



MOVING FORWARD TOGETHER
LEARN HOW YOU CAN OPEN A BANK ACCOUNT TODAY.



State of California
Department of Financial Institutions

BANK ON CALIFORNIA



History

THE STORY OF BANK ON SAN FRANCISCO

- In 2005, officials of the City and County of San Francisco looked into the number of households in the city living without a checking or savings account. The results found about 50,000 unbanked households. Disturbingly, that figure included approximately half of San Francisco's adult African-Americans and Latinos.
- In December 2005, a committee comprising the Treasurer's Office, the Federal Reserve Bank of San Francisco, nonprofit organizations, banks and credit unions developed a new program to bank the unbanked. This coalition eventually became *Bank on San Francisco*.

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Bank on California?

Launched December 2008

A partnership between a diverse statewide coalition:

- DFI and Federal Banking Regulators (FDIC, FRB)
- Financial Institutions (Banks and Credit Unions)
- Community Organizations
- Local Government/City Officials
- Bank On Mayors!



Why?

By helping California's unbanked open starter bank accounts and enter the financial mainstream they will be able to:

- Have a relationship with a financial institution
- Gain access to lower-cost financial services
- Protect their money
- Begin saving
- Build a credit history
- Build wealth and assets and reach their financial goals.

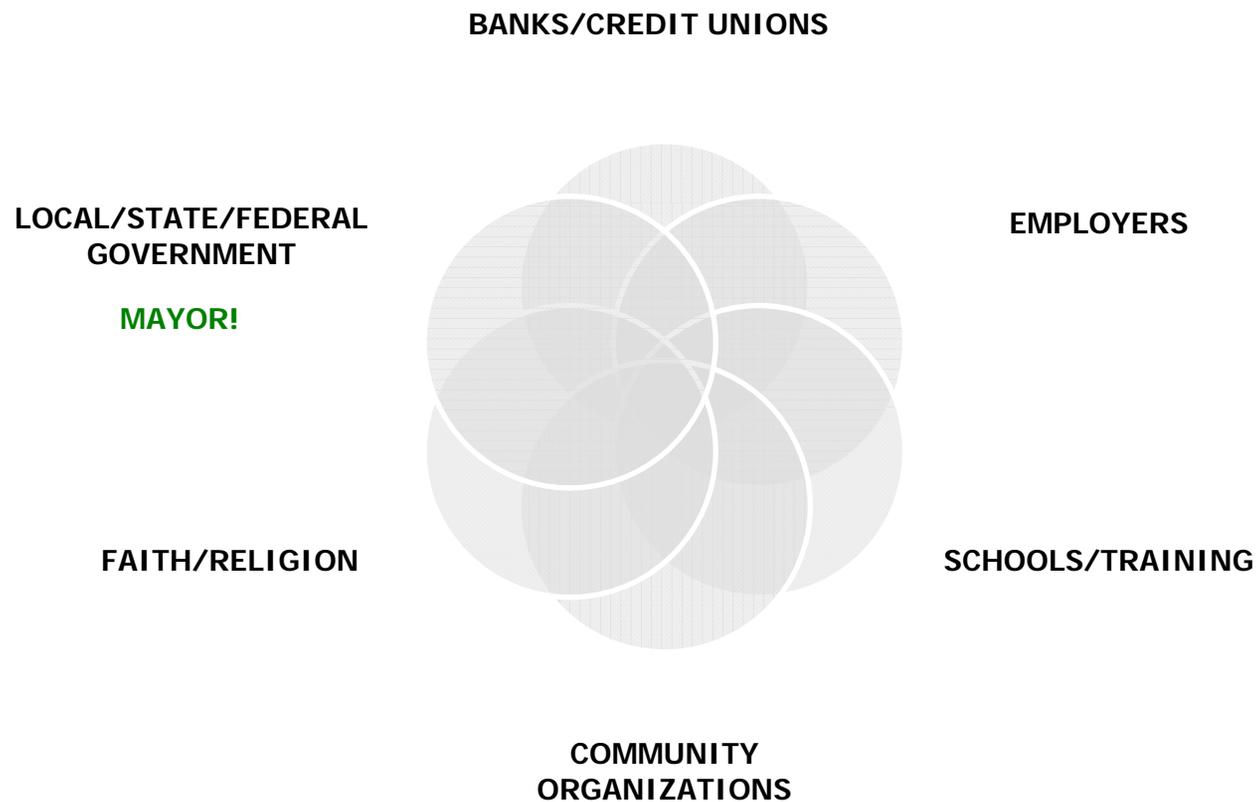
Facts

2011 FDIC National Survey of Unbanked and Underbanked Households

Some of the key overall findings from the 2011 include:

- 8.2 percent of US households are unbanked. This represents 1 in 12 households in the nation, or nearly 10 million in total.
- The proportion of unbanked households increased slightly since the 2009 survey. The estimated 0.6 percentage point increase represents an additional 821,000 unbanked households.
- 20.1 percent of US households are underbanked. This represents one in five households, or 24 million households. The 2011 underbanked rate in 2011 is higher than the 2009 rate of 18.2 percent, although the proportions are not directly comparable because of differences in the two surveys.
- 29.3 percent of households do not have a savings account, while about 10 percent do not have a checking account. About two-thirds of households have both checking and savings accounts.
- One-quarter of households have used at least one AFS product in the last year, and almost one in ten households have used two or more AFS. In all, 12 percent of households used an AFS product in the last 30 days, including four in ten unbanked and underbanked households.

Successful Coalitions



Bank On Product

FIs find that the Bank On account is consistent with products and services already in their community development programs.

Baseline features (suggested):

- No- or low-cost accounts (up to \$10 monthly service fee)
- No monthly minimum balance requirement
- Open accounts for those with NSF/overdraft histories on ChexSystems (after one year)
- Open accounts for those on ChexSystems for less than one year with completion of a financial education class
- Waiver of one set of NSF/overdraft fees per year
- Allow acceptable forms of ID

FDIC



Financial Education

- Free financial education workshops
 - Introduction to bank/credit union services
 - Opening and managing a checking account
 - Using an ATM and/or Debit card
 - Tracking spending and using a budget
 - Pay yourself first!
 - Preparing for emergencies or “rainy days”
 - Saving for the future

Funding

- Source/s
 - Banks and Credit Unions
 - Foundations
 - Grants
 - Others

Measurements

- Accounts
 - Accounts opened and closed
 - Average balance
- Workshops
 - Participants
- Other

Start a Program

<http://joinbankon.org/start/>

- Step One: Partnerships
- Step Two: Preliminary Research
- Step Three: Steering Committee and Subcommittees
- Step Four: Securing Funding
- Step Five: Data Tracking and Reporting
- Step Six: Product Development
- Step Seven: Marketing and Outreach
- Step Eight: Financial Education
- Step Nine: Training and Customer Service
- Step Ten: Launching and Sustaining a Bank On Program
- Step Eleven: Developing a Broader Asset-Building Agenda
- Step Twelve: A Case Study: Top Ten Lessons from Bank On San Francisco