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# Savings & Banking



## savings for kids and families

DOLLAR WISE WEEK 2007

SEPTEMBER 24 - 29, 2007

In 2005 and 2006, Americans' savings rates sank into the negative for the first time since the Great Depression of the 1930s.

This means that the average American family was spending more than it was earning, making up the difference by dipping into past savings or by relying on credit cards and borrowing.

The Dollar Wise Week 2007 theme "Savings for Kids and Families" is key because of the number of people in our nation's cities who do not save money and do not use banking services. Savings give families financial stability, and teaching children how to save at a young age helps them become financially-responsible adults.

This volume of the *Dollar Wise Best Practices* series briefly describes different model savings and banking programs from across the country. It has been compiled to provide mayors, city administrators, and other city officials with examples of programs that are working today. Those involved in local financial education efforts can use these ideas to build their own programs and partnerships that suit their

## Durham, North Carolina

MAYOR WILLIAM V. "BILL" BELL

### MoneyWiSe Durham Coalition

In 2001, Michael Stegman and the Center for Community Capitalism conducted a study of families participating in North Carolina's Work First, the state's Temporary Assistance for Needy Families (TANF) program. The study determined that nearly 40% of these families did not have any banking relationship. It further noted that those without bank accounts who use check-cashing and similar fringe financial-services outlets often lack an understanding of the high interest rates and other costs associated with doing business with these establishments.

To help educate its residents on the importance of savings and the principles of banking, the MoneyWiSe Durham Coalition adopted the Federal Deposit Insurance Corporation's (FDIC) Money Smart curriculum. Yearly, more than 1,500 Durham residents participate in Money Smart courses. The knowledge gained helps participants gain access to mainstream financial institutions, improve and restore credit, and increase household cash flow and net worth.

Another innovative aspect of the city's efforts is its youth financial literacy campaign. This effort has great success in pairing a young person with a community mentor. Through this relationship, the youth learns about money management, savings, credit, banking, and wages. The young person has the opportunity to spend a day on the job with his/her mentor to learn about career opportunities, employee skills, employment wages, and workplace culture. The youth is assisted with establishing money-wise and career goals and objectives.

## Rochester, New York

MAYOR ROBERT DUFFY

### Creating Assets, Savings, and Hope (C.A.S.H.)

Families who come to Rochester's C.A.S.H. sites have the opportunity to connect with many other community resources and services designed to help them make the most of their money. For example, unbanked residents can open fee-free, no-minimum-deposit bank accounts. Residents also learn about and have access to affordable alternatives to expensive "instant money" and "rapid refund" tax preparation schemes.

The C.A.S.H. Financial Coaching Program matches participants with trained volunteer coaches who provide confidential, one-on-one money management education and direction designed to help participants achieve self-sufficiency. Families learn to manage their finances properly, set and reach financial goals, and increase net worth. C.A.S.H. coaches meet with participants once a month for up to one year, providing financial education, direction and encouragement.

# San Francisco, California

MAYOR GAVIN NEWSOM

## **Bank on San Francisco & the Working Families Credit**

Around 50,000 San Francisco households are “unbanked”, which means they live without access to basic financial services such as checking or savings accounts. Through Bank on San Francisco, the city works with banks to develop new products and approaches such as accounts with low or no fees and no minimum balance requirements, accepting Mexican Matricula and Guatemalan Consular identification cards as primary identification, and expanding mainstream banks’ marketing and visibility in targeted, low-income neighborhoods. The program is designed to encourage unbanked households to use mainstream financial services. Bank on San Francisco will also help develop financial training programs for the unbanked. The goal is to help 10,000 unbanked households open bank accounts during the first two years of the new project.

Additionally, through the Working Families Credit, San Francisco actively promotes alternatives to check-cashing



*Learn more about San Francisco's efforts in the Dollar Wise publication Model Program: San Francisco, California—Bank on San Francisco, which describes Bank on San Francisco in more detail and provides a comprehensive look at reaching out to the unbanked.*

outlets, such as direct deposit, and offers free check-cashing at banks and credit unions. The program works to make it easy for recipients to open bank accounts at free tax-preparation sites and local banks.

Savings give families financial stability, and teaching children how to save at a young age helps them become financially-responsible adults.

# Louisville Metro, Kentucky

MAYOR JERRY ABRAMSON

## **Louisville Asset Building Coalition**

Louisville's Dollar Wise campaign offers multiple programs and opportunities for residents to become financially literate. Louisville's “Chase Financial Park”, which offers services to citizens living in low-income communities, is an exemplary program. The park is located in West Louisville, close to public housing developments and poor working communities.

Financial education is critical for working poor families, newly employed families, the rapidly growing immigrant population, and other families with minimal financial assets. Louisville works hard to spread knowledge about the opportunities that their campaign provides. The Louisville Asset Building Coalition (LABC) works with the Dollar Wise program and currently has 90 member organizations. Through these organizations, Louisville spreads its message to constituents.

Louisville's campaign creates environments where all family members can participate and attend age-appropriate programs in the same location. This makes participation a possibility for countless families that otherwise would be unable to attend because of family responsibilities. It also serves as a reinforcement tool as children begin to talk to their parents about saving rather than spending, which leads to wealth creation. This approach has made a definitive impact in Louisville and will continue to provide a brighter future for citizens.

# Quincy, Illinois

MAYOR JOHN A. SPRING

## **Paycheck Partnership**

In 2004, a small group of Quincy citizens considered ways to increase teen financial management. What resulted is a coalition called the Paycheck Partnership which has brought together various groups and individuals from all walks of life in an effort to help high school students establish a solid financial foundation for the future.

Local college students volunteer as teachers and receive training from staff of the Federal Reserve Bank of St. Louis. This training includes an overview of course materials and one-on-one mentoring sessions between each college student and a member of the Federal Reserve Bank staff. The college-student volunteers then teach and work with area high-school students to increase the teens' understanding of their paycheck, how to spend and save wisely, and how to set and reach financial goals.

The goal is to inspire conversations among teens, their parents, educators, and the business community about personal financial management. The initial group of citizens included school officials, bankers, local employers, and staff from the Federal Reserve in St. Louis. Today, coalition members include the Quincy Area Chamber of Commerce, the Federal Reserve, the Office of the Mayor of Quincy, Quincy University, and Culver-Stockton College.

## Hollywood, Florida

MAYOR MARA GIULIANTI

An essential aspect of realizing the American Dream is simply having a savings account and access to quality banking services. To help Hollywood residents achieve this important part of wise personal financial management and as part of its ongoing commitment to improving financial literacy, the city's local Dollar Wi\$e campaign holds monthly workshops. At these workshops, very-low-, low-, and moderate-income residents learn the principles of banking the importance of savings as a part of a holistic, comprehensive financial-education curriculum.

However, these workshops don't just teach attendees the theory and the ideas behind savings and banking. They encourage attendees to act on what they have learned, and with the city's community partners the workshops provide the tools to enable participants to act. Through these workshops, residents open savings accounts and create plans to start saving.

The financial literacy workshops are advertised every

month at city-sponsored classes for first-time homebuyers and financial rehabilitation. An invitation is sent to all residents who signed up and expressed an interest in receiving additional financial education. Printed brochures are then made and posted in public areas, public offices, city hall, and handed out at civic association meetings. The program's partners also assist in reaching out to the target audience to promote the financial literacy campaign.

The City of Hollywood has partnered with a number of agencies to promote financial literacy. Among these, the Hollywood Housing Authority works with clients in its Family Self Sufficiency program toward their goal of building wealth. Local banks Wachovia and AmTrust offer residents the opportunity to open savings accounts at the workshops. Local churches encourage their members to participate in workshops, provide venues and classroom space, and work with the city to turn the events into social, fun settings for participants.

## Jackson, Mississippi

MAYOR FRANK MELTON

### Youth Entrepreneurship Program

The Youth Entrepreneurship Program, currently a two-year program, was designed to address financial management concerns that youth ages 7 to 18 face. In collaboration with Jackson Public School District to supplement and strengthen the daily school curriculum, the city created a Youth Entrepreneurship Program focusing on at least 60 kids to participate in and complete the program. The Entrepreneurship Program was developed in three phases to teach individuals as young as 7 about saving money.

Through these matriculation levels, students learn money management, establishing a savings account, pre-business skills, writing checks, investing money, credit including credit cards, managing a small business. Students are placed with a local business to be mentored on best business practices. The goal of the program is for youth to become economically self-sufficient adults who are responsible citizens and contributing members of society.

"Effectiveness is measured when we see a student who has completed our program and maintained a bank account to assist with college-related expenses."

YOUTH ENTREPRENEURSHIP PROGRAM | JACKSON, MISSISSIPPI

## The Mayors' National Dollar Wi\$e Campaign

FINANCIAL EDUCATION FOR AMERICA

The Mayors' National Dollar Wi\$e Campaign is a campaign designed to improve the financial literacy and education of our nation's citizens. Through the development of a national campaign strategy and partnerships with the members of the U.S. Conference of Mayors' Council for the New American City, cities are invited to join this ongoing campaign to promote financial literacy education. The campaign emphasizes basic money management and planning skills around the core components of education, savings, credit management, and homeownership. Mayors are urged to form a community coalition to develop and promote their local campaigns. Additionally, mayors should feel free to build on existing financial literacy programs and projects in their communities. The campaign is designed to be adaptable to the needs of each community.

*For more information about the Mayors' National Dollar Wi\$e Campaign, please contact us as described below.*

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