

Partnerships at Work

Successful Collaborations for Reaching Unbanked Populations

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Models for Collaboration

- ❑ New Alliance Task Force
- ❑ Bank On Programs

Lessons Learned

Future Success

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New Alliance Task Force

- ❑ Partnership between the FDIC and the Mexican Consulate in 2003 led to the creation of the New Alliance Task Force on immigrant banking.
- ❑ Purpose of the task force is to bring affordable financial services to immigrant populations.

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New Alliance Task Force

- ❑ Federal Reserve undertook a series of focus groups to determine if there was still a discrepancy in immigrant access to financial institutions based on immigration status.
- ❑ Study was sparked by research that indicated an increased demand for cash by community banks in the Chicago area.



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Focus group findings:

All participants expressed confidence in US banks

Documented immigrants more likely to use banks than undocumented

Broad acceptance of alternative forms of identification increased participation across Latin American immigrant communities

Cash used less frequently among those with checking accounts

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Bank On Programs

- ❑ Model started in San Francisco. Six other Reserve Banks have or will replicate this program.
- ❑ Collaborative effort to bring 20,000 unbanked San Franciscans into the financial mainstream.

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Bank On Programs

- ❑ Demand for financial services is high: check cashers and payday lenders in San Francisco sell over \$40,000,000 million worth of financial service products every year.
- ❑ Despite the prevalence of check cashers in the city, banks and credit unions do have a significant branch presence in low-income and minority communities.

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Bank On Programs

- ❑ Program was launched in the fall of 2006, with 15 banks and credit unions representing 180 branches throughout the city.
- ❑ Focus of the program was to address most significant barriers – ID and second chance
- ❑ As of August 2008 there are over 24,000 open and active accounts with an average balance of \$980.

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Bank On Programs

- ❑ Unique approach to marketing, collaboration among banks and credit unions
- ❑ Outdoor and direct outreach campaign
- ❑ Website and expanded media including print materials

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Lessons Learned

- ❑ Facilitate access by directly addressing unique community needs.
- ❑ Collaboration among non-profits, municipalities, federal government and financial institutions.
- ❑ Develop unbiased sources of information.

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Future Success

- ❑ Most customers still prefer banking at a branch.
- ❑ Product offerings respond to unbanked needs.
- ❑ Strengthen regulation across financial services.
- ❑ Leadership from local and national government to build networks of trusted advisors.