

# Reaching the Unbanked in San Francisco

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City and County of San Francisco



EVERYONE IS WELCOME

# The Unbanked in San Francisco

- Data from the Brookings Institution estimates:
  - 50,000 San Franciscans are unbanked.
  - Among African Americans and Latinos, 50 percent are unbanked.
  - The majority of unbanked are between 18 and 45.
  - While largely low-income, 25% of the unbanked earn between \$25,000 - \$45,000 a year.



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# Bank on San Francisco

- Collaborative effort to bring 10,000 unbanked San Franciscans into the financial mainstream within the two year pilot.
- Public/Private Partnership
  - Office of Treasurer José Cisneros
  - Federal Reserve Bank of San Francisco
  - EARN
  - 15 partner Financial Institutions (10 banks, 5 credit unions), over 170 locations
  - Community based organizations



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# Why Bank on San Francisco?

- Without a bank account, families spend hundreds of dollars a year on check cashing fees and money orders.
- The unbanked have no safe place to keep their money, and are more likely to be victims of crime.
- In the event of a disaster, like a fire or an earthquake, families have no way to access money remotely.
- Studies show that the unbanked are less likely to save and build assets.



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# The Unbanked in SF

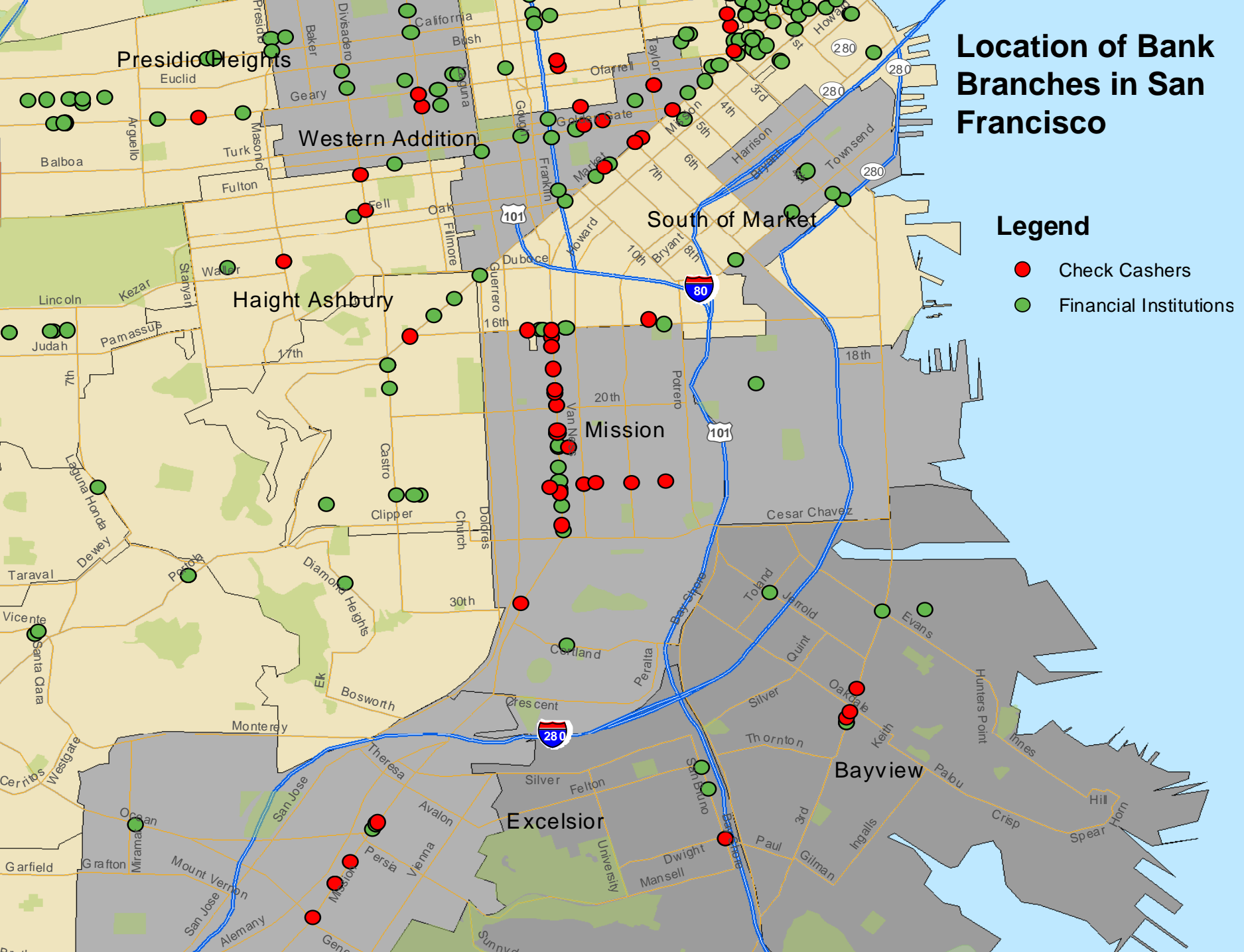
- The demand for financial services is high: check cashers and payday lenders in San Francisco sell over \$40 million worth of financial service products every year.
- Many unbanked have the means and desire to open a bank account at a mainstream financial institution.
- Despite the prevalence of check cashers in the city, the banks and credit unions do have a significant branch presence in low-income and minority communities.



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# Location of Bank Branches in San Francisco



# Focus Groups Findings

- Held focus groups with unbanked African American and Latino men and women.
- Poor credit emerged as a source of significant frustration and regret.
- The idea of a “second chance” resonated greatly.
- Endorsement by the Mayor and Treasurer lent credibility to the program.



# Focus Group Findings

- All participants used check cashers and agreed that fees are too high.
- Hidden fees associated with bank accounts a key deterrent.
- Credit unions perceived as more trustworthy than banks.
- Bad credit caused the most emotional responses:
  - “Bad credit doesn’t mean I’m a bad person”
  - “When you have bad credit, you get the door closed for everything”
  - “My credit is totally messed up. I did things when I was younger that I am still paying for”
  - “I deserve a second chance”



# Forming the Coalition

- Mayor and Treasurer convened all San Francisco Financial Institutions at the Federal Reserve Bank.
- Formed series of working groups.
- Developed program collaboratively to ensure buy-in to goals and objectives.
- Developed the Bank on SF product.
- Variety of products in existence, all financial institutions had to stretch in some way.



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# The Bank on SF Commitment

To participate, financial institutions must:

- Offer a low or no cost account.
- Accept the Mexican and Guatemalan Consular ID cards as primary identification.
- Open accounts for those with ChexSystems history which is over 1 year old.
- Open accounts for those on ChexSystems less than 1 year old with financial management training.
- Waive one set of NSF/OD fees per client.
- Require no monthly minimum balance requirement.
- Participate in four financial training sessions in the community each year.
- Actively partner with community groups to promote the product.
- Track accounts and report out on a quarterly basis.



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# Partner Institutions

- Currently fifteen partner banks and credit unions:
  - Bank of America
  - Bank of the West
  - Citibank
  - Mission Area Federal Credit Union
  - Mission National Bank
  - Northeast Community Federal Credit Union
  - Patelco Credit Union
  - San Francisco Federal Credit Union
  - Spectrum Federal Credit Union
  - Sterling Bank and Trust
  - Union Bank of California
  - United Commercial Bank
  - US Bank
  - Washington Mutual
  - Wells Fargo



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# Data Tracking and Evaluation

- Financial Institutions report on a quarterly basis.
- Provide data on total number of accounts opened, accounts closed, NSF/OD charges, zip codes, average balances.
- Looking at ways to further evaluate the program, including a case study and survey of participants and non-participants.



# Communication Strategy

The three main messages are:

1. “It is now possible for everyone in San Francisco to have access to a suitable bank account.”
2. “Every San Franciscan must have a bank account if they are to build a better future for themselves and their families.”
3. “The City of San Francisco is behind this initiative. The primary goal of this initiative is to help low-income San Franciscans.”



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CHECK CASHING  
*RIPS YOU OFF*

DON'T LET THEM TAKE ANY MORE OF YOUR MONEY.  
Now you can open a bank account. Find out how at 415-554-4409 or sfgov.org/bankonSF

CHECK CASHING  
*SHRINKS YOUR PAYCHECK*

DON'T LET THEM TAKE ANY MORE OF YOUR MONEY.  
Now you can open a bank account. Find out how at 415-554-4409 or sfgov.org/bankonSF

BANK ON  
SAN FRANCISCO

EVERYONE IS WELCOME

BILLBOARDS / BUS INTERIORS

CHECK CASHING  
*DRAINS SAVINGS*

NOW YOU CAN OPEN A BANK ACCOUNT

BANK ON  
SAN FRANCISCO

BANK ON  
SAN FRANCISCO

I SAVED OVER \$800  
BECAUSE I OPENED A  
BANK ACCOUNT.



Don't let check cashers take your money. Get your own bank account. To find out how, simply dial 2-2-1 and we'll connect you. From your cell phone, call (415) 808-HELP. Or visit: [sf.gov/bankon1](http://sf.gov/bankon1)

BANK ON  
SAN FRANCISCO

NO TENGO TARJETA DE  
SEGURO SOCIAL  
Y CONSEGUÍ UNA  
CUENTA BANCARIA.



No deje que los centros de cambio de cheques tome su dinero. Coniga su propia cuenta bancaria. Para saber cómo hacerlo, simplemente marque 2-2-1 y nosotros lo conectaremos. Desde su teléfono celular llame al (415) 808-HELP. O visite: [sf.gov/bankon1](http://sf.gov/bankon1)

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因為我開了一個銀行  
帳戶，我就有更多的錢  
留給我的孩子。



別讓支票兌換處拿走您的錢。開立您自己的銀行帳戶吧。當您開立銀行帳戶，只需撥打 2-2-1，我們將為您聯絡。使用手機請撥打：(415) 808-HELP。或查詢：[sf.gov/bankon1](http://sf.gov/bankon1)

BANK ON  
SAN FRANCISCO

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BANK POSTERS

The logo features the text "BANK ON" in a smaller font above "SAN FRANCISCO" in a larger, bold font. The text is white with a black outline and is set against a light green background. The background has a decorative, multi-tiered shape with horizontal lines and a small hole at the top center, suggesting it's a window cling.

**BANK ON**  
**SAN FRANCISCO**

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CALL 2-1-1     [bankonsanfrancisco.org](http://bankonsanfrancisco.org)

WINDOW CLING



# Outreach Strategy

- Overwhelming response from across the City.
- Identified the need to use “trusted messengers.”
- Limited resources make outreach challenging.
- Focus on large scale service providers.
- Engage smaller community groups through the website.



# Outreach Strategies

- Partner with a bank or credit union and develop a relationship with the branch manager to facilitate client referrals.
- Provide financial training and allow banks and credit unions to sign clients up for accounts on site.
- Provide posters and other collateral in public spaces.
- Create action groups to encourage others to enroll in financial education, open accounts and start a savings plan.
- Include information in packets for clients, residents or new hires.
- Set a goal for number of clients or staff to enroll in the program.
- Encourage employees to join the program and to set financial goals as an example to others.
- Where appropriate, incentivize the use of direct deposit. For example, a rent rebate for payment of rent via direct deposit for 12 months.
- Place a link on organization website to [bankonsf.org](http://bankonsf.org).
- Direct communication through mailings and newsletters.



# How are we doing?

- Data is still very preliminary.
- Over 11,000 accounts opened to date (10/07).
- Average monthly balance is over \$700.
- Interest from other cities is high: Los Angeles, Boston, Seattle and others.
- Hoping to create an easily replicable model to help other cities.



# Contact information

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