

Promising Pathways to Wealth-Building Financial Services

AGENDA

THURSDAY, OCTOBER 25

8 a.m. BREAKFAST

GATEWAY AUDITORIUM

9 a.m. WELCOME

GATEWAY AUDITORIUM **Julie Stackhouse**, Senior Vice President, Federal Reserve Bank of St. Louis

9:10 a.m. WHY FINANCIAL INCLUSION MATTERS: THE HOUSEHOLD BALANCE SHEET PERSPECTIVE

GATEWAY AUDITORIUM

Ray Boshara, Federal Reserve Bank of St. Louis

9:25 a.m. OPENING KEYNOTE

GATEWAY AUDITORIUM **Melissa Koide**, Deputy Assistant Secretary, Office of Consumer Policy,
U.S. Department of the Treasury

INTRODUCTION:

Ray Boshara, Federal Reserve Bank of St. Louis

10:15 a.m. BREAK

10:30 a.m. PLENARY SESSION ONE: WHO ARE THE UNBANKED AND UNDERBANKED?

GATEWAY AUDITORIUM This session will present the latest data and insights regarding unbanked and underbanked households, both nationally and in the Federal Reserve's Eighth and Tenth districts, which encompasses 13 states in the Midwest and South. Questions to be addressed include:

- How many unbanked and underbanked households exist?
- What are their demographic profiles?
- Why are they banking outside of the financial mainstream?

Several recent surveys of the unbanked and underbanked reveal some surprising findings and insights, challenging previously held assumptions about this complex population.

MODERATOR:

Jennifer Tescher, Center for Financial Services Innovation (CFSI)

PRESENTERS:

Keith Ernst, Federal Deposit Insurance Corp. (FDIC)

Lisa Locke, Federal Reserve Bank of St. Louis

Steven Shepelwich, Federal Reserve Bank of Kansas City

Noon LUNCH

RIVER ROOM

1 p.m. LUNCHEON KEYNOTE

GATEWAY AUDITORIUM **Clifford Rosenthal**, Assistant Director, Office of Financial Empowerment,
Consumer Financial Protection Bureau

INTRODUCTION:

Yvonne Sparks, Federal Reserve Bank of St. Louis

OVERVIEW OF SESSION TWO:

Louisa Quittman, Office of Consumer Policy, U.S. Department of the Treasury

2 p.m.

NETWORKING BREAK

2:30 p.m.

SESSION TWO: WHAT PRODUCTS EXIST TO MEET THEIR NEEDS? (THREE TRACKS)

Session Two-A:
2:30 – 3:45 p.m.

Session Two-B:
4 – 5:15 p.m.

A vast array of financial products—for making payments, accessing and building credit, and accumulating savings—now exists to meet the financial needs of consumers. Most of these products primarily serve “fully” banked consumers; however, efforts are under way to extend these mainstream products to unbanked and underbanked consumers as well, while some new products have been designed specifically to reach these consumers. Moreover, technology, as well as a wide range of non-bank providers, are bringing down product costs and expanding access in novel and exciting ways, making financial inclusion possible for millions of currently unbanked and underbanked consumers.

The three tracks listed below will discuss some of the most effective and promising products currently available or under development to bring more unbanked and underbanked consumers into the financial mainstream. **Each track will repeat once so that participants can attend two of the three sessions.**

GATEWAY AUDITORIUM **TRACK ONE: PAYMENT PRODUCTS**

MODERATOR:

Terri Bradford, Federal Reserve Bank of Kansas City

PRESENTERS:

John Metz, Walmart Stores Inc.

Haydeé Moreno, Self-Help Federal Credit Union

John Thompson, Advent Financial

RIVER ROOM

TRACK TWO: CREDIT PRODUCTS

MODERATOR:

Vikki Frank, Credit Builders Alliance

PRESENTERS:

Laura Castro de Cortés, Centris Federal Credit Union

Sheri Flanigan-Vazquez, Justine Petersen

Jonathan Harrison, Emerge

Paul Woodruff, St. Louis Community Credit Union

TENNESSEE ROOM

TRACK THREE: SAVINGS PRODUCTS

MODERATOR:

Lillian “Beadsie” Woo, Annie E. Casey Foundation

PRESENTERS:

George Barany, America Saves/Consumer Federation of America

Amelia Erwitt, Office of Financial Empowerment, New York City Department of Consumer Affairs

Nick Maynard, D2D Fund

5:15 p.m.

ADJOURN FOR THE DAY

5:30 p.m.

RECEPTION

ST. LOUIS ROOM AND
RECEPTION AREA

Recognition of Glenda Wilson, Community Affairs Officer, Federal Reserve Bank of St. Louis

8 a.m.

BREAKFAST ROUNDTABLES WITH NATIONAL EXPERTS

TENNESSEE ROOM

TAX-TIME STRATEGIES

The annual filing of tax returns presents an excellent opportunity to foster financial access, build savings and assets, and reduce debts for millions of unbanked and underbanked households. Nonprofit Volunteer Income Tax Assistance (VITA) tax-preparation sites often partner with banks to open bank accounts on site, while new tax forms—especially IRS Form 8888, which allows tax refunds to be allocated directly among three different accounts—have leveraged new banking relationships as well. Also, financial access is now being tested directly in commercial tax-preparation software, as are links to prepaid cards and other emerging financial products. This roundtable will explore these and other promising tax-time strategies to promote mainstream banking relationships and financial security among unbanked and underbanked households.

SPEAKERS:

Michal Grinstein-Weiss, Center for Social Development, Washington University in St. Louis

Nick Maynard, D2D Fund

David Rothstein, Policy Matters Ohio / New America Foundation

FACILITATOR:

Daniel Davis, Federal Reserve Bank of St. Louis

ST. LOUIS ROOM

MUNICIPAL STRATEGIES

In partnership with financial institutions, nonprofits and others, several cities have pioneered “Bank On” campaigns (such as Bank On San Francisco) and savings initiatives (such as \$ave-NYC and Cleveland Saves)—some of which have now become national initiatives—to connect unbanked and underbanked consumers to mainstream financial services. Thousands of new checking and savings accounts have been opened nationwide because of these pioneering efforts. What are the some of the most effective municipal strategies, what have they learned and what recommendations do they offer other municipalities for promoting financial access?

SPEAKERS:

Heidi Goldberg, National League of Cities

Cathie Mahon, National Federation of Community Development Credit Unions

Ida Rademacher, CFED

FACILITATOR:

Lisa Locke, Federal Reserve Bank of St. Louis

MEMPHIS ROOM

FINANCIAL CAPABILITY

It is increasingly recognized that financial education alone does not lead to better financial outcomes or wealth-building banking relationships. Research and best practices now suggest that the goal should be financial *capability*: the combination of financial know-how, products and institutions that together promote behavior change among consumers that leads to effective banking relationships, stronger balance sheets and financial security. What is financial capability, and what roles can various institutions play in promoting it in a high-quality and sustainable manner? What are some of the nation’s best practices and recommendations from leading practitioners, researchers and policymakers to achieve financial capability?

SPEAKERS:

Mae Watson Grote, The Financial Clinic

Louisa Quittman, Office of Consumer Policy, U.S. Department of the Treasury

Michael Rochelle, Center for Social Development, Washington University in St. Louis

FACILITATOR:

Matthew Ashby, Federal Reserve Bank of St. Louis

CLARK ROOM

GOVERNMENT PAYMENTS AND PUBLIC ASSISTANCE PROGRAMS

Many unbanked and underbanked households rely on an array of public assistance and social insurance programs, such as TANF, SNAP (food stamps), Unemployment Insurance, SSI and Social Security. However, these programs generally limit the accumulation of savings and assets, and in fact have rarely been geared toward building banking relationships and longer-term financial security. Moreover, many unbanked and underbanked households must, or choose to, receive some of those benefits by way of paper check. However, effective March 2013, the U.S. government's Go Direct initiative will terminate the paper check option and require households to receive benefits either through direct deposit or via a prepaid card. This roundtable will explore the implications of this mandatory shift to electronic payments on efforts to promote financial access. It will also discuss how the public benefits system can serve as a leverage point for mainstream financial services.

SPEAKERS:

Barbary Brumley, Federal Reserve Bank of St. Louis

Rourke O'Brien, Office of Consumer Policy, U.S. Department of the Treasury

FACILITATOR:

Teresa Cheeks Wilson, Federal Reserve Bank of St. Louis

9 a.m.

BREAK

9:15 a.m.

DAY TWO OPENING KEYNOTE

GATEWAY AUDITORIUM **Jennifer Tescher**, President and CEO, Center for Financial Services Innovation (CFSI)

INTRODUCTION:

Ray Boshara, Federal Reserve Bank of St. Louis

9:45 a.m.

PLENARY SESSION THREE: DISTRIBUTION CHANNELS – MOBILE FINANCIAL SERVICES

GATEWAY AUDITORIUM In recent years, mobile banking has taken a prominent role in the technology world and as a tool for improving financial access. While approximately 8 percent of American households are unbanked and another 20 percent are underbanked, 63 percent of unbanked consumers have a mobile phone and 91 percent of underbanked consumers have one. Moreover, Fed data show that underbanked consumers make comparatively heavy use of both mobile banking and mobile payments compared to "fully" banked consumers. Mobile phones thus provide exciting opportunities for increasing financial access among millions of unbanked and underbanked consumers. This session will provide a brief overview of the mobile banking/payments landscape in the U.S., discuss current mobile financial products and services for unbanked and underbanked households, and present barriers and opportunities for achieving more available, safe and successful mobile financial services.

MODERATOR:

Royce Sutton, Fifth Third Bank/St. Louis Regional Unbanked Task Force

PRESENTERS:

Marianne Crowe, Federal Reserve Bank of Boston

Jeanne Hogarth, Board of Governors, Federal Reserve System

10:45 a.m.

BREAK

11 a.m.

PLENARY SESSION FOUR: DISTRIBUTION CHANNELS — TECH VS. TOUCH

GATEWAY AUDITORIUM

New technologies and distribution channels—such as mobile phones, tablets and kiosks—abound and hold promise to help improve access to high-quality financial products and assist consumers in better managing their finances. These technologies are poised to deliver relevant, timely and actionable information. Yet, for many, social contact, social norms and one-to-one financial counseling are also important for changing consumer financial behavior. So, how far can technology take us in improving financial access and capability? How much human contact is necessary? What is the right balance? What are the implications for achieving effective yet cost-efficient financial services for unbanked and underbanked consumers?

MODERATOR:

Sarah Gordon, Center for Financial Services Innovation

PRESENTERS:

Laura Castro de Cortés, Centris Federal Credit Union

Patricia Hasson, Clarifi

Tina Lentz, Louisville Metro Government/Bank On Louisville

Suresh Ramamurthi, CBW Bank

12:15 p.m.

LUNCH AND CLOSING PLENARY: REFLECTION AND SYNTHESIS ON FORGING PATHWAYS TO WEALTH-BUILDING FINANCIAL SERVICES

RIVER ROOM

After participating in the forum, what can we now say about promoting access to wealth-building financial services? What are some of the key lessons, takeaways and recommendations? Nonprofit, financial institution and foundation leaders will offer their ideas on building banking relationships, financial inclusion and stronger balance sheets among unbanked and underbanked consumers.

INTRODUCTION:

Tammy Edwards, Federal Reserve Bank of Kansas City

MODERATOR:

Brandee McHale, Citi Foundation

SPEAKERS:

Robert Jones, Old National Bank

Cathie Mahon, National Federation of Community Development Credit Unions

Julie Riddle, United Way of Greater Kansas City/Bank On Save Up Kansas City

1:45 p.m.

WRAP-UP AND ADJOURN

RIVER ROOM

Ray Boshara, Federal Reserve Bank of St. Louis
