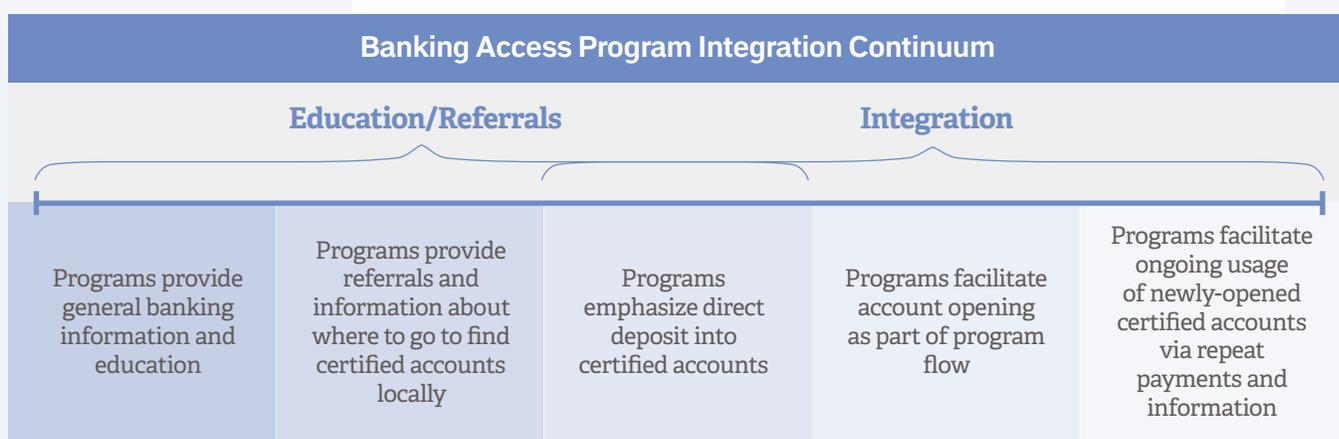


Programmatic Banking Access Integration Best Practices

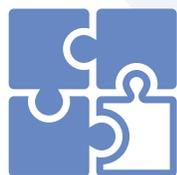
Often, inserting banking access opportunity and functionality into a host social service program is the best approach to large-scale banking success. Bank On coalitions can establish such programmatic integrations to connect people to safe, affordable bank accounts, and help them use those accounts, while also strengthening the host program service by improving client financial stability.

Banking access program partnerships can be thought about across a continuum. On one end of the continuum, partners focus on educating people about the benefits of banking access and the importance and availability of safe accounts. On the other end, program partners genuinely integrate banking access into their service delivery processes. Program partnerships structured as integrations are more successful at connecting unbanked people to accounts and lead to longer-term financial stability outcomes.

This programmatic banking partnership continuum is illustrated below.



Bank On Coalitions Can Play Three Critical Roles in Helping to Develop Successful Banking Access Program Partnership Integrations



Identify good potential partner program integration opportunities, characterized by:

- **A host program that involves payment streams.** The motivation and opportunity to become banked, and the efficacy of accompanying financial education, is greatly enhanced by leveraging existing streams of recurring payments such as payroll, public benefits, or reimbursements. This is particularly true if there are multiple opportunities to enroll people in accounts, due to programmatic re-certification/re-application or a continuous flow of new participants. Direct deposit should be strongly encouraged, if not mandated, where possible.
- **Multiple program opportunities to promote banking access.** Consistent with behavioral economics theories, strong partnership integrations provide multiple opportunities for participants to open a banking account and repeatedly reinforce the benefits of banking.
- **Programs that provide wrap-around services:** Programs that do not involve payment streams, but provide holistic support services (such as programs for domestic violence survivors, youth in the foster care system, etc) offer promising opportunities to provide education on the importance of banking and on how to open safe accounts.
- **Programmatic alignment around financial stability.** Partner programs that have a vested interest in the financial stability of their clients are generally more motivated to make necessary programmatic adjustments to incorporate banking, as well as to encourage and educate clients accordingly.

(Programmatic Banking Access continued on next page)



Engage program directors to value banking integration, including:

- **Effect on partner program outcomes.** By understanding the partner program's ultimate outcome goals, coalitions can demonstrate how banking access will benefit the host program. For instance, a program serving youth aging out of the foster system may focus on helping clients to achieve stability, inclusive of financial stability, so emphasizing how accounts help youth save money and provide an initial relationship into the mainstream financial system may resonate with program directors. For a program serving domestic violence survivors, discussing how opening a new, separate account — and addressing any existing identity theft issues — can assist the survivor in becoming independent.
- **Operational efficiencies:** For partner programs that make payments to participants via paper check, coalitions can highlight the cost savings of direct deposit, which include time and labor efficiencies when programs no longer need to distribute paper checks.
- **Financial benefits to clients:** Research shows that people with mainstream bank accounts keep more of their earnings, fare better against financial shocks, and save more compared to those without. Conversely, those who do not have an account can spend over \$40,000 over the course of their lifetime on check cashing fees, or pay high fees to access and use their money through paycards.



Help facilitate success by leveraging:

- **Certified accounts.** Government and program leaders can rely upon the appropriateness of accounts offered in an integration opportunity by limiting available accounts to those that are certified to meet the Bank On National Account Standards. Depending upon the local availability of certified accounts and other programmatic needs, programs may either emphasize all available certified accounts (including those which can be opened online) or procure a more hands-on partnership with a limited number of financial institutions offering certified accounts locally.
- **Customization of the National Account Standards:** While Bank On certified accounts all have similar features and safeguards, when exploring the right financial institutions with whom to partner on a particular programmatic opportunity, coalition leaders also may choose to explore key features about particular products and providers that may be important to identify or request, such as:
 - ATM access and fees, and ability to deposit cash at branches or through ATM networks (particularly for branchless financial institutions)
 - Opening deposit timing flexibility
 - Account opening options (e.g. online, telephone, remote locations, etc.)
 - Free online bill pay and/or money order capability
 - Alternative IDs/verification processes allowed by the institution.
 - The screening approach and flexibility to determine account eligibility; for example, ChexSystems' [Bank On Bundle](#) provides financial institutions with an inclusive screening strategy that is designed to expand eligibility for Bank On certified accounts.

Whenever possible, a best practice is to give clients the ability to select from multiple Bank On certified accounts; this helps clients to feel empowered to choose the account or institution that best meets their needs, and avoids the misimpression that the program is trying to “sell” a particular account.

*Please note, we discourage creating external-facing grids with account details/specifics, as these are difficult to maintain with updates and additions. This information is recommended for internal guidance when developing programmatic integrations in your community.

- **Remote account opening.** For maximum uptake, behavioral economic principles dictate the decision to become banked, or to open a new and more appropriate Bank On certified account, should be met with an instantaneous opportunity to do so. Technological advances combined with regulatory support are increasingly allowing financial institution partners to facilitate on-site account opening, rather than directing clients to a nearby physical branch location. As one example, the CFE Fund and Bank On coalition partners highlighted the importance of safe and affordable accounts that could be opened remotely during the COVID-19 pandemic with a new consumer-facing [webpage](#); federal regulators including the [Federal Deposit Insurance Corporation](#), Internal Revenue Service, and Center for Disease Control, as well as local elected officials, also guided consumers to the page to remotely open accounts to receive stimulus and other payments.

- **Banking integration program design.** Program partners should analyze the “touchpoints,” or opportunities that the program engages with clients, to determine where and when it makes the most sense to incorporate banking access. As an example, in the Summer Jobs Connect program, which adds banking access and financial education to Summer Youth Employment Programs, outreach and application, enrollment, orientation, payroll, and ongoing training are all [programmatic touchpoints](#) where banking access can be incorporated. In programs that issue payments to participants, such as workforce development programs, onboarding and payroll registration are organic opportunities to review the benefits of banking and direct deposit and support account opening. For programs that provide wrap-around support services, account opening can be presented as a part of program intake or during case management sessions related to financial health or financial planning.
- **Financial education focused on account usage.** Opening a new bank or credit union account is a “just in time” opportunity to meaningfully educate people about how to choose and use an appropriate account. Beyond account opening and direct deposit, such lessons can also incorporate budgeting, bill payments, online/mobile banking, and savings. Programs can also work with clients to identify income streams and payments that can be consolidated in a banking account.
- **Engaged funders.** Coalitions that champion banking integration work, and can make the case for the importance of embedding banking access into other social service programs, can seek funding opportunities to support these efforts, including the CFE Fund’s [Bank On Innovation grant](#).

Banking Access Integrations

Banking access integrations not only offer key opportunities for large-scale account opening success, but they also offer critical “win-win” opportunities to enhance host programming and build meaningful community partnerships. Although a banking access integration may require a fair amount of planning, including identifying financial institution account partners that fit into the program, training social service partners, and perhaps modifying program processes, true success is when the banking access component becomes “baked in” as a regular part of the program eventually not relying upon the Bank On coalition to maintain the integration.

Banking Access Integrations in Action

Summer Youth Employment Programs

Outlined below are examples that highlight the interaction of these core elements:

Some of the strongest and most complete integrations exist in Summer Youth Employment Programs (SYEPs), in which local governments help place teens and young adults in a variety of jobs and subsidizes or even manages their payroll. For example, the City of Jacksonville’s Mayor’s Youth at Work Partnership program has built an opportunity into the program enrollment fairs to not only teach participants the benefits of opening a bank account and receiving funds by direct deposit, but also to encourage participants to open credit union accounts on site. The credit union helps youth open an account as they are waiting to enroll in the SYEP, so their first summer paycheck can be directly deposited into the young person’s new account. This pending paycheck is considered the initial deposit, and the student leaves the enrollment session knowing how to access her pay in a safe and affordable account.

Similarly, the City of St. Louis partners with a local credit union to begin the account opening process during financial education trainings, which take place before the start of SYEP jobs. Job coaches help SYEP participants complete the necessary paperwork to open a youth account. Participants pick up their debit card at a credit union branch, which encourages the formation of a customer relationship.

This partnership benefits not only the youth participants but also the credit union, which saw its average customer profile get 3.5 years younger overall, and more than 10 years younger at the branch where most accounts were opened. Customer age is a key indicator of credit unions' long-term sustainability. Credit union staff also provide comprehensive financial education opportunities that start at enrollment and continue during the summer. Read more about SYEP integrations and the CFE Fund's national Summer Jobs Connect program [here](#).

Workforce Development

Job training or workforce development programs vary widely, but may include opportunities to provide training on the benefits of banking and bring financial institutions on site to encourage account opening and direct deposit. In Florida, Goodwill Manasota provides its workers orientation, on-the-job training, career coaching, and specialized training opportunities during their six months of employment with Goodwill. As part of one banking integration pilot with Bank On Suncoast, during the initial orientation, Goodwill job coaches led sessions about the benefits of banking, sharing their personal experiences of the cost savings of banking versus check cashers and the efficiency of receiving paychecks by direct deposit. The sessions also included a discussion on using bank accounts efficiently and effectively. Following those sessions, bankers from a local financial institution with a pre-negotiated safe account set up a table outside of the room, so that those who wanted to could open an account immediately. The workforce training staff then followed up with the Goodwill workers over the next few weeks, assisting them to sign up for direct deposit of their wages into their newly opened, safe accounts.

Workforce Integrations: Talking Points for Moving to Banking Access

Many productive banking access integrations take place in a workforce context. Below are talking points for employers who currently paying employees through paper check or payroll cards about the benefits of banking.

Switching from **paper checks** to **banking accounts**:

- **Reduced staffing costs:** Fewer employee hours are needed to handle the physical aspects of payroll, including check distribution and stopping/reissuing lost/stolen checks.
- **Reduced expenses:** Paper checks can cost as much as \$20, based on the cost of preparing and mailing.
- **Reduced fraud:** Employers and employees can reduce risks of check fraud and prevent checks from being forged. Lost checks are also common issues during payment process.

To learn more about Bank On's programmatic integration work, contact Paige Diner (PDiner@cfefund.org).