



Cities for  
**FINANCIAL  
EMPOWERMENT**  
Fund



# Financial Empowerment Centers (FEC)

*Santa Fe, NM | November 20, 2024*



# Thank you to our supportive partners

**Bloomberg  
Philanthropies**



# CFE Fund Approach: Helping government leaders embed financial empowerment strategies into municipal infrastructure



**ASSET BUILDING**



**BANKING ACCESS**



**CONSUMER PROTECTION**



**FINANCIAL EDUCATION  
AND COUNSELING**

- Design and fund multi-city programs
- Pilot new initiatives and research
- Provide robust technical assistance
- Replicate and share knowledge and best practices

# CFE Fund in Action

\$66M+ in Grants

135 Cities

63M Residents



# Financial Empowerment Center (FEC) Background

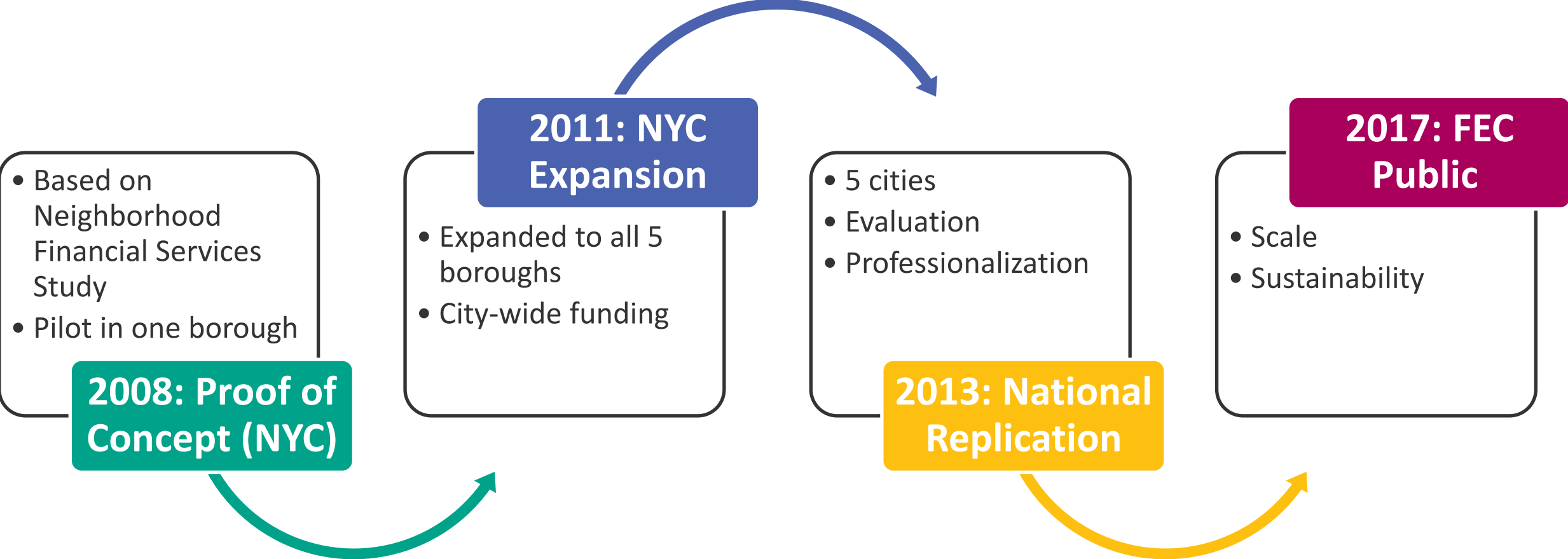


# Financial Empowerment Centers



*The Financial Empowerment Center initiative offers professional, one-on-one financial counseling as a no-cost public service for all residents.*

# From Experiment to National Replication



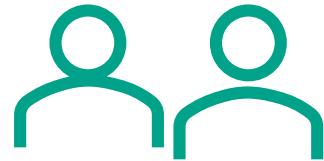


# Core Elements of the FEC Model

The Financial Empowerment Center initiative offers professional, one-on-one financial counseling as a no-cost public service for all residents.



No Cost



One-on-One



Professional



Integrated



Data Driven



Sustainable



Government Led

# Unique Role of Local Governments

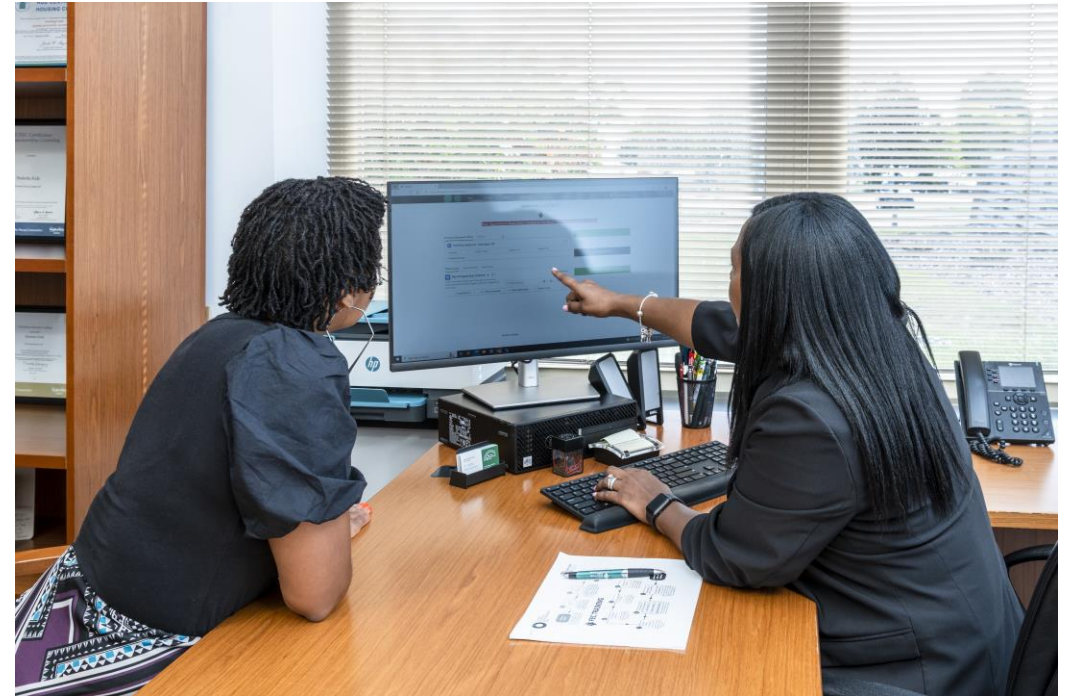
- Interest in resident financial stability
- Connections to unique stakeholders
- Access to funding streams
- Ability to build lasting infrastructure
- Regulatory and enforcement authority
- Legitimate voice among scams and costly fringe financial services



*FEC Launch Event, Detroit*

# Financial Counseling Client Journey

- Four main counseling areas:  
**Banking**, **Credit**, **Debt**, and **Savings**
  - Emphasize the building blocks of financial stability
- Sessions are client-focused and centered on the client's priorities
- FEC relationships are intended to be multi-session



# Counseling Process & Outcomes

## Financial Health Assessment

Banking

Savings

Credit

Debt

Open  
banking  
account

Use  
banking  
account  
actively

Adopt new  
savings  
behaviors

Increase  
savings by  
one week's  
worth  
income

Increase  
credit  
score by  
35+ points

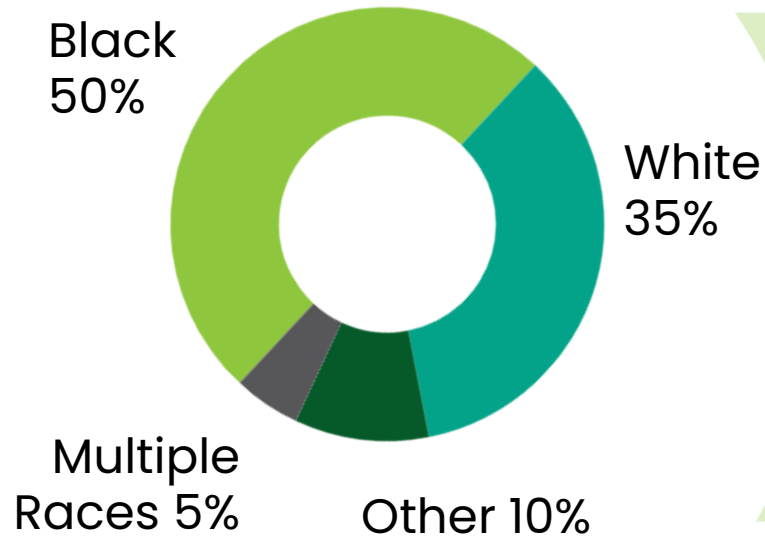
Establish  
credit

Reduce  
non-  
mortgage  
debt by  
10%

Reduce  
delinquent  
accounts

# Client Profile (2023)

## DEMOGRAPHICS (16,000 clients)



24% are Latinx/ Hispanic	66% attended 2 or more sessions	71% are employed- full or part time
71% are women	\$37,000 avg. income	49% have children

## ACHIEVEMENTS

Avg. for clients with an achievement in these service plans

\$3,440  
in savings  
increased



\$5,906  
in debt  
reduced



33 point  
increase in  
credit score



2.3  
delinquent  
accounts  
closed

# FECs and Local Priorities

FECs support local priorities through strategic partnerships:

- Government Agencies
- Housing Services
- Libraries
- Workforce Development
- Utilities Companies
- Reentry Services
- Legal Services
- Veteran Services
- *And many more...*



# Partnerships at Work

## Entrepreneurship Programs

- Improving credit scores and access to loan pipelines
- Assess personal vs. businesses finances

## Homeownership

- Increase approval rates for participants initially denied for an affordable homeownership program
- Support to homeowners with property tax delinquencies

## Utilities

- FEC info sent to residents with delinquent accounts
- Clients can develop payment plans and potentially receive credit

# FEC Fundraising

- To date, FEC partners have raised **over \$40 million** in funding to support program operations and sustainability
- All FECs start with some public funding
  - For all FECs, over half of implementation funds (first 2 years) are public funds
  - Public funding typically increases after first two years
- Funds raised come from a **variety of sources**

Local funds

State funds

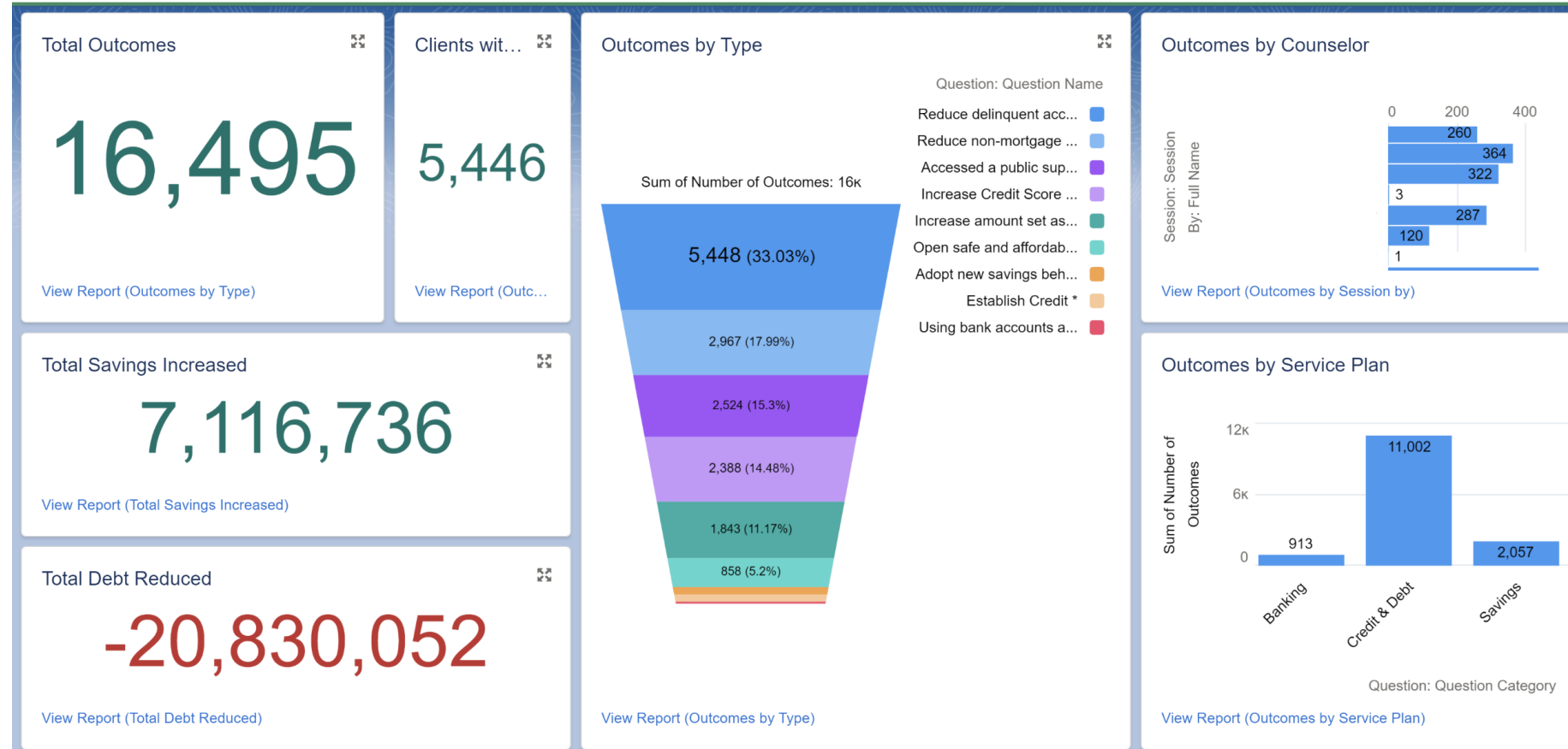
Federal funds

Financial  
Institutions

Foundation and  
Community  
Partners

# Data Collection

- FEC Collect over 200+ data points
  - Demographics
  - Client baselines and achievements
- Counselors can pull credit reports into the database to track and verify data



# Next Steps for Local Planning Team

- Hire (or plan to hire) a dedicated Local Government Manager
- Secure financial counseling provider(s)
- Secure local government and community partnerships
- Design a Counselor training plan
- Design a marketing plan
- Secure year 1 funds
  - Eligible for \$150,000/2 year grant from CFE Fund



# Thank You!