

# Office of Financial Empowerment Highlights

**November 20, 2024**



**SAINT PAUL**  
**MINNESOTA**

[STPAUL.GOV](http://STPAUL.GOV)



# About the Office of Financial Empowerment

**Mission:** To advance **economic democracy** that **shares prosperity** with all Saint Paul residents

Results Framework	Program Areas
Result 1: Saint Paul residents achieve <b>financial health</b>	<b>Guaranteed Income; Medical Debt Reset Initiative; Financial Health Action Plan coalition;</b> Fines and Fee work;
Result 2: Saint Paul neighborhoods achieve <b>community wealth</b>	<b>Local Fund:</b> Leverage \$2.5 million dedicated to supporting worker cooperatives and real estate investment cooperatives through Nexus Community Partners.
Result 3: Saint Paul residents live in <b>stable, accessible, fair, and equitable housing market</b>	<b>Fair Housing</b> goals include increasing housing access; decreasing housing displacement; and affirmatively furthering fair housing.
Result 4: <b>Families with children in Saint Paul have a city that cares about their future</b>	<b>CollegeBound Saint Paul:</b> Universal college savings accounts starting with \$50 at birth; 15,000+ children enrolled with \$3.2 Million saved in accounts
Result 5: Saint Paul residents are <b>engaged in public decision making</b>	<b>Financial Empowerment Community Council</b> & approach to work

# OFE Team!



**Faith Dietz**  
Fair Housing Coordinator



**Andrei Hahn**  
Data Management & Customer  
Service Coordinator



**Kaz Hover**  
CollegeBound  
Program Manager



**Ikram Koliso**  
Interim Director



**Dennis Walsh**  
CollegeBound Elementary  
Coordinator



**Kasey Wiedrich**  
Financial Capability Program  
Manager



**Mai Yang**  
Shared Ownership Coordinator



**SAINT PAUL**  
**MINNESOTA**

**STPAUL.GOV**



## 2025 Budget Request

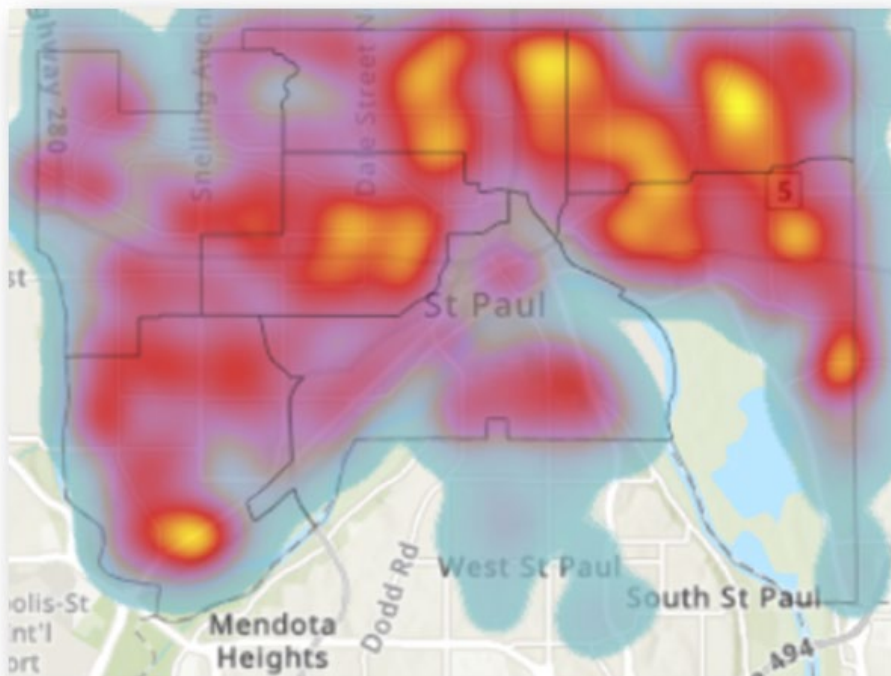
- OFE is part of OFS
- Change for OFE in the 2025 budget is moving two employees to the General Fund from the Grant Fund
  - Financial Capability Program Manager (\$138,042)
  - Shared Ownership Coordinator (\$68,541)
- Today's Focus
  - OFE highlights and updates



# 15,200+ babies enrolled in

**CollegeBound**  
**SAINT PAUL**

*Pathways for Every Child, Family and Future.*



**Total Savings**  
**\$3,200,000+**  
**Including Seeds, Bonuses &  
Family's Savings**

**Largest Single Account**  
**\$12,000+**

**Launch of CollegeBound Elementary as  
oldest participants entered Pre-K this fall!**



## Impact of CollegeBound & CSAs

- **Total enrolled: ~15,200** participants
- **Total savings: \$3,200,000**
  - *Seed deposits: \$760,000*
  - *Other savings: \$2,440,000*
- **Average Account: \$215**
- **Most saved in a single account:** over \$12,450

### San Francisco's Kindergarten to College Preliminary Results

#### K2C STUDENTS OVERALL



**6%** More Likely to Enroll in College

#### AMONG UNDERREPRESENTED STUDENTS



**12%**  
Increase in  
College  
Enrollment



**30%**  
Enrollment  
Gap  
Closed



**7%**  
Higher  
On-Time  
Graduation Rate



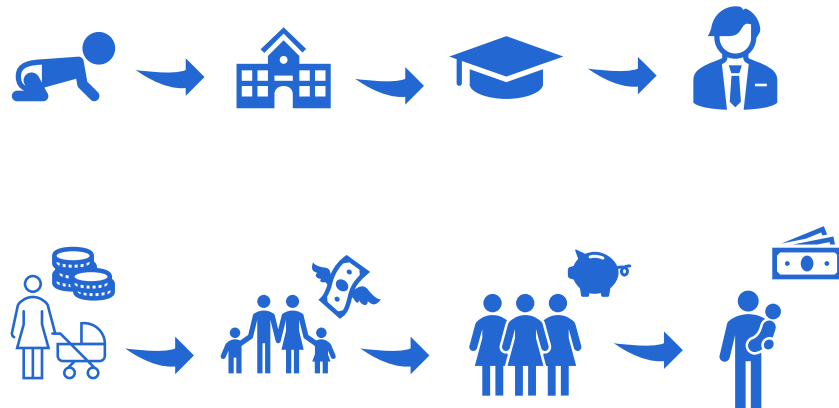
# Beyond the initial deposit..



*Pathways for Every Child, Family and Future.*

## CollegeBound Saint Paul focuses on:

- Cradle-to-career supports and milestone bonuses for participants
- Whole family financial health supports
- *Guaranteed Income Programs*







# Community Embeddedness

- Family Deposit Day at Bremer Bank – Quarterly
- Money Action Day – Annually
- Community Baby Shower – Annually
- Enrollment & Referral Partners (e.g. WIC)
- Community Ambassadors Program







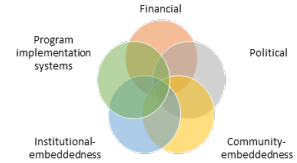
# Supporting ecosystem for CSAs to thrive

## MinneKIDS State Grant roll-out

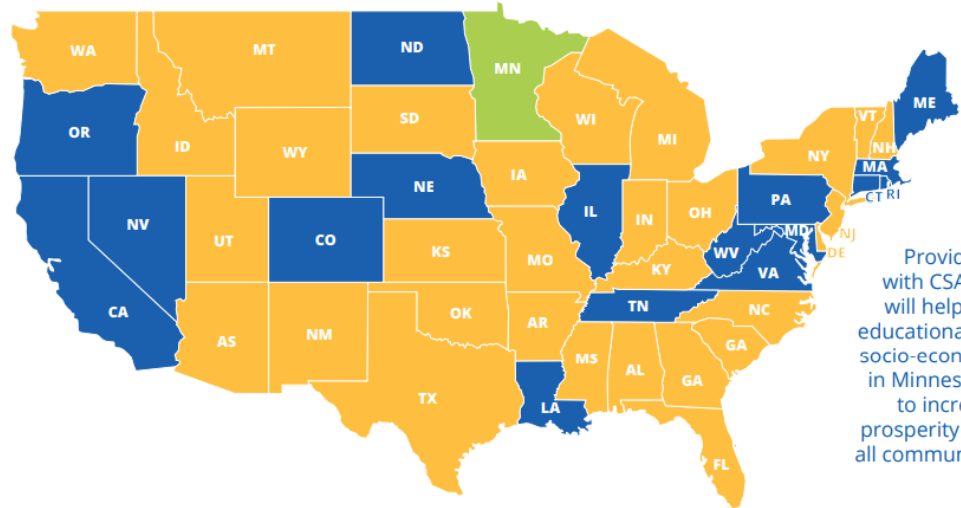
Youthprise selecting 4 new CSA programs for design grants:

- 1) Hennepin County
- 2) Central MN
- 3) Northfield

OFE providing TA & Coaching



## Pathways to a Minnesota Children's Savings Account Program



Providing families with CSAs statewide will help to increase educational, racial and socio-economic equity in Minnesota, helping to increase shared prosperity throughout all communities across the state.



CollegeBound<sup>+</sup>  
SAINT PAUL

# ELEMENTARY BLUEPRINT

2024








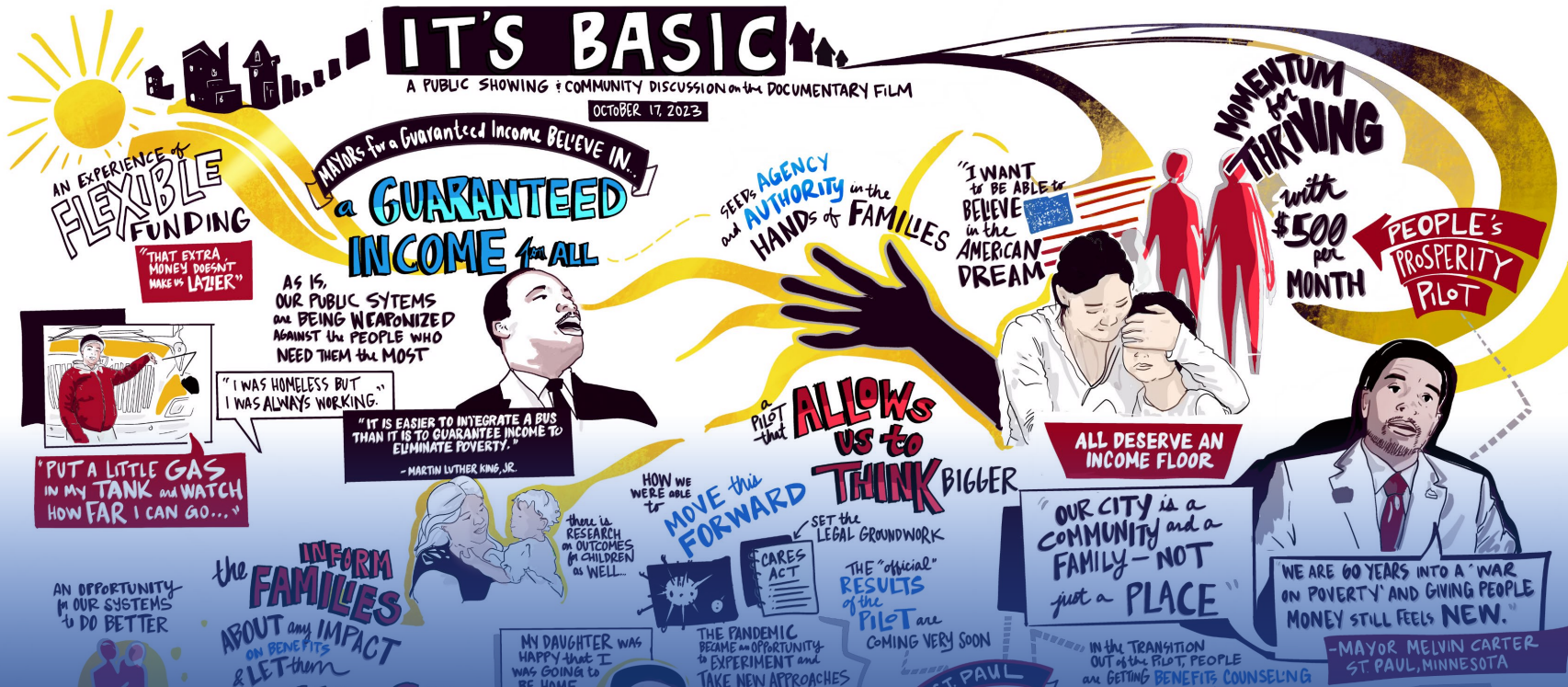
## CITYWIDE COLLEGE-GOING CULTURE

The hallmark of this Collegebound Saint Paul Elementary Blueprint is building a citywide college-going culture. A culture is made up of prompts, cues, practices, activities, conversations, and other signals that set high aspirations, expectations, and hope for life beyond high school for each Saint Paul child. Everyone plays a role in cultivating a college-going culture that is an all-hands-on-deck, community-wide duty cultivated in the schools, in the community, and at home.

*During elementary, the CollegeBound Saint Paul approach will contribute these elements to the citywide college-going culture:*

IMPACT	ELEMENTARY STRATEGY OUTCOMES			
REACH	College Savings Accounts	College & Career Readiness		Whole Family Wealth Literacy
				
	SAVINGS	COLLEGE-GOING CULTURE		WEALTH LITERACY
15,600	\$350	35	25	20
Children will be impacted by CollegeBound Saint Paul elementary strategy by 2030	in potential CollegeBound Saint Paul program-offered CSA deposits during elementary <i>Nearly \$3 million in additional deposits made by CBSTP</i>	College-going prompts for elementary children	College-going prompts for elementary caregivers	Wealth Literacy learning opportunities for children and caregivers





# Supporting Family Wellbeing through Basic Guaranteed Income

## City of Saint Paul



# CollegeBound Boost

Demonstration to test providing CollegeBound Families with:



## Guaranteed Income

**\$500** a month  
x 24 months

## Asset Building

**\$1,000** in  
quarterly  
CollegeBound  
deposits

## Eligibility

### Residency

Current Resident of Saint Paul

### Income Eligibility

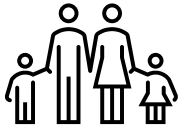
At or below 300% of federal poverty guideline



Saint Paul families with child born on or after January 1, 2020

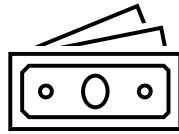


# CollegeBound Boost Targets



**Group  
1**

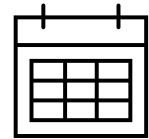
**333  
Families**



**\$500  
Per  
Month**



**\$1000  
CollegeBound Deposits**



**24  
Months**

**Group  
2**

**334  
Families**

**\$1000**

**CollegeBound Deposits**

**12  
Months**

**Control  
Group**

**333  
Families**

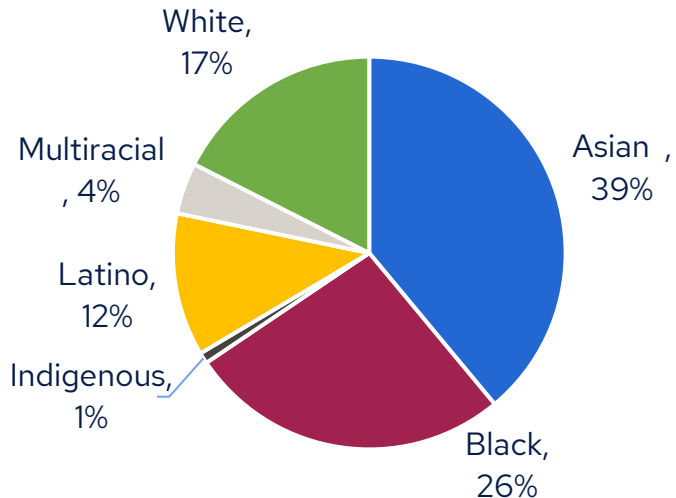
**\$50 + Bonuses  
CollegeBound Deposits**





# Demographics of CollegeBound Boost Guaranteed Income + Progressive Deposits Participants

## Race & Ethnicity, CollegeBound Boost Guaranteed Income



Disbursed as of November 15

**\$3,504,000**

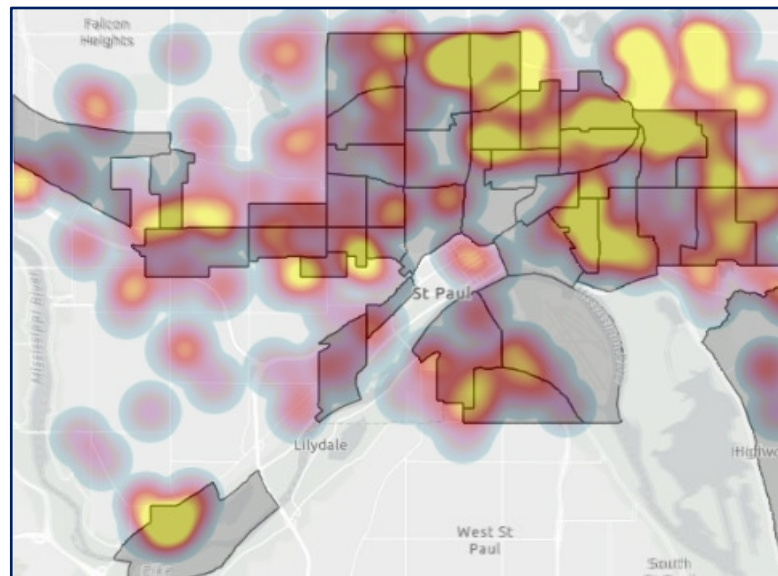
Direct Cash Payments

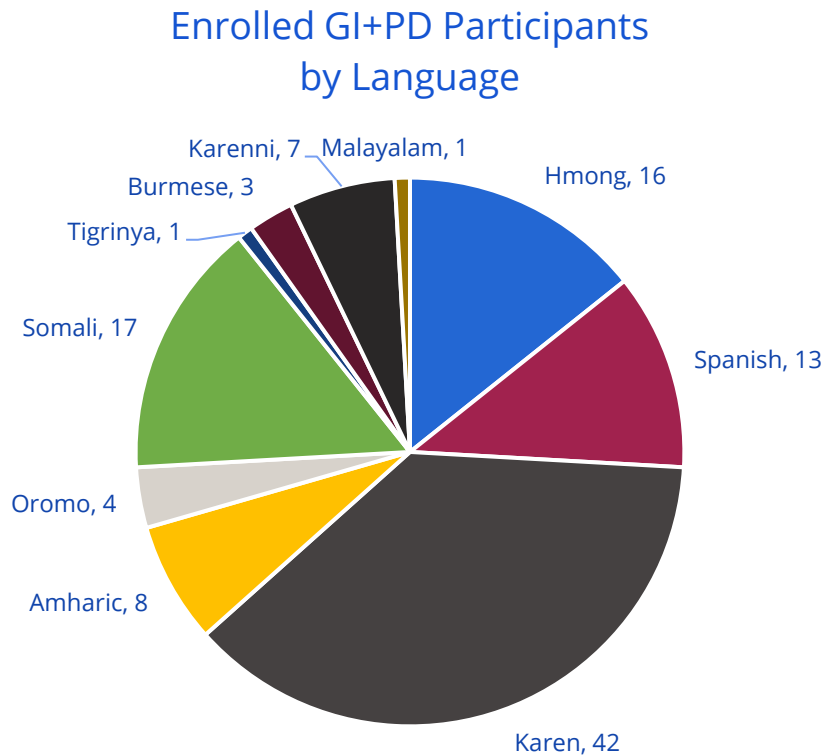
**\$790,000**

Progressive  
CollegeBound Deposits

**34%**

**of Participants enrolled in a  
language other than English**





**1583**  
**individuals**

952 children, 631 adults

**34%**  
**of Participants enrolled  
in a language other than  
English**



# CGIR Research PPP Key Findings



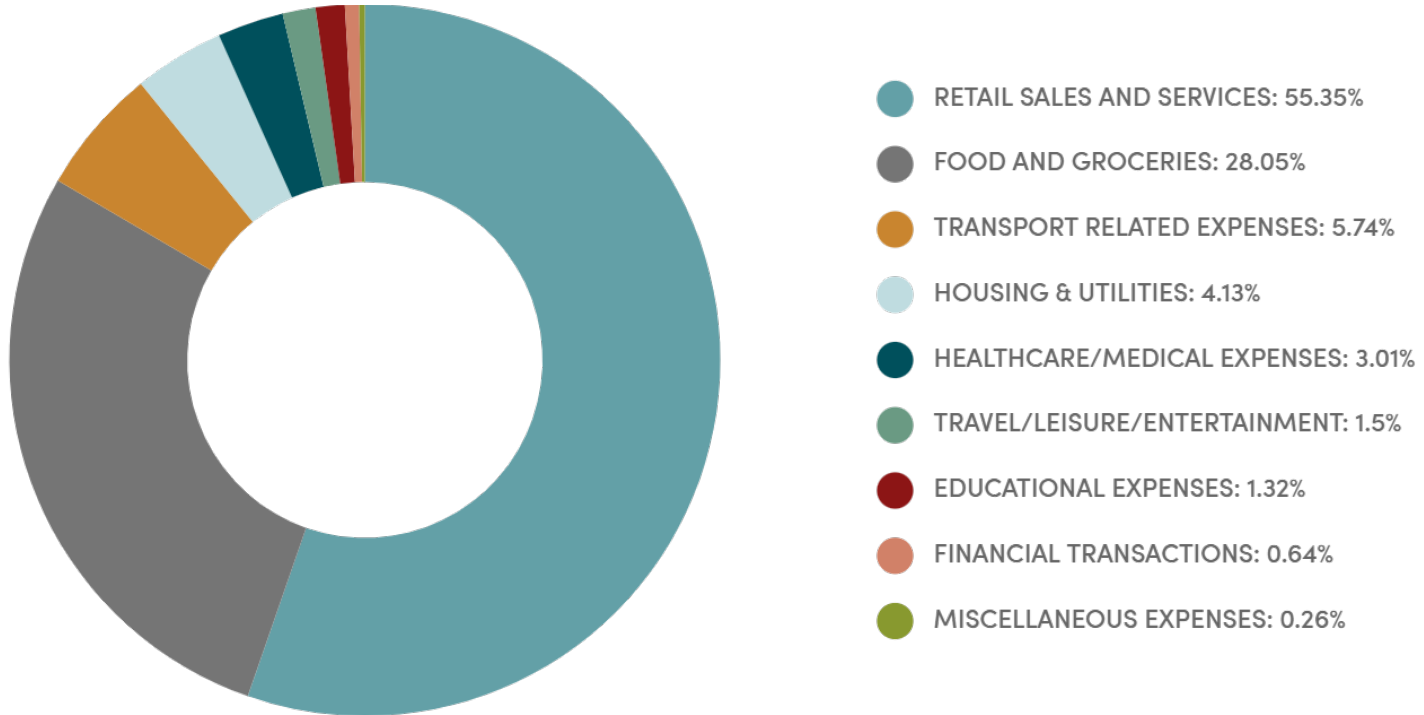
CENTER FOR GUARANTEED  
INCOME RESEARCH  
Social Policy & Practice  
UNIVERSITY of PENNSYLVANIA

- Financial well-being health improved or stable while receiving the payments, but declined after payments stopped
  - Ability to cover \$400 expense, save over \$500, income volatility
  - Few symptoms of anxiety or depression & stable physical health
- There was an increase of 7 percentage points in participants transitioning to better quality homes during the guaranteed income program.
- Other outcomes persisted even 6 months after payments ended
  - Number of people employed increased from 49% at the beginning of the pilot to 63% six months after the program ended.
  - Feelings of high hope progressively increased throughout the study from 15% at baseline to 21% at the end of PPP and 22% six months after PPP ended.

“One of the issues with food stamps is it doesn’t buy winter boots. And so you can have all this food, but you don’t have money for winter boots ... what I do like about [PPP], is it gives people a little bit more freedom and flexibility with very low, um, administrative costs for them to use the money on what they feel is best.”



# Spending Data from PPP Participants





STPAUL.GOV

CITY OF SAINT PAUL

# LOCAL Fund: Worker Ownership and Community Ownership Programs



## What is the LOCAL Fund?

### Issue, Response, & Goals

COVID-19 has exacerbated historical disparities in business and real estate ownership. The **LOCAL Fund** (the Fund) comprises of two programs: Community Ownership program and Worker Ownership program. The Fund uses shared-ownership models to increase local ownership of businesses and properties, and create a resilient and equitable economy, **building community wealth** in Saint Paul, particularly in areas that have been historically disadvantaged. This will give community members a voice and an economic stake in their workplace and/or neighborhood commercial developments. The LOCAL Fund will retain and grow businesses and jobs while increasing local ownership of businesses and commercial real estate in Saint Paul.

ARPA Investment: \$2,500,000.

Program Administrator: Nexus Community Partners





### Definition of Community Wealth Building

- We are going to build just and equitable communities by:
  - promoting local and broad-based ownership
  - lifting up cooperative and culturally-based economic practices
  - influencing economic policy and investment decisions.
- Community wealth is guided by a set of values and principles rooted in equity, culture, mutuality and stewardship. It is driven by the belief that economic systems must shift away from extractive models towards strategies that build regenerative local economies.

Definition courtesy of Nexus Community Partners





## LOCAL Fund: Community Ownership program

**Budget:** \$1,250,000

- **Aims** to achieve healthy and sustainable neighborhoods by acquiring, demolishing, and/or rehabilitating vacant properties, an issue exacerbated by enduring negative economic impacts of the pandemic.
- **Targets** commercial properties on the City's [vacant property list](#) that are also located within [HUD Qualified Census Tracts](#).



## LOCAL Fund: Community Ownership program

### Activities

- **Technical assistance** – will be provided to community owned entities to meet federal grant requirements and secure vacant commercial property.
- **Pre-development Assistance** – up to \$200,000 – will be available to qualified community-owned entities to cover necessary pre-development costs (e.g., architectural drawings, surveys, engineering studies, legal fees, environmental testing, etc.) needed for a real estate project to qualify for financing and proceed to closing.
- **Real Estate Awards** – up to \$500,000 – will be available to qualified community-owned entities to help with acquisition, demolition, and/or renovation of a vacant or abandoned building.
- **Community Ownership Grant Review committee** – up to 6 awards
  - Members include City staff, Nexus staff, and community members (5 members).
  - Committee will review and make decisions on grant requests submitted to Nexus for both predevelopment assistance and Real Estate Awards.



## LOCAL Fund: Worker Ownership program

**Budget:** \$1,250,000

- **Aims** to assist Saint Paul small businesses facing financial hardship due to the enduring negative economic impacts of the pandemic.
- **Focus** on the worker ownership model as an approach to mitigate the enduring economic impacts of the pandemic on small businesses.
- **Eligible** small businesses must be:
  - Located in a [Qualified Census Tract](#) **or**
  - Meet [SBA definition of a disadvantaged businesses](#), **or**
  - Face a financial hardship: decreased revenue or gross receipts, incapacity to weather financial hardship, challenges covering payroll, rent or mortgage or other operating costs, financial insecurity, or increased costs



## Role of the City with the LOCAL Fund

- **Office of Financial Empowerment**

- Lead project manager
  - Received funding from Living Cities to staff a worker and community ownership project manager role for several years
- Administer the ARPA funds (partner with partner intermediary; meet compliance requirements, in partnership with OFS-ARP Team)

- **Planning and Economic Development**

- Advisory: Broader alignment to PED strategies
- Connector: Referral to LOCAL Fund if learn a project fits
- Decision making table: Sit on the grant/loan selection committee

- **Worker and Community Ownership Workgroup**

- Launched in 2019; multi-department: OFE, PED, HREEO, CAO, Mayor's Office



# Worker Ownership Program Updates

**Budget: \$1,250,000**

- **Storehouse Grocers:**
  - Receiving TA for transition to worker-owner model (governance, financial projections).
- **Twin Cities Impact Cooperative:**
  - Incorporated cooperative; receiving TA on business operations.
- **The Improve Group:**
  - Working on application for emergency assistance grant.
- **Brake Bread:**
  - Applied for TA to transition to worker-owned cooperative. May not qualify for funding under LOCAL Fund.

\*Co-op Minnesota: Worker-owned rideshare model

- Partners: Nexus, MCCD, Rocky Mountain Employee Ownership Center, Drivers Cooperative Colorado.
- Seed grant from Bush Foundation; potential incorporation in Saint Paul to qualify for LOCAL Fund support.





# Community Ownership Program Updates

**Budget: \$1,250,000**

- **South Como Real Estate Investment Cooperative:**
  - TA on organizational structure, identifying commercial property.
- **East Side Real Estate Investment Cooperative:**
  - TA on organizational development, incorporation, business planning.
- **Taproot Real Estate Investment Cooperative:**
  - Ongoing TA scoping; involved in recent property purchase.
- **Midway Investment Cooperative:**
  - Exploring opportunities; scoping TA needs with LOCAL Fund.
- **Rondo Community Land Trust (RCLT):**
  - Potential grant to acquire commercial property in Rondo neighborhood.



# SAINT PAUL

## Shared Ownership Equity Summit



**Tuesday, October 8, 2024**

Neighborhood House at Wellstone Center  
179 Robie Street East  
Saint Paul MN 55107

[StPaul.gov/OFE](http://StPaul.gov/OFE)



Over 65 attendees  
from cross sector  
organizations!

## EVENT HOSTS



### City of Saint Paul

City of Saint Paul – Office of Financial Empowerment (OFE) was launched in 2019 with a mission to advance economic democracy that shares economic prosperity with all Saint Paul residents. Through our programs, OFE seeks to achieve the following results: 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, and 5) Saint Paul community members are engaged in public decision-making.



### Nexus Community Partners

Nexus Community Partners supports strong, equitable, and just communities in which all residents are engaged, are recognized as leaders, and have pathways to opportunities. The key to building more engaged and powerful communities of color lies in the dynamic relationship between authorship, leadership, and ownership.



### Project Equity

Project Equity is a national employee ownership nonprofit that seeks to expand employee ownership to preserve business legacies, retain jobs and help working people and people of color build long-term wealth. Project Equity envisions a future where employee ownership is the preferred business model to strengthen small businesses and local economies and build wealth for working people and communities of color across the United States.



### Living Cities

Living Cities is a member collaborative of leading philanthropic foundations and financial institutions committed to closing the racial wealth gap and building an economy that works for everyone. Living Cities' vision is that all people in US cities are economically secure, building wealth and living abundant, dignified, and connected lives.





WE BELONG TOGETHER

STPAUL.GOV

A photograph of a community event in front of a brick building. A woman in a red hijab pushes a stroller with two children. Other children are playing nearby. A blue tent with 'm COMMERCE DEPARTMENT' is on the left. The text 'WE BELONG TOGETHER' and 'STPAUL.GOV' are on the building facade.

# Emergency Financial Empowerment



# Emergency Financial Empowerment Project

- **Grant & Learning Community** from the Cities for Financial Empowerment (CFE) Fund
  - Purpose: Expand municipal infrastructure to support financial empowerment within emergency preparedness and response procedures
  - 5 Total Cities: Saint Paul; Dallas; St. Louis; Rochester, NY; Gainesville
- **Partnership between OFE and Emergency Management**



# Goals & Objectives for Project

- **Enhance financial stability for Saint Paul residents during and after a disaster/emergency event**
- In Learning Phase of the Project, Potential Areas of Work
  - Improve resident financial preparedness and recovery after an emergency through partnerships and potential initiatives
  - Integrate financial empowerment services into the local emergency response framework
  - Build public awareness on financial preparedness and available resources
    - Public Education Campaigns, Events
    - Resource Hub



# Medical Debt Reset Initiative

## St. Paul to wipe out medical debt for 32,000 residents



St. Paul Mayor Melvin Carter holds up a box of letters set to be sent to residents that will have their medical debts repaid during a news conference at the Capitol on Tuesday. ▲ Dana Ferguson | MPR News



**SAINT PAUL**  
MINNESOTA

STPAUL.GOV





## Overview: Medical Debt Reset Initiative

- Saint Paul residents hold an estimated **\$110 million** in medical debt that can qualify for cancellation.
- **Budget:** The City will invest \$1.1 million in one-time funding using American Rescue Plan funding to relieve up to the full amount of the estimated \$110 million in qualifying debt in the city.

**\$100:\$1 return-on-investment**  
for every \$1 invested, \$100 in medical debt is relieved



## Criteria: Medical Debt Rest Initiative

- **Low-income criterion:** Patient (or guarantor) household income between **0% and up to 400%** of Federal Poverty Guidelines,

**OR**

- **Medical debt burden criterion:** The medical debt being assessed represents **5% or more** of annual household income

\* \* \* \* \*

- **Residency requirement:** To use government funds, program recipients must be residents of Saint Paul; RIP Medical Debt can use other funds for non-residents, if needed and available



## Progress Update with First Purchase

- Approx. **40 million in debt abolished** in first batch – **Fairview Health**
- Total number of debtors: **32,361**
  - Average debt forgiven per debtor: **\$1,130**
    - Average debt forgiven per account: **\$268**
    - Average number of accounts per debtor: 4.23
- Largest debt forgiven for a single account: **\$104,972**
  - Largest aggregate debt forgiven for one person: **\$272,619**



# Established Partnerships & Next Steps

Program Facilitator



Health Systems to Engage



HealthPartners®





**Thank You!**