



Saint Paul Minnesota
The most livable city in America

Office of Financial Empowerment

**Presentation to the Saint Paul City Council
Organizational Committee
May 15, 2019**

A movement towards financial empowerment at the city-level...



**Cities for
FINANCIAL
EMPOWERMENT
Fund**



**OFFICE OF
FINANCIAL
EMPOWERMENT**
DENVER HUMAN RIGHTS &
COMMUNITY PARTNERSHIPS



**SAN FRANCISCO
OFFICE OF FINANCIAL
EMPOWERMENT**



Consumer Affairs
Office of Financial
Empowerment

...across the nation



BankOn



The City of Saint Paul's Office of Financial Empowerment

Vision

An economic democracy that
shares prosperity with
all Saint Paul residents

Emerging OFE Results Framework

1. Saint Paul residents achieve financial health
2. Saint Paul neighborhoods achieve community wealth
3. Saint Paul residents live in stable, safe, and affordable communities
4. Families with children living in Saint Paul have a city that cares about their future
5. Saint Paul community members are engaged in public decision-making

How will we know if we're successful?

Citywide indicators

- Wealth Building & Financial Health Indicators
- Job & Business Indicators
- Housing Indicators
- Education Indicators

See handout for a list of **emerging citywide indicators** that still need to be prioritized

Emerging citywide indicators

Income Inequality (2018)

Saint Paul
5.8 : 1

Minneapolis
5.2 : 1

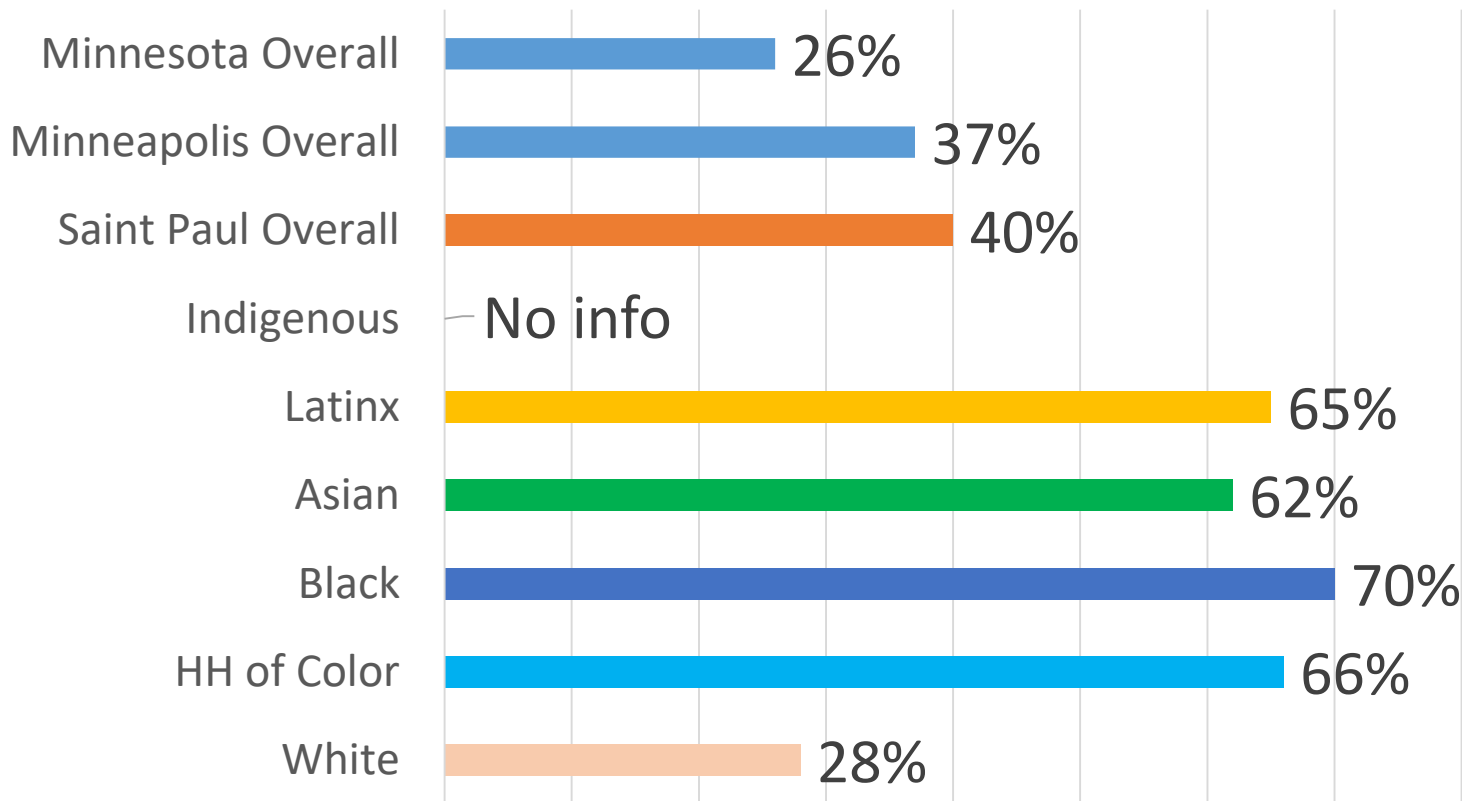
Minnesota
4.21 : 1

*The top 25% of the City earns **5.8X** the income of the lowest 25% of City residents.*

Ratio of the annual household income of households in the top income quintile to households in the bottom income quintile

Emerging citywide indicators

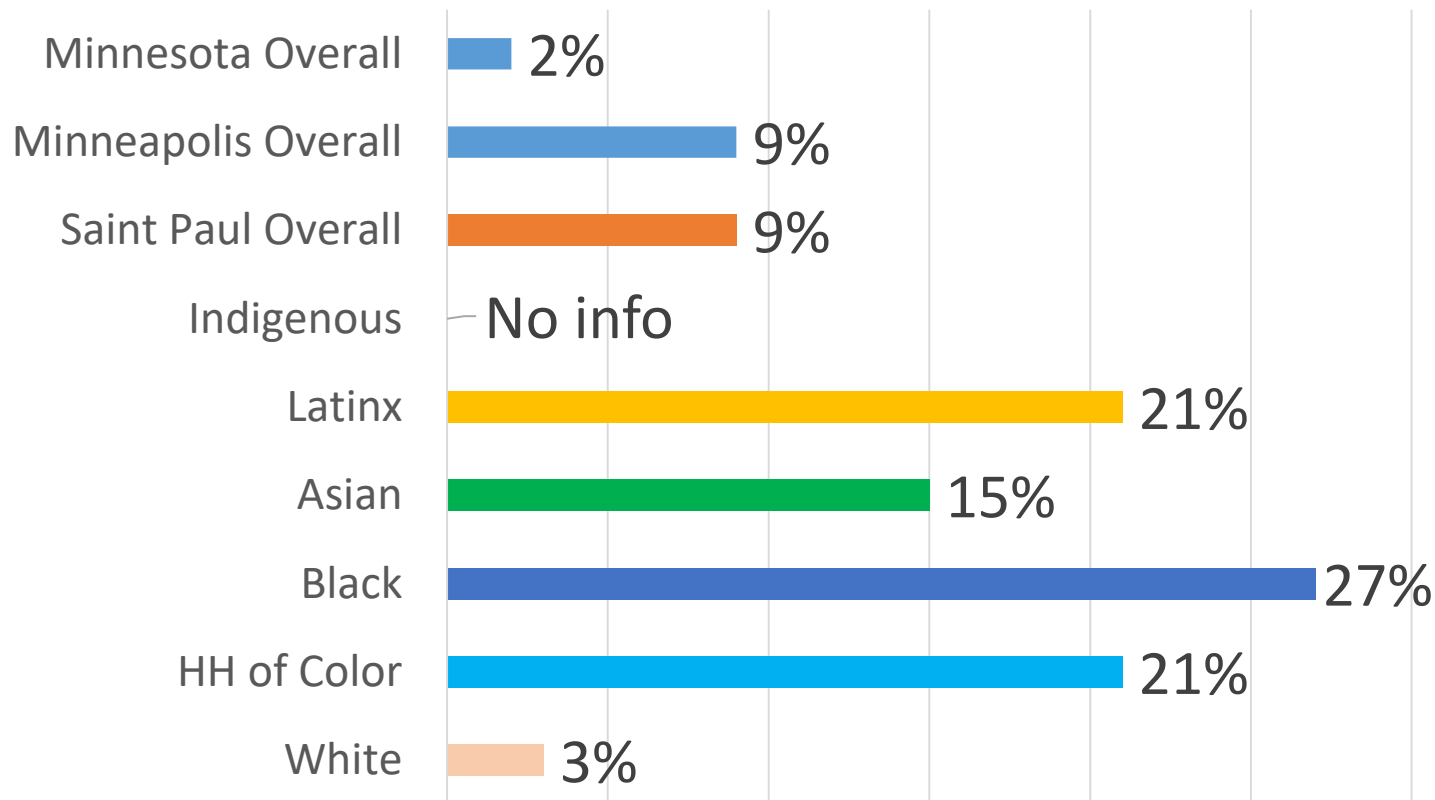
Liquid Asset Poverty Rate (2018)



Percentage of households without sufficient liquid assets to subsist at the poverty level for three months in the absence of income

Emerging citywide indicators

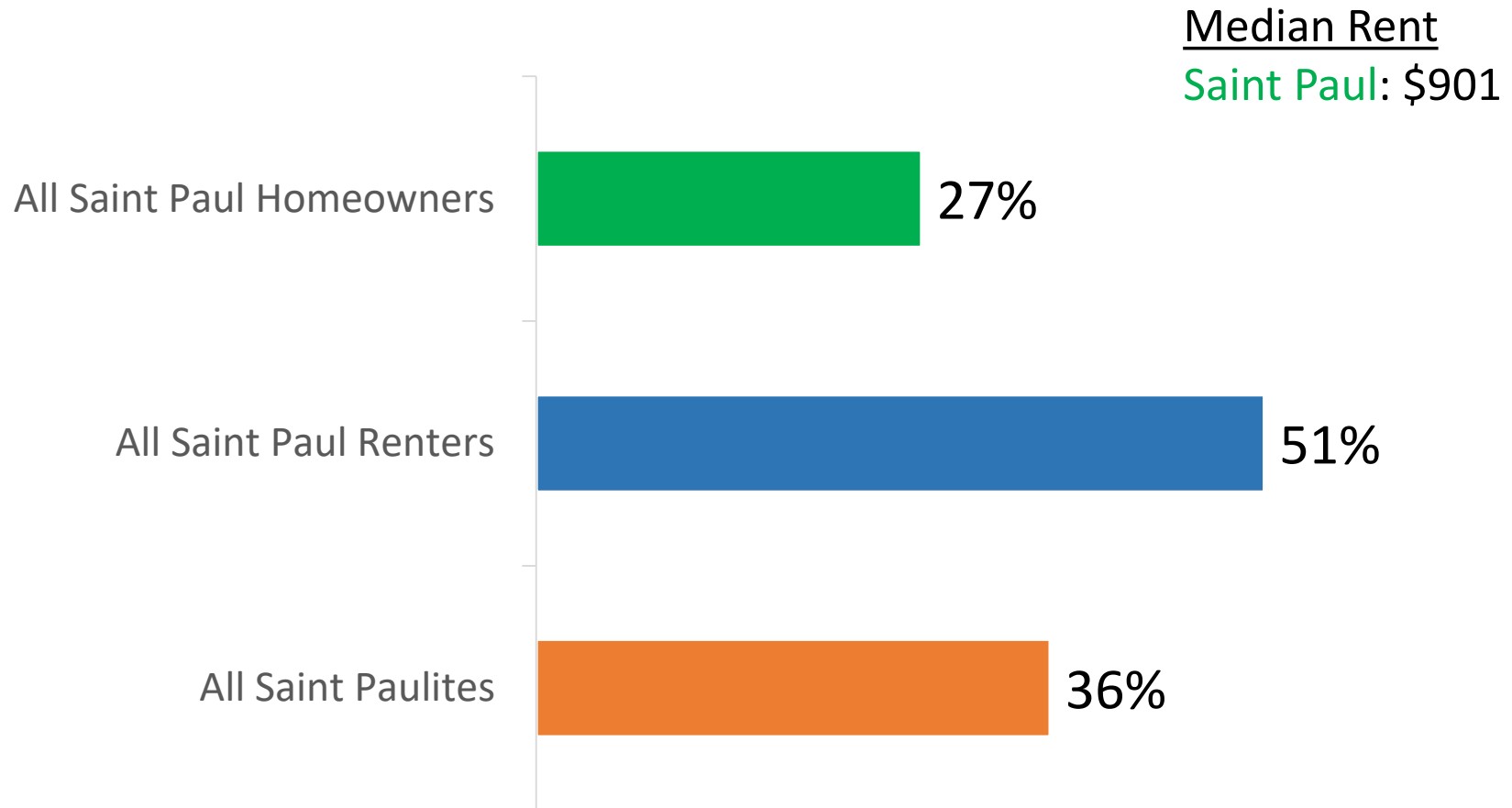
Unbanked
(2018)



Percentage of households with neither a checking nor savings account

Emerging citywide indicators

Cost-Burdened Households (2018)



Sometimes our system designs are experienced like this...



Or this...



Or this...



Who are we designing for?

Who is at the table designing?

How are we designing?



Who? OFE Community Council

A governing body for OFE that centers the experiences of residents to guide priority setting and co-design strategy levers

Applications released in early summer

Beyond the OFE governing body, the OFE is committed to:

- Human-centered design principles
- Hosting forums elevating community conversation and dialogue
- Radical hospitality

How? OFE Strategy Levers

We need to **hold the complexity of issues** by implementing a mix of strategies to move any citywide indicator:



Today's highlights



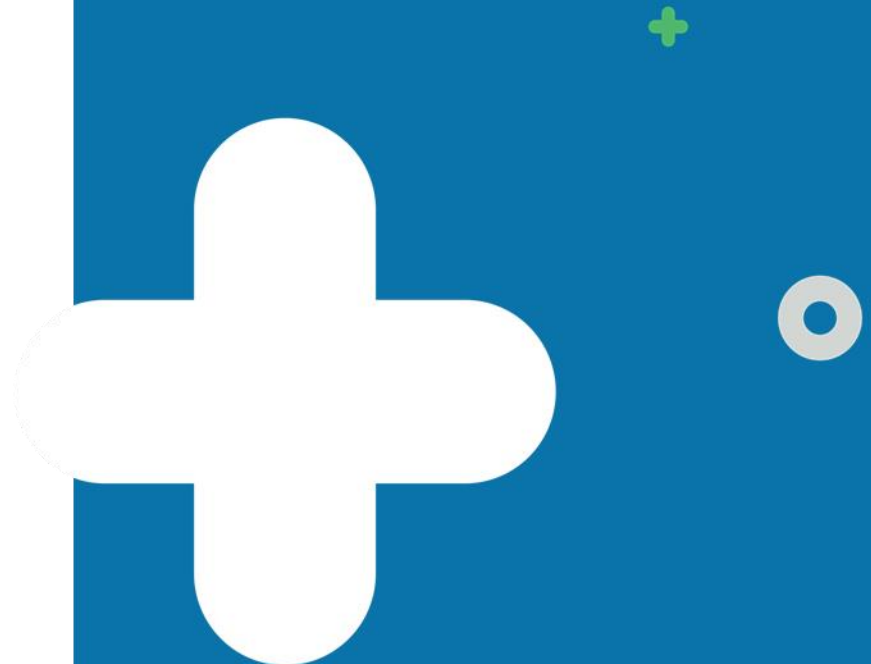
*Pathways for Every Child,
Family and Future.*



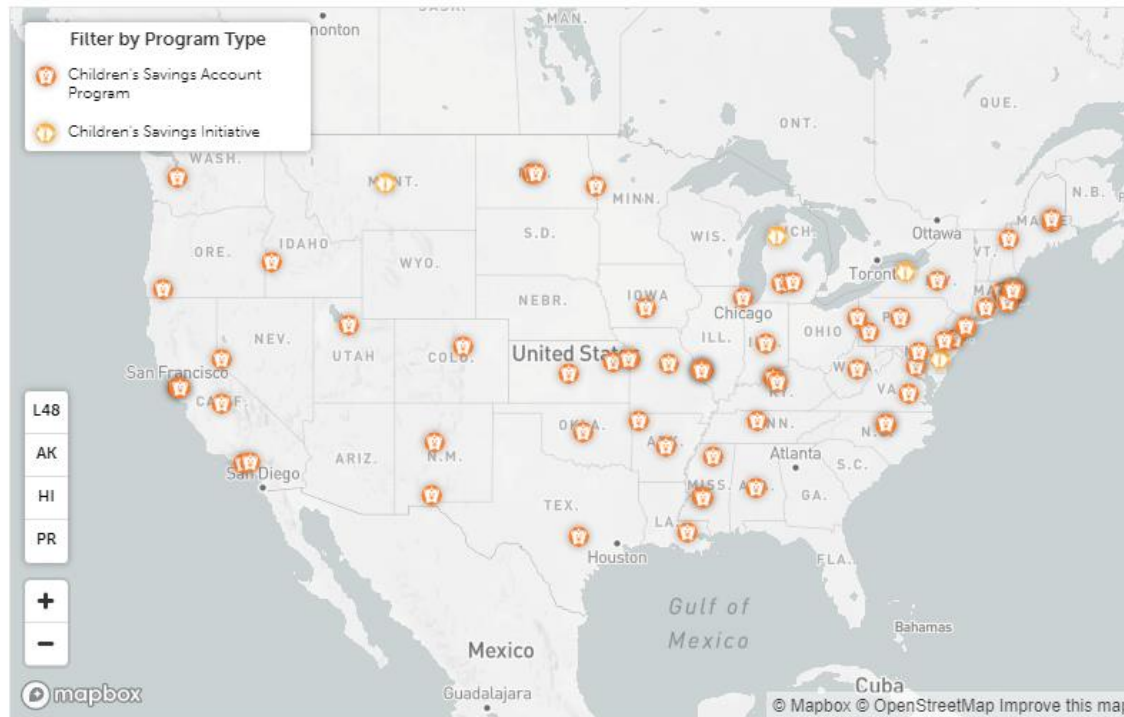
College Bound

SAINT PAUL

*Pathways for Every Child,
Family and Future.*



National Landscape



**CSAs BY THE
NUMBERS**

65 PROGRAMS
SERVED

As of the end of 2018

457,000 CHILDREN
IN

34 STATES
AND DC

CollegeBound Saint Paul will be the first city-wide program starting at birth

Background on CSA Programs

- + What are College Savings Accounts (CSA)?
- + How Do CSAs Work?
- + What Benefits Do CSAs Have?



OPEN ACCOUNT

Accounts—opened as early as birth or kindergarten—are seeded with initial deposits.



GROW SAVINGS

Accounts grow through family contributions and incentives, such as savings matches.



ATTEND COLLEGE/ TRAINING

Savings help pay for postsecondary education.



GRADUATE

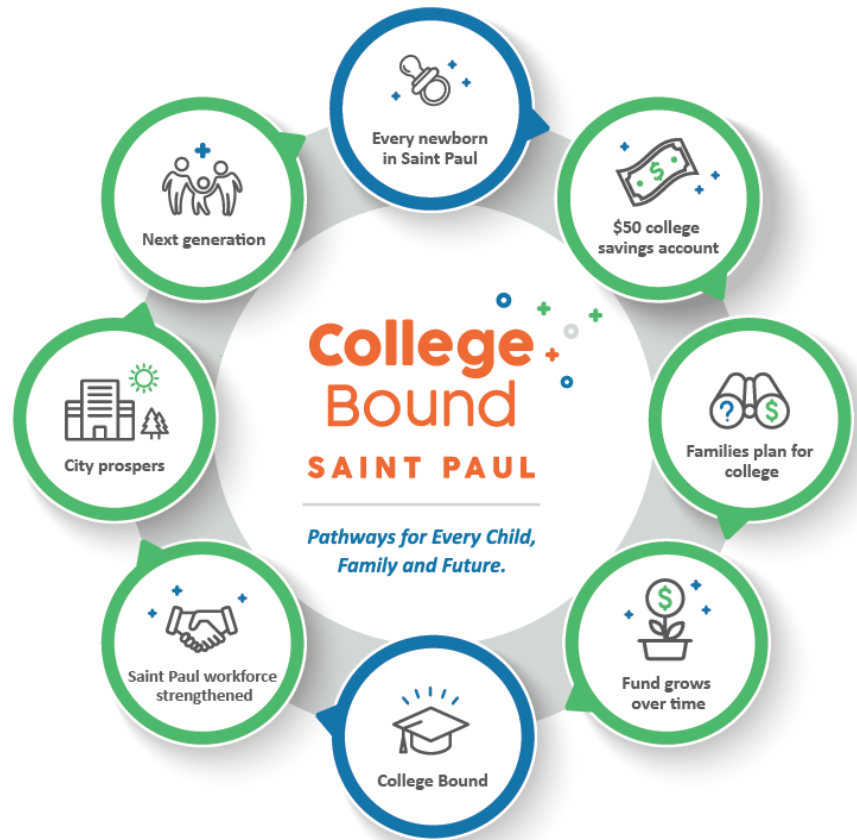
Children with a college account with \$500 or less are 4x more likely to graduate.

Impact of CSA Programs

- + Increases college attendance and graduation
- + Boosts parent's expectations
- + Improves social-emotional development in children
- + Improves maternal mental health

Why CollegeBound Saint Paul?

- + Financial Insecurity In Saint Paul
- + Educational Opportunity Gap in Saint Paul
- + How the CSA Program Can Benefit the City



CollegeBound
SAINT PAUL
Pathways for Every Child, Family and Future.

Program Design Process

- + CSA Task Force
 - + Subcommittee Structure
 - + Technical Assistance Provider
- + Grasstops Engagement
- + Community Engagement



Grasstops Stakeholder Focus Group



Last Task Force Meeting

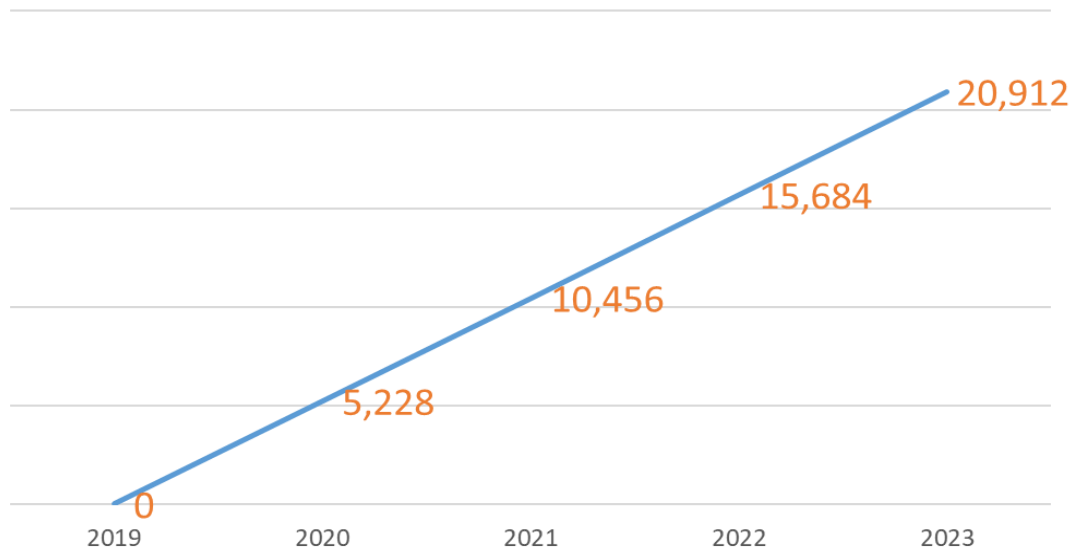


Community Engagement Event
at YWCA

Program Vision & Values

- + College Bound Saint Paul will illuminate a pathway to a brighter future for both our families and the city.
- + **Every child born in the city after January 1, 2020** will receive a college savings account with a \$50 seed deposit to help all students and their families plan for post-secondary education.

Projected # of newborns enrolled in
CollegeBound Saint Paul



Values

- + Accessible
- + Equitable
- + Sustainable

Program Design Recommendations

- + Universal, Inclusive Eligibility
- + Automatic Enrollment
- + Program Funds are Safeguarded
- + Seed Money to Jumpstart Savings
- + Bonuses to Build Savings
- + Flexible Use of Funds



City of Saint Paul
Minnesota
Mayor Melvin Carter



PROSPERITY
NOW

Program Administration

- + Management & Staffing
- + On-going Community Input & Engagement
- + Account Management/Information System
- + Communications & Marketing

CollegeBound Saint Paul Impacts

Outcomes at the participant and community levels

Short-term Outcomes

Participant Level

- Higher % of families savings for children's post-secondary education
- More connections to early childhood screening and services
- Higher % of families using wraparound services and financial capability resources

Community Level

- Engagement of families across all demographic groups, with a particular emphasis on under-resourced communities
- There is increased cross-sector collaboration
- Community wide buy-in to engage in and support the CSA program through philanthropy and/or partnerships

Long-term Outcomes

Participant-level

- The % of Saint Paul's youth enrolling in and completing postsecondary education increases
- Young adults have the skills and education needed to succeed in Saint Paul's future economy

Community-level

- Gaps in postsecondary educational attainment by race and income narrow among city residents
- Disparities in employment rates and income by race narrow among city residents
- More young adults remain in and/or return to Saint Paul and contribute to the city's economy

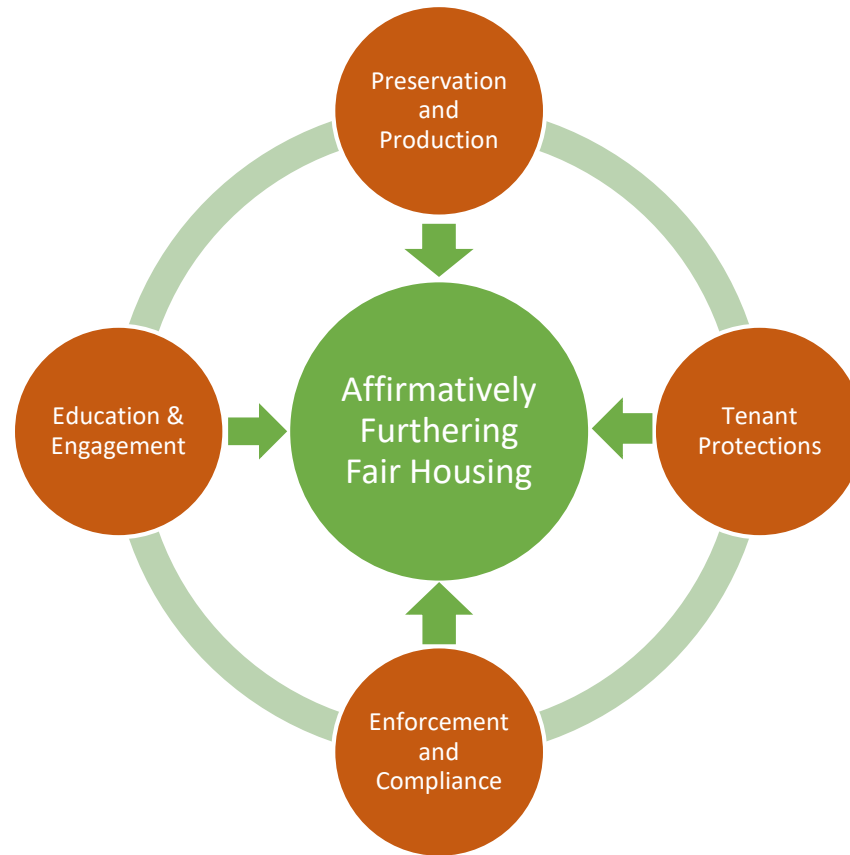
Family Outreach, Engagement, & Financial Capability

- + Enrollment – Opt-ins
- + Participant Engagement
 - + Bonuses
- + Financial Capacity Services
- + College Access Programs
- + Ambassadors & Champions

Public – Private - Nonprofit Partnerships



Fair Housing & the City of Saint Paul



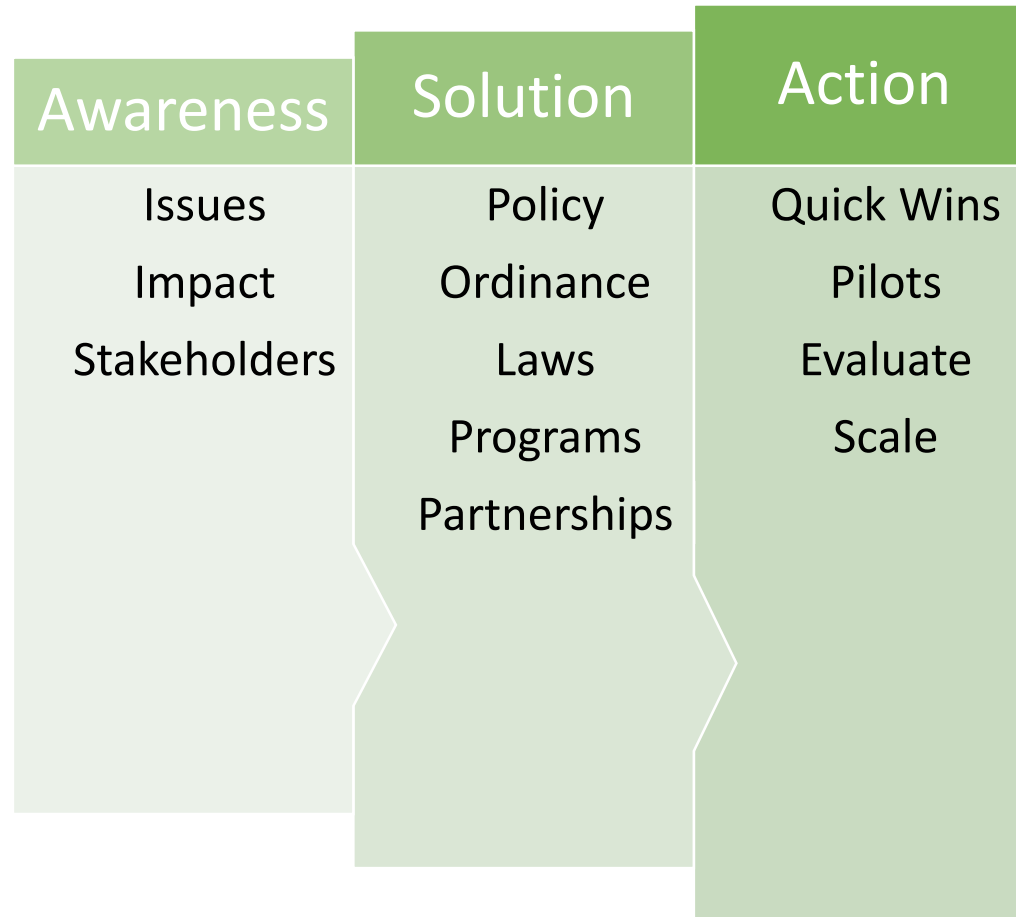
St. Paul's Fair Housing work group has its work cut out for it



Fair Housing Work Group

Status update and policy and program options in response to Resolution 17-2064.

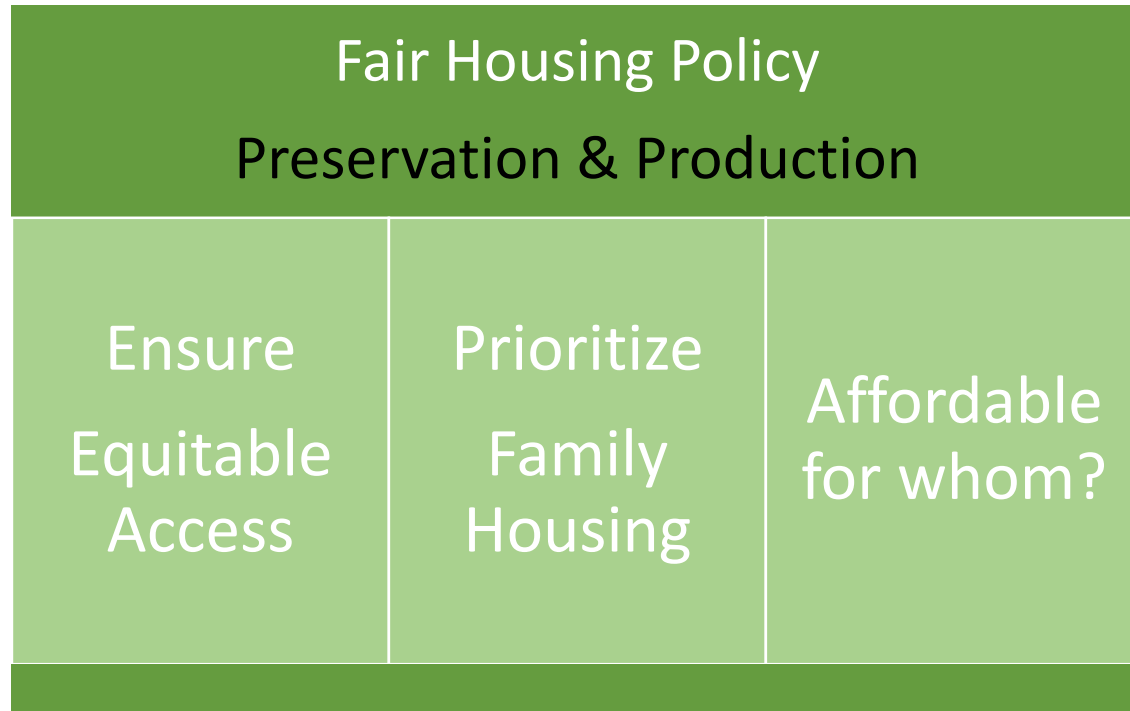
Strategy Development



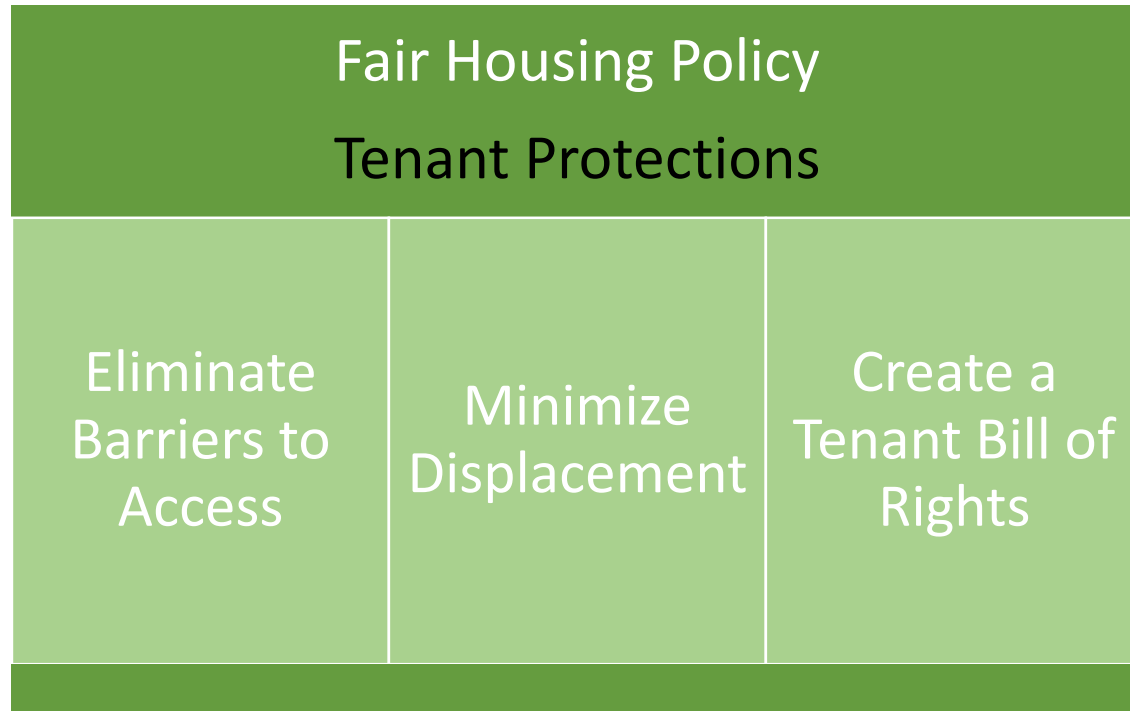
Strategy Coordination



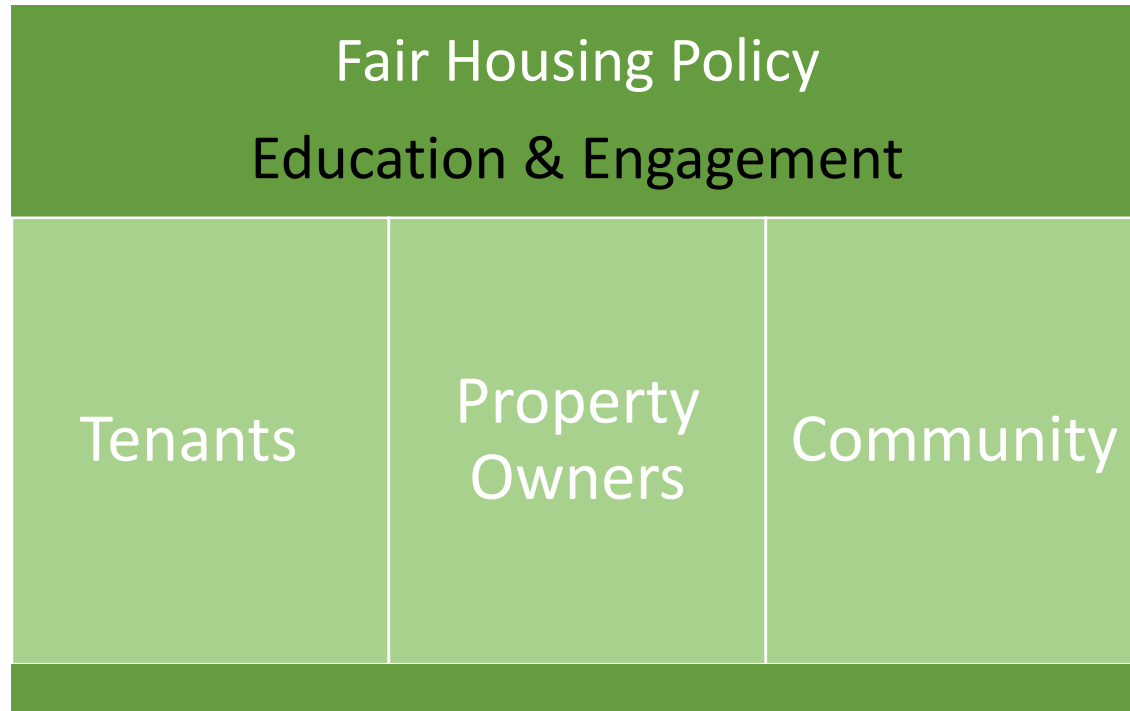
Fair Housing & the City of Saint Paul



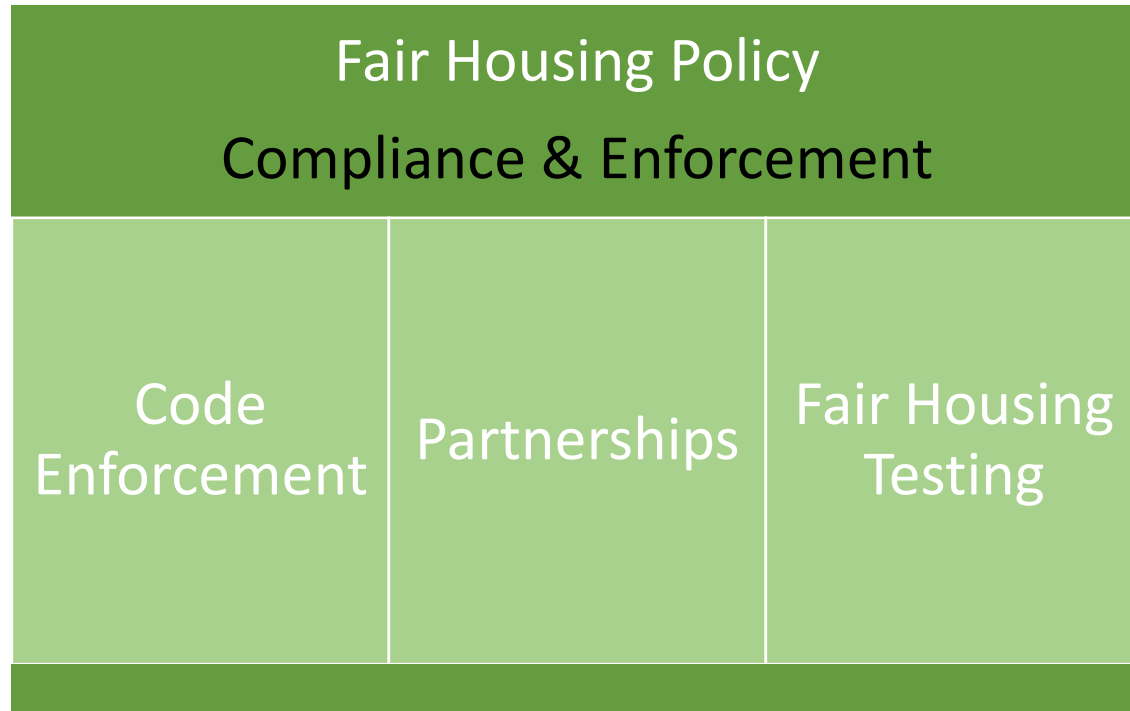
Fair Housing & the City of Saint Paul



Fair Housing & the City of Saint Paul



Fair Housing & the City of Saint Paul



2019 Priorities



Saint Paul Minnesota
The most livable city in America





JPMORGAN
CHASE & CO.

- ❖ Assess fines and fees structures across the City
- ❖ Identify new ways to reduce inequities in how fines and fees are imposed and where possible remedy unfair ordinances and collections practices
- ❖ Make program or policy changes that lead to a new collections model for the city, connecting residents who are in debt with services that improve their financial health.

What else is emerging for OFE?

- Scale free tax clinics citywide in 2020 - \$12-15 million unclaimed tax refunds each year (EITC)
- Scale financial capability programming
- Define citywide cooperative economies strategy
- Support rollout of citywide \$15 minimum wage increase

Contact us

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