

For more than a decade, under the strong leadership of the elected treasurer, the San Francisco Office of Financial Empowerment (OFE) has engaged partners inside and outside City Hall to equip San Franciscans with knowledge, skills and resources to stabilize their financial lives today and seize opportunities tomorrow. At the same time, the OFE has leveraged what has worked on the ground to model what is possible for cities across the country.

## The Urgency of Our Work

We believe the OFE's work is more important now than ever. A growing number of families across the country face chronic economic insecurity, unable to stabilize their financial lives and get ahead. Over half of Americans experience volatility in their income and bills, and more than half either break-even or spend more than they make in most months (Pew 2015). And while parents struggle to achieve economic security, their children face a life of limited upward mobility (Pew, 2012). In San Francisco, these challenges are acute. Dramatic income and wealth inequality increasingly divides those at the center of the city's booming economy from those at its margins, particularly communities of color.

Achieving economic security is not only a critical challenge for San Francisco residents, but the financial health of the city depends on it. Financially healthy residents boost the local economy by spending more, starting or expanding businesses and paying property taxes. Inversely, when economically insecure families experience a financial shock, they are more likely to miss bills, face eviction and fail to meet other financial costs that are ultimately borne by the city. The Urban Institute estimated the cost to San Francisco from evictions, and unpaid property taxes and utility bills at \$24-\$54 million in 2016.

Finally, families striving to achieve economic security need policies that enable them to build wealth and resiliency, and address predatory practices that strip wealth. Given the current federal government's retreat from consumer financial protection and policies that support a fair and inclusive economy, we believe cities are more important now than ever and the work of the OFE imperative. These circumstances call on us to sharpen our role as convener, advocate and innovator on behalf of low income families.

## Our 5 Year Focus

To understand how best to sharpen our role, we engaged in a strategic planning process between late 2016 and early 2017. We listened to key stakeholders, assessed our work, honed our mission and identified the unique ways we can best support low income San Franciscans over the next five years. The results of this process are outlined below.



# Vision

A City Where Everyone Can Thrive

# Mission

We leverage the power of City Hall to strengthen economic security and mobility for low income families

# Goals and Strategies

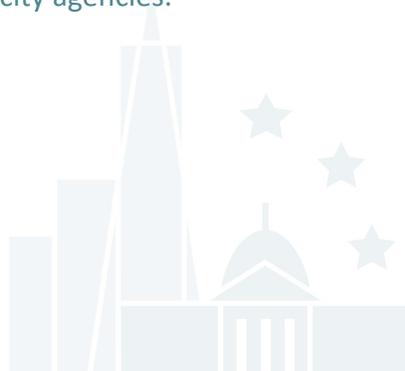
With income and wealth inequality on the rise, and families struggling to get ahead, the OFE is compelled to prioritize support to those communities across the city that face the greatest economic challenges - low income communities and communities of color. The next five years will see the OFE prioritizing families that reside, work or receive city services in San Francisco's low income neighborhoods. As convener, innovator and advocate, we will work closely with the treasurer and a broad group of thought and implementation partners inside and outside city government to pursue three primary goals in support of our mission.

## Goal 1: Demonstrate Promising and Expand Proven Innovations

Within this goal, the OFE will focus on strategies to innovate while strengthening OFE's flagship initiatives.

### *Strategy: Identify and demonstrate promising ideas*

In 2017, the OFE will launch an economic Mobility Lab (mLab) designed to test program and policy innovations that promise to strengthen the economic security and mobility of low income San Franciscans. Over the next three years, mLab will systematically test 4-6 promising ideas by: (a) defining key financial challenges faced by low income families; (b) employing human-centered design and behavioral science to understand these challenges and identify promising solutions; (c) partnering with private, nonprofit and city partners to co-design, pilot and evaluate these program and policy solutions; (d) documenting and sharing insights with advocates, policy makers and social service providers, including municipal peers across the United States; and (e) identifying opportunities to replicate and scale those solutions with the greatest proven potential. mLab will leverage the OFE's in-house research and development capabilities, city resources and partnerships with funders, private sector, non-profit organizations and city agencies.



### ***Strategy: Strengthen Kindergarten to College***

The OFE will strengthen its flagship Kindergarten to College (K2C) program in four key areas to enable the program to serve more families, more effectively. First, to strengthen engagement, the OFE will prioritize outreach to low income neighborhoods in San Francisco. Second, the OFE will seek to integrate K2C more fully into the spectrum of city services for children, youth and families. Third, the OFE will research and develop a hybrid account model that combines the benefits of K2C's current custodial account with a market-based account. Fourth, the OFE will strengthen K2C's operational capability by: (a) providing critical stakeholders access to a management information system that improves their ability to support the program; (b) increasing the number of retail financial institutions participating in K2C, and the number and type of channels available for families to deposit; and (c) defining clear policies and procedures to distribute funds to college-bound students in a way that eliminates or minimizes families' tax liability and impact on financial aid. With these important steps, the OFE seeks to double family contributions to \$5 million and increase the percentage of families actively saving to 25% by 2020.

### ***Strategy: Expand and deepen Bank On***

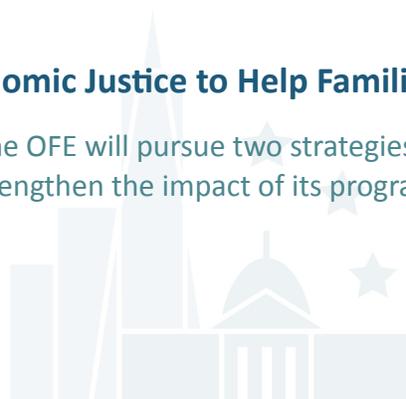
One in five San Franciscans are unbanked or underbanked, often relying on wealth-stripping, fringe financial products and services to manage their money. After an important decade focused primarily on bringing the unbanked into the financial mainstream, the OFE is now focused on building residents' trust in mainstream financial institutions, and directing them to safe, affordable accounts that help them manage their money and build wealth. This strategy will include partnering with at least one Bank On institution to evaluate impact on underbanked families; and piloting an innovation to systemize and scale account opening or savings processes. Ultimately, Bank On seeks to help low income families save \$1 million by June 2020.

### ***Strategy: Integrate financial capability into the work of other city agencies***

The OFE is uniquely positioned to leverage partnerships with city agencies to integrate financial capability principles and programs into existing municipal services to low income residents. The OFE has successfully integrated financial coaching into city services to public benefit and housing recipients, and will pursue opportunities to expand this work. The OFE will work with city agencies to integrate and evaluate financial capability into frontline service delivery; train front-line staff to offer financial counseling; pilot the integration of a financial capability curriculum in the public school system; and embed financial capability into city departments' request for proposals.

## **Goal 2: Use Our Voice for Economic Justice to Help Families Build and Protect Wealth**

Leveraging the power of City Hall, the OFE will pursue two strategies to protect consumers from predatory financial practices and strengthen the impact of its programs.



### ***Strategy: Build City's capability for consumer financial protection***

Given inaction at the federal level, the OFE has identified a unique role coordinating consumer financial protection efforts across the city. To this end, the OFE will launch a consumer financial protection initiative by 2020. Under this initiative, the OFE will equip San Franciscans with a mechanism to voice their complaints of predatory practices, develop a system to capture and investigate these complaints and hold predatory financial service providers accountable.

### ***Strategy: Advocate policies that most directly support or align with our program priorities***

The OFE recognizes the importance of policy to support programs, and strengthen our impact among low income families across San Francisco. To be effective, the OFE will focus its advocacy on policies that support our flagship Kindergarten to College, Bank On and Financial Capability Integration programs.

## **Goal 3: Amplify our Work with Strong Funding, Research and Communications**

To increase its effectiveness, the OFE will pursue three key organizational strategies.

### ***Strategy: Measure our performance and capture learning***

The OFE is committed to evidence, clear metrics to track performance and a systematic way to capture and share learning. The OFE will pursue a research plan that puts evidence at the heart of its programs, planning and day-to-day decision-making. At the same time, the OFE will deploy a knowledge management system to effectively harvest learning.

### ***Strategy: Share our performance and learning***

The OFE is committed to sharing its performance and insights with implementing partners, policy makers, funders, municipal peers and San Francisco residents. To support this commitment, the OFE will leverage an array of communication channels to share its ideas, impact and learning. First, the OFE will communicate our performance and insights through a public dashboard, blog, a revised website, a regular newsletter, and policy and program briefs. Second, the OFE will convene stakeholders to highlight innovation, share learning and facilitate collaborations. Third, the OFE will launch a 'State of the City' report to communicate the financial challenges and needs of low income families living, working or receiving services in San Francisco.

### ***Strategy: Strengthen our organization by diversifying staffing and funding***

Two things are critical to the success of the OFE's plan in the coming years: (1) a diverse team that brings a variety of perspectives and reflects the lived experiences of the communities it serves; and (2) more diverse sources of funding that enable the OFE to expand its reach and impact.

