

DATE: August 2, 2012

SUBJECT: Meeting Notes: Age Friendly Banking: Building Pathways to Economic Security for Older Adults Through Bank On and Other Community Programs

### Attendees

Presenter: Sarah Meek, Program Manager, National Community Reinvestment Coalition (NCRC)

Sara Tribe, Policy Associate, NASUAD

Karl Cooper, Policy Associate, NASUAD

24 Callers representing 11 states, and DC

### Welcome

Ms. Tribe welcomed everyone to today's call, and introduced Sarah Meek, a program manager at the [National Community Reinvestment Coalition \(NCRC\)](#), who would be presenting on National Neighbors Silver, a multi-year campaign to empower, organize and support older adults with economic security through banking in their communities. Working with the banking industry, aging network and housing experts, National Neighbors Silver offers a platform for policy and program solutions to build economic security and preserve wealth for an aging America.

### Presentation: National Neighbors Silver

Ms. Meek began by discussing the RISE Foundation, which was founded in 1999 originally to increase public housing residents' economic self-sufficiency. Their mission is to: Empower low income residents to build and sustain financial assets. She discussed RISE's core programs, including: Save Up, Goal Card, Common Cents, and Step Prep. RISE partners with Bank On Memphis, which is a public-private partnership between Memphis & Shelby County government, financial institutions, and nonprofits, to encourage the unbanked (those who do not have bank accounts) to establish an account at a mainstream financial institution.

Bank On Memphis involves three major elements:

- Offer safe and affordable checking and savings accounts that serve the needs of the unbanked
- Launch an outreach and financial literacy campaign through community based organizations to promote banking and sound financial management
- Engage institutions that touch the unbanked and under-banked, such as employers, churches, public agencies, universities, & youth service providers to promote Bank On Memphis

She discussed the costs of being unbanked, and that people without a relationship with a mainstream financial institution have no opportunity to save money & grow assets. She provided the following example:

- Average Memphis wage earner with \$22,000 of take home pay spends in excess of \$1,000 annually cashing checks and buying money orders. This does not count the cost of driving to pay bills or time lost from work. They often must also use high cost alternative financial services like check cashers or prepaid cards

Some reasons why the unbanked remain that way:

- They believe they don't have enough money, and there is a lack of trust with financial institutions
- They fear the cost of overdrafts; and are uncertain of fees and expenses for account
- They have had a bad prior experience; difficulty in getting problems solved
- Those who are paid in cash are largely unbanked

The demographic of unbanked people often includes:

- 18-34 yr old workers with incomes of \$15,000-- \$ 40,000
- Education < HS; HS Grad; Some College
- Renters, cell phone users
- Latinos

Their implementation plan included community partners, financial educators, public sector champions, participating financial institutions and a unique outreach strategy.

This outreach strategy included:

- Website [www.bankonmemphis.org](http://www.bankonmemphis.org)
- Event Presence – go to where the unbanked are, including:
  - Car Shows ; Sports Events; Music Events
  - Church Fairs; Community Events

The effort has faced market challenges, such as potential clients being uncomfortable or intimidated; prevalence of prepaid cards/payroll cards and other contenders like the Wal-Mart Bank; immigration status concerns and the environment of increasing transaction fees.

Lessons learned include:

- Banks don't play well with others, and each is different: big vs. small & bank vs. credit union
- Need strong community champion for example, the mayor
- Willing and capable nonprofits are overtaxed and under resourced
- Need someone to make it happen at the ground level day to day

### **Older Unbanked/Under-banked Profile:**

African Americans and Hispanics are disproportionately represented among older unbanked population (AARP Public Policy Institute, "A Portrait of Older Unbanked and Under-banked Customers", 2010)

- Half had incomes of < \$25,000
- 76% of those 65+ had a checking account, but 24% did not.
- Lower income ...less likely to have a checking account.
- 47% of under-banked African Americans 65+ had a checking account; 53% did not.
- Primary reason given for not having an account "not enough money to be useful"

National Neighbors Silver is a multi-year campaign to empower, organize and support Economically vulnerable older adults. Combining advocacy, organizing and direct service, the campaign promotes access to responsible banking services and affordable, fair housing for older adults. Working with the banking industry, aging network and

housing experts, National Neighbors Silver offers a platform for policy and program solutions to build economic security and preserve wealth for aging America.

- National Community Reinvestment Coalition – bridging networks and building on expertise
- A multi-pronged approach – organizing, advocacy and direct service
- Defining age-friendly banking – identifying better banking practices for older adults
- Organize and empower economically vulnerable seniors;
- Bridge distinct networks in housing, banking and aging;
- Train organizations on fair housing and fair lending for older adults;
- Reach low-income seniors with housing counseling support; and
- Promote responsible banking and adequate housing for seniors.

Through partnerships with banks, non-profits, government and consumers, NCRC will define “age-friendly banking” – a standard that includes a uniform package of services and products financial institutions can offer to help seniors navigate today’s economy.

- Affordable financial management
- Community engagement
- Protection from financial abuse
- Loan products to facilitate “aging in place”
- Affordable housing development for low-income seniors
- Philanthropic support for aging services and advocacy
- Accessible branch and online services

NCRC is also creating new tools for Community Reinvestment Act (CRA) advocates.

CRA defines the kinds of activities – like loans, financial literacy classes, low-cost accounts, and more – that count towards meeting a banks’ obligations to the community. With your help, NCRC will define how banks can responsibly serve economically vulnerable older adults. Together, we will identify the best banking practices for older consumers. Based on your input, NCRC will create a new tool called age-friendly banking.

You can stay involved and participate in the effort:

- Contact our community-based partners and join up!

- Participate in national webinars.
- “Like” our movement online: @NCRC
- Join our mailing list.
- Contact Sarah Meek at: [smeek@ncrc.org](mailto:smeek@ncrc.org) or 202-464-2734

### Q & A

Q: Can adults who are aging in place benefit from this program?

A: If there is an older adult housing group interested in this program, NCRC can connect them with the program. Ms. Meek provided an example of a group in Minneapolis working with voter registration, and banking-related issues.

Q: If someone is living in a private home, and not affiliated with this program, can you help them?

A: Any individual can get help by contacting me via email, calling me, or by attending the webinars that we will be holding in the fall.

Ms. Tribe thanked Sarah Meek for her presentation, and the participants for their time.