

LOUISVILLE’S “CULTURE OF COMPASSION”

A Model for Community-based Financial Empowerment

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In 2015, I began my second term as Mayor of Louisville, Kentucky, by renewing our city’s vision, which includes the importance of financial empowerment for all Louisville residents. Our top three goals are to be:

- 1 A city of compassion.** We recognize that we are all interconnected, no matter what part of town we live in or what socioeconomic background we represent. Muhammad Ali, Louisville’s beloved native son, reminds us that, “In a competition of love, we all share in the victory.”
- 2 A city of health.** We recognize that health (physical, environmental, psychological, and financial) is the foundation for all else. We strive for every neighborhood to be safe and healthy and every family to be financially stable. Our citizens’ financial health directly affects the city’s ability to reach its fundamental goals related to improving job readiness, education, and the stability of neighborhoods;
- 3 A city of lifelong learning.** We recognize a culture that promotes continual learning and improvement is a culture that succeeds.

This vision is central to our identity as a community, and it continues to guide our work in financial empowerment. We are developing an integrated, community-wide system that considers the needs of our residents holistically in order to provide targeted assistance and resources that will help them achieve financial stability. This work requires that we integrate financial health strategies throughout city government. It necessitates new

outside partnerships and depends on connecting our local efforts with national ones.

INTEGRATING FINANCIAL EMPOWERMENT SERVICES IN AGENCIES CITYWIDE

At a time of shrinking federal budgets, coupled with the increasing demand for local governments to measure and justify public investment, Louisville Metro Government has sought innovative and effective solutions to help those in need. Leaders across multiple departments have embraced the goal of improving the financial stability of the residents we serve by promoting financial access, capability, and asset-building strategies. Our KentuckianaWorks one-stop career centers, Metro Parks and Recreation Community Centers, and the Department of Community Services have offered training for staff and clients to raise awareness around financial empowerment services. Our Human Resources Department models financial health by mandating direct deposit for all Metro employees, promoting Bank On Louisville's resources in our employee benefits' materials, and offering ongoing financial education opportunities at work. This integration of financial empowerment strategies, both internally and externally, produces better family outcomes and leads to a more efficient use of city resources in the long-term.

In an effort to increase access and use of our financial empowerment services, we have developed the capacity and confidence of our caseworkers. In 2011, Louisville Metro's Department of Community Services administered a grant from Living Cities, working with a dozen homelessness-prevention service providers to create a model to integrate financial empowerment into service delivery. That model continues to be replicated across other municipal assistance programs, including workforce development, public housing, education, and health care.

To further expand and professionalize the capacity of staff across agencies dedicated to financial empowerment, we launched a Community Financial Empowerment and Training Certification in 2014 with the support of PNC Foundation, the Center for Nonprofit Excellence, and Metro United Way. In the first year, 67 agencies participated, allowing 220 frontline staff to receive training on topics such as money management, behavioral economics, credit, and barriers to financial empowerment.

STRENGTHENING OUR WORK THROUGH LOCAL PARTNERSHIPS

We know we can help more residents achieve financial well-being, particularly those with lower incomes, by working with partners. One of our foundational collaborative efforts in financial empowerment began in 2010 with the Bank On Louisville initiative, which has helped more than 19,000 individuals connect to free or low-cost starter or “second-chance” checking accounts. Bank On Louisville also works in close partnership with the Financial Education Providers Network to increase access to financial education on a range of topics, including budgeting, debt reduction, credit-building, and financial goal-setting. Since 2011, more than 16,500 individuals have participated in these financial educational opportunities.

Other examples of local collaboration include the Family Economic Success (FES) initiative, composed of nearly 20 public, private and nonprofit agencies. FES partners work to empower individuals and families by providing the infrastructure to connect clients seeking financial assistance with the services they need. Organized by Metro Government, this network meets regularly to share referrals, coordinate services, expand resources, and identify gaps in services. FES also functions as the community advisory subcommittee for Bank On Louisville’s executive committee.

Our partners, including agencies in city and state government, Legal Aid Society, Goodwill Power of Work, Jefferson County Public Schools, and the Association of Community Ministries, increase our opportunities to serve citizens. Louisville Metro has also partnered with the Louisville Asset Building Coalition to expand free income tax preparation services through the city’s nationally recognized Neighborhood Place one-stop service centers and increase the use of valuable tax credits, such as the Earned Income Tax Credit.

Bringing resources to a convenient location provides dividends for many in our city. Each year, Louisville proudly hosts several community-wide events to bolster financial empowerment, such as Financial Fitness Day, which provides access in one location to multiple financial planning tools and strategies. We partner with the Financial Planners Association of Kentuckiana, which brings volunteer financial planners to meet one-on-one with attendees, and we invite organizations such as Apprisen,

Legal Aid, ElderServe, Family Health Centers, and a local Social Security Disability Insurance law firm to participate.

Although connecting to the financial mainstream and building financial capacity are critical to financial empowerment, we know that it takes more than getting a bank account or attending a few beneficial seminars to reach that goal. It also requires additional job training and education. Our city's economic development team, Louisville Forward, focuses on bringing high-paying jobs to our area and ensuring our citizens receive the training needed for those jobs. One example is Code Louisville, a program created to close the skills gap and prepare the region's residents to succeed in high-paying technology jobs. The program offers free training in computer software coding. The program's success resulted in a visit by President Obama in early 2015.

CONNECTING LOCAL WORK TO THE NATIONAL FINANCIAL EMPOWERMENT MOVEMENT

Louisville's commitment to financial empowerment is rooted in our belief that local government can and should prioritize the financial well-being of its residents. We have seen firsthand how a vision, the right partners, and bold, innovative approaches create opportunities to connect our local work with national efforts.

In 2012, Louisville became the 12th member of the Cities for Financial Empowerment (CFE) Coalition, which currently consists of 14 cities that are home to nearly 21 million people. Those cities include Chicago, Hawaii County, Lansing, Los Angeles, Louisville, Miami, Newark, New York City, Philadelphia, Providence, San Antonio, San Francisco, Savannah, and Seattle. Member cities go beyond the traditional view of local government as providing basic benefits and services, to one that proactively works to help residents build assets and become financially empowered.

Multiple forums annually give mayors and administrators invaluable opportunities to teach and learn from one another, which helps us advance innovative financial empowerment initiatives both locally and nationwide. For example, the CFE is taking a leading role in implementing Bank On 2.0, a new effort to create a unified, national approach to delivering safe, affordable banking products and services to low-income

and underbanked people through municipal programs across the country. Because of this affiliation, Louisville has learned from peers on how to advance our work in areas such as youth summer employment, best practices for integration strategies, and engagement with national policy.

Louisville Metro Community Services is also part of the Assets & Opportunity Network (A&O Network), a national movement-oriented group of advocates, practitioners, policymakers, and others working to expand the reach and deepen the impact of asset-based strategies, facilitated by CFED. Through the A&O Network, we have opportunities to learn from peers and national experts about innovative approaches and to advance policies that expand economic opportunity. Through the A&O Network's Technical Assistance Fund (which was supported by JPMorgan Chase), Louisville's Community Services Department and Bank On Louisville partnered with the Credit Builders Alliance to develop a new financial education curriculum called Credit As An Asset. This curriculum is designed to: 1) provide residents with new information and tools to build or rebuild a good credit history; 2) help them think about their attitudes, behaviors, and current relationships with credit; and 3) help participants learn to select and use a credit product that fits their needs.

We're also leveraging other national efforts to empower our residents. For example, the National Disability Institutes' National Center on Leadership for the Employment and Economic Advancement of People with Disabilities sought out Louisville to pilot a program that works with service providers in the disability, employment, financial services, workforce, and asset-building arenas to identify opportunities to collaborate and help people with disabilities prepare for a brighter financial future. Another example is the city's participation in the WATER project, in partnership with the Louisville Water Company, in which families indebted to utility companies are offered a restructured payment plan, payment incentives, and a variety of financial empowerment services. The National League of Cities is leading this pilot study along with four other cities. Finally, Louisville was among the cities that worked with the Consumer Financial Protection Bureau in 2013 to develop their toolkit, *Your Money, Your Goals*, which trains social service staff to help clients learn financial decision-making skills and avoid missteps in choosing financial products.

Our city is on an exciting journey toward financial empowerment, among individuals, staff, and community-wide. National recognition for our efforts is a testament to the hard work of our community partners. Together, we have created meaningful, large-scale opportunities to convene organizations and individuals who are developing financial empowerment strategies to improve the lives of all citizens. We are witnessing a cultural shift; it is no longer enough to just help individuals and families through a crisis. We are now helping them to become financially stable for the long-term. By focusing on the financial health and stability of all our residents, we honor Louisville's vision to be a city of health, compassion, and lifelong learning.



***GREG FISCHER** was elected Louisville's 50th mayor in 2010 and was sworn in for a second four-year term in January 2015. He is committed to expanding jobs and creating a culture of innovation, entrepreneurship, accessibility, and transparency. Mayor Fischer was named a 2013 "Public Official of the Year" by Governing Magazine, the only U.S. mayor to earn the distinction. He is an entrepreneur who started several businesses, including SerVend International and Iceberg Ventures, a private investment firm.*