SUMMER JOBS CONNECT

Where Strong Financial Futures Begin

Cities for FINANCIAL EMPOWERMENT Fund

ACKNOWLEDGEMENTS

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About the Cities for Financial Empowerment Fund

The CFE Fund supports municipal 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 in cities of all sizes, the CFE Fund assists mayors and other local leaders to identify, develop, fund, implement, and research pilots and programs that help families build assets and make the most of their financial resources. For more information, please visit www.cfefund.org or follow us on Twitter at @CFEFund.

About the Citi Foundation

The Citi Foundation works to promote economic progress and improve the lives of people in low-income communities around the world. We invest in efforts that increase financial inclusion, catalyze job opportunities for youth, and reimagine approaches to building economically vibrant cities. The Citi Foundation's "More than Philanthropy" approach leverages the enormous expertise of Citi and its people to fulfill our mission and drive thought leadership and innovation. For more information, visit www.citifoundation.com.

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EXECUTIVE SUMMARY

Across the country, municipal Summer Youth Employment Programs (SYEPs) provide hundreds of thousands of young people, often from low-income communities, with short-term work experience and a regular paycheck.

Building off this existing, widespread municipal infrastructure and local connection to young people, the Citi Foundation and the Cities for Financial Empowerment Fund (CFE Fund) saw an opportunity to connect young workers to bank or credit union accounts and targeted financial education. This has enhanced these youth employment programs as an opportunity for building long-term positive financial behaviors, skills, and confidence through public programming across the country. More broadly, Summer Jobs Connect (SJC) demonstrates how banking access efforts can be embedded in municipal infrastructure, a core goal of the CFE Fund's national Bank On initiative.

In 2014, with funding from the Citi Foundation, the CFE Fund launched Summer Jobs Connect (SJC) to fund jobs for youth while simultaneously working with cities to integrate financial education and access to mainstream financial products and services into their municipal SYEPs. The program started with five city partners, but continues to expand. By 2017, the Citi Foundation provided funding for Summer Jobs Connect to support nearly 8,600 job slots over the four years of the program. The CFE Fund also provided in-kind technical assistance to five additional cities to further spread this model. In just 2017 alone, the thirteen SJC city programs together connected 40,000 youth to direct deposit for their paychecks, and provided financial education to 115,000 participants across 13 city programs.

This report is meant as a tool and guide for local governments and their nonprofit partners who are looking to add financial empowerment strategies — banking access and financial education – into their Summer Youth Employment Programs.

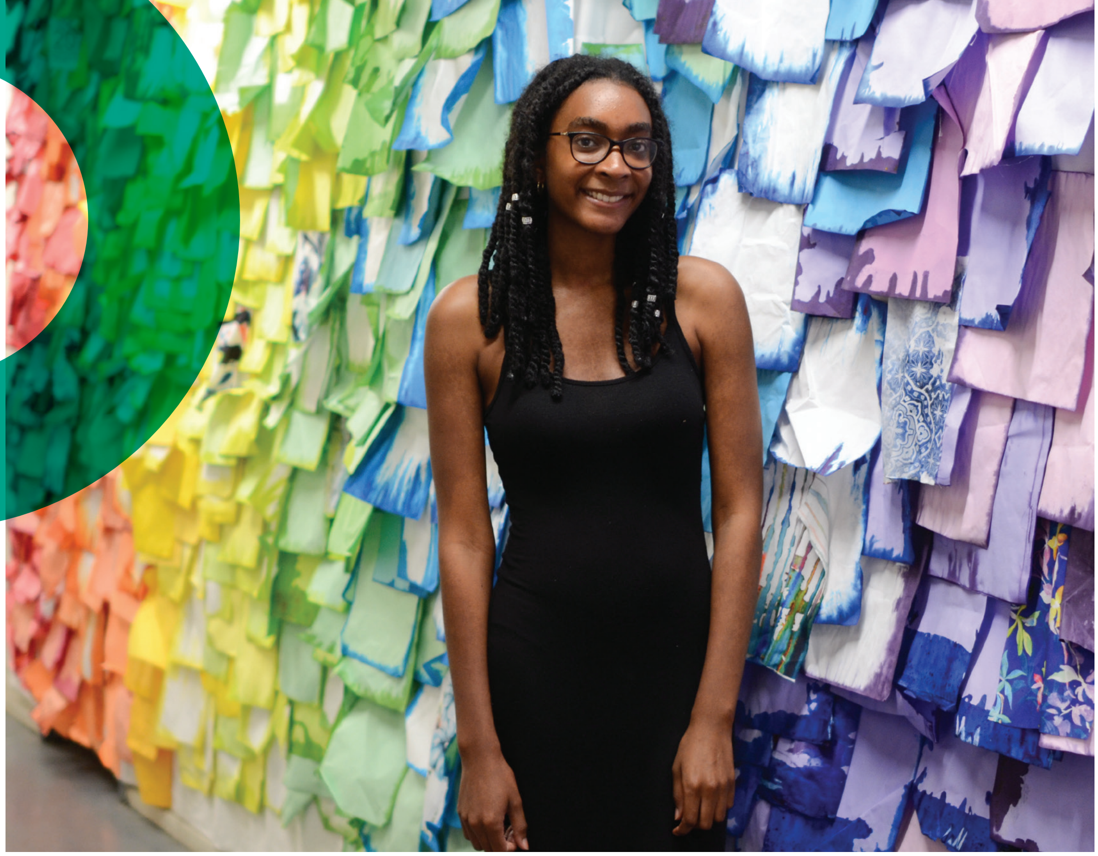
The Importance of Financial Empowerment for Young People

To better understand the financial experiences, beliefs and knowledge of SYEP participants, the CFE Fund conducted a series of focus groups and surveys in 2015 and 2016 with SJC youth.

Key Research Findings

- Financial empowerment is critical for young people:
    - SYEP youth link financial capability to achieving future-oriented goals.
    - SYEP participants also have important financial obligations to their families.
- Focus groups showed that youth who participated in SYEP not only developed skills and habits for using and evaluating financial services, but felt competent using their skills.
- Those who reported that the 2016 SYEP was their first formal paying job were almost twice as likely to have opened a new account for the summer. Almost two-thirds of participants under 18 opened their accounts because of their summer job and summer paycheck.
- 86.5% of survey respondents planned to keep their bank or credit union checking account after their summer job ended, with 89.2% planning to keep their savings account.
- Over 33% of all 2016 participants received their summer pay by direct deposit.

Survey and focus group results showed that youth connect financial capability to their own future-oriented, developmental goals, ranging from home ownership and living on one's own to college attendance and entrepreneurship. Financial capability, supported by banking access and targeted financial education, is vital to the participants in SYEPs because their summer wages are not merely "pocket money." Many SYEP participants are young adults with serious obligations ranging from paying for their college education to raising children or supporting their families, and their knowledge about financial systems and money management have effects beyond their own development.



Connecting Youth to Banking and Savings Through Summer Jobs

Summer Jobs Connect was successful in connecting youth with banking access and other financial empowerment opportunities, by introducing them to the financial mainstream and giving them experience in opening and managing banking accounts at an early point in their working lives.

The CFE Fund's survey and focus group research showed that the Summer Jobs Connect program design, as well as participant age, influenced whether youth had accounts, and particularly whether they opened accounts to receive their summer pay.

Almost two-thirds of respondents under 18 who had checking accounts (64.2%) said they opened the accounts because of their summer job; those over 18 were more likely to have obtained a checking account independently from the SYEP (51.6%). Regardless of age, participants who said that the 2016 SYEP was their first formal paying job were almost twice as likely to have opened a new account for the summer.

Findings particularly highlighted the connection to financial institutions that SJC provides for those initially without bank or credit union accounts. 86.5% of all survey respondents planned to keep their bank or credit union checking account after their summer job ended, with 89.2% planning to keep their savings account. Additionally, over 33% of all participants received their summer pay by direct deposit. Even though they come from households that are less likely than average to be banked, SYEP participants in SJC cities are more likely to have accounts than the US average for their age group. Additionally, counter to millennial stereotypes, SYEP youth value traditional banking services almost as much as digital services.

Youth's ability to achieve their savings goals and stick to their spending plans varied tremendously, and seemed to be affected primarily by age and by SYEP pay levels and methods. To develop a habit of saving, youth were encouraged to create savings goals and set aside a portion of their paycheck toward achieving their goal.

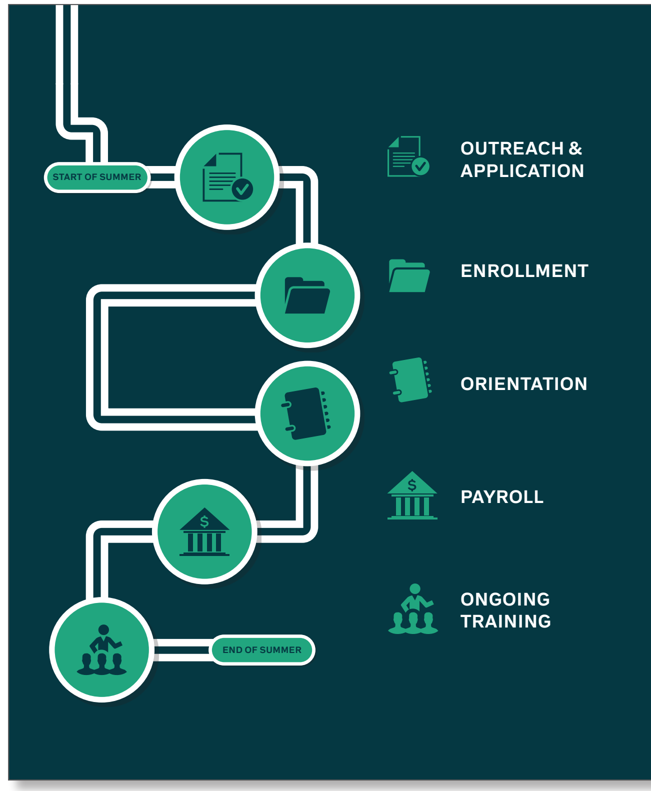
Investing in Integrating Financial Empowerment into Municipal SYEPs

While program structure and size vary, SJC successes are replicable in various municipal SYEP contexts. Many cities created new and innovative partnerships for SJC, ranging from new collaboration with other city agencies to new public-private partnerships. In addition, cities reported working closely with financial institution partners to develop both the product and the reporting necessary for a robust program. The CFE Fund created a set of Youth Account Priorities, outlining the features that city partners should look for in transactional accounts for participants, including no required starting balance, no monthly fees, and non-custodial accounts.

For local governments interested in integrating financial empowerment strategies into their own SYEPs, the CFE Fund and its partners have identified a range of key programmatic touchpoints (illustrated here), similar across SYEPs of all kinds, that are tangible opportunities to insert banking access and targeted financial education.

Investing in integrating financial empowerment into a municipal summer youth employment program produces benefits that span beyond the immediate program and to more than just the youth participants it directly affects. Across the 13 cities that SJC has been implemented into a SYEP, cities have cited changes in internal city infrastructure, and the creation of new and strengthening of existing local partnerships both across city agencies and financial institutions.

THE FIVE KEY FINANCIAL EMPOWERMENT TOUCHPOINTS FOR SUMMER YOUTH EMPLOYMENT PROGRAM INTEGRATION



Best practices for integrating targeted financial education into SYEPs include the importance of taking youth needs, including their financial reality, into context. Financial education should also be age-appropriate, as younger youth have less exposure to, knowledge of, and confidence about banking. Financial education should be realistic for youth and their situations, emphasizing small, feasible goals. Strategies included in-person education, such as workshops and classes; peer learning; and leveraging technology solutions.

Best practices for direct deposit enrollment included emphasizing split-savings strategies; using job coaches to promote direct deposit, and connecting young people directly to financial institutions at orientations and through events like banking fairs. City partners also used technology to facilitate direct deposit enrollment, such as including opportunities to enroll in direct deposit in the initial application. In addition, program design influenced account opening, which could impact direct deposit enrollment; programs that emphasized account opening saw more participants actually open accounts.

Cities experimented with using incentives, including direct incentives for achieving specific goals, opportunities to win prizes for participants, and prizes for organizations and vendors with the highest rates of financial empowerment outcomes among program participants. However, the most realistic incentives, that had the most lasting effects, were those aimed at program staff and vendors. Incentivizing staff to teach about and promote bank or credit union account opening and direct deposit was often successful in framing expectations for participants and resulting in long-lasting changes

Systems Change and Sustainability

City partners made a number of beneficial changes to city infrastructure, and created new and innovative partnerships, to implement and sustain SJC.

City partners worked towards long-term sustainability of SJC banking practices by building ongoing programmatic linkages and partnerships with organizations within and across the cities, as well as deeply embedding financial empowerment into SYEP infrastructure. Changes often have focused on building internal financial empowerment staff capacity and changing processes to facilitate financial education and direct deposit enrollment.

Cities also found a variety of ways to work with banks and credit unions to create and refine products and processes that met participant needs. Financial institutions learned from and worked with their city agency partners, as well as their bank and credit union counterparts in other cities, about how to develop and offer appropriate youth products.

Next Steps and Policy Implications

The CFE Fund and our municipal and financial institution partners continue to work to negotiate account partnerships, including as part of our larger Bank On work. The CFE Fund has elevated the challenges of, and need for, youth accounts to federal partners such as the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, the Treasury Department, and the Consumer Financial Protection Bureau.

In addition, current SJC cities are expanding their programs, and new cities are looking to replicate this vital work. Partners have been expanding the financial empowerment touchpoints more broadly throughout their SYEPs.

Finally, lessons from this work are applicable to a range of municipal banking access integration efforts. Any municipal program that involves a regular payment – whether it is a payment to a foster parent, a paycheck for participation in a workforce development program, a utility reimbursement, or even a paycheck to a city employee – is ripe for financial empowerment enhancements. The programmatic touchpoints of SYEP, such as enrollment, orientation, and payroll, can be leveraged in similar programs to integrate financial empowerment strategies.

INTRODUCTION: THE SUMMER JOBS CONNECT INITIATIVE

Across the country, municipal Summer Youth Employment Programs (SYEPs) provide hundreds of thousands of young people, often from low-income communities, with short-term work experience and a regular paycheck. Building off this existing, widespread infrastructure and connection to young people, the Citi Foundation and the Cities for Financial Empowerment Fund (CFE Fund) saw an opportunity to connect young workers to bank or credit union accounts and targeted financial education, turning this youth employment program into an opportunity for building long-term financial skills and confidence through public programming across the country. More broadly, Summer Jobs Connect (SJC) demonstrates how banking access efforts can be embedded in municipal infrastructure, a core goal of the CFE Fund's national Bank On initiative.

This report is meant as a tool and guide for local governments and their nonprofit partners who are looking to add financial empowerment strategies – banking access and financial education – into their Summer Youth Employment Programs.

The Summer Jobs Connect Initiative

In 2014, with funding from the Citi Foundation, the CFE Fund launched Summer Jobs Connect (SJC) to fund jobs for youth while at the same time working with cities to integrate financial education and access to mainstream financial products and services into their municipal SYEPs. The program started with five city partners, but continued to expand; by 2017, the program's fourth year, Citi Foundation provided funding for Summer Jobs Connect to support nearly 8,600 job slots cumulatively in eight cities. The CFE Fund also provided in-kind technical assistance to five additional cities to further spread this model. In 2017 alone, the thirteen SJC city programs together connected 40,000 youth to direct deposits for their paychecks, and provided financial education to 115,000 participants across 13 city programs.

Summer Jobs Connect leverages what is for most participants is a first job opportunity, setting them on a trajectory with tools that empower them toward long-term financial stability. SJC connects young people to appropriate bank or credit union accounts for directly depositing income, explaining its benefits, and teaching them how to manage those accounts. As cities have expanded and refined the SJC model over four years of implementation, they have also experimented with innovative strategies to reinforce and encourage other important financial behaviors, such as setting aside some income for regular savings.

This report describes the importance of targeted financial empowerment in employment programs for young people, drawing on lessons learned from 13 city programs as well as the voices of SJC youth participants, themselves. In addition, the report provides concrete guidance for municipal programs on how to integrate financial empowerment into their own SYEPs, including key integration touchpoints and advice on expansion and long-term sustainability.

The Summer Jobs Connect Model

The CFE Fund and its municipal partners saw youth employment programs as especially opportune for financial empowerment integration because of its scale and infrastructure. Dozens of municipalities across the country already have SYEPs, providing seasonal employment and regular paychecks for tens of thousands of youth each summer. By integrating financially empowering moments into program operations, young people turn a summer paycheck into the first step of strong financial futures.

Throughout the four years of program operations, SJC partners identified key programmatic touchpoints for financial empowerment integration; created best practices for direct deposit and financial education, including through the use of incentives; ensured programmatic sustainability through systems change; and gathered youth perspectives to inform program design.

Municipal SYEP program structures differed in a number of ways: some were completely decentralized, with enrollment and operations, including payroll, split between multiple agencies and vendors. Some were completely centralized, with the single city agency controlling all aspects of the program, from enrollment to operations to payroll. Cities also ranged in size: some programs had less than 100 job slots each summer, while some employ more than 30,000 young people. These differences are outlined below.

City	Summer Joined SJC	Total SYEP slots	City Agency Partner	Description of Overall SYEP
Baltimore	2017	8,000	Mayor's Office of Employment Development (MOED)	Baltimore YouthWorks places 14–21 year olds in jobs across the government, private and nonprofit sectors.
Chicago	2014	31,000	Chicago Department of Family and Support Services (DFSS)	One Summer Chicago runs a number of workforce programs, serving different populations of 14–24 year olds and fostering a range of skill sets. Summer Jobs Connect funds supported their main SYEP.
Washington, D.C.	2015	22,000	DC Department of Employment Services (DC DOES); DC Department of Insurance, Securities and Banking (DISB)	The Mayor Marion S. Barry Summer Youth Employment Program expanded to serve 22–24 year olds, which SJC specifically supports.
Houston	2017	5,000	Mayor's Office of Education; Bank On Houston	Hire Houston Youth offers youth ages 16 –24 internship and job opportunities at local public and private employers. The program includes subsidized government jobs as well as unsubsidized private placements.
Los Angeles	2014	12,700	Los Angeles Economic and Workforce Development Department (EWDD)	The Los Angeles SYEP operates several programs for 14–24 year olds through the city's 14 YouthSource Centers.
Miami	2014	225	City of Miami's Office of Grants Administration-Economic Initiatives	Summer Jobs Connect-Miami was initially fully-funded through SJC, but now also receives funding through the City budget. The program serves 16–19 year olds that were recruited from 4 local high schools and the City's workforce center.
Newark	2015	2,700	Newark One-Stop Career Center	Newark SYEP serves 14–24 year olds, through multiple programs, including both work experience and education/ training.
New York City	2014	70,000	NYC Department of Youth and Community Development (DYCD)	The NYC program is the nation's largest SYEP, which serves 14–24 year olds. SJC supports the Ladders for Leaders initiative, which provides high school and college students with paid professional internships with corporations, community-based organizations and government agencies.
Philadelphia	2017	9,300	Mayor's Office of Community Empowerment and Opportunity	WorkReady Summer serves young people, ages 14–24, with both traditional work experiences and service learning. This program is led by a nonprofit partner, Philadelphia Youth Network (PYN).
San Francisco	2014	4,400	San Francisco Department of Children, Youth and Their Families (DCYF); San Francisco Office of Financial Empowerment (SFOFE)	San Francisco Youth Jobs + supports over 50 programs providing employment, training, and learning opportunities. SJC funds support the Mayor's Youth Employment and Edcuation Program (links low-income high school students to public and nonprofit sector employment) and the Communities in Harmony Advocating for Learning & Kids (serves 18–24 year olds).
Savannah	2017	200	Office of City Manager; Step Up Savannah	Savannah Summer 500 Youth Employment Program serves 16–19 year olds. This program provides students with soft skills training, literacy and numeracy development, financial education, as well as career guidance. Private industry provides unsubsidized jobs to complement the government-subsidized municipal positions.
St. Louis	2015	1,000	St. Louis Agency on Training and Employment (SLATE); STL Youth Jobs	STL Youth Jobs manages the privately-fundraised SYEP in cooperation with SLATE, which largely manages the public program. The programs, which serve 16–24 year olds, first worked together in 2015 to require direct deposit, and now partner with the local credit union for account opening as part of the SYEP enrollment process.
Virginia Beach	2017	90	Virginia Beach Parks & Recreation; Virginia Beach Department of Human Services, as well as serveral other agencies in regards to the placement of youth workers.	The SYEP serves 16–21 year olds, placing participants in jobs in city agencies, private companies and nonprofit organizations. The program leverages the geographic spread of the school system to place participants in jobs that are accessible to them.

Program Operations/Enrollment Structure	Banking Environment/Payroll Structure
The Mayor's Office of Employment Development runs a centralized application and system for enrollment. MOED sources the jobs and makes placements.	A credit union partner attends enrollment sessions to help youth open safe and affordable accounts. The program also offers a paycard default option.
Decentralized enrollment and operations between a few different city agencies and partnerships. DFSS manages the One Summer Chicago program for all city partners.	DFSS offers centralized payroll, which most delegate agencies opted into. Paychecks are issued by the city or delegate agency. Financial institutions attend orientations to offer safe, affordable accounts.
DC has a completely centralized SYEP, which includes a single online application/enrollment system and program operations, all directly executed by the municipality.	Centralized payroll includes allowing participants to open accounts online during the program application process through partnerships with two credit unions. All participants are offered direct deposit enrollment, as well as a pay card alternative.
Subsidized placements are managed centrally by the Mayor's office, whereas hiring and payroll are all managed directly by individual employers. All participants can attend program orientation, although only subsidized placements are required to attend.	Only payroll for subsidized placements is managed by the city program. Pay cards are available.
SYEP applications and enrollment are decentralized, and operated by 14 different Youthsource centers, 2 of which are operated by the City of Los Angeles.	Payroll systems are decentralized, and payment is mainly through paper checks, with some centers allowing for direct deposit.
With the expansion of the program to allow for nonprofit and other non-municipal government placements, operations and enrollment are handled by the municipality and a nonprofit vendor. The City continues to oversee and manage program fidelity, application processesing, and financial coaching integration.	There are two different payroll systems (ADP and the City's payroll system), but programs provide the required one-on-one financial coaching, direct deposit, and banking access assistance to help participants open an account. All participants direct deposit their pay.
Newark has a completely centralized SYEP, which includes a single online application/enrollment system and program operations, all executed by the municipality directly.	The program encourages participants to open accounts in person with financial institutions during orientation sessions. Those who do not open or already have an account are defaulted into a pay card.
NYC has a completely centralized SYEP online application system. Youth apply to one of 51 community based organizations, who oversee recruitment, enrollment, job development, training and placement. Selection to the larger SYEP is via a lottery system while Ladders for Leaders intern selection is based on qualitative metrics including resume and essay review.	Payroll is managed centrally, so every participant can direct deposit their wages. Banking access efforts are decentralized, with vendors pairing up for orientation sessions with financial institutions through a centralized matching system. Those who do not open or already have an account are defaulted into a pay card.
PYN runs a centralized program that manages all online applications, enrollment and operations. 71% of those applicants are selected and assigned to a subcontractor to place and provide support services.	Payroll is centralized, and all participants are offered a pay card option.
San Francisco has decentralized enrollment and operations between a few different city agencies. DCYF funds the largest number of city programs.	DCYF works with SF OFE and MyPath, a financial empowerment partner, to train program staff to help participants understand the benefits of banking and open accounts with partnering credit unions. There is no default pay card option.
The city runs a centralized application and enrollment process and places applicants in both subsidized and unsubsidized positions.	The program issued a Request for Information (RFI) to identify two financial institution partners that offer a safe and affordable account, which is being offered to participants during kick off and orientation week, along with the option of enrolling in direct deposit.
The application and enrollment process is bifurcated between SLATE and STL Youth. Although STL Youth consolidates its work, SLATE operates through a couple of different vendors.	The programs are able to mandate direct deposit as part of the program, thus virtually all participants direct deposit their funds. With the help of the partnering credit union staff, participants open an account as a part of orientation.
Under the leadership of the Youth Opportunities Office, the Parks & Recreation Human Resources Department centrally oversees all incoming applications and ensures minimum requirements (Virginia Beach residency and age) are met. SYEP staff facilitate enrollment and document collection.	Payroll is centralized; all participants are required to enroll in direct deposit before their first day of work/orientation.

Throughout this report, the CFE Fund has highlighted successful strategies that have worked for city partners, who are operating across a range of city contexts and structures. In addition, while the specifics of program operations may vary, cities found success in highlighting common themes about the program in messaging to different stakeholders– its impact on youth, the ease of banking access and financial education integrations, and the benefit to financial institution and city agency partners in getting involved. To help municipalities make this case to their stakeholders, this report includes suggested talking points for different audiences (Appendix A).

The Role of Cities

Programs like Summer Jobs Connect offer cities an opportunity to advance multiple priorities simultaneously, and to do so at scale. Embedding banking access into the existing infrastructure of Summer Youth Employment Programs augments this key program by improving both youth financial stability and development goals.

Layering banking access and targeted financial education onto existing summer job program infrastructure is a tangible, practical way to bring financial empowerment to scale.

The work of SJC also demonstrates the importance of cities leading the way in providing financial empowerment services to young people. Cities are touchpoints for all residents, but especially for those in need, managing the funding streams, payroll, program entry and referral points, and policies that together can be harnessed to effect systemic change. Moreover, city leaders are charged with delivering high-quality services, at scale, for people who need them.

These investments demonstrate a larger trend: city leaders are increasingly seeing financial empowerment services as a key part of broader youth development agendas. To support this work, the CFE Fund has produced a number of Summer Jobs Connect briefs, lessons from which are reflected in this report:

- More than a Job: Lessons from the First Year of Enhancing Municipal Summer Youth Employment Programs Through Financial Empowerment
- Summer Jobs Connect: Building Sustainable Banking and Savings Programs in Summer Youth Employment
- Summer Jobs Connect: Connecting Youth to Developmental and Financial Goals

In addition, at the end of this report (Appendix A), the CFE Fund has created a set of suggested talking points for different audiences, that can be used to highlight the benefits of integrating financial empowerment into SYEPs.

THE IMPORTANCE OF FINANCIAL EMPOWERMENT FOR YOUNG PEOPLE

KEY FINDINGS:

- **Financial capability is essential to positive youth development.**
- **Youth connect financial capability to their own developmental goals.**
- **Summer pay contributes to youth and family economic advancement.**

Summer Jobs Connect starts from the premise that a safe and affordable bank or credit union account is a cornerstone of long-term financial stability. The lack of an account can cost a consumer $40,000 over a lifetime, diverting funds that could be used to cover basic costs of living, weather emergencies or build assets.[1] In addition, a basic transaction account is an important first step in establishing a mainstream banking relationship, depositing earnings securely, accessing credit, and saving for the future. By connecting youth with bank accounts just as they begin to earn income, Summer Jobs Connect aims to help them embark on a path to long-term financial stability and security. Beyond the opening of mainstream accounts, smart usage and money management skills are critical, especially for youth from low- and middle-income (LMI) households who statistically are less likely to have developed these skills.[2]

To better understand how young people respond to banking access and financial education, the CFE Fund fielded focus groups in 2015 in eight cities (Chicago, IL; Los Angeles, CA; Miami, FL; New York City, NY; Newark, NJ; San Francisco, CA; St. Louis, MO; and Washington, DC), as well as a survey in 2016 with SJC participants in four cities. This section details the focus group and survey research, underscoring why financial empowerment is important for young people.

Survey and Focus Group Methodology:

The CFE Fund contracted Public Works Partners to investigate the financial experiences, beliefs and knowledge of SYEP participants. In 2015, PWP held 14 focus groups with 14- to 24-year-olds participating in municipal SYEPs in eight SJC cities. Focus group participants had been exposed to a variety of financial empowerment strategies through SJC, including opening and using accounts with financial institutions, being paid via direct deposit, being encouraged to save, and receiving financial education targeted to their wage-earning experience.

Focus groups present three types of insights: unique statements by individual participants, consensus opinions reached through discussion among participants, and the prevailing mood of the group or across groups as observed by the facilitation team. Focus group findings are never generalizable.

In 2016, PWP conducted an electronic survey of youth in four SJC cities. PWP employed a mixed-sampling strategy – including both a stratified random sampling and convenience sampling technique – that maintained the generalizability of the results, while accounting for limited program staff capacity and differences in the demographic makeup of study cohorts compared to their intended samples. Through post-hoc weighting, both sampling techniques support inferences to both the citywide SYEP and national low- and moderate-income (LMI) youth populations. This quantitative analysis, therefore, can be used to refer specifically to experiences and behaviors of SYEP youth in the four participating study cities, and can be extrapolated towards LMI youth around the nation.

Both the focus groups and the surveys were conducted towards the end of the summer employment timeframe, which typically covered about six weeks. While all cities targeted their financial education to the payroll experience, each used unique curriculum and presentation methods. Thus, the findings are interpreted to represent the beliefs and perceptions of youth who received regular pay and relevant financial education for approximately four to six weeks.

Financial Capability is Essential to Positive Youth Development

A young person's first job, and the financial considerations that go with it, present a number of decisions and tradeoffs to navigate that even many adults struggle to master. In adolescence and young adulthood, people begin earning money and making financial decisions with those earnings. With these new responsibilities, however, comes an opportunity to make "more risky" and "high stakes" decisions with financial implications, particularly related to student loans and credit.[3] As a Financial Industry Regulatory Authority (FINRA) survey report revealed, the "financial knowledge and skills of Americans are not keeping pace with the demands of financial life," due to the variety of financial products and services available through various mainstream and alternative financial institutions and providers.[4]

Programming delivered as part of positive youth development efforts can help young people learn and develop critical skills. However, preparing young people for the financial considerations of adulthood, and teaching young people about the financial marketplace within which they are already interacting, are unfortunately not often core components of youth programing. Yet "nearly all experts agree that such efforts should start early in children's' lives. The combination of financial challenges evidenced in the lives of this generations' children and youth make clear the need for greater financial preparation and opportunity."[5]

In addition to contributing to positive youth development overall, building financial empowerment strategies into youth programming can also contribute more specifically to financial well-being. Reviewing literature from consumer science, developmental psychology, and allied fields, Drever et al conclude that "an optimal approach to promoting adult financial well-being would likely include interventions that provide opportunities to practice and reinforce positive financial habits during adolescence and young adulthood."[6] This is particularly important during the slow recovery period following the Great Recession, when "many—especially those growing up in low-income households—experience financial vulnerability at a time in their lives when they are forming ideas and attitudes about the financial world and their place within it."[7]

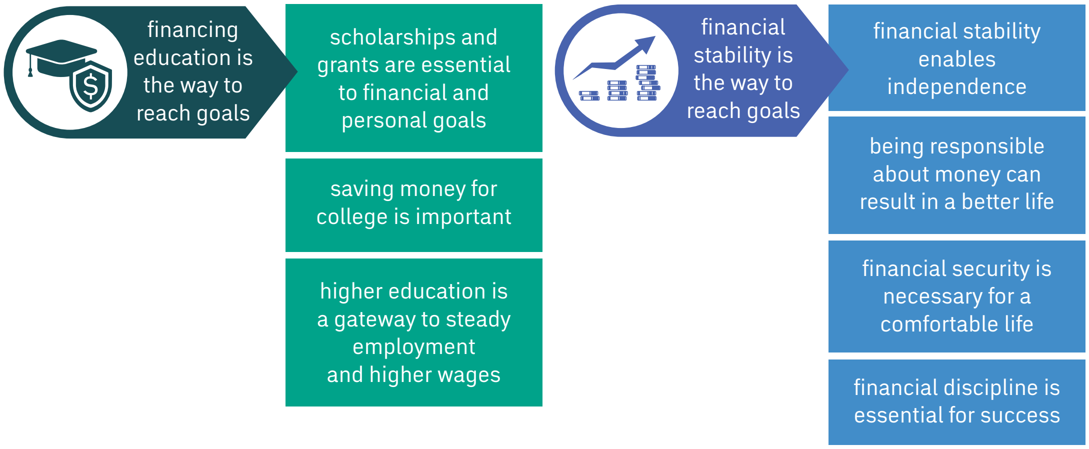
Research shows that financial knowledge and skills are particularly important parts of a positive youth pathway—some research has even suggested that providing young people with opportunities to develop financial skills and to save might impact other aspects of their development, such as college enrollment and graduation rates.[8]

SYEP Youth Link Financial Capability to Achieving Future-Oriented Goals

Youth participants in the CFE Fund's 14 focus groups expressed many long-term, future-oriented goals. For example, in six of the eight focus groups, they indicated that affordable home/property ownership was an important financial goal, while youth in seven groups emphasized saving for retirement, relocation, financial security or emergencies. Financial independence and living on one's own were themes for personal goals in four groups, particularly among 18–24 year olds with more work experience. For others, taking care of family was important. In two groups, participants emphasized moving out of their current community as a personal goal. When asked about employment and career goals, participants mostly cited highly professional careers requiring advanced education, while some saw entrepreneurship as their career path.

Youth in focus groups reported that they saw financial stability as a way to reach goals including, but also beyond, that of a college education. They saw financial stability as a key pathway to overall independence.

FIGURE 1: TWO THEMES FOR YOUTH LINKING FINANCIAL CAPABILITY TO PERSONAL GOALS



Summer Pay Contributes to Youth and Family Economic Advancement

Financial capability, supported by low-cost pay methods and targeted financial education, is vital to the participants in SYEPs because their summer wages are not merely pocket money. Many SYEP participants are young adults with serious obligations ranging from paying for their college education to helping to support their families. Their ability to manage money and their knowledge and attitudes about financial systems have effects beyond their own pockets.

In the 2016 survey, 42.1% of 13–17 year-olds and 66.4% of 18–24 year-olds said they "give money to family and/or pay for goods and services for family." SJC partners prioritized non-custodial accounts (see section on Youth Account Priorities below and in Appendix B), where participants under 18 did not have to have an adult cosigner on the account, so that participants had more control over whether, and how much, to contribute to their household.

Moreover, a significant number of SYEP participants have children of their own: 6.9% of 13–17 year-olds and 11.8% of 18–24 year-olds according to the 2016 survey. In the focus groups, participants who were parents were interested in learning how to save and invest for their children. At the same time, such participants said they intended to save but were thwarted by their low wages, family obligations and ongoing expenses. They were likely to ask for additional financial capability services to help them deal with their reality.

In addition to the money they earn over the summer, SYEP participants also share their financial knowledge with their families and communities. This is especially true of survey respondents with family obligations, who were 2.4 times more likely to "give advice or make suggestions to anyone about banking or managing money this summer." Overall, 56.0% of survey respondents gave advice to someone else on banking or money management over the summer — most often to peers (76.6%), and more often to younger relatives (47.1%) than older relatives (32.3%).

Youth's awareness of their family obligations is also suggested by those survey respondents who answered a question about what factors made them want to open their bank or credit union accounts. There was a high correlation (.67) between selecting "to send money to family or friends" and "to avoid check-cashing fees or other transaction fees"; there was also a strong correlation (.58) between "to send money to family or friends" and "it was important to someone whose opinion I value."

CONNECTING YOUTH TO BANKING AND SAVINGS THROUGH SUMMER JOBS

KEY FINDINGS:

- **For youth under 18, summer pay is the motivating factor for most checking account openings.**
- **SYEP participants in SJC cities are more likely to have accounts than the US average for their age group, even though they come from households that are less likely than average to be banked.**
- **Youth who participated in SYEP not only developed skills and habits for using and evaluating financial services, but felt competent using their skills.**
- **SYEP youth, through financial empowerment, have built agency and developed connections to financial institutions, and plan to maintain their accounts, especially for post-summer employment .**
- **SYEP youth, counter to millennial stereotypes, value traditional banking services almost as much as digital.**
- **For participants, achieving savings goals and sticking to spending plans seemed to be affected primarily by age and by SYEP pay levels and methods.**

Summer Jobs Connect was successful in connecting youth with banking access, savings, and other financial empowerment opportunities, often introducing them to the financial mainstream and giving them experience in opening and managing banking accounts at an early point in their working lives. Partner cities used the Youth Account Priorities (Appendix B) as programmatic guidelines for safe, affordable accounts; features they looked for included accounts that were non-custodial, that had no overdraft or other fees, and that accepted alternative forms of identification. This section highlights CFE Fund survey and focus group research on connecting youth to banking and savings through summer jobs.

Youth Open Accounts Because of Summer Jobs

Almost two-thirds of respondents under 18 who had checking accounts (64.2%) said they opened the accounts because of their summer job.[9] Those over 18 were more likely than younger respondents to have obtained a checking account independently from the SYEP (51.6% vs. 36.8%). Regardless of age, those who reported that the 2016 SYEP was their first formal paying job were almost twice as likely to have opened a new account for the summer. As discussed below, the Summer Jobs Connect program design influenced whether youth had accounts, and particularly whether they opened accounts to receive their summer pay. Additionally, over 33% of all participants received their summer pay by direct deposit.

Almost two-thirds of respondents under 18 who had checking accounts (64.2%) said they opened the accounts because of their summer job.

Youth who opened new bank or credit union accounts for their SYEP pay were 24.6% more likely to agree that "things I learned this summer make me feel more confident about using a bank or credit union" than those who either had accounts before the summer and those who didn't have accounts at all.

In the survey, 91.3% of youth stated that someone else in their household had a bank or credit union account. Youth from unbanked households were less likely to have their own accounts than youth from banked households (a similar trend was found in a preliminary survey conducted by the CFE Fund in five SJC cities during the summer of 2014). Along the same lines, youth who opened new accounts during the summer program were 27.1% more likely than those with no account to agree both that "My parents or guardians want me to have my own bank or credit union account" and "People my age should have their own bank or credit union account."

Nonetheless, relatively few of the youth who answered a question about what factors made them want to open their bank or credit union accounts gave credit to their families. Among these respondents, 97.1% said they wanted a place "to put money I was earning from my job(s)," 95.5% said "to save money for the future" and 94.3% selected each "to put money in a safe place" and "to receive direct deposit of pay." Youth least commonly cited "it was important to someone whose opinion I value."

SJC youth surveyed tended to be more banked than the national average. For example, the FDIC's 2015 survey shows that 15–24 year olds are more likely to be unbanked than any other age group: 13.1% were unbanked nationally, almost twice the national rate for people of all ages.[10] In contrast, only 10.9% of the SJC survey respondents had no account. SJC survey respondents had both checking and savings accounts: among the 89.1% of respondents with an account, 76.6% had a checking account, 52.5% had a savings account, and 42.7% had both accounts.[11]

Respondents over 18 were more likely than younger respondents to have any bank or credit union account (93.0% vs. 86.8%). Similar results were found in the preliminary 2014 study: between 12% and 37% more youth over 18 had bank accounts than youth under 18. Notably, the difference in account ownership by age is entirely about checking accounts. Among the age 18-plus cohort, 87% report having a checking account compared to 69.9% of those under 18, and 47.4% of age 18-plus youth report having both a checking and savings account compared to 39.8% of those under 18. The difference in savings account ownership by age falls within the margin of error. The survey found no difference in having accounts by gender.

Increasing Youth Knowledge and Competency about Using Bank or Credit Union Accounts

Youth can gain confidence as a result of their access to financial institution information, opening a credit union or bank account, and savings activities.

A high percentage of SYEP participants in the SJC cities were knowledgeable about a variety of banking practices and safeguards. Predictably, older participants tend to be somewhat more knowledgeable about and experienced with financial products and services.

The survey asked several true/false questions to gauge participants' banking knowledge at the end of their summer jobs experience; overall, the overwhelming majority of youth selected "true", including:

Logistic regression shows that youth who had any account were 15 to 25% more likely to select "true" on these knowledge questions, compared to youth without accounts.

Youth survey respondents identified the following statements as TRUE:

"If my card was lost or stolen, I know what to do"

94.3%

"If I wanted a bank account, I would know how to get one"

93.4%

"When my pay is directly deposited into the bank, I get my money faster than with a paper check"

92.1%

"I know how to choose the bank and account that works best for me"

88.4%

"I know how to avoid paying fees on my card or bank account."

87.0%

These results are in line with the findings of a 2009 Working Paper by the Federal Reserve Bank of San Francisco, which investigated "whether student experience with 'real world' financial products is associated with higher levels of knowledge in personal finance" based on multiple rounds of testing with "a national sample of high school seniors … testing knowledge in four key areas of personal finance: (1) income (2) money management (3) saving and investing and (4) spending and credit." The research found "that student bank account ownership is significantly associated with higher scores on the test of financial knowledge, even after controlling for significant factors such as race, educational aspirations, and parental education." It concluded by emphasizing "the importance of providing interactive opportunities for the application and practice of skills and knowledge."[12]

The focus groups demonstrate that youth who participated in SYEP not only developed skills and habits for using and evaluating financial services, but felt competent using their skills. Notably, in one city, participants revealed that receiving their SYEP wages on a payroll card kept them from paying high fees to use check cashing services, which they or family members had done in the past. In addition, participants said they:

- transfer funds from payroll cards to bank accounts to reduce transaction fees;
- use auto-pay for bills;
- weigh both geographic convenience and low fees when choosing financial institutions;
- use mobile banking, online transfers, apps and text alerts regarding account activity;
- plan to extend their high school-based credit union accounts until college;
- are savvy about bank account fees relative to no-fee accounts;
- see debit cards as important to track expenses and curb impulse spending; and
- value direct deposit.

Money Management and Banking Tips Shared By Youth Participants

"It's a lot more fun watching your money grow than spending it."

SJC survey respondents were asked to share their best money management, banking and savings tips for other young people. With over 1,000 open-ended responses, top themes included advice around the urgency of saving, budgeting, and prioritizing. Some responses recommended specific strategies. For example, many of the responses suggest that young people should allocate a certain amount of each paycheck to savings (responses ranged from 30% to 80%) and "watch the money grow." "If possible," one respondent advised, "build your savings goal up five more dollars with each paycheck." Respondents also recommended keeping track of expenses and limiting frivolous spending and unnecessary purchases.

Respondents also shared their advice on specific financial products and services. They recommend using banks with mobile apps so you can stay on top of balances and charges, and also urged young people to pay attention to fees and be cautious with storing sensitive information. In addition, credit cards and investments were commonly referenced. Respondents urged young people to open a credit card with good benefits and a low credit line, "especially if you plan to use your money for a long-term thing such as school loans/tuition and having credit to finance a car and mortgage a home." Finally, respondents had overall advice for how young people should manage their financial lives, suggesting, "long-term security is better than temporary gratification."

"I have learned to independently manage my funds. I do not need to ask for permission when spending my money and I take full responsibility for the money I make. I know my money is stored safely and strategically. I dedicate a portion of my earnings to the family for bills, groceries, etc. I store a portion of my earnings into my savings account for the long haul."

– participant, One Summer Chicago

Age contributed to differences in knowledge. Compared to those who were over 18 years old, 14–17 year-old survey respondents at the end of their summer jobs experience indicated a need for more tailored financial education that provided in-depth, realistic lessons on how to open an account; how to avoid paying fees for their account; and what to do in various banking situations. This points to the need for tailoring financial education to the specific needs of younger participants, explored in more detail in the next chapter.

Most focus group participants found the financial education they received during the summer useful, citing specific concepts shown in the figure below as particularly valuable.

FIGURE 2: FINANCIAL CONCEPTS YOUTH CITE AS VALUABLE

Creating financial priorities ("changed how I thought about my wants and needs.")	Tracking and monitoring spending habits	Helping develop strategies for spending and payments
Setting up a budget to ensure all bills are paid on time	What services to use, what not to use, and how to avoid getting "caught up" in bad financial arrangements	Impact of financial behavior on ability to access low-interest loans, better credit terms, and jobs that conduct background checks
The safety, and reliability of using direct deposit	Money saved by opening a bank account and not using check-cashing outlets	How to talk to staff working in a bank

Building Positive and Lasting Engagement with Traditional Financial Institutions, Products and Services

Financial empowerment strategies embedded into SYEPs resulted in an increase in youth access to safe and affordable banking products. Simultaneously, these financial empowerment integrations increased youth relationships with mainstream financial institutions and overall positivity toward banking.

SYEP youth, through financial empowerment, have built agency and developed connections to financial institutions, supporting the positive youth development outcome of connection, or "positive bonds with people and institutions that are reflected in exchanges between the individual and his/her peers, family, school, and community in which both parties contribute to the relationship."[13]

In the summer of 2016, 33% of SYEP participants in the eight SJC cities were paid via direct deposit. Observations by program staff suggest that youth were excited to open accounts, and thrilled at how fast they got their pay via direct deposit. In addition, many youth strongly recommended direct deposit in open-ended responses to the survey.

Overall, 86.5% of 2016 survey respondents planned to keep their bank or credit union checking account after their summer job ended, with 89.2% planning to keep their savings account. With regard to intent to maintain accounts, there were no statistically significant differences based on account type (checking/savings), respondent age, or the timing of account opening (summer or before). In contrast, there is a statistically significant correlation, albeit somewhat weak, around youth's intention to work and/or return to school after SYEP and maintaining an account: those who had clear post-summer plans were more likely to report that they planned to keep their accounts open.

Overall, 86.5% of 2016 survey respondents planned to keep their bank or credit union checking account after their summer job ended, with 89.2% planning to keep their savings account.

The survey found no difference in intent to maintain accounts between youth who opened their accounts this summer and those who already had accounts before entering the program. This is encouraging as it suggests that opening an account due to SYEP participation or the start of a new job constitutes a viable channel for youth to gain access to, and maintain use of, formal banking products.

Both the survey and the focus groups suggest that some youth see maintaining a bank or credit union account as dependent on future employment. In the focus groups, several participants said they would use a bank account only if they were employed. On the survey, youth with accounts (regardless of their own intent to maintain an account) consistently agreed with the statement "Future employers will expect me to have a bank or credit union account" giving it an average rating of 4 on a scale of 1 = strongly disagree to 5 = strongly agree. Those who currently had no account rated it only a bit lower, averaging 3.9.

In contrast, the average rating was between neutral and agree (3.6 to 3.7) for "People who are unemployed and in between jobs should have bank or credit union accounts." Those who currently had no account again rated it lower, averaging 3.4.

In addition to tying accounts to employment, youth link them to the closely related construct of income. In the focus groups, a few said they would not use accounts at all because they did not anticipate having sufficient income. On the survey, among the 6.0% of respondents who had an account and either planned to close it or were unsure about keeping it, 82.8% cited insufficient funds. Similarly, among the 10.9% of survey respondents who had no accounts, the largest portion cited insufficient funds.

In the survey, respondents under and over age 18 had different reasons for not planning to keep their accounts open after the summer. Although these figures are less robust because of the relatively small number of respondents, one notable statistically significant difference was that 88.9% of younger respondents said "I prefer to use check-cashing services" versus 26.4% of older participants. Again, this likely points to the need for financial education that is tailored to the specific needs and beliefs of younger participants. SJC programs continue to emphasize the importance of, and benefits to, opening a bank or credit union account and enrolling in direct deposit.

Making the Business Case for Youth Accounts

South Florida Credit Union's campus included a bank branch within the school. In this way, they were able to collect long term data regarding youth account usage. Similarly, St. Louis First Federal Credit Union is currently collecting data by looking at account holders' addresses and tracking what other products are connected to that address in the future. This has allowed the credit union to make more of a business case that opening basic accounts for young adults can have a positive financial impact for the credit union.

In general, research suggests that millennials (generally those 18–34 years old) are disenchanted with banks and traditional banking services, and that these attitudes are largely influenced by digital accessibility and customer service.[14] However, SJC survey respondents only partially mirror the national studies. They rated "mobile banking options" as the factor they consider most important for using banking products and services, with an average rating of 4.1 on a scale of 1 = strongly disagree to 5 = strongly agree. SYEP youth are in fact "digital natives" who have grown up with ubiquitous computer and internet access; 92% of survey respondents reported having a smartphone. Yet, SYEP survey respondents also prioritized brick-and-mortar factors. On average they gave a rating of 4 to "The bank or credit union is convenient to where I live and is open when I need it" and "The bank or credit union has good customer service and low fees." Almost as high were "The bank or credit union has a big network of branches and ATMs" (3.9) and "The bank or credit union has existed for a long time" (3.7).

Meanwhile, they rated "It's a new bank or credit union" only 2.9 in importance (between disagree and neutral). Moreover, only 23.2% of survey respondents agreed "For my banking and financial needs, I would consider using a retail or technology company that is not a traditional bank or credit union (for example, Walmart, Venmo, etc.)."

Communication with Financial Institutions

Youth most frequently communicated with their bank or credit union over the summer with a teller in person at a branch (49.1%), at an ATM/cash machine (46.3%), and by mobile app (41.4%). A greater proportion of age 18-plus youth used a mobile app (46.5%) compared to those under age 18 (37.8%). On average, youth used more than one method to communicate with their financial institutions.

A preliminary SJC survey conducted by the CFE Fund in 2014 similarly found that age and academic orientation appeared to shape youths' beliefs about bank accounts. Younger cohorts, those in programs geared towards younger youth, and those enrolled in programs serving youth with academic or employment struggles selected fewer positive statements about banking. Older youth enrolled in programs geared towards academically engaged and college bound youth shared more mainstream beliefs about banking.

Teaching Youth about Savings

Youth's ability to achieve their savings goals and stick to their spending plans varied tremendously, and seemed to be affected primarily by age and by SYEP pay levels and methods.. 2015 focus groups were conducted in 8 cities, and in 2016 surveys were fielded in 4 cities. Although survey cities were selected for mostly logistical reasons, there were coincidental and potentially important commonalities within each set of cities: the surveyed cities tended to pay their SYEP participants more, and gave more emphasis to helping participants open accounts and set savings goals. Our data in this area is less quantifiable, as each city had very different approaches to encouraging youth to save.

Confidence about savings varied across the focus groups and surveys, and was shaped by a number of factors. These included the pay level of each SYEP, the participant's age, and payroll methods. In some cities, focus group participants demonstrated confidence about and success with short-term saving, often because of parental and family support coupled with program support, a second job or self-discipline. Individual participants cited support from their parents and connection to bank and credit union accounts as factors giving them confidence. Other focus groups showed that participants intended to save but faced barriers, illustrated below, or indicated some discouragement about savings, along with a "gritty determination" to not give up on trying to save.

In surveys the next year, participants in some cities seemed to have more confidence in their savings ability. 83.0% of survey respondents said that they "know what to do to build savings," 79.9% said they were "working toward specific savings goals," and 74.3% said that they felt "successful in saving." These mixed attitudes towards savings show that SYEPs, especially those that target older youth, must address the realities of young people's situations. Participants are often enrolled in SYEPs during formative years of their development, and programs using financial empowerment strategies should be structured so that savings goals feel realistic and feasible. Asking youth to set unrealistic goals will only discourage them.

FIGURE 3: BARRIERS TO SHORT-TERM SAVINGS

Family obligations or emergencies	Parental obligations, childcare expenses	Low wages, limited work hours
Monthly expenses	Overspending	Student debt

Youth Voices

In 2017, the CFE Fund and Citi Foundation incentivized SYEP participants from all 13 SJC cities to share their stories about banking, saving, direct deposit and more though a social media Youth Voices contest. Participants were given weekly prompts about these topics to respond to on social media, such as their best money management tip or how they stay on track to save. Each week, prizes were awarded to select participants who shared meaningful stories. The social media contest saw over 3,500 mentions on Twitter with over 500 engaged users, with another 400 SJC youth contributing responses via email. The overwhelming response highlighted young people's eagerness to talk about their growing experience with and knowledge of banking and money management as a result of SJC.

Kevin Follow

Convenient, secure, accessible, and cheap - it was a simply a no brainer for me to save my money into a bank account! #SummerJobsConnect

Cyan B Follow

I'm using a bank account to save on fees and keep my money safe! Also I can check my balance online for free! #SummerJobsConnect

Colette Follow

Why save? For financial freedom in the future! 👌💰🙏✅ #summerjobsconnect #paydayreadychi

Isaiah Follow

Thank you #summerjobsconnect for the ipad mini. I enjoyed sharing my story with everyone. I hope it inspired others to save.

Kevin Follow

Coming from a low income family/neighborhood u can see the importance of this financial literacy on the long run #SummerJobsConnect @LAEWDD

Andrew Follow

I save because I've worked too hard to jeopardize my financial future...plus student loans 🙄#summerjobsconnect @LAEWDD

THE REPLICABLE SUCCESS OF SJC: INVESTING IN INTEGRATING FINANCIAL EMPOWERMENT INTO MUNICIPAL SYEPS

KEY FINDINGS:

- **Cities created new and innovative partnerships to implement SJC.**
- **There are a range of programmatic touchpoints in the SYEP timeline that offer opportunities to provide financial empowerment services.**
- **Financial education should take youth needs into account, including those of younger youth, and programs should ensure they provide sufficient support.**
- **SJC partners have refined and learned from their direct deposit strategies, including the use of incentives.**

Cities found a number of benefits in implementing SJC, beyond the immediate program impacts. They cited meaningful changes in internal city infrastructure, the creation of new local partnerships both across city agencies and with financial institutions, and the identification of a range of programmatic touchpoints to promote youth financial empowerment. This section highlights these benefits, and identifies best practices for financial empowerment integration, targeted financial education, and direct deposit enrollment.

Municipal partners looking to integrate financial empowerment strategies into their own SYEP efforts can also reference Appendix A, Talking Points for Stakeholders, for ways that city partners messages these benefits to partners.

New and Innovative SYEP Partnerships

Partner cities worked to integrate financial empowerment into their SYEPs; for many, Summer Jobs Connect was the first time youth workforce programs had included financial empowerment strategies like access to banking and targeted financial education. In Los Angeles and Newark, Summer Jobs Connect represented the first time that the SYEPs started to explore and then develop direct deposit and financial education programs. In Miami and New York City, Summer Jobs Connect meant expanding the mission and focus of SYEP. In Miami, the program reoriented to be first and foremost about financial empowerment – with youth employment as a secondary focus. In New York City, SJC encouraged the youth agency to embrace integrating financial empowerment programming into all parts of their SYEP

The creation of new partnerships to support SJC was a theme throughout the SJC cities. Some even saw new public-private partnerships catalyzed with Summer Jobs Connect. In St. Louis, their SYEP had historically been run by the public workforce agency as well as a private nonprofit, as two separate programs. Due to their involvement in SJC, both programs worked together to promote the City's negotiated credit union account and to refine account opening and direct deposit enrollment processes. This marked the first time that the public and private sectors substantively worked together on the City's SYEP. As another example, financial institutions were eager to learn from their city agency partners, as well as their bank and credit union counterparts in other cities, about how to develop and offer appropriate youth products.

Financial Institution Relationships

Each city worked closely with financial institution partners to develop both the product and the reporting necessary for a robust program. Some cities, like Savannah, developed program partnerships through releasing a Request for Information that detailed program requirements. Others, such as Baltimore, worked closely with their local Federal Deposit Insurance Corporation (FDIC) field staff to identify and then convene financial institution partners that could work with the city to develop an appropriate account. Cities also shared best practices with their banking partners; the CFE Fund helped to facilitate a Credit Union Learning Community where credit union partners shared best practices and strategies for product development.

The Bank On Movement

The CFE Fund offers resources and technical assistance to support local Bank On coalitions through its national Bank On platform, helping them to connect un- and underbanked residents to safe and affordable banking accounts, including through integrations into municipal infrastructure. One key central resource is the Bank On National Account Standards (2017– 2018), which provide local programs with a benchmark for account partnerships with financial institutions. With these National Standards as a baseline, SJC partners have also worked to create a set of programmatic banking guidelines for SJC youth accounts (see Appendix B). As part of the larger Bank On initiative, Summer Jobs Connect demonstrates the large scale opportunity that embedding banking access into government employment programs provides.

As part of the Learning Community, credit unions and other financial institutions across the country speak regularly to share best practices. These include risk mitigation strategies to manage non-custodial accounts (accounts that are available for youth under 18 without requiring an adult "custodian" to cosign or guarantee the account) such as incorporating parental acknowledgement forms in the application process; data capture efficiencies when sharing account information for direct deposit; and methods for tweaking account opening processes to integrate more smoothly with SYEP enrollment processes.

Financial Institution Partnership Best Practices

Cities found a variety of ways to work with banks and credit unions to create and refine products and processes that met participant needs. These included banks and credit unions:

- Allowing participants to open accounts online;
- Training financial education staff on account documentation needs so that they could assist in account opening;
- Accepting alternate forms of ID, such as a letter verifying SYEP participation;
- Making changes to financial products, such as creating non-custodial accounts, not allowing overdraft, or adding additional functionality to encourage savings; and
- Providing data for incentives and program management.

Financial institutions were eager to learn from their city agency partners, as well as their bank and credit union counterparts in other cities, about how to develop and offer appropriate youth products.

Youth Account Priorities

The CFE Fund created a set of Youth Account Priorities (Appendix B), outlining the features that city partners should look for in transactional accounts for participants, including no required starting balance, no monthly fees, and non-custodial accounts. While the Priorities have a number of important features, city partners often focused their account negotiation pitches on the most critical aspects: non-custodial accounts, so that youth participants had full control over the money in their accounts; free, with no overdraft fees, so the account would not drain the participants' financial resources or lead to negative ChexSystems issues; acceptance of alternative ID, such as school ID; and offsite account opening, so that programs could facilitate account opening onsite as a streamlined part of the program process.

Creating strong partnerships with financial institutions often led to important changes in the account opening process to ensure they were available for young people. In some cases, financial institutions also developed or modified specific products for local SYEP partners. In addition, financial institution partnerships allowed program staff to collect data on participants' account usage. Often, this data was used as part of incentive strategies.

Direct Deposit in Chicago

For years, the City of Chicago's summer youth employment program had only offered paper checks for their youth employees. Participants cited a number of issues with receiving paper checks: young people sometimes had to pick up their check from a different location than their actual worksite, which was inconvenient; they had to cash the check, which was time-consuming and expensive if they didn't have a banking account; and if they didn't have an account, they would have to walk around with a large amount of cash, which both could encourage poor spending decisions and make them a target of a crime. As part of its participation in Summer Jobs Connect, Chicago began to offer safe and affordable accounts for youth that were non-custodial, had no minimum deposit requirement, and offered direct deposit . This was attractive for young people because of the short time frame of their summer jobs; direct deposit ensured that they could get their paycheck faster than a traditional paper check, and the fact that it was non-custodial meant that youth felt in control of their money. Chicago did not offer the option for youth to receive paycards.

Customers Getting Younger in St. Louis

St. Louis partner First Financial Credit Union saw their average customer profile get 3.5 years younger, a key indicator of their own long-term sustainability, after they started participating in youth asset building programs like SJC. The specific branch where the majority of the SJC youth accounts were opened has experienced a more than 10 year decrease in average age in the last three years from an average age of almost 50 in January 2014 to under 39 in August 2017. This change in the customer base has enormous potential for customer growth as these young people need additional financial products and services as they get older.

Programmatic Touchpoints: Opportunities to Integrate Financial Empowerment Strategies

Municipal SYEPs vary greatly, and integrating financial empowerment into these programs involves many processes and partners, which each of the Summer Jobs Connect cities approached differently. Nonetheless, all thirteen programs, and in fact all SYEPs and many other youth programs, have similar programmatic timelines with typical touchpoints that offer opportunities to provide financial empowerment services. These touchpoints are moments of interaction between a program partner and an individual youth, which present tangible opportunities to collect vital program data, help youth open safe and affordable financial products and enroll in direct deposit, receive financial education on managing money, saving and using accounts wisely, and gain knowledge, skills and attitudes that will enhance their lifelong financial capability.

This section details how cities leveraged a different combination of these touchpoints.

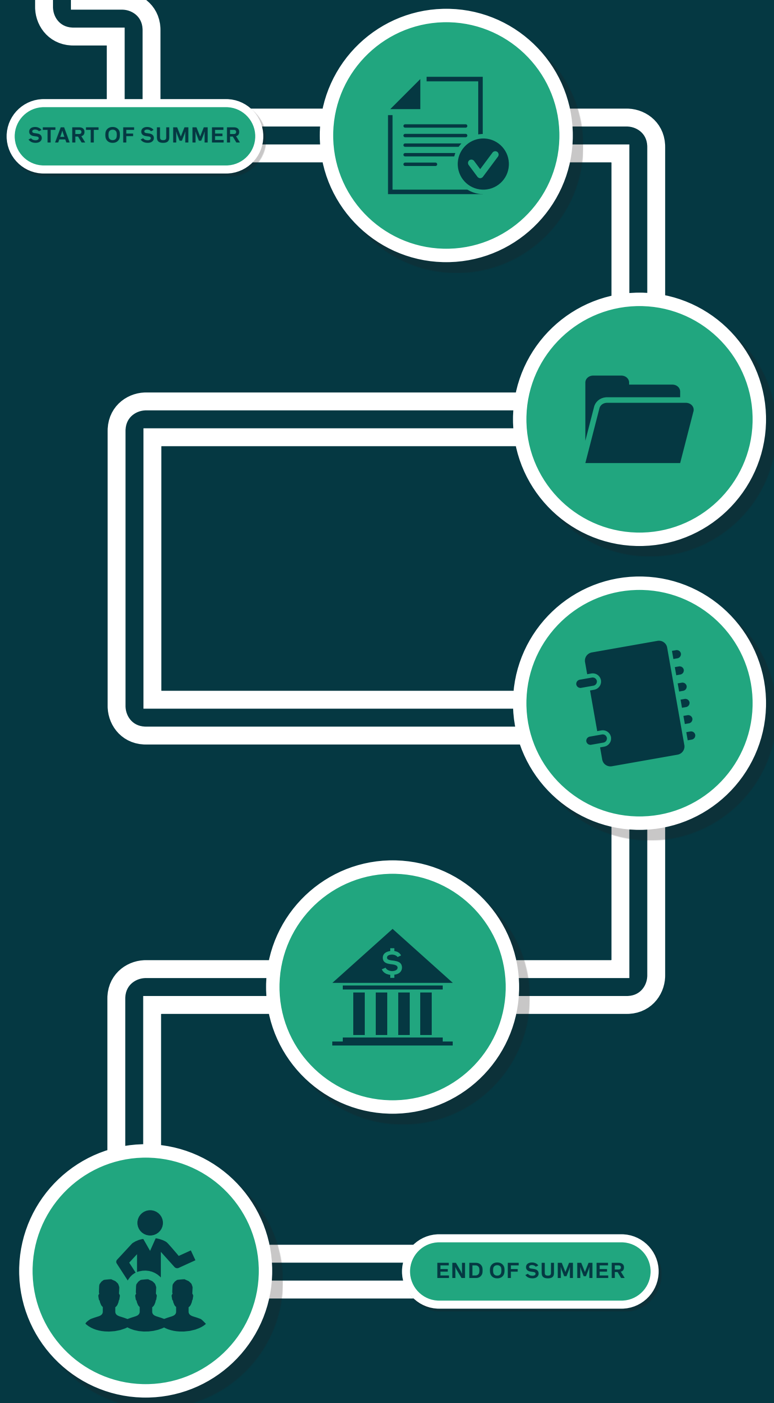
Outreach and Application: Message Importance of Direct Deposit and Collect Critical Data and Documents

Outreach and orientation can be a critical time to begin messaging the importance, and expectation, of account opening and direct deposit, as well as collecting data. Cities included messages on their outreach material and during outreach opportunities like job fairs about the importance of direct deposit, highlighting that participants could use direct deposit to receive their pay in a faster, cheaper, and safer way. In addition, outreach materials included bank or credit union account and routing information as key things to bring to application/registration.

Application forms can facilitate collecting information about banking status, determine account eligibility, and call for essential documentation needed to open an account. Cities can use applications to start nudging youth towards opening bank or credit union accounts, or setting savings goals. Applications can also serve as a survey tool to establish knowledge of financial topics, and can encourage youth to start thinking about or commit to summer savings goals.

SUMMER JOBS CONNECT

THE FIVE KEY FINANCIAL EMPOWERMENT TOUCHPOINTS FOR SUMMER YOUTH EMPLOYMENT PROGRAM INTEGRATION



OUTREACH & APPLICATION

Summer Youth Employment Programs (SYEPs) can use outreach as a first moment to highlight banking messages and expectations. Applications can collect banking status information, as well as survey knowledge of financial topics and encourage youth to start thinking about summer savings and banking goals.

ENROLLMENT

Program staff can facilitate account opening and direct deposit and address any barriers to ensure that the first paycheck can be easily deposited. For youth with barriers like identity theft or account history problems, programs can help find accounts with flexible screening or make plans for appropriate alternatives.

ORIENTATION

Financial education can start at orientation. Orientation can also include account opening, either remotely or with bank representatives in attendance to open accounts onsite.

PAYROLL

Direct deposit, including into multiple accounts for automated savings, at pay periods is a primary banking access goal. Payroll is also a critical point to begin providing education on smart banking and financial management strategies.

ONGOING TRAINING

Connecting direct deposit banking to SYEP financial education is an experience-based way to enhance educational objectives. Lessons include how to use a payroll card without incurring fees, managing debit card spending, or solving problems with financial institutions.

For example, New York City's application includes a "Required Document Checklist" outlining documentation (such as proof of ID and address) that youth will need to submit for employment. The checklist is again provided to youth when they are notified of their lottery selection in SYEP. For youth over 18, New York City has added questions about opening bank or credit union accounts to the checklist. New York City also includes information about banking options on the SYEP participant website which is already set up to provide youth information about their application, worksite, provider and payroll status. SYEPs found that centralizing and automating the application process can affect the speed of data collection, data quality, capacity for data analysis, and effectiveness of ongoing outreach.

The DC program built a 10-question financial quiz into their application; applicants are required to engage with an interactive financial education program (LifeCents) before finishing the application. In addition, due to DC's capacity to offer a job to every applicant who makes it through the certification process, they have incorporated a way to open a safe and affordable credit union account into the online application process as well. This ensures that all participants have a banking account by the time they start their summer job, facilitating the direct deposit process.

Enrollment: Set up Accounts and/or Direct Deposit, Provide Additional Services

A central goal of Summer Jobs Connect is to assist youth to enroll in safe and affordable financial services by directly depositing their paycheck into accounts at financial institutions. This is a two-step process: youth first needed to have an account or apply to open one if they were unbanked, and then needed to supply this valid, active account information to set up direct deposit. During program enrollment, which often happens individually or in small groups, case managers can collect account information, help youth apply for accounts, or address any barriers so that either the first paycheck can be seamlessly deposited or the youth can prepare safe and affordable non-bank options to receive their pay. Whether direct deposit information is collected as part of enrollment or some other time, cities emphasized the importance of making sure that they set a firm deadline for submission of direct deposit account information. Setting a deadline ensured that they had enough time to test and make sure account numbers were correct, and that they could set up alternative methods of payment, like paycards, if needed.

During the enrollment process, most youth meet with caseworkers independently, but some, especially the youngest, are likely to be accompanied by a parent or guardian. For unbanked youth under age 18, this makes enrollment a critical opportunity to obtain the adult co-signer required by some mainstream financial institutions when opening an account for a minor. The necessity of an adult co-signer is a challenge for many SYEP participants under 18, who do not have adults who are appropriate, available or willing to co-sign. For example, some youth are estranged from their parents; some of their parents are barred from opening accounts due to account history screening; some are from immigrant communities that do not have experience interacting with mainstream financial institutions; and some simply do not want the adults in their lives to have access to their earnings.

To address this challenge among others, the Summer Jobs Connect Youth Account Priorities (see Appendix B) outlines the features that Summer Jobs Connect city partners should prioritize in transactional accounts for participants. Key features include no required starting balance (the deposit requirement was suspended until the first paycheck); no monthly fees; and non-custodial accounts, accounts that are available for youth under 18 without requiring an adult "custodian" to cosign or guarantee the account.

In San Francisco and St. Louis, job coaches are trained on how to fill out credit union account application forms, so they can assist any interested participants in opening a new account as part of program enrollment. The job coaches then collect and deliver a batch of completed forms directly to the credit union to open the accounts for the participants.

Program partners also took advantage of the enrollment touchpoint to provide related additional services for participants. For example, some cities used enrollment as an opportunity to help participants get identification, which is critical for future employment. Miami brings a mobile ID unit onsite, and St. Louis created a voucher program where they prepaid the state ID fee and sent participants to the Department of Motor Vehicles to get a non-drivers ID. Programs view this as an economic justice part of the program.

Orientation: Last Chance for Direct Deposit

Although some orientations are held well in advance of employment, many programs held orientations right before the program began. Because the typical time lag required to process an authorization for direct deposit is up to two weeks, the earlier orientations are often the last touchpoint at which this vital financial empowerment step can occur. As most SYEPs are 5–8 weeks long, later processing may cause the first paycheck (of three to four total wage payments) to be issued on paper, diluting the safety and money management advantages that being banked can offer, or sometimes just confusing participants about where and when to expect the next payroll payment.

Orientation can also serve as an opportunity to discover barriers to account access. Several cities and their community-based partners invited bank representatives to attend orientation to open youth accounts onsite. A surprising number of youth were found to have negative reports from bank or credit union account screening consumer reporting agencies such as ChexSystems. This especially, but not only, affected participants over age 18. Some had an account that was closed due to overdrafts committed by themselves or their co-signers; others' identities were used to open and close accounts without their knowledge. By identifying such barriers early, programs can help youth find accounts with flexible screening criteria or make plans for safe and affordable non-bank options to receive their pay.

Finally, some cities used orientation as an opportunity to open new accounts for participants: with so many participants in one room, orientation events are an efficient time to invite financial institution partners to attend and open accounts on-site.

Orientation: Also an Opportunity to Introduce Financial Education and Administer Baseline Surveys

Orientation was an opportunity for an introduction of financial education topics and baseline surveys of youth knowledge and use of financial products. Miami's daylong orientation was intensely focused on financial education; it included a video produced by the Consumer Federation of America (CFA) encouraging youth to set savings goals, and it promised to remind youth about their goals via text message and email throughout the summer. Sessions covered bank or credit union accounts and direct deposit, withholdings from paychecks, credit, money management and budgeting, as well as presentations from financial institutions. At the end of the day each participant received a workbook reinforcing the topics that were discussed as well as a homework project to create a spending plan.

In some cities, contracted SYEP partner job placement agencies conducted orientation with varying degrees of standardization. In Los Angeles and Chicago, the city provided some standard guidelines and materials but allowed placement agencies to create their own workshops. New York City and Los Angeles required youth to work on specific finance-related materials provided by the city. In San Francisco and Newark, the MyPath Savings program initially is introduced during the orientation. The Virginia Beach program offers a one-week intensive financial empowerment orientation, which includes a "Reality Store" exercise where participants are assigned a fictional job and income, and are asked to set budgets for various expenses, including food, housing, entertainment, and banking/financing.

In addition to providing introductory financial education, the orientation touchpoint can also be a good opportunity to do pre-tests or baseline surveys of youth financial knowledge and attitudes about banking. Surveying ideally should be done before delivering any financial education, so as not to bias results with anything learned during the orientation session.

Payroll: Opportunities to Reinforce Financial Empowerment Lessons

The payroll touchpoint critically affects whether youth pay fees to cash paper checks or use paycards or, ideally, use direct deposit to access funds quickly, easily and encourage savings behaviors. However, the ability systematically to use SYEP payroll to support direct deposit depends largely on whether the program structure is centralized or decentralized. Miami, with the most centralized SYEP structure, contracted a staffing agency to process payments to youth and 95% used direct deposit; the city's Program Manager picked up and distributed checks to the remaining 5%. In New York City, the central payroll office distributed payroll cards (paycards) and direct-deposited funds either to the cards or to youths' accounts.

In contrast, payroll in Chicago and San Francisco was completely decentralized across multiple job sites and placement agencies: job sites and placement agencies were in charge of paying the youth, which meant that cities had less ability to directly influence whether youth had a bank or credit union account and direct deposit option or were given paycards. In programs such as Savannah and Virginia Beach, where there are a blend of subsidized municipal placements and unsubsidized private sector placements, the latter are often completely out of the city's control.

Although the long-term programmatic goal was to move youth into bank or credit union accounts, some cities found some short-term advantages in using paycards instead of paper paychecks. For youth, paycards help avoid check cashing fees, and may offer less temptation to spend than cash; it may be possible to attach a savings account option to a city's paycard contract, to allow youth to split their deposits and facilitate savings. For cities, paycards may be a more efficient process to integrate into SYEP processes. New York City saved extraordinary amounts of time and labor when it converted from distributing paper checks to electronically loaded paycards. In addition, customer identification requirements for paycards are often less rigorous, therefore making it easier for cities to enroll large groups of people.

Paper Checks, Paycards and Bank/Credit Union Accounts – Pros and Cons

	Pros	Cons
Paper Checks	• Offers less temptation to spend than cash.	• Without an account, participants must pay fees to cash checks • Not efficient to integrate into municipal processes • Check distribution can be expensive and time-consuming
Paycards	• Helps participants avoid check cashing fees, and offers less temptation to spend than cash • Possible to attach savings account option so participants can split their deposits and save • More efficient than paper checks to integrate into municipal processes • Tie to one specific employer makes it easier for employer to enroll populations at scale	• Funds can only be loaded on by one employer; when participants get a new job, or receive cash as gifts, they will not be able to use their cardNot all paycards are created equal; some have prohibitive and costly fee structures
Bank/Credit Union Accounts	• Also helps participants avoid check cashing fees, and offers less temptation to spend than cash • First step to a relationship with a mainstream financial institution • Safe, insured. • Savings accounts can be used, along with direct deposit, to facilitate savings	• ID requirements are more rigorous than a paycard, so takes more time to enroll participants • Programs will likely need to negotiate with financial institutions to find account that meets participants needs

Using payroll to support financial empowerment goals (such as opening a bank or credit union account, enrolling in direct deposit, and saving earnings) in a decentralized setting requires building new consensus and commitment among a wide range of partners, which may be a long-term goal for some SYEP programs. Decentralized cities can also experiment with mandating access to bank or credit union accounts and direct deposit through procurement channels. As cities control the funding streams and partnership opportunities, they can include a contractual requirement for partners to pay youth through bank or credit union accounts, not paper checks or paycards as Chicago is doing now.

Distribution of the final payroll is an ideal time to do post-tests and follow-up surveys. Some placement agencies in San Francisco require youth to return to their placement agencies and complete exit interviews or surveys to receive their final pay.

Ongoing Training: an Opportunity for Continued Financial Education

SYEPs traditionally include mandatory classroom education, often content-specific job skills or soft skills training, throughout the program. Summer Jobs Connect took advantage of this ongoing training to layer in and reinforce key financial empowerment themes. Each city approached financial education differently, based on their participants' needs. In Miami, youth met individually with counselors from the city's Financial Empowerment Center. In the other cities, placement agencies were required to provide workshops on a variety of topics, including financial education. In Chicago and Los Angeles, youth worked through financial education curricula throughout the summer. Chicago primarily used the EverFi online curriculum; Los Angeles primarily used the FDIC Money Smart curriculum. San Francisco worked with MyPath Savings to train program staff to deliver continued financial education sessions throughout the summer. Many cities created or expanded near-peer financial education programs that covered topics focusing on budgeting, banking, split deposits and savings.

Cities also used successful strategies to create new educational touchpoints using technology. Miami sent text messages with financial education themes; New York City reinforced financial empowerment messages on its application and payroll website, including a bank locator. Chicago and LA both offered youth the opportunity to earn a digital financial literacy badge, based on completing EverFi and FDIC Money Smart, respectively. Chicago has also incorporated LRNG, a technology-based financial education platform, into their SYEP broadly. These technology solutions have been key in increasing the percentage of participants opening accounts, receiving wages by direct deposit, and learning how to best use their banking accounts.

Best Practices for Targeted Financial Education

Summer Jobs Connect is a way for municipal SYEPs to enhance their programs by inserting targeted financial education at pivotal experiential moments to help youth learn to manage and save their money by using and maintaining banking accounts. SJC cities have learned a number of lessons in providing financial education through the SYEP infrastructure, detailed below.

Importance of Taking Youth Needs into Account

As one youth put it, targeted financial education should provide guidance on "learn[ing] how to implement these new strategies into my lifestyle." This guidance must take into account youth's current financial reality and contexts. As such, SYEPs should target youth circumstances by addressing financial goals in distinct timeframes: immediate, short term, medium term, and long term.

Additionally, financial education should be targeted to the payroll experience, and should be presented in a setting where youth can engage with and absorb the material, as well as early in the summer experience when it is relevant as youth think about how they will receive their pay.

Recognizing it often takes hearing something multiple times before it inspires action, the best programs find multiple ways to integrate and share messages about the importance of opening a safe and affordable account to deposit funds into. Only then do participants really internalize the process.

Special Needs of Younger Participants

The CFE Fund's survey and focus group research repeatedly revealed that younger SYEP participants have less exposure to, knowledge of, and confidence about banking at the onset of the program. This makes sense, but also serves as a reminder of the importance of creating age-appropriate opportunities for successful interactions with financial institutions and transactions. Strategies

In-Person Education:

Many city partners used traditional financial education workshops and classes to reinforce banking messages. In San Francisco, financial education consisted of curriculum modules (both in-person and online) designed for youth workforce programs, along with account-specific education delivered by community-based organizations that worked closely with their credit union partner. The community-based partner organization continued to serve as a resource to young people as they began to use their accounts. Additionally, the partner also provided complementary web-based modules to build upon the in-person sessions. In Miami, youth participants were offered one-on-one financial counseling, provided by the city's Financial Empowerment Center counselors. The counselors met multiple times with the participants over the summer and continued to engage after the summer to encourage young people to continue saving. New York City engaged a local university professor to redesign their financial training curriculum and train the "trainers," who then presented this information to all participants, focusing on the younger participants who had a series of regular classes that covered financial management and the benefits of using a bank or credit union account. Chicago engaged a partner nonprofit to attend participant orientations, where they highlighted the benefits of banking in conjunction with local bank partners who then helped participants open bank or credit union accounts on the spot. As mentioned above, Virginia Beach created a "Reality Store" program where participants had to budget their expenses at a range of stores.

Risks of Negative Lessons

Payroll glitches, bank fees, irrelevant or uninteresting financial education can make young workers reluctant to participate in the very systems that offer to help them save money and access credit and financial opportunities in the long run, especially if they come from unbanked households.

Some focus group participants noted that early negative financial services experiences had set a bad tone for future banking engagement, highlighting the need for redress by financial empowerment efforts. For example, many felt they had been ill-served by payroll cards that carried transaction fees; by the inability to set up direct deposit or the late set up of direct deposit or by payroll delays that disrupted their spending plans.

Despite the many positive benefits of integrating financial education into summer youth employment programs, financial education needs to be realistic for youth and their situations. Because of their low wages, limited work hours, or payroll obstacles, youth in about half the focus groups reported that they were unable to put the financial education they received to applicable use, and thus it felt irrelevant to the SYEP experience. For example, in one focus group where direct deposit was not available through the SYEP, the researchers observed that participants' characterization of the financial education was informed by lack of access to direct deposit and the reliance upon check cashing, currency exchanges, and other services. They recognized the financial education and its emphasis on safe and affordable mainstream financial institutions were important, even as they had material circumstances that prevented them from adhering to the lessons of financial education. In several other cases, the general constraints on participants' current earnings and obligations made the education seem less applicable. These findings highlight the importance of emphasizing small, feasible goals that are attainable and realistic with summer earnings, as well as ensuring that financial education strategies take youth voices and needs into account.

Strategies

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Peer Learning

Cities also leveraged peer education to deliver and reinforce financial education lessons. For example, in Washington, DC, Newark, Baltimore, and St Louis, more experienced participants were hired as Young Money Managers, a cohort that was trained to lead financial education sessions for their peers. Chicago used On the Money Money Mentors to lead workshop sessions and presentations for peers about managing their pay, banking and direct deposit. In Los Angeles, youth were engaged as Financial Service Corps representatives to provide training through group presentations and one on one coaching.

Peer educators played a valuable role in educating and supporting their fellow participants, serving as credible sources for financial lessons. Some cities, for example, had peer educators accompany bankers during presentations about safe accounts, often introducing them to their peers and setting the context for the session in an engaging way. Peer educators also were able to connect effectively with other participants: as one example, Money Mentors in Chicago discovered that some participants were using check cashers, so they tweaked their presentations to emphasize further the importance of not paying fees to access your money. Peer educators were also often best able to make the case to their peers that they should open accounts. Many of these youth peer educators were extremely proud and excited about the role they played in educating their fellow participants.

SJC partners identified a number of best practices when employing peer educators as part of their programs. First, partners expressed the need to ensure the right "fit" when hiring peer educators. Often, participants in these positions received higher pay than others in the program, with the expectation that they had more responsibility as peer leaders. Program managers often directly oversaw the hiring of these peer educators, interviewing each candidate to ensure their willingness to take on these heightened responsibilities.

Field Research on Financial Education

The San Francisco Federal Reserve conducted a research study in 2016 on MyPath, a national nonprofit focused on paving economic pathways for low-income youth. MyPath provides financial education services for San Francisco's Summer Jobs Connect program. The study included 375 low-income young people ages 16-21 years old participating in youth workforce and employment programs operated by ten nonprofits in partnership with San Francisco's Department of Children, Youth and their Families (but not part of the SJC cohort).

Participants experienced increases in banking and saving outcomes and significantly improved confidence in their ability to carry out basic financial tasks compared to the comparison group, with no statistically significant differences between the two treatment groups in those areas. The similarities between both the SJC and MyPath program design, as well as the results seen, illustrate the ways in which integrating the SJC model into other programs is greatly effective.

In addition, sufficient training was a key consideration; one city set up a three-week long training bootcamp, delivered by an external training consultant, to ensure that peer educators had a solid foundation in topics like opening and managing checking and savings accounts, accessing and using credit, and making wise investments. Technology sometimes was used to deliver peer educator training, especially since summer programs were short and time was tight. Partners made sure to check in with peer educators regularly. Los Angeles city staff had weekly conference calls as well as open office hours with their Financial Service Corps representatives to check in and get feedback on what was working and what was challenging. Washington, DC built in a number of checks and feedback loops throughout the summer—for example, Young Money Managers had to complete a daily checklist of their tasks, as well as surveys about their financial education presentations and the host sites where they were delivered.

Technology Solutions

Some cities worked to systemically teach young people about the importance of banking and direct deposit, by embedding behavioral prompts about banking access and regular savings into assorted aspects of their program structure. Application systems, enrollment forms, and payroll processes all were used to nudge participants to open and appropriately use bank or credit union accounts through technology tools. For example, Washington DC, New York City, and Chicago all changed the language in their online applications to set an expectation of direct deposit. Where previously these cities had asked passively if participants would like to sign up for direct deposit, language was changed to more actively promote, and directly connect participants to, direct deposit benefits and enrollment. These changes include affirmatively stating that the city would like to pay participants by direct deposit; highlighting the benefits of direct deposit, including through links to educational tools like videos; providing an online opportunity to open accounts; and providing an opportunity to set up direct deposit immediately. In New York City's SYEP application, if applicants were returning participants who had previously been enrolled in direct deposit, the system autofilled their bank or credit union account information with a reminder to check and make sure the account was still active. For new applicants and returning applicants who had not been enrolled in direct deposit, the application system included a number of messages about direct deposit enrollment; followed by a number of targeted emails that reinforced it.

Some cities, especially those that run larger programs, standardized education could be provided only by using technology. In New York City and Newark, Community Software Solutions, which runs their integrated application, enrollment and payroll systems, has built into that system targeted financial education about the benefit of banking, and encourages savings.

Technology also was used to stay connected with young people about banking beyond the classroom. New York City experimented with using emails to participants across their SYEP to highlight the importance of direct deposit enrollment.

Washington, DC offered a banking education module that participants could access even before orientation. The session included lessons on filling out a W4 tax form, as well as emphasizing the importance of a bank or credit union account, and participants received a certificate of completion after going through the module and passing a quiz. Cities also used the application process to verify participant Social Security numbers, which then made it easier to open participant bank or credit union accounts.

Best Practices for Direct Deposit Enrollment

City partners learned a number of important lessons about best strategies for direct deposit enrollment, outlined below.

The Benefits of Direct Deposit

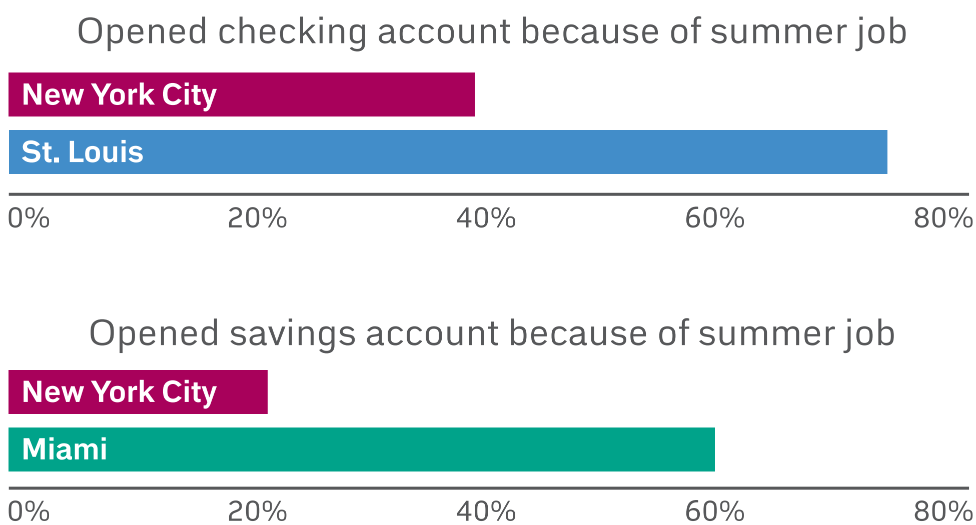
SJC partners reported a number of benefits to direct deposit, for both program participants and program administrators. For participants, enrollment into direct deposit is an important way to avoid predatory and expensive fees for cashing a paycheck; without a bank or credit union account, participants had to pay to access their own wages. Further, a bank or credit union account safeguards earnings—participants don't have to carry around cash—and is the first step towards a long-term, mainstream banking relationship. In addition, cities often highlighted that participants with direct deposit would receive their money earlier than they would if they received a paper check; the funds would be directly deposited in their account the morning of payday and they would be able to access it instantly, as opposed to going to a financial institution or check casher and cashing their paycheck after work. In addition, direct deposit meant that participants didn't have to travel anywhere, like another worksite, to pick up their paycheck.

Programmatically, Summer Jobs Connect cities reported that moving participants towards direct deposit enrollment saved a significant amount of both time and money. In previous years, city partners reported that they would have to physically deliver paychecks to community-based organizations, employment sites, and delegate agencies. In addition to the time and cost of driving the paychecks to partners to distribute, participants would then need to spend time waiting in line to receive their check. Paper checks themselves also have a cost to produce. In addition, lost checks require additional time and money to process, as organizations must research, cancel and re-issue the checks. In some cases, if they were not replaced, these paychecks represent lost wages.

Impact of Program Design on Account Opening

The cities' different program designs affected whether youth who had accounts reported opening them because of their summer job: for example, the following graphics show the difference between survey responses from New York City (where account opening was not built into the SYEP structure and pay was offered via payroll card), and St. Louis (which emphasized checking accounts), and Miami (where most students already had checking accounts and the program emphasized savings goals). Programs that emphasized account opening led to more participants actually opening accounts.

FIGURE 4: ACCOUNT OPENING SUMMER JOB



Youth paired with employers that only offered direct deposit as a payment method were 10 times as likely to open new accounts, versus those who did not report having this requirement.

Direct Deposit Strategies

Cities used a number of strategies to encourage direct deposit. These included emphasizing split-savings strategies; using job coaches to promote direct deposit, and connecting young people directly to financial institutions at orientations and through events like banking fairs.

Split-savings strategies: Some cities emphasized split-savings strategies to encourage participants to enroll in direct deposit and save. In New York City, program staff promoted the newly expanded savings functionality on their paycard. Participants were defaulted into direct deposit through the paycard and then elected to automatically split a portion of their paycheck into savings. In San Francisco, St. Louis, and Washington, DC, the program staff would guide participants to open two credit union accounts—a transactional account and a savings account. As a part of San Francisco's financial education curriculum, participants were encouraged not only to set savings goals, but also to set up split deposits to achieve these goals . In San Francisco, total committed savings increased from $500,000 in Summer 2016 to $853,861 committed by 1,232 youth in Summer 2017.

Job Coaches: Program staff also promoted direct deposit to participants. For example, in St. Louis each participant was assigned to a job coach. During the program enrollment process, the job coach explained the benefits of banking and asked if the participant has an existing account to use for direct deposit. If the participant did not have a bank or credit union account, but wanted one, the job coach facilitated account opening with a partner credit union at that moment. Similarly, in San Francisco, after explaining the benefits of banking, financial education staff were able to begin the account opening process for participants who wanted to open an account.

Connecting Young People Directly To Financial Institutions: Cities also experimented with a number of ways directly to connect young people to financial institutions. In some cities, this was done through event-based opportunities, such as banking fairs. Cities sometimes used these banking fairs as a carrot in account negotiations; only financial institutions who agreed to offer accounts with certain features, such as non-custodial accounts, were invited to participate or attend these fairs.

Events like these are most useful when they are done as part of smaller SYEPs; when there are partnerships in place with financial institutions that can provide account information directly to employers to facilitate direct deposit enrollment; when they are highly structured and targeted to participant needs; and when they are timed to take place in the very beginning of the program, long before the first paycheck, so that there is time for participants to enroll in direct deposit and to make sure all processes are set up correctly.

Online Account Opening Strategies

City partners used technology to facilitate direct deposit enrollment. Technology was especially helpful because of the short program timelines; having all necessary information to enroll youth in direct deposit before the first paycheck was issued was critical. However, cities expressed that it was important to have an "open door" policy where youth could enroll in direct deposit at any time during the summer—while enrollment prior to the first paycheck was ideal, the ultimate goal of encouraging banking access and direct deposit enrollment meant that programs worked to ensure that youth could enroll in direct deposit throughout the summer. Thus, they would have an opportunity to experience the speed and convenience of direct deposit at least once over the course of the summer.

In Washington, DC, the online program application system encouraged participants to receive their pay by direct deposit. After watching a video about benefits of banking and setting up split savings, applicants are asked if they would like to open a bank or credit union account. Participants then are directed to web links to enroll in one of two available credit union account opportunities. In addition, offering direct deposit enrollment as part of application sent a strong message from the beginning of the program that direct deposit was the expected, default way to receive pay. In New York City, participants could add their direct deposit account information directly into the online payroll system, avoiding the use of paper forms and the inevitable mistakes that accompany them. Finally, St. Louis is exploring using tablets to facilitate remote account opening.

Assisted Account Opening: In some cities, financial institution partners trained program staff to review account applications before sending them to the financial institution. Staff knew what to look for in the application to make sure it was complete, and could complete a first check before sending the application to the financial institution, facilitating and streamlining the account opening process. They could also open accounts and enroll participants in direct deposit in batches, sending multiple completed forms to the financial institution at one time. Most often in these cases, the financial institution would send the debit cards back to the municipal program to physically distribute to participants, so they could be sure that no one would intercept the card before the participant received it.

Use of Incentives

For many young people, their SYEP experience is early in their working life and in their financial institution relationships. Their decisions about banking and money management are generally framed and influenced by the past experiences of those around them. In neighborhoods where the usage of alternative financial services, such as check cashing and payday lending, is prevalent, young people are drawn to engage in the same fringe financial behaviors. Often, simply providing information about the benefits of mainstream banking does not result in significant behavior change. In these instances, financial incentives may provide motivation to reconsider the status quo of using alternative financial services and encourage more productive mainstream banking behaviors.

Cities used a variety of structures to implement their incentive programs, including direct incentives for achieving specific goals, opportunities to win prizes for participants, and prizes for organizations and vendors with the highest rates of financial empowerment outcomes among program participants. Goals ranged from signing up for direct deposit, achieving pre-set savings goals or maintaining regular savings behaviors, and completing financial education modules.

Program partners also experimented with incentivizing program staff and vendors, not just participants. Given that these staff often interact most directly with youth participants, they set the tone and culture of the program. The City of Newark, for example, noted that it was best to incentivize coaches because participating youth look up to them as trusted adults, and were more receptive to messages about financial empowerment when they came from them. New York City also had incentives for both young people and for program vendors; it was exciting for providers to win prizes themselves as they saw their youth participants winning.

There were four main and interrelated factors that, to varying degrees, affected each city's ability to operationalize their initial incentive design: existing infrastructure and program size, including how centralized—and thus how easily controlled—their systems were; planning time to actually develop and communicate optimal processes; financial and personnel resources; and administrative uncertainties and barriers related to disbursing funds as a governmental entity.

Key lessons learned about the use of incentives to encourage financial empowerment goals included:

- Programs must thoughtfully develop financial empowerment goals that could be enhanced by an incentive. Not all outcomes need to or should be incentivized; incentive goals should be specific, achievable, and focus on encouraging young people to engage in behavior they might not have otherwise. For example, many programs incentivized youth to meet a set savings goal, but unrealistic goals proved impossible to attain and ultimately disappointing for youth.
- Programs should reserve adequate time for planning, design, and implementation; even small incentives require careful planning and coordination between multiple partners.
- Municipal programs must evaluate their programmatic infrastructure and administrative capacity, taking into account the type of payroll system that the agencies and its providers use and if they can incorporate bonuses or incentive payments.
- Program staff need to think through how they would collect data and verify that an outcome has been achieved, as well as who would be responsible for data collection and analysis.
- Staff and partners must take responsibility for financial empowerment goals and incentives, and also dedicate time for training and communication about these incentives. Many program partners talked about the need to reinforce continuously messaging about incentives, throughout all program stages and touchpoints. Often, they did this through using social media or email reminders.
- Programs should think through any potential legal restrictions related to incentives. In certain cases, incentives can be governed by state laws related sweepstakes or lotteries—programs should check with their agency's or city's General Counsel to understand the relevant laws for their programs early in the program design phase.

Programs said that the most realistic incentives, that had the most lasting effects, were those aimed at program staff and vendors.

Programs said that the most realistic incentives, that had the most lasting effects, were those aimed at program staff and vendors. Incentivizing job coaches, vendors, or partner community-based organizations to teach about and promote bank or credit union account opening and direct deposit, and support split deposits, was often successful in framing expectations for participants and resulting in long-lasting changes. After a couple of years of incentives, city partners reported that these partners had internalized that SJC provides an opportunity to empower participants through both giving them a paycheck and helping them manage it wisely. As time passed and cities re-bid out contracts, they included these expectations into the contract requirements.

SYSTEMS CHANGE AND SUSTAINABILITY

KEY FINDINGS:

- **City partners worked towards long-term sustainability of SJC banking practices by building ongoing programmatic linkages and partnerships with organizations within and across the cities, as well as deeply embedding financial empowerment into SYEP infrastructure.**
- **Cities made a number of beneficial changes to city infrastructure, and created new and innovative partnerships, to implement and sustain SJC.**

Ongoing Financial Empowerment Linkages

For many cities, Summer Jobs Connect was the first time youth workforce programs had included financial empowerment strategies such as access to banking and targeted financial education.

Municipal agencies started working together in new ways, often creating new partnerships to do so. The sustained engagement, driven by Summer Jobs Connect, has now inspired the agencies to plan financial empowerment integrations beyond SYEP. In San Francisco, for example, SJC led the Department of Children, Youth and their Families, which oversees the SYEP, to collaborate closely for the first time with the Office of Financial Empowerment. This sustained engagement, driven by Summer Jobs Connect, has now inspired the agencies to plan financial empowerment integrations beyond SYEP.

Cities like San Francisco and Chicago, both of which have very decentralized SYEPs, have seen their programs and lead agencies within their cities influence sister agencies that also run programs like SYEPs in order to build in banking and direct deposit into their infrastructure. San Francisco's Department of Children, Youth and Their Families (with MyPath) is also working with the Public Utilities Commission, Human Services Agency, Airport, and the San Francisco Unified School District to build account opening and direct deposit access into those agencies' SYEPs. Chicago's Department of Family & Support Services is similarly working with their Department of Education, Parks Department, and afterschool program to build account opening and direct deposit enrollment into their SYEPs.

In New York City, the Department of Youth and Community Development is building direct deposit and financial empowerment strategies into all youth employment programs, which includes multiple year-round programs, as well as programs supported by WIOA funds. In addition, some financial empowerment programming is being rolled out by vendors or CBOs for other projects that have nothing to do with DYCD, because the banking systems and content their program developed was purposely designed to be transferable between programs. In the workforce portfolio, New York City's school year youth employment program boasts a 50% direct deposit rate, while the internship program for out of school youth is at 46% in their first year of financial empowerment programming. New York City is also looking to understand best practices from this work potentially to implement additional financial empowerment strategies across their afterschool and community development programs.

Cities also saw new partnerships outside of the municipal context catalyzed with Summer Jobs Connect. Los Angeles is sharing their financial empowerment strategies with the County, helping them to think about ways to incorporate direct deposit and financial education into their work. The City of St. Louis is similarly working with the County. Miami is supporting the creation of an SYEP that makes placements beyond municipal jobs, in private companies that also emphasize financial education, doubling the size of their program. In addition, financial institutions were eager to learn from their city agency partners, as well as their bank and credit union counterparts in other cities, about how to develop and offer appropriate youth products. New York City's work is influencing their nonprofit partners' banking access strategies; these partners are leveraging new SJC banking relationships to build out additional financial empowerment practices that benefit their clients beyond SJC participants. Cities continue to engage with financial institution partners on youth accounts and other partnership opportunities.

In 2017, the CFE Fund also supported new cities to bring this vital work to their own SYEPs. Through its Summer Jobs Connect Expansion Cohort, the CFE Fund is providing grantee cities with technical assistance and the opportunity to apply for funding to support banking access integrations in their SYEPs. Grantee cities (Baltimore, MD; Houston, TX; Philadelphia, PA; Savannah, GA; and Virginia Beach, VA) all are working to incorporate banking access and financial education integrations into their programs. Savannah has already issued a Request for Information (RFI) to partner with financial institutions that meet the Youth Account Priorities, and Baltimore met with over a dozen financial institutions to ultimately find a partner that could offer accounts that met the Priorities. Both are actively building in additional opportunities to integrate account opening and direct deposit into the program more seamlessly.

Additionally, as these SJC programs grow, program partners report additional ripple effects from integrating financial empowerment. They are building financial empowerment strategies and nudges into online processes and programs; adding financial empowerment requirements, like direct deposit, into RFPs and vendor contracts; and sharpening messaging about the importance of direct deposit to use across programs.

Creating Sustainable Infrastructure

Partners developed and refined various changes to the SYEP infrastructure to ensure the longevity of financial empowerment strategies as a key program component. These changes have been helpful in the short-term, expediting program operations, but they also created long-term opportunities to meaningfully change the way SYEP services are delivered. Changes often have focused on building internal financial empowerment staff capacity and changing processes to facilitate financial education and direct deposit enrollment.

Operating the SJC initiative required partner cities to dedicate staff time to lead in the creation and ownership of the integrated financial empowerment work, essentially building financial empowerment capacity into city staffing infrastructure. This was often done by layering financial empowerment into the responsibilities of an existing staff line, creating an expectation that financial empowerment was a key role for city agency staff. Staffing decisions about SJC operations often had long-term implications for how cities deliver SYEP services, creating new expectations for lasting financial empowerment infrastructure. In some cases, the CFE Fund helped to build this staffing infrastructure by requiring match funding for staff salaries – city partners had to fund a part of each staff line, setting an early expectation that city partners would support part, and eventually all, of these positions. In addition, in some cities like New York City and Chicago, city partners reported that after a few summers of SJC (and in part, though the help of incentives), payroll staff already came to associate their work of empowering young people to earn money, with empowering young people to save and spend money responsibly, and it has become a de facto part of their job descriptions. These cities have also added banking and direct deposit support into their request for proposal processes and vendor contracts.

Cities also made changes to the underlying processes that support the SYEP, including application, enrollment, and payroll. Chicago, for example, made changes to their payroll infrastructure to support bank or credit union account and direct deposit enrollment. Chicago invested in a powerful infrastructure change when they moved from a decentralized payroll process to a centralized one. Controlling all aspects of payroll through centralization, from collecting youth working papers and W-2 forms to making payments, enabled Chicago to offer direct deposit, as well as incentives. Baltimore is creating an orientation structure to allow for bank or credit union account enrollment as well as other programmatic supports.

In St. Louis, as part of enrollment, the credit union offered two accounts (including both transaction and savings accounts) to promote split savings, which will be available for years to come – once accounts are negotiated for programmatic partners, financial institutions usually continue to offer them. Cities also used technology to implement significant financial empowerment programmatic adjustments. In many cities, for example, banking and savings behavioral prompts were built into online application and certification processes. In Washington, DC, the enrollment system highlighted the benefits of banking access, including through linking to education tools like a video promoting savings, before offering the option to split payroll into multiple accounts. In Miami, participants who made savings pledges were reminded of their goals throughout the summer with multiple text messages "nudges." In New York City, the program promoted the paycard's savings bucket for the first time, which was incorporated into the enrollment system, and supported savings through reminder emails promoting savings incentives. In Newark, messages about the benefits of banking and direct deposit were built into the application system.

NEXT STEPS: POLICY IMPLICATIONS

KEY FINDINGS:

- **The CFE Fund and our municipal and financial institution partners continue to work to negotiate account partnerships, including as part of our larger Bank On work.**
- **SJC cities are working to expand financial empowerment services.**
- **Any municipal program that involves a regular payment is ripe for financial empowerment enhancements.**

Youth Accounts

A key part of a robust program is a safe, affordable and appropriate banking account. Cities worked closely with financial institution partners to develop both the product and the reporting necessary for program success, often using the CFE Fund's Youth Account Priorities as their guiding benchmark. Cities focused their account negotiations on the key features outlined in the Priorities, such as a free account (with no minimum balance and no monthly fees) with no overdraft; acceptance of alternative IDs; and availability of non-custodial accounts for participants under 18 years old. In addition, given the short time frame of SYEPs, partners looked for accounts that had quick opening processes, ideally ones that could be streamlined to fit seamlessly within the initiative or that could be opened off-site, such as during an SYEP banking fair or orientation.

However, even with the cooperation and partnership of local credit unions and banks, partners have reported difficulty finding and connecting young people to the right banking products. It was sometimes difficult for financial institutions to offer accounts that met Youth Account Priority guidelines, due to the processes and policies they have in place to comply with government regulations.. For example, a credit union in St. Louis agreed to do several levels of manual overrides in their system to open a non-custodial account for youth. While this gesture of goodwill demonstrates their willingness to serve as a strong financial institution partner, it is also time-consuming and may not be sustainable for the credit union as more accounts are opened each summer. In general, however, the flexibility and mission of smaller financial institutions, especially credit unions, often translated to their willingness and ability to partner with SJC cities to offer non-custodial accounts for those under 18.

As a result of this programmatic feedback, the CFE Fund has elevated the challenges of youth accounts to federal partners. The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration and the Office of the Comptroller of the Currency released interagency guidance about non-custodial accounts for people under 18. In addition, the State Bankers Association website has guidance about laws in each state regarding non-custodial accounts. The treasury department's Financial Literacy and Education Commission (FLEC) published resource guides both for financial institutions and youth employment program partners in support of this integration. The CFE Fund and our partners continue to work to negotiate partnerships and design solutions with financial institutions on the national, regional, and local levels, including as part of our larger Bank On work to broadly expand banking access.

Expanding Financial Empowerment

Integrating banking access into municipal programs and payment streams is a core objective of the CFE Fund's Bank On initiative. As part of Bank On, Summer Jobs Connect targets youth ages 14-24 in short-term employment programs, but the lessons from this work are applicable to a range of municipal banking access integration efforts.

Any municipal program that involves a regular payment – whether it is a payment to a foster parent, a paycheck for participation in a workforce development program, a utility reimbursement, or even a paycheck to a city employee – is ripe for financial empowerment enhancements. During onboarding or enrollment processes, municipal programs can add positive language encouraging new employees/payees to sign up for direct deposit, highlighting benefits such as receiving pay faster and more safely. Employers may also include direct deposit forms in on-boarding packages, perhaps encouraging splitting the deposit into two different accounts, thus encouraging regular savings.

During orientation, municipal programs can facilitate direct deposit enrollment by including behavioral messaging about the importance and ease of direct deposit, and work with employees/payees to address any barriers to ensure that the first paycheck can easily be deposited. For employees with barriers like account history problems, employers can highlight the availability of accounts with flexible screening criteria, such as credit union "second chance accounts."

Payroll, especially the employee's first paycheck, can be a critical point to re-emphasize the direct deposit message. Municipal programs can also provide basic education on smart banking and financial management strategies, perhaps by leveraging their local Bank On coalition or financial education/counseling organization. Summer Jobs Connect cities also experimented with using incentives to encourage direct deposit enrollment and positive savings and banking behaviors; in the adult employment context, incentives might be as simple as the ability to receive paycheck funds through direct deposit earlier in the week, or even earlier in the day relative to pay by paper check, or through monetary incentives that reward the reduced employer costs of direct deposit.

Finally, continuing to underscore the importance of bank or credit union account access and direct deposit, along with financial education, can be woven into ongoing professional development and training with all program partners. Some cities, for example, made sure to highlight the importance of banking and direct deposit as a core part of the program during employer and program staff orientations, and they provided sample prompts for conversations with employees about budgeting and managing money. Armed with this training, SJC employers and program staff were able to connect information about how to use a payroll card without incurring fees, debit card spending, or solving problems with financial institutions to the real-world experience of holding a job and managing a paycheck. In addition, they were able to serve as yet another validator and amplifier of banking, direct deposit, and savings messages.

The Summer Jobs Connect experience shows that even short-term transitional jobs can serve as an important first step to longer-term financial stability for employees. Through leveraging moments throughout the employment process, municipal programs can help their employees turn their paychecks into so much more.

The CFE Fund looks forward to furthering its partnerships with cities across the map in the national financial empowerment movement through Summer Jobs Connect.

Conclusion

Through the Summer Jobs Connect initiative, the Citi Foundation and the CFE Fund, along with our thirteen city partners, are working to develop a national model that leverages the widespread, large-scale SYEP infrastructure to embed targeted financial education and banking access.

Financial empowerment -- and especially access to banking, savings, and money management -- is critical for young people as they begin their financial lives, and cities can play an important role. Through identifying key programmatic touchpoints for financial education and banking access integration, and drawing upon best practices for deploying these strategies, cities are working to refine and grow a new model for summer jobs as well as municipal financial empowerment integrations – and ultimately helping residents access a strong financial future.

APPENDIX A: TALKING POINTS FOR STAKEHOLDERS

Below are talking points to use with different audiences about why Summer Jobs Connect (SJC) is worth investing it, and how to integrate financial empowerment strategies into Summer Youth Employment Programs (SYEPs).

General Talking Points for All Audiences

- SYEPs are an opportunity to empower young people to work and earn money – as well as a critical moment to help them manage their money for a strong financial future.
- The SJC model takes advantage of the infrastructure and scale of existing SYEPs, leveraging the paycheck movement to support participants to open and use their bank or credit union accounts responsibly.
- SJC participants gain real-world experience in managing their paychecks and using bank or credit union accounts wisely, while being supported by program infrastructure and financial education.

Talking Points for City Leaders or Funders

- City leaders across the country are leveraging the SYEP opportunity to build banking access and financial empowerment strategies into their programs.
- This integration is a natural fit because of the mission, and a strong fit because of the scale and existing programmatic and funding infrastructure SYEPs offer. Layering banking access and targeted financial education onto existing summer job infrastructure is a tangible, practical way to bring financial empowerment to scale.
- Financial empowerment -- and especially access to banking, savings, and money management -- is critical for young people as they begin their financial lives, and cities can play an important role in these municipal financial empowerment integrations – and ultimately help residents access a strong financial future.
- Supportive programs like SJC helps youth develop and achieve competence, confidence, and connection, all critical parts of positive youth development underlying the mission of your city youth programs. To support positive youth development, local programs should include financial empowerment strategies: access to, and education about, financial systems combined with opportunities and support to set goals and make good financial decisions.

Talking Points for Program Partners and Program Staff

- Banking access and targeted financial education are a natural fit for Summer Youth Employment Programs; there are many moments during the program timeline easily to integrate these important strategies—often multiple times.
- A first or early job is exactly the right time to learn smart money management habits.
- Helping young people access safe, affordable accounts during their summer job can help them enter the financial mainstream in a positive way that builds a lasting relationship with a financial institution.
- Programs across the country have successfully worked with bank and credit union partners to negotiate accounts with no fees, no ability to overdraft, and that can be opened without an adult co-signer.
- Cities that have invested in adding banking access to SYEPs often look to add banking access to other similar workforce programs; any time where funds are being paid out is a natural moment to add banking access opportunities.

Talking Points for Young People about Banking Access and Direct Deposit

- By opening a safe bank or credit union account, you can have your paycheck quickly and safely deposited right into that account, and for free.
- Opening a banking account also can help you save money more easily. You can even set up two accounts, one for spending and one for savings – and you can have your direct deposit pay split between these two accounts.
- Opening a banking account can help you develop a relationship with a bank or credit union. In the future, you'll have a place to go to ask questions about your account in person, or to talk about your financial goals and how to achieve them using financial products and services.

For Programs Where Default Payroll Option is a Paper Check

- Direct deposit means that you will receive your pay faster – it's deposited in your account instantly, instead of having to wait until later in the day when we distribute paper checks.
- You don't need to wait in line at a check cashier or anywhere else to cash the check, because the money is already directly deposited into your account.
- Direct deposit into a bank or credit union account is safer – if it gets lost/stolen, your pin number will keep your account safe, and you can reach out to the financial institution to replace the ATM/debit card.
- You don't need to walk around with two weeks' worth of pay, in cash, in your pocket.

For Programs Where Default Payroll Option is a Paycard

- Although paycards are a good start, there are limitations on the card including [be specific about the terms of your card – these may include inactivity fees, limited number of free withdrawals, etc.]
- Paycards only work for this specific job – if you get a new job during the school year, your new employer will issue you a different card. You also cannot deposit your cash onto this card.
- To reach your savings goal easier, it's great to set up two different accounts, one is transactional to use on a regular basis, and one can be for savings. Determine what you want to allocate to savings, and set up a split direct deposit, so that part of your pay will by tucked away for your automatically with each pay cycle and you can watch your savings grow. (Note: some paycards also offer a "savings bucket" feature which allows for similar split opportunities.)

Talking Points for Financial Institutions

- The SYEP structure is a great opportunity for banks and credit unions to engage directly young people in building positive banking habits and skills through real world experience. For example, many cities invite their banking partners to participate in job orientation events that include both account opening and education on account usage.
- The Summer Jobs Connect model integrates banking access seamlessly into the SYEP structure – participants are encouraged to open accounts and enroll in direct deposit through programmatic touchpoints like enrollment and orientation when participants are already engaging with the program, making participants more likely to open accounts.
- Supporting access to banking and financial education as part of municipal SYEPs often qualifies as creditable Community Development and Community Services activities under the Community Reinvestment Act, since these programs primarily target low- to moderate-income young people.
- Partnering with municipal SYEPs and their nonprofit partners lowers the risks and increases the likelihood of a successful banking experience for youth.
    - The Summer Jobs Connect model focuses on accounts that are cannot be overdrawn and often have daily withdrawal limits and deposit protocols in place to limit the likelihood of problems for both the youth and the bank.
    - SYEPs emphasize the use of direct deposit to ensure that funds earned end up in accounts that are opened.

- Finally, they provide financial education focused on helping young people develop good account management habits, which include encouraging both short and long term savings.

- Financial institutions in SJC programs across the country have seen "ripple effects" of their engagement as parents and others living in the households of banked youth also become banked and engage with the credit union.
- Recognizing that many credit unions face an aging membership base, credit unions specifically have found partnering with SYEPs beneficial because it exposes younger clients to credit union services. One credit union branch has seen their average membership age decrease by almost ten years over the course of the four year partnership with the municipal SYEP.

Talking Points about the Summer Jobs Connect Youth Account Priorities

The account features laid out in the Summer Jobs Connect Youth Account Priorities represent critical components of a safe, affordable account that works in the context of a municipal Summer Youth Employment Program. The below talking points lay out why these features are important, and how programs can explain their importance to partners and young people.

Free accounts with no overdraft capability:

- The priorities call for accounts with no monthly fee and for low minimum balances, as well as no ability to overdraft.
- Many people avoid the mainstream financial system and turn to alternative financial services like check cashers because they feel that fees can be unpredictable, or they had trouble with overdraft in the past.
- As young people open bank or credit union accounts, sometimes for the first time, they should be connected to accounts with no fees and no overdraft ability – a positive start with the financial mainstream.

Non-custodial accounts:

- Non-custodial accounts are accounts for those under 18 that do not require an adult (often a parent or guardian) co-signer.
- Key to empowering young people to manage their money is to ensure that they are the only ones who have access to and control over their funds.
- As such, accounts for those under 18 are negotiated to ensure that participants are the only account holder—that they are not joint accounts with an adult in their household serving as a co-signer.
- Young people sometimes decide to contribute to household expenses, but it is important to ensure that the young people who are earning wages are part of the conversation and decision making process about how their money is spent.

Alternative identification:

- As many participants do not yet have state-issued driver's licenses, programs work with financial institutions to accept various identification alternatives, such as (whatever your program has negotiated).

APPENDIX B:

SUMMER JOBS CONNECT YOUTH ACCOUNT PRIORITIES

These following priorities are intended for use by programs seeking or negotiating financial institution transaction accounts for youth populations.

Critical Features

Terms	Standards
Transaction Account at Banking Institution	Checking account (including checkless checking); bank- or credit union-offered prepaid
	Non-custodial account ownership for those under 18
Minimum Opening Deposit	$25 or less, with ability for consumer to delay funding initial balance until first payroll
Monthly Maintenance Fee	None for youth accounts
Overdraft or Non-Sufficient Funds (NSF) Fees	None, structurally not possible (e.g. via checkless checking)
Dormancy or Inactivity Fees	None; after 6 months or more of inactivity, account can be suspended with an option to reactivate
Withdrawal Capability	Free methods to access funds through in-network ATMs
Insured Deposits	Insured by FDIC or NCUSIF
New Account Screening (e.g. ChexSystems, Early Warning Services)	**For consumers under 18:** Flexible usage, reflecting that any negative reports are unlikely to be fault of the minor
	For consumers 18 and over: Flexible usage; only deny new customers for past incidences of actual fraud
Alternative IDs	Accept alternative IDs (e.g. school IDs, program IDs)
Remote Account Opening	Accounts can be opened remotely (e.g. through onsite program enrollment, assisted account opening, or online), including issuing account numbers off-site
Linked Savings Accounts	Free savings accounts and account transfers

Additional Important Features

Point of Sale (POS) Capability	Debit card/prepaid card
Branch Access	Free and unrestricted
Telephone Banking	Free and unrestricted (including live customer support)
Use of Out-of-Network ATM	$2.50 or less (not including local ATM fee)
Deposit Capability	Free in branch, at ATM, and direct deposit
Bill Pay by Customer	Free
Bill Pay by Financial Institution	Free if available, otherwise at least four free money orders and/or cashier checks per month
Check Cashing for Checks Issued by that Bank	Free
Online and Mobile Banking	Free
Banking Alerts	Free
Monthly Statements	Free paper (or electronic with consumer consent)
Mobile Deposits	Available, free
Funds Availability	Immediate availability for known customers cashing government, payroll, or same-bank checks
Money Orders	$1.60 or less (based on U.S. Postal Service rate)
Remittances (International Wire)	Competitively priced ($5.00 - $20.00, depending on country)
Credit-Building Product Offerings	Secured credit card or secured personal loan, e.g.

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