# SUMMER JOBS CONNECT

## Building Sustainable Banking and Savings Programs in Summer Youth Employment

Cities for FINANCIAL EMPOWERMENT Fund

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**About the Cities for Financial Empowerment Fund:**
The CFE Fund supports municipal efforts to improve the financial stability of households by leveraging opportunities unique to local government. By translating cutting edge experience with large scale programs, research, and policy in cities of all sizes, the CFE Fund assists mayors and other local leaders to identify, develop, fund, implement, and research pilots and programs that help families build assets and make the most of their financial resources. For more information, please visit www.cfefund.org or follow us on Twitter at @CFEFund. Learn more about Summer Jobs Connect.

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The Citi Foundation works to promote economic progress and improve the lives of people in low-income communities around the world. We invest in efforts that increase financial inclusion, catalyze job opportunities for youth, and reimagine approaches to building economically vibrant cities. The Citi Foundation's "More than Philanthropy" approach leverages the enormous expertise of Citi and its people to fulfill our mission and drive thought leadership and innovation. For more information, visit www.citifoundation.com. Learn more about *Pathways to Progress.*

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# INTRODUCTION

Across the country, municipal Summer Youth Employment Programs (SYEPs) provide hundreds of thousands of young people, often from low-income communities, with short-term work experience and a regular paycheck. Building off this existing, widespread infrastructure and connection to young people, the Citi Foundation and the Cities for Financial Empowerment Fund (CFE Fund) saw an opportunity to connect young workers to bank accounts and targeted financial education, turning this large-scale youth employment program into a linchpin for building long-term positive financial behaviors. More broadly, Summer Jobs Connect (SJC) demonstrates how banking access efforts can be embedded in municipal infrastructure, a core goal of the CFE Fund's national Bank On initiative.

# THE SUMMER JOBS CONNECT INITIATIVE

In 2014, with funding from the Citi Foundation, the CFE Fund launched Summer Jobs Connect to directly fund summer jobs for young people and help cities integrate financial education and access to mainstream financial products and services into municipal SYEPs. In 2015, SJC supported over 2,100 youth jobs in eight partner cities, while connecting young people to safe and affordable financial services and working to change their financial behavior through targeted financial education. These cities are Chicago, IL; Los Angeles, CA; Miami, FL; Newark, NJ; New York, NY; San Francisco, CA; St. Louis, MO; and Washington, DC. Summer Jobs Connect's financial empowerment strategies ultimately impacted over 80,000 young people across these eight city programs. Summer Jobs Connect is part of the Citi Foundation's *Pathways to Progress* approach, which includes a three-year, $50 million commitment in the U.S. to give 100,000 low-income youth the opportunity to develop the workplace skills and leadership experience necessary to compete in the 21st century economy.

Summer 2015 was the second programmatic year for Summer Jobs Connect, providing a number of lessons on refining the model and engaging in long-term infrastructure change. Our eight partner cities built off the strong foundation of the first program year to:

- Refine strategies for enrolling young people in direct deposit, leveraging targeted financial education to support appropriate bank account usage;
- Explore incentives to encourage direct deposit enrollment and savings; and
- Work towards systems change to ensure long-term sustainability of these financial empowerment strategies.

**Summer Jobs Connect** is a project of the CFE Fund's national Bank On initiative. Bank On's goal is to ensure that everyone has access to safe and affordable financial products and services, including through leveraging the power of municipal integrations. **Learn more about Bank On.**

## The Importance of Financial Capability For Young People

Summer Jobs Connect leverages an important moment, often early in a participant's work experience, as an opportunity to empower young people as they embark on a path to long-term financial stability. Summer employment programs are a powerful entry point to a career path: one evaluation found that 75% of the over 350,000 youth in a national, federally-funded SYEP experienced an increase in work readiness skills.[1] Other research has shown that early employment is associated with improved career and earnings outcomes later in life, highlighting that employment is a pathway that can begin, and be reinforced, with SYEPs. This is especially important for low-and moderate-income youth, whose employment rates are often lower than those from higher-income households.[2]

However, while traditional summer jobs give young people work experience and regular (if short-term) paychecks, research shows that many youth are ill-prepared to manage their earnings. For example, a 2008 national survey by the Jump$tart Coalition found that the "financial literacy of high school students has fallen to its lowest level ever."[3] Summer Jobs Connect's 2014 survey of participants in five cities found that 51% did not have bank accounts before beginning their summer jobs, and 11% came from households in which no member had an account. Thus, financial empowerment is especially important for youth from low- to moderate-income (LMI) households that are the target population for most municipal summer employment programs, especially for Opportunity Youth.

The lack of an account can cost a consumer $40,000 over a lifetime, diverting funds that could be used to cover basic costs of living, weather emergencies or build assets.[4] Even for those who have bank accounts, uncertainty about how to best use the account, manage money, and deal with unexpected financial crises can lead to missed opportunities for financial advancement. Research has shown that youth with fundamental financial literacy skills are more likely to make financially healthy decisions and critically evaluate financial products and services—but youth from LMI households are less likely to have developed these skills.[5]

The Summer Jobs Connect initiative connects young people to bank accounts, helping to make the case for account opening, and teaches them skills to manage the accounts as an important foundation for financial stability. In addition, cities experimented with innovative strategies to reinforce and encourage positive financial behaviors, such as direct deposit enrollment and regular savings.

## Municipal Infrastructure—Summer Jobs Connect and the Importance of Cities

Integrating financial empowerment strategies into SYEPs is a natural fit, because of the scale and existing programmatic and funding infrastructure they offer. Dozens of municipalities across the country have SYEPs, providing seasonal employment and regular paychecks for hundreds of thousands of participants each summer. Layering banking access and targeted financial education onto summer jobs is a very tangible, practical way to bring financial empowerment to scale.

The work of SJC also demonstrates the importance of cities leading the way in providing financial empowerment services to young people. Cities are touchpoints for all residents, but especially for those in need, managing the funding streams, payroll, program entry and referral points, and policies that together can be harnessed to effect systemic change. Moreover, city leaders are charged with delivering high-quality services and at scale, at the right time, for the right people.

During this second program year, Summer Jobs Connect cities continued their work embedding financial empowerment into this existing summer youth employment infrastructure. By creating new partnerships between both city agencies and the public and private sectors, and making fundamental changes to youth employment systems, Summer Jobs Connect partners have begun to work towards sustainability of this integration.

These investments demonstrate the natural pairing of financial empowerment and summer jobs, but they also reflect a larger trend: city leaders are increasingly seeing financial empowerment services as a key part of broader youth development agendas.

## Overview of Summer Jobs Connect Programs

Across the eight grantee partner cities, the age and work experience of young people served varied widely. For only some participants, the program was the first time they were receiving a paycheck, and they were at the very beginning of their careers and financial lives. These tended to be younger participants; those who had parental support were more likely to save more, as their summer earnings were mostly income not needed for essentials. For most others, their participation in SJC was not their first work experience. These more experienced participants often cited financial independence and living on their own as a goal. For all participants, the program aimed to guide positive financial behaviors and encourage early habits like direct deposit and budgeting, while taking into account the vastly different needs and challenges of these cohorts of young people.

The CFE Fund offers resources and technical assistance to support local Bank On coalitions, including in their work integrating banking access into municipal infrastructure. One key central resource is the ***Bank On National Account Standards (2015- 2016)***, which provide local programs with a benchmark for account partnerships with financial institutions. Summer Jobs Connect demonstrates the large-scale opportunity that embedding banking access into government employment programs provides.

## Summer Jobs Connect Strategy Briefs

These reports highlight three distinct strategies that partner cities used to refine and improve their programs during the second programmatic year.

Brief One: Direct Deposit and Financial Education focuses on the methods that SJC cities used to enroll participants in direct deposit, the ways that they partnered with financial institutions to ensure availability of appropriate products, and their usage of targeted financial education strategies to support positive banking behaviors.

Brief Two: Incentives for Banking and Savings describes the use of incentives in SJC programs to encourage banking and savings, highlighting challenges and opportunities and how payroll and program infrastructure affect incentive strategies.

Brief Three: Systems Change for Sustainability details the structural changes that cities made to summer youth employment programs to sustainably embed financial empowerment, and the ways in which the Summer Jobs Connect movement has influenced policymakers.

## TABLE 1: SUMMARY OF SUMMER JOBS CONNECT CITY PROGRAMS

| City | City Agency Partner | Description of Overall SYEP |
|---|---|---|
| **Chicago** | Chicago Department of Family and Support Services; City of Chicago Office of the City Treasurer | The Chicago SYEP runs a number of programs serving different populations from 14-24 years old and fostering different skill sets. The SJC funds supported Greencorps, a SYEP that focuses on preparing Opportunity Youth for "green" jobs through skills training and community greening projects. |
| **Los Angeles** | Economic and Workforce Development Department; City of Los Angeles Financial Empowerment Initiative | The Los Angeles SYEP operates several programs for 14-24 year olds through the city's YouthSource Centers. |
| **Miami** | Miami Office of Grants Administration - Economic Initiatives | The Miami SYEP program was entirely funded through SJC. The program served LMI youth who are 16-18 year olds that were recruited from four local high schools. Youth were employed by city agencies and departments. |
| **Newark** | Newark One-Stop Career Center | Newark built upon its basic SYEP to offer three new programs in 2015, one of which built financial education into the orientation sessions. |
| **San Francisco** | San Francisco Department of Children, Youth and Their Families; San Francisco Office of Financial Empowerment | The San Francisco SYEP supports over 50 programs providing a wide range of employment and training offerings, as well as learning opportunities in every career sector and neighborhood throughout the city to youth ages 14-24. SJC funds were used in the Mayor's Youth and Employment and Education Program (MYEEP) and the Communities in Harmony Advocating for Learning & Kids (CHALK). MYEEP links low-income high school students to public and nonprofit sector employment, and provides career and leadership training to participants. CHALK reaches youth ages 18-24. |
| **St. Louis** | St. Louis Agency on Training and Employment (SLATE) | STL Youth Jobs bridges the public SYEP operated by SLATE, and the private SYEP operated by MERS Goodwill, both of which serve 16-24 year olds. For the first time in 2015, the private program and the public program worked together. Both required direct deposit, and both partnered with a local credit union to help participants set up accounts as part of the SYEP enrollment process. |
| **New York City** | NYC Department of Youth and Community Development; NYC Office of Financial Empowerment | The New York City SYEP is the nation's largest summer youth employment initiative. Summer Jobs Connect funds supported the Ladders for Leaders program, which provides high school and college students with an opportunity to participate in paid professional internships with corporations, community-based organizations and government agencies in New York City. |
| **Washington, DC** | DC Department of Employment Services; DC Department of Insurance, Securities and Banking | The DC SYEP expanded the program to serve 22-24 year olds for the first time. The program has strong partnerships with two local credit unions, both of which allow participants to open banking accounts online. |

| Type of Financial Education | Total Number of SJC Job Slots/ All City Youth Job Slots | Payroll Method |
|---|---|---|
| Economic Awareness Council attended orientation sessions to teach benefits of banking, in conjunction with local bank partners. | 740 /24,679 | Centralized payroll, which most delegate agencies opted into; paycheck issued by City or delegate agency. |
| FDIC Money Smart Curriculum. | 257/5,000 | Decentralized payroll through the agencies that operate the YouthSource Centers. |
| Financial Empowerment Center counselors provided individual counseling; also used Young America Saves curriculum. | 122/122 | This year, the City of Miami transitioned to handle human resources internally; centralized payroll allowed direct deposit. |
| Consultant taught initial financial education session. | 120/3,000 | Centralized payroll via paycard. |
| Agencies participating in the SYEP use the MyPath Savings model, which engages youth in banking and saving, building youth money management competencies while providing access to a youth-owned savings account and a spending account. The model integrates financial education with banking and savings opportunities, as well as the social support system to enact measurable behavior change. | 155/7,000 | Paycheck issued by placement agencies; San Francisco also piloted the use of a prepaid debit card this summer. |
| Financial literacy training was provided by a partner credit union, along with trained job coaches. | 102/1,861 | Bank accounts to directly deposit pay were a requirement for program participation. |
| NYC enhanced the financial education curriculum with customized train-the-trainer sessions, taught by a local university professor, and built in financial nudges to sign up for direct deposit and split savings into the online application/enrollment system. | 483/55,000 | Participants could choose direct deposit or a payroll card with a savings component. |
| Financial education incorporates lessons built into online enrollment program, as well as engaging Young Money Managers to provide relevant financial education to peer participants. | 150/15,000 | Participants could choose direct deposit or a payroll card. |

# BRIEF ONE: DIRECT DEPOSIT AND FINANCIAL EDUCATION

Summer jobs represent an important moment in a young person's work experience. For most, their summer employment is an introduction to the mainstream financial system. This is a powerful moment to encourage positive financial habits, and instill in young people an understanding of what choices they have and how they can make the most out of their paychecks, now and in the future. For this reason, the Summer Jobs Connect initiative leverages the employment moment to help young people understand how mainstream banking accounts are important tools for financial stability, as well as how to use accounts to manage their money and build savings.

In our financial system, a bank or credit union account is the safest, most affordable way to receive, manage, and save money. A bank or credit union account is the only pathway to accessing formal savings opportunities, and as research has demonstrated, savings and asset building are critical steps toward stabilizing finances and securing a more sound financial future.[6] In addition, using a bank account can help consumers avoid costly and destabilizing fees; one study estimated that low and moderate income households spend more than $8 billion annually in alternative financial services fees.[7] Bank accounts can also help consumers better manage their money. Finally, bank accounts can help consumers keep their money safe: people without a bank account can become victims of crime because they carry large sums of cash with them or in their homes.[8]

## Program Benefits of Direct Deposit

Direct deposit has many benefits for both participating young adults and summer youth employment program administrators. For the participants, enrollment into direct deposit is an important way to ensure they avoid predatory and expensive fees to cash their paycheck, safeguard their earnings, and start them on a pathway to a mainstream banking relationship. Programmatically, Summer Jobs Connect cities reported that moving participants towards direct deposit enrollment saved a significant amount of both time and money. In previous years, city partners reported that they would have to physically deliver paychecks to community-based organizations, employment sites, and delegate agencies. In addition to the time and cost of driving the paychecks to partners to distribute, participants would then need to spend time waiting in line to receive their check. Paper checks themselves also have a cost to produce. In addition, lost checks require additional time and money to process, as organizations must cancel and re-issue the checks. In some cases, if they were not replaced, these paychecks represent lost wages.

## THE INTERVENTION: Enrolling Young People into Direct Deposit

Each city partner experimented with a number of strategies to enroll SYEP participants into direct deposit. These strategies ranged from high-touch, in-person methods to more technology-based solutions, and are detailed below.

*Split-Savings Strategies:* Some cities emphasized split-savings strategies to encourage participants to enroll in direct deposit and save. In New York City, program staff promoted the newly expanded savings functionality on their paycard. Participants were defaulted into direct deposit through the paycard and then elected to automatically split a portion of their paycheck into savings. In San Francisco, the program staff would guide participants to open two credit union accounts—a transactional account and a savings account. As

part of San Francisco's financial education curriculum, participants were encouraged not only to set savings goals, but also to set up split deposits to achieve these goals.

*Job Coaches:* Program staff also promoted direct deposit to participants. For example, in St. Louis each participant was assigned to a job coach. During the program enrollment process, the job coach explained the benefits of banking and asked if the participant has an existing account to use for direct deposit. If the participant did not have a bank account, but wanted one, the job coach facilitated account opening with a partner credit union at that moment. Similarly, in San Francisco, after explaining the benefits of banking, financial education staff were able to begin the account opening process for participants who wanted to open an account.

*Connecting Young People Directly to Financial Institutions:* Cities also experimented with a number of ways to directly connect young people to financial institutions. In some cities, this was done through event-based opportunities, such as banking fairs. Events like these are most useful when they are done as part of small SYEPs; when there are partnerships in place with financial institutions that can provide account information directly to employers to facilitate direct deposit enrollment; when they are highly structured and targeted to participant needs; and when they are timed to take place in the very beginning of the program, long before the first paycheck, so that there is time for participants to enroll in direct deposit and to make sure all processes are set up correctly.

In other cities, program staff are connecting participants to financial institutions through providing them information about appropriate accounts: for example, in Chicago, they geocode application data to identify where applicants live and where the nearest partner financial institution is located. This low-touch method is most effective to direct participants who are self-motivated to go to a financial institution and open an account themselves.

*Online Account Opening:* City partners also used technology to facilitate direct deposit enrollment. In Washington, DC, the online program application system encouraged participants to receive their pay by direct deposit. After watching a video about benefits of banking and setting up split savings, applicants are asked if they would like to open a bank account. Participants are then directed to web links to enroll in one of two available credit union account opportunities.

Payroll centralization has a number of positive banking access effects. Most obviously, it allows for total programmatic control over payroll; when payroll is handled by one (often city-controlled) entity, city employers can ensure that payroll is structured the same way for all program participants. Centralized systems can also allow city partners to explore new payroll methods, such as allowing for direct deposit and split savings. For example, when Chicago transitioned to a centralized payroll structure for its SYEP, controlled entirely by the City, they were able to ensure that participants have an option to receive their pay by direct deposit. This was not necessarily the case when the delegate agencies were paying the participants directly. Additionally, by centralizing payroll, Chicago is now exploring an option to offer paycards, which their vendors have historically not made available to the participants.

Finally, cities found that one unexpected benefit of moving to a centralized payroll system was that it enabled them to engage smaller community-based organizations as partners, which often served target populations with specialized needs. Centralized payroll removed the burden of requiring small organizations to pay participants upfront and then apply for reimbursement, but could

> In many states, employers are not legally allowed to require that their employees enroll in direct deposit; they must offer the option for employees to get paid by a paper check. However, there is no such law in the state of Missouri, so the City of St. Louis requires direct deposit for their employees, including Summer Jobs Connect participants. Requiring all employees to have a bank account or electronic method to receive pay as a prerequisite for employment ensures direct deposit.

instead leverage centralized systems that would pay young people's salaries directly, thus minimizing the cash flow risk of managing a city-funded program.

Moving to a centralized payroll system is not easy. It requires a significant time commitment and dedicated staffing, especially through the transition—but the banking access and program administration results are proving that it is worth the effort.

**Best Practice: Centralized Payroll**

As discussed in ***More Than a Job***, our first year Summer Jobs Connect report, the payroll touchpoint critically affects whether young people pay fees to cash paper checks or use direct deposit to encourage savings behaviors. Further, the ability to use SYEP payroll to support direct deposit depends largely on whether the program structure, and more specifically the payroll structure, is centralized and controlled entirely by the city providing relatively consistent services, or decentralized and managed by each vendor, where payroll options may vary greatly.

## THE TAKEAWAY: Forging Financial Institution Partnerships to Develop Appropriate Products

Each city worked closely with financial institution partners to develop both the product and the reporting necessary for a robust program. Cities also shared best practices with their banking partners; the CFE Fund helped to facilitate a Credit Union Learning Community where credit union partners shared best practices and strategies for product development. As part of the Learning Community, credit unions across the country speak regularly to share best practices, including risk mitigation strategies to manage non-custodial accounts for those under 18 years old, and methods for tweaking account opening processes to integrate more smoothly with SYEP enrollment processes.

The CFE Fund created a set of Youth Account Priorities (see Appendix A), outlining the features that city partners should look for in transactional accounts for participants. Key features include no required starting balance (the deposit requirement was suspended until the first paycheck); no monthly fees; and non-custodial accounts, accounts that are available for youth under 18 without requiring an adult "custodian" to cosign or guarantee the account. Many credit unions and regional financial institutions were able to meet city needs reflected in these guidelines and offer accounts to young participants.

In addition, creating strong partnerships with financial institutions often led to important changes in the account opening process to ensure they were available for young people. For example, in Washington, DC, credit union partners moved most of the account opening process online, so program staff could help participants open accounts remotely. One San Francisco credit union trained financial education staff with the same training given to their own staff to help participants complete documentation to begin the account opening process. And in New York City, one bank agreed to accept a letter from the youth employment agency verifying participation in the SYEP as a primary form of identification. These changes represented hugely significant adjustments in the account opening process, and were invaluable to the success of banking access efforts in these Summer Jobs Connect cities.

In some cases, financial institutions also developed or modified specific products for local SYEP partners. The process of creating a dedicated product was sometimes challenging, but financial institution partners were attracted to the concept of expanding banking access for youth as a first step on the path to a longer-term banking relationship. This was evident in St. Louis, where a local credit union created a non-custodial account for SYEP youth. Opening non-custodial participant accounts required a number of manual overrides in the system, but the credit union partner was willing to take on this additional work to partner with the city to get youth banked. In New York City, a paycard provider activated and promoted a "savings pocket" option for program participants, facilitating savings behavior.

Finally, financial institution partnerships allowed program staff to collect data on participants' account usage. Often, this data was used as part of incentive strategies. In San Francisco, the credit union shared account usage data with program staff to help them gauge if participants had met their savings goal. In New York City, the payroll vendor analyzed data on which participants had met a set threshold to receive a savings prize to select prize winners, and then shared winners' information with SYEP program staff. In addition to assisting with incentives, account data helped partners understand if, generally, groups of young people participants were using accounts to manage their paychecks, which was used to inform program design to further encourage direct deposit and split savings.

**Financial Institution Partnership Best Practices**

Cities found a variety of ways to work with banks and credit unions to create and refine products and processes that met participant needs. These included banks and credit unions:

- Allowing participants to open accounts online;
- Training financial education staff on account documentation needs so that they could assist in account opening;
- Accepting alternate forms of ID, such as a letter verifying SYEP participation;
- Making changes to financial products, such as creating non-custodial accounts, or adding additional functionality to encourage savings; and
- Providing data for incentives and program management.

## THE TAKEAWAY: Using Targeted Financial Education to Support Account Usage

SYEPs traditionally include mandatory classroom education, often content-specific job skills or soft skills training, throughout the program. Summer Jobs Connect programs took advantage of this ongoing training to layer in and reinforce financial empowerment themes. Financial education focused on why mainstream banking accounts are important, how to use a bank account to budget and save, and how to split payroll deposits to facilitate savings.

Cities used a variety of educational methods, and often layered multiple methods to reinforce banking messages. City partners reported that education strategies were easiest with a standardized banking product and delivery channel, so that messaging and instructions for account usage were straightforward and consistent. Education strategies included the following:

### In-Person Education

Six of the eight city partners used traditional financial education workshops and classes to reinforce banking messages. In San Francisco, financial education consisted of curriculum modules (both in-person and online) designed for youth workforce programs, along with account-specific education delivered by community-based organizations that worked closely with their credit union partner. The community-based partner organization continued to serve as a resource to young people as they began to use their accounts. Additionally, the partner also provided complementary web-based modules to build upon the in-person sessions. In Miami, youth participants were offered one-on-one financial counseling, provided by the city's Financial Empowerment Center counselors. The counselors met multiple times with the participants over the summer and continued to engage after the summer to encourage young people to continue saving. New York City engaged a local university professor to redesign their financial training curriculum and train the "trainers," who then presented this information to all participants, focusing on

the younger participants who had a series of regular classes that covered financial management and the benefits of using a bank account. Chicago engaged a partner nonprofit to attend participant orientations, where they highlighted the benefits of banking in conjunction with local bank partners who then helped participants open bank accounts on the spot. Washington, DC engaged more experienced participants to serve as Young Money Managers, who were trained to lead financial education sessions for their peers.

### Technology Solutions

Cities also used technology to supplement financial education. Some cities worked to systemically teach young people about the importance of banking and direct deposit, by embedding behavioral prompts about banking access and regular savings into assorted aspects of their program structure. Application systems, enrollment forms, and payroll processes were all used to nudge participants to open and appropriately use bank accounts through technology tools. For example, Washington DC, New York City, and Chicago all changed the language in their online applications to set an expectation of direct deposit. Where previously these cities had asked passively if participants would like to sign up for direct deposit, language was changed to more actively promote, and directly connect participants to, direct deposit benefits and enrollment. These changes include affirmatively stating that the city would like to pay participants by direct deposit; highlighting the benefits of direct deposit, including through links to educational tools like videos; providing an online opportunity to open accounts; and providing an opportunity to set up direct deposit immediately.

Technology was also used to stay connected with young people about banking beyond the classroom. Some cities, like Miami, used text message reminders to highlight the importance of account enrollment, nudge participants to enroll in direct deposit, and impart lessons about budgeting and savings. In addition, text messages were used to encourage young people to meet their own previously-set savings pledge. Chicago incorporated technology, including an online curriculum, into their system, which encouraged young people to learn critical facts about money management through the use of digital badges. Other cities, such as Washington, DC, promoted web-based curriculum outside of the classroom for participants to work through on their own.

One note of caution regarding technology for education surfaced early on in the initiative. During the first program year of Summer Jobs Connect, participants emphasized the importance of learning from family, their community, or in a classroom. Technology is not always an effective substitute for in-person learning. Young people expressed similar themes in focus groups run in the program's second year, and continued to prefer using technology to supplement, not to replace in-person financial education.

## Conclusion

Connecting participants to safe and affordable banking accounts and enrolling them in direct deposit are vital components of leveraging SYEPs to help young people embark on a positive relationship with the mainstream financial system. Summer Jobs Connect city partners explored a variety of methods to develop appropriate accounts with financial institution partners, encourage direct deposit enrollment, and educate young people on how to use a bank account and split their paychecks to manage budgeting and savings. In addition, cities experimented with educational methods ranging from technological tools to in-person classes and workshops, often using both together, to take advantage of the real-world experience of receiving a paycheck and embarking on a relationship with a financial institution.

# BRIEF TWO: INCENTIVES FOR BANKING AND SAVINGS

For many young people, their SYEP experience is early in their career and in their financial institution relationships. Their decisions about banking and money management are generally framed and influenced by the past experiences of those around them – family, peers, and neighbors in their community. In neighborhoods where the usage of alternative financial services, such as check cashing and payday lending, is prevalent, young people are drawn to engage in the same fringe financial behaviors.

Often, simply providing information about the benefits of mainstream banking does not result in significant behavior change. In these instances, financial incentives may provide motivation to reconsider the status quo of using alternative financial services and encourage more productive mainstream banking behaviors.[9] As such, five SJC cities — New York City, Chicago, Miami, San Francisco and Washington, DC — implemented incentive programs aimed at improving key banking and savings outcomes.

This brief provides a short review of research on using incentives for behavior change, details on the structure of incentive strategies in the five program cities, and a discussion of anecdotal results and lessons learned. The brief can serve as an operational case study for cities considering their own incentive program aimed at financial empowerment for young people.

## Incentives for Behavior Change: What Does the Literature Say?

Incentives, which may be financial or social, are an important factor in nearly all economic decision-making. Particularly when the costs and benefits of a decision are similar or unknown, incentives can often help tip the balance in a given direction. As a result, incentives have become a frequently-used tool to encourage positive behaviors in a variety of areas including education, health, labor, energy conservation, and financial security.

The academic literature on incentive strategies suggests that the true effects of incentives for behavior change are complex and depend greatly on a number of important factors including how they are designed, their form (i.e. cash or some valuable product), the knowledge base of the target population, and how they interact with the intrinsic and social motivations of individuals.[10]

Incentives are most successful when focused on causing people to reconsider their status quo value or beliefs about a decision. For example, a $50 gift card incentive for opening a bank account might be enough to motivate someone who previously felt that they did not need an account to actually open one. Ideally, that person would then have a successful experience resulting in a new, higher status quo value about bank accounts. On the other hand, if this same person previously had a bad experience and thus a more negative status quo value, a gift card might not be enough to change their mind and open an account.

A well-designed incentive strategy is clear and specific about what behavior it seeks to change or improve, and is operationally simple — both of these factors are equally important. For example, providing a gift card for opening an account could potentially be an effective strategy because it is specific, but if it requires a participant to travel across town to receive the card, the added cost greatly reduces the motivational value of the incentive.

Intrinsic and social motivations are also an important consideration when choosing which behaviors to incentivize. This is particularly important when an incentive is offered to a group of people where some members of the group are already engaged in the desired behavior. In those situations, the presence of the incentive may cause the opposite of the intended effect. As an example, a $100 savings match could be an effective strategy for increasing participation from those not currently saving. However, for people already saving, the incentive could have an unintended consequence of reframing their decision to save away from the intrinsic value and towards the financial incentive.

## THE INTERVENTION: Incentive Strategies

Four Summer Jobs Connect cities – New York City, Chicago, Miami, and San Francisco – developed and implemented new incentive strategies this summer to support their financial empowerment goals. Additionally, Washington, DC continued to offer an array of well-defined incentives, as they have done for a number of years. In particular, the cities focused on increasing the number of participants opening bank accounts, signing up for direct deposit, completing financial education programs, and meeting savings goals.

Cities used a variety of structures to implement their incentive programs, including direct incentives for achieving specific goals, opportunities to win prizes for participants, and prizes for organizations with the highest rates of financial empowerment outcomes among program participants.

Miami focused on improving the savings behavior of its young employees. As part of its financial coaching strategy, participants were offered $25 gift cards if they signed up for direct deposit or started to save in the account. In addition, SYEP participants were offered a 20% match (up to $100) for maintaining savings for 3 months after the end of the summer.

Chicago's strategy focused on incentivizing SYEP participants to complete multiple challenges such as setting up a savings pledge, enrolling in direct deposit, and completing online financial education modules in their participant program portal. Young people earned points for completing each challenge, and after accumulating a set number of points, they were given entries in a raffle. In addition, young people that enrolled in direct deposit were also eligible for random selection to receive gift cards.

New York City leveraged its centralized payroll system to focus on increasing utilization of direct deposit and encouraging young people to save by offering incentives to both the SYEP participants as well as the nonprofit organizations that implemented the program, so that program staff would encourage participants towards these behaviors. Specifically, each pay period, SYEP participants that used direct deposit or enabled and set up split deposits into the "savings bucket" on their payroll card had an opportunity to win a $30 gift card, with a grand prize drawing at the end of the summer offering an opportunity to receive $500. In addition, community-based organization partners with the highest share of young people utilizing direct deposit or regularly utilizing the savings bucket on the paycard were eligible to receive financial prizes.


San Francisco focused their incentive strategy on motivating young people to complete a set of financial empowerment objectives – completing their in-person and online financial education curriculum, enrolling in direct deposit, and setting and meeting a savings goal. Participants who completed all three objectives received $15 gift cards. In addition, nonprofit staff received $15 gift cards if 90% of their participants completed the objectives.

Washington, DC offered a variety of incentives to the young people in the program. The credit union partners offered a "Super Savers" challenge with $1,000 given to two participants who demonstrated healthy savings habits—those who saved regularly, either by transferring or directly depositing money into their savings account and keeping funds there through the end of the summer. Peer financial educators, called Young Money Managers, competed for prizes based on the feedback about the quality of their education and their social media outreach to win a tablet computer.

There are a variety of entities that need to be involved in the design and implementation of an incentive strategy: the municipal youth services agency, the community-based organization providing employment, the financial empowerment partner providing financial education or counseling, and the centralized payroll processor, where applicable. In addition, it was vital that senior staff from each entity was involved to ensure that the incentive strategy fit within existing program structure and was effectively communicated to the broader team and participants. This communication was primarily done through program websites and email messages. Municipal agency leadership delivered training to financial empowerment education providers and partners, which included methods and processes for data collection and verification of incentive achievement.

## THE TAKEAWAY: Anecdotal Results and Lessons Learned

All five partner cities were successful in developing and implementing financial empowerment incentive programs, despite unique barriers (both anticipated and unanticipated) and operational difficulties. In this initial stage of incentive use, each city's primary focus was to identify and develop the processes and systems necessary to implement an incentive program. While efforts during this program year did not aim to quantitatively evaluate the effectiveness of incentive strategies, each city's experience provided key operational knowledge for use developing a more comprehensive program for future summers and other cities.

There were four main and interrelated factors that, to varying degrees, affected each city's ability to operationalize their initial incentive design: existing infrastructure and program size, planning time, limited financial and personnel resources, and administrative uncertainties and barriers.

*Existing Infrastructure:* Cities' basic infrastructure for processing payroll and managing program data, as well as their program size, significantly affects their ability to operationalize an incentive program. New York City's web-based management system and centralized payroll provided a strong foundation for consistent integration of incentive strategies. Chicago now has a central web-based system for managing program data, but their payroll was still in the process of moving towards centralization over the course of the summer. As a result, operationalizing their incentive strategy required additional personnel and management resources. In addition, with nearly 24,000 and 50,000 participants respectively, and over 100 community-based partners, Chicago and New York City faced significant operational challenges due to size. Scaling incentive strategies through such large programs requires significant management personnel and planning time to effectively communicate information to all program participants about financial empowerment goals, strategies, and available incentives.

*Planning Time:* In most cities, the time period between the development of the initial incentive strategy and the start of the program was limited. This significantly hampered program managers' ability to develop and communicate optimal processes in advance. Instead, some managers were forced to make decisions piecemeal, including reacting to unexpected administrative constraints. Conversely, Washington, DC, which has been implementing incentives for a few years, has worked through timing, and processes, so their incentive programs were much smoother.

*Administrative Challenges:* All cities faced unique administrative challenges in developing and implementing their incentive programs. New York City's management team faced significant legal and political hurdles with defining whether the incentive program was a sweepstakes or a lottery—a point which had unexpected legal ramifications—as well as questions of fairness regarding the ways participants could qualify for an incentive. In both cases, the agency's General Counsel assisted with designing the program in a way that allowed it to move forward. Chicago's team did not anticipate the administrative complexity of utilizing grant funds for incentivizing both participants and agency partners and consequently they had to scale back their overall strategy. In each case, however, the experience has led to a more efficient planning process for future incentive programs.

## Conclusion

The experience of these five cities provides some clear lessons and considerations for other municipal programs considering implementing an incentive program to improve financial empowerment goals:

- Programs must thoughtfully develop financial empowerment goals that could be enhanced by an incentive. Not all outcomes need to or should be incentivized; incentive goals should be specific, achievable, and focus on encouraging young people to engage in behavior they might not have otherwise.
- Programs should reserve adequate time for planning, design, and implementation; even small incentives require careful planning and coordination between multiple partners.
- Municipal programs must evaluate their programmatic infrastructure and administrative capacity, taking into account the type of payroll system that the agencies and its providers use. Programs should think about whether their systems can accommodate electronic payroll or direct deposit, and if they can incorporate bonuses or incentive payments.
- Program staff need to think through how they would collect data and verify that an outcome has been achieved, as well as who would be responsible for data collection and analysis.
- Staff and partners must take responsibility for financial empowerment goals and incentives, and also dedicate time for training and communication about these incentives.
- Programs should think through any potential legal restrictions related to incentives. In certain cases, incentives can be governed by state laws related sweepstakes or lotteries—programs should check with their agency's or city's General Counsel to understand the relevant laws for their programs early in the program design phase.

City partners will continue to explore the use of incentives in encouraging positive banking behaviors, taking into account their design, the programmatic infrastructure, and the legal context.

## BRIEF THREE: SYSTEMS CHANGE FOR SUSTAINABILITY

At its core, Summer Jobs Connect aims to develop a national model for using municipal SYEPs, serving large populations of low and moderate income young people, as an effective vehicle to develop positive financial relationships and establish banking and savings as habits inextricably linked to future work.

City partners worked towards long-term sustainability by building ongoing programmatic linkages and partnerships with organizations within and across the cities, deeply embedding financial empowerment in SYEP structures and changing the infrastructure of existing programs, and by liaising with municipal leaders and federal policymakers interested in leveraging summer jobs as a vehicle for financial empowerment. Each of these strategies is detailed here.

"The value of Summer Jobs Connect is that it informs our own education as program administrators. In the past, we didn't focus on the youth financial systems and structures, but being part of this initiative has been great for New York City because we have now internalized how important it is for our young people. And also that it only takes a one- or two-time change in infrastructure to keep this priority within the system for years to come.

We are now building in direct deposit and financial empowerment into not only SYEP, but also other youth employment programs. For instance, City Council just gave us $16 million to fund Work, Learn, Grow—a school-year employment program that serves 6,000 young people. Thanks to the lessons learned in SYEP, we built in all of the same behavioral prompts and process points to encourage these program participant to also sign up for direct deposit and have already seen 25% of our participants sign up."

*- Julia Breitman, Senior Director, Youth Employment Programs and Partnerships, NYC Department of Youth and Community Development*

### THE INTERVENTION: Building Ongoing Financial Empowerment Linkages

Partner cities worked to integrate financial empowerment into their SYEPs; for many, Summer Jobs Connect was the first time youth workforce programs had included financial empowerment strategies like access to banking and targeted financial education. In Los Angeles and Newark, Summer Jobs Connect represented the first time that the SYEPs started to explore and then develop direct deposit and financial education programs. In Miami and New York City, Summer Jobs Connect meant expanding the mission and focus of SYEP. In Miami, the program reoriented to be first and foremost about financial empowerment – with youth employment as a secondary focus. In New York City, SJC encouraged the youth agency to embrace integrating financial empowerment programming into SYEP holistically. New York City built light-touch education into the standardized program application and enrollment system and focused the in-person training on bank accounts, direct deposit, budgeting, and savings within the context of managing income. The New York City youth agency is now building financial empowerment work into each new youth employment program. In San Francisco, Summer Jobs Connect represented an opportunity to expand financial empowerment strategies into additional summer youth employment programs.

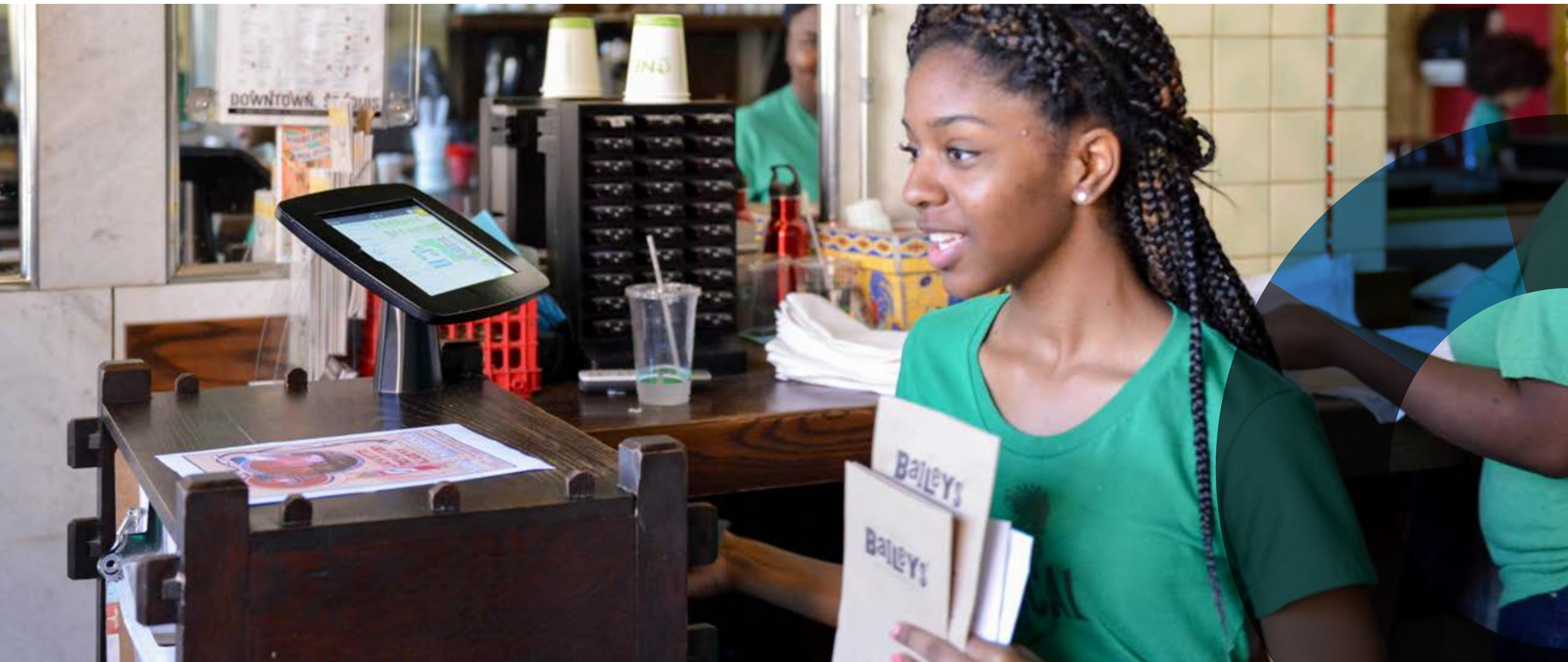
The creation of new partnerships to support SJC was a theme throughout the eight cities. For some cities, this meant municipal agencies working together in new ways. In San Francisco, for example, SJC led the Department of Children, Youth and their Families, which oversees the SYEP, to collaborate closely for the first time with the Office of Financial Empowerment. This sustained engagement, driven by Summer Jobs Connect, has now inspired the agencies to plan financial empowerment integrations beyond SYEP. Similarly, in Newark, youth and workforce agencies continued to work to integrate financial empowerment into other city programs.

Finally, some cities saw new public-private partnerships catalyzed with Summer Jobs Connect. In St. Louis, their SYEP had historically been run by the public workforce agency as well as a private nonprofit, as two separate programs. Due to their involvement in SJC, both programs worked together to promote the City's negotiated credit union account and to refine account opening and direct deposit enrollment processes. This marked the first time that the public and private sectors substantively worked together on the City's SYEP. As another example, financial institutions were eager to learn from their city agency partners, as well as their bank and credit union counterparts in other cities, about how to develop and offer appropriate youth products. This interest led to the creation of a Credit Union Learning Community.

## THE INTERVENTION: Creating Sustainable Financial Empowerment Infrastructure

Partners have developed and refined various changes to the SYEP infrastructure to ensure the longevity of financial empowerment strategies as a key program component. These changes have been helpful in the short-term, expediting program operations, but they also created long-term opportunities to meaningfully change the way SYEP services are delivered. Changes have focused on: building internal financial empowerment staff capacity; processes; and technology.

Fundamentally, operating the SJC initiative required partner cities to dedicate staff time to lead in the creation and ownership of the integrated financial empowerment work, essentially building financial empowerment capacity into city staffing infrastructure. This was often done by layering financial empowerment into the responsibilities of an existing staff line, creating an expectation that financial empowerment was a key role for city agency staff. For example, in Miami, which created and funded their SYEP entirely through the Summer Jobs Connect initiative, the financial empowerment emphasis led to the insertion of financial empowerment responsibilities as part of the staffing structure. From the beginning, Miami conceived their program as a "financial empowerment program that employs young people." To support this mission, although payroll for SYEP participants had previously been outsourced to a private temporary employment company, the City of Miami brought human resources and payroll processes for SYEP into the City infrastructure. This was a significant step towards building a lasting SYEP infrastructure within the city that could support financial empowerment goals like banking and direct deposit enrollment. In some cases, cities chose to increase financial empowerment capacity of city staff through pursuing additional, dedicated funds. In St. Louis, private funds were raised and additional public dollars were allocated to fully fund a financial empowerment staff line within the youth employment agency, leveraging the investment that the Citi Foundation and CFE Fund had made through Summer Jobs Connect. In each of these cities, the staffing decisions made to operate SJC have long-term implications for how cities deliver SYEP services.



Cities also made changes to the underlying processes that support the SYEP, including application, enrollment, and payroll. Chicago made changes to their payroll infrastructure to support bank account and direct deposit enrollment. As detailed in Brief One, Chicago invested in a powerful infrastructure change when they moved from a decentralized payroll process to a centralized one. Controlling all aspects of payroll through centralization, from collecting youth working papers and W-2 forms to making payments, enabled Chicago to offer direct deposit, as well as incentives. Similarly, Newark has historically defaulted all participants into paycards at the beginning of the program. By moving towards building the infrastructure to offer direct deposit into a bank account without transferring funds from or even offering a paycard, Newark participants will be better positioned to seamlessly enroll in direct deposit. In St. Louis, as part of enrollment, the nonprofit partner offered a credit union account (including both transaction and savings accounts) to promote split savings, which will be available for the nonprofit in years to come.

Cities also used technology to implement significant financial empowerment programmatic adjustments. In many cities, for example, banking and savings behavioral prompts were built into online application and certification processes. In Washington, DC, the enrollment system highlighted the benefits of banking access, including through linking to education tools like a video promoting savings, before offering the option to split payroll into multiple accounts. In Miami, participants who made savings pledges were reminded of their goals throughout the summer with multiple text messages "nudges." In New York City, the program promoted the paycard's savings bucket for the first time, which was incorporated into the enrollment system, and supported savings through reminder emails promoting savings incentives.

## THE TAKEAWAY: Policy Implications of Summer Jobs Connect

In addition to the over 2,100 job slots for Summer Jobs Connect participants, and the vital financial empowerment lessons learned in these eight cities, a key goal of the initiative is to create a national model for integrating financial empowerment into summer youth employment. After two years of Summer Jobs Connect, there is mounting evidence that local government partners and federal agencies are recognizing the important role that financial empowerment can play in advancing youth development and policy priorities. The first two years of Summer Jobs Connect has played a catalytic role in this interest, providing instructive lessons based on on-the-ground experience in a variety of city contexts.

### Funding Streams for Program Sustainability

As this brief demonstrates, cities are making important changes in program structure to ensure long-term sustainability of summer youth employment programs that harness financial empowerment strategies. However, in addition to these structural changes, sustainability depends on consistent funding to support this work—including specific funding for financial education and banking access. While this innovative program was seeded with private funding from the Citi Foundation and the CFE Fund, public investment is critical for long-term sustainability.

First, leaders in each of the eight cities have recognized the importance of integrating financial empowerment into their youth programing. Miami city leaders, including Mayor Tomás Regalado, are exploring ways to integrate financial empowerment into other youth employment programs in the city. Chicago agency leaders describe financial empowerment as a core program component, part of the "bridge to higher education." St. Louis Mayor Francis Slay made financial empowerment a core component of his youth employment program, STL Youth Jobs, and also inserted financial empowerment and banking access strategies into the city's Civil Liberties Jobs Program, which gives unemployed young people with municipal fines jobs, training and fine reductions. In Los Angeles, Mayor Eric Garcetti kicked off the 2015 HIRE LA's youth campaign by emphasizing the importance of financial literacy, the City's commitment to providing financial education to all summer youth, and the importance of connecting them to responsible banking. And, municipal leaders outside of Summer Jobs Connect continue to reach out to the CFE Fund and city partners to learn about Summer Jobs Connect innovations.

On the federal level, there has been a wave of interest in supporting financial empowerment strategies in SYEPs. For example, in 2013 President Obama created the President's Advisory Council on Financial Capability for Young Americans. In Summer 2014, the Council convened in Summer Jobs Connect partner city Los Angeles, and highlighted the work of Summer Jobs Connect. Following the meeting, the CFE Fund submitted a brief that highlighted strategies used by Summer Jobs Connect partners to embed financial empowerment into SYEPs, inspiring the Council to focus SYEP as a top policy priority. Their 2015 final report[11] also included this emphasis, highlighted the role of cities and communities in improving youth financial capability, including through youth employment programs like Summer Jobs Connect. The Obama Administration has also emphasized the importance of positive pathways for young people, including employment, through their My Brother's Keeper and Youth Jobs + initiatives.

In addition, the Consumer Financial Protection Bureau, the US Department of Labor, and the National League of Cities have partnered to work with municipal leaders and workforce systems to learn about financial capability training opportunities for young people. They recently convened 25 cities that applied to receive technical assistance on infusing financial capability into youth employment programs. To provide additional guidance and share best practices, they invited a number of Summer Jobs Connect cities to also participate as experts in the field.

The CFPB has also released a series of financial empowerment tools and resources for young people in employment programs and in foster care. Separately, in April 2015 the federal Administration for Children and Families sent an advisory letter to State Human Services Commissioners and Secretaries about the importance of integrating financial capability into human services, including youth services.

Against this fertile backdrop, cities are seeing SYEPs as a critical vehicle for financial empowerment. Beyond just connecting young people to paychecks, local governments are realizing the longer-term pathway this opportunity provides. They are using summer jobs to connect young people to productive financial habits and longer-term stability. City governments, and their community partners, are now re-envisioning the great potential of the SYEP infrastructure and reach, looking for opportunities to build in financial empowerment as a key program component.

While philanthropic support and private sector sponsorship are invaluable partners in this work, there is a unique role that government must play to support such financial empowerment programs. City partners have explored both private and city, state, and federal public funding streams that can be leveraged to support the initiative. San Francisco is looking at allocating city tax levy funds, St. Louis has raised funds from a partnering credit union as well as used city funds, and Miami is working with city commissioners across different agencies to support this work. Most promisingly, the recent Department of Labor reauthorization of the Workforce Innovation and Opportunity Act (WIOA) demonstrates how highly the federal government values financial empowerment for young people. Financial education is now a required component of workforce programs supported by these federal funds, which means that programs can now dedicate a portion of this funding to financial education. Other federal agencies are exploring how to support cities, through both funding and technical assistance, in creating programs to connect young people with safe and affordable bank accounts.

## THE TAKEAWAY: Challenges and Opportunities

Cities are making great strides in moving SYEPs forward through structural changes. However, their experiences show that there are still challenges in taking these programs to scale broadly throughout SYEPs.

First, even with the cooperation and partnership of local credit unions and banks, partners have had difficulty finding and connecting young people to the right banking products. As detailed in Brief One, characteristics of appropriate youth accounts include no required starting balance, no monthly fees, and non-custodial accounts that do not require an adult co-signer. In addition, the short time frame of SYEPs required a quick opening process, ideally that could be streamlined to fit seamlessly within the initiative. Given these constraints, city partners reported key challenges when partnering with financial institutions. On the local and regional level, smaller financial institutions have often had challenges dedicating the resources to open accounts at the scale required by the program. For example, as discussed above, a credit union in St. Louis agreed to do several levels of manual overrides in their system to open a non-custodial account for youth. While this gesture of goodwill demonstrates their willingness to serve as a strong financial institution partner, it is also time-consuming and may not be sustainable for the credit union as more accounts are opened each summer. In general, however, the flexibility and mission of smaller financial institutions, especially credit unions, often translated to their willingness and ability to partner with SJC cities to offer non-custodial accounts for those under 18.

As a result of this analysis, the CFE Fund has elevated the challenges of youth accounts to federal partners. As discussed above, the CFE Fund structured a session on SYEPs with the President's Advisory Council on Financial Capability for Young Americans, which highlighted gaps in the system and led to the addition of SYEP as a key focus. Having recognized these issues, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration and the Office of the Comptroller of the Currency released interagency guidance[12] about non-custodial accounts for people under 18 years of age. The CFE Fund and our partners continue to work to negotiate partnerships and design solutions with financial institutions on the national, regional, and local levels, including as part of our larger Bank On work to broadly expand banking access.

Financial education at scale poses two interrelated challenges and opportunities: quality and effectiveness. Particularly for programs with tens of thousands of participants across multiple community organization partner sites, delivery of meaningful in-person financial education—the strong preference of young people surveyed during the first year of this initiative—requires enormous resources. That said, hinging financial education off of the real-world experience of a paycheck, such as discussing banking, budgeting and savings, is a particularly exciting opportunity in the summer employment context. Cities have delivered financial education in a variety of ways, from workshops to one-on-one counseling to technology-based solutions (detailed in Brief One). Increasingly, technology is seen by the field as a promising educational tool, especially for young people: it offers an opportunity to interact with young people in a way that they are comfortable with, and has enormous potential for scale and consistent delivery. It can be less resource-intensive in terms of both cost as well as staff time and capacity. However, as stated above, young people prefer to learn though in-person engagement. Several Summer Jobs Connect cities are experimenting with using technology to support and supplement, but not replace, in-person education.

## CONCLUSION: Moving Towards Sustainability

Through the Summer Jobs Connect initiative, the CFE Fund, along with our eight city partners, are working to develop a national model that leverages the widespread, large-scale SYEP infrastructure to embed targeted financial education and banking access, while also sustaining their current program infrastructure.

Through developing appropriate financial products as well as supporting bank account and direct deposit enrollment, including targeted financial education; exploring the use of incentives; and making structural changes to SYEP systems against a backdrop of growing interest from municipal leaders, policymakers, and funders, cities are working to refine and grow not just these eight cities' programs, but ideally dozens of other cities' as they begin to similarly build financial empowerment work into their programs.

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# APPENDIX

## Appendix A: Summer Jobs Connect Youth Account Priorities

### Account Terms

- Non-custodial account/product for those under 18
- Flexible usage of usage of account screening consumer reporting agency reports, including ChexSytems
- Capability to maintain free account
- Low (or no) monthly and minimum balance fees
- No overdraft capability
- Free online/mobile banking and bill pay
- Issued by mainstream financial institution (e.g. bank or credit union)
- Ability to issue ATM card and paycard to those without a Social Security number
- Ability to add cash or other direct deposit sources to the account/card without fee
- Multiple free methods to access funds, which should include in-network ATMs and cash back with purchase

***Cards only (recommended if account is not available)***

- Savings bucket option
- If payroll card, ensure a minimum of two free withdrawals each pay period

### Account Opening

- Remote account opening—through online opening, or deputizing staff at a partner organization to open the account
- Flexibility to allow for alternative ID verification—for example, municipal partner or community-based organization verifies ID or accepts school-issued ID
- Account numbers are assigned instantly upon opening to facilitate direct deposit enrollment
- Ability for consumer to delay funding initial balance until first payroll, which may be a few weeks after account opening

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