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CFO Launches Bank On Florida

St. Petersburg, FL – On Thursday, February 9, 2012 Florida's Chief Financial Officer, Jeff Atwater, will hold a press conference to announce the launch of Bank On Florida. This new initiative brings together local financial institutions and community partners to help residents access mainstream financial services and financial education.

The event will be held at St. Petersburg City Hall located at 175 Fifth Street North, St. Petersburg. The press conference will start promptly at 2:30 PM.

Bank On Florida is an asset building and asset preservation initiative of the Florida Prosperity Partnership, a statewide coalition of approximately 150 organizations from all sectors of the community. The goal of this initiative is to create local Bank On programs in all 67 counties within the State of Florida.

Bank On programs help area residents open a bank account, an important step toward financial stability. Residents who have never had an account or have had difficulties in the past will find that many traditional barriers have been reduced or eliminated. These barriers may include minimum balance requirements, difficulties with an account in the past such as unpaid overdraft charges, or lack of a U.S. driver's license or state-issued identification.

Based on successful models in about 100 cities around the country, Bank On programs hope to increase the financial stability of people living in the area by providing access to bank accounts and financial education. With an account at a bank or credit union, it can be easier to save for the future, manage money, and access credit and lower-interest loans.

St. Petersburg was chosen to launch the stateside program because it the first Bank On program within the state originated here. Bank On St. Pete launched in August 2009 and has already opened over 2500 accounts. A joint effort between the city of St. Petersburg, the Federal Reserve Bank of Atlanta, Project Prosper, the Federal Deposit Insurance Corporation (FDIC), the National League of Cities and the Wealth Building Coalition/Pinellas Prosperity Campaign, Bank On St. Pete partnered with 14 financial institutions representing 40 local banks or credit union branches at its launch, as well as various community non-profit organizations that assist in providing financial education and outreach to enrollees.

In addition to deposit accounts, Bank On Florida will promote accessibility of funds using such banking vehicles as debit and prepaid cards, electronic transfer accounts, and small dollar loan

programs. This ease of access plays an important role for many in transitioning from high cost alternative financial services into mainstream banking.

According to Bill Mills, Florida Prosperity Partnership's Director of Strategic Initiatives, "We are encouraging those across the state, without bank accounts, to join the Bank On program in their community. An account at a bank or credit union is an important part of building savings and in-turn, building financial stability. The partners in Bank On Florida have worked to offer products, services, and education that will help new account holders build successful and sustainable relationships with financial institutions."

According to the Federal Deposit Insurance Corporation [FDIC], more than 7% of all Florida households are unbanked, meaning no one in the household has any type of checking or savings account. In Florida, 18.2% of lower-income households (those households earning below \$30,000 per year) have no banking relationship. For the U.S. as a whole, nearly 20% of households earning below \$30,000 a year do not have bank accounts. The FDIC reports that 71.2% of all households without bank accounts in the U.S. earned less than \$30,000 per year.

Many households without a bank account rely on alternative financial services such as check cashers, payday loan providers, pawn shops, and rent-to-own outlets. These establishments typically charge high fees for their services. In fact, an average unbanked household in Florida spends over \$1,000 a year in fees for alternative financial services.

National data show that certain racial and ethnic minorities are more likely to not have bank accounts than the population as a whole. An estimated 21.7% of African American households and an estimated 19.3% of Latino households do not have bank accounts. "The Bank On approach of inclusive community coalitions composed of local or state government, trusted community partners and leaders, and financial education providers have been successful in developing methods to help working families benefit from having transaction and savings accounts," says Financial Opportunities Specialist, Matt Pippin with the U.S. Department of the Treasury. He went to say, "Bank On also provides important financial education opportunities. The Bank On movement, that the Treasury is working to support, is intended to build upon and enhance local community collaborative efforts."

A few reasons that people cite for not having a bank account include minimum balance requirements, difficulties with an account in the past, lack of appropriate identification, and feeling they don't have enough money or don't write enough checks. Bank On Florida has worked to reduce or eliminate those barriers. Participating financial institutions will offer accounts with no or low minimum balance, no or low monthly maintenance fee, and free basic online services. Most partners will make a reasonable effort to open an account even if an individual has had difficulties with an account in the past, such as unpaid overdraft fees. Several partners will also accept alternative forms of identification.

There are many reasons for individuals and families to develop a solid banking relationship:

- Bank accounts help keep money safe from theft, fires, floods, and other natural disasters.
- Bank accounts also offer convenience through services such as direct deposit, ATMs, and the ability to write checks instead of waiting in lines to purchase money orders.
- Bank accounts can also save people money in check-cashing and money order fees.
- Finally, having a bank account can help people access other financial services in the future.

More information about Bank On Florida, including links to local programs, can be found at www.BankOnFL.org.

The Florida Prosperity Partnership (FPP) is a statewide collaboration dedicated to improving the financial stability for low-to-moderate income Floridians. Established in the fall of 2008, the FPP includes approximately 150 partner organizations from all sectors of Florida. For more information, please contact Bill Mills, Director of Strategic Initiatives at 407-797-6549.

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