

INCREASINGLY, local leaders are realizing that individual and family financial stability is tied directly to neighborhood and community success. While community organizations have traditionally addressed these issues, local government leaders have learned the hard way that such financial instability both increases demand for, and decreases the success of, municipal social services.

Across the country, many local leaders have launched Offices of Financial Empowerment (OFEs) or similar municipal offices that serve as a home for often-multiple financial empowerment programming efforts. This brief details why municipal leaders have invested in this critical work, outlines the work of OFEs, and highlights how a number of cities launched their OFEs. The brief is informed by the work of cities across the country, including the members of the [Cities for Financial Empowerment Coalition](#), an invitation-only group of member cities who have made multiple, tangible, and measurable commitments to supporting financial empowerment programming for their residents.

DEFINING AN OFFICE OF FINANCIAL EMPOWERMENT:

Office of Financial Empowerment (OFE): Government entity that seeks to leverage the size and scale of municipal government to improve resident economic security through integrated financial empowerment programs and policies, including banking access, financial counseling and education, savings and asset building, and consumer financial protection. OFE's provide an infrastructure to appoint leadership, hire staff, develop a budget, launch programs, and coordinate with other government and community entities.

WHY CITY LEADERS INVEST IN OFFICES OF FINANCIAL EMPOWERMENT

Local government is particularly well-poised to address resident financial instability, and there are a number of reasons why city leaders have invested in opening dedicated homes for financial empowerment work within city government. City leaders see firsthand the impact of financial instability in their communities. Upticks in the poverty or unbanked rates in their cities, with attendant increases in social service needs, creates both a political and fiscal mandate to address family financial instability.

Research has shown that economically strong families are better able to weather economic shocks, contribute to and grow the local economy, and help their children succeed. Individual financial security is a critical issue for local governments, because it affects the ability of neighborhoods and communities to thrive.

Happily, city leaders have both the mandate, and the ability, to deliver high-quality financial empowerment services at scale. Unlike individual community organizations, cities have a mandate to serve all residents, not just some – and so services must be designed and delivered at scale. Along these same lines, such services must be of consistent, and they must be of measurable quality that justifies the public investment.

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WHAT DO OFEs DO?

Offices of Financial Empowerment work to develop and deliver financial empowerment strategies, typically by integrating them into other municipal government services. By coordinating programs such as one-on-one financial counseling or banking access under a single office, as opposed to simply launching programs across multiple city offices or with community partners, cities with OFEs have found powerful synergy and stronger results.

Creating a structural ‘home’ in city government can bring together both pre-existing efforts and new investments to coordinate delivery streams, partnerships, and funding. Cities often get started with Earned Income Tax Credit (EITC) campaigns, Volunteer Income Tax Assistance (VITA) programs, and Bank On. Such programs can serve as springboards for future, more complex efforts. An OFE can ensure that, for example, financial counseling efforts connect to VITA and banking access services, improving the impact of each. An OFE can also help to coordinate and expand partnerships across multiple programs, leveraging connections with other city agencies or community organizations with similar goals. An OFE can also more effectively facilitate funding for programmatic efforts, whether through deploying a dedicated office budget that can support multiple programs or serving as a central and powerful conduit for philanthropic support.

In addition to the real impact of helping residents, an OFE is good politics. Positioning financial empowerment services as a coordinated approach to resident financial instability, instead of a one-off program or campaign, is also a strong political organizing principle. City leaders have found that an OFE is a tangible expression of the city’s commitment to its residents, galvanizing stakeholders around a comprehensive solution instead of a one-time program.

Finally, an OFE provides the infrastructure to develop, fundraise for, launch, implement, and sustain further innovative and effective programming. OFEs have staff that can build relationships with a range of stakeholders, including with other city agencies, community organizations, financial institutions, researchers, national colleagues, and philanthropic partners. In addition to philanthropic partnerships, an OFE can leverage existing city resources and budget lines, for example accessing a portion of funds earmarked for social service efforts that can be used to embed financial empowerment strategies. An OFE can also serve as the city’s internal consultant for financial empowerment efforts, in the process identifying key integration points for financial empowerment efforts.

PATHWAYS TO LAUNCHING OFEs

City governments have taken a number of pathways to launch OFEs.

In New York City, the 2008 financial crisis followed on the heels of a neighborhood financial services survey, and served as the political and data-based impetus for Mayor Michael R. Bloomberg to launch the country’s first OFE. Housed within the City’s Department of Consumer Affairs, this OFE built off the synergy of consumer protection issues and the underlying vulnerability which so often contributed to consumer harm. San Francisco, the City’s Treasurer built off their local EITC matching campaign and banking access work to launch an OFE that could sustain and grow their burgeoning and successful efforts.

Pathways To Launching OFEs continued

Some cities begin by launching a particular financial empowerment program which then spurred municipal interest in a broader, more sustainable financial empowerment platform within their administration. Cities like Denver and Lansing used a CFE Fund grant to replicate New York City's Financial Empowerment Center (FEC) model of one-on-one professional financial counseling as their springboard to launch OFEs. The FEC program demonstrated the importance of addressing resident financial instability, and created internal interest in the potential of other financial empowerment efforts.

Finally, some cities launched an OFE as a way of signaling a new administration's priorities to resident financial stability. Boston Mayor Martin Walsh launched an Office of Financial Empowerment early in his administration as part of his pledge to tackle systemic inequality in the city. The Office brought together work that the city was already undertaking, like an EITC campaign, and added new efforts such as financial coaching.

Regardless of the different pathways from which they were launched, Offices of Financial Empowerment around the country serve as places for continued programmatic growth. They have expanded their portfolios to include programs like children's savings accounts to promote a college-going culture, Bank On efforts to expand banking access, financial justice work that reexamines municipal fees and fines, consumer protection initiatives, and other critical financial empowerment efforts.

**WANT TO LEARN
MORE?**

The Cities for Financial Empowerment Fund and our CFE Coalition partners are committed to growing municipal financial empowerment efforts across the country. If you want to learn more about bringing an Office of Financial Empowerment to your city, visit www.cfefund.org to learn more and connect with a municipal financial empowerment expert.