinese-American Planning Council
Food Bank for New York City
Lower East Side People's Federal Credit Union
Seedco

Volunteer Income Tax Assistance

Partners

AARP
ACORN
Ariva, Inc.
Asset East Flatbush
Baruch College
Benevolent Tax Professional Services
Community Tax Aid
Food Bank for New York City
Hunter College Accounting Society
Lower East Side People's Federal Credit Union
National Association of Black Accountants (NABA)
New York City Financial Network Action Consortium (NYCfNAC)
Ocean Bay Community Development Corporation
Pace University
Seedco
The Financial Clinic
York College

Appendix E: Demographic Profile of OFE Clients

Across its programs and services, OFE has focused on low-income families. The majority of families served (51%) earn less than \$10,000; only 12 percent of households served have incomes of \$40,000 or more. Approximately one in three (31%) of those served were unbanked at the start of their respective program. Clients were most likely to be females serving as the head of the household. The average age across programs is 44. Program services were roughly equally spread among Hispanic/Latino and African-American/Black residents, 40 and 37 percent, respectively; 12 percent were Asian or Pacific Islanders and White or multiracial. The following table presents client data at intake in each of OFE's core programs.

	SaveNYC Account Program	Tax Prep Plus	Financial Empowerment Center	Volunteer Income Tax Assistance	Education Evaluation Improvement Initiative	OFE Total
Number Served	1,210	5,250	1,900	77,000	29,020	114,380
Year(s)	2008-09	2008-09	2008-09	2009	2009	2008-09
Age						
Average Age	41	42	42	44		44
Household Composition						
Unmarried	91%	87%	75%	90%		89%
Married	9%	13%	25%	10%		11%
Family Composition						
No children/dependents	18%	56%	45%			51%
One or more children/dependents	82%	44%	55%			49%
Gender						
Male	20%	32%	40%		46%	43%
Female	80%	67%	50%		54%	57%
Income						
Average Income	\$16,920	\$17,669	\$16,097			\$14,711
Median Income		\$16,000	\$14,078			
Less than \$10,000	26%	30%	38%	55%	56%	51%
\$10,000–\$19,999	29%	30%	31%	25%	6%	16%
\$20,000–\$29,999	18%	26%	17%	12%	7%	11%
\$30,000–\$39,999	10%	10%	8%	6%	10%	9%
\$40,000 or more	3%	4%	6%	2%	21%	12%
Unbanked	23%	23%	26%	25%		31%
Ethnicity						
Hispanic	50%	24%	38%	52%	24%	40%
African-American/Black	41%	55%	44%	37%	31%	37%
Asian/Pacific Islander	4%	11%	6%	2%	28%	12%
Other	5%	11%	16%	8%	17%	12%
Residential Borough						
Manhattan	40%	11%	22%			17%
Bronx	40%	12%	27%			18%
Brooklyn	13%	58%	29%			47%
Queens	5%	13%	18%			13%
Staten Island and Other	1%	6%	4%			5%