



**FINANCIAL EMPOWERMENT NETWORK**  
**change***counts!*<sup>TM</sup>



## 2021 Coalition-Building Learning Series

**This webinar is being recorded.**

**Your host for today's session is Michael Dotson, Banner Bank**



**WELCOME!**

**This webinar is being recorded.**



## 2021 Coalition-Building Learning Series (1 of 4)

The series' objective is to offer local and national coalitions resources and knowledge for leadership development, sustainability, and succession planning.



**Coalition Building: A Look at Funding**  
**Rocio Rodarte**, Policy and Communication Manager  
Mission Asset Fund

This webinar is being recorded.







# Mission Asset Fund (MAF) Presents:

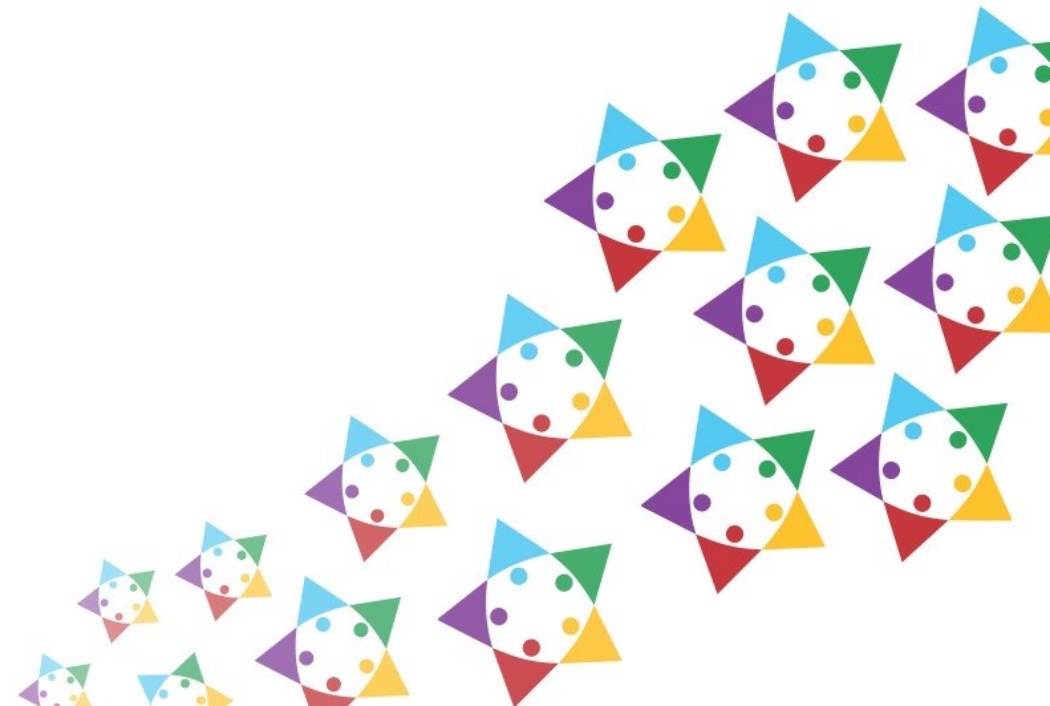
## SB 455 CA FINANCIAL EMPOWERMENT FUND





# Today's overview

- Who We Are
- Why SB 455?
- Work Ahead
- Q&A





We are on a mission  
to help people become  
**visible, active, and successful**

# Living in the financial shadows

## INVISIBLE



1 in 5 adults are invisible  
to the financial  
mainstream

## STUCK



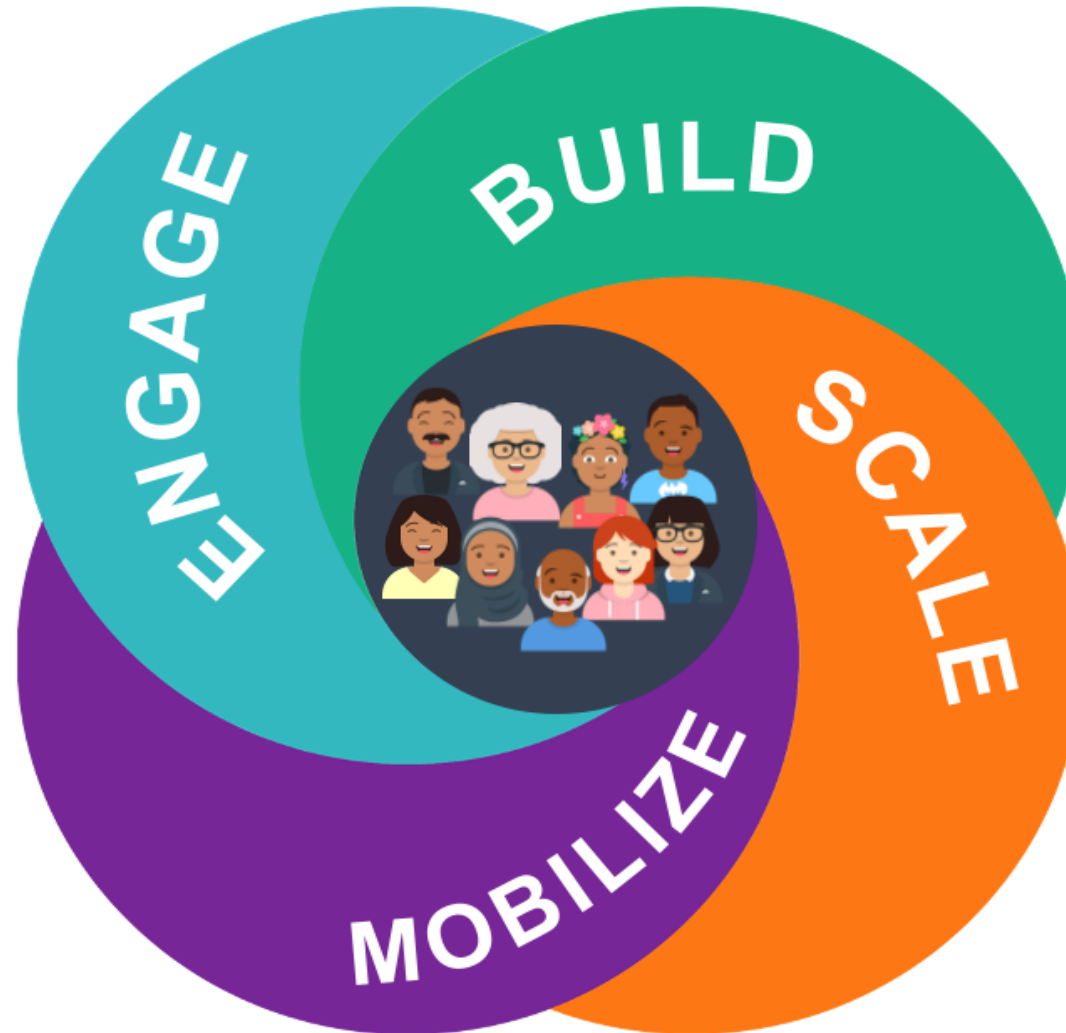
40 years of wage  
stagnation

## STRAPPED



9.5% of income spent on  
fees and interest

# A community-centered approach





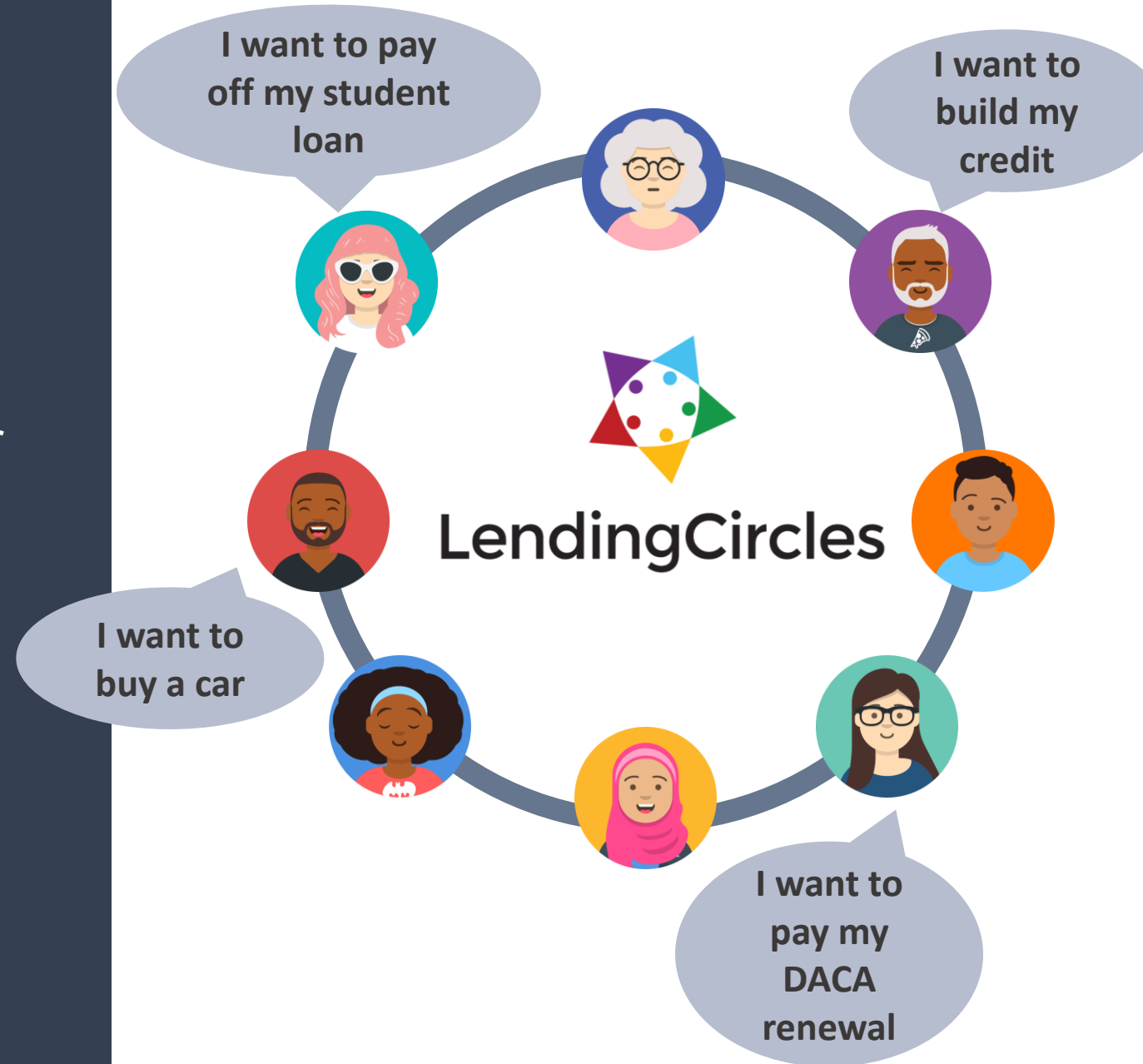
# Lending Circles

**Recognize & formalize**  
an existing cultural practice

**Give credit where credit is due**  
by reporting payment activity to all 3 major  
credit bureaus

**Responsible & safe social loans**  
with required financial education and 0%  
interest loans

**Accessible & relevant**  
through electronic payments & technology



# Social Loan Programs



## IMMIGRATION LOANS

0% interest, credit-building loans that help finance

- ✓ DACA
- ✓ U.S. Citizenship
- ✓ Green Cards + other USCIS applications



## BUSINESS LOANS

0% interest, credit-building loans to help entrepreneurs

- ✓ Start their business
- ✓ Formalize their business
- ✓ Grow their business

# MAF's Rapid Response Fund



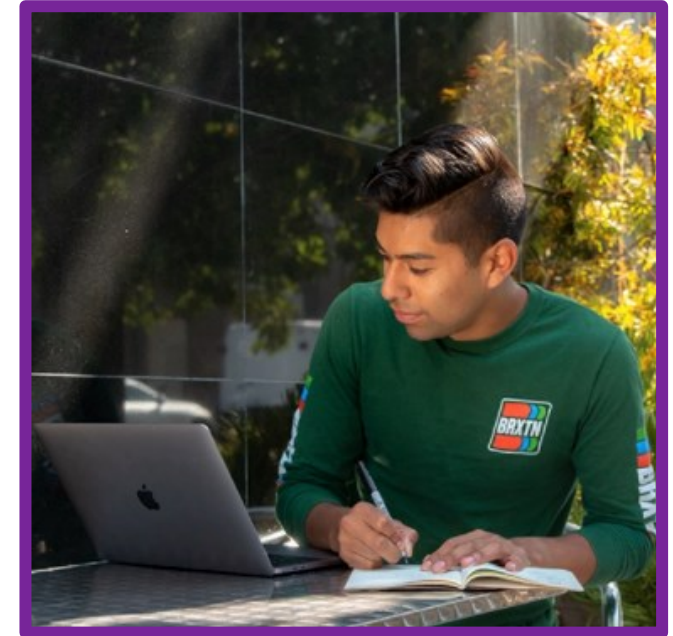
## Immigrant Families

Families who aren't eligible to receive a federal stimulus check and lost income.



## College Students

Undergraduate students at CA public colleges who demonstrate financial need.



## LA Creatives

Creatives between 18 and 30 in Los Angeles who lost a significant share of income.

# COVID-19 Rapid Respond Fund



**Direct Cash Grants:** \$500 grants to students, creatives, and immigrant families left out of federal relief. No repayments.



**COVID-19 Resources Finder:** connects people directly to resources that they may be eligible for.



**Emergency Bridge Loans:** 0-interest loans for small business owners. No repayments due for 6 months.



# MAF's Impact



**\$11M**  
In 0% Interest  
Loans



**99.3%**  
Repayment Rate



**168**  
Average Credit  
Score Increase



**50,000+**  
Grants  
Distributed



# Why the CA Financial Empowerment Fund?

# SB 455: CA Financial Empowerment Fund



- Created and endowed the CA Financial Empowerment Fund with \$4M using civil penalty funds
- Fund grants \$1M each year to CA nonprofits delivering effective financial education and empowerment tools
- Sunsets in January 1, 2025



# Californian's rely on high cost financial services



**25%** of California households are either unbanked or underbanked.

MAF sponsored SB 455 to help Californians who face systemic barriers improve their financial lives.

**1.7M** California consumers took out \$2.9 billion in payday loans in 2017.

**\$10,500** the average credit card debt that Californian consumers carry, the fourth highest in the nation.

**9.5%** of income spent on fees and interest

Many Californians rely on high-cost financial products and services to meet their pressing financial needs.



# Precedent from CFPB



**Civil Penalty Fund**

**Five Principles to  
Effective Financial  
Education**

# SB 455 supporters



# CA Financial Empowerment Fund key provisions



**FUNDING:** Grants up to \$100,000/nonprofit for financial education

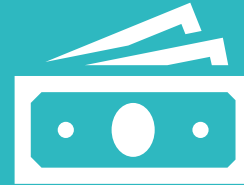


**STANDARDS:** CFPB's 5 principles of effective financial education



**IMPACT:** Improve credit, increase savings, lower debt

# Funding for SB 455



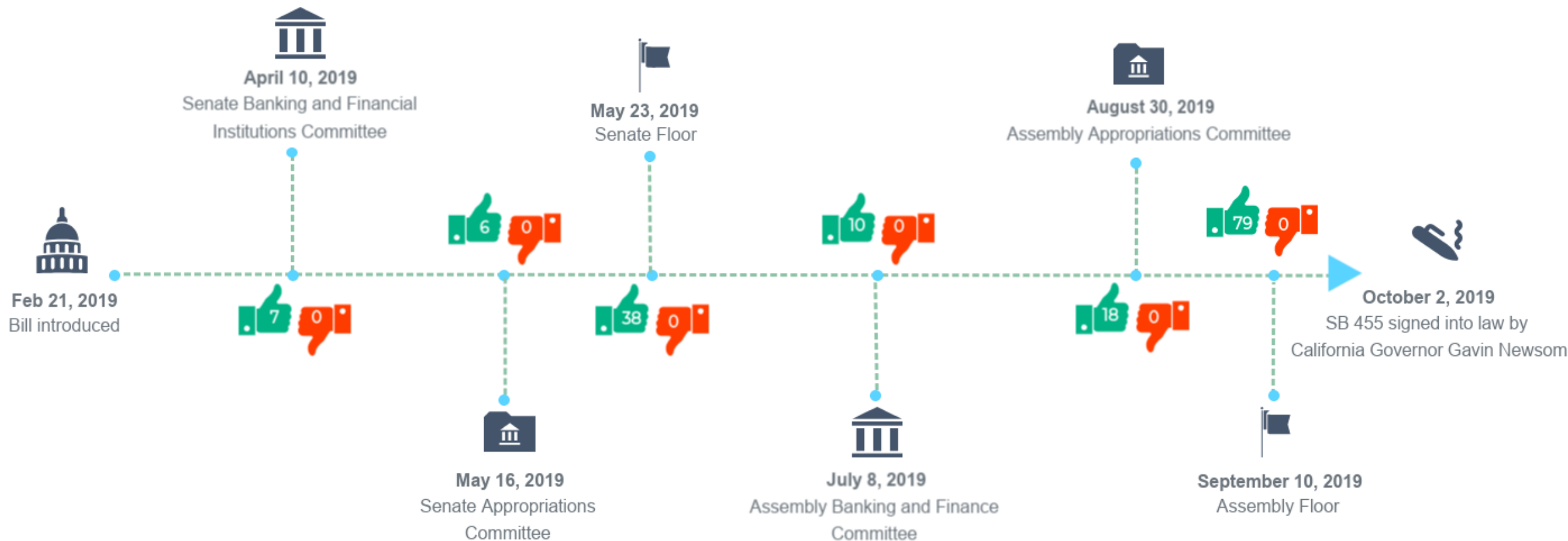
Comes from the State  
Corporation Fund within the CA  
Department of Financial  
Protection and Innovation



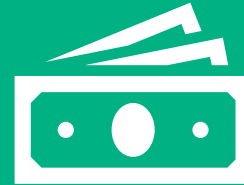
\$1 million/year for 4 years



# SB 455 legislative timeline



# SB 455 Today



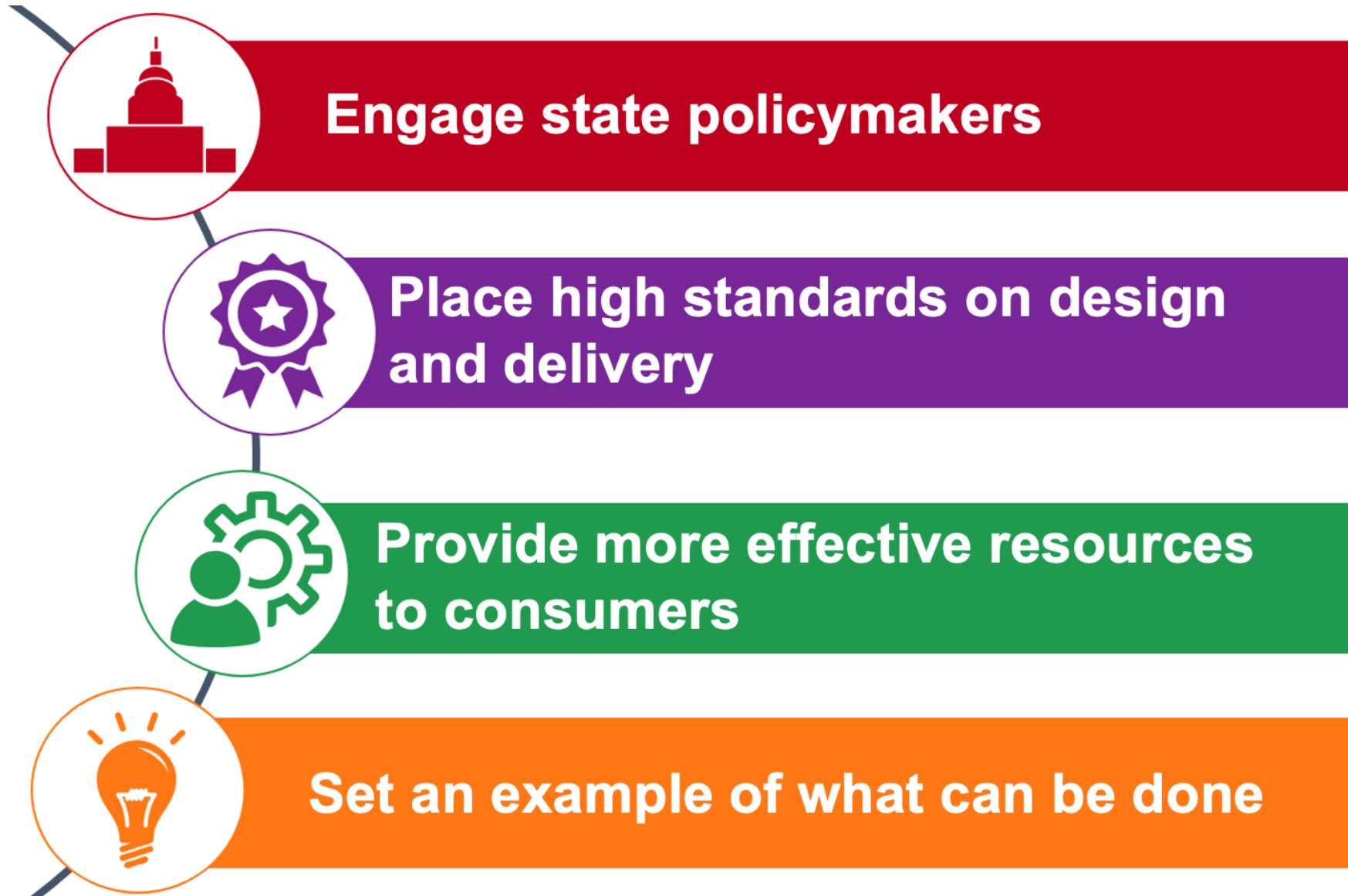
Now known as the  
CalMoneySmart Program



New CA Department of  
Financial Protection and  
Innovation

# Work Ahead

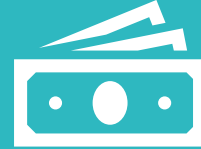
# Why SB 455 matters





# More systems change

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More funding



More partnerships



More state & federal policies



**Questions? Thoughts?**  
**Would also like to learn from you!**

**Thank you!**

