

# Building Economic Security in America's Cities

## New Municipal Strategies for Asset Building and Financial Empowerment

### 12 Key Roles for Local Government

Municipalities can and do play unique roles in advancing household financial stability and helping to bring the best practices incubated through nonprofits to greater scale. The following are a dozen value-added roles CFED has identified that municipal governments can play that provide critical capacities to the field.

#### **CHAMPION**

City officials can leverage the public spotlight and “bully pulpit” in order to promote and add legitimacy to municipal financial empowerment efforts. Mayors and council members attract media attention and can facilitate the dissemination of program information to the public through press conferences and local media.

#### **CONVENE**

Cities have a unique ability to bring together and coordinate the work of diverse actors and organizations in the community toward a common cause. By taking advantage of existing working relationships, or by engaging businesses or nonprofits that have a vested interest in residents' financial security, city officials and staff can facilitate cooperation.

#### **PERSUADE**

City officials can use their influence as policymakers, customers and employers, along with other incentives such as positive publicity and/or access to new customers to persuade local actors to engage in certain activities.

#### **COMMUNICATE**

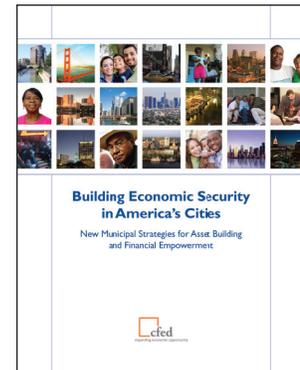
Cities can spearhead public awareness and social marketing campaigns that inform residents about opportunities and rights related to financial products and services, information and consumer protection.

#### **CONNECT**

Cities can connect residents directly to resources through marketing and referral services and can leverage general information services like 311 and citywide directories.

#### **LEGITIMATE**

City involvement in financial empowerment efforts has a powerful legitimizing effect for residents. City oversight and/or involvement increases the credibility of programs targeted to lower-income citizens and therefore increases uptake of programs and services. For many people, a clear message



that the city's "stamp of approval" has been given to a financial product or a service provider reduces personal risk and fosters trust and willingness to utilize new products or services.

## **INTEGRATE**

Cities can integrate financial empowerment work across agencies by embedding financial education, services and products into existing programming.

## **SUSTAIN**

State and federal grants directed to local governments, as well as available municipal general fund revenues, provide opportunities for municipalities to fund financial empowerment programs. Several federal grants are distributed through the U.S. Department of Housing and Urban Development – namely through the Community Development Block Grants, the HOME Investment Partnership Program and the American Dream Downpayment Initiative. These grants provide a natural vehicle for municipal governments to promote asset-building work.

## **PILOT**

Cities are prime testing-grounds for innovation in public programs and policies. By engaging in asset-building work, municipalities create an environment of experimentation which leads to greater innovation in the field.

## **EVALUATE**

City representatives are both accountable to their citizens and know that data is necessary for expansion of programs beyond initial pilot phases. Although relatively few cities are now actively engaged in rigorous evaluation of pilot programs, there is considerable interest and desire to evaluate their innovative work. Likewise there is uniform acknowledgement that amassing evidence about the kinds of strategies that are effective is critical to move any initiative to scale.

## **REGULATE**

While cities' legislative powers are more limited than those of states, municipalities can enact local legislation, called ordinances, for such local issues as zoning, taxation, budget decisions, capital improvements and department organization. In addition, cities can exercise their existing powers of enforcement to curb abusive lending practices and improve local consumer protections.

## **ADVOCATE**

Municipal-level lobbying of state and federal lawmakers is another avenue for improving economic opportunities for city residents. Given the abundance of state- and federal-level policies impacting local asset building and economic security, city-official lobbying of legislators can have low-cost and high-impact potential. Cities doing innovative financial empowerment work have an important role to play in advocating for new and effective policies at the state and federal level.