



## Office of Equity & Inclusion

# Financial Empowerment Center Model: Review of Citywide Service Assessment

Economic Opportunity Committee  
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# Overview

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# What Are Financial Empowerment Centers?

Financial Empowerment Centers (FECs) are municipal initiatives designed to provide no-cost, one-on-one financial counseling and coaching to residents.

-  Developed in partnership with the Cities for Financial Empowerment Fund (CFE Fund), these centers offer structured, outcomes-driven services aimed at improving personal financial stability among individuals and families.
-  Services are typically integrated with other municipal and nonprofit programming, enabling clients to access wraparound support such as housing, employment, or social services.



## **To Launch a FEC, a City Must:**

- Register with the CFE Fund's FEC Public platform
- Select a service delivery model (in-house or contractor)
- Complete FEC Public's certification and training process for program delivery partners

# Core Services Offered by FECs

FECs provide structured coaching on the following personal financial literacy topics:



## Banking Access

- Open or fix issues with bank accounts
- Reduce reliance on high-fee financial services
- Reduce banking fees and identify affordable options



## Credit Improvement

- Review and dispute credit report inaccuracies
- Establish and build credit history
- Plan to resolve issues like identity theft or collections



## Debt Management

- Inventory and verify existing debt
- Prioritize and negotiate repayment plans
- Address payday loans, student loans, and garnishments



## Savings & Budgeting

- Develop household budgets
- Create savings goals for emergencies, education, homeownership, or retirement

*These services are provided by certified financial counselors and tracked using a standardized outcomes dashboard made available to member cities.*

# FEC Program Models

Two delivery models are typically used:



## ***Contractor Model***

Cities identify and contract with nonprofit service providers who receive training and certification to deliver FEC services.

### **Pros:**

Lower upfront investment

### **Cons:**

Quality control and sustainability risk if contractor performance declines or contracts end

## ***In-House Model***

Cities hire staff such as HUD-certified counselors, social workers, or former bankers to deliver services directly.

### **Pros:**

Greater control and consistency

### **Cons:**

Higher operating cost (salaries, training, infrastructure)

# Peer City Examples

A total of 35 cities are recognized by CFE in replicating the FEC model. The following peer cities are relevant to Austin specifically in geographical context:



**Dallas, TX\*:** FEC operated by International Rescue Committee and Wings. While aligned with financial empowerment goals, the program is not housed in Dallas's Economic Development Office, indicating a social service orientation.

**Houston, TX:** Services provided by SER Jobs, Inc., a workforce development nonprofit.

**Shreveport, LA:** Operated by United Way of Northwest Louisiana, reflecting strong nonprofit delivery alignment.

*\*While successful, Dallas recently paused FEC operations due to budget reprioritization.*



# Austin's Current Landscape and Gaps

Economic Development Department (EDD) found no active programs offering individualized personal financial coaching or literacy education consistent with FEC standards. EDD currently focuses on business support services, including:

- Business planning and formation
- Financial planning for businesses
- Hiring and workforce development

*While these services are important, they do not meet the scope or focus of FECs, which are designed for personal, not enterprise, financial health.*



# City Programs with Tangential Alignment

Several City of Austin programs offer adjacent services that could potentially serve as referral or integration partners:



**Office of Equity and Inclusion – Family Stabilization Grant:** Provided temporary income support (\$1,000/month for up to 12 months) to families under 60% AMFI. While impactful, it lacked the financial coaching components of an FEC.

**Housing – Displacement Prevention Navigator Pilot:** Offers housing-focused navigation but does not include financial education.

**Austin Energy – Customer Assistance Program (CAP):** Provides bill discounts and weatherization support; a potential referral source.

**SMBR – Minority/Women Business Assistance:** Focused on technical help for small businesses, not individual financial well-being.

**Austin Public Health – Refugee Services:** Offers case management and paperwork assistance, but not financial counseling.



# Implementation Considerations for Austin

CFE application period to participate in the FEC Academy closed October 2024. It is unclear when applications for the next cohort will open.

- Academy has opportunity for \$150K implementation grant and \$20K planning grant.
- Without the training and participation in the Academy, the City cannot use the ‘financial empowerment’ branding/terminology.

## **Recommend a feasibility study to:**

- Better understand and estimate the full cost of the program including staffing and resources.
- Survey existing nonprofits that already provide the services outlined in the program model.
- Identify funding

# Questions?

