

# **Detroit Financial Empowerment Initiatives**

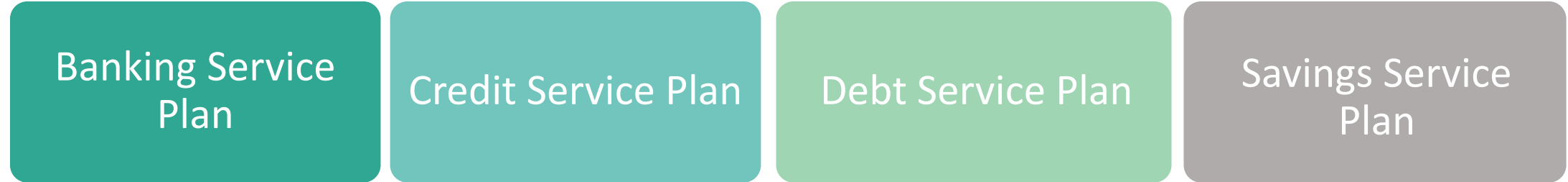
# Detroit Financial Empowerment Initiatives

- **Financial Empowerment Center** (set of programs in multiple locations)
- **Financial Empowerment Network**
- **BankOn**



# Financial Empowerment Center Model

## Service Plan



## Key Tenets

- Professional, one-on-one counseling offered as a free public service
- Systematic data tracking with defines outcomes for client management and counselor service evaluation
- Connected and integrated financial counseling into a range of local government and nonprofit service delivery systems
- Prioritizes sustainability efforts to become a permanent service in the locality

# Financial Empowerment Center

## Financial Health Assessment

Banking Service Plan

Credit Service Plan

Debt Service Plan

Savings Service Plan

Banking Milestones

Credit Milestones

Debt Milestones

Savings Milestones

Open Account

Transition to Safe Account

Establish credit

Increase FICO at least 35 points

Decrease debt by at least 10%

Increase savings by 2%

# Operational Overview

- Program implementation and management is led and overseen by local government and nonprofit partners
- Service provision is conducted by one or more qualified nonprofit partners or local government agencies, procured by, and answerable to, local government
- All counselors must be trained based on the Cities for Financial (CFE) Fund's training standards and pass a CFE fund administered exam
- Counselors first conduct financial triage with clients to determine the nature of their financial situation, set goals, and establish a specific plan of action with each client focused in one or more of four primary domains: **banking, savings, debt, and credit**
- Client retention, critical to outcome achievement, is prioritized as counselor work with clients to make progress on their action plans

# Partnerships

## City of Detroit

- FEC Manager
- Financial Empowerment Network
- BankOn
- Program Integration
- Administration
- Marketing

## Wayne County Treasurer's Office

- Nonprofit Financial Counselor Provider
  - Non-profit FEC Manager
  - 3 Counselors
- FEC training
- Administrative support
- Marketing

## Cities for Financial Empowerment Fund

### Technical Assistance

- Lead regular calls and be available via email
- Make regular site visits
- Host learning community activities
- Guidance on fundraising activities
- Provide access to a range of documents and templates

## Currently Supporting

- FEC Planning Grant: Design, Build + Implementation
- FEC Pilot
- BankOn Detroit
- Summer Youth Jobs Banking Access
- Resource Development
- Counselor Training Standards

# FEC Advisory Committee

- Accounting Aid Society
- BankOn Coalition
- City of Detroit, Board of Review
- Cities for Financial Empowerment Fund
- Detroit Land Bank Authority
- United Community Housing Coalition
- Wayne County Land Bank
- Wayne County Treasurer's Office
- Wayne Metropolitan Community Action Agency (FEC counselors)
- Workforce Development (Detroit at Work + GDYT)

# Financial Empowerment Center

## Integration Points

### Property Tax Foreclosure Prevention

- Counseling for residents in property tax delinquency and foreclosure
- Right of Refusal Program, deed holders and non-deed holders
- Homeowner Property Tax Assistance Program
- Occupied Buy Back Program, Detroit Land Bank Authority and Wayne County Land Bank

### Earned Income Tax Credit

- Integration with free tax preparation services and financial counseling

### Workforce Development

- Returning Citizens, financial counseling at pre-sentencing interviews and for parolees at Lawton Career Center/ Detroit Reentry Center
- Non-custodial youth checking accounts + financial education for Grow Detroit's Young Talent





# Financial Empowerment Center Process Pilot

Five non-profit providers; ACCESS, Matrix Human Services, Southwest Economic Solutions  
United Community Housing Coalition, Wayne Metropolitan Community Action Agency

6 months, April through September

Target Population:

1,535

Detroit residents in tax foreclosure who had fallen off their Interested Reduced Stipulated  
Payment Agreement with the Wayne County Treasurer Office

Outcome:

267 properties saved from property tax foreclosure

52 of the 267 were entered into Right of Refusal

490 counseling sessions provided



# Financial Empowerment Center

## First Two Years

### **Clients** (outputs based upon three FEC counselors)

- 1,440 clients
- 2,880 sessions

### **Outcome Goals**

Banking: 50% open or transition into a safe, affordable bank account

Savings: increase savings by 2% annually

Debt: reduce debt by 10% annually

Credit: increase FICO score by 35 points

