



Municipality of Anchorage

# Financial Empowerment Blueprint

June 19, 2019

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# Introduction

In 2018 Anchorage was selected as one of ten cities to receive a CityStart grant from the Cities for Financial Empowerment (CFE) Fund to facilitate coordination, support, and growth of financial empowerment services in the Municipality. The CityStart funding accelerated the development of this Financial Empowerment Blueprint, which outlines steps the Municipality and its partners can take to improve the financial stability of Anchorage residents.

The Municipality is uniquely positioned to advance financial empowerment given its mandate to serve all residents, its role as a trustworthy messenger, its robust existing network of services and its ability set policy. Financial empowerment supports Mayor Berkowitz’s priorities of ending homelessness and promoting economic development in Anchorage by connecting vulnerable community members to education, assistance and services before they experience a crisis; providing direct services through Municipal initiatives; and supporting the existing network of financial empowerment providers. When Anchorage residents are financially stable, they are better able to meet basic needs, pursue educational opportunities, start businesses, weather emergencies and live healthy and productive lives.

## Financial Empowerment

The Cities for Financial Empowerment Fund defines financial empowerment as four key components:



### Asset Building

Saving for the future and being able to weather financial shocks and setbacks.



### Banking Access

Having access to a safe, affordable account to be part of the financial mainstream. Keep earnings secure by saving.



### Consumer Financial Protection

Being protected from and keeping assets safe from predatory practices.



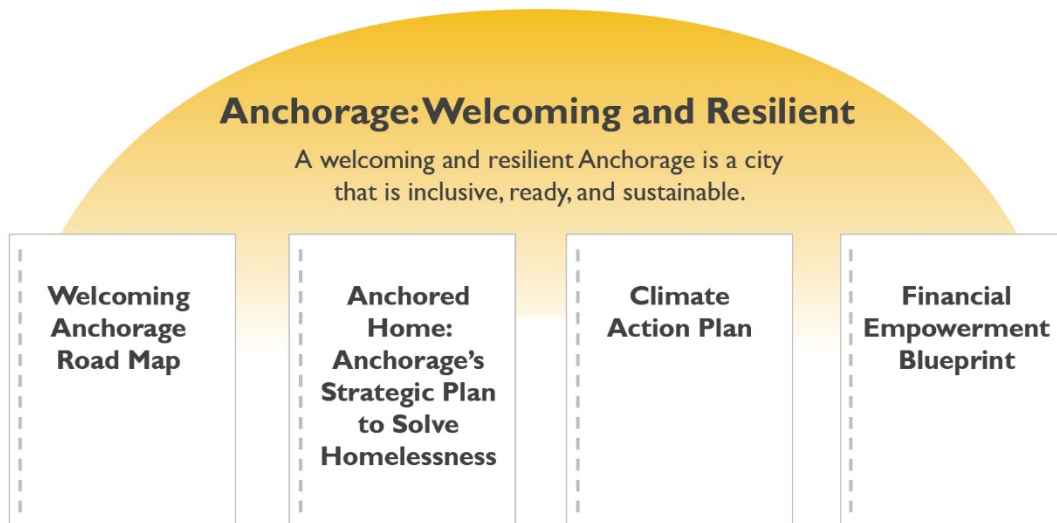
### Financial Education & Counseling

Supporting household financial security with professional financial counseling and coaching – often integrated with social services.

This broad definition guides the development of Anchorage’s Financial Empowerment Blueprint.

## Anchorage Welcoming + Resilient

Anchorage strives to be a welcoming and resilient city that is inclusive, ready, and sustainable. A number of existing Municipal initiatives are working toward this vision, including the [Anchorage Climate Action Plan](#), the [Welcoming Anchorage Roadmap](#) and [Anchored Home: Anchorage's Strategic Plan to Solve Homelessness](#). The Financial Empowerment Blueprint joins these efforts in propelling Anchorage to be a welcoming and resilient community.



Financial empowerment can go a long way to reduce poverty and improve financial outcomes for Anchorage residents so that all can participate more equally in the economic and civic life of the community. The Municipality of Anchorage seeks to build a community in which all residents have opportunities and choices for how they make a living, contribute to the economy, save for the future, and weather financial shocks. Financial empowerment is essential for an inclusive, ready, and sustainable city.

## Developing the Blueprint

The financial empowerment blueprint was developed with the input of many organizations and individuals through the following steps.

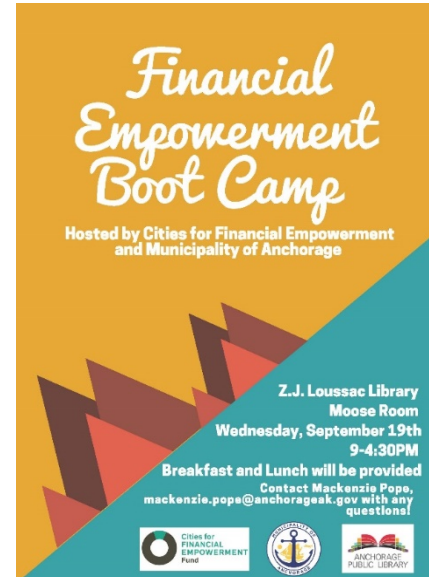
In September 2018, the Cities for Financial Empowerment Fund technical assistance providers traveled to Anchorage to conduct a Financial Empowerment Boot Camp with local leaders and organizations. During their visit CFE Fund also conducted site visits and interviewed key individuals working to support the financial empowerment of Anchorage residents.

The CFE Fund technical assistance providers presented information gathered from published data sources about the financial landscape of Anchorage. This early work conducted by the CFE Fund laid the foundation for the Blueprint. Individuals and organizations that participated in the Boot Camp and site visit include:

- Anchorage Coalition to End Homelessness
- Alaska Community Foundation
- Alaska Growth Capital
- Alaska Native Village Corporation Association
- Anchorage Community Land Trust
- Catholic Social Services
- Credit Union 1
- Financial Partnership Network
- First National Bank Alaska
- Junior Achievement
- Key Bank
- MOA InnovationTeam (i-Team)
- MOA Office of Equal Opportunity
- NeighborWorks
- Nine Star
- United Way
- YWCA

In winter 2018-19 the Municipality developed an initial set of strategies based on ideas developed at the Boot Camp. This was shared with the Financial Partnership Network for input and feedback at their January 2019 meeting. In February 2019, Municipal leadership convened to discuss the draft financial empowerment strategies for the Blueprint and provide ideas for what strategies the Municipality could feasibly address.

To gather additional feedback from organizations working to improve the financial stability of Anchorage residents, the Municipality developed and fielded a survey in February and March 2019. Twenty-one organizations responded and provided input on how the Municipality can help support financial empowerment efforts of community-based organizations. The survey results are included in this document and helped to influence the goals and strategies outlined in the Blueprint.



### Who is the Financial Partnership Network?

The Anchorage Financial Partnership Network is an informal coalition of community organizations that began working together in 2011, led by United Way of Anchorage. Participating partners seek to improve the financial stability of Anchorage households by working together on financial education, free tax preparation, access to financial counseling and connection to resources that focus on savings and asset building. The Network's mission is to help Anchorage families increase their income and save for the future. The Network's focus areas are:

- **Increase Income** (job training, finding a better job, free tax preparation)
- **Acquire Assets** (savings for a home or a business, consumer education)
- **Build Savings** (financial education, budget counseling, reducing debt, money management skills)

## 2 Financial Empowerment Goals + Actions

The development of the Financial Empowerment Blueprint has served to highlight the positive work happening already at the Municipality of Anchorage and within the community to support financial stability of Anchorage residents. The goals and actions outlined in this blueprint have been developed to align with existing Municipal plans and initiatives, and to support partner organizations to expand their work in financial empowerment as much as possible.

### GOAL 1: Amplify current Municipal financial empowerment initiatives

#### 1.1: Support *Anchored Home* plan to promote prevention + diversion from homelessness

**Action 1.1a: Build awareness among housing and homeless service providers about existing financial empowerment programs to ensure resources are built into the community's referral system.**

*Anchored Home*, Anchorage's Strategic Plan to Solve Homelessness:

2018-2021 is a three-year tactical road map which draws on new tools and strategies while building on the community's existing work and planning. The goal is to ensure homelessness in Anchorage is a rare, brief and one-time event. The *Anchored Home* prevention and diversion pillar focuses on strengthening Anchorage's community-based services to better identify and support individuals and families who are at immediate or probable risk of experiencing homelessness and to coordinate resources to reduce returns to homelessness. To do this, *Anchored Home* aims to build prevention resources; strengthen the referral system – specifically Alaska 2-1-1; identify root causes and systemic barriers to safe, stable housing; and empower the community by making the public aware of how to access upstream supports.



Asset Building



Financial Education & Counseling

Successful financial empowerment interventions look at the root causes of poverty and build the capability of low income and homeless individuals through consumer protection education; identification of and access to safe and affordable financial products; financial coaching and education; assistance with tax preparation and access to government benefits; and opportunities for saving and building up assets for financial security. Existing and new financial empowerment programs must be integrated into Anchorage's referral system (Alaska 2-1-1) and community members must know how to access services that can help to affect long-term financial change and chart a course out of poverty.

Prosperity Now, an organization that works nationally and internationally to empower low-and moderate-income households to build and preserve assets, has developed a toolkit titled "Integrating Financial Empowerment Strategies into Housing and Homelessness Prevention Programs." This toolkit offers helpful methods for integrating asset building into homelessness prevention (see Figure 1). The strategies require service providers, financial institutions, and local government to work together to coordinate and improve programs. The Municipality can contribute by helping to make linkages between financial empowerment players and Anchorage's housing and support system. This could include facilitating meetings between

financial education providers and housing/homelessness services, improving referral services, and bringing additional organizations to the Financial Partnership Network.

Figure 1: Excerpt from Integrating Financial Empowerment Strategies into Housing and Homelessness Prevention Programs

ASSET-BUILDING STRATEGIES THAT LOCAL ENTITIES CAN USE AT VARIOUS STAGES OF FINANCIAL SECURITY				
ASSET BUILDING STRATEGY	STAGE OF FINANCIAL SECURITY			
	Currently Homeless	At Risk of Homelessness	Public Housing Residents/ Voucher Recipients	Homeownership Ready
#1: Require/offer financial education and savings programs as part of emergency assistance	✓	✓		
#2: Provide assistance gaining identification necessary to open bank accounts and access public benefits	✓	✓	✓	
#3: Ensure availability of appropriate financial products through Bank On initiatives	✓	✓	✓	✓
#4: Maximize income through support of free tax preparation services	✓	✓	✓	✓
#5: Coordinate referrals and service delivery	✓	✓		
#6: Build capacity of case managers to connect individuals to a range of asset-building services	✓	✓		
#7: Encourage participation in HUD's Family Self-Sufficiency Program			✓	
#8: Increase savings opportunities for public housing residents and housing choice voucher recipients through HUD's Moving-to-Work demonstration			✓	
#9: Layer funding streams and programs to promote homeownership among homeownership-ready residents and clients				✓

## I.2: Increase the number of Anchorage residents receiving the earned income tax credit

***I.2a: Identify individuals who qualify for the EITC and connect them to free tax preparation resources in order to receive the EITC, and promote ways to leverage the EITC to build savings.*<sup>1</sup>**

In Alaska, 62,500 people are eligible for the Earned Income Tax Credit (EITC); however, 17,000 are not taking advantage of the benefit. The Municipal Innovation Team (i-Team) wants to increase the number of eligible Anchorage residents that file for the EITC when they prepare their federal tax return. The EITC is designed for low-and moderate-income working people to encourage and reward work and



Asset Building



Financial Education & Counseling

<sup>1</sup> For additional recommendations on how municipalities can utilize tax season to promote financial empowerment, see the Cities for Financial Empowerment Coalition brief, "Leveraging Tax Time to Build Financial Stability," available here: [http://cfefund.org/wp-content/uploads/2019/04/CFE\\_Expert\\_Topic\\_Brief\\_Tax\\_Time.pdf](http://cfefund.org/wp-content/uploads/2019/04/CFE_Expert_Topic_Brief_Tax_Time.pdf)



offset federal payroll and income taxes. The EITC reduces poverty by supplementing the earnings of low-wage workers.

The i-Team will continue to conduct research to determine the most effective way to encourage people to utilize the EITC, identify eligible individuals, and connect them with free tax preparation services to see that they receive the EITC. This could include launching a marketing campaign around tax season, providing space for tax preparation in city facilities, or publishing a map of free tax preparation sites, as New York City has done.

### I.3: Propel economic development and entrepreneurship

***I.3a: Partner with organizations who provide financial education and counseling to bring these resources to participants in the small and emerging business program.***

***I.3b: Partner with entities such as Anchorage Community Land Trust's Set up Shop and MOA's Welcoming Anchorage to facilitate cross-referrals of small business owners and entrepreneurs to opportunities and services.***



Financial Education & Counseling

The Municipal Office of Equal Opportunity (OEO) is currently developing a small and emerging business program that will support small businesses, women-owned businesses, and minority-owned businesses in doing work in and with the Municipality. Workshops and financial empowerment activities will be a regular and integral part of the program. OEO is working to partner and communicate with others engaged in financial empowerment and opportunity building to facilitate the sharing of information and knowledge to ensure cooperation rather than duplication and help services reach the greatest number of community members.

Welcoming Anchorage, a roadmap for an equitable, inclusive, and diverse Anchorage, includes an Economic Development + Entrepreneurship Pillar that outlines a vision to activate the full and diverse economic potential of Anchorage by removing all barriers and providing resources to achieve meaningful work and entrepreneurial opportunities. The Welcoming Anchorage Roadmap calls for the development of financial education and management training to assist residents in starting small businesses.

### I.4: Participate as a key member of the Financial Partnership Network

***I.4a: Designate a key staff person to participate and take a leadership/convenor role in the Financial Partnership Network.***

Many of the activities to improve financial empowerment of Anchorage community members require a robust coalition of partners. The Financial Partnership Network currently meets monthly and has participation from many important organizations ranging from the Alaska Housing Finance Corporation to the YWCA to the IRS. The Municipality of Anchorage has participated intermittently in the partnership. The MOA has and can continue to play an important role in bringing on additional partners (i.e. credit unions, business partners, etc.) to the Network.



Asset Building



Banking Access



Consumer Financial Protection



Financial Education & Counseling



## GOAL 2: Expand the financial empowerment activities of the Municipality of Anchorage

### 2.1: Host financial education and counseling at Municipal facilities

**2.1a: Reach out to partner organizations that provide financial education and counseling to see if there is interest in providing these services on a regular basis at Municipal facilities.**

**2.1b: The Community Resource Coordinator in the Mayor's Office will apply for funding from the CFE Fund and Bloomberg Philanthropies to launch financial counseling as a municipal service.**

The Municipality of Anchorage has had great success partnering with organizations to bring services and resources to Municipal facilities. For instance, the Job Shop at Loussac Library is a weekly, peer-to-peer employment program for job seekers. Similarly, the Job Lab at the Mountain View Library helps with job searches and resume development. Both programs enlist partner organizations to provide the services while the Municipality provides the space. A similar model could be used to bring financial education and counseling to communities. The public libraries, community recreation centers, and Anchorage Senior Center are ideal locations to host workshops and counseling. The Community Resource Coordinator (CRC) team, a position/program supported by the Anchorage Health Department and Anchorage Public Library, connects library patrons to community resources related to housing, public assistance, health and wellness, and more. The CRC team can refer clients to financial empowerment resources.



Financial Education & Counseling

### 2.2: Pilot a sustainable banking and savings program for youth

**2.2a: Reach out to the Anchorage Park Foundation and potential financial partners (banks and credit unions) to determine interest and potentially pursue the Summer Jobs Connect model.**

The Anchorage Park Foundation currently operates a thriving and popular summer youth employment program in which 16-19-year-old youth are employed for 10 weeks through the summer to complete park improvement projects. The Youth Employment in Parks program is an ideal testing ground for the CFE Summer Jobs Connect model in which employed youth are connected to bank and credit unions and financial education.



Banking Access



Financial Education & Counseling

## 2.3: Address predatory financial services

**2.3a: Investigate and develop policy to limit predatory lending practices in the community, and to ensure all community members have access to affordable credit options.**

**2.3b: Explore forming a Bank On coalition with the Financial Partnership Network, local nonprofits, agencies, and financial institutions; and work with financial institutions to offer better financial products.**

High incidences of alternative financial services relative to banks and credit unions is associated with higher use of dangerous consumer lending. According to the nonprofit group New America, “the composition of financial services relative to one another may matter for financial access. For example, households may have a more difficult time using safe and affordable financial services when they live in communities that have more alternative financial services (AFS) like payday lenders and check cashers than mainstream financial services like banks and credit unions.” Anchorage has a high ratio of alternative to mainstream financial services (0.90). For every 10,000 people there are 2.41 alternative financial services offered and 2.68 mainstream services offered. The ability to access a mainstream bank or credit union affects residents’ ability to save, obtain an affordable mortgage, access a loan, and achieve financial stability as part of the financial mainstream.

There are many strategies that a city can engage in to ensure predatory and alternative financial services do not over burden specific areas of a community, including: zoning policies that limit the concentration of payday businesses; municipal moratoria on new payday businesses; requirements that payday businesses implement “good neighbor” practices that limit hours of operation, burdensome signage and lighting; and requirements that payday businesses provide information about other credit options available in the community. In addition, at the state level, legislation can be passed to cap the interest rate that payday lenders can charge. Groups in Alaska, in particular Alaska Public Interest Research Group (AK PIRG), are working on this type of policy change.

To promote safer financial services, the Municipality can work with a [Bank On coalition](#) to encourage financial institutions to provide safe and affordable bank accounts for Anchorage residents.



Consumer Financial Protection



Banking Access

## GOAL 3: Promote financial empowerment knowledge and opportunities

### 3.1: Sponsor public awareness and educational campaigns

The survey conducted of financial empowerment organizations (page 20) indicated that a primary role the Municipality of Anchorage can play to help meet the needs of the community would be to promote financial empowerment initiatives, organizations, and programs. It was noted that the Municipality could endorse programs already working on financial empowerment, help get the word out about opportunities, and refer individuals to existing resources.

Specific educational and promotional ideas include:

**3.1a: Launch campaigns through the Mayor's Office and other city Public Information Officers during tax season to increase awareness of earned income tax credit and free tax preparation resources**

**3.1b: Raise awareness on ways and approaches to avoid predatory financial services and practices.**

**3.1c: Identify intervention points for the Municipality to provide financial education and/or refer to other organizations – for instance, when residents come in for services at the Anchorage Health Department.**



Asset Building



Financial Education & Counseling



Consumer Financial Protection

## GOAL 4: Work alongside the Financial Partnership Network on community-wide strategies

Many of the ideas generated during this planning process require a broader group of partners. Ideas that the Financial Partnership Network may want to evaluate, prioritize, and implement are listed below. The Municipality will collaborate with the Financial Partnership Network on priority initiatives.

- **Build youth financial knowledge** by pursuing a mandatory high school personal finance class requirement.
- **Optimize Permanent Fund Dividend (PFD) season to promote financial empowerment** by working with banks to create incentives for residents to save their PFD (such as a match program) and together conducting a public awareness campaign about the value of saving and asset building.
- **Leverage existing tax preparation assistance** to link clients to low-barrier banking tools and services.
- **Use the delivery of public benefits and assistance programs** (e.g., food stamps, food pantries, earthquake recovery) as an opportunity to share financial empowerment resources and information.
- **Strengthen 2-1-1** as an intake and referral platform for those seeking financial education and counseling services. Commit to keeping organization profiles up to date. Expand hours of operation.
- **Build partnerships** between financial education and counseling service providers and groups supporting reentering citizens. (e.g. Partners for Progress, Anchorage Re-Entry Coalition)
- **Consider improving state regulations** related to limits on the amount of loan based on income and to improve industry licensing and regulation to protect consumers.
- **Grow participation of financial institutions** in the Financial Partnership Network to gain their skills and support.



Asset Building



Banking Access



Consumer Financial Protection



Financial Education & Counseling

## Keeping the Momentum

Implementing the Blueprint and tracking progress will take focus and dedication on the part of the Municipality and partner organizations. Representatives from the Mayor's Office, the Office of Equal Opportunity, the Innovation Team, the Anchorage Public Library, and the Financial Partnership Network will convene for quarterly meetings to track progress on the Financial Empowerment Blueprint.

After one year, this group will publish a progress report and re-evaluate the goals and strategies for the following year.

## 3 Anchorage Financial Landscape

### Economic Profile of Anchorage

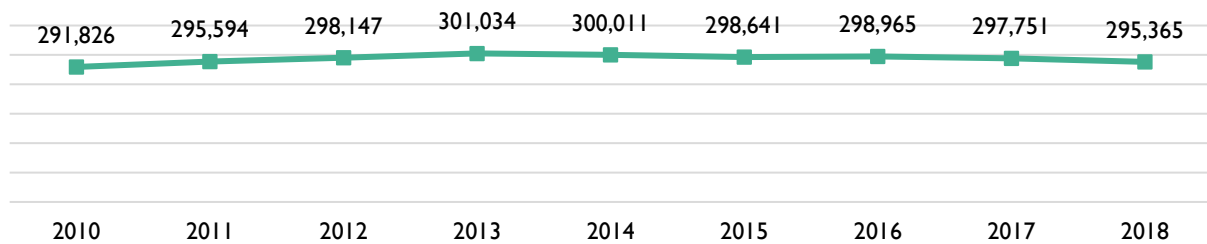
This section summarizes broad population and economic trends in Anchorage and examines specific data indicators related to financial stability.

In general, the data indicate that many populations are not afforded the same opportunities as others to participate successfully in the civic and economic life of the community. Anchorage's minority populations experience higher rates of unemployment than others. Also, many are not making a living wage. When comparing household incomes in Anchorage, the total income for many of Anchorage's minority populations is much more likely to be below \$50,000 annually than white households. These data indicate that minority populations in Anchorage are less financially secure compared to others.

#### Population

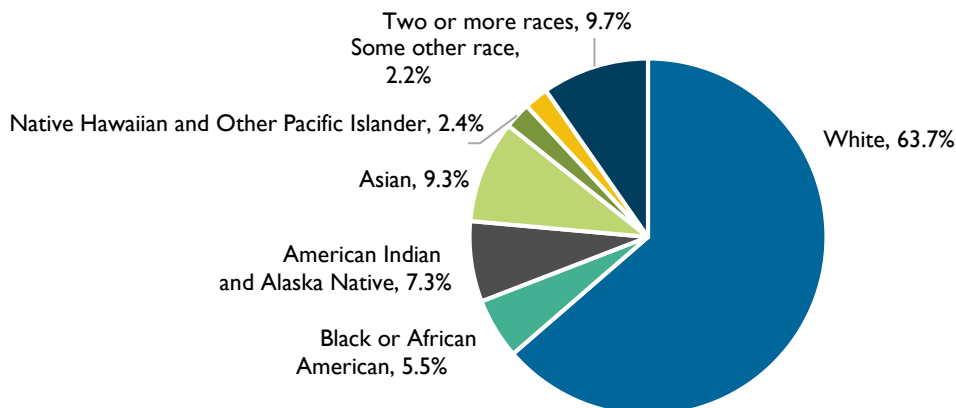
The population in Anchorage has been holding steady over the past ten years, with just under 300,000 residents in 2018.

##### Anchorage Population



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

##### Anchorage Population by Race

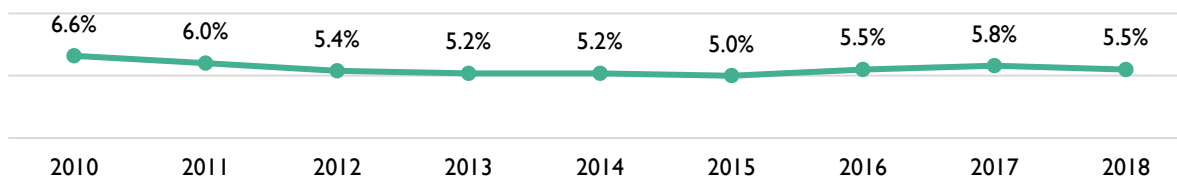


Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

## Unemployment

Anchorage's unemployment rate was 5.5 percent in 2018. Anchorage has slightly lower unemployment than the rest of the state. Overall trends in unemployment typically follow statewide trends. While unemployment for the total population has hovered around 5-7% for the past eight years, many of Anchorage's minority populations experience higher unemployment rates.

### Anchorage Annual Unemployment



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

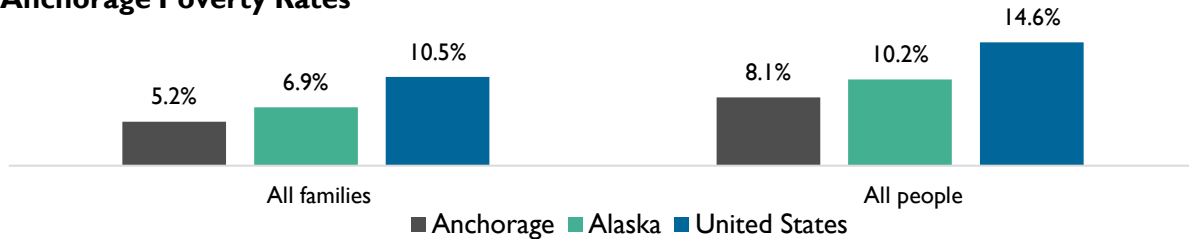
### Anchorage Unemployment Rate By...

Race		
White	4.5%	lower than Anchorage average
Black or African American	10.3%	higher than Anchorage average
American Indian and Alaska Native	13.7%	higher than Anchorage average
Asian	3.8%	lower than Anchorage average
Native Hawaiian and Other Pacific Islander	12.8%	higher than Anchorage average
Some other race	3.4%	lower than Anchorage average
Two or more races	8.9%	higher than Anchorage average
Poverty Status in the past 12 months		
Below poverty level	26.4%	higher than Anchorage average
At or above the poverty level	4.2%	lower than Anchorage average
Disability Status		
With any disability	12.8%	higher than Anchorage average
Educational Attainment		
Less than high school graduate	7.9%	higher than Anchorage average
High school graduate (includes equivalency)	8.8%	higher than Anchorage average
Some college or associate's degree	4.8%	lower than Anchorage average
Bachelor's degree or higher	2.4%	lower than Anchorage average

## Poverty

About eight percent of individuals in Anchorage and five percent of families have annual incomes below the poverty level. Overall, Anchorage's poverty rates are lower than statewide and national averages.

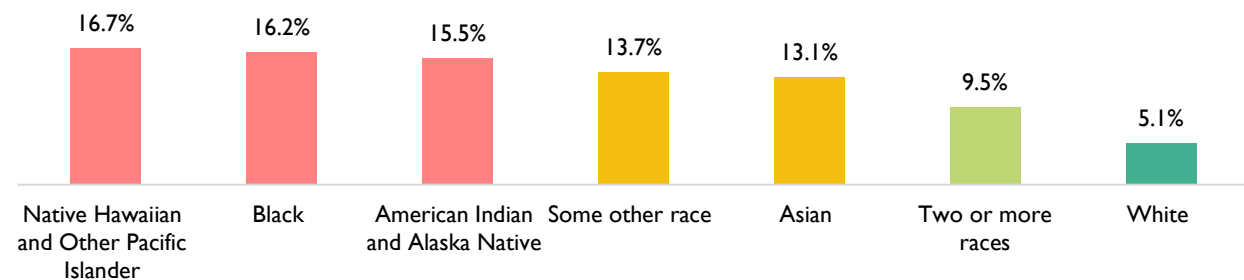
### Anchorage Poverty Rates



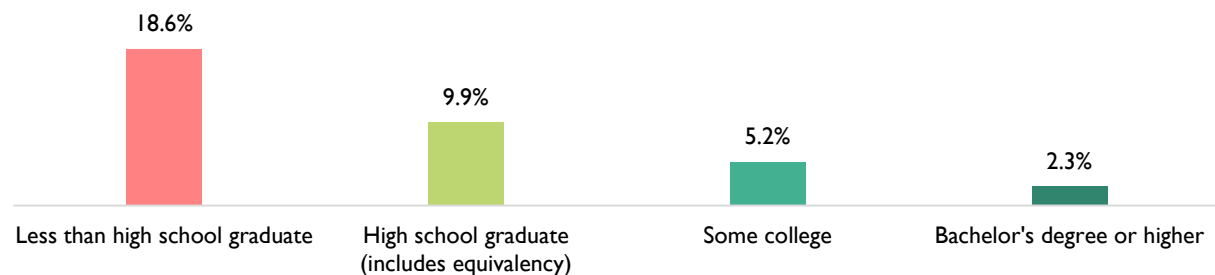
Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

While overall poverty rates are relatively low, certain demographic groups in Anchorage experience disproportionately high rates of poverty, including Native Hawaiians and Pacific Islanders, Blacks, Alaska Natives, and those without a high school degree.

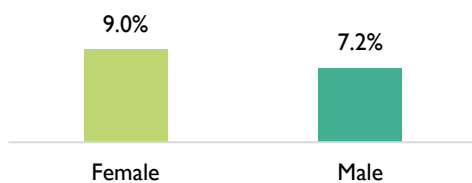
### Poverty and Race in Anchorage



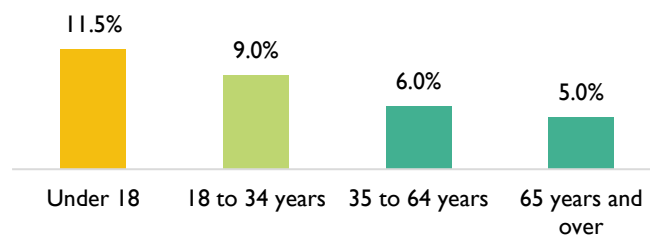
### Poverty and Educational Attainment in Anchorage



### Poverty and Sex in Anchorage



### Poverty and Age in Anchorage



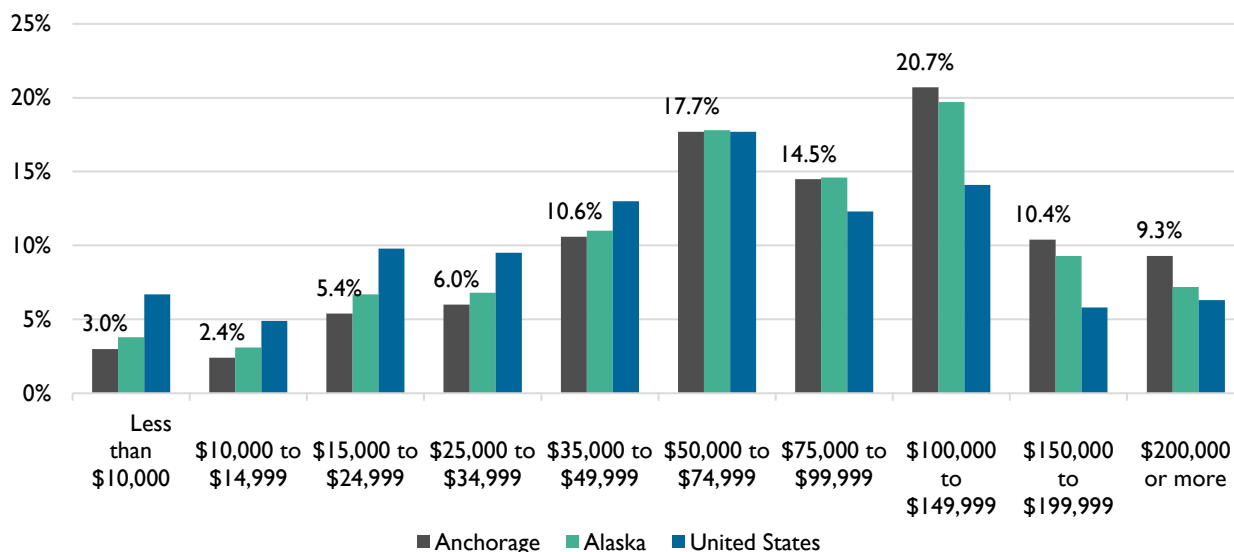


## Income

Over the five-year period from 2013 to 2017, Anchorage's median household income averaged \$82,271 and the mean household income was \$105,010. This is higher than both statewide and national numbers.

Household distribution by income level is shown below. There are more Anchorage households in the top three highest income categories than in Alaska and the U.S. overall. While there are fewer residents on the lower end of the income distribution curve in Anchorage, those who do fall into the lower income categories likely struggle to achieve financial stability. These figures also do not take cost of living into account, which is typically higher in Alaska.

### Anchorage Distribution of Income



Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

## Living Wage

The MIT Living Wage Calculator is an alternative measure of basic needs for a minimum standard of living.<sup>2</sup> It is a market-based approach that draws upon geographically adjusted expenditure data related to a family's minimum budget for food, child care, health insurance, housing, transportation, and other necessities (e.g. clothing, personal care items) costs.

As described by MIT, "The living wage is the minimum income standard that, if met, draws a very fine line between the financial independence of the working poor and the need to seek out public assistance or suffer consistent and severe housing and food insecurity. In light of this fact, the living wage is perhaps better defined as a minimum subsistence wage for persons living in the United States." The living wage thresholds shared below provide a more complete picture of what a household needs to earn to be more financially stable and provides added context to the distribution of income chart above.



<sup>2</sup> View the MIT Living Wage Calculator here: <http://livingwage.mit.edu/counties/02020>

## Key Indicators from the Landscape Analysis Summary

To support the planning process, Cities for Financial Empowerment Fund prepared a Landscape Analysis Summary to capture relevant financial stability trends and community statistics in Anchorage. Key indicators are below.

<b>Educational Attainment</b>	93% of Anchorage residents age 25 and over have a high school degree or higher.	<i>American Community Survey 2013-2017, U.S. Census</i>
<b>Immigration</b>	10.5% of Anchorage's population is foreign-born. The most common countries for immigrants' home countries include the Philippines (26%), Korea (11.8%), Mexico (6.8%), Thailand (5.7%) and the Dominican Republic (3.5%).	<i>New Americans in Anchorage report, 2016, Partnership for a New American Economy</i>
<b>Home Ownership</b>	Anchorage's homeownership rate is 60.3%, which means almost two-thirds of occupied housing units are owner-occupied.	<i>American Community Survey as reported on the Prosperity Now scorecard</i>
<b>Rent Burdened Households</b>	Almost 50% of Anchorage renters are "rent burdened" – paying more than 30% of their income on rent. This number is similar to state and nationwide figures.	<i>American Community Survey as reported on the Prosperity Now scorecard</i>
<b>Homelessness</b>	There were 1,111 people experiencing homelessness during Anchorage's January 2019 Point-in-Time count; between July 2017 and June 2018 there were a total of 7,442 active clients in Anchorage's Homeless Management Information System (HMIS).	<i>Anchorage Coalition to End Homelessness</i>
<b>Bank Utilization</b>	4.8% of the Anchorage population is "unbanked." These numbers are lower than other states, likely in part due to Alaska's Permanent Fund Dividend. Another 18% are "underbanked," or households that have bank accounts but continue to rely on alternative financial services such as pay day loans and check cashing services.	<i>Prosperity Now estimates using Federal Deposit Insurance Corporation (FDIC) and American Community Survey data</i>
<b>Non-Bank Borrowing</b>	28% of Alaskans used non-bank borrowing such as payday loans, pawn shops or rent-to-own stores, slightly higher 26% than in the U.S. overall.	<i>National Financial Capability Study, 2015, by the Financial Industry Regulatory Authority</i>
<b>Financial Literacy</b>	On a financial literacy test with five simple questions, 58% of Alaskans got three or fewer correct; this is similar to the nationwide rate of 63% and indicates an overall need for improved financial education nationwide.	<i>National Financial Capability Study, 2015, by the Financial Industry Regulatory Authority</i>
<b>Financial Planning</b>	46% of Alaskans have a "Rainy Day" fund (three months or more of expenses set aside for emergencies), the same percentage as the U.S. This number has steadily increased from 33% in 2009.	<i>National Financial Capability Study, 2015, by the Financial Industry Regulatory Authority</i>
<b>Income vs. Spending</b>	21% of Alaskans spend more than their household income compared with 18% in the U.S. This number has held steady since 2009.	<i>National Financial Capability Study, 2015, by the Financial Industry Regulatory Authority</i>

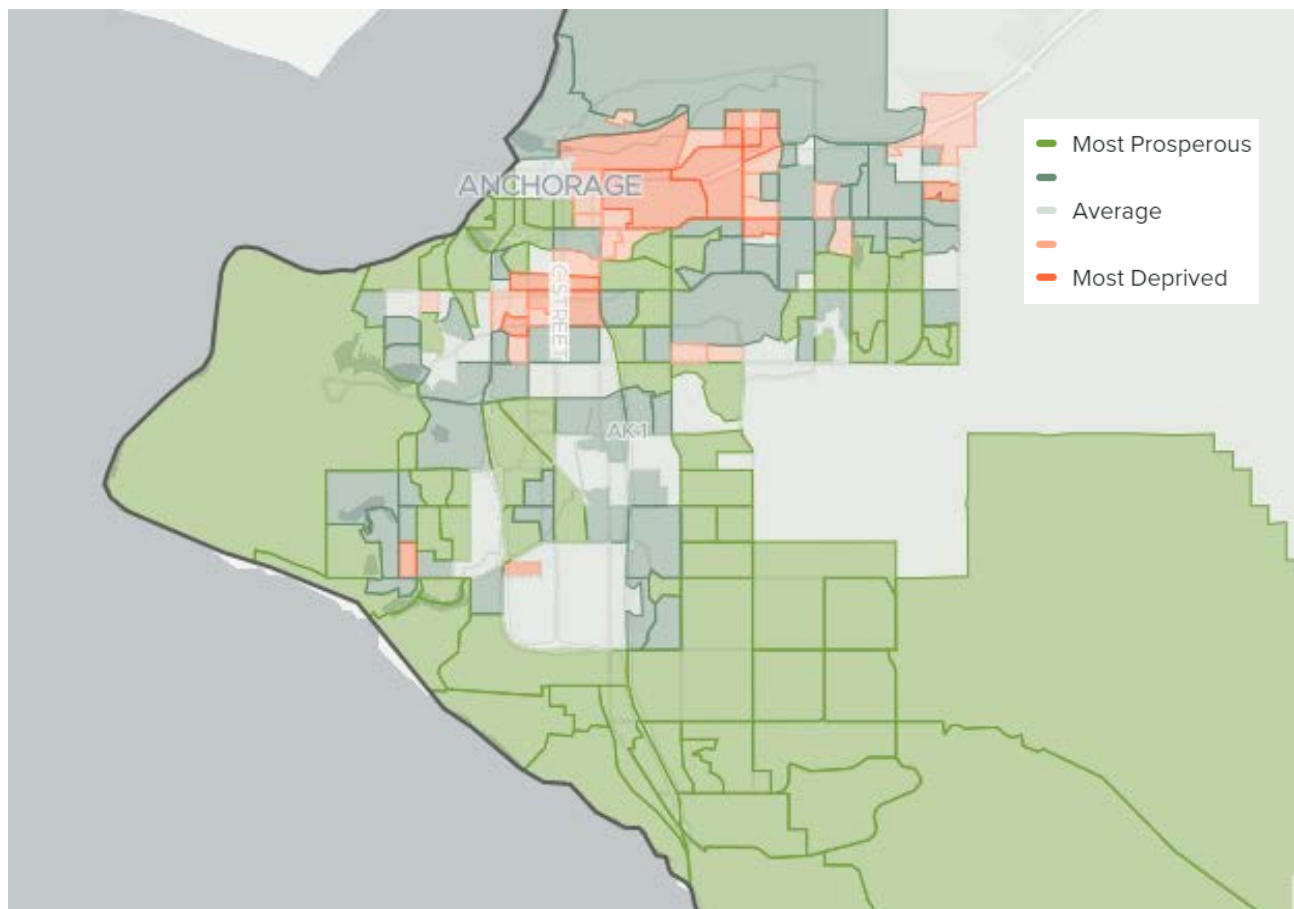
Source: Data compiled by Cities for Financial Empowerment Fund; individual data sources are listed in the column on the right.

## Area Deprivation Index

Community Commons, a web-based platform that creates and shares data tools, has a tool that reports on the Area Deprivation Index (ADI) for a geography, which measures social vulnerability. The ADI is calculated by looking at 17 indicators representing income, education, employment, and housing quality. It is calculated using Census Block Group data from the U.S. Census. The ADI is useful for identifying disparities in a community and where to target resources, since low ADI scores are associated with poor health outcomes such as hospitalizations, deaths and cancer.



Overall, Anchorage scores higher, or more prosperous, than the national average. However, there are certain neighborhoods where Anchorage performs poorly, including Fairview, Mountain View and parts of midtown. These are areas where financial empowerment resources and programs may be especially worthwhile, and where there is the greatest need.



Source: Community Commons

# Input from Anchorage's Financial Empowerment Boot Camp and Site Visit

In September 2018, Cities for Financial Empowerment Fund technical assistance providers traveled to Anchorage to conduct a Financial Empowerment Boot Camp with local leaders and organizations. The CFE Fund technical assistance providers presented information gathered from published data sources about the financial landscape of Anchorage and facilitated a discussion with participants on ways in which the Municipality and its partners can best support financial empowerment in the community. During the site visit the CFE team also met with Mayor Berkowitz and his staff and conducted interviews with key stakeholders and partners. The following are some of the overall findings from the visit, as identified by CFE:

## Overall Findings

- Anchorage has a diverse range of providers offering an array of financial empowerment initiatives, even if they don't always call this work "financial empowerment." This includes organizations offering financial education, banking access, and tax-time asset building services.
- There is an opportunity for coordinated efforts to better support partners and ensure organizations are better able to connect and learn from each other.
- There is a clear desire for city government to be involved in financial empowerment efforts, by sharing information and convening partners together, and to do so in a sustained, long-term way.
- The existing Financial Partnership Network could be a great platform for convening organizations doing financial empowerment work but has recently seen the departure of a key leader who previously steered the Network.

## Specific Boot Camp Takeaways

- Boot camp attendees generally seem to understand the value of financial empowerment efforts and had an interest in the city taking a role in this work.
- Bootcamp attendees identified a number of **places where financial empowerment efforts could be integrated to build resident financial stability**. These included: housing and homeownership (especially helping people maintain and stay in their homes); education during the distribution of the Permanent Fund Dividend (PFD); building assets and establishing self-sufficiency; entrepreneurship; and access to safe, affordable financial products.
- **Potential locations for integrating financial empowerment efforts** could include: homeless shelters and housing efforts; food pantries; youth and adult employment efforts; reentry work; Alaska Native services; veteran's services; the MOA's Office of Equal Opportunity; support for minority-owned small businesses; and Women, Infants and Children (WIC)/Temporary Assistance for Needy Families (TANF) benefits. The PFD also stood out as an opportunity for ensuring recipients were depositing the benefit into a safe banking account, as well as an opportunity to provide education about managing the benefit.
- **Potential supporters of this work**, both for funding support and in-kind assistance, could include the Anchorage Community Development Authority, the Municipality of Anchorage, the Alaska Department of Health and Human Services, Alaska Mental Health Trust, Alaska Housing Finance Commission, the Small Business Administration, or the University of Alaska Anchorage. Others might include private sector entities such as GCI, AT&T, financial institutions, or the Chamber of Commerce. There are also a number of foundations that support Anchorage efforts, from the Rasmuson Foundation to the Alaska Community Foundation to the Kresge Foundation.

## Survey of Financial Empowerment Partners

As a part of the blueprint development process, the planning team initiated a survey of local organizations, businesses, and agencies to learn more about the breadth and spread of financial empowerment services in Anchorage. The survey was conducted in February and March, 2019.

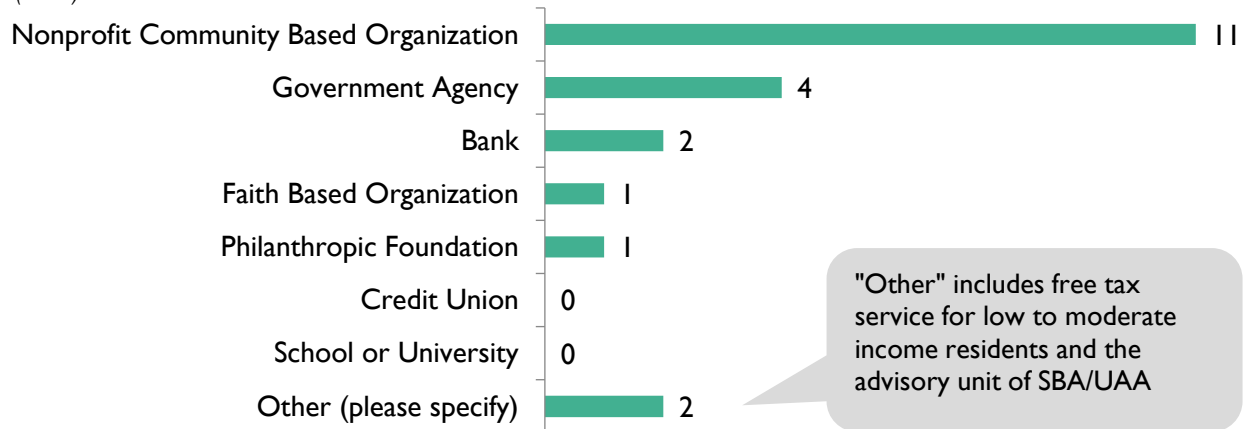
### Who responded to the survey?

Twenty-one individuals responded to the survey representing nineteen different organizations. Most responses came from nonprofit community-based organizations.

*Survey responses to the question:*

#### **What type of organization do you represent?**

(n=21)

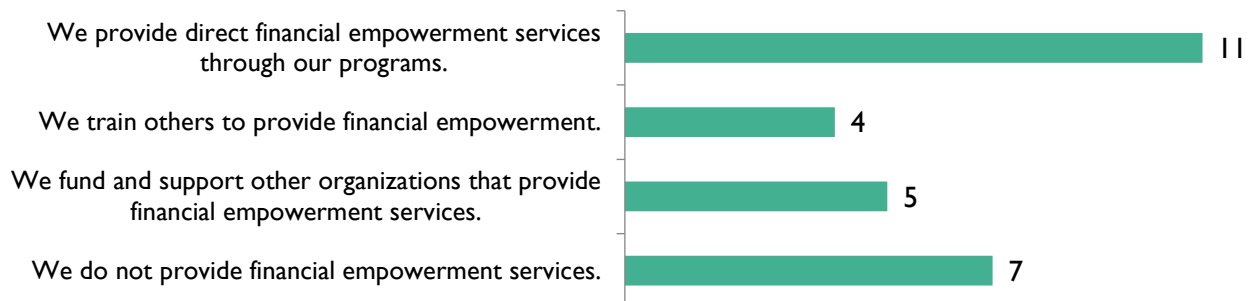


Just over half of the organizations that responded to the survey provide direct financial empowerment programs. Seven organizations do not provide financial empowerment services, four train others to provide services and five fund and support other partners that provide financial empowerment.

*Survey responses to the question:*

#### **What is your organization's role in providing financial empowerment services?**

(respondents could select all that apply; n=21)

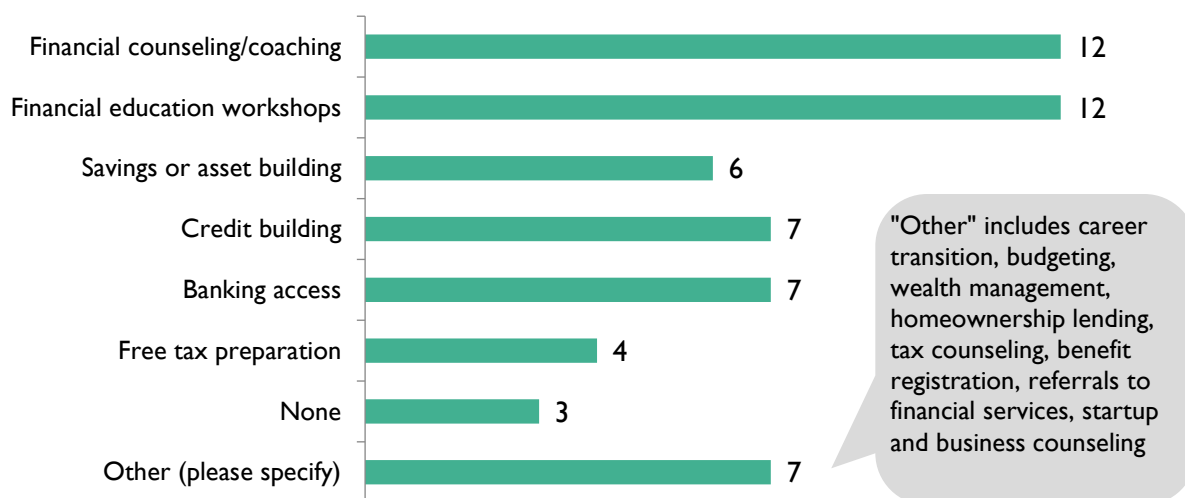


Responding organizations provide a range of financial empowerment services, as listed below. The top two categories are “financial counseling/coaching” and “financial education workshops.”

Survey responses to the question:

**Which of the following financial empowerment services do you provide or support?**

(respondents could select all that apply; n=20)



Of the organizations who responded, 11 serve people living in Anchorage, eight are statewide and two did not specify their geographic focus. Many of the organizations serve a specific target population such as low to moderate income residents, military members and their families, K-12 students, and people experiencing homelessness. Of the organizations that provide direct services, some serve a small subset of people while others serve thousands; the largest provider according to survey results is Junior Achievement of Alaska, who teaches financial empowerment in Alaska schools. See the table at the end of this section for more detailed survey responses by organization.

Survey responses to the question:

**How many clients participate in your organization’s financial empowerment services each year?**

(n=19)



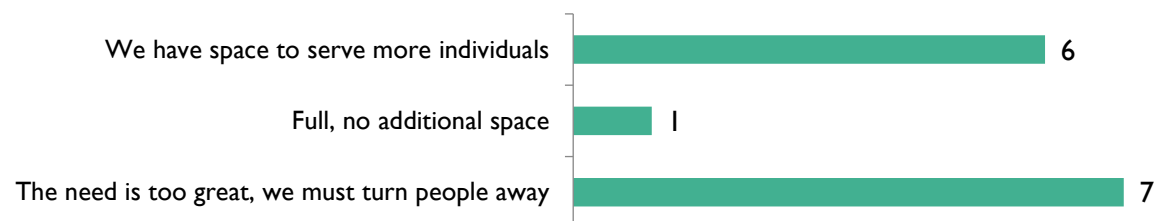


About half the organizations that responded to the survey have additional space to serve more individuals; the other half are over capacity. In particular, the programs with capacity to serve more people present an opportunity to increase the number of residents accessing financial empowerment services, since they do not require the development of new programs or new hires.

*Survey responses to the question:*

**Are your financial empowerment programs at capacity?**

(n=15)



## Biggest Challenges to Financial Empowerment in Anchorage

The survey asked respondents about the biggest challenges related to financial empowerment in Anchorage, including the greatest unmet need and whether there are underserved populations. The left column of the table below shares some of the recurring responses regarding challenges/barriers to providing services. The right column summarizes themes in the survey about the biggest financial challenges faced by residents.

### Top Responses:

Barriers to Providing Financial Empowerment Services

- Financial literacy not taught in schools
- Lack of connections between organizations; better coordination/partnerships would increase effectiveness
- Hard to “get folks in the door,” people don’t realize what programs are available and how they can benefit
- Lack of funding to support financial empowerment programs; challenges retaining volunteers

### Top Responses:

Biggest Financial Challenges Faced by Residents

- High cost of housing
- High cost of child care
- Transportation challenges
- Low/no income
- Poor credit history

## Recommended Role of the Municipality

Survey respondents were asked, “What role would you like to see the City play to help meet the financial empowerment needs of the people of Anchorage?” The following themes emerged in the results:

<b>CONVENE</b>	Help organizations, providers make connections and identify overlapping and/or missing services	<i>“I see the city as helping to make connections between organizations and possibly providing resources for programming.”</i>
<b>PROMOTE</b>	Endorse programs already working on financial empowerment; help get the word out; act as trusted liaison/referral to enhance legitimacy of programs	<i>“Help with the cost of getting the word out that organizations like ours are out there to help and what we can do.”</i>
<b>ACCESS</b>	Support increased services at trusted community locations such as schools, libraries and community centers	<i>“Increased financial services at community locations such as schools, libraries, and community centers.”</i>
<b>TRANSIT</b>	Address high transit costs, both generally and specifically transit costs for participants to travel to financial empowerment activities	<i>“The Muni may be able to help alleviate some of the financial burden of transportation to events.”</i>
<b>HOUSING</b>	Continue to take steps to address the high cost of housing and help those experiencing/at risk of homelessness	<i>“Provide stable and well-funded local government services as safety net for basic needs.”</i>

Other specific suggestions include:

- “Advocacy to employers that hire reentrants about being mindful of the need to support financial empowerment to the extent that they are able.”
- “Host free shredding of documents days for identity theft prevention.”
- “The revitalization of areas of concentrated poverty, which will require strong investment in all sectors including infrastructure, public health, small business support, and education.”
- “Funding and endorsement of programs that are actively working in this space, not funding new programs without assessing the current landscape.”
- “I would like to see comprehensive financial counseling courses enacted with stipends for debt reduction at the conclusion of the counseling process.”
- “In the different minority groups most often a trusted liaison is needed because trust is an issue and we do not have the resource of capacity to act or hire people for this role.”

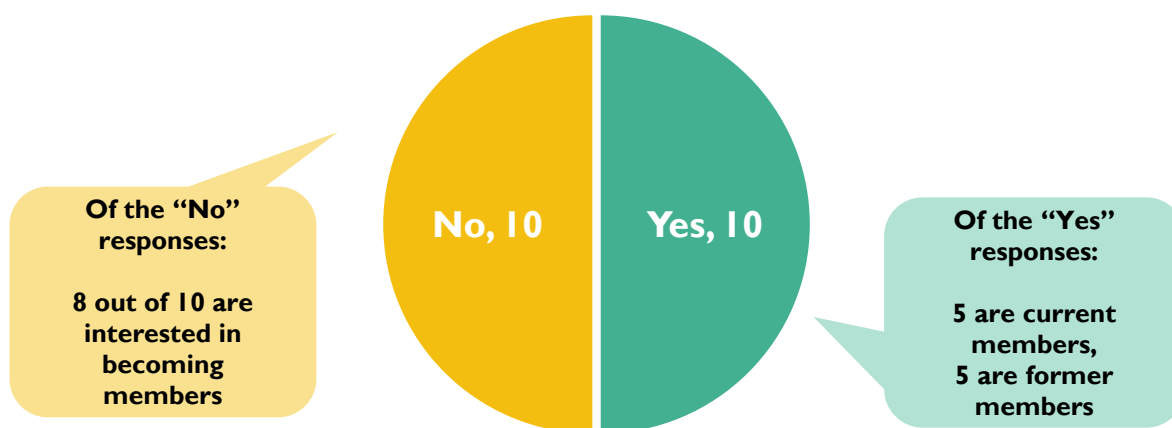
## Familiarity and Interest in the Financial Partnership Network

The final set of questions in the survey asked respondents about their familiarity with and participation in the existing Financial Partnership Network. Only half of survey respondents were familiar with the Network. Of those who are familiar with the Network, half are current members and half are former members. Of the ten who were not familiar with the Financial Partnership Network, eight expressed interest in joining. Responses indicate that continuing to expand participation in the Financial Partnership Network represents a simple opportunity to improve connectivity between partners working on financial empowerment.

Survey responses to the question:

## **Are you familiar with the Financial Partnership Network?**

(n=20)



While the survey highlights the input of approximately 20 organizations working in financial empowerment, the planning team recognizes this is not an exhaustive list. The Municipality of Anchorage welcomes ongoing feedback and collaboration during implementation. This planning process has also served to inventory a long list of organizations who have a stake in financial empowerment in Anchorage. More details about the organizations surveyed follows. In addition, the process of developing this plan served to identify many potential partner organizations who are working to improve the financial stability of community members in Anchorage. The following list is not exhaustive; however, provides a starting place for building linkages and connections.

### **Potential Financial Empowerment Partners**

- AARP
- Alaska Banker Association
- Alaska Coalition for Veterans & Military Families
- Alaska Community Foundation
- Alaska Court System Family Law Self-Help Center
- Alaska Department of Law Consumer Protection Unit
- Alaska Growth Capital
- Alaska Housing Finance Corporation
- Alaska Literacy Program
- Alaska Mental Health Trust
- Alaska Native Village Corporation Association
- Alaska Primary Care Association
- Alaska Small Business Development Center
- Alaska Society of Certified Public Accountants
- Alaska Society of Certified Public Accountants
- Alaska Statewide Independent Living Council
- Anchorage Chamber of Commerce
- Anchorage Coalition to End Homelessness
- Anchorage Community Land Trust
- Anchorage Economic Development Corporation

- Anchorage Reentry Coalition
- Anchorage School District
- Angel Fund
- Better Business Bureau
- Business Enterprise Institute at UAA
- Buy Alaska
- Catholic Social Services
- Cook Inlet Lending Center
- Credit Union 1
- Department of Corrections
- Department of Labor and Workforce Development Job Centers
- Disability Law Center
- Financial Partnership Network
- First National Bank Alaska
- Goodwill Industries
- Governor's Council on Disabilities & Special Education
- Habitat for Humanity
- Internal Revenue Service
- Junior Achievement
- Key Bank
- Kids Corp
- Launch Alaska
- Legal Services of Alaska
- Military & Family Readiness Center
- Military + Veterans Affairs Family Welfare Programs
- Money Management International
- NeighborWorks
- Nine Star
- Northrim Bank
- Partners for Progress
- PFD – Alaska Department of Revenue
- Refugee Assistance & Immigration Services
- Standing Together Against Rape (STAR) Alaska
- State of Alaska, Commerce, Community & Economic Development, BSC - Banking & Securities
- the Board Room
- The Business Boutique
- UA College Savings Plan
- UAA Center for Human Development
- United Way
- Wells Fargo
- YWCA

**Appendix: Anchorage CityStart Financial Empowerment Community Survey, Summary of Organizational Responses (Spring 2019)**

Organization	Services you provide or support?							Service area?	Target population?	Please describe any financial empowerment initiatives you are currently working on in partnership with other organizations in Anchorage	Approx. number of clients who participate in financial empowerment services annually?	Are your financial empowerment programs at capacity?
	Financial counseling/coaching	Financial education workshops	Savings or asset building	Credit building	Banking access	Free tax preparation	Other (please specify)					
<b>Provides Services, has Capacity</b>												
Alaska Housing Finance Corporation	Yes	Yes	Yes	Yes	Yes	Yes		Alaska	All neighborhoods where a housing assistance recipient is residing in.	We are partnering with the Consumer financial Protection Bureau to initiate training and technical assistance to "train the trainer" with the "Your Money Your Goals" tools and materials	500	Space to serve more
Cook Inlet Lending Center	Yes	Yes	Yes				Homeownership lending and grant products and programs	Alaska	Low to moderate income population	Collaborating with Anchorage Community Land Trust to support their Set Up Shop program Partner with Habitat for Humanity providing a shared service of underwriting/originating mortgages.	500+	Space to serve more
Kids Corps Inc		Yes						Anchorage	Families with children birth to five living at or below poverty level	n/a	20	Space to serve more
Military & Family Readiness Center	yes	yes					career transition, budgeting, family dynamics, etc	statewide	Military (Active duty, Guard, Reserve, Retirees), their family members, DoD Civilians	FMN	1000+	Space to serve more
NeighborWorks Alaska	Yes	Yes	Yes	Yes	Yes			Alaska	low to moderate income families	We provide counseling and education services which include budgeting, improving credit, strategies for debt reduction and savings	125	Space to serve more
Wells Fargo	Yes	Yes	Yes	Yes	Yes		Wealth Management	Alaska	Delivers financial wellness and delivering financial education workshops statewide.	Anchorage Community Land Trust - Set up Shop Alaska Business Development Center - Rural Tax Prep Business and Employee Education - Wells at Work UAA - Lemonade Day Alaska Banker Association initiatives - Teach Children to Save and Get Smart About Credit	2500 - 3000	Space to serve more

Organization	Services you provide or support?							Service area?	Target population?	Please describe any financial empowerment initiatives you are currently working on in partnership with other organizations in Anchorage	Approx. number of clients who participate in financial empowerment services annually?	Are your financial empowerment programs at capacity?
	Financial counseling/coaching	Financial education workshops	Savings or asset building	Credit building	Banking access	Free tax preparation	Other (please specify)					
Provides Services, no Capacity												
AARP Foundation Tax-Aide Program	Yes					Yes	tax counseling	Anchorage		We always get our taxpayers the largest legal refund possible and save them the cost of tax return preparation. We encourage saving part of tax return.	3500 in Anchorage and about 5000 statewide	The need is too great, we must turn people away
Alaska Coalition for Veterans & Military Families	Yes	Yes						Anchorage	Service members, Veterans and their Families.	n/a	100+	The need is too great, we must turn people away
Anchorage Community Land Trust								Anchorage; focus on Mountain View, Fairview and Spenard neighborhoods	Anchorage's Mountain View, Fairview and Spenard neighborhoods represent some of the U.S.'s most diverse census tracts, Anchorage's lowest income areas, highest rates of unemployment, and highest percentages of foreign-born residents in the country.	ACLT partners with local organizations to provide culturally relevant entrepreneur training services. In the last year, these organizations have included The Business Boutique, Alaska Literacy Program (ALP), Refugee Assistance & Immigration Services (RAIS), and Alaska Growth Capital (AGC).	In 2018, we trained 36 entrepreneurs on business principles and practices.	Full, no additional space
Disability Law Center of Alaska							We help individuals access benefits, such as SSI/SSDI.	Alaska	Individuals with disabilities.	n/a	N/A. We assist about 60 individuals a year secure government benefits.	The need is too great, we must turn people away
Junior Achievement of Alaska, Inc.		Yes						Alaska	All neighborhoods, we target K-12 students in ASD and 55 communities statewide.	529K with UA College Savings Plan	14,100	The need is too great, we must turn people away
SBDC - Anchorage		Yes			Yes		Startup and Business Advisory Counseling	Anchorage	Small Businesses and entrepreneurs in Anchorage and those doing business or investing in Anchorage.	Buy Alaska, TREND, SBA, PTAC, BEI, local banking community, etc...	1,000 plus	The need is too great, we must turn people away
Supports Providers, but does not Provide Direct Service												
Alaska Mental Health Trust Authority	Yes	Yes	Yes	Yes				Alaska	People with disabilities/at-risk for disability	YWCA		
Anchorage Coalition to End Homelessness	Yes				Yes	Yes		Anchorage	People experiencing or at risk of experiencing homelessness.	n/a		
Anchorage Reentry Coalition								Anchorage	Individuals involved in the criminal justice system, either currently incarcerated or recently incarcerated (reentrants)	n/a		
Brother Francis Shelter			Yes		Yes			Anchorage	The Anchorage community experiencing homelessness	We provide a space for other organizations to conduct outreach		
MOA Office of Equal Opportunity								Anchorage		Our office is currently working on a small business program.		
United Way of Anchorage	Yes	Yes		Yes		Yes		Anchorage		free tax prep		