



Strengthen Residents' Financial Capability

LOCAL ACTION CHALLENGE FOR ECONOMIC MOBILITY AND OPPORTUNITY

Expand Access to Financial Education and Coaching

In today's financial marketplace, many local residents find it extremely challenging to navigate the complex financial services system, which includes both traditional financial institutions and an increasingly diverse mix of "alternative" providers. Online or mobile services and payday lending and check-cashing operations can strip workers and families of their assets through exorbitant fees and interest rates. The ability of residents to make informed judgments and effective money-management decisions while staying out of debt is an essential part of long-term financial security. Financial education, coaching and counseling can build these critical skills and help residents make the best financial choices for themselves and their families.

What does this look like in action?

In many communities, financial education, coaching and counseling services are available through community organizations, credit counseling agencies, local universities and other entities. Too often, however, city residents do not know where or how to access these services. Cities can

play important roles in coordinating the efforts of local providers and using diverse communications and outreach vehicles to promote available offerings, particularly in low-income neighborhoods.

For example, the City of Seattle and King County created the Financial Education Partners Network, bringing together numerous organizations that offer free financial education to residents across the region. The network makes the delivery of financial education more efficient and effective by reducing duplication of efforts, sharing resources and best practices and creating a quality standard that allows community organizations and financial institutions to refer their clients or customers more confidently to these services.

Action Steps

- 1** Identify financial education, coaching and counseling programs already operating in your community and reach out to sponsoring agencies.
- 2** Highlight the importance of financial skills and promote services that help residents stretch their dollars and avoid financial traps through public events, media, the city's website and other means.

- 3** Work with local partners to improve the quality of available services through training and sharing of best practices, and recognize providers that meet established quality standards.
- 4** Host one or more financial planning events for city residents, partnering when possible with an association of financial planners that is willing to offer free financial counseling.
- 5** Co-locate financial counselors in city agencies that serve low-income residents, such as workforce development and social service agencies.
- 6** Serve as a model for local employers by offering financial counseling to city employees as part of their city-sponsored benefit package.

For more information and resources:

Taking the First Step: Six Ways to Start Building Financial Security and Opportunity at the Local Level, National League of Cities and CFED, http://www.nlc.org/sites/default/files/users/user75/Taking_the_First_Step.pdf

Financial education resources from the Consumer Financial Protection Bureau (CFPB): <https://www.consumerfinance.gov/adult-financial-education/>

For More Information

Please visit
www.nlc.org/econmobilitychallenge

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