



# Financial Health of Residents: A City-Level Dashboard

**City Approaches**

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Cities can take a variety of steps to improve their residents' financial health. Strategies from workforce development to affordable housing to savings programs are critical tools in this effort and can be enhanced alongside programs and policies that focus more directly on residents' financial health.

Residents' needs are diverse, so cities can tailor the following broad strategies to their own local settings.

- **Integrate financial and savings interventions into existing programs and platforms** (e.g., housing, employment, community colleges, tax preparation, and public utilities) to reach more residents and meet people where they are. This can include elements that help residents manage their debt and daily finances, build credit scores, and save.
- **Help residents save through savings programs with incentives.** These programs provide incentives such as matching funds that can be used to **build an emergency savings cushion** or **save for long-term investments**, such as a first home or a child's education. Savings and assets can build residents' economic security and provide a pathway to economic mobility, which can, in turn, benefit the economic and financial health of their cities.
- **Provide financial coaching, counseling, and innovative uses of technology** to help residents save, manage their debt and daily finances, and build credit scores. Having good credit enhances residents' ability to borrow, especially at a reasonable price, and could even **help them secure a job** or a place to live.
- **Assess city debt collection practices and provide constructive options for families to repay city debts**, such as city-owned utility debts and city-imposed fines or fees. This can be a fruitful way for cities to **boost residents' financial health**, as well as their own. Reforming policies around city-levied fees and fines, **as some cities are doing**, could particularly benefit families of color, who are **disproportionately harmed by fees and fines**.
- **Assess the city's employment practices and take steps to boost city employees' financial security.** Forgoing credit checks in the hiring process could be beneficial to prospective employees who are struggling financially. Further, establishing partnerships with financial institutions to **provide small-dollar emergency loans** to city employees, along with safe products that make it easy for employees to save, can enhance employees' financial security and improve their credit scores as they successfully repay the loan. This leadership role can be used to

encourage other local employers to implement strategies to boost employees', and thus residents', financial health.

- **Protect consumers** from unfair, deceptive, or abusive business practices by enforcing municipal consumer protection regulations, collecting consumer complaints, and educating businesses and consumers.
- **Facilitate residents' access to safe and affordable accounts** in a **bank or credit union**. Residents who do not have bank accounts may be more likely to use high-cost alternative financial products, such as payday loans, and may find it harder to save.
- **Work to expand health insurance coverage**. City leaders and local stakeholders in states that did not expand Medicaid could help state leaders better understand the broader implications of having a high share of uninsured residents. Also, expanding program outreach to increase health insurance enrollment among the most vulnerable populations would benefit both residents' **physical health** and their long-term **financial health and that of the cities** in which they live.
- **Support the future workforce by investing in youth and young adults**, such as through paid **internships and apprenticeships**. This can signal a dedicated investment to improve the economic mobility of residents. As an additional step, youth should be connected with a safe, low-cost account (e.g., bank or credit union account) for receiving, spending, and saving their earnings.
- **Implement inclusive growth strategies** to help ensure that long-time residents aren't left behind. **These strategies and plans** include
  - » job training, workforce services (e.g., job search and matching), and apprenticeships to build residents' skills and connect them with employers;
  - » subsidies, affordable housing development, and inclusive zoning to preserve housing opportunities in gentrifying areas; and
  - » transit, local hiring ordinances, and enterprise zones that offer tax credits to employers in distressed areas.
- **Implement strategies for inclusive recovery** to help ensure that all residents and groups benefit and contribute to an economic turnaround. **These strategies** can range from building residents' skills and connecting them with employers and jobs **across the spectrum of sectors and skills** to **housing policies** that protect property values and allow residents to benefit when

growth resumes. [Community development financial institutions](#) can provide traditionally underrepresented populations access to capital, financing, and investment to harness and sustain growth, but are often constrained by limited resources.

- **Expand and align economic and workforce development.** Economic development that helps existing and potential business, invests in small business growth strategies (such as [cluster-based growth](#)), and supports entrepreneurs through access to capital and training (such as [microenterprise programs](#)) can bring jobs to the areas that need them most. [Workforce development](#) through job training, education, and [apprenticeships](#), bolstered by support services, can help build residents' skills and meet employer demand for skilled workers. Aligning economic and workforce development can expand opportunities to meet the needs of local businesses and workers. The 2014 Workforce Innovation and Opportunity Act, with its focus on serving job seekers and employers, offers opportunities to [align local workforce systems with employers' needs](#).
- **Expand strategies that preserve and produce affordable housing across the income spectrum.** Specific local strategies include the following:
  - » Align funds and strategies with existing local, state, and federal supports (such as public and assisted housing, tax credits, housing trust funds, homeownership and community development resources, and resources to address and reduce homelessness).
  - » Help families stay in their homes ([eviction prevention](#)).
  - » Preserve existing affordable units ([preservation compacts](#)).
  - » Encourage the production of new affordable units ([density bonuses](#), [reduced regulatory barriers](#), and streamlined zoning).
  - » Take a [comprehensive approach to planning](#) that combines multiple strategies, enlists diverse stakeholders, and serves residents across the entire housing market.

Reducing housing costs can ease household budget stress, facilitate saving, improve resiliency, and ripple through to improve city financial health.

- **Expand homeownership assistance programs** that offer [down payment and closing cost assistance](#) or [shared equity housing](#) alongside homeownership education and counseling.

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For more information on this project, see [apps.urban.org/features/city-financial-health](http://apps.urban.org/features/city-financial-health).



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