



**Department of Consumer Affairs**  
Office of Financial Empowerment

**The Office of Financial Empowerment:  
Working with CDFIs to Serve  
New Yorkers with Low Incomes**

**May 8, 2008**

**Jonathan Mintz, Commissioner**  
**Cathie Mahon, Executive Director and Assistant Commissioner**



## NYC Department of Consumer Affairs (DCA)

*Established in 1969 to ensure a fair and vibrant marketplace...*

- MEDIATING and RESOLVING consumer complaints
- LICENSING 55 categories of businesses and maintaining high standards of fairness and public accountability
- ENFORCING the City's landmark Consumer Protection Law, and other related City and State laws
- EDUCATING New Yorkers about their rights as consumers and responsibilities as businesses
- LITIGATING against rule-breaking businesses

## Office of Financial Empowerment (OFE)



To *educate, empower, and protect* New Yorkers with low incomes so they can build assets and make the most of their financial resources

- Launched by Mayor Bloomberg in December 2006 as the first program under the Center for Economic Opportunity
- First local government initiative in the nation focused exclusively on anti-poverty and financial empowerment efforts for those with low incomes



## OFE's Mission

### *Educate*

- Coordinate education and large-scale public awareness campaigns
- Increase access and strengthen quality of financial education services

### *Empower*

- Research and develop safe and affordable banking and asset-building products and services, partnering with financial institutions

### *Protect*

- Protect workers with low incomes from unfair and predatory practices through targeted advocacy and enforcement



## Financial Education Network (FEN)

FEN is a dynamic network of government, nonprofit, financial, and industry sector partners working to:

- Improve the quality and accessibility of financial information
- Strengthen ties among New York City providers
- Enhance best practices and increase capacity
- Advance financial education policies



## FEN Key Components

- Research and disseminate innovative practices from the field, including an electronic list serv and ‘Promising Practices’ newsletter to launch in several weeks
- Strengthen provider capacity and quality, including through regular FEN Forums
- Coordinate large-scale public awareness campaigns on issues of personal finance connecting consumers to FEN services
- Refer consumers to FEN services through 311 and a searchable, online directory to launch on OFE’s website in May



## CDFI Membership in the FEN

- 13 CDFIs have chosen to be members of the FEN and 11 are listed in the online directory
- Course and service offerings from CDFIs include:

Credit and Debt Assistance  
Entrepreneurship  
General Finances  
Investment  
Money Management

Tax Assistance  
Bankruptcy  
Foreclosure Prevention  
Homeownership  
Savings

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## Welcome to DCA's Office of Financial Empowerment

*Educating, Empowering and Protecting New Yorkers with low incomes.*

Budgets, banking, loans and taxes are important pieces of the puzzle to understanding your money. DCA's OFE will show you ways to [Get](#), [Manage](#), [Save](#), and [Protect](#) your money, provide important information about [Debt and Credit](#), and help you [Find a Class or Counselor](#) so you can piece the puzzle together!



### HOT TOPICS

#### CFE

#### Mayor Bloomberg and San Francisco Mayor Newsom Launch the Cities for Financial Empowerment Coalition

Mayor Michael R. Bloomberg and San Francisco Mayor Gavin Newsom announced the launch of Cities for Financial Empowerment (CFE), a coalition of City governments seeking to expand the role of municipal government in improving the financial health and security of residents with low and moderate incomes. The CFE Coalition is co-chaired by the City of New York, led by DCA Commissioner Jonathan Mintz, and the City of San Francisco, led by Treasurer José Cisneros.

[» Read the press release](#)

[» Visit CFE online](#)



**hot  
off  
the  
press**

#### DCA's OFE in *The Economist*

DCA's Office of Financial Empowerment was recently featured in *The Economist* for its initiatives that not only promote increased financial education for all New Yorkers, but also provide unique financial products that fit the needs of New Yorkers with low incomes. DCA's enforcement efforts and OFE's initiatives were highlighted as unique ways City government is helping to increase financial literacy.

[» Read the article](#)

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**FIND CLASS/COUNSELOR**


Launched by OFE, the Financial Education Network (FEN) is a dynamic partnership of financial education providers. A cornerstone of FEN is an easy-to-search online directory of financial education classes, workshops, hotlines and one-on-one counseling services in New York City.

Please read more about the FEN directory before you begin your search.

[Search FEN directory](#) >>

**More about the FEN directory:**

Indexed by the OFE team, financial education offerings cover a variety of money topics to help you with your finances, from opening a bank account to saving for retirement. An overview of the Program Types is below.

**Class:** A class is a group session taught by an instructor. It involves meeting on a regular basis for a set amount of time, usually several weeks or months. In each class, the instructor may use presentations, activities and discussion to help you learn about financial topics. Classes may also involve homework and out-of-class assignments. Many of the classes listed in the directory are on a beginner's level, but there are advanced courses available. Be sure to ask the provider about any prerequisites before signing up for a class.

**Counseling:** Counseling involves a one-on-one meeting with a financial education provider. During your individual session, you may discuss a variety of financial topics and receive advice on developing and reaching financial goals.

**Hotline:** A hotline is a telephone number you can call for help with a specific financial issue. Many of the hotlines in the directory are staffed by legal and financial experts to answer your questions and some are even available 24 hours a day.

**Workshop:** A workshop is a group event taught by an instructor that focuses on a specific topic. Many workshops are one-time events, but some providers may offer a series of workshops.

Only organizations that meet the following requirements are included in the directory:

- Provided financial education or counseling in the past 12 months.
- Is an established nonprofit, for-profit, or government entity providing financial education or counseling at low or no cost.
- Is in compliance with all federal, state, and local laws and regulations.

**IMPORTANT:**

Please contact providers first to schedule a visit. Although OFE works with providers to ensure that listings in the Financial Education Network directory reflect accurate and current information, we strongly encourage you to contact providers directly to confirm program schedules and details.

To start your financial education journey, click [here to launch the FEN directory](#)

**SEARCH**

Select from any or all of the choices below. Then click the Search button to see which resources match.

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## Program Topic

- All
- Bankruptcy
- Credit
- Debt Assistance
- Entrepreneurship
- Foreclosure Prevention
- General Finances
- Getting a Bank Account
- Homeownership
- Investment
- Money Management

## Target Group

## Provider





## Financial Empowerment Center in Melrose

- OFE will pilot a one-on-one financial counseling center to be administered by the Phipps Community Development Corporation in Melrose, Bronx
- The project will explore the ability to partner with community organizations to provide reliable and accessible financial counseling with an eye towards scale
- Counselors will be trained to help with a variety of topics including managing credit and debt, basic banking, and access to affordable financial services and products

## 2008 EITC Coalition Campaign

- DCA spearheads the EITC Coalition Campaign to spread awareness about the EITC and *new* local Child Care Tax Credit while increasing access to safe and affordable tax preparation
- Multi-media campaign involving radio, television, newspapers, subway cars, bus shelters, McDonald's trayliners, a Yankees billboard on the Major Deegan Highway, and the distribution of 2 million brochures in 12 languages, including a citywide 'Leafleting Day'





# Opportunity NYC Starter Account

- Launched in September 2007 in conjunction with the Center for Economic Opportunity's conditional cash transfer program
- Partnered with eight financial institutions to offer safe starter account
  - No Minimum Balances
  - No Monthly Fees
  - No Overdraft
- \$50 incentive for using an account
- Preliminary data shows that at the start of the program 53% of Opportunity NYC participants were unbanked, and by the end less than 4% are unbanked (1,581 accounts have been opened to date)





## Opportunity NYC Starter Account

- 10 financial institutions are participating, including 7 CDFI members:

Amalgamated Bank

Bethex Federal Credit Union\*

Brooklyn Cooperative Federal Credit Union\*

Capital One

Carver Bank\*

CheckSpring Bank\*

Lower East Side People's Federal Credit Union\*

M&T Bank

Neighborhood Trust Federal Credit Union\*

Union Settlement Federal Credit Union\*



# \$aveNYC Club Account Pilot

- Building on the success of the EITC Coalition Campaign, OFE is piloting the \$aveNYC Club Account to help EITC-filers build savings
- The initial deposit is matched 50% after one year by the City of New York to help savings grow (maximum match of \$250)
  - High-yield, restricted account (no withdrawals for one year)
  - Deposits encouraged (automatic savings is available)
  - Easy to open an account and make deposits, but difficult to withdraw

Introducing ... **THE \$AVENYC CLUB ACCOUNT**

**Get Up to \$250 for Saving Part of Your Refund!**  
New Yorkers already know how easy it is to claim the Earned Income Tax Credit (EITC) and get extra money in their pockets. If you're the most hard-working New Yorker, you know how hard it can be to save. Now the City of New York wants to help.

When you open a \$AVENYC Club Account, and keep it open for one year, you will receive a contribution matching 50% of your initial deposit from the City of New York. That means for every \$100 you save, you'll have \$150 more at the end of the year! Contributions go up to \$250 to make saving easier.

Your Deposit	Match \$\$	Total Savings After One Year
\$100	\$50	\$150
\$200	\$100	\$300
\$300	\$150	\$450
\$400	\$200	\$600
\$500 or more	\$250	\$750 minimum

\*In addition, participating financial institutions will pay between 2% - 3% interest on your savings.

**The \$AVENYC Club Account is a special savings account being offered at select free tax preparation sites for a limited time.**  
The Department of Consumer Affairs' Office of Financial Empowerment (OFE) sponsors the New York City (NYC) Coalition Campaign, one in its fourth year. The Coalition—the nation's largest—includes more than 100 partners from the public, private, and nonprofit sectors all dedicated to helping eligible New Yorkers claim the refund for which the Department of Consumer Affairs' OFE is the lead program to be implemented under the Center for Economic Opportunity as part of Mayor Bloomberg's aggressive efforts to fight poverty in New York City.

**NYC** Department of Consumer Affairs  
Office of Financial Empowerment



## \$aveNYC Club Account Pilot

- 6 financial institutions were permanently on site at a VITA and participated, 5 of which are CDFI members:

Amalgamated Bank

Bethex Federal Credit Union\*

Brooklyn Cooperative Federal Credit Union\*

CheckSpring Bank\*

Lower East Side People's Federal Credit Union\*

Union Settlement Federal Credit Union\*

- Other program partners included NYCfNAC and East River Development Alliance (ERDA)



## Protection against Fraud and Deceptive Practices

- OFE coordinates with DCA's legal and enforcement resources to target predatory and misleading practices in financial services and tax preparation
- Advocates for enhanced regulatory oversight and consumer protections



## Cities for Financial Empowerment

- The Cities for Financial Empowerment, co-chaired by New York City and San Francisco, is a coalition of city governments seeking to expand the vision of what municipal government can do to create real pathways to financial stability for their citizens with low and moderate incomes
- Members include New York City, San Francisco, Seattle, San Antonio, Savannah, and Miami

<http://www.cfecoalition.org/>





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**[www.nyc.gov/ofe](http://www.nyc.gov/ofe)**

