



**FEC Public**

Scaling Financial  
Empowerment Centers  
as a Public Service

# Financial Empowerment Center (FEC) Public: The Movement to Date

Scaling professional, one-on-one counseling as a free public service to cities and counties across the country





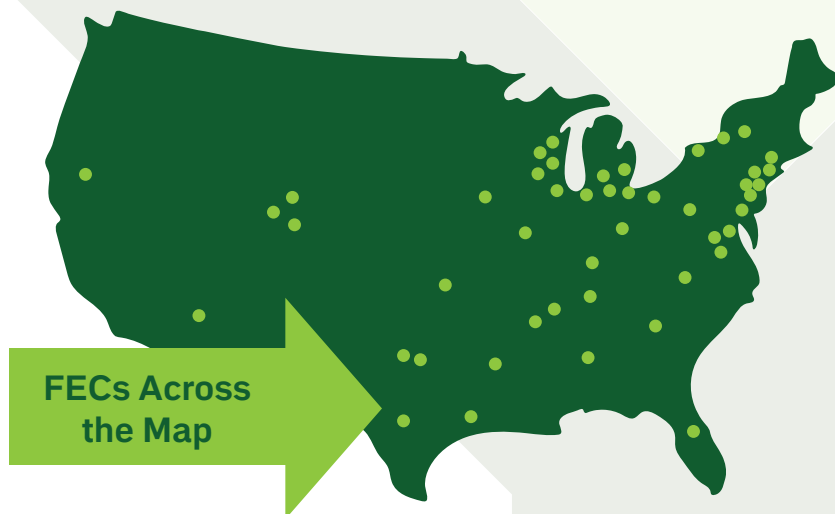
# Financial Empowerment Center (FEC) Public: The Movement to Date

Increasingly, local leaders are realizing that individual and family financial stability are directly tied to neighborhood and community success. While community organizations have traditionally addressed these issues, local government leaders have learned the hard way that such financial instability both increases demand for, and decreases the success of, municipal social services.

To address this critical need, cities and counties across the country are turning to the Financial Empowerment Center model. **Financial Empowerment Centers (FECs) offer one-on-one, professional, data-driven financial counseling as a no-cost public service.** First developed over 10 years ago in New York City by Mayor Michael R. Bloomberg, national nonprofit the **Cities for Financial Empowerment Fund (CFE Fund)** has worked with over 80 local government partners through the FEC Public movement, helping more than 30 cities and counties around the country launch a FEC; there also are more than two dozen local governments currently working towards a FEC launch in their own communities.



## FEC LOCATIONS



The national FEC Public initiative is supported by seed funder Bloomberg Philanthropies and other partners including Wells Fargo Foundation and Principal Foundation.

As of June 2024, FECs across the country have provided:



**487,328**  
counseling sessions



services to  
**180,592**  
clients



help to reduce  
**\$293 M**  
in debt



help to build  
**\$57 M**  
in savings

# The Financial Empowerment Center (FEC) Model

The CFE Fund has spent more than a decade supporting and enhancing financial counseling as a public service, resulting in a sustainable, proven program model that works in a range of local contexts. While the FEC is a national financial counseling program model, each FEC is highly localized with operations, community partners, and priority service areas driven by local stakeholders. Core elements of the FEC program model include:



**Government-led program:** Financial counseling is provided as a no-cost public service; financial counseling serves a critical public need; and local government oversight provides for credibility, accountability, scale, and program sustainability. Managing local governments usually work with trusted community partners with direct service experience to deliver the financial counseling public services.



**Individualized and professional services:** Individual financial challenges are complex and require personalized, professional assistance. FEC financial counseling is always delivered one-on-one – centering a trusted relationship with one financial counselor – and all financial counselors are professionally trained according to the CFE Fund’s [FEC Counselor Training Standards](#) and Code of Ethics. Counselors work with clients on self-identified goals and issues related to banking, credit, debt, and savings.



**Embedded community partnerships:** As financial instability impacts the need for, and success of, other social services, FECs build strategic counseling partnerships with other services such as housing and foreclosure prevention, workforce development, prisoner reentry, and benefits access. These partnerships support residents by directly addressing their underlying financial instability through financial counseling as they access other social services, and help target counseling efforts to residents who need them most. For example, a workforce development program might have a FEC financial counselor onsite, or develop a warm referral partnership with the local FEC, to help clients build or repair their credit, open a safe banking account to get ready for direct deposit, and budget for new income.



**Rigorous data collection:** Across the country, FEC partners use the CFE Fund’s centralized FEC database – FECBOT, or FEC Boost Outcomes Tool – to collect over 200 client data points, including how an individual’s financial health changes over time, measured against specific financial behavior change outcomes. Local governments and FEC program staff use the data to manage and analyze the program’s reach and impact in real time and identify where the program is succeeding and where to make enhancements.



**National learning community:** All FEC local government and counseling providers are included in the CFE Fund’s vibrant national learning community, sharing best practices for operating and sustaining the FEC initiative, connecting with peers across the country, and accessing additional professional resources.

## *Professionalizing the Municipal Financial Counseling Field*

Trained, professional counselors are a key element of the success of FEC financial counseling as a public service; elected leaders and program partners need to feel confident referring clients with complex financial challenges to FEC services. The CFE Fund developed a set of FEC Counselor Training Standards that counselors must meet before beginning counseling, along with a Code of Ethics. Counselors also receive professional development opportunities through participation in a vibrant FEC Learning Community and ongoing training.

## *Using Data to Drive Client Achievement*

The CFE Fund manages the national FEC database – FECBOT – which tracks over 200 data points per client. FECBOT is a Salesforce-based platform specifically customized for the FEC program model; it ensures the professionalization of the counseling process by administering consent forms, intake questions, a Financial Health Assessment, and soft credit pulls directly into the database, and also standardizes outcome tracking and client achievements. FECBOT is a powerful Salesforce-based platform tool for both counselors to provide individualized guidance to clients, and for local governments to easily demonstrate the program’s impact.

## FECs are Sustainable Public Programs

The long-term sustainability of FEC public services – ideally through public funds and a broad range of political champions – is a central goal, and intentionally built into the CFE Fund model. Through connecting FEC financial counseling with other nonprofit and government social services, and using FECBOT data to demonstrate client and community impact, FEC local government leaders build an array of champions. Partners across the country have universally leveraged initial philanthropic support and these program features to achieve their own FEC’s success, popularity, and sustainability.



**Public funding for the FEC demonstrates clear buy-in from local governments and promotes long-term sustainability across mayoral and other senior government leadership changes. As of May 2024:**



FECs have raised  
**\$42 million**  
to support FEC  
operations



**100% of all FECs**  
received at least  
some public funds  
during their first  
two years of FEC  
services



**Over half of all  
FEC funding**  
in their first two years  
comes from public  
dollars (local, state,  
or federal funds)



**89% of funding**  
reported by FECs  
raised after year 2 of  
FEC services come  
from public dollars

FEC funding sources have included federal funding streams like Community Development Block Grant (CDBG), American Rescue Plan Act (ARPA), Temporary Assistance for Needy Families (TANF); city tax levy funds, local general funds, and department funds; support from local philanthropic partners, including financial institutions; and funds from community partner organizations.



*“[Our FEC] will work with our residents on credit repair, on financial literacy, on reducing college debt, on making sure they have insurance. We’re working with them on getting bank accounts. You’ll never be able to create enough housing or programs just to take care of people who are poor, but you can create programs and services that will expand their capacity to and empower them to take care of themselves. We’re really trying to create that ecosystem.”*

— **Mayor Shawyn Patterson-Howard,**  
Mount Vernon, NY



# FECs Help Financially Vulnerable Residents

While the FEC is a public service available to all residents over age 18 – regardless of income or documentation – FECs primarily serve people with low-to-moderate incomes, who otherwise would not have access to individualized assistance.

Average income:



**\$38,400**

Average age:



**43**  
years old

Banking status:



**14%**  
unbanked

Average savings:



**\$5,000**  
median savings:  
\$45

Gender:



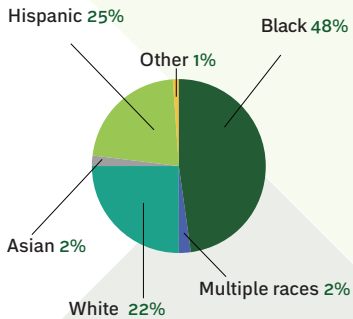
**72%**  
female

Average debt load:

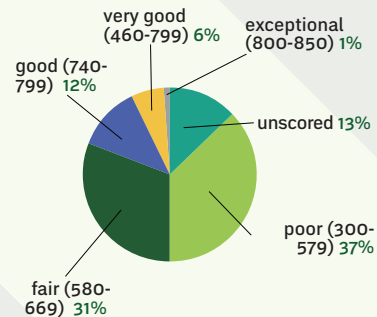


**\$36,000**

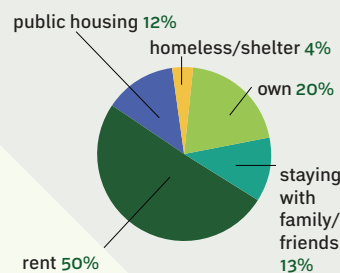
Race:



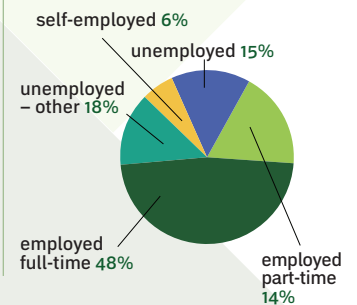
Baseline credit score:



Housing:



Employment:



**FEC clients have a myriad of financial challenges... yet despite those challenges, FEC clients succeed.**



**63%**  
Attended multiple sessions



**34 points**  
Median credit score increase



**\$2,400**  
Median debt reduced



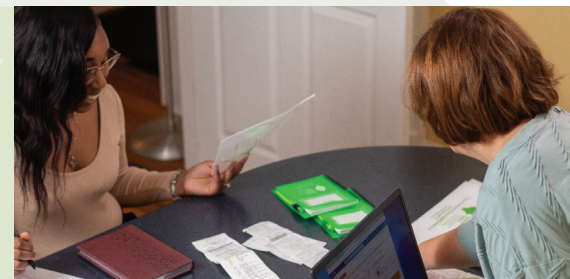
**2**  
Median # of delinquent accounts reduced



**\$1,400**  
Median savings increased



**87%**  
of clients working on creating a budget completed one



## Client Satisfaction

In partnership with the [Listen4Good](#) initiative, the CFE Fund completed three rounds of client feedback surveys aimed at understanding client satisfaction levels and improving FEC operations in six FEC localities.

In the surveys, **95% of clients** said they are always treated with respect at the FEC; **90% of clients** said they would "highly recommend" the FEC to a friend or family member; and **80% of clients** said they are making progress towards their goals.

## Innovative FEC Partnerships Advance the Field

Continuous innovation and enhancement are critical to the growth of the FEC Public initiative. The CFE Fund supports a range of pilots and research studies, leveraging innovative partnerships, that advance local government priorities and further the financial health field. Examples include:



### Enhancing Savings Counseling

The CFE Fund fielded a [two-city pilot](#) to better understand how FEC clients save money and ultimately inform new savings indicators for financial counseling success. The pilot combined counselor and client experiences with academic and policy research to operationalize field thinking about how people with low incomes save and to tell a more complete story about the impact of financial counseling on savings. This resulted in the FEC telling a more complete story on how financial counseling impacts and supports savings.



### Small Business Boost

Small business ownership is widely regarded as a pathway towards wealth building and is often of particular interest to local government leaders; however, the success of a small business is often intertwined with an owner's personal financial stability. [This pilot explored](#) how FEC financial counseling can support the personal financial needs of small business owners and help them achieve their business goals in five pilot cities. The pilot, supported by Principal Financial, demonstrated the salience of financial issues like credit, debt, and separating business and personal finances to small business owners, particularly Black and Latina women in the early stages of their business journey.



### Legacy Planning

In many localities, because of both historic and current systemic racism and other barriers, Black residents and other residents of color experience worse financial stability than white residents. Additionally, a lack of intergenerational wealth transfer is a driving force preventing residents with low incomes from building wealth. The CFE Fund and four local governments partnered on a novel effort to build Black people's ability to transfer wealth to future generations by [integrating estate planning](#), or "legacy planning," into existing FEC counseling services. The pilot, supported by Bloomberg Philanthropies' Greenwood Initiative, demonstrated that FECs can play a unique role in helping clients, including Black clients, engage in legacy planning – ensuring that clients can achieve their longer-term financial goals and have an opportunity to transfer wealth across generations.



### Foreclosure Prevention

Since the Great Recession, Detroit has had a history of significant property tax foreclosures, which impacts both individual and community financial stability. When the City of Detroit launched their FEC initiative, they deliberately aligned it with their priority policy goal of sustaining homeownership. With support from the Wells Fargo Foundation, the CFE Fund studied this close partnership and the impact that financial counseling has on residents with property tax debt. [The study found](#) that financial counselors helped residents navigate the complex ecosystem of foreclosure prevention support and went on to help clients achieve longer-term financial stability outcomes once their initial crisis had passed.

# Join The FEC Movement



As of 2024, 32 cities and counties have [an operational FEC in their community](#), with over two dozen more working with the CFE Fund towards their own launch. **The CFE Fund's FEC Academy is a rolling opportunity that guides city and county staff through each step of planning to launch FEC services locally.** The CFE Fund's support includes significant individualized guidance, cohort-based trainings, access to planning resources and information, and participation in a national learning community. Additionally, partners who complete FEC Academy are eligible to apply for CFE Fund grant funds for program implementation, and receive support in raising other public and private funds.

FEC Academy is a no-commitment entry point that can help your city or county assess if the FEC model is a good fit and the right time for your community. Visit <https://fecpublic.org/> to learn more.



*“My spending habits were out of control and had no direction. I needed a financial plan, some structure, and accountability. [After coming to the FEC], I feel like I got a raise. In just a few short months, I’ve learned so much about my spending habits and behaviors. I also have a baseline knowledge on credit and budgeting. I now have the confidence to manage daily finances without feeling frustrated or guilty.”*

**Client, Detroit FEC**

## About the Cities for Financial Empowerment Fund

The CFE Fund is a national nonprofit that supports efforts to improve the financial stability of households by leveraging opportunities unique to local government. By translating cutting-edge experience with large-scale programs, research, and policy, the CFE Fund assists mayors and other leaders in over 140 cities, counties, and states to identify, develop, fund, implement, and research pilots and programs that help families build assets and make the most of their financial resources. Efforts include access to safe and affordable banking accounts, one-on-one financial counseling as a public service, asset building, and consumer financial protection. In its first 12 years of existence, the CFE Fund already has disbursed over \$67 million in grant support to local government partners. Learn more and join us at [www.cfefund.org](http://www.cfefund.org).

*“The FEC helped consolidate my credit cards, and now I am making significantly lower payments, which helps me save money. Thanks to doing that, I think I have saved at least \$30,000. Before coming to the FEC, all my credit card debt was going to overshoot my income, but thanks to the financial plan I am in I have money for my monthly expenses, I am less stressed, and I am able to sleep better. I can also focus on saving money, which is a huge difference.”*

**Client, Gaithersburg FEC**

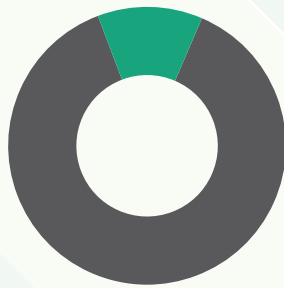


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