Savings Network

November 12, 2019, 2:00-3:30pm ET

Today’s Topic:
Building Financial Stability Through Emergency Savings
Welcome

Parker Cohen (he/him)
Associate Director, Savings & Financial Capability
Prosperity Now
Housekeeping

▪ This call is **being recorded** and will be mailed to registrants and available online within one week.

▪ **This is a group discussion!** However, all webinar attendees are muted at the start to ensure sound quality.

▪ **Share comments** or **ask questions** at any time by **raising your hand** to be unmuted or typing the question into the text box on the control panel.

  *Tip: Phone audio works best. Be sure to enter your audio PIN!*

▪ If you experience any technical issues, email **gotomeeting@prosperitynow.org**.
Getting the Most Out of Today’s Call

- Join from a **quiet space**
- Grab a **coffee** or snack and settle in
- **Engage!** Send us your questions and comments as you listen
- Reflect on ways to **apply what you learn today** to your own work
Prosperity Now’s mission is to ensure everyone in our country has a clear path to financial stability, wealth and prosperity.
Today’s Agenda

✓ Emergency Savings & the Continuum of Savings Needs: Now, Soon, Later
✓ New Research Results and Policy Implications
✓ Practitioners’ Panel—Understanding clients needs in emergency savings and how to shape programs to fit those needs
✓ Group Discussion and Q&A
✓ Next Steps & Close
Today’s Hosts

Parker Cohen (he/him)
Associate Director,
Savings & Financial
Capability
Prosperity Now

Laura Yepez (she/her)
Sr. Program Associate,
Savings & Financial
Capability
Prosperity Now
Today's Speakers

Erika Leos
(she/her)
*Financial Wellness Program Manager,*
Foundation Communities

Jonathan Young
(he/him)
*Co-Director,*
Community Empowerment Fund
Savings Network Webinars 2019: Year in Review

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Understanding Racial Economic Inequality & Savings Behavior- July 2019

Parker Cohen
Associate Director, Savings & Financial Capability
Prosperity Now

Sandra Tobon
Program Manager, Financial Capabilities & Wealth Building
Hispanic Unity of Florida

Lucy Arellano
Director of Asset Building Programs
Mission Economic Development Agency (MEDA)

July 9, 2019
Registered: 453
Attendees: 173
Rated Excellent/Very Good: 90%
Understanding Racial Economic Inequality and Savings Behavior Part 2 - September 2019

Parker Cohen
Associate Director, Prosperity Now

Shenell Thompson
Founder/CEO
Brick by Brick Consulting NC, LLC

Marquita Robertson
ED of the Collaborative of NC

Carlos Garcia
Dir. of Econ. Opportunity, Neighborhood Partnerships

September 10, 2019
Registered: 554
Attendees: 127
Rated Excellent/Very Good: 86%
Emergency Savings and the Continuum of Savings Needs
Our Framework: 
The Continuum of Savings Needs and All-in-One Solutions

NOW
needs to manage income shortfalls/expense spikes
(product options: emergency savings products/programs, safe, affordable earned wage access products)

SOON
needs to save for short- to medium-term goals
(product options: savings accounts, matched or incentivized savings programs)

LATER
needs to save for long-term goals
(product options: retirement accounts, college savings products)
Consumer Research Results

- **What were we trying to learn?**
  - Determine the need for supporting multiple savings needs
  - Assess interest in and expectations of an all-in-one savings platform
  - Gather ideas on features that should be included or excluded
  - Identify if a sub-group(s) within interviewees demonstrate a higher need or interest in an all-in-one savings platform

- **With whom did we speak?**
  - 62 people
  - Atlanta, Lakewood (a suburb of Los Angeles), the Bronx, St. Louis
  - Up to 80% AMI for white people, up to 120% AMI for people of color
  - Aged 18-65
  - Income at least exceeds expenses
  - Interested in saving more
That’s great! We have three savings packages to choose from. If you don’t like them, you can always create your own.

<table>
<thead>
<tr>
<th>The “Be Prepared” Savings Package</th>
<th>The “Dream Home” Savings Package</th>
<th>The “College Fund” Savings Package</th>
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<tr>
<td><strong>Starter savings goals</strong></td>
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<td>Emergencies $500</td>
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<td>Home &amp; Car Repairs $2,000</td>
<td>Home Purchase $6,000</td>
<td>College Fund $5,000</td>
</tr>
<tr>
<td>Health Savings $2,000</td>
<td>Home Maintenance &amp; Repairs $2,000</td>
<td>School Supplies &amp; Expenses $1,000</td>
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To start your savings, all I need is your:

- Name
- SSN or ITIN
- An address that matches your driver's license or other legal document
- A mailing address

This will open an online savings account that includes all the program benefits.

**All-in-One Savings Program Benefits***

- Deposit and withdraw money at ATMs or through electronic transfers for free.
- Earn interest and rewards for savings.
- Receive savings tips and deposit reminders by email and/or text.
- Get support from live financial coaches or financial education materials online.
- Access emergency credit when you really need it.
- Track progress towards savings goals.
- Automatically seed a Roth IRA retirement account once you’ve made significant savings progress.

All account settings and savings preferences can be changed at any time.

*Icons from Noun Project artists: Money by Libertaptops, leaves by Bragar Cresnar, badge by iconsphere, bar graph by Unlimicron, SMS by ArfatUddin, online support by Dashar Hussain, loan by Bacic, Favicon by FIKON*
Key Findings

- LMI individuals are saving but struggling to get ahead, reinforcing prior research.
  - Many barriers, including too little income, volatility in income and expenses, and debt, make both the act of saving and building savings over time challenging.

- Consumers are interested in the All-in-One concept.
  - Draw to many aspects, including savings packages with buckets and pre-set goals

- LMI individuals are seeking guidance from savings solutions.
  - Financial coaching, customized tips and reminders, higher-touch customer service

- Monetary incentives are very popular.

- Consumers are concerned about the security their savings.
  - Including fears of hidden fees, the safety of storing their money in a particular account, the security of online accounts, and others.
Implications for Emergency Savings

- Our research underscores:
  - The critical importance of having emergency savings to maintain stability.
  - How emergency savings can help secure assets - it helps people stay in homes, prevents borrowing from other goals, early withdrawals from retirement savings (if present), etc.
  - The need to link short and longer-term savings in programs.
  - Incentivizing savings is critical for supporting LMI households; higher wealth households have existing incentivizes through the tax code, workplace retirement programs, and other avenues.
Capitol Hill Event: One Crisis Away

- Our research and policy advocacy informed an event with policymakers and staffers to discuss the need for emergency savings solutions.
- We need policies that:
  - Address the continuum of savings needs and are responsive to how people view their financial lives.
  - Incentivize emergency savings in the workplace, potentially in conjunction with retirement.
  - Support practitioners’ efforts to build emergency savings through new incentivized savings policies.

On Thursday, October 17, we invite you to join Prosperity Now and Prudential Financial on Capitol Hill to discuss the lack of emergency savings for working families around the country and how policymakers, researchers and advocates can push for policy solutions to help fill this void. This event will highlight promising federal proposals to help low-income workers and their families save. In addition, Prudential will be discussing an innovative emergency savings feature they have been piloting, which would help employers to further support their employees in saving.

Confirmed event speakers include:
- Congressman Jimmy Gomez (D-CA-34)
- Shai Akabas, Director of Economic Policy, Bipartisan Policy Center
- Gary Cunningham, President and CEO, Prosperity Now
- Harry Dalessio, Vice President, Prudential Retirement Full Service Solutions
- David John, Senior Strategic Policy Advisor, AARP
- David Neuwille, Vice President of Policy and Research, Prosperity Now
- Joanna Smith-Ramani, Managing Director, Aspen Institute Financial Security Program

Lunch will be served at 11:00 AM; event activities will begin at 11:10.
Poll Question #1

Where in the savings continuum do you provide services?

- Now (emergency, debt relief)
- Soon (vacation, car)
- Later (homeownership, retirement)
- All
- Other
Poll Question #2

Does your organization currently provide an emergency savings program?

- Yes
- No, but we want to start one soon
- No, we focus on savings for asset building
Our research shows that households often lack enough emergency savings or liquid assets to help them weather periods of instability, this disproportionately impacts households of color. Despite these odds families continue to find ways to save.

We look at the landscape of savings solutions (from basic savings accounts to lending circles) to address the challenges around savings and wealth accumulation. Read more on our site!
Audience Q & A
Panel Discussion
Practitioner’s Panel

Erika Leos
(she/her)
Financial Wellness Program Manager,
Foundation Communities

Jonathan Young
(he/him)
Co-Director,
Community Empowerment Fund
Audience Q & A
Group Discussion and Q&A

- Feel free to ask the speakers any questions using the chat box!
- Also add your reflections and ideas for conversation:
  - **Discuss** which areas of savings policy you think should be prioritized at the federal and state levels
  - **Share** what exciting savings policy developments you have seen at the local and state levels
Group Discussion Technology

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Practitioner’s Panel

Erika Leos  
(she/her)  
erika.leos@foundcom.org  
LinkedIn

Jonathan Young  
(he/him)  
jony@communityef.org  
LinkedIn
Next Steps and Wrap-Up
Next Steps

- Read our full report!

- Visit our **Advocacy Center** to stay up to date with advocacy efforts.

- Please **complete the survey**!

- Sign up for other **Networks and Campaigns** to stay in the know about issues you care about.

- Let us know your **suggestions** for future call topics.
Plug into the Prosperity Now Community

Sign up for listservs and working groups, volunteer to facilitate peer discussions, serve in a leadership role and more!

- Financial Coaching Network
- Racial Wealth Equity Network
- Affordable Homeownership Network
- Adult Matched Savings Network
- Taxpayer Opportunity Network
- Campaign for Every Kids Future — Children’s Savings Accounts
- Health & Wealth Network
- Innovations in Manufactured Housing (I’M HOME) Network
Take action with Prosperity Now Campaigns!

Sign up to stay informed about the latest developments and opportunities to take action by joining one of our four federal policy campaigns.

**HOMEOWNERSHIP**

Homeownership is key to building wealth. Together, we will advocate for products and policies that provide more affordable homes to more people.

**CONSUMER PROTECTIONS**

Consumer protections create fairer, more transparent financial markets. Together, we will ensure consumers keep the safeguards they deserve.

**SAFETY NET**

Safety net programs help protect vulnerable individuals and families from falling deep into poverty. Together, we will protect programs like SNAP, IDAs and more to help those in need when they need it most.

**TURN IT RIGHT-SIDE UP**

The vast majority of tax incentives go to those at the top, not to those who need it most. Together, we will turn our upside-down tax code right-side up.

Visit any of the Campaigns above at [https://prosperitynow.org/take-action](https://prosperitynow.org/take-action) to learn more and join.

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