

# Office of Financial Empowerment

## 2022 Priorities & Budget Proposal



**SAINT PAUL**  
FINANCIAL EMPOWERMENT

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



## Proposed 2022 Budget

| General Fund |           |
|--------------|-----------|
| 2021         | \$569,711 |
| 2022         | \$507,982 |

\*No 2022 budget requests; 2022 reflects a reduction due to one-time spending in 2021

### Special Funds

MN Department of Education, MN Department of Human Services, PolicyLink, National League of Cities, Cities for Financial Empowerment Fund, Saint Paul Foundation, and 10+ local and national philanthropic partners



# Office of Financial Empowerment Results Framework

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

- Result 1: Saint Paul residents achieve **financial health**.
- Result 2: Saint Paul neighborhoods achieve **community wealth**.
- Result 3: Saint Paul residents live in **stable, accessible, fair, and equitable housing**.
- Result 4: **Families with children in Saint Paul have a city that cares about their future**.
- Result 5: Saint Paul residents are **engaged in public decision making**.



# OFE Strategy Levers

Program

Policy

System

Align  
Contributions  
/ Convening

Narrative /  
Awareness

Community-  
Solutions

Research

Funding

Something  
Else

# HOUSEHOLD FINANCIAL SECURITY FRAMEWORK

## NAVIGATE

Know how the financial system works and how to gather financial information and analyze choices to make beneficial financial decisions and manage household resources effectively

**Households need:**

- Timely access to relevant financial information, knowledge and skills, such as through financial coaching, financial education or counseling
- Educational and parental activities that build children's executive function from early childhood through adolescence

Financial management skills and owning assets can increase income

## LEARN

Acquire the basic skills, executive function and specific job skills needed to access quality employment

**Households need:**

- Quality early childhood and K-12 education
- Financing/support for postsecondary education (e.g., financial aid, Children's Savings Accounts)
- Job training and apprenticeship programs

## EARN

Earn sufficient income to cover expenses and save; may include wages, employer benefits, business income, public benefits, tax credits and investment income

**Households need:**

- Opportunities and support for acquiring education and job skills
- Available quality jobs and business opportunities
- Affordable, reliable services that facilitate work (e.g., transportation, child care, stable housing)
- Access to public benefits and tax credits

## SAVE

Set aside household income left over after meeting basic needs and paying down debt for emergencies and long-term savings for assets, college savings and retirement savings

**Households need:**

- Affordable and accessible financial products and services
- Incentive programs that help savings grow, such as CSAs and IDAs
- Income that is sufficient to meet basic expenses, with some left over

## OWN

Acquire a home, business, investments and/or other assets that help build financial security and wealth

**Households need:**

- Affordable options (e.g., subsidized housing, low minimums for investments)
- Access to affordable financing for mortgages and business loans
- Incentives/supports for asset purchases (e.g., downpayment assistance, tax benefits, IDAs)
- Preparation/skill-building prior to purchases (e.g., first-time homebuyer classes and business training)

## PROTECT

Protect—through insurance, consumer protections, financial service regulations and other services and policies—what households earn, save and own against loss of income or assets, significant expenses (e.g., high medical costs) and predatory practices

**Households need:**

- Access to affordable, quality insurance, including unemployment, disability, health and homeowners'/renters' insurance
- Policies that protect consumers and regulate financial services
- Access to services that help address financial emergencies (e.g., foreclosure prevention programs, emergency loans)



**5,000+** Saint Paul  
babies enrolled

**CollegeBound** +  
SAINT PAUL



# 2<sup>nd</sup> Annual Community Baby Shower

Eastside Family Clinic









# CollegeBound Saint Paul Ambassadors + Champions

[HOME](#)[ABOUT](#)[ENROLLMENT](#)[GET INVOLVED](#)[SAVINGS PORTAL](#)[BONUS](#)[HELP](#)[EN](#)

## Champions

Do you support the CollegeBound Saint Paul program and its vision? If the answer is "yes!" you are already a champion for the program!

### As a CollegeBound Saint Paul Program Champion:

- You will join the CollegeBound Saint Paul community of champions, ambassadors, and community partners to help strengthen our community
- You will support and endorse the program by sharing it with your community and networks
- Your name/logo will be on the CollegeBound Saint Paul website and program materials
- You will be invited to events and volunteer opportunities

Help strengthen your community. Sign-up to become a CollegeBound Saint Paul Program Champion today!

[SIGN UP](#)[CHAMPION'S LIST](#)[STAY CONNECTED!](#)



# National Field Building: College Savings Accounts

FEATURED NEWS 2021 NEWS

## Prominent Child Development Account experts outline a nationwide policy

By [CSD](#) • August 12, 2021



### The Case for a Nationwide Child Development Account Policy

A policy brief developed by CDA experts and researchers

Investing in children is fundamental for families, communities, and the U.S. economy. Child Development Accounts (CDAs), also called Children's Savings Accounts (CSAs), offer a proven and efficient model for investing in all children.

#### What Are Child Development Accounts?

CDAs build assets to ensure that early investments are available to all children. Experimental research documents that CDAs have large positive effects on savings for college, with the largest effects among households of color, lower incomes, and lower parental education. Additional research indicates that predicted household income and net worth are higher for adults who received financial support for college. Research also shows that children with college savings in their name—even if that amount

students who expect to go to college and also have identified savings to help pay for it are more likely to enroll in college and complete college.

In adulthood, people are more likely to save if they saved in childhood, and CDAs can connect children to assets such as retirement accounts, real estate, and other investments. CDAs help children avoid student debt, an important outcome since indebted college graduates accumulate less wealth than do graduates who never borrowed to finance their degrees.

#### Key CDA Principles for Achieving Scale, Success, and Sustainability

The designs and implementation of current CDA programs vary, but there is consensus that

Cisneros, J., Clancy, M. M., Elliott, W., III, Feinstein, A., Kanter, M., Karcher-Ramos, M., Kugler, C., Peachey, J., Quint, C., Shapiro, T. M., & Sherraden, M. (2021, August). **The case for a nationwide Child Development Account policy: A policy brief developed by CDA experts and researchers** (CSD Policy Brief No. 21-20). Washington University, Center for Social Development.



# CollegeBound Saint Paul

## Birth-to-Age 3 - Early Childhood Action Plan



### Priorities

- 1) Increase well-baby check ups
- 2) Increase access to high-quality infant and toddler care

*The New York Times*

## Moms Are Back to Work, But Child Care Resources Are 'Laughable'

Yearlong waiting lists, babysitters nowhere to be found, and families feeling the strain.

### Strengthening Household Financial Security + Job Access

Affordable childcare is defined as **7% of family income**.

### **Median Cost of Center-Based Infant Care in Ramsey County: \$17,992**

- **18%** median income for a married couple
- **30-50%+** of family income for other families
- **Least affordable rate in Minnesota.**



# PEOPLE'S PROSPERITY

GUARANTEED INCOME PILOT PROGRAM

**150**

**Families**

**18**

**Months**

**\$500**

**Per Month**

**\$180**

**CollegeBound  
Deposits**

(total over 18 months,  
not monthly)

**As of October 15<sup>th</sup>**

**\$1,000,000+**

**Cash Transfers**

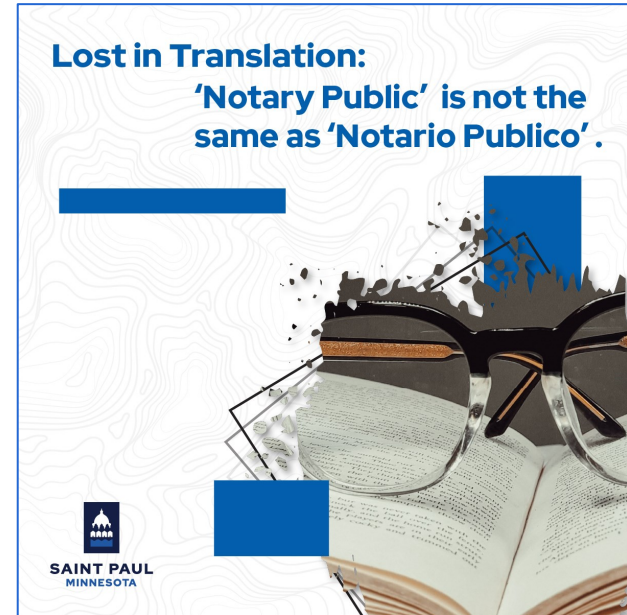
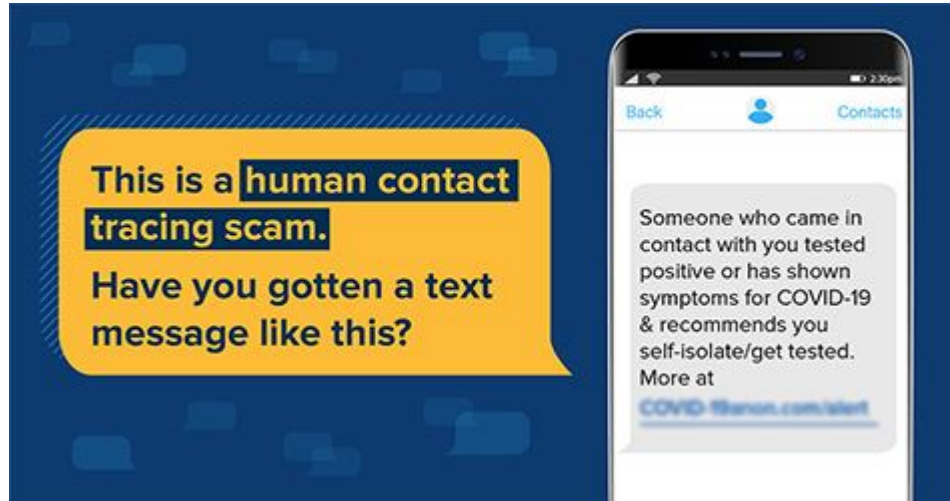




# Consumer Financial Protection Awareness Campaigns

NEWS

## Mayor Melvin Carter begins consumer protection planning for St. Paul, starting with focus on coronavirus scams





# Claiming Tax Credits

**FEDERAL CHILD TAX CREDIT  
MONTHLY PAYMENTS FOR  
FAMILIES WITH KIDS START ON  
JULY 15, 2021.**



Estimated ~\$7,500,000  
left unclaimed for ~2,500 Saint Paul



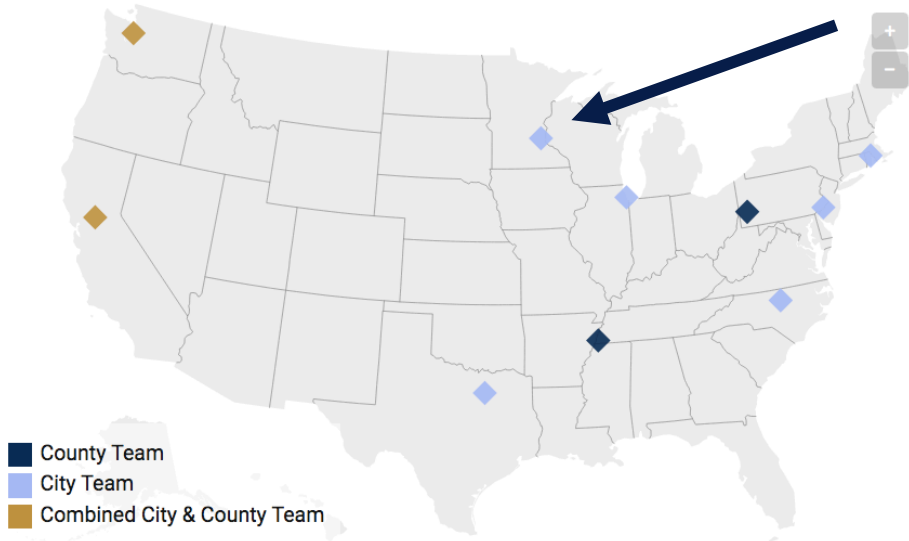
Estimated \$20,000,000 in EITC  
left on the table in Saint Paul



# Fines and Fees Justice

## Cities & Counties for Fine and Fee Justice

2020-2021 Cohort



**PolicyLink**





# Fines and Fees Justice



St. Paul's Snow Emergency System:  
Operation and Wealth Extraction

Prepared for the St. Paul  
Office of Financial Empowerment  
June 2020



## Fine, Fee, and Collection Relief for Businesses and Residents



TOWING AND STORAGE

### WHAT'S CHANGING?

☑ All towing and storage charges for vehicle owners reclaiming their cars from impoundment will be waived through May 6 for the snow impound lot and through May 8 for the Barge Channel.

## Stopping the Debt Trap: Driver's License Reform

Prevent **23,000 Saint Paul residents** from  
having their driver  
licenses suspended  
each year alongside  
**112,000 Minnesotans**

2021 Driver's License

### **SUSPENSION REFORM**

HOUSE FILE 336 (Becker-Finn) | SENATE FILE 432 (Ingebrigtsen)

#### Overview

**The Driver's License Suspension Reform bill:**

- Ends driver's license suspensions for failure to pay a traffic ticket
- Maintains the collections system for unpaid tickets and other court debt
- Eliminates the tacked-on suspension period after paying a fine for driving after suspension





# Fair Housing Goals

Saint Paul residents will achieve **stable, accessible, fair and equitable housing** if we can achieve our goals of:

Increase  
Housing  
Access

Decrease  
Housing  
Displacement

Affirmatively  
Further Fair  
Housing

Rooting Out Discrimination from Housing Market



# 2022 Fair Housing Priorities

1. **Recalibration on S.A.F.E. Housing Saint Paul Tenant Protections**
2. **Tenant and Landlord rental education** (Rights and Responsibilities)
3. **Fair Housing Testing and Enforcement**
4. **Finalize Fair Housing Equitable Results Plan**
5. **Returning Home Saint Paul Pilot** and scaling resources
6. Continued **collaboration with the regional Fair Housing Implementation Council** (FHIC)
7. **Rent Stabilization** (pending ballot)



**S.A.F.E.  
HOUSING**

**Stable, Accessible, Fair, & Equitable Housing**



# Returning Home Saint Paul:

## A Beyond Backgrounds Partnership



**Community-First Public Safety Initiative:** Residents who are physically, emotionally, and financially secure, with connection to community support, are less likely to become either an offender or victim of crime.

RHSP offers **20 residents returning to the community from incarceration:**

- **Housing navigational support for participants and landlords**
- **Supportive services and case management** with an emphasis on employment, education, and stability.
- **Financial support for application fees and security deposits**
- A **housing access fund** to provide reimbursement to property owners for potential expenses incurred that exceed normal wear and tear and the security deposit.



# Internal Consultation with City Departments

- **Increasing Access to Safe & Affordable Financial Products**
  - Parks: Youth Priority Accounts for Right Track – 100s enrolled in summer 2021
  - Libraries: Library Pop-Ups to sign up for checking & savings accounts
- **Embedding Fines and Fee Justice in the City**
  - Public Works: Upstream towing and impound lot
  - DSI/HREEO/CAO: Administrative citations → defining equitable fine + ability to pay
  - Libraries: Review of library fine elimination
  - Water: Troubleshooting inability-to-pay of water bills
- **Advancing Climate & Immigration Justice**
  - MO/WIB: Build Green Saint Paul
  - CAO: New American Loan Fund



## Internal Consultation with City Departments

- **Integrate financial empowerment strategies with county and nonprofit programming.** For example:
  - Filing taxes and securing earned income/child tax credit
  - Accessing safe and affordable financial products (getting unbanked banked)
- Advance **cooperative economic approaches** that anchor wealth in the community (e.g. worker cooperatives)
- Expand on **fines and fees justice** initiatives
- Continue to **explore and pilot efforts at the intersection of financial empowerment:**
  - **Climate and resiliency efforts**
  - **Immigration & refugee services**



# DUE TODAY: Financial Empowerment Community Council

## Apply now for the Financial Empowerment Community Council

The Office of Financial Empowerment is looking to partner with community members through the Financial Empowerment Community Council.

Apply online at [stpaul.gov/apply](http://stpaul.gov/apply).  
Application deadline: October 13.



**SAINT PAUL**  
FINANCIAL EMPOWERMENT



# Contact

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