Center for Social Development

GEORGE WARREN BROWN SCHOOL OF SOCIAL WORK

State Asset-Building Coalition Learning Cluster (SALC)
December 2013 Convening Report

Building on impressive efforts made toward advancing asset-building initiatives and policies in the United States, statewide advocacy groups continue to benefit from capacity-building opportunities and technical support. Through the development and support of state asset-building coalitions and cross-coalition convenings at the state and national levels, policymakers, researchers, and practitioners are able to share innovative ideas and effective practices for increasing financial security among low- and moderate-income (LMI) families through savings and investments.

The convening of the State Assets Learning Coalition (SALC) Cluster represented in this report was the second of two convenings held in 2013. The two convenings represented the continuation of an ongoing effort (since 2009) to build the capacity and knowledge base of 12 state-level coalitions that focus mainly on increasing asset-building opportunities for LMI individuals and families. With support from the Charles Stewart Mott Foundation, SALC has met two to three times per year since 2009.

About The SALC Initiative

The original SALC project ran from January 2009 through December 2011 and included three capacity-building convenings per year, as part of project objectives and goals (for more information about the original SALC project, see: http://csd.wustl.edu/OurWork/AssetBuilding/Documents/Perspectives_from_the_field.pdf). SALC partners were chosen by a leadership team (selected and supported by the C. S. Mott Foundation), on a competitive basis through an RFP process. A report on the goals and results of the original project is currently being completed by the Institute for Assets and Social Policy (IASP) at Brandeis University. In 2012, Mott granted additional support to continue semi-annual SALC convenings through a foundation-administered project. Then, in 2013, the Center for Social Development (CSD) was granted Mott support for a capacity-building project that included facilitating the SALC convenings in 2013 and 2014.

Twelve states are represented by SALC and reflect variation by region and culture. They are: Arkansas, California, Illinois, Maryland, Massachusetts, Michigan, Mississippi, New Mexico, North Carolina, Ohio, Texas, and Washington. SALC convening participation consists of two leaders from each state asset-building coalition. Cluster participation is limited to established state coalition partners.

Since January 2012 (the first year after the original project ended), SALC convening agendas have been developed by a three person Steering Committee, chosen annually by cluster partners in collaboration with the project leadership team. In 2013 the SALC-selected Steering Committee members represented Illinois, North Carolina, and Texas partner coalitions.

An Overview of the December 2013 SALC Convening

The agenda (see below) for the December 2013 SALC Steering Committee (SC) focused on keeping the momentum generated by the August meeting to enable state coalition partners to take another deep dive into a strategy for state level Children's Savings Accounts (CSAs) and antipredatory lending policies. In August, state partners agreed that the deep dive discussion format helped them examine much information in a short amount of time.

We scheduled presentation and discussion sessions for CSAs and antipredatory lending, but the partners decided to table the CSA discussion until the next convening and focus primarily on how to reduce the uptake of predatory loans in states. The group examined recent data and research by national experts on antipredatory lending policies. The foci of expert presentations were (1) diminishing economic mobility in the United States and how it could curb overall savings patterns, (2) current national efforts to regulate predatory lending practices and products, and (3) the potential for emergency savings to curb the high use of predatory lenders among LMI households. (See the December 2013 convening agenda at the end of this document for more information.)

Session One

Research Presentation from Leaders of the Pew Charitable Trust's Economic Mobility Project (http://www.pewstates.org/projects/economic-mobility-project-328061)

Presenters: Denise Wilson, Senior Advisor, Pew Charitable Trust; Janet Boguslaw, Associate Director, Institute for Assets and Social Policy (IASP) at Brandeis University; John Gist, Research Professor of Public Policy, George Washington University Institute of Public Policy

Denise Wilson defined economic mobility and explained how it is measured for The Mobility Project. Project researchers used the Panel Study of Income Dynamics (PSID) for two measurements. The first measurement compared how the incomes of today's adults compare to that of their parents (i.e., absolute mobility). The result is that 84% of Americans have higher family incomes than their parents, but the amount of the increase is relatively small.

The second project measurement determined if individuals in the same cohort have been able to change their income distribution rankings (i.e., relative mobility). This measurement relates to the American rags to riches scenario – the percentage of the population that is able to move from the bottom of the income distribution to the top. Americans consider it common for someone to start poor, work hard, and end up rich, and the concepts of

absolute mobility and relative mobility go hand in hand in the American ideal. However, in reality only 4% of recent earners in the study were able to climb to the top.

Researchers are now asking why more Americans are currently able to experience absolute mobility but not relative mobility. One of the great transformations in American society came after women entered the workforce in greater numbers and families had two income earners. Could the greater increase in absolute mobility relate to the additional earner in those families? (http://www.pewstates.org/news-room/video-library/economic-mobility-and-the-american-dream-85899378857).

Janet Boguslaw presented data from a study that focused on the financial choices people make when navigating the economic shock of unemployment. During the recent Great Recession, such a large number of people encountered financial shocks from unemployment that a number of policymakers began to consider how to best assist families to relieve the extraordinary financial stress. That period was a perfect time to study the ways people weathered economic shocks; particularly how families fare financially during periods of great economic stress.

What are the long-term implications of such stress on financial security and well-being relative to the immediate financial choices made? We considered proactive policy solutions, developing a study related to those issues. The study questions were included on the PSID, and quantitative and qualitative data were collected from 1999–2009. Study cities included Boston, St. Louis, and Los Angeles. The study began in 1998, was followed up in 2010,[1] and additional results of qualitative data will be released soon.

Quantitative data showed that:

- families of color are more likely to experience job loss during a recession and less likely to have savings to fall back on during the period and
- the median wealth of the White households studied was 7 times greater than that of the Black households studied.

Qualitative data showed that:

- families who had the least assets during the recession had to make harder choices and decisions (some of those families were rational and well-informed in their decisions, but most were not) and
- people in general do not understand economic and financial systems and processes and many made a significant number of uninformed choices.

Data showed that people were worried about switching job sectors to find employment because they were concerned that the new job offered less stability or pay and would hamper their upward mobility. Many families struggled to decide if immediate savings and investment should have been put towards paying for their children's college education or their own retirement.

---

[1]Boguslaw, J., Thomas, H., Sullivan, L., Meschede, T., Chaganti, S., & Shapiro, T. (2013). *Hard choices: Navigating the economic shock of unemployment.* Retreived from http://www.pewstates.org/uploadedFiles/PCS_Assets/2013/EMP_Report_Hard_Choices_Navigating_the_Economic_Shock_of_Unemployment.pdf

The findings indicated that efforts to build assets and experience upward mobility were seriously stymied by unemployment. Policy implications include the need for more financial coaching and education, particularly at the community level. Data indicated that emergency funds and systems (e.g., utility service provisions, revision of retirement savings withdrawal penalties, revision of tax-incentivized savings structures to encourage families to build emergency assets, and reform of the unemployment insurance system) are important for helping people to recover financially. Those policies could enable many more hard-pressed people to save and plan for the future in times of financial crisis.

John Gist presented data on the effects of the Great Recession on retirement security across birth cohorts. The PSID has been tracking a specific cohort of families since 1968, and the sample has gotten larger over time. Findings included that Baby Boomers' (i.e., those born between 1946 and 1964) total wealth equaled 55% of the entire country's wealth when the Great Recession started. However, those Boomers lost at least four times more wealth from 2007 to 2009 than younger cohorts (the study looked at five birth cohorts). Stocks and housing were the assets hardest hit in the recession. Housing equity became much flatter in the earlier period of the recession than it was when the housing bubble first burst in 2006.

There are different types of economic mobility that households experience over time. As previously mentioned, we are accustomed to the notion that children will do better than their parents. While mobility does exist, it was not a universal pattern among study cohorts. All cohorts experienced losses in mobility between 2007 and 2009. The median monetary loss was $30,000. In percentage terms, the amount of loss increased fairly steadily across cohorts, with the youngest cohort losing 40% of its wealth. The St. Louis Federal Reserve Bank found that households losing the most wealth were the youngest. The younger generation had not been accumulating wealth as rapidly as older generations had before the recession.

The panel study looked specifically at pension income, comparing retirement preparation across cohorts, to look at not only total assets owned but total assets owned, including the value of social security and pension income. The standard metric used in similar studies is called *replacement rates,* which reflects the value of the total amount of income people have in retirement versus the value of the total amount of income they had during their working years. Financial planners tend to use replacement rates from 0.7 to 1.0 as ideal because people pay fewer taxes in retirement. People in this income bracket most often do not have to continue to save to grow wealth because expenses are reduced.

It is difficult to measure in dollar terms the benefit of not having to pay rent or make mortgage payments to live in a home. No data resource measures punitive rental value. The estimated median replacement rates by birth cohort study showed that the replacement rates of Generation Xers and younger Baby Boomers were too low to yield adequate retirement income. Older cohorts had higher replacement rates for reasons aforementioned. It will be interesting to see what the data tell us about how the results of these factors change over time. It appears that the value of total retirement income is declining steadily among cohorts.

The big finding from this research was that older Boomers seem to be a charmed cohort. People in that cohort who bought homes were more able to afford to stay in them than

those who were born after them and bought homes. The total number of women as workforce partners in families was higher than previously measured and higher for younger Boomers than older Boomers.

It was once assumed that all people would be part of a pension system, but that has proven to be untrue. All pensions are not secure, as the state of Illinois and the city of Detroit show. Retirement accounts, such as 401(k)s, have become much more common in the workplace than pensions, and the general consensus among financial advisors is that the income generated from those plans will not yield enough money for an average retirement (i.e., one in which income replacement value is adequate to cover living costs), especially when compared to pension income. Most cohorts do not actively save for retirement from a young age, let alone save adequately. See Gist, J., Figueiredo, C., & Verma, S. (2012). Boom and bust: housing equity withdrawal, consumption, and impacts on household retirement wealth. *Journal of Aging and Social Policy*, 24(1), 1–28.

Session Two

Presentations from representatives from the Consumer Financial Protection Bureau (CFPB) on payday lending research and the Center for Financial Security on the positive financial implications of holding emergency savings

On the savings side, state and federal governments have not established emergency savings policies in the United States at state or federal levels. On the loan side, proponents of change have proposed rules and amendments to regulate specific predatory consumer loans and financial products. Presentations covered establishing new administrative rules related to payday loans and how having emergency savings could significantly reduce the need for predatory loans. After the presentations, state partners discussed how their states could encourage rules and policies related to emergency savings, while promoting (as states and as coalitions) consumer-friendly loan policies, taking advantage of new federal rules.

Presenters: Corey Stone, Assistant Director, CFPB; Leah Gjertson, Project Assistant at the Center for Financial Security, University of Wisconsin

According to **Corey Stone,** bank overdrafts impact more people than do payday loans. Recent papers on payday lending have been met with criticism by the industry and must be supported by additional research to refute such criticism. (See http://investorplace.com/investorpolitics/the-cfpbs-outrageous-white-paper-on-payday-lending/#.U3oAZIFdWE4). Basic questions left to be more fully resolve include (1) what are all the harmful impacts of payday loans? and (2) if payday loans are more harmful than helpful, what type of interventions with consumers would be the most effective alternatives?

Most industry revenue comes from heavy users of predatory lending products. If one measures loan patterns by looking at individual loans, it seems that only a small percentage of people default. However, if one measures loan patterns over time accounting for repeat customers with multiple loans, the percentage of defaults increases.

Payments for most payday loan products are withdrawn within a day of the due date (i.e., payday). On the other hand, payments for deposit advances (i.e., an alternative type of loan similar to a payday loan but offered by a bank), are withdrawn instantly when the first direct deposit hits. Banks have lower default rates than payday lenders, and the loans are priced lower: $10 per $100 versus $15 to $20 per $100 as for payday loans. People who carry low balances also can carry deposit advance protection (DAP).

People's decisions about small loan products seem to follow behavioral economics principals, but that hypothesis is difficult to prove. A Columbia law school study showed that most people who took out payday loans and paid them quickly had *predicted* that they would do so (i.e., they had an upfront intention to pay the loan back). Most people who are good at predicting when they can pay these types of loans do pay them back. The study showed that granting loans only on the basis of a consumer's "on paper" ability to pay may be risky. But how can banks consider intent? Having underwriting protection for all small loan schemes would benefit many people who use these types of loans.
(See http://www.cfpbmonitor.com/tag/payday-loan/.)

Overdraft Study White Paper

What is the impact of the recent rule change that forces consumers to opt in for electronic benefit transfer (EBT) and overdraft protection? What situations create overdrafts? Are there effective interventions for those scenarios? For example, on average, there is a 50% increase in cash transactions per month in households using EBT. Debit cards have replaced cash for most transactions and are widely used. However, consumers with debit cards have a harder time tracking the balances on their accounts. Overdraft charges account for about 70% of service fees charged to all banking accounts. Only 8% of depositors are responsible for 84% of the revenue collected by banks used to offer free checking to all.

Neil Bhutta of CFPB completed a study that looked at the profiles of average payday loan applicants. The study used FICO® scores because they show whether or not people are meeting their financial obligations and what types of credit are available to them. People who take out payday loans average a 520 FICO score. Ninety-five percent of applicants had an average of four credit lines, which were mostly maxed out. Data suggest that people are in bad financial shape going in, worse shape at the end, and typically have a four-year recovery period after taking out payday loans.

How do we treat these behavioral biases when making related policies? For example, mobile banking is just another version of a debit card. Its use makes the customer more susceptible to impulse purchases but also allows the consumer to see the account balance. Encouraging a provision for self-management tools to be accessed could be helpful.

Many people in the study used multiple institutions for financial transactions, with savings accounts at one and checking accounts at another. These individuals did not want their savings touched for overdraft fees.

See the following websites for more information:

- http://files.consumerfinance.gov/f/201304_cfpb_payday-dap-whitepaper.pdf
- http://files.consumerfinance.gov/f/201403_cfpb_report_payday-lending.pdf
- http://files.consumerfinance.gov/f/201306_cfpb_whitepaper_overdraft-practices.pdf

Key points from discussions following the presentation

- The Washington Statewide Poverty Action Network acts as an advocate for consumers, taking the lobbying lead in the state government on these issues. State legislators want suggestions for alternative options instead of the standard "just say no to payday loans" rhetoric. A recent Washington law allows consumers to push back their final loan payment due dates somewhat, imposes restrictions on loan origination fees, and limits the maximum number of loans that a consumer can take out per year to eight. According to data gathered during the last three years since these policies have been in place, the payday loan debt from new loans in the state was reduced from $3.2 million to $900,000. The number of payday lender storefronts was also dramatically reduced. The average payday loan in Washington State is $377, and average income of borrowers is $2,800 per month.
- In 1996, payday lenders were located in more than 100 storefronts in Ohio. In the following ten years, the number increased to more than 1,500. At that time, there were more payday lender storefronts than Wendy's, McDonalds, and Burger King locations combined. In 2008, legislation created the Ohio Short Term Loan Act, which reduced the maximum interest rate on those loans to 28%, with a minimum 30-day payback period. The maximum loan was limited to $400, and individuals cannot take out more than four loans per year. The payday loan industry became instantly motivated to put an alternative initiative on the ballot and lobby for it, but people voted 2:1 to keep the law as it was.
- The payday lending industry began using loopholes to register payday lenders as other types of organizations to avoid having to abide by the regulations. Many were then able to charge customers fees to cash checks generated by the lenders. Also, the lobby encouraged local communities to create new zoning ordinances that support new businesses, including payday lenders. The number of car title lenders increased tremendously in Ohio because they register as credit services organizations.
- Because the current legislature seems to have become uninterested in the issue, advocates of halting or reducing predatory lending are turning to the courts. In one court case, a lender sued an individual for defaulting on a payday loan, but the judge questioned the company's registration as the wrong type of business. Ohio citizens voted but were disregarded by a high-profile lobbying group that manipulated existing laws and rules to suit their purposes.
- A Pew report includes research and policy recommendations on these topics. A key recommendation involves underwriting requirements that limit the total amount of payment that must be made on these loans.
- Assetplatform.org (http://assetplatform.org/apwebsite/Home.aspx) lists many financial products offered by nonprofit organizations. North Carolina has strong consumer protections, but predatory lending agencies have managed to circumvent them to target military personnel.

- The industry makes claims in legislatures that they are being vilified as predatory and claim they offer products to interested consumers ignored by mainstream financial entities because of the high risk. What is the counter argument?
- It is not enough to give people financial education. We must institute long-term strategies for alternative small-dollar loan products. Many consumers feel judged by nonprofits that talk to them about developing household budgets, while payday lenders offer them easy money to satisfy immediate needs.

Leah Gjertson: Emergency Savings and Next Steps in an Evolving Field

Emergency funds are an old concept and have many definitions. Any savings can become emergency savings. New studies on savings are being completed. The RAND American Life Panel is being used by researchers to create charts measuring financial volatility. The U.S. Financial Diaries Project is collecting micro-level data on the financial lives of more than 200 LMI households, and case studies are being taken on how people spend and save money. The Annie E. Casey Foundation completed a study on savings among ten different neighborhoods. They measured not the amount set aside for savings but rather whether or not people are saving.

Key findings include the following:

- People who save for emergencies are saving for other things at a much higher rate.
- Those who do not save use family as a first cash emergency resort then go to pawn shops or payday lenders.
- People saving for emergencies are more prepared to face hardships.

We find that barriers to savings are the best starting places for creating policy interventions. Papers and one-page summaries on this topic are available from a Mott-sponsored salon event at www.emergencysavings.org. Themes at the salon included leveraging savings at tax time through VITA sites and a transitional housing program for the homeless with mortgage add-ons for first-time home buyers (including renters acquiring equity with borrowing capacity from paying rent). Renters also earn credits for chores and equity, and subsidized housing tenants can draw on savings reserves through 0% interest loans. Other innovations that emerged during the salon include leveraging financial products to gain emergency savings, encouraging impulse saving through mobile technology, attaching bank accounts to public benefit cards, and other salient nonfinancial incentives.

There are some big questions that need to be answered. What is the goal of any intervention? What typical scenario happens when the emergency comes? What are target amounts needed? What is the best storage vehicle?

A household with an emergency need that cannot be met by savings or cash on hand does not consider loans as different from savings. Is there a policy argument here? There is no broad answer to this conundrum. There is no broad emergency savings pool. Payday lending will continue to be attractive to many people. Also, public benefit asset tests discourage people from saving for many things, including emergencies. Additional information is available at http://www.irp.wisc.edu/publications/focus/pdfs/foc301c.pdf.

Key points from the discussions following the presentations

- We should push back against the concept of holding three months of income in savings as an ideal since that amount is discouraging to most people.
- There is a danger in launching CSA programs in New Mexico without addressing emergency savings for the family. Families are opening emergency savings accounts along with CSAs seeded with $10 from the state. We also work with a credit union that gives incentives to save—not matches—that are tied to behaviors that yield account bonuses. Incentives also help build capacity in community partners. Parents become civic leaders and teach children about financial education. When accounts get large enough, they turn into credit cards with $125 balances and a secure $100 line of credit. Matched incentives are bonuses for on-time payments. Negotiations with credit unions appealed to those that want to lower the age of their saving members. Compliance officers at the credit unions are the best people to meet. The area we work with is dependent on a cash economy, and many people who sign up as members (250 kids in 150 families) are being banked for the first time. There is no goal or requirement for the prime amount of emergency savings.
- Maryland CASH Campaign is in a strategic planning process that involves a survey. One question was what should Maryland CASH Campaign be paying attention to? There were 15 responses. Emergency savings was the number one response. Over 90% of respondents voted for that topic. Our Financial Stability Pathway Project (http://mdcash.org/wp-content/uploads/2012/06/FSP-Provider-Summary-Executive-Summary.pdf) includes a smart referral tool that binds groups together to help clients meet their financial goals, and 558 people have gone through the assessment. The question is, where would you get $2,000 in an emergency? Sixty-six percent of people said they would not be able to get the money from anywhere. The upcoming client study with results will be available in early 2014. We are also using tax data for this study.
- The Temporary Assistance for Needy Families (TANF) bank account idea in Washington State is looking to impact the assistance program and eliminate transaction fees. The state pays JP Morgan Chase about $10 million a year, but the bank was not interested in a 0% interest account for people. We negotiated a new contract with them, and the state saved about $2.4 million per year. What resonated with legislators was that the people will have a personal account so that they will not have to rely on the system as much. This is a Community Jobs transitional program that seeks to help people earn their TANF checks.

Benchmarks Policy Innovations

This session was instituted at the first SALC convening in 2009. On the first day of each convening, coalition partners from each state give a short presentation on a policy innovation that they are promoting, supporting, or implementing. The policy innovation must address one or more of five benchmark areas, including (1) increasing stakeholder engagement, (2) establishing a policy framework, (3) research development and/or use, (4) sustainability, and (5) increasing scale. Convening participants vote on three innovations to be presented the following day. Presentations by state asset-building coalition representatives from Michigan, Illinois, and Washington State were selected.

Policy Innovations Presentations

Building a financial empowerment movement in Michigan

See http://cedam.info/2013/11/building-financial-empowerment-movement-michigan/.

- Local governments can embrace the idea that financial empowerment activities are a public service. Not add-ons, but social services, police services, and a public service.
- Local governments can institutionalize the idea by dedicating staff resources and public funding to the effort.
- Local officials can campaign on platforms of financial empowerment to their constituency.
- Real efficiencies are created within local government to provide the case for creating referrals.

Why local government? Roles for local leaders are defined as:

- convening nonprofits, community credit unions, large employers, large financial institutions, and local governments
- Local leaders are seen as champions in public opinion.
- Governments can partner with local agencies for presentations to potential funders.

Activities provided through the Michigan Communities for Financial Empowerment (MCFE) network include:

- peer engagement between local officials and constituencies and
- technical assistance.

Illinois: Closing the racial wealth gap community roundtables

See http://www.illinoisassetbuilding.org/content/closing-racial-wealth-gap-community-roundtables.

- Identify credit score issues related to the racial wealth gap.
- Identify policy and programmatic solutions to the wealth gap.
- Research support for implementation of initiatives to close the racial wealth gap.

We purchased data from one of the big three credit raters based on zip codes and looked at median income, retail debt, home loan debt, student loan debt in this study. We also looked at top quartile and overlaid with census data and identified educational data. The study did not seem to tell an accurate story of what was going on, so we solicited community members in Champaign, East St. Louis, and South Side, Chicago for roundtable discussions. We partnered with local organizations to find a space for people to show up and participate. We conducted one-on-one interviews to discuss what the racial wealth gap means to people. We discussed banking/being unbanked, CSAs, and individual retirement accounts.

The report is based on the concept of the Game of Life and follows two people—Mary and Dan—and explores how credit impacts their lives.

Washington state TANF bank accounts (pilot program); Family Prosperity Act

The goals of the program include the following:

1. Reduce the return rate on TANF through asset building strategies.
2. Build a personal safety net.
3. Eliminate per transaction fees ($0.85).
4. Increase the direct deposit rate of people with TANF/SNAP benefits.
5. Increase TANF participant financial capability.

We partnered with JP Morgan Chase and the Washington State Department of Social and Health Services (DSHS). (Lists of financial institutions that contract with your state can be viewed on your state's website.) A white paper with information on this initiative is available at www.burstforprosperity.org. The introduction piece on the website reads as follows:

> In partnership with the statewide Washington Asset Building Coalition, The Prosperity Agenda helped create a policy focus that promotes asset development as a wealth-building strategy to move individuals permanently out of poverty. We supported retaining funding for the Family Prosperity Act, which assists low-income families with asset building through grants, local coalitions, and technical assistance. In 2013, we promoted the reduction of systemic barriers to asset building and the incorporation of savings accounts and programs into key state programs. (http://www.theprosperityagenda.org/)

The Washington state initiative proposal was to provide low- or no-fee bank accounts to every public assistance participant in the state. We worked directly with DSHS but had to overcome an embedded culture in which people had difficulty understanding the purpose in the embedded context. Our legislative strategy resonated with both sides of the aisle. Legislators even wrote editorial pieces on the importance of asset building.

Barriers:

- Asset limits of $1,000 for liquid assets
- Antipoverty advocates wanted people to be connected to a community credit union, not Chase
- Debt issues, such as CHEX systems

Victories:

- Senate bill 5921 language was submitted at the last minute
- Thirty bipartisan signatures on the letter to DSHS
- Saved $30 million dollars for the state
- Partnership with the Department of Commerce
- Launched a pilot to learn about Workfirst participants

Next steps:

- Use the pilot program as a case statement.
- Draft language for requiring that the state contract with financial institutions for providing low- or no-fee accounts.

For more information, see http://assets.newamerica.net/blogposts/2012/spotlight_on_bank_accounts_for_tanf_recipients-70146 and http://www.theshriverbrief.org/2012/09/articles/asset-opportunity/bank-accounts-for-people-on-tanf/

Session Three

In-depth discussion on payday lending and emergency savings policies

Emergency savings

- Emergency savings is a big topic. Make sure any policy or initiative addresses low-income populations specifically, ensuring client or demographic appropriateness.
- Know the goals. Encourage people to save for the first time, save more, save regularly.
- All populations and all income levels fail at building adequate emergency savings.
- Potential emergency savings platforms
  - Tax time
    - Split refund
    - Stored value cards
  - Payroll/employer strategies
    - Nonappropriated funds (NAF) jobs/Michigan Developmental Educational Consortium (MDEC)
    - Alternative loans
    - Overtime pay/bonuses
    - Payroll cards (many employers are offering these)
    - Employee assistance program (EAP)
  - Payouts/Incremental savings
    - Keep-the-change initiatives or rounding up on mortgage payments
  - Public benefits
    - TANF
    - Child support
  - Unions
    - Dues
    - Collective bargaining agreements (CBAs)
    - Secured credit cards
  - Next steps
    - GRID (determine strategies, goals, and platforms)
    - Financial Institutions (FIs) and savings accounts
    - Fls and government contracting
    - Identify appropriate branding information
    - Identify public sector funds that might be used for pools
    - Emergency assistance programs

Payday lending and regulation priorities

- A documentary on payday lending. Foundations can contribute to this. Annie E. Casey supported a related video in 2005.
- Babcock Foundation funding Arkansas paper on alternative lending.
- Refinancing limits/debt limits/extended payment plan (EPP)
- Policies and procedures for underwriting loans
- Automated clearinghouse (ACH) requirement
- Twelve states in the room to go to the national credit union association and ask for help in making this a public campaign.

Future Meetings

The next meeting of the State Assets Learning Cluster will be held in Seattle, Washington, June 11–13, 2014. The 2014 SALC meetings are open to representatives from the twelve state assets coalition partners currently participating in the project. However, results of the meetings (i.e., summary overviews such as this one) will continue to be made available at http://csd.wustl.edu/OurWork/AssetBuilding/Pages/Convenings.aspx.

Appendix A Convening Agenda
C. S. Mott Foundation State Assets Coalition Cluster Convening
Wednesday, December 4, through Friday, December 6, 2013
The Dupont Circle Hotel, Washington, DC

Wednesday, December 4

6:30 PM	Dinner in the Dupont Circle Hotel Foxhall Ballroom

Thursday, December 5

7:30 - 8:00 AM	Breakfast
8:00 - 9:30 AM	Introductions and ice breaker
9:30 - 9:45 AM	Break
9:45 AM - 12:15	Session One: Research presentation from leaders of the Pew Charitable Trust's Economic Mobility Project, including information pertaining to "retirement security across generations."
12:15 - 1:30 PM	Lunch
1:30 - 4:00 PM	Session Two: ***Corey Stone,*** Consumer Financial Protection Bureau will present on Payday Lending Research. ***Leah Gjertson,*** Project Assistant at the Center for Financial Security will present on the implications of having emergency savings. A state coalition representative will also present on each topic.
4:00 - 4:15 PM	Break
4:15 - 5:00 PM	Policy innovations session (each state will present and three will be chosen)
5:00 PM	End of meeting; dinner on own

Friday, December 6

7:30 - 9:00 AM	Breakfast and cluster leadership meeting
9:00 - 11:00 AM	Session Three: Continuation of discussions on payday lending and emergency savings policy and plans begun in Session Two

11:00 - 11:15 AM	Break
11:15 - 12:30 PM	Policy innovations presentations
12:30 PM - 1:30 PM	Working lunch (Box lunch)
1:00 PM to 1:30 PM	Final remarks and next steps
1:30 PM	Closing

Appendix B Attendee List

Foundation Representatives:

Benita Melton, Program Officer, Income Security, Charles Stewart Mott Foundation
Kilolo Kijakazi, Program Officer, Ford Foundation

Project Partner Leadership:

Karen Edwards, Principal of KME Consulting, LLC; Project Consultant and Project Manager for the Center for Social Development (CSD) at Washington University in St. Louis
Carolyn Hayden, President of One World Consulting Group, LLC; Project Consultant for CSD
Thomas Shapiro, Director, Institute on Assets and Social Policy, Brandeis University
Martha Cronin, Research Associate, Institute on Assets and Social Policy, Brandeis University

Presenters:

Janet Boguslaw, Associate Director, Institute for Assets and Social Policy (IASP) at Brandeis University
John Gist, Research Professor of Public Policy, George Washington University Institute of Public Policy
Leah Gjertson, Project Assistant at the Center for Financial Security
Corey Stone, Consumer Financial Protection Bureau
Denise Wilson, Senior Advisor, Pew Charitable Trust

Learning Cluster Partners (listed in alphabetical order by state represented):

1) Meredith Covington, Policy and Communications Manager, Southern Bancorp Community Partners (Arkansas)
2) Tamika Silverman Edwards, Director of Public Policy, Southern Bancorp Community Partners (Arkansas)
3) Ethan Brown, Program Associate, Illinois Asset Building Group (Illinois)
4) Lucy Mullany, Senior Policy Associate, Illinois Asset Building Group (Illinois)
5) Lara Henneman, Program Manager, Maryland CASH Campaign (Maryland)
6) Robin McKinney, Director, Maryland CASH Campaign (Maryland)
7) Nika Elugardo, Director, Massachusetts Financial Education Collaborative (Massachusetts)
8) Gosia Tomaszewska, Asset Development Director, MIDAS (Massachusetts)
9) Megan Kursik, Coordinator, Community Economic Development Association of Michigan (Michigan)
10) Ross Yednock, Director, Economic Opportunity Initiatives and Coordinator, Michigan Earned Income Credit Coalition (Michigan)

11) Melbah Smith, State Director, Coalition for a Prosperous Mississippi (Mississippi)
12) Evelyn Njoroge, Program Manager, Coalition for a Prosperous Mississippi (Mississippi)
13) Sharon Henderson, Senior Vice-President, Prosperity Works (New Mexico)
14) Ona Porter, President and CEO, Prosperity Works (New Mexico)
15) Donna Gallagher, Executive Director, IDA and Asset Building Collaborative of North Carolina (North Carolina)
16) Lucy Gorham, Senior Research Associate, University of North Carolina at Chapel Hill Center for Community Capital (North Carolina)
17) Hannah Halbert, Policy Liaison, Policy Matters Ohio (Ohio)
18) Kalitha Williams, Policy Liaison for Asset Building, Policy Matters Ohio (Ohio)
19) Don Baylor, Economic Opportunity Senior Policy Analyst, Center for Public Policy Priorities (Texas)
20) Woody Widrow, Executive Director, RAISE Texas (Texas)
21) Stephanie Bowman, Director, Washington Asset Building Coalition (Washington)
22) Karan Gill, Public Policy Manager, Burst for Prosperity (Washington)

[California partners were absent due to a scheduling conflict.]

Project Support Staff:

Tiffany Heineman, Administrative Coordinator, Center for Social Development at Washington University in St. Louis