



# Bank on San Francisco Marketing Strategies

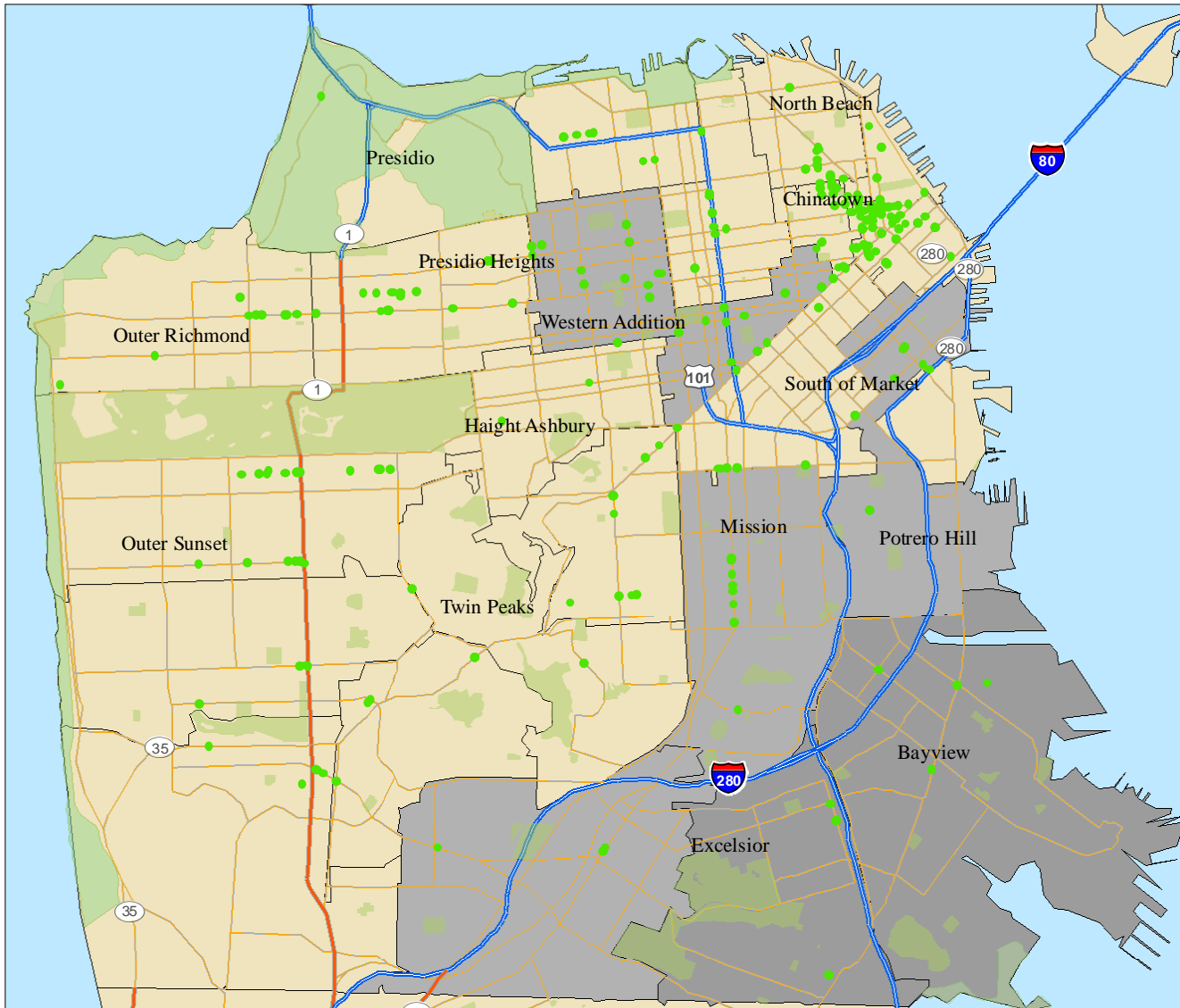
# The Unbanked Market

- Who are we trying to reach?
  - Approximately 50,000 unbanked consumers in San Francisco
  - Although the unbanked tend to be in the lower income brackets, approximately **25 percent of households earning between \$30,000 and \$45,000** in San Francisco are unbanked. *We hope to reach this segment of the unbanked market.*
  - Likely to be between 18-35.
  - Mostly Hispanic and African American consumers, need to account for Spanish speaking customers and barriers

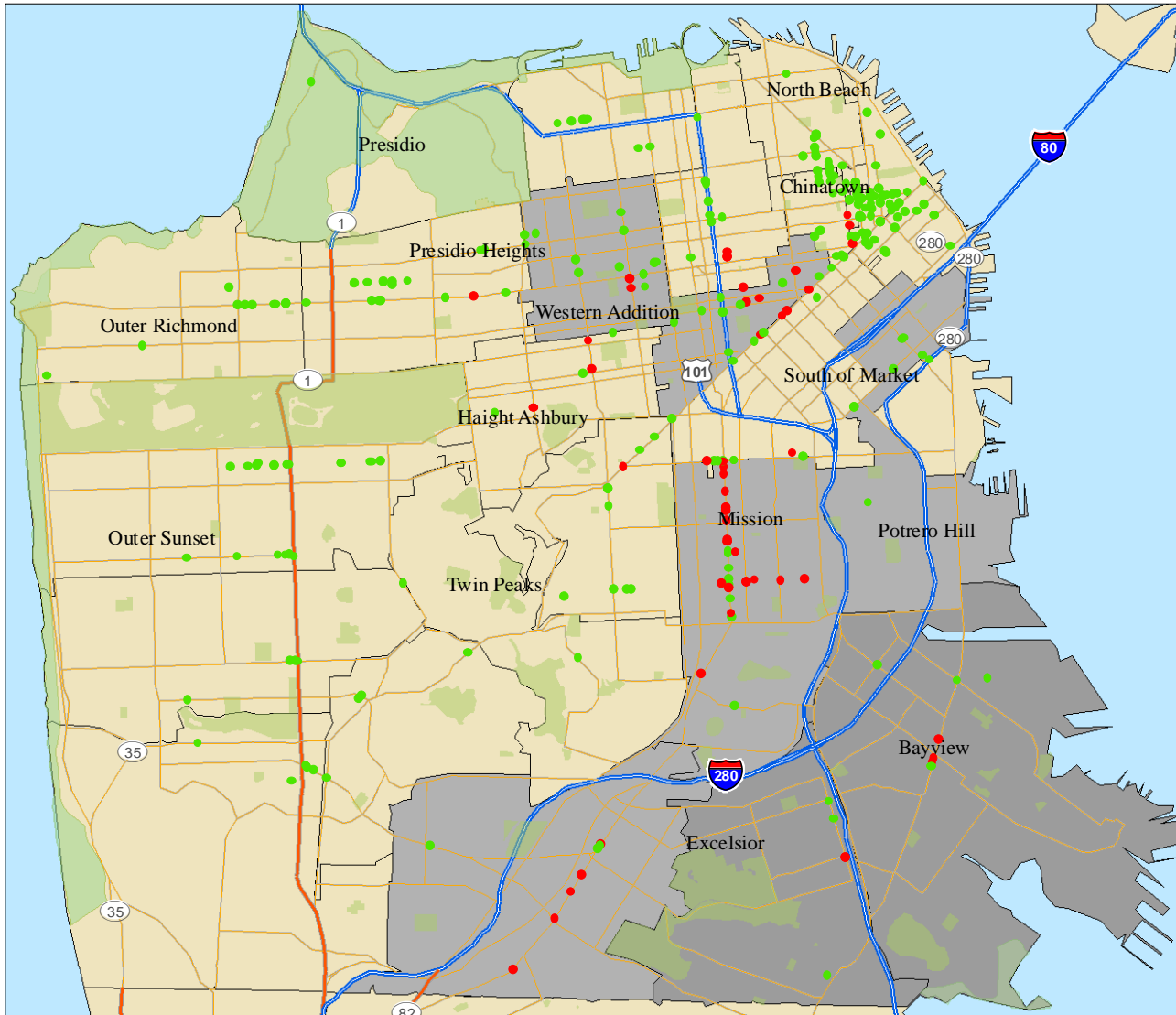
# Financial Providers in SF

- The San Francisco banking landscape is primarily large banks.
  - 220 bank branches (only includes branches that accept deposits)
    - 9 banks constitute more than half (136) of the branches (Bank of America, Bank of the West, Citibank, First Republic, US Bank, Union Bank, United Commercial, Washington Mutual, Wells Fargo)
  - 38 credit union branches (but many have a restrictive membership charter)
    - Northeast Community Federal Credit Union, Patelco, SF Federal Credit Union, California Preferred, Spectrum best positioned for this market
  - 64 check cashers (does not include liquor stores, payday lenders, or corner markets)

# Location of Banks and Credit Unions



# Location of Check Cashers



# Addressing the Barriers to Getting “Banked”

- **Lack of Money – Unable to keep any money in the bank**
  - Difficult to target with an initiative like this, more likely to be part of other efforts such as workforce development
- **Lack of Clarity about Products/ “Hidden Fees”**
  - Need to make “starter” product rules and features clear. OK to charge fees, but they need to be stated up front in an easily understandable format
- **Bad Credit or Financial History**
  - Provide help clearing up credit history or a referral to a financial education course, may be ready for a “second chance” account
- **Lack of Proper Identification and Privacy Concerns**
  - Advertise the ability to use documents other than SSN for opening account, work with Mexican consulate and ethnic media to dispel myths around identification needs and privacy concerns
- **Previous bad experience with banks**
  - Training at the branch level and easily recognizable “brand” that people can trust, know they’ll be treated with respect
- **Lack of motivation**
  - Make banking “pay” and provide incentives to get people to open and maintain a new account

# General Outreach and Marketing

- Use media strategy similar to Working Families Credit
  - Public advertising campaign
  - Partner with nonprofits and government agencies to advertise banks and their products (i.e. WFC, EITC checks, DHS)
  - Articles in ethnic media
- Use the “bully pulpit” of the Mayor’s and Treasurer’s Office
  - Work towards a public launch of Bank on San Francisco

# A Branch Strategy

- Focus efforts on a few branches for maximum impact
  - Put Bank on SF logo on the door, or in poster on the window
  - Have Bank on SF materials in the branch, Bank on SF “buttons” for tellers
  - Train branch employees on how to deal with unbanked customers, if it’s not possible to open an account, can you at least direct them to a useful resource rather than sending them out the door empty handed

# A Branch Strategy for the Mission



## Targeting the Mission

- High concentration of check cashers, urban corridor with foot traffic
- Banks and credit unions could target these branches as “Bank on San Francisco” sites, with special promotions and stickers on the door, training for staff
- Work with nonprofits that have clients in this neighborhood
- Spanish language materials

# An Incentive/Advertising Strategy

- In the rest of SF, and for smaller banks and credit unions in other parts of the city, the goal is to reach consumers from other angles
  - The Bank on SF resource directory
    - Could be distributed and available at all service agencies and nonprofits, makes product features clear, identifies the branches that are most accessible to unbanked consumers
  - Provide an incentive for opening and maintaining an account
    - \$25 deposited into a savings account if the checking is open and in good standing for 3 months
    - A “point” reward program which could be redeemed for prizes
    - Other rewards (particularly those that work to help families build assets)?



# Other ideas for reaching the unbanked

- Target the largest employers of low-wage workers
  - Hold lunchtime information sessions or have them distribute the brochure to their employees
  - Send out the brochure to the small businesses listed with the city as part of a Treasurer's Office mailing
- Work with nontraditional partners
  - The Mexican Consulate – could sponsor a reception for nonprofits and banks participating in Bank on SF to educate both sides about issues regarding identification and immigration
  - Work with church leaders to educate them about the problem of check cashers in the community and the Bank on SF initiative
  - Work with the school district to reach students—who may serve as important “trusted advisors” to immigrant parents
  - Community colleges may also be a strong partner, particularly for reaching younger unbanked consumers

# Key Strategies

- Develop clear product features that meet the needs of the unbanked
- Identify branches for Bank on San Francisco for maximum impact and efficiency
- Work with nonprofits and other agencies in the city to “get the word out”
- Work to track Bank on SF accounts so we can identify if our strategies are working