

City of New Haven Financial Empowerment Commission
Strategic Plan Recommendations to Mayor Toni Harp
October 31, 2016 (FINAL)

Members:

1. Joseph Carbone, President and CEO, The WorkPlace
2. Amy Casavina Hall, VP for Financial Stability, United Way of Greater New Haven
3. Christina Ciociola, Senior VP for Grantmaking & Strategy, Community Foundation for Greater New Haven
4. Stacy Downer, Community Activist and Advocate
5. Karen DuBois Walton, Executive Director, Elm City Communities
6. Fernando Faneyte, Program Director of Economic Development, Junta for Progressive Action
7. Kim Hart, Community Activist and Advocate
8. Frank Mancini, CEO, Connex Credit Union
9. Paul McCraven, formerly Senior VP, First Niagara Financial Group
10. Joseph Parente, VP, Programs, Easter Seals Goodwill
11. Jorge Perez, Commissioner, Connecticut Department of Banking
12. Amos Smith, President and CEO, Community Action Agency of New Haven (CAANH)
13. Bill Villano, President and CEO, The Workforce Alliance
14. Tyisha Walker, President, New Haven Board of Alders
15. Gary Winfield, Connecticut State Senator

City Staff and Consultants:

1. Martha Okafor, Community Services Administrator, City of New Haven
2. Steve Fontana, New Haven Economic Development Administration
3. Clifton Graves, Project Manager, Fresh Start
4. Annie Harper, Connecticut Mental Health Center/PRCH Financial Health Project
5. Jim Horan, Connecticut Association for Human Services
6. Rick Kaiser and Sara Friedman, New Haven Community Services Administration
7. Tamara Lindsay and Matt Spring, Cities for Financial Empowerment Fund

Introduction:

Mayor Toni Harp launched the Financial Empowerment Commission in March 2016 as part of an overall strategic vision to build the financial stability and knowledge of New Haven residents with low incomes. The Commission's members (listed above) offered a range of insights and represented key financial empowerment stakeholders, including City agencies, nonprofits, funders, financial institutions and elected officials. The Commission's work is meant to complement the recommendations offered in the [City Transformation Plan \(CTP\)](#).

This followed the 2015 award to Mayor Harp of a "Next Generation Financial Empowerment Grant" (a small planning grant that does not cover implementation) from [the Cities for Financial Empowerment Fund \(CFE Fund\)](#). The focus of this grant was to support the efforts of innovative new mayors who were committed to integrating financial empowerment within their administrations. New Haven's efforts focused on creating a Mayoral Financial Empowerment Commission to provide recommendations on increasing the financial stability of residents with

low-incomes. In planning for the Commission, Mayor Harp appointed an Advisory Group (members are listed in the appendix) to inform next steps. The Advisory Group shared insights on the financial lives of New Haven residents, paying particular attention to current programs and available resources. The Advisory Group also informed the selection of the Commission's target populations, which were determined to be low-wage earners and the re-entry population.

Members of the Commission met four times to discuss potential recommendations. They met in two cohorts, Low-Wage Earners and the Re-Entry population, with a third group later looking at long-term recommendations. They came together around universal, group, and individualized recommendations described in this report. Commission members agreed to meet again to review the recommendations before submitting them to Mayor Harp.

Mayor Harp will launch the Financial Empowerment Strategic Plan, outlining the recommendations, at a public event in the fall of 2016.

Target Populations:

- Low-Wage Earners: households earning less than 200% of federal poverty guidelines (\$40,320 for a family of three), and a focus on those earning around or less than 100% of the guidelines.
- Re-Entry: formerly incarcerated individuals who have returned to the community, including those served by Project Fresh Start, the Warren Kimbro Re-Entry Project (WGRP), and others who are not financially stable.

These target populations were chosen based in part on a focus group and survey by the Advisory Group conducted among City of New Haven, Elm City Communities, and Connecticut Mental Health Center staff. The focus group and survey indicated that needs were great for the broader low-wage worker population and the narrower re-entry population, and that both groups could benefit from financial empowerment interventions.

Summary of Recommendations:

1. *Build the financial capability of all residents.*
 - a. Develop tools, including an interactive financial empowerment website (<http://www.newhavenfinancialemPOWERment.com/>) linked to www.getconnectednewhaven.com, with regularly updated information on banking/credit union options, budgeting, housing, debt, and a resource guide. Direct residents to action through the New Haven Opportunity Center.
 - b. Research and implement policy changes to foster community wealth-building at the local and state levels and with providers that foster financial capability for all.
2. *Provide financial capability tools for groups of residents, focused on low-wage workers and the re-entry population.*
 - a. Offer financial education classes and counseling at the New Haven Opportunity Center.
 - b. Advance community financial health as an integral component of a healthy community. This includes integrating financial education in New Haven Public Schools curriculum and youth development programs, as well as job training programs.

3. *Create a Financial Empowerment Center (FEC)* that offers free, professional, intensive one-on-one financial counseling/coaching to enable residents to address their financial needs and plan for their futures. The counseling will seek to improve outcomes for banking (opening and keeping open accounts), debt (reducing by at least 10%), credit (establishing a score and increasing it by at least 35 points), and savings (establishing and maintaining savings and increasing savings by at least 2% of annual income). Additional outcomes will be established for the re-entry population, focusing on their needs. Numeric goals will be established by the Commission and City based on a review after six months of operation of what residents most want and need, and the capacity of partners to achieve outcomes.
4. *Develop a Financial Empowerment Network* with nonprofit service providers, with each member committed to providing a continuum of services, using a uniform referral/intake tool, and with the same training, standards, measurements, and tools.
5. *Identify and address macro-economic issues* hindering financial empowerment and opportunity for New Haven residents, including an academic study and a summit of City residents and leaders.

The Commission recommends using these and other activities to build a culture of financial capability among all New Haven residents. It also recommends that the City seek to identify and address big picture issues that hinder financial empowerment and opportunity, including the lack of full-time jobs with family-supporting wages and benefits available to New Haven residents.

Next Steps:

- After Mayor Harp releases the plan in November, announcing recommendations, plan Commission to help implement, initial Financial Empowerment Center activities, and launch [website](#).
- Convene a Financial Empowerment Implementation Commission.
 - Consider identifying specific long-term goals that Commission seeks to achieve.
 - Determine how to contextualize services and consider alternative methods to inform people and build skills: [see CFED's "Building Financial Capability" report](#).
 - Develop plan to fund initial recommendations.
 - Develop plans for study and financial empowerment summit.

Background Information and Short-Term Actions: *(three to six months)*

- A. Launch with United Way of Connecticut [new financial empowerment website](#) with resources linked to www.getconnectednewhaven.com Will include:
 - 1. Information on budgeting, banking, housing, and debt; links for Elm City ID Card, materials Commission has posted on Google drive.
 - 2. Unbranded tools from Connex for budgeting and debt management.
 - 3. Information on New Haven bank and credit union services and products produced by Connex contractor, which will be regularly updated.
 - 4. Calendar of financial empowerment events at the NH Opportunity Center and elsewhere.
 - 5. Links to current financial empowerment service providers.
 - 6. Opportunity to comment on website to improve content and identify gaps in services.
 - 7. Develop plan to regularly update website and solicit input from users.
- B. Create list of services and resources most needed by target populations.
 - 1. Use existing resources, including those from Cities for Financial Empowerment Fund, Corporation for Enterprise Development, Center for Law and Social Policy, etc.
 - 2. Incorporate new resources, including results from a recent United Way focus groups and a survey; the survey of City of New Haven, Elm City Communities and CMHC employees; and a financial services landscape study a Yale School of Management class could conduct during the Spring, 2017 semester.
 - 3. See materials on FEC's [Google drive](#).
 - 4. For Re-entry, build off [Project Fresh Start](#), [WKR](#)P, and [Workforce Alliance re-entry program](#).
 - a. Assess impact of state budget cuts on re-entry population services.
 - 5. Seek to provide services in Spanish, working with community partners.
- C. Research and select financial empowerment tools that will be most useful for target populations.
 - 1. Use cutting-edge tools, as identified in "[Building Financial Capability: A Planning Guide for Integrated Services](#)," prepared by CFED for the Administration for Children and Families, and CFPB's "[Your Money, Your Goals](#)" toolkit.
 - 2. Research specific tools and apps.
 - a. See "[What It's Worth](#)" by the Federal Reserve Bank of San Francisco and CFED.
 - b. Community Foundation of Greater New Haven is working with Mission Asset Fund on loans for immigration purposes, which later may expand to [lending circles](#) although this project is currently on hold.
 - c. Elm City Communities is working to develop credit scores using rent payments.
- D. Determine specific metrics to assess progress for each recommendation.
 - 1. May choose to determine some of these later, after seeing what's of most interest to clients, most feasible, etc.
 - 2. Use CFE FEC milestones and outcomes for Banking (opening and maintaining an account), Debt (decreasing total debt by at least 10%), Credit (establishing a

- credit score and improving it by at least 35 point), and Savings (increase total savings by at least 2% of annual income and establish a savings habit for at least three months).
3. Add additional milestones and outcomes for re-entry cohort, including completing the I-9 employment verification, ensuring a stream of income, and developing a child support plan. Adjust FEC milestones for re-entry cohort, as appropriate.
 4. An additional or alternative option is administration of the Center for Financial Security's [Financial Capability Scale](#).
 5. Make sure whatever is chosen is feasible; don't take on too much.

Mid-term: (*6 months to one year*)

- A. Launch a Financial Empowerment Center (FEC), including a full-time financial coach/counselor, housed at the New Haven Opportunity Center (NHOC).
 1. Decide on design of FES. Will likely follow CFEF model, where clients receive assistance with money management, budgeting, reducing debt, establishing and improving credit, connecting to safe and affordable banking services, building savings, and referrals to other services and organizations. Counselors are professionally trained, and support their clients in navigating complex financial decisions.
 2. Clarify which specific services will be offered to support Low-Wage Earner and Re-Entry populations.
 3. Recruit multiple FEC nonprofit partner organizations to engage coaches with the same training and outcome goals, sharing data, etc.
 4. Develop solid partnership for "hot" referrals for other services (e.g., to Money Management International for credit repair services).
 5. Find funding for the City of New Haven to implement, leveraging grant from CFEF and \$15,000 in CDBG funds to raise at least \$100,000 in additional funds for a minimum three-year period.
 - a. Mayor Harp invites potential funders to meet and discuss, including CFGNH, UWGNH, Key Bank, Yale, and possibly others.
 6. Train FEC counselor using CFEF model (or possibly Money Management International, UConn Extension Services (with CFPB ["Your Money, Your Goals" toolkit](#))).
 7. Launch FEC, with a goal of serving 100 coaching clients in the first year, and set financial education and other goals.
- B. Develop Financial Empowerment Network.
 1. Include in the Network, at a minimum, the member nonprofit organizations represented in the FEC.
 - a. Over time, seek to build network from Volunteer Income Tax Assistance (VITA) sites, which could serve as a key entry point to help residents build financial capability.
 - b. Determine feasibility of working with VITA volunteers to provide year-round financial empowerment assistance to residents.
 2. Ensure the Financial Empowerment Network partners use CFEF's Financial Health Assessment for their own purposes and to refer clients to the FEC.

3. Consider building off the referral system created for WKRP, which includes 40+ partners.
 - a. Determine if its large size makes it unwieldy. Can FEC piggyback off WKRP's system once it is operational?
 4. Focus the work narrowly on financial empowerment—don't try to take on more than feasible: decide on a narrow list of services.
- C. Develop a resource guide to help clients build a budget, address major financial challenges, and engage in the FEC to build financial capability.
1. Annie Harper and Rick Kaiser have shared drafts of two documents to use.
 2. Will help clients build a budget and address major financial challenges, such as child support and jobs for re-entry population.
 3. Connect with United Way 2-1-1 about what's available on its website.
 4. Include CT Asset Building Directory.
- D. Build on the success of the VITA program, and connect with free tax preparation sites to offer services and referrals.
1. Identify which services VITA sites could offer (e.g., savings initiative, credit check-up, links to financial education and financial coaching, etc.)
- E. Identify and seek to implement potential local, state, and federal policy changes.
1. May include legislation or administrative changes on child support orders for the re-entry population; softening benefits cliffs for low-wage earners.
 2. Already working on benefit cliffs with information from CT Voices/Derek Thomas and Mothers for Justice/Merryl Eaton.

Long-term (*more than one year*)

- A. Create a culture of financial empowerment and capability.
1. Work across agencies to achieve better outcomes for all residents. Create core strategies that are adopted and accepted across agencies (e.g., Workforce Alliance, CAANH, Connecticut Mental Health Center, Easter Seals Goodwill, etc.), which agree to implement them in a standard, effective, reliable way.
 - a. Agencies become part of NH Financial Empowerment Network. If funds available, City can provide grants. If not, City could award points for Community Development Block Grant (CDBG) applications.
 - b. Explore whether City, CFGNH, and UWGNH would be willing to work together to award grants and standardize services.
 - c. Expand over time to a larger group of affiliate organizations, e.g., VITA sites serving same population.
 - d. City and network agencies develop core tools that participants use: financial literacy, budgeting, financial services, emergency savings, online financial education, etc.
 - e. Provide services in context of people's lives: e.g., financial education, etc. when people receive money/benefits: TANF, SNAP, and VITA.
 - f. Publicize tools and products that will help do this: e.g., NH Connects and financial empowerment websites, spreadsheet with financial institutions' products and costs, etc.

- g. Agencies collect data to show results, which will help leverage funding after first year. Break down data by legislative and aldermanic districts.
- 2. Work with funders to align and not compete on services for nonprofits and other providers.
- 3. Identify and address other systemic issues to empower people and help them adapt: transportation, innovation, housing, jobs, and systems of care.
- B. Address macro issues that undermine financial empowerment and success for lower-income residents in New Haven and everywhere.
 - 1. Research challenges of stagnant wage growth, lack of job growth, unemployment and underemployment, shrinking middle class, etc.
 - 2. Analyze impacts, including damage to state and local budgets, challenges to safety net, harm to people who cannot save for retirement, etc.
 - a. Examine root causes, and how we work together to improve (e.g., using WIOA resources, promoting employer schedule sharing, improving transportation, etc.).
 - b. Focus on challenges to re-entry population, especially difficulty obtaining employment (plus motivation, hope).
 - c. Address anger about unemployment and underemployment, wage stagnation, etc.
 - d. Clearly articulate, with a study and data by an economist, problem and build an audience, including employers, institutions, individuals affected.
 - A Yale SOM (Prof. Kate Cooney) class may be able to conduct a macro-economic study of impediments for financial advancement by New Haven residents.
 - Identify funder(s): City, CFGNH, Key Bank, Yale?
 - 3. Identify what New Haven can do to address these issues
 - a. Identify role and capacity of City institutions: address the issue and raise awareness; bring employers and others who think about these issues together. New Haven can be a leader with ideas and implementation.
 - b. Prod employers to collaborate on scheduling to pair part-time jobs.
 - c. Work with financial institutions to offer appropriate, affordable products to New Haven residents.
 - d. Examine use of alternative financial products, such as prepaid cards, and the harm or benefit to residents.
 - e. Examine entrepreneurship and other ideas from re-entry focus group.
 - f. Host a summit to discuss study and plan solutions.
- C. Release Strategic Plan (including plan for implementation) at Financial Empowerment Summit (in fall, 2017?) that includes workshops on long-term ideas.

Appendix A

New Haven Financial Empowerment Advisory Working Group

1. Karen Ablondi, VA Connecticut Healthcare System
2. Julia Brown, Innovations for Poverty Action
3. Joy Duva, United Way of Greater New Haven
4. Carlah Esdaile-Bragg, Cornell Scott Hill Health Center,
5. Clifton Graves, Fresh Start
6. Rev. Bonita Grubbs, Christian Community Action
7. Paul Hammer, Consumer/user of services
8. Paul McCraven, formerly First Niagara Financial Group
9. Michael Piscitelli, City of New Haven Economic Development
10. Boris Sigal, New Haven Works
11. Amos Smith/Adrienne Sanders, Community Action Agency of New Haven (CAANH)
12. Dominic Tammaro, City of New Haven Community Services Administration
13. Sandra Trevino, Junta for Progressive Action
14. Bridgett Williamson, Consumer/user of services
15. Lisa Wilson, City of New Haven Vital Statistics