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Media Contact:

Max Leitenberger

max.leitenberger@hkstrategies.com

212-885-0477

Five Cities Enhance Small Business Services by Offering Financial Counseling for Entrepreneurs

With \$1 Million in Support From Principal® Foundation, National Nonprofit Organization The Cities for Financial Empowerment Fund Announces New Small Business Boost Initiative to Support Small Business Owners

March 21, 2022 – The [Cities for Financial Empowerment Fund](#) (CFE Fund) announced the selection of five local governments to offer small business owners and entrepreneurs one-on-one Financial Empowerment Center (FEC) financial counseling. Akron, OH; Lansing, MI; Pittsburgh, PA; Polk County, IA; and Rochester, NY will connect their Financial Empowerment Center initiatives, which offer professional financial counseling as a free public service, to local business support services. While starting a small business can be a promising pathway to financial stability, entrepreneurs often begin this path [with existing financial challenges](#), which both exacerbates their inability to access capital to start or grow their small businesses and translates into inadequate savings to manage irregular cash flow. This new initiative called Small Business Boost, supported generously by Principal® Foundation, will help local entrepreneurs and small business owners improve their personal finances, better positioning them to access capital and achieve their business goals.

“Running a small business can be a critical driver of opportunity, helping entrepreneurs build financial stability and wealth for themselves, their families, and their communities – but for too many people, their own finances are a barrier to making a strong start,” said **Jonathan Mintz, President and CEO of the Cities for Financial Empowerment Fund**. “Small Business Boost will help entrepreneurs manage their personal finances so they can better access capital and generate wealth. We are proud to work with Principal® Foundation and our municipal Financial Empowerment Center partners on this important work.”

"Principal® Foundation is committed to advancing financial security. Small businesses, notwithstanding the tremendous losses they suffered due to the pandemic, are still the engines for local growth and the pathway to financial security for many Americans. Thus, we are thrilled to support the work of CFE Fund and its Financial Empowerment Center partners to remove barriers and expand opportunities for entrepreneurs to launch businesses that meet community needs, improve local economies, and strengthen local communities," said **Jo Christine Miles, director, Principal Foundation and community relations**.

The CFE Fund received a \$1 million grant from Principal® Foundation to pilot Small Business Boost, and worked with Financial Empowerment Center partners to design a financial counseling integration with local entrepreneurship and small business support services. This is especially critical for entrepreneurs of color - a [staggering 41% of Black-owned businesses](#) closed in just the first two months of the pandemic, and Black-, Asian-, and Hispanic-owned businesses are [less likely than white-owned](#)



[businesses](#) to have sufficient financing. Over the coming year, grantees will work in partnership with a variety of local organizations dedicated to serving small businesses including loan providers, accelerators, mentoring programs, and economic development agencies to connect clients to financial counseling. Business owners and entrepreneurs will receive financial counseling to address personal financial challenges that present barriers to business ownership success. The CFE Fund will work with each selected partner to identify pilot best practices and successful strategies to share with the wider FEC movement and the broader asset building field.

Financial Empowerment Centers (FECs) offer professional, one-on-one financial counseling as a free public service; the CFE Fund's national [FEC Public platform](#) looks to grow this movement across the country, including through the newly expanded [FEC Academy](#) entry point. First piloted in New York City under Mayor Michael R. Bloomberg in 2008, the FECs have worked with over 133,000 clients, helping them reduce individual debt by over \$192 million, and increasing their families' savings by over \$38 million. There are currently over 30 cities that have launched, or are working to launch, a local Financial Empowerment Center initiative. A [CFE Fund evaluation](#) showed that this program works even for residents with very low incomes and other complex financial challenges.

At the Financial Empowerment Centers, professionally trained FEC counselors help consumers with low and moderate incomes manage their finances, pay down debt, increase savings, establish and build credit, and access safe and affordable mainstream banking products. At the core of the FEC model is the integration of counseling into other social services, including housing and foreclosure prevention, workforce development, prisoner reentry, benefits access, domestic violence services, and more – Small Business Boost is an example of one such targeted integration. Through the Small Business Boost pilot, FEC counselors will support business owners and entrepreneurs in addressing personal financial challenges that present barriers to success in building wealth through business ownership. In addition, the FEC counselors participating in the pilot will receive significant training on the relationship between personal finance and business growth, how to navigate entrepreneurial ecosystems, and how to drive business outcomes through improving personal finances.

About Principal® Foundation

Principal Financial Group Foundation, Inc. ("Principal Foundation") is a duly recognized 501(c)(3) entity focused on providing philanthropic support to programs that build financial security in the communities where Principal Financial Group, Inc. ("Principal") operates. While Principal Foundation receives funding from Principal, Principal Foundation is a distinct, independent, charitable entity. Principal Foundation does not practice any form of investment advisory services and is not authorized to do so.

About the Cities for Financial Empowerment Fund (CFE 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. The CFE Fund is currently working in over 100 cities and counties representing 75 million people, and has disbursed over \$59 million to city governments and



their partners to support these efforts. For more information, please visit www.cfefund.org or follow us on Twitter at [@CFEFund](https://twitter.com/CFEFund).

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