



# CityStart BluePrint



JUNE 2021

## FOREWORD FROM MAYOR SCOTT CONGER

One of the cornerstone initiatives of the Hub City Plan that I campaigned on is creating a foundation for addressing poverty through financial empowerment in the City of Jackson.

As a former CEO of United Way of West Tennessee, I understand the vital importance of financial empowerment in order for individuals, families and communities to thrive.

The first step in the plan included establishing the City of Jackson Anti-Poverty Task Force in August 2019 to address poverty and other quality of life concerns. The task force is composed of community members from nonprofit, education, housing, healthcare, recovery and religious sectors. This task force focuses on bringing programmatic and policy solutions to the City of Jackson for reducing poverty and promoting quality of life for all Jacksonians.

In October 2020, the City of Jackson applied for and received the competitive CityStart grant from the Cities for Financial Empowerment Fund (CFE Fund). Jackson was one of five localities to receive the planning grant and is using the funds to identify strategies that will financially empower residents. The planning grant gave us the resources to formally develop a strategic plan for moving forward.

This financial empowerment blueprint is crucial for our city to address poverty and economic vulnerability in Jackson. This plan will also help vulnerable populations recover from the devastating effects of the pandemic while building resilience for the future.

I want to commend the Anti-Poverty Task Force for their instrumental work on this project, without them it would not have been possible.

I am committed to building a better Jackson together and this is one more step in that direction.

Every resident in this city deserves the opportunity to thrive.

Sincerely,



Mayor Scott Conger





# INTRODUCTION



## Background

In 2020, the City of Jackson was selected as one of five communities across the country to receive a CityStart grant from the Cities for Financial Empowerment (CFE) Fund. The CityStart grant provided planning dollars and technical assistance to support the development of a municipal financial empowerment blueprint. This Financial Empowerment Blueprint will serve as a guide for the City of Jackson's future financial empowerment endeavors.

CFE is a nonprofit organization that provides funding and technical assistance to mayoral administrations who wish to improve the financial stability of low-and moderate-income households. CFE believes that local governments are uniquely positioned to deliver large-scale, high-quality financial empowerment services by embedding systemic financial empowerment programs and policies into local government infrastructure.

### CFE DEFINES FINANCIAL EMPOWERMENT AS FOUR KEY COMPONENTS:



#### ASSET BUILDING

Weathering financial shock and setbacks while saving for the future is a critical step towards financial security.



#### BANKING ACCESS

Accessing a safe, affordable account is key to joining the financial mainstream and keeping earnings secure by saving.



#### CONSUMER FINANCIAL PROTECTION

Cities have unique, powerful opportunities to protect residents and their assets from predatory practices.



#### FINANCIAL EDUCATION AND COUNSELING

Professional financial counseling and coaching can tangibly improve household financial stability, especially when integrated into social services.

This framework serves as the guide for the CityStart program and basis for the City of Jackson's Financial Empowerment Blueprint.

The CityStart initiative offers selected communities a structured approach to identify financial empowerment priorities and goals, convene stakeholders, develop actionable strategies, plan for sustainability, and craft a blueprint that is responsive to local needs and opportunities.

## Developing the Blueprint

In October 2020, the Cities for Financial Empowerment (CFE) Fund launched a virtual CityStart University in lieu of the CityStart Bootcamp due to the COVID-19 pandemic. Representatives from each community participated in four virtual sessions over the course of a month to learn more about municipal financial empowerment approaches, the role of local government and racial equity, stakeholder engagement, and more. Cohort members then participated in selected case study sessions on specific financial empowerment approaches based on their community's needs and vision.



With the unprecedented challenges presented by the COVID-19 pandemic and accompanying economic downturn, in addition to civil unrest in the wake of police brutality protests, the City of Jackson and CFE believe it is critical for this Blueprint to address the influence of COVID-19 and racial equity on the City's financial empowerment endeavors.



## COVID-19

At the forefront of the pandemic, the City of Jackson collaborated with the West Tennessee Healthcare Foundation to develop a COVID-19 Emergency Response Fund. Through partnership with other local agencies and nonprofit organizations, the City of Jackson provided financial assistance to community members directly affected by the Coronavirus pandemic. The COVID-19 Emergency Response Fund allocated economic support to residents who experienced job loss, or a significant decrease in hours worked, job loss due to school and/or daycare closures, residents who face food and/or housing insecurity, and residents who did not have the adequate benefits to cover time off from work.



The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the American Rescue Plan have been pivotal in providing economic relief at the local government level. Both economic stimulus bills have provided relief and funding for municipal operations, direct household financial support through Economic Impact Payments (stimulus checks), and instating the small business Paycheck Protection Program to continue payroll expenses, hire back employees, and cover additional overhead expenses, if applicable. Additionally, the Jackson Housing

Authority moved to suspend evictions by implementing an eviction moratorium policy. This provided public housing residents the assurance that they would not be evicted due to late rent payments associated with the Coronavirus pandemic and the loss, or decrease in hours, at their place of employment. Emergency relief funds also supplemented additional burderning costs during the height of COVID-19 such as utilities and grocery expenses.

As the City implements its financial empowerment initiatives, the impact and recovery efforts from the COVID-19 pandemic will continue to play a role in shaping our priorities and response.

## Racial Equity

Racial equity occurs when institutions give equal opportunities to people of all ethnic and racial backgrounds. Racial equity is noted as being both an outcome and a process. As an outcome, racial equity is achieved when race no longer determines an individual's socioeconomic status; when every individual is well equipped with the resources necessary to thrive, regardless of their racial background or geographical location. As a process, racial equity is applied when those most impacted by structural and generational racial inequity are meaningfully involved in the development and implementation of institutional policies and practices that impact their lives.<sup>1</sup>

Structural and systemic racism is deeply rooted within disparities surrounding educational attainment, homeownership, and arrest rates among minority populations. In 2019, the Census Bureau data revealed that of the population of African Americans residing in Jackson, which is 31,822 individuals, only 15,696 have obtained an education at the highschool level or higher. Even more so, only 3,058 African American Jacksonians are bachelor degree holders or higher. Additionally, white Jacksonians are recorded that 7,940 of their population are bachelor degree holders or higher.<sup>2</sup> This drastic difference is largely a result of structural and systemic racism and inaccessibility.

There is also a nearly 30% difference in homeownership rates between white and black Jacksonians.

Additionally, African American and Hispanic individuals are approximately two times more likely to fall below the poverty threshold in Jackson.<sup>3</sup> This is a direct result of inaccessibility to higher education and reputable and trusted financial services. There is also a nearly 30 percent difference in homeownership rates between white and black Jacksonians.<sup>4</sup>

<sup>1</sup> <https://www.raceforward.org/about/what-is-racial-equity>

<sup>2</sup> <https://data.census.gov/cedsci/table?q=educational%20attainment%20jackson%20tn&tid=ACSST1Y2019.S1501&hidePreview=false>

<sup>3</sup> <https://data.census.gov/cedsci/table?q=poverty%20and%20race%20in%20jackson%20city,%20tennessee&tid=ACSST5Y2019.S1701&hidePreview=false>

<sup>4</sup> <https://www.jacksonha.com/wp-content/uploads/Jackson-Tennessee-Analysis-of-Impediments-2019.pdf>

In order to create and implement sustainable and equitable social change, community members and officials must be aware of the history of discriminatory practices that have led to modern day disparities. Even so, racial profiling and stereotyping are still used in financial practice regarding loan approval and determination of interest rates. Additionally, minority populations are more directly at risk to be affected by arrest rates and burdened with court fines and fees. Stakeholders from the Jackson Equity project suggested implementing a program to ensure all loan approval and interest rate deals are based solely on income and credit score, rather than influenced by personal biases related to the color of the client's skin. To hold these establishments accountable, each bank that participates in this program will be required to report annually on demographic data determining the equity and accessibility of new loans. Fines and fees can be approached by issuing citations wherever applicable to keep residents out of jail, and avoid additional fees and fines associated with the judicial system.

Financial empowerment initiatives have a proven track record in reducing poverty, improving financial literacy, and promoting equity across populations. As we seek to create and expand financial resources and solutions, racial equity and awareness will remain a top priority in Jackson and Madison County.







# FINANCIAL LANDSCAPE





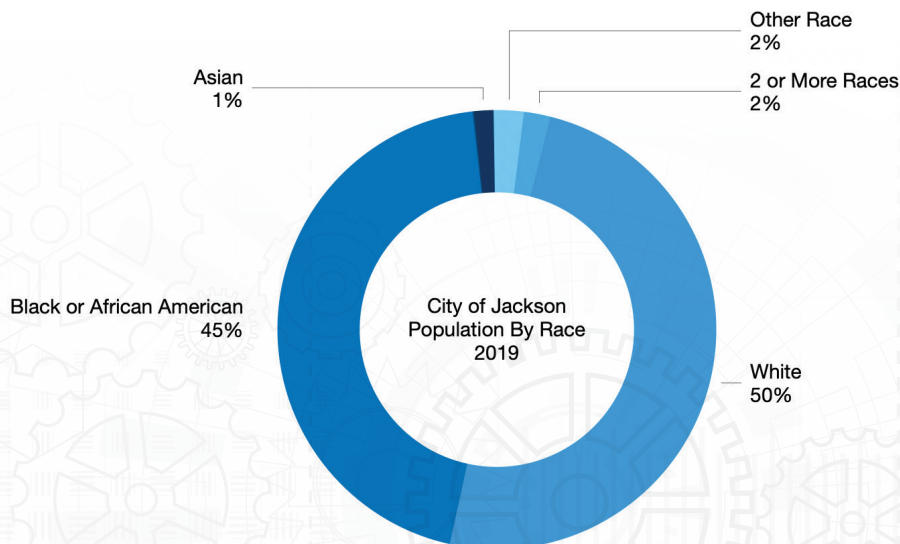
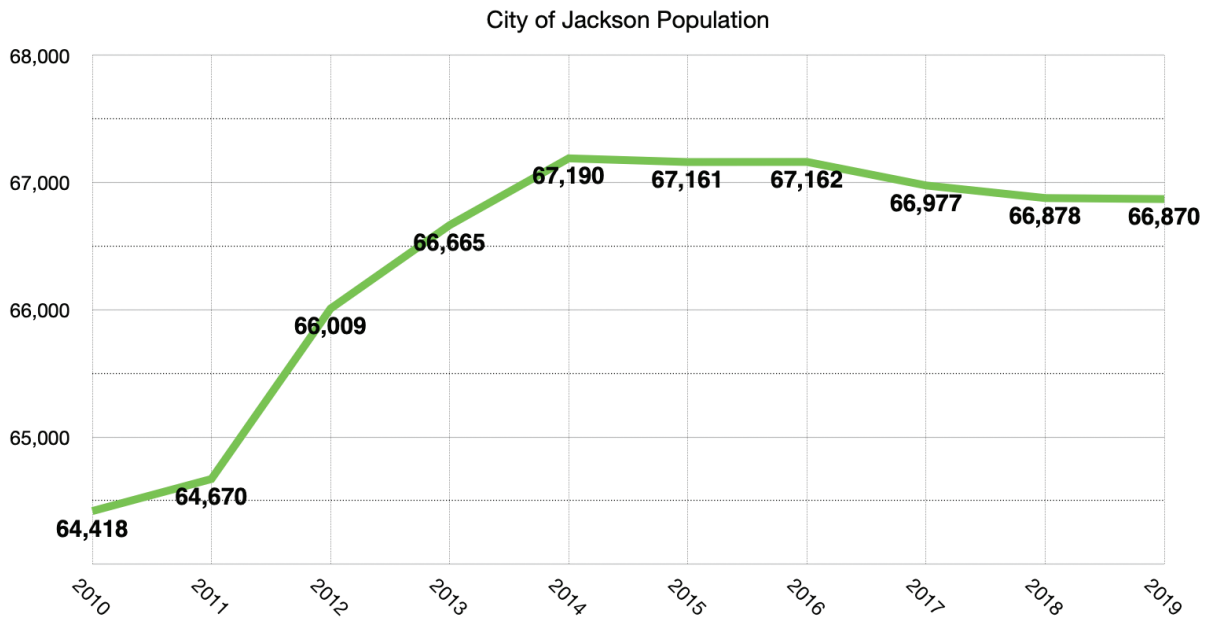
## Economic Profile of Jackson

Tennessee is battling a financial epidemic in the form of predatory lending. Madison County leads as the state's most concentrated county in alternative financial services per capita, with an average of 29.5 locations per 100,000 residents.<sup>5</sup> There are currently 26 cash advance businesses operating in Jackson, Tennessee, as of April 2021, making it the metro area with the highest number of alternative financial services per capita in the State. Additionally, 13 of the top 27 counties in Tennessee with the highest concentration of alternative financial services per capita reside in West Tennessee.

Predatory lending businesses thrive on cyclical indebtedness, leaving residents with little opportunity to build wealth as they become victims to extremely high-interest payment rates. Payday loans are advertised as emergency short-term relief; however, 70 percent of payday loan-reliant Tennessee residents depend on cash advance loans for routine monthly expenses like car payments, credit card payments, rent, utilities, and groceries.<sup>6</sup>

## Population and Demographics

The City of Jackson's population has been relatively stagnant over the course of nine years, holding steady between 64,000 and 67,000 residents.<sup>7</sup> Without a growing population, the City's dependence on tax revenue is affected even more by individuals' financial insecurity and inability to pay property taxes.



<sup>5</sup> <https://metroideas.org/projects/fighting-predatory-lending-in-tennessee/>

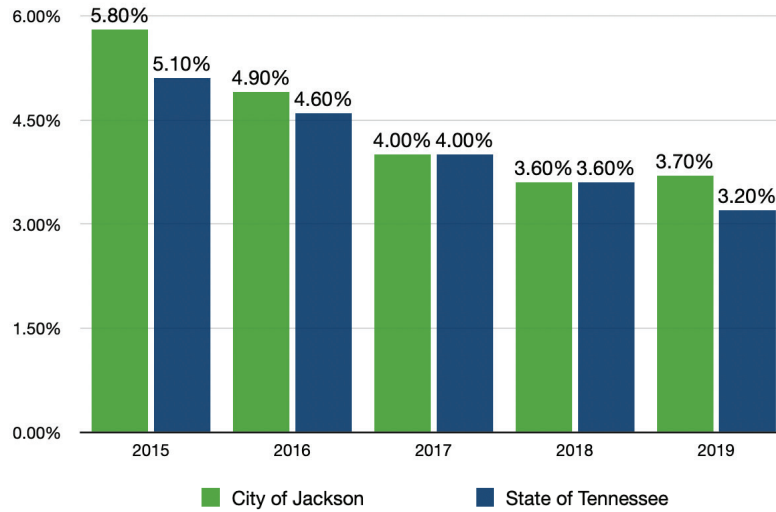
<sup>6</sup> <https://www.pewtrusts.org/en/research-and-analysis/video/2013/payday-loans-who-uses-them-and-why>

<sup>7</sup> <https://data.census.gov/cedsci/table?q=population%20in%20jackson%20city,%20Tennessee&t=ACSDT5Y2019.B01003&hidePreview=false>



## Unemployment

Jackson’s unemployment rate was recorded at 3.7 percent, according to the most recent ACS data (2019). Jackson’s unemployment rate has remained relatively similar or slightly higher than the Tennessee state average over the last five years.<sup>8</sup>



As the severity and number of COVID-19 cases increased, unemployment levels skyrocketed. The highest recorded unemployment rate, according to the U.S. Department of Labor, in Jackson in 2020, during the peak months of the Coronavirus pandemic, was approximately 15.6 percent, or 6,864 individuals, on May 9, 2020. Jackson Energy Authority financial analysts began tracking unemployment rates in Jackson soon after the pandemic began in Tennessee in order to predict additional customers’ sudden inability to make utility payments. JEA reports that approximately 20 percent of utility customers receive a late notice each month.

## Poverty

ALICE is a recently adopted acronym by United Way Worldwide used to represent financially insufficient households that are above the Federal Poverty Level, but having an insufficient earned income to cover all household expenses or provide opportunities for wealth building. ALICE stands for Asset Limited, Income Constrained, Employed; a modern interpretation of the term “the working poor.”

Approximately 48 percent of Jackson-Madison County households are considered at or below the poverty level threshold or considered ALICE households.<sup>9</sup> The ALICE acronym was curated to directly focus on households that statistically earn an income above the Federal Poverty Level, but the cost of living outweighs the monthly income. The graphics provided below provide greater details on ALICE data in Madison County, along with a “survival budget” for individuals and families living in Tennessee.

48% of Jackson-Madison County households are at or below the poverty threshold or considered ALICE households.

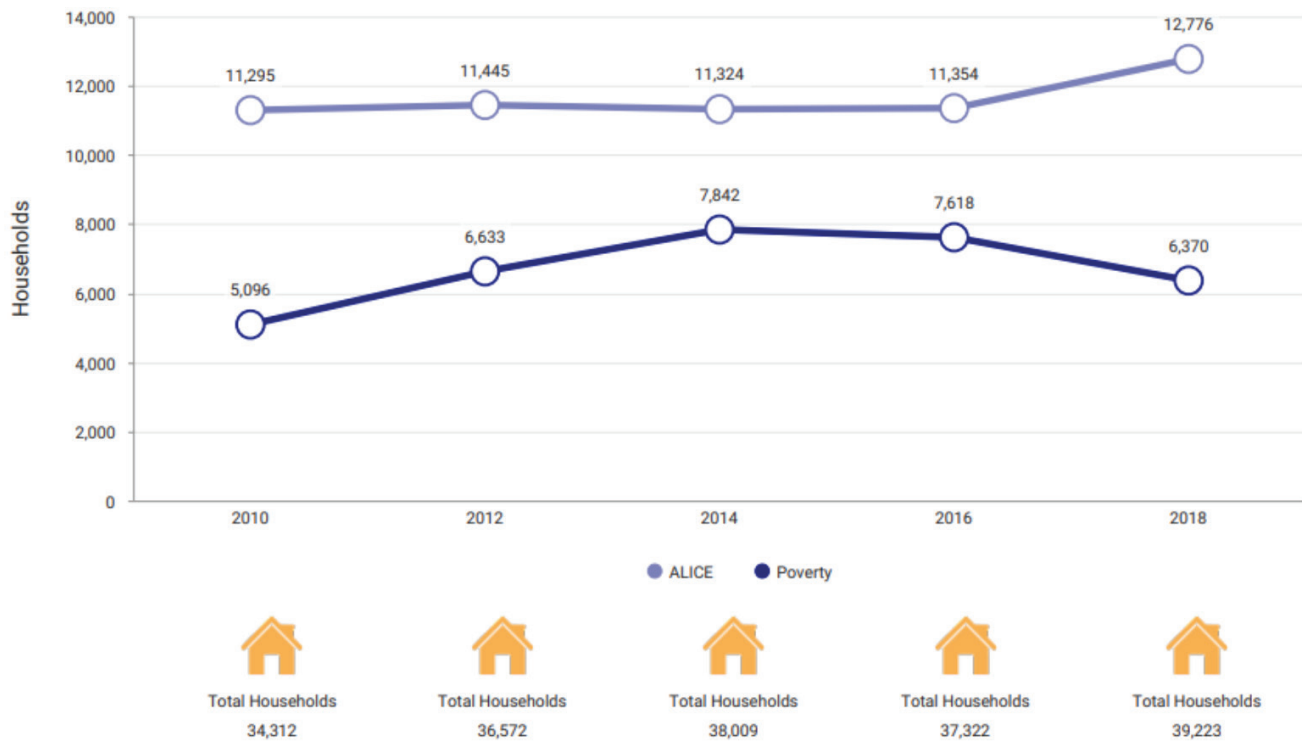
### ALICE IN MADISON COUNTY

#### 2018 Point-in-Time-Data

<b>Population:</b>	97,605	<b>Number of Households:</b>	39,223
<b>Median Household Income:</b>	\$45,360 (state average: \$52,375)		
<b>Unemployment Rate:</b>	5.5% (state average: 5.5%)		
<b>ALICE Households:</b>	33.0% (state average: 32.0%)		
<b>Households in Poverty:</b>	16.0% (state average: 15.0%)		

<sup>8</sup> <https://data.census.gov/cedsci/table?q=unemployment%20jackson%20tn&tid=ACSS1Y2019.S2301&hidePreview=false>

<sup>9</sup> <https://www.unitedforalice.org/tennessee>



## What does it cost to afford the basic necessities?

The average ALICE Household Survival Budget in Tennessee in 2018 was \$23,064 for a single adult, \$25,716 for a single senior, and \$65,040 for a family of four— significantly more than the Federal Poverty Level of \$12,140 for a single adult and \$25,100 for a family of four.



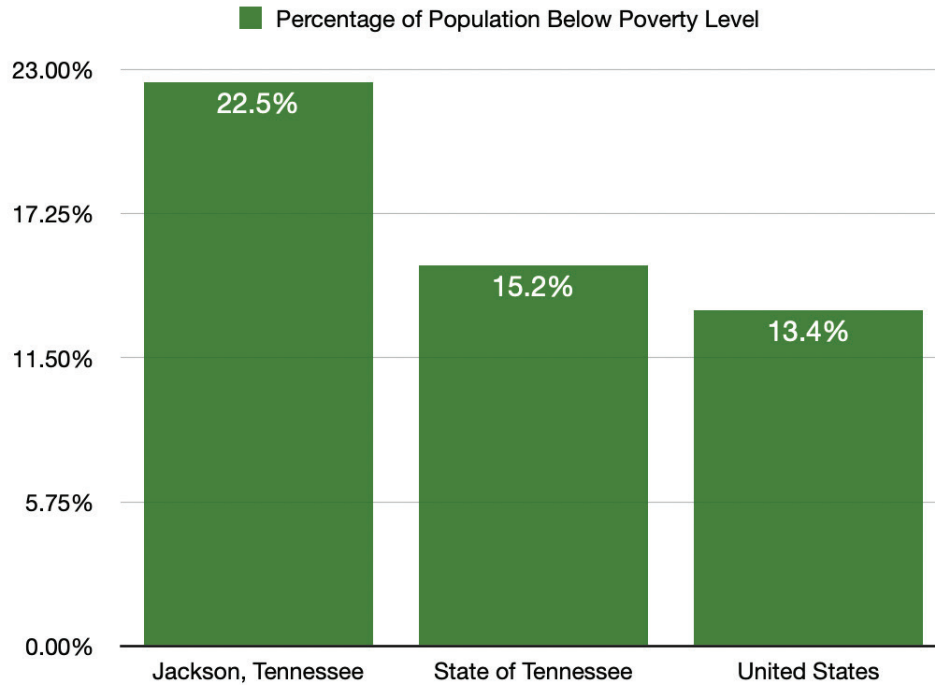
Household Survival Budget, Tennessee, Average, 2018			
	SINGLE ADULT	SENIOR (1 ADULT)	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
<b>Monthly Costs</b>			
Housing	\$565	\$565	\$785
Child Care	-	-	\$898
Food	\$274	\$233	\$830
Transportation	\$332	\$286	\$801
Health Care	\$193	\$468	\$760
Technology	\$55	\$55	\$75
Miscellaneous	\$175	\$195	\$493
Taxes	\$328	\$341	\$778
<b>Monthly Total</b>	\$1,922	\$2,143	\$5,420
<b>ANNUAL TOTAL</b>	\$23,064	\$25,716	\$65,040
<b>Hourly Wage*</b>	\$11.53	\$12.86	\$32.52

\*Full-time wage required to support this budget



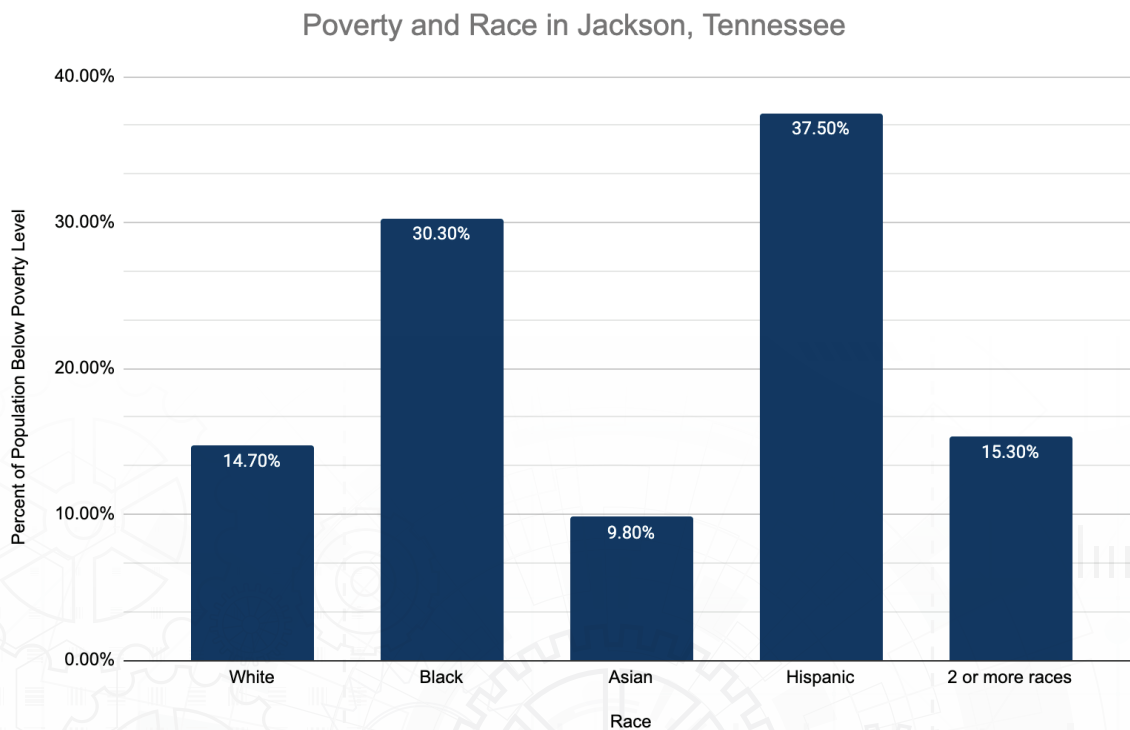
## Jackson, Tennessee Poverty Rates in 2019

Approximately 22 percent of individuals living in Jackson have annual incomes below the poverty level. Jackson's poverty rate is drastically higher than statewide, 15.2 percent, and national average, 13.4 percent.<sup>10</sup>



## Poverty and Race in Jackson

While Jackson struggles with high poverty rates as a whole, there are specific racial and ethnic groups who face poverty in even higher ratios. African American and Hispanic Jacksonians experience poverty at disproportionate rates when compared to Jackson's other demographic populations.<sup>11</sup>

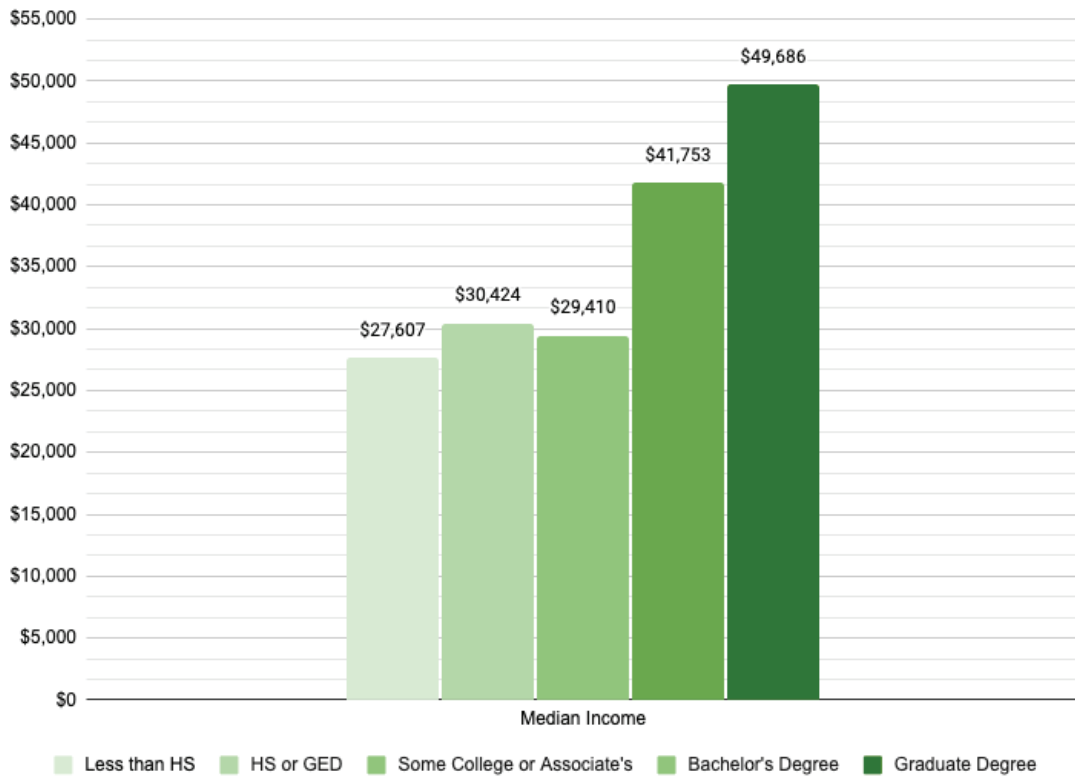


<sup>10</sup> <https://data.census.gov/cedsci/table?q=poverty%20jackson%20tn&tid=ACST5Y2019.S1701&hidePreview=false>

<sup>11</sup> <https://data.census.gov/cedsci/table?q=poverty%20and%20race%20in%20jackson%20city,%20tennessee&tid=ACST5Y2019.S1701&hidePreview=false>

## Poverty and Educational Attainment in Jackson

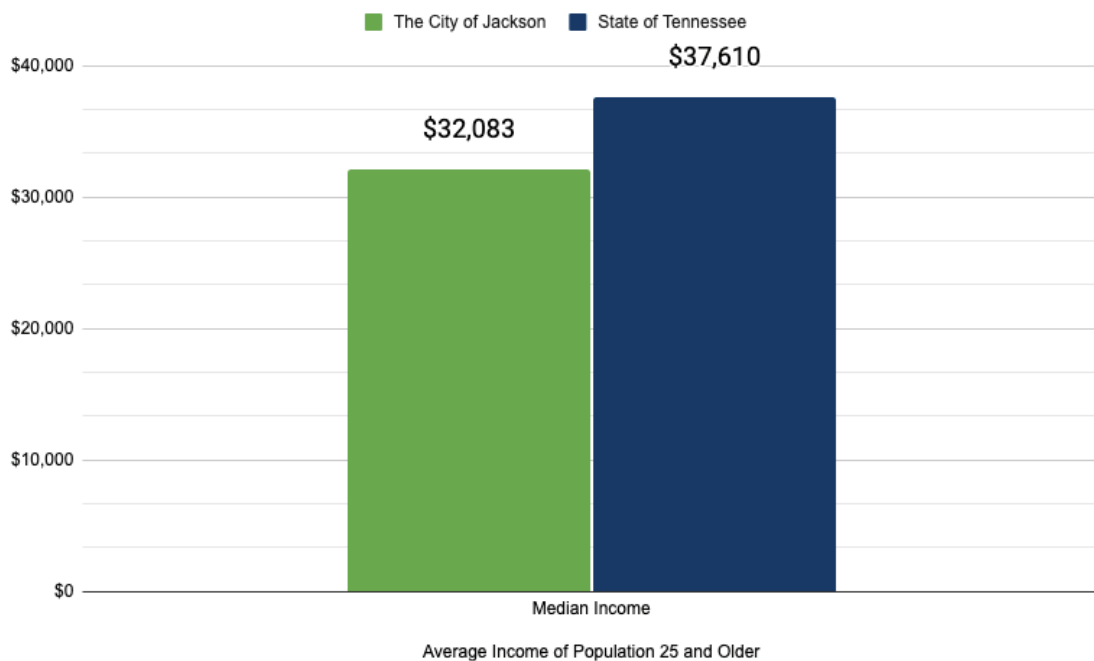
There is a prominent financial contrast in households where higher levels of education have been achieved. Individuals with a bachelor's degree earn approximately \$11,000 more than those who have a high school diploma. Individuals with a graduate degree earn approximately \$8,000 more in median annual income than those who hold bachelor's degrees.<sup>12</sup>



## Distribution of Income in Jackson vs. Tennessee

The City of Jackson's median income falls just below the State of Tennessee median salary, with a difference of roughly \$5,000 per year.

Distribution of Income in City of Jackson and Tennessee



<sup>12</sup> <https://data.census.gov/cedsci/table?q=educational%20attainment%20jackson%20t&tid=ACST1Y2019.S1501&hidePreview=false>



# ACCESS AND ASSETS

## Banking

Approximately 9.5 percent of Jackson’s households are considered unbanked. Unbanked individuals are not served by an insured financial institution, such as banks and credit unions. By not utilizing credible financial institutions, unbanked individuals do not have access to free cash checking services or to take out a loan with a reasonable interest rate. Instead, the unbanked population is dependent on quick loan businesses, prepaid debit cards, and cash checking services that charge a portion of the checks value to cash in. By not utilizing reliable financial institutions’ basic services, unbanked individuals spend anywhere from \$150 to \$450 on service fees for prepaid debit cards, with and without direct deposit, and check cashing fees.<sup>13</sup>

**Roughly 19.9% of Jackson’s population are considered underbanked households.**

Roughly 19.9 percent of Jackson’s population are considered underbanked households.<sup>14</sup> Underbanked household members have a bank account through reputable financial institutions, but also predominantly rely on alternative financial alternatives such as payday loans rather than traditional loans to manage household purchases or manage routine expense coverage.

## Housing

Approximately 48 percent of Jackson’s households are renter-occupied. Married households have the lowest rate of renter-occupation at 28 percent. Single family households where only one female or one male is present, as well as nonfamily households, have the highest concentration of renter-occupied housing. Single female households are disproportionately significant in renter-occupied housing at 69 percent, compared to male householder families at 53 percent. Additionally, white households surpass other households when comparing homeownership percentages to renter-occupied households. With most Americans’ wealth directly tied to their homes, homeownership is a crucial component of financial empowerment. Additionally, costs associated with owning or renting a home play a major role in an individual’s or family’s financial health.

### JACKSON TN US

Homeownership			
Homeownership	65.5%	66.2%	63.9%
Housing Affordability			
Affordability of Homes	2.8x higher than median income	3.39:1	3.71:1
Housing Cost Burden - Homeowners	28.8%	24.3%	27.7
Housing Cost Burden - Renters	54.5%	48.7%	49.7%
Income & Taxation			
Income Inequality	4.9x as high for top 20%	4.75:1	4.93:1
Income Poverty Rate	14.5%	14.7%	12.7%
SAVINGS & ASSETS			
Asset Poverty Rate	28%	25.7%	24.1%
Households with Zero Net Worth	18.9%	16.3%	15.7%
Liquid Asset Poverty Rate	42.6%	46.3%	36.9%
FINANCIAL ACCESS			
Unbanked Households	9.4%	7.5%	6.5%
Underbanked Households	19.9%	21.2%	18.7%

<sup>13</sup> <https://www.americanprogress.org/issues/economy/reports/2016/10/06/145629/how-predatory-debt-traps-threaten-vulnerable-families/>

<sup>14</sup> <https://scorecard.prosperitynow.org/data-by-location#county/47113>

## Impact of Court Fees and Fines

Tennessee is often referred to as having the “Tennessee Debt Penalty.” This statement directly alludes to the burdening debt associated with court fees, fines, and taxes, as well as incarceration costs, restitution costs, and litigation taxes by the person of the convicted crime. If the individual does not have the financial resources to pay the judicial system associated debt, it begins to affect the longevity of their incarceration and/or probation, they could risk losing their driver’s license, and the debt poses the threat of significantly decreasing their credit score. Additionally, collecting fees and taxes can be problematic in criminal cases as it is more difficult for the convicted population to pay court fees, as many individuals with prior criminal offenses are at greater risk of homelessness and lack a steady income, are disabled, have an income at or below the poverty threshold, or are currently incarcerated. It has been calculated that Jail Fees and Charges amounted to \$393,215 in Madison County for 2020.



## Key Findings and Summary

There is a disproportionate correlation between poverty and racial demographics, income and educational attainment, unbanked and underbanked households, and burdening housing expenses for renters in Jackson. Specific key indicators supporting relevant financial trends have been condensed into a charted list referenced below.

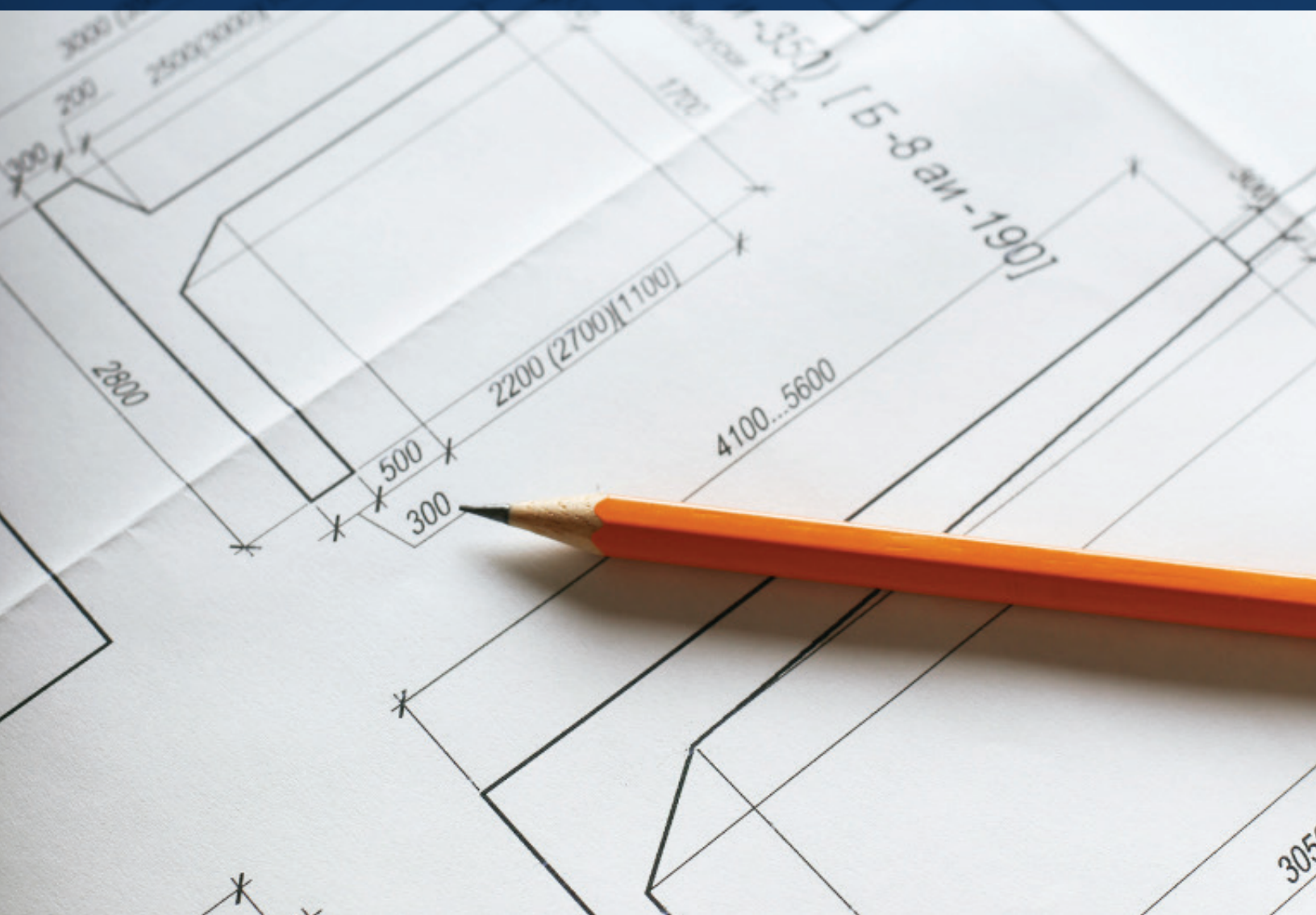
<b>Bank Utilization</b>	9.4% of Jackson’s population are unbanked. Jackson’s unbanked data is slightly higher than the state’s average of 6.5%. Another 19.9% of households are underbanked, meaning these individuals have an account at a financial institution, but continue to primarily rely on alternative services such as pawn shops and quick advance loans.
<b>Educational Attainment</b>	Approximately 88% of Jackson’s residents have a high school diploma or higher education degrees.
<b>Homeownership</b>	Overall, 52.4% of households in Jackson are owner-occupied. Married-couple households are statistically more apt to own their houses in Jackson. Out of the married-couple households, approximately 71.9% own their homes.
<b>Cost Burdened Households</b>	54.5% of renter households are burdened by their rent costs. Rent burden is defined as 30% of monthly income is spent on rent alone.
<b>Poverty Rates</b>	22.5% of Jacksonians are living at or below the poverty threshold. This rate is significantly higher than the state average of 15.2% and the national average of 13.4%.

In light of this data, specific financial empowerment strategies are needed in Jackson that address financial justice, access to affordable and safe financial services, support for single-parent families and cost-burdened households, and racial equity.



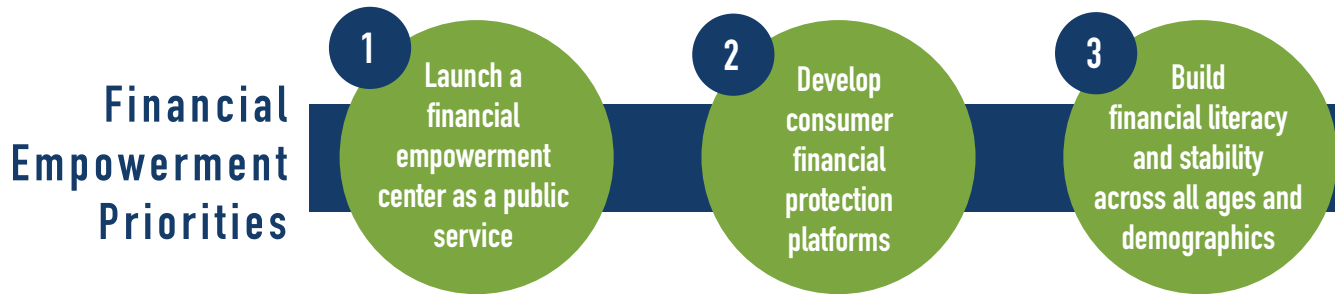


# STAKEHOLDER INPUT



## Stakeholder Input

Early engagement and planning sessions with the Mayor's Office and Anti-Poverty Task Force revealed three primary Financial Empowerment Priorities for the City of Jackson. These priorities were presented to stakeholder groups to expand and develop additional goals and objectives, as detailed in the strategic plan portion of the Blueprint.



## Focus Groups

Through four different focus group sessions held for government officials, financial institutions, local agencies and nonprofits, and the Jackson Equity Project, stakeholders provided insight on financial challenges and opportunities within Jackson. A detailed analysis of common themes was constructed focusing on key issues regarding financial disparities and how to best promote and achieve financial empowerment within the community.

A general consensus of the input collected revealed that financial insecurity directly affects residents' overall health through inaccessibility to quality, healthy foods and decent health insurance, rent and mortgage payments, efficient transportation, and inability to invest in higher education to progress in the workforce. Childhood financial literacy and development of more affordable housing options were also a repetitive discussion topic among the focus group sessions. Additionally, due to the longevity and severity of the pandemic, local agencies and nonprofit organizations are running low on resources, causing residents to continually seek out alternatives that further hinder their financial stability.



Based on these findings, there is consensus among all stakeholder groups that financial empowerment is heavily correlated with the overall health and general well-being of Jackson residents.



## What is Financial Empowerment?

Financial empowerment is not defined by wealth, but by creating a healthy path towards financial wellness, the ability to prepare for life's unplanned events, and being knowledgeable and resourceful enough to bear the fiscal challenges of adulthood. Everyone has a different perspective of what financial empowerment means to them based on lived experiences, financial circumstances, and level of financial understanding. We asked our stakeholders to define what financial empowerment means to them and listed it below, along with potential challenges and opportunities faced by the City related to financial empowerment in Jackson.





# What Does Financial Empowerment Mean to You?

## Challenges and Opportunities

Below are the most commonly voiced challenges and opportunities that stakeholders identified:

CHALLENGE	OPPORTUNITY
<p><b>Predatory lending businesses / debt cycle:</b></p> <p>As previously stated, Jackson-Madison County is ranked highest in quick advance loan businesses in Tennessee per capita. Residents who utilize these businesses as routine financial support to supplement reputable services, such as banks and credit unions, become victims to the cyclical nature of the predatory lending debt cycle.</p>	<p>Collaboration between the City and Chamber in creating an employer-sponsor small dollar loan program would be influential in limiting the number of individuals who utilize alternative lending companies. Through this initiative, the City and Chamber can work with larger Jackson corporations to identify the importance and value of payday loan alternative programs.</p>
<p><b>Lack of financial education for youth and adults:</b></p> <p>The most common challenges presented during all four focus group sessions were the lack of early financial education for the youth of the City and a lack of general financial education among all populations.</p> <p>Poor financial education puts residents at a further disadvantage regarding their economic health as they are more likely to utilize payday lenders, pawn shops, and cash checking services.</p>	<p>There are many avenues in which the City can pursue the development of financial programs and financial education of Jackson residents. Educating youth in grade school improves the financial literacy of the upcoming generation.</p> <p>Additionally, the City could produce and broadcast short videos on economic tips and hacks to improve financial literacy among all residents.</p>
<p><b>Limited opportunity to build wealth:</b></p> <p>The topic of wealth building was a frequently discussed issue within the focus group sessions. Approximately 19 percent of Jackson households have a zero net worth value.</p>	<p>With the implementation of the financial empowerment center as a public service, residents will have access to credible financial counseling services. Credible budgetary services will allow residents to understand their income, allocate money to the necessary places, and educate clients on wealth building and how to achieve it.</p>



# STRATEGIC PLAN



## Vision

The City of Jackson seeks to establish financial empowerment as a citywide priority, with financial empowerment strategies embedded into all policies, programs, practices, and procedures. We envision a Jackson where all residents have equal access to credible financial services and opportunities. We envision a Jackson where individual financial empowerment leads to economic growth and sustainability for the city as a whole.



## Goals and Objectives

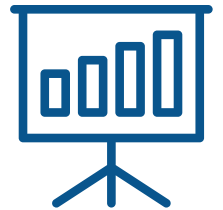
### Goal 1: Empower residents to better understand and manage their finances

#### 1.1 Sponsor public awareness and educational campaigns

Stakeholders emphasized that a critical role the City could play in facilitating financial empowerment is notifying residents of what resources and services already exist, as well as emphasizing the importance and ease of access to credible financial services. The City can use its role as a trusted information source and authority to help get the word out to residents about programs and refer individuals to existing resources. This can be accomplished through broadcasting short, informative videos or posts via social and traditional media outlets, in addition to other marketing strategies.

#### 1.2 Launch a Financial Empowerment Center

The City of Jackson intends to apply for funding and technical support from the CFE Fund to launch one-on-one, free financial counseling as a municipal service. Similar to the partnership between the Metro Nashville Mayor's Office and United Way of Greater Nashville <sup>15</sup>, the City of Jackson will look to partner with a local nonprofit agency to provide satellite financial counseling services, bringing these services directly to residents in both urban and rural areas in and surrounding Jackson and Madison County. We will also work with our partner agencies to include the Jackson Housing Authority, WRAP, Habitat for Humanity, RIFA, West Tennessee Legal Services, the American Job Center, and others to provide referrals and integrated complementary services, such as job coaching, legal counseling, eviction prevention, down payment assistance, and more. We envision offering this service as part of our mobile resource hub that will bring financial counseling and other social service providers, along with free WiFi, to various neighborhoods and surrounding rural areas that have difficulty accessing services.



#### 1.3 Develop a financial education and resource landing page with a free financial literacy curriculum for students and adults

Throughout the stakeholder engagement sessions, all participants emphasized the importance of having a one-stop shop or landing page where information about financial empowerment services and education can be accessed. Utilizing the work of the Tennessee Financial Empowerment Commission, the City can refer residents to their resource library <sup>16</sup> with interactive tools to engage in financial education and planning at every stage of life, in addition to providing a landing page for local resources and information on financial empowerment.

<sup>15</sup> <https://www.nashville.gov/Mayors-Office/Economic-Opportunity/Financial-Empowerment-Center-Appointment-Request.aspx>

<sup>16</sup> <https://tnffc.everfi-next.net/>



## Goal 2: Improve access to credible and safe financial services

### 2.1 Address predatory lending services

High incidences of alternative financial services relative to banks and credit unions is associated with higher use of dangerous consumer lending. According to the nonprofit group New America, “the composition of financial services relative to one another may matter for financial access. For example, households may have a more difficult time using safe and affordable financial services when they live in communities that have more alternative financial services (AFS) like payday lenders and check cashers than mainstream financial services like banks and credit unions.”<sup>17</sup>



Jackson has a high ratio of alternative to mainstream financial services (0.90). For every 10,000 people there are 2.41 alternative financial services offered and 2.68 mainstream services offered. The ability to access a mainstream bank or credit union affects residents’ ability to save, obtain an affordable mortgage, access a loan, and achieve financial stability as part of the financial mainstream.

There are several policy strategies that cities can engage in to ensure predatory and alternative financial services do not overburden low-income and vulnerable neighborhoods, including: zoning policies that limit the concentration of payday businesses; municipal moratoria on new payday lending businesses; requirements that payday lending businesses implement “good neighbor” practices that limit hours of operation and/or burdensome signage and lighting; greater transparency requirements on interest rates and payback terms; and requirements that payday lending businesses provide information about other credit options available in the community. In addition, at the state level, legislation can be passed to cap the interest rate that payday lenders can charge.

Groups in Tennessee, in particular the Metro Ideas Project<sup>18</sup>, are working on this type of policy change. The City of Chattanooga, Metro Nashville, and Shelby County are also working with Cities for Financial Empowerment on consumer financial protection initiatives<sup>19</sup> and will be valuable local government partners in developing a statewide approach to effectively addressing predatory lending.

### 2.2 Explore forming a Bank On coalition with local and regional financial institutions and Tennessee Bankers Association

To promote safer financial services, the City of Jackson can work with CFE and local financial institutions to establish a Bank On Coalition. The CFE Fund’s national Bank On platform supports local coalition and financial institution efforts to connect consumers to safe, affordable bank accounts.<sup>20</sup> Financial institutions with accounts that meet the Bank On National Account Standards can apply free for a national certification. Certified Bank On institutions provide a secure and safe alternative for individuals vulnerable to predatory lending institutions, and also aid in establishing more trustworthy relationships between financial institutions and low-income communities, thereby reducing levels of unbanked and underbanked populations.

### 2.3 Implement policies that promote financial justice

Stakeholders identified various ways the City of Jackson could take an active role in promoting financial justice, particularly in assessing and reducing negative financial impact through eliminating and/or decriminalizing specific fees and fines. The City of Jackson operates a municipal court separate from the Madison County General Sessions Court. The City can utilize its relationship with both courts to assess the impact of fines and fees and determine policy or process changes that promote financial empowerment while upholding the justice system.



<sup>17</sup> <https://www.newamerica.org/in-depth/mapping-financial-opportunity/what-ratio-alternative-mainstream-financial-services/>

<sup>18</sup> <https://metroideas.org/media/Fighting%20Predatory%20Lending%20in%20Tennessee%20-%20Metro%20Ideas%20Project.pdf>

<sup>19</sup> <https://cfefund.org/project/local-consumer-protection-replication/>

<sup>20</sup> <https://joinbankon.org/about/>

The City could also aid in promoting financial justice by supporting eviction prevention initiatives and passing ordinances to hold landlords accountable to providing quality, affordable housing and fair treatment of tenants.

Financial justice is a key component in ensuring access to opportunity and resources needed for financial stability. Financial access and stability is also a primary deterrent for those who would otherwise look to criminal activity to make ends meet.

### **2.4 Work with local industries and employment placement services to launch an employer-supported payday alternative loan program**

Many low-income workers find themselves in need of short-term, small dollar loans. Often, this leads them to seek out payday loans and pawnshops, which can be costly and lead to an unending cycle of debt. Employers can help alleviate their employee's reliance on these services, which are sometimes predatory, by offering employer-sponsored small dollar loans. These are low to no interest rate loans made to employees who can make their repayment via payroll deduction.

The City and Chamber can help facilitate the launch of employer-sponsored small dollar loan programs by convening leadership of major employers in Jackson and demonstrating the importance and value of payday alternative loan programs, and how this service could benefit the company as well as their employees in terms of employee success and retention.

## **Goal 3: Provide a continuum of financial education and support from early childhood to retirement planning**

### **3.1 Encourage early financial literacy and stewardship through programs such as child savings accounts and Summer Jobs Connect**

In individual and group engagement sessions, community stakeholders emphasized the importance of building savings early and early financial literacy. The City of Jackson could address this opportunity by facilitating a partnership between the Jackson-Madison County School System and local credit unions to launch a child savings account program, similar to Lansing SAVE.



Lansing SAVE is a school-based initiative with the goal of encouraging school engagement, improved academic performance, and increased enrollment in post-secondary education and training. In the fall semester, all incoming kindergarten students are automatically enrolled in an account at the Michigan State University Federal Credit Union. In addition to savings accounts, the Lansing SAVE program also teaches financial education in every classroom providing students with valuable tools to save for their future. The Lansing SAVE program offers students the foundation needed to learn about financial management and plan for their futures so they can achieve their goals and dreams.<sup>21</sup>

In addition to this partnership, the City of Jackson could also facilitate financial education and banking assistance for youth who are employed with the Jackson Recreation and Parks Department for summer recreation programs, utilizing the CFE Summer Jobs Connect model and students participating in JMCSS's LOOP program. Summer Jobs Connect is an initiative led by the Citi Foundation and the CFE Fund to support young adults seeking summer employment, enhancing these municipally-led programs by integrating structural linkages to safe and appropriate banking products, services, and education.<sup>22</sup>

<sup>21</sup> <https://www.lansingmi.gov/674/Lansing-SAVE>

<sup>22</sup> <https://cfefund.org/project/summer-jobs-connect/>

### **3.2 Partner with local higher education institutions on financial counseling services for students and expanding college access programs.**

As an integration with the financial empowerment center, the City can partner with local higher education institutions to assist with financial counseling for students, to include education on managing school loan debt, building savings for post-college, and qualifying for tuition assistance programs.

### **3.3 Work with DHS to ensure eligible families apply for and receive Families First benefits alongside financial counseling services.**

The Madison County branch of the Tennessee Department of Human Services will also be an important integration partner for the City of Jackson's financial empowerment work. Clients utilizing the financial empowerment center could also benefit from assistance in understanding and applying for state and federal assistance programs, particularly the Families First program. Having a financial navigator to walk clients through the process of applying, receiving, maintaining, and transitioning off public assistance programs provides an additional layer of support to ensure family stability and success.



### **3.4 Work with the City of Jackson Aging Commission to share education on retirement planning and senior financial stability.**

With a large percentage of the American population entering into retirement age over the next several years, local governments need to consider the financial health and burdens of these individuals and be prepared to provide resources to support them in maintaining financial stability. The City of Jackson Aging Commission can be a key partner in this work, providing outreach, financial education, and resources to senior citizens and the organizations that serve them. Additionally, the City could provide support for existing Aging In Place programs through the Tennessee Housing Development Agency and the Tennessee Commission on Aging and Disability that promote access to safe and affordable housing for seniors, in addition to housing repair assistance funding that allows seniors to maintain and stay in their homes.<sup>23</sup>



<sup>23</sup> [https://thda.org/pdf/Aff-accessible-housing-for-older-adults\\_200428\\_191547.pdf](https://thda.org/pdf/Aff-accessible-housing-for-older-adults_200428_191547.pdf)





## Implementation and Measures of Success

Successful implementation of the Blueprint is dependent upon the Financial Empowerment Leadership Team's focus and sustained commitment, in addition to regular funding support from public and private sources. Representatives from the Mayor's Office, United Way of West Tennessee, the City of Jackson Anti-Poverty Task Force, and other partner agencies will review Blueprint goals and track implementation progress quarterly. A progress report will be included in the Anti-Poverty Task Force's annual report to City Council, which will also include an annual re-evaluation of goals and strategies for the upcoming year.

### Measures of success include:

- **Client impact** - increased savings, credit score improvements, debt reduction, income reduction, new bank accounts opened, approval for assistance programs, transitions from renters to homeowners, job retention rates, completion of workforce development and training programs, higher education graduation and retention rates, transition from government program reliance to financial independence, etc.
- **Inclusion of financial empowerment as a consistent policy priority by the Mayor and City Council** - passing ordinances to limit predatory lending impact, addressing impact of court fines and fees, ordinances to hold landlords accountable to quality and safe affordable housing, eviction prevention assistance, etc.
- **Introduction of new programs and systems change** - number of nonprofit partners that provide financial counseling assistance or referrals, number of financial literacy opportunities provided for youth and adults citywide, introduction of citywide child savings account program, required demographic reporting among local lenders to ensure racial equity, introduction of employer-supported payday alternative loans, etc.

A critical component of the Financial Empowerment Leadership team in ensuring that the City of Jackson's financial empowerment endeavors are effective and sustainable in consistent and relevant data collection and dissemination. Data should be collected at both the individual program participant and aggregate levels. Where appropriate, data should also include demographic indicators such as gender, race, ethnicity, nationality, income, sexuality, disability, and place, to ensure the implementation of all programs and policies are equitable across all demographics. This approach will also allow the City to determine areas where the intersectionality of multiple or different approaches are needed, and better direct financial empowerment efforts by identifying areas of greatest disparity, need, and opportunities.



# ACKNOWLEDGMENTS

## Leadership and Partners

An internal leadership team composed of staff from the Mayor’s Office overseeing community development and performance management initiatives was convened to manage the development of the Blueprint, in partnership with the City of Jackson’s Anti-Poverty Task Force and United Way of West Tennessee.

The Leadership Team met monthly to discuss potential points of alignment within existing City services, programs, and partnerships. Team members helped develop an initial list of financial empowerment goals, resources, and partnerships for the City to pursue. The Financial Empowerment Leadership Team will continue to play a role in Jackson’s financial empowerment work by providing ongoing strategic direction during the implementation phase of the Blueprint as well as helping to identify additional departments and programs where financial empowerment could be integrated in the future.

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## Stakeholder Participants

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<b>Mayor Jimmy Harris, Madison County</b>	<b>Tennessee Homeless Solutions</b>	<b>Community Bank</b>
<b>Councilman Paul Taylor, City of Jackson</b>	<b>Habitat for Humanity Jackson Tennessee</b>	<b>Foundation Bank</b>
<b>City of Jackson Anti-Poverty Task Force</b>	<b>West Tennessee Legal Services</b>	<b>Commercial Bank and Trust Company</b>
<b>Jackson Energy Authority</b>	<b>American Job Center Madison County</b>	<b>First Citizens National Bank</b>
<b>Jackson Chamber</b>	<b>West Tennessee Healthcare Foundation</b>	<b>Truist</b>
<b>Jackson Housing Authority</b>	<b>Jackson Equity Project</b>	<b>West TN Bank</b>
<b>Jackson-Madison County School System</b>	<b>First Horizon Bank</b>	<b>Bank 3</b>
<b>United Way of West Tennessee</b>	<b>BancorpSouth</b>	<b>Leaders Credit Union</b>
<b>Southwest Tennessee Human Resource Agency</b>	<b>Regions Bank</b>	<b>Union University</b>
<b>RIFA</b>	<b>FirstBank</b>	<b>The University of Memphis-Lambuth</b>
<b>WRAP</b>	<b>The Bank of Jackson</b>	<b>Jackson State Community College</b>
	<b>Simmons Bank</b>	<b>Lane College</b>
	<b>INSOUTH Bank</b>	<b>Tennessee College of Applied Technology - Jackson Campus</b>

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