

For more than a decade, under the leadership of Treasurer José Cisneros, the San Francisco Office of Financial Empowerment (OFE) has engaged partners inside and outside City Hall to equip San Franciscans with knowledge, skills and resources to strengthen their financial health and well-being. At the same time, we have leveraged what has worked on the ground to model what is possible for cities across the country.

The Urgency of Our Work

We believe our work is more important now than ever. A growing number of families across the country face chronic economic insecurity, unable to stabilize their financial lives and get ahead. Over half of Americans experience volatility in their income and bills, and more than half either break-even or spend more than they make in most months (Pew 2015). And while parents struggle to achieve economic security, their children face a life of limited upward mobility (Pew, 2012). In San Francisco, these challenges are acute. Dramatic income and wealth inequality increasingly divides those at the center of the city's booming economy from those at its margins, particularly communities of color.

Achieving economic security is not only a critical challenge for San Francisco residents, but the financial health of the city depends on it. Financially healthy residents boost the local economy by spending more, starting or expanding businesses and paying property taxes. Inversely, when economically insecure families experience a financial shock, they are more likely to miss bills, face eviction and fail to meet other financial costs that are ultimately borne by the city. The Urban Institute estimated the cost to San Francisco from evictions, and unpaid property taxes and utility bills at \$24-\$54 million in 2016.

Finally, families striving to achieve economic security need policies that enable them to build wealth and resiliency, and address predatory practices that strip wealth. Given the current federal government's retreat from consumer financial protection and policies that support a fair and inclusive economy, we believe cities are more important now than ever and our work imperative. These circumstances call on us to sharpen our role as convener, advocate and innovator on behalf of low income families.

5-Year Focus

To understand how best to sharpen our role, we engaged in a strategic planning process between late 2016 and early 2017. We listened to key stakeholders, assessed our work, honed our mission and identified unique ways we can best support low income San Franciscans over the next five years. The results of this process are outlined below.



Vision

A City Where Everyone Can Thrive

Mission

We leverage the power of City Hall to strengthen economic security and mobility for low income families

Goals and Strategies

With income and wealth inequality on the rise, and families struggling to get ahead, we are prioritizing support to those communities across the city that face the greatest economic challenges -- low income communities and communities of color. The next five years will see us prioritizing families that reside, work or receive city services in San Francisco's low income neighborhoods. We will work closely with the treasurer and a broad group of thought and implementation partners inside and outside city government to pursue three primary goals in support of our mission.

Goal 1: Demonstrate Promising and Expand Proven Innovations

Within this goal, we will focus on strategies to innovate while strengthening our flagship initiatives.

Strategy: Identify and demonstrate promising ideas

In 2017, we will launch an economic Mobility Lab (mLab) designed to test promising program and policy innovations that strengthen the economic security and mobility of low income San Franciscans. Over the next three years, mLab will systematically test 4-6 promising ideas by: (a) defining key financial challenges faced by low income families; (b) employing human-centered design and behavioral science to understand these challenges, and identify promising solutions; (c) partnering with innovation funders and private, nonprofit and city partners to co-design, pilot and evaluate these program and policy solutions; (d) documenting and sharing insights with advocates, policy makers and social service providers, including municipal peers across the United States; and (e) exploring opportunities to replicate and scale those solutions with the greatest proven potential.



Strategy: Strengthen Kindergarten to College

We will strengthen our flagship Kindergarten to College (K2C) program in four key areas to enable the program to serve more families, more effectively. First, we will prioritize outreach to low income neighborhoods across San Francisco. Second, we will integrate K2C more fully into the spectrum of city services for children, youth and families. Third, we will research and develop a hybrid account model that combines the benefits of K2C's current custodial account with an account that provides market returns. Fourth, we will strengthen K2C's operational capability by: (a) providing critical stakeholders access to a technology platform that improves their ability to support the program; (b) increasing the number of retail financial institutions participating in K2C, and the number and type of channels families can use to make deposits; and (c) defining clear policies and procedures to distribute funds to college-bound students in a way that minimizes families' tax liability and the impact on financial aid. With these steps, we seek to help families double their contributions to \$5 million and increase the percentage of families actively saving to 25% by 2020.

Strategy: Expand and deepen Bank On San Francisco

One in five San Franciscans are unbanked or underbanked, often relying on wealth-stripping, fringe financial products and services to manage their money. After an important decade focused primarily on bringing the unbanked into the financial mainstream, we are now focused on building residents' trust in responsible financial institutions, and directing them to safe, affordable accounts that help them build wealth and resiliency. This strategy will include partnering with at least one Bank On San Francisco institution to evaluate impact on underbanked families, and pilot innovations that improve efficiency. With these steps, we seek to help low income families save \$1 million by June 2020.

Strategy: Integrate financial capability into the work of other city departments

We are uniquely positioned to engage other city departments to integrate financial capability principles and practices into existing municipal services to low income residents. For example, we have successfully integrated financial coaching into city services to public benefit and housing recipients. We will work with city departments to expand this work by training front-line staff; supporting the development and integration of financial capability curriculum in the public school system; and embedding financial capability into the city's contracting and procurement processes.

Goal 2: Use Our Voice for Economic Justice to Help Families Build and Protect Wealth

Leveraging the power of City Hall, we will pursue two strategies to protect consumers from predatory financial practices and strengthen the impact of our programs.



Strategy: Build City's capability for consumer financial protection

We will use our unique position to launch a consumer financial protection initiative by 2020. Under this initiative, we will equip San Franciscans with a mechanism to voice their complaints of predatory practices, develop a system to capture and investigate these complaints, and hold predatory financial service providers accountable.

Strategy: Advocate policies that most directly support our program priorities

We recognize the importance of policy to support programs and strengthen impact among low income families across San Francisco. To be most effective, we will focus our advocacy on policies that support our flagship Kindergarten to College, Bank On San Francisco and Financial Capability Integration programs.

Goal 3: Amplify Our Work with Strong Funding, Research and Communications

To increase our effectiveness, we will pursue three key organizational strategies.

Strategy: Measure our performance and capture learning

We are committed to evidence, clear metrics to track performance and a systematic way to capture and share learning. To support this commitment, we will put evidence at the heart of our programs, planning and day-to-day decision-making. At the same time, we will deploy a knowledge management system to effectively harvest learning.

Strategy: Share our performance and learning

We are committed to sharing our performance and insights with implementing partners, policy makers, funders, municipal peers and San Francisco residents. To support this commitment, we will leverage an array of communication channels to share our ideas, impact and learning. First, we will communicate our performance and insights through a public dashboard, blog, a revised website, a regular newsletter, and policy and program briefs. Second, we will convene stakeholders to highlight innovation, share learning and facilitate collaboration. Third, we will launch a 'State of the City' report to communicate the financial challenges and needs of low income families living, working or receiving services in San Francisco.

Strategy: Strengthen our organization by diversifying staffing and funding

We are committed to the principle of diversity. To support this commitment, we will maintain a diverse team that brings broad perspective and reflects the lived experiences of the communities we serve. We will also diversify our funding to expand the reach and impact of our work.

