

**The Cities for Financial Empowerment Fund**

**Comments submitted to  
the Commission on Evidence-Based Policymaking**

**Docket ID USBC-2016-0003**

**December 14, 2016**

Thank you for the opportunity to comment on strategies to increase the availability and use of government data to build evidence for programs and policies, while protecting privacy and confidentiality.

The Cities for Financial Empowerment (CFE) Fund's mission is to leverage municipal engagement to improve the financial stability of low and moderate income households by embedding financial empowerment strategies into local government infrastructure. To this end, the CFE Fund provides grants and technical assistance to local governments and their partners. Simply put, evidence of effectiveness is critical to local governments; they need to allocate limited resources, their constituents hold them accountable for the quality of services, and local programs seek sustainability across changes in administration.

The CFE Fund's theory of change rests upon evidence central to the concerns of municipal government: (a) financial instability drives up the demand for, and drives down the effectiveness of, municipal services<sup>1</sup>; (b) financial empowerment strategies can reduce financial instability and increase household resiliency<sup>2</sup>; and (c) integrating financial empowerment work into municipal services can make those services more efficient and/or effective<sup>3</sup>. We call this the Supervitamin Effect.

The success of the CFE Fund's first initiative, supported by Bloomberg Philanthropies, was built upon data. Our replication of Financial Empowerment Centers (FECs), through which free, professional, one-on-one financial counseling is integrated into public services to improve the financial stability of city residents, introduced hard data on performance and outcomes into a field hungry for proof. Professionally-trained counselors were held to measurable benchmark outcomes in helping FEC clients with reducing debt, building savings, establishing and improving credit, connecting to safe and affordable banking services, and more.

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<sup>1</sup> McKernan, Signe-Mary, Caroline Ratcliffe, Breno Braga, and Emma Kalish. April 2016. "Thriving Residents, Thriving Cities: Family Financial Security Matters for Cities." Washington, D.C.: Urban Institute.

<sup>2</sup> Theodos, Brett, et al. October 2015 "An Evaluation of the Impacts and Implementation Approaches of Financial Coaching Programs." Washington, D.C.: Urban Institute.

<sup>3</sup> For example, see Kleiman, Neil and Tom Hillard. November 2016. "Innovation and the City (Idea 12: Financial Empowerment Centers for Reentry." New York City: Center for an Urban Future.

That each of our five city<sup>4</sup> partners achieved sustainable public funding beyond the CFE Fund's three years of full program grants speaks volumes about the role of data in sustainable government innovation.

The FEC model is data-intensive: counselors collect detailed demographic and financial baseline information, track counseling session activity, and document financial outcomes. The strength of this data, in combination with client stories and testimonials, persuaded local agencies to partner with the FECs and persuaded city officials to invest in the FECs ongoing operations. In some cities, the FEC data became a benchmark for other public programs, which struggled to match it.

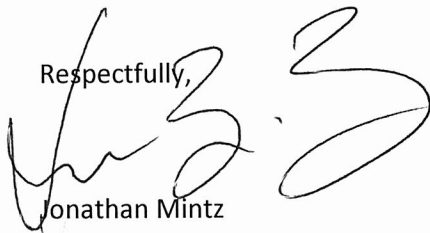
Beyond demonstrating direct counseling outcomes, data obviously plays a key role in demonstrating the Supervitamin Effect which goes to the heart of this request for comments. Within the first three years of the FEC initiative, we experienced multiple challenges in linking and combining FEC data with administrative data from government or government-supported programs. For example: few programs had the interest and/or capacity to negotiate data sharing agreements; metrics were differently defined; and client IDs could not be matched. In the long run, the bipartisan commitment to increasing the evidence base for government programs should create a culture in which such obstacles are considered unacceptable. To get there, the CFE Fund offers the following recommendations to the Commission.

**Encourage federally funded programs, including block grants, to bake evaluation into program design,** so that an early focus on data can contribute to appropriate data collection, data integrity, and data sharing. Even beyond evaluation's orientation to data, an evaluation mindset is a valuable support to good program design.

**Support data linkage efforts,** such as the Census Bureau's Data Linkage Infrastructure, that give evaluators access to administrative data in a manner that preserves the privacy of human subjects.

**Synchronize federal program data structures,** so that agencies running multiple programs can collect compatible data or even, ideally, use a single database to report to multiple departments.<sup>5</sup> Matching data structures would be a critical first step to confirming early evidence that addressing financial instability is crucial to program success.

Respectfully,



Jonathan Mintz  
President and CEO

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<sup>4</sup> Denver, CO; Lansing, MI; Nashville, TN; Philadelphia, PA; and San Antonio, TX.

<sup>5</sup> For example, a community-based multi-service agency might use CounselorMax for HUD housing counseling, ChildPlus for HeadStart, and the Workforce Integrated Performance System for job placement.