2021 Coalition-Building Learning Series

This webinar is being recorded.
Your host for today’s session is Michael Dotson, Banner Bank

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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.
- **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.

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

Civil Penalty Fund

Five Principles to Effective Financial Education
SB 455 supporters

Policymakers

Nonprofits

Allies
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

- Feb 21, 2019: Bill introduced
- April 10, 2019: Senate Banking and Financial Institutions Committee
- May 16, 2019: Senate Appropriations Committee
- May 23, 2019: Senate Floor
- July 8, 2019: Assembly Banking and Finance Committee
- August 30, 2019: Assembly Appropriations Committee
- September 10, 2019: Assembly Floor
- October 2, 2019: SB 455 signed into law by California Governor Gavin Newsom
SB 455 Today

Now known as the CalMoneySmart Program

New CA Department of Financial Protection and Innovation
Work Ahead
Why SB 455 matters

1. Engage state policymakers
2. Place high standards on design and delivery
3. Provide more effective resources to consumers
4. Set an example of what can be done
More systems change

- More funding
- More partnerships
- More state & federal policies
Questions? Thoughts?
Would also like to learn from you!
Thank you!