

Community  
Financial  
Centers

© January 23, 2013  
Cities for Financial Empowerment Fund  
All rights reserved.

In partnership with

Cleveland Neighborhood Progress  
The City of Cleveland  
Cuyahoga Community College  
Enterprise Community Partners  
Neighborhood Housing Services

# Financial Empowerment

---



CFC is based on the model developed by Bloomberg Philanthropies and Cities for Financial Empowerment. This model is currently implemented in New York City and is being replicated in 10 cities across the country and is considered the Gold Standard for evidence based financial empowerment.

The logo for Bloomberg Philanthropies consists of the words 'Bloomberg Philanthropies' in a white, serif font, centered within a solid purple rectangular background.

**Bloomberg  
Philanthropies**



**Cities for  
FINANCIAL  
EMPOWERMENT  
Fund**



# Financial Empowerment - SUCCESS



Since March 2013 the 1<sup>st</sup> Cohort Cities - Denver, CO; Lansing, MI; Nashville, TN; Philadelphia, PA; and San Antonio, TX achieved the following:

- Conducted More Than 13,000 Counseling Sessions
- Reduced More Than \$3.5 Million of Debt
- Built More Than \$525,000 in Savings
- Develop individuals' capacity to move away from predatory financial practices and in to mainstream services.



**Bloomberg  
Philanthropies**



**Cities for  
FINANCIAL  
EMPOWERMENT  
Fund**



Community Financial Centers will offer highly professional financial planning & management services to employees of Cleveland Public Library.

Financial coaching will result in an individualized, unique plan which clients can use to move forward in their financial life.

***Our mission is to strengthen the prosperity of communities, one person, one path at a time, and to create economic self-sufficiency across every community we serve.***

# The Challenge

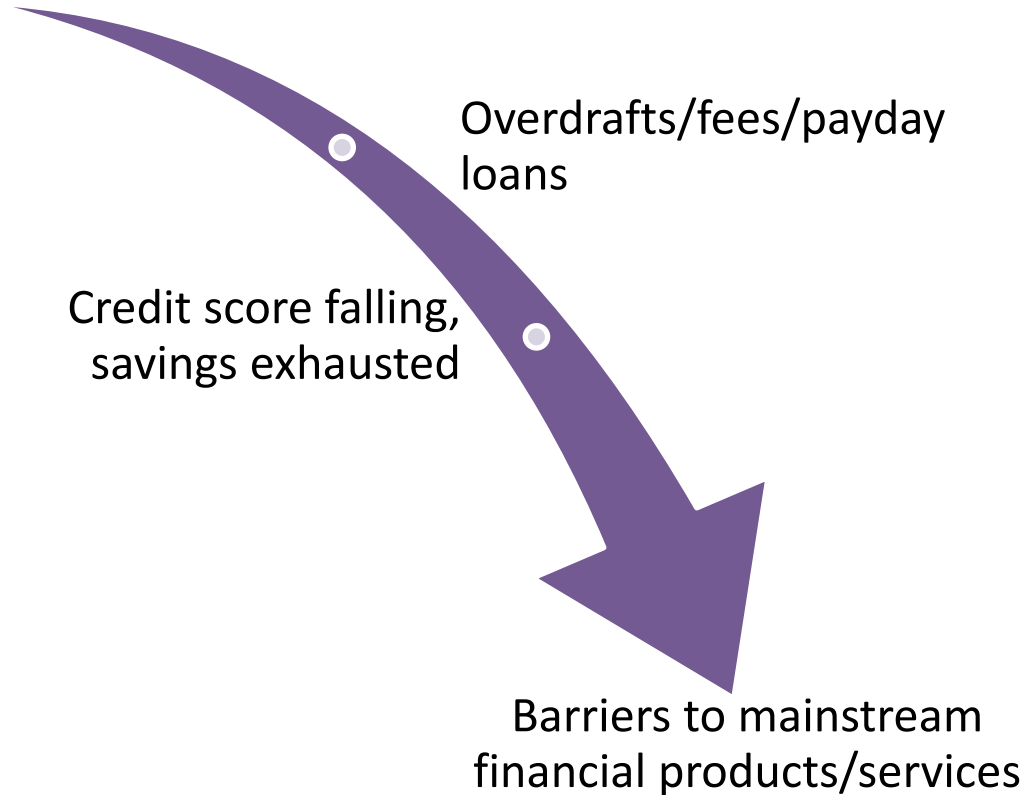


A 2012 study found that Cleveland:

- has a **50% asset poverty rate**
- is home to the **most underbanked** census tract in the nation
- has **5 of the 30 most unbanked** tracts in the nation
- Overall, **42% of households do not have or use a basic checking or savings account**, compared to 29% in Ohio

# Un/Underbanked Client Example

Individual Crisis



# Working Poor Families in Ohio



**10.6%** Poverty Rate

**29%** Asset Poverty Rate

Families do not have savings or other assets to cover basic expenses for 3 months if an emergency leads to loss of income

In Ohio, people are working minimum wage but still relying on public assistance:

- **31.8%** of Ohio families are low income
- **66.6%** of low income families in Ohio work
- **24.9%** of poor Ohio families are receiving cash public assistance



A person earning **minimum wage** who works **full time**, year round, earns **less than the poverty level**

(Center for Community Solutions)



# Bridging the Gap: Asset Building



Limited income does not necessarily mean limited opportunity to build assets

## Asset Building

- Helping individuals **make the most of their income** in the short and long term
- Through a range of services, ensuring individuals have the **tools to participate** in, **contribute** to and **benefit** from the **mainstream economy**
- Helping individuals **navigate and succeed** in the financial marketplace





# The Opportunity

---



Create a comprehensive, high-quality, “one-stop” service that will offer:

## **customized financial counseling**

one-on-one planning  
& management  
tailored to clients' needs

## **streamlined client referrals**

referrals to tax preparation and  
educational opportunities

## **financial education and budgeting instruction**

instruction for managing debt  
and improving credit scores

## **access to affordable banking products, tools and services**

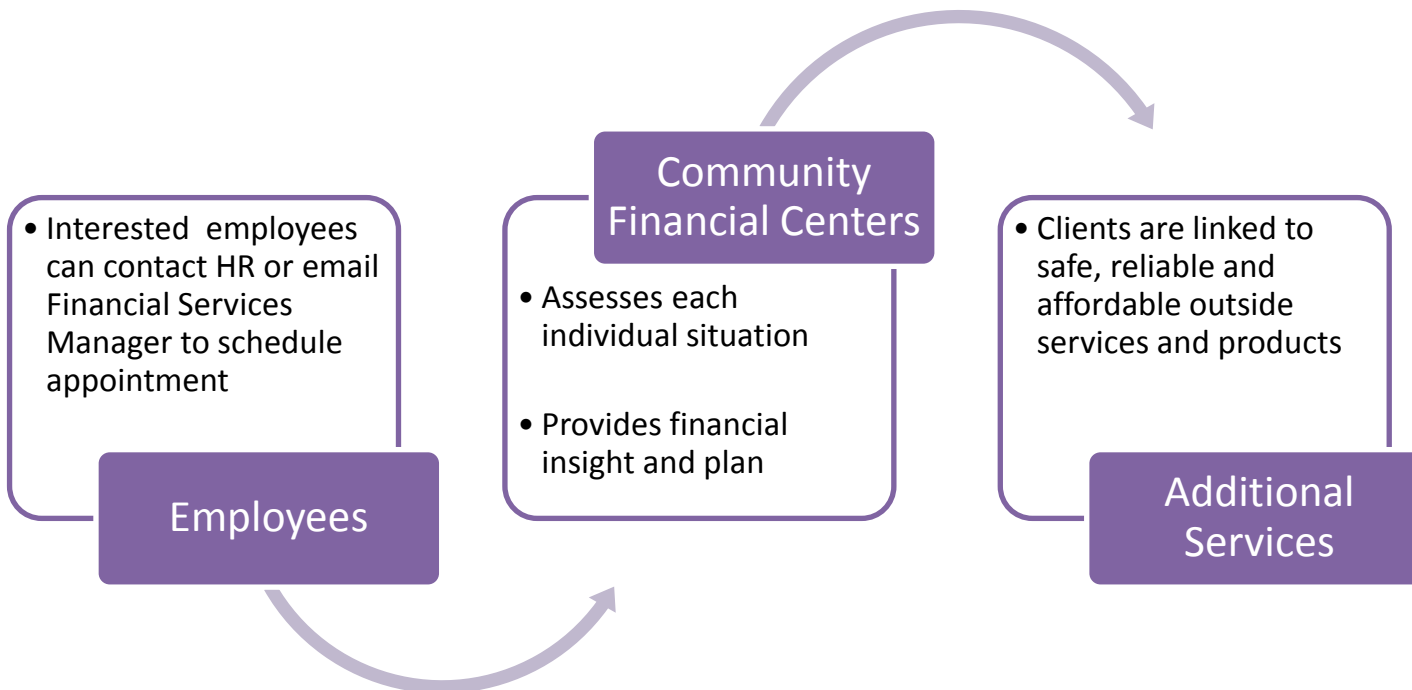
reduce vulnerability to predatory lending  
practices and financial services





# The Process

---



# Walter Morris – Financial Services Manager\*

## 15+ years experience in banking and financial management

- Debt Management
- Risk Management
- Negotiations
- Student Loans/Credit Cards
- Credit Management
- Banking Product Knowledge

## 5+ years Social Service Experience – National & Abroad

- Client Protection & Advocacy
- Relationship Building
- Goal Setting
- Confidentiality
- Bachelor of Arts in International Relations
- Master of Social Work, currently pursuing

# Marne Piccolomini – Financial Services Manager

25+ years experience in banking and financial management

- Organizational Leadership
- Compliance & Risk Management
- Training & Development
- Wholesale Underwriting
- Financial Analysis
- Business Development

## Client Engagement

- Client Protection & Advocacy
- Relationship Building
- Goal Setting
- Crisis Management
- Bachelor of Science in Labor Economics



# Client Engagement

---

## Counseling

- Focus on the transfer of knowledge, and counseling on resolving a financial crisis

## Coaching

- Focus on facilitating skills & behavior, with the aim of helping clients attain self-directed goals

## Advising

- Focus on client portfolio by providing specific securities & investment advice

# Session Structure



	Counseling	Coaching	Advising
Length of Service	Minutes, Hours, Weeks	Weeks, Months +	Bi-Annual, Annual
Didactic Sessions	Some	Never	Never
Accountability / Follow Up	Some	Always	Always
Outcomes	Problem Solving	Skills, Self-Directed Behavior	Relationship creates dependence
Financial Climate	In Crisis	Mostly Stable/Stable	N/A



# Measures of Success

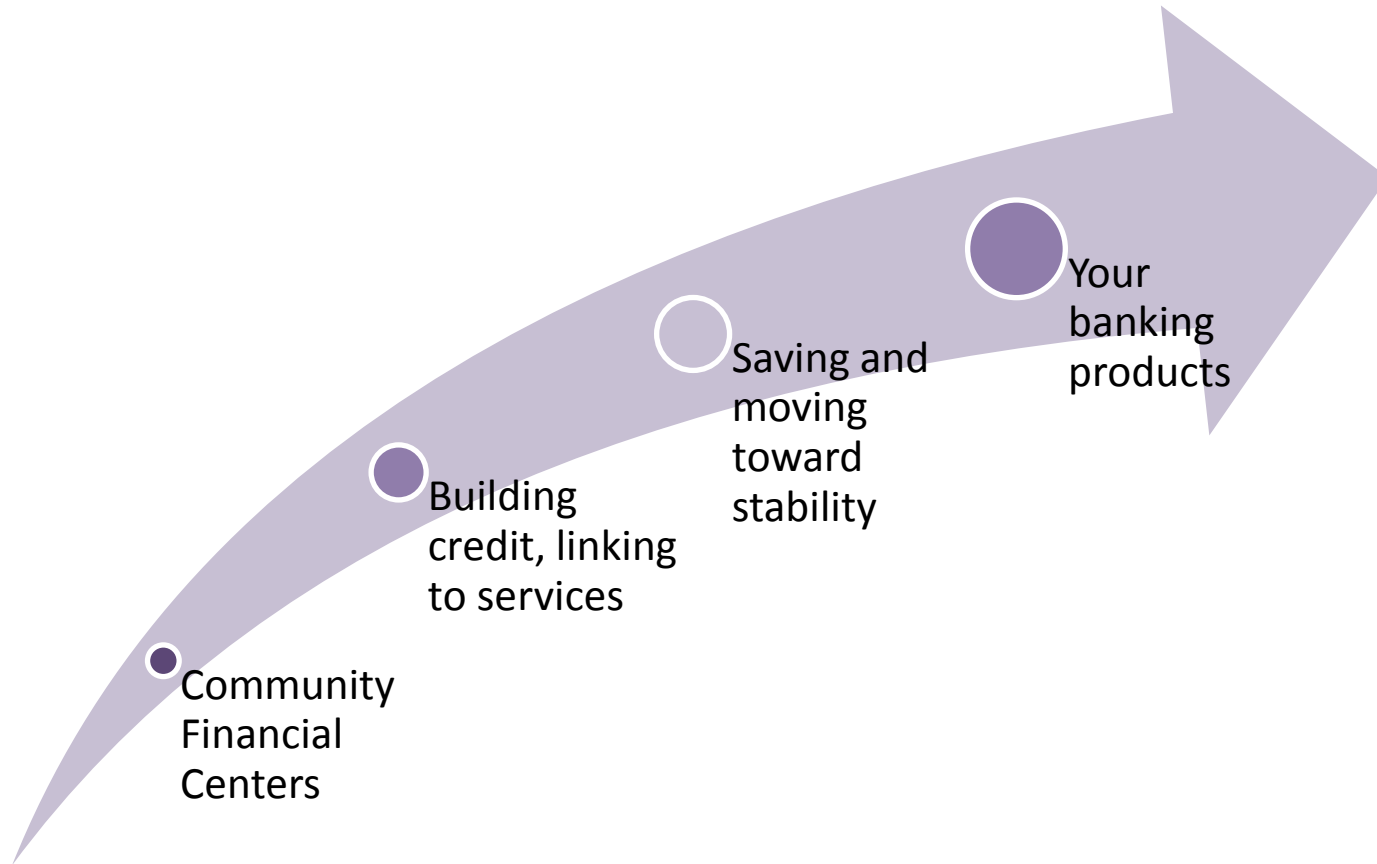


Planning for the Future	Borrowing	Managing Money	Banking & Protecting
<p><b>Start Saving</b></p> <ul style="list-style-type: none"> <li>• Create a spending journal</li> <li>• Contribute to savings 3 consecutive months</li> <li>• Invest for the future</li> </ul> <p><b>Manage Money</b></p> <ul style="list-style-type: none"> <li>• Complete a realistic budget</li> <li>• Set goals</li> <li>• Plan for retirement</li> <li>• Utilize 401(k)</li> <li>• Annuities</li> <li>• Investment Assistance</li> </ul>	<p><b>Credit Score</b></p> <ul style="list-style-type: none"> <li>• Provide credit report/score</li> <li>• Credit report corrections</li> <li>• Measure change in score at each session</li> <li>• Report errors/Identity Theft</li> </ul> <p><b>Loans/Credit Cards</b></p> <ul style="list-style-type: none"> <li>• Home purchase planning</li> <li>• Securing a line of credit</li> <li>• Saving for college</li> <li>• Planning for the financial future</li> </ul>	<p><b>Debt Assistance</b></p> <ul style="list-style-type: none"> <li>• Cease and desist letters</li> <li>• Identifying debt owner</li> <li>• Planning debt and managing debt</li> <li>• Investments</li> </ul> <p><b>Negotiation</b></p> <ul style="list-style-type: none"> <li>• Setting up repayment plans</li> <li>• Consolidation</li> <li>• Negotiating principal and/or interest</li> <li>• Negotiating prices on purchases</li> </ul>	<p><b>Access to Products</b></p> <ul style="list-style-type: none"> <li>• Open a checking account</li> <li>• Open a savings account</li> <li>• Utilize online bill pay</li> <li>• Invest wisely</li> <li>• Assistance with high level investments</li> </ul> <p><b>Linkage</b></p> <ul style="list-style-type: none"> <li>• EITC, VITA</li> <li>• Tax credits</li> <li>• Assistance programs</li> <li>• Additional financial products and support</li> <li>• Linkage to retirement programs</li> </ul>





# CFC Empowered Client Example



# Efforts To Outcome – Client Mgmt. Software



A screenshot of a web browser displaying the ETO Software application. The browser address bar shows 'https://secure.etosoftware.com/index.asp'. The page header includes 'ETOSOFTWARE®' and navigation links like 'Log Off', 'Home Page', 'My Account', 'Change Site', and 'Help'. A search bar contains the text 'fake' and is set to search within 'Participant' in the 'Financial Empowement' program. The main content area is titled 'Service Plan for Katherine Fake on 7/30/2013'. It features a 'General' tab and a 'Next Contact' tab. Under 'Service Plan Sections', there are four unchecked checkboxes: 'Banking', 'Establish / Improve Credit', 'Increase Savings', and 'Reduce Total Debt'. Below these are two dropdown menus for 'Contact Type' and 'Contact Location', both currently set to '-- Select --'. A large text area for 'Overall Session Notes' is empty. At the bottom, there are buttons for 'Cancel', 'Save as Draft', 'Save and Record Similar', and '&gt; Save'. A right-hand sidebar contains a list of navigation options: 'Participants', 'Participant History', 'Record Efforts', 'My Work', 'Entities', 'Scheduling', 'Collections', 'TouchPoints', 'Reports', 'Wizards', 'Program Administration', and 'Site Administration'. The footer includes 'SocialSolutions' and copyright information: '© 2001-2013 Developed by Social Solutions, Inc. All rights reserved.'.



# Partnership Roles



## Cleveland Neighborhood Progress

Provide financial and management oversight

## The City of Cleveland

Provide strategic guidance through office of Community Development

## Cuyahoga Community College

Provide training for Financial Coaches based on Bloomberg Model

## Enterprise Community Partners

Providing linkage to CFC services for their EITC population

## Neighborhood Housing Services

Integrate CFC approach into one-on-one coaching offered on site

# Cleveland Neighborhood Progress Team



## **Evelyn Burnett**

*Vice President of Economic Opportunity*

(216) 453-1450

EBurnett@ClevelandNP.org

## **Sheri Dozier**

*Director Asset Building/Community Financial Centers*

(216) 453-1452

SDozier@ClevelandNP.org

## **Walter Morris\*** (*designated CPL*)

*Community Financial Centers – Financial Services Manager*

(216) 453-1445

WMorris@ClevelandNP.org

## **Marne Piccolomini**

*Community Financial Centers – Financial Services Manager*

(216) 453-0497

MPiccolomini@ClevelandNP.org

