

Bank On Boston

Economic Mobility through Banking Access in Boston

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December 6, 2017

1. Introduction
2. Overview of City of Boston Mayor's Office of Financial Empowerment
3. Brief History of Bank On Movement and Cities for Financial Empowerment
4. Overview of City of Boston Mayor's Office of New Urban Mechanics
5. Launch of Bank On Boston
6. Review of Cities for Financial Empowerment National Account Standards
7. Next Steps for Bank On Boston
8. Questions and Group Discussion



Martin J. Walsh
Mayor

*As Boston approaches its
400th birthday, our goal is a
thriving, healthy and
innovative city for all; one
community that is a global
leader for the 21st century.*

City of Boston's Goals

(From *Imagine Boston 2030*)

Managing Growth
Increasing Equity
Improving Resiliency



MAYOR MARTIN J. WALSH,
CITY OF BOSTON

ECONOMIC

INCLUSION

+ EQUITY

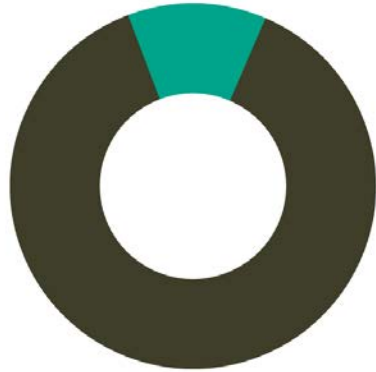
AGENDA





Mayor Martin J. Walsh's Office of

**FINANCIAL
EMPOWERMENT**



Cities for
**FINANCIAL
EMPOWERMENT**
Fund

THE MAYOR'S OFFICE OF
**NEW URBAN
MECHANICS**

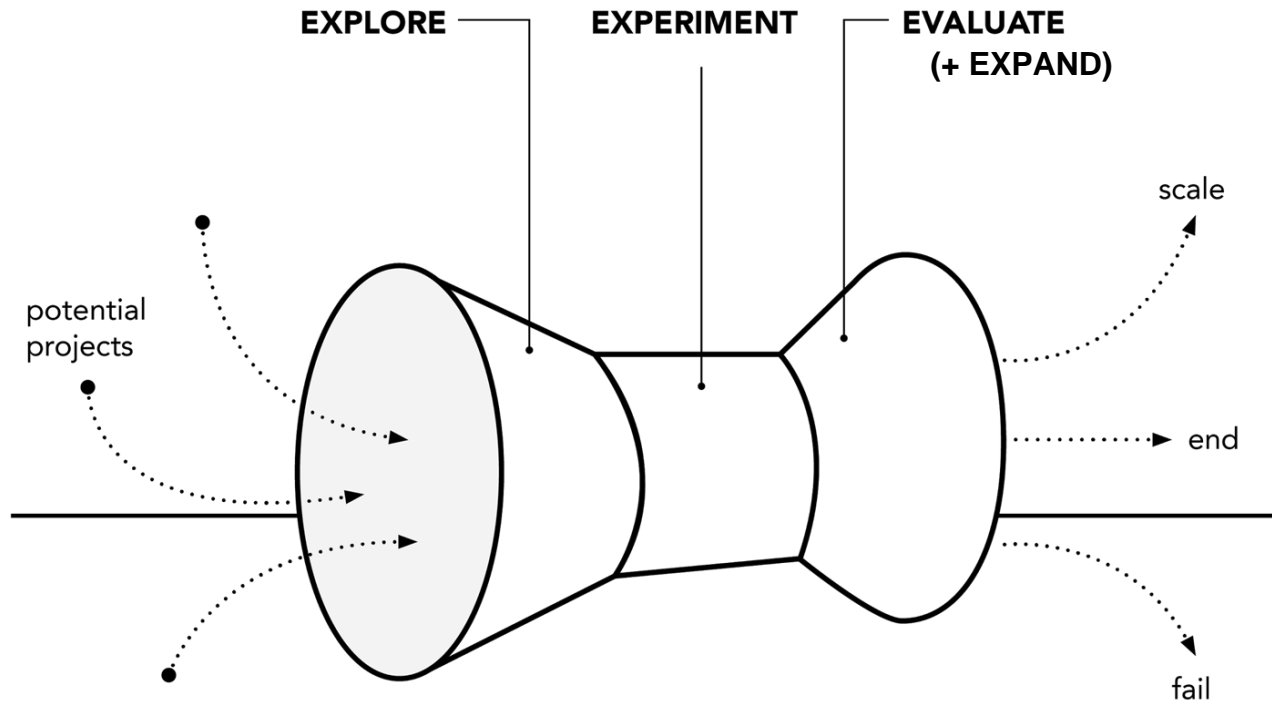


BOSTON

**Making civic life more meaningful for more people through
innovation.**

It's not about apps. It's about values-driven innovation.

This is how we do it...



Scope of Work –Project Examples

Streets	Housing	Engagement	Education	Economic Mobility	Third Spaces
Autonomous Vehicle Testing	Additional Dwelling Units (ADUs)	Civic Media Research Consortium	Discover BPS	Boston Saves	Public Space Invitational
Boston's Safest Driver	Urban Housing Unit Roadshow	BOS: 311 App and City Worker App	Boston Area Research Initiative	Bank On Boston	Block Quotes
Smart Streets and Smart Parking	Housing Innovation Competition	City Hall to Go Truck	Where's My Schoolbus?	Boston Civic Media Consortium	Pulse of the City
Performance Parking Pilot	Density Bonus Pilot	Participatory Pokemon Go	Safeboard	Youth Lead the Change	Parklets
LED Street Signs	Community Land Trusts	Community PlanIt	Lunch on the Lawn		City Hall Plaza and Lobby
Vehicle Sideguards		Adopt-a-Hydrant			Soofa

5 LESSONS

1. *How You Build* is Just as Important as *What you Build*
2. Build Things That People Want and/or Need
3. Use Technology to Build Compassion
4. Be Prepared to Challenge People's Instincts
5. Be Delightful!



BankOn
Boston

Why Bank On Boston?

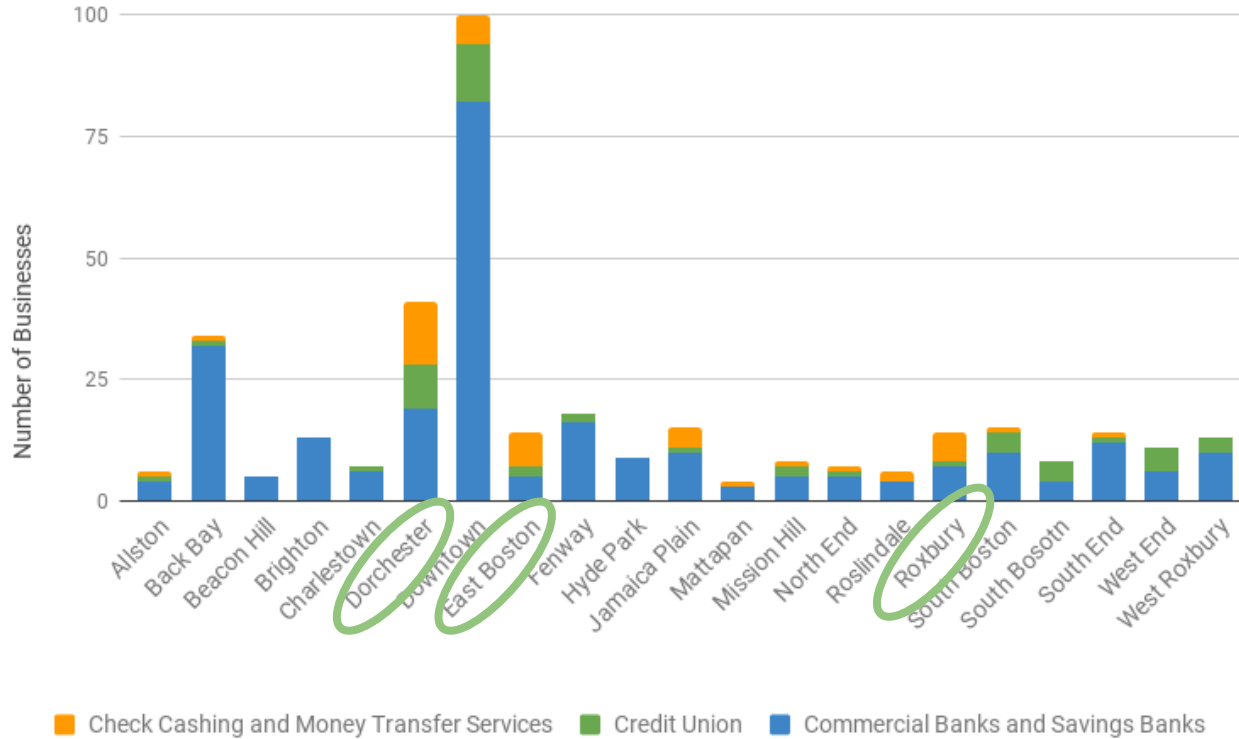
In Boston, approximately 10% of households are unbanked and 20% of households are underbanked.

Based on typical fees at check-cashing locations, a household with an income of \$30,000 per year can spend up to \$2,400 annually simply cashing their paychecks.

This financial challenge disproportionately affects low-income families in Boston and nationwide.

Boston has 45 check-cashing locations, and 26 (or 57%) are in Roxbury, Dorchester, and East Boston. Those three neighborhoods only have 31 (or 12%) of the city's 267 commercial bank branches.

Check Cashing Services, Credit Unions, and Banks in Boston, by N'hood



Boston has 45 check cashing storefronts, and **26 (or 57%)** are in Dorchester, Roxbury, and East Boston

Those 3 neighborhoods only have **31 (or 12%)** of the city's 267 bank branches

Benefits of a Safe Checking/Savings Account

- Cost Savings
- Asset Building
- Public Safety
- Time/ Convenience
- Financial Stability

Project Goals

- **Ensure** that all Boston residents have access to safe and affordable financial products and services
- **Empower** Boston residents to build wealth, and encourage economic mobility

Project Progress

- **Conducted** background research
- **Gathered** best practices and resident input
- **Analyzed** local data, identifying trends, and conducted site visits
- **Developed** program elements and key metrics for defining success
- **Built** a Bank On Boston Coalition and program launch plan
- **Announced** the program on October 25, 2017

Bank On Boston Coalition

- Boston Federal Reserve Bank
 - Federal Deposit Insurance Corporation (FDIC) Boston Alliance for Economic Inclusion (BAEI)
 - Massachusetts Community and Banking Council (MCBC)
 - Action for Boston Community Development (ABCD)
 - United Way of Massachusetts Bay and Merrimack Valley
 - City of Boston Department of Health and Human Services (HHS)
 - City of Boston Mayor's Office of Immigrant Advancement (MOIA)
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- Bank of America
 - Blue Hills Bank
 - Boston Private Bank and Trust
 - Brookline Bank
 - City of Boston Credit Union
 - East Boston Savings Bank
 - Eastern Bank
 - Santander Bank
 - Webster Bank

BANK ON NATIONAL ACCOUNT STANDARDS (2017–2018)

TERMS	STANDARDS
Core Features	
Transaction Account at Banking Institution	Checking account (including checkless checking); bank- or credit union-offered prepaid
Point of Sale (POS) Capability	Debit card/prepaid card
Minimum Opening Deposit	\$25 or less If not waivable: \$5 or less
Monthly Maintenance Fee	If waivable: \$10 or less; offer at least two options to waive fee with a single transaction (e.g. direct deposit with no minimum deposit, online bill pay or debit card purchase)
Overdraft or Non-Sufficient Funds (NSF) Fees	None, structurally not possible (e.g. via checkless checking)
Dormancy or Inactivity Fees	None
Customer Service	
Branch Access	Free and unrestricted
Telephone Banking	Free and unrestricted (including live customer support)
Use of In-Network ATM	Free and unrestricted
Use of Out-of-Network ATM	\$2.50 or less (not including local ATM fee)
Functionality	
Deposit Capability	Free in branch, at ATM, and direct deposit
Bill Pay by Customer	Free
Bill Pay by Financial Institution	Free if available, otherwise at least four free money orders and/or cashier checks per month
Check Cashing for Checks Issued by that Bank	Free
Online and Mobile Banking	Free
Banking Alerts	Free
Monthly Statements	Free paper (or electronic with consumer consent)
Insured Deposits	Insured by FDIC or NCUSIF
Strongly Recommended Features	
New Account Screening (e.g. ChexSystems, Early Warning Services)	Only deny new customers for past incidences of actual fraud
Alternative IDs (Municipal, Consular, etc.)	Accept alternative IDs
Remote Account Opening	Accounts can be opened remotely
Linked Savings Accounts	Free savings accounts and account transfers
Recommended Features	
Mobile Deposits	Available, free
Funds Availability	Immediate availability for known customers cashing government, payroll, or same-bank checks
Money Orders	\$1.60 or less (based on U.S. Postal Service rate)
Remittances (International Wire)	Competitively priced (\$5.00 – \$20.00, depending on country)
Credit-Building Product Offerings	Secured credit card or secured personal loan, e.g.

Project Next Steps

- **Continue** expanding the Bank On Boston Coalition
 - Work with MCBC to establish program tiers
 - Work with financial partners to participate in on-site account opening
- **Refine** marketing, communications, and outreach plan
- **Train** community partners and financial partners
- **Refine** customer processes, program elements, and metrics
- **Launch** program in early 2018

Thank You!

Questions?
(For you, and from you)

More Info:

<https://ofe.boston.gov>

<https://ofe.boston.gov/bank-on-boston>

<https://www.boston.gov/departments/new-urban-mechanics>

<https://medium.com/@newurbanmechs>