



Community  
Financial Resources

# 2022 Annual Report

Providing Pathways to  
Financial Well-being



credit: UpSpire, Focus Card partner



Dear CFR Community,

If we've learned anything from past economic disasters, it's that financial recovery for low-income communities is measured in years, not months. This past year has been one of continued struggle for the people that CFR serves: low-income, low-wealth, and primarily communities of color. In 2022, we saw the safety net that was briefly bolstered during the pandemic weaken again as COVID-era relief measures like the Child Tax Credit, stimulus payments, extra food assistance benefits, and eviction moratoriums were all rescinded.

Simultaneously, skyrocketing inflation combined with stagnant wages meant that millions of lower income Americans struggled to remain housed and put food on the table without falling deeper into debt. According to the Consumer Financial Protection Bureau's report, Making Ends Meet in 2022, Credit card debt is at an all-time high, and savings are at an all-time low.

Keenly aware of the struggles our communities have been facing, Community Financial Resources accelerated our efforts in 2022 to achieve the following milestones:

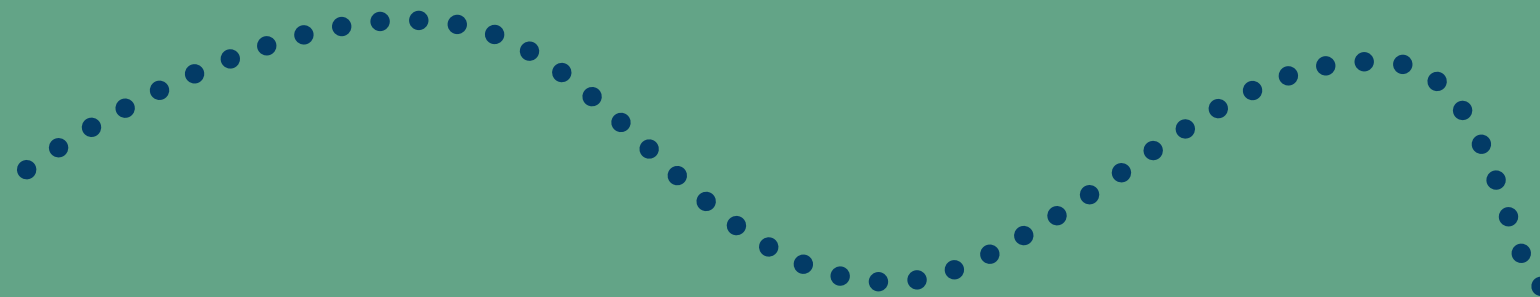
- **Empowered 5,439 low-income, low-wealth participants to open bank accounts, with deposits totaling over \$24 million**
- **Partnered with 16 Guaranteed Income programs nationwide**
- **Collaborated with US Bank to expand Focus Card functionality to enable immigrants using their individual tax identification number (ITIN) to open bank accounts online**

In the pages that follow, you'll read more about these accomplishments—none of which could have been achieved without the support of everyone who helps make CFR's products and programs a success: our partners, donors and especially the participants who in spite of multiple barriers took courageous steps on their pathways to financial wellness.

In Community,



Parisa Esmaili  
Executive Director



# CFR's Financial Toolkit

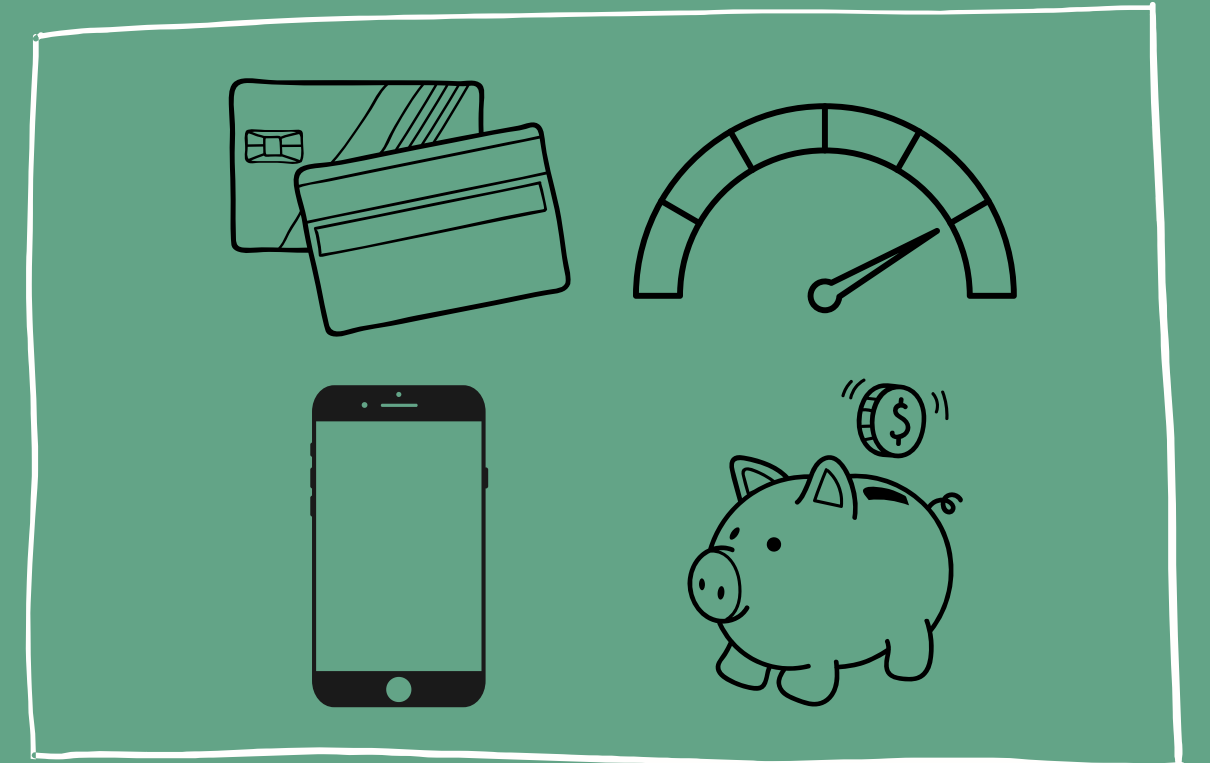
CFR offers solutions that disrupt cycles of poverty and racial wealth inequity, and relieve financial-related stress. Our Financial Toolkit scaffolds individuals by providing a pathway to economic stability and mobility, regardless of where they are starting on their journey.

Participants in our programs show improved credit scores, increased savings, enhanced financial management skills, reduced financial stress, and a heightened sense of autonomy and control over their financial lives.

Our program model is customizable—partners can choose a single CFR product or offer their constituents CFR's full Financial Toolkit.

## 2022 Highlights

- Engaged with a total of **134 partners** nationwide to implement our Financial Toolkit program
- Empowered over **7,000 low-income, low-wealth individuals** with our Financial Toolkit products and programs to support their journey to financial well-being
- Established **new Financial Toolkit partnerships with 23 organizations** located all over the country, including Texas, New Jersey, Florida, California and New York



## The Toolkit

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Basic Banking

2

Credit-Building

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MoneyGoals App

4

Trauma-Informed  
Financial Education



# Basic Banking Program

## CFR's Focus Card

24.6 million Americans are un/underbanked, which means that they often end up paying exorbitant check cashing fees and are unable to receive paychecks or benefits by direct deposit.

In partnership with US Bank, we offer the CFR Focus Card (prepaid Visa debit card)—a cost-effective banking product that enables people to store money in a safe, convenient place, get cash when they need it, and save for their future. There is no ChexSystem check, no credit score requirement, and no fees.

For many participants in CFR's program, the Focus Card offers the first step towards achieving financial stability by providing a transaction and savings account. Enrollment takes less than five minutes and provides users with an entry point for building assets.





# Basic Banking Program Highlights

## 2022 Key Metrics

- 5,439 low-income, low-wealth participants deposited **\$24,287,347** to Focus Cards
- **\$6,904,743** in tax refunds were deposited to 4,102 Focus Card holders
- 3,329 new Focus Card enrollments



# Basic Banking Program Impact

Our participant reported how beneficial it's been to finally have a bank account. At her new job she was able to receive direct deposits because she has an account to provide to them. She has enjoyed learning how to use banking systems and have a place to save and track her spending. This has helped her family establish how to manage their finances in this country.

- CFR Partner

For one of our youth Focus Card holders, this was the first time anyone in her family had entered into the banking system. She began to share what she learned from us and our financial literacy programs with her family, which put them on a path to new tools and relationships with banking.

- CFR Partner

One Transitional Age Youth had been unbanked due to a negative banking record. As a result, no financial institution would open a bank account for them. The Focus Card changed that. The TAY is now connected to the financial mainstream economy.

- Financial Capability Investment, CFR Partner





# CFR & US Bank Join Forces to Expand Banking Access for Immigrants

Imagine immigrating to America to seek a better life for your family, only to discover that without a Social Security Number or eligibility to receive one, your banking options are limited and difficult to obtain – even though you’re paying taxes. Many immigrants are forced to turn to costly payday lenders, check cashiers and other alternative financial services.

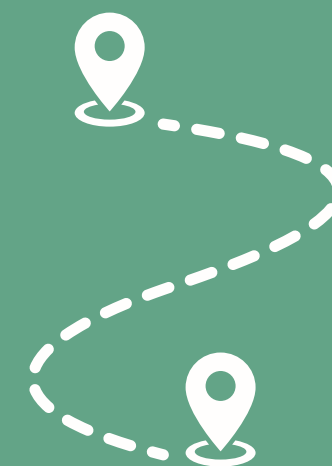
Instead of social security numbers, immigrants are issued Individual Taxpayer Identification Numbers, or ITINs. For twenty years, CFR has advocated for the banking industry to expand accessibility to immigrants with ITINs—providing them the same access to affordable and convenient banking services that citizens with SSNs enjoy.

**In 2022, CFR successfully collaborated with our long-time partner US Bank to expand our Focus Card functionality to enable immigrants using their individual tax identification number (ITIN) to open bank accounts online.**

CFR will continue advocating for more banks to help build financial inclusion and security for the immigrants who contribute so much to our society and economy.

Because the U.S. Bank Focus card offers a fast, safe and easy way to get paid, conduct transactions, monitor spending and save, working with organizations like Community Financial Resources helps open the doors to affordable and safe banking for those who need it most.

– Peter Klukken, General Manager, Prepaid Division at U.S. Bank



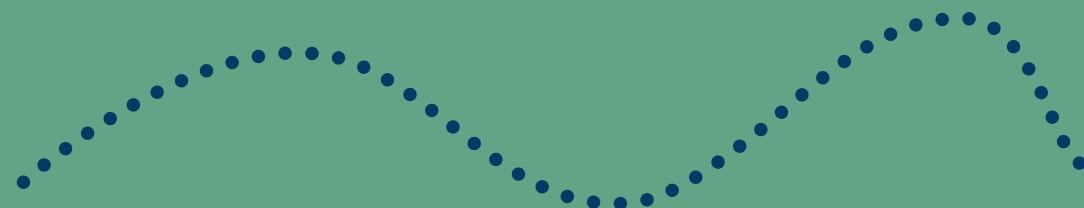


# MoneyGoals App

Setting financial goals is a foundational step on the Pathway to Financial Well-Being.

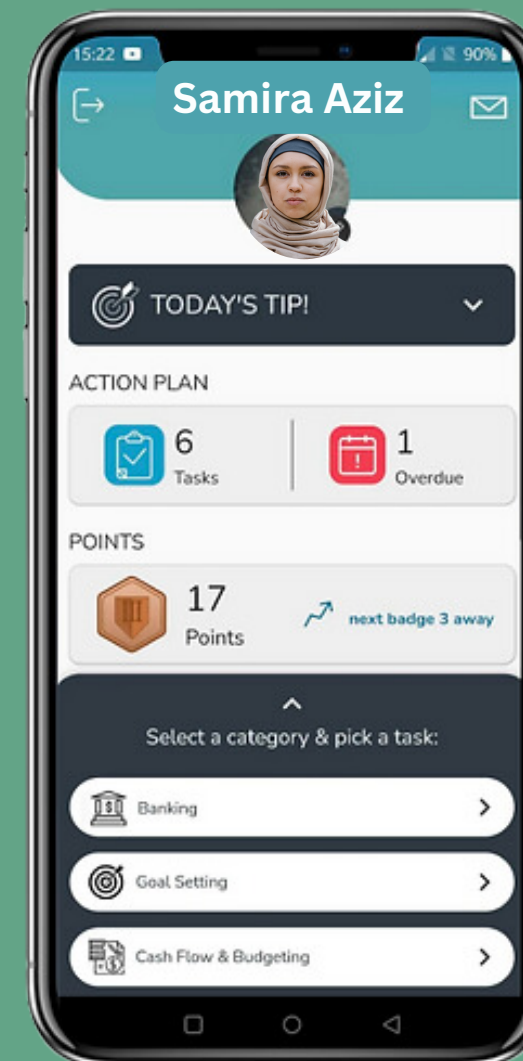
Our MoneyGoals app is a **powerful tool that gives users control over their own financial journey** by helping them develop customized Financial Action Plans and facilitating financial coaching communications.

Over the past year, **200** MoneyGoals users completed over **600** financial management tasks.



## Top Financial Action Plan Tasks Completed in 2022:

- Reviewing credit score
- Opening a checking account
- Creating a budget
- Completing a spending tracker
- Organizing financial documents
- Creating a SMART goal



# Credit Building Program

CFR will be developing a **debt resolution product in 2023** with terms that are fair to low-income consumers – providing a solid foundation for their credit building journeys.

CFR supports people on their Pathway to Financial Well-Being by offering a credit building program that encompasses credit education and an assessment tool that recommends safe credit products, such as our certificate of deposit installment loan or a secured credit card.

On average, individuals who go through CFR's credit building program, and who had no credit prior to starting the program, establish an average credit score of **678**, while individuals who start the program with a credit rating increase their credit score by an average of **92** points.

Troublingly, consumer **financial debt exploded from \$4 trillion dollars pre-pandemic to over \$17 trillion today**. At CFR, we've witnessed the impacts firsthand, with far fewer of our participants eligible to enroll in our credit building products this past year because of increasingly heavy debt loads.





# Behavior-Based Financial Education

CFR's Trauma-Informed Behavior-Based Financial Education includes a range of money management topics like budgeting and credit building, and guides participants in turning their learnings into actions by using real-world financial products.

We asked participants:  
What are you hoping to get out of this program?

More insight into investments - I would like to purchase a home within the next 5 years.

I need this! I'm struggling.

The way I spend money is not the best... excited to learn more!

Deepening my knowledge of financial literacy and also want to buy a house.

Trying to get more financially responsible.

I would love to be able to leave wealth to my kid, to not leave her with debt.

# Partner Spotlight: UpSpire



UpSpire is a mission-driven, employment-based social enterprise. Their mission is to lower or eliminate barriers to employment that residents of the Fort Worth, TX community face every day. Acting as an extension of Presbyterian Night Shelter, UpSpire works with low-income, often unhoused, individuals to increase their job skills. They empower their employees to contribute to the local economy, obtain job stability, and forge their own path toward economic freedom. UpSpire currently has four areas for which they employ: staffing, commercial landscaping, litter removal, and janitorial services. **Since 2016, they have lifted over 250 people out of homelessness.**

As a CFR **Focus Card partner**, UpSpire uses our Card to help their payroll processing time and avoid check timing and fraud issues. CFR was able to assist UpSpire in moving to 100% direct deposit for their employees, a huge feat in ensuring pay equity. UpSpire believes that **"people deserve non-predatory fees, easy access to their hard-earned money, the ability to rebuild their credit, and secure their finances in a savings account."**

CFR is proud to partner with UpSpire and is impressed by their tireless dedication to removing barriers that can limit and even prohibit stability, personal/professional growth, and advancement.



# Guaranteed Income

## The Power of Cash

CFR partners with guaranteed income (GI) programs to provide our Basic Banking products, which act as a secure account for people to receive their guaranteed income payments. By the end of 2022, **933** people received over **\$4.5 million in guaranteed income** through CFR's products.

For some people, the first step on their Pathway to Financial Well-Being is having more cash. Cash gives people the means to solve their own problems. Years of research—and CFR's own data—proves that **when people are given unrestricted cash, they spend it on vital necessities**. It also enables them to find steady and full-time employment, creating economic stability for themselves and their families.

Not only is having cash an important factor to financial well-being, but having a safe, affordable and reliable banking product to store and use funds is equally as important.

### And that's where CFR comes in.

As the lead product provider in the country's first two county- and city-driven guaranteed income initiatives, we learned that while the idea of guaranteed income has quickly gained traction, practical tools for implementation—like CFR's Basic Banking products—are harder to come by. CFR facilitates payments to participants and de-identified transaction data to GI partners.

CFR's groundbreaking GI partners are benefitting a diverse array of populations:

**First-time moms | Home healthcare workers**

**High school students | Artists | Refugees escaping domestic violence | Black youth | Returning citizens**

**Immigrants | Seniors | Families with young children**



credit: The Bridge Project, GI partner



# Guaranteed Income Impact



With the [GI] money, there's no need for the hustle. I have the time to actually sit there and actually take opportunities for myself, like if I felt like I wanted a new job or a different job for better choices, I was able to make it. I didn't have to worry about it.

-Tomas, pictured left

I can breathe easier for a moment instead of worrying myself to death about money, working extra hours, and hours of lost sleep due to the mental/physical effects of not knowing how I will provide for my family.

-Anonymous



# 2022 Survey: Listening to our Partners

**CFR is only as strong as our partnerships.** In 2022, we surveyed partners to better understand how they are implementing CFR programs and products, identify needs for future solutions, and gauge the overall level of service CFR is providing our partners.



## Some highlights of our learnings

- Sufficient cash flow and managing debt are the top two challenges faced by program participants, followed by establishing credit.
- Nearly 90% of our partners stated that CFR's solutions added great value or a lot of value to their organization's mission and core activities.
- 80% of respondents strongly agreed or agreed that CFR's training enhanced their own financial understanding and increased their confidence in implementing our programs.
- Over 90% of respondents rated CFR's level of service as excellent or good.

# Looking Ahead to 2023

## **Scaling Our Reach to Serve Tens of Thousands More People**

We're seeking partnerships with large national organizations and also exploring direct-to-consumer opportunities. Recent investments from JP Morgan Chase and an anonymous donor are helping us develop the staff capacity and technical infrastructure to make this dream a reality.

## **Creating a Debt Product**

We are seeking a national lender to partner with CFR to create a debt consolidation loan product with affordable terms to help participants consolidate and manage their debt load.

## **New Partner Portal**

For the first time in our organization's history, CFR will have a one-stop shop for partners to access all of the Financial Toolkit products in one place, launching in Q1 of 2023.





# Partners

Accounting Aid Society

Adobe Services

Advance Memphis

Alameda County

Allen Temple Baptist Church

Bay Area Community Services

Brighter Beginnings

Building Blocks for Kids

CA\$H Prosperity Campaign

Campaign for Working Families

Capital Area United Way

Center for Employment Opportunities (CEO)

Change Machine

Chief Dull Knife College

Child Advocates of Placer County

Chrysalis

City of Oakland

Clean Decisions

College of San Mateo

Community Action Duluth

Community Action of Skagit County

Community Action Partnership of Kern

Community Services Agency

Compass Family Services

County of Santa Clara

Courageous Women Association

Creatives Rebuild New York

Diocese of Houma-Thibodaux Catholic Charities

East Bay Asian Local Development Corporation (EBALDC)

Family Houston

Family Justice Center

Financial Capability Investment

Firebrand Artisan Bread

First Place for Youth

Fremont Family Resource Center

Grace Solutions

Grand Lake Theatrix- Daddys at Work

Green River Asset Building Coalition (GRABC)

Harvest Hands Community Development Corporation

Hess Advantage

Human Services Center Mon Valley

Inclusive Action for the City

Jefferson Economic Development Institute (JEDI)

Jewish Family Service of San Diego

Just Harvest

Laney College - Restoring our Communities

Metropolitan Family Service (CASH Oregon)

Mission Economic Development Agency (MEDA)

MyPath

National Association for Latino Community Asset Builders

National Council of Jewish Women: Los Angeles

National Urban League Greater Atlanta

Nehemiah Gateway Community Development Corporation

Neighborhood Improvement Association

Neighborhood Industries

New Horizons Independent Living Center

New Moms

Nez Perce Tribe

North Hills Community Outreach

Office of Financial Empowerment, Resilience and Community Services, Louisville

Olympic Community Action Partnership

One Treasure Island

Opportunity Junction

Peninsula Family Service

Pio Decimo Center

Prepare + Prosper

Preservation of Affordable Housing (POAH)

REDF

Revolution Foods

Root and Rebound

Rooted School Foundation

Rubicon

RYSE Center

Samaritan House

San Antonio Community Development Corporation

San Diego for Every Child

San Francisco Housing Development Corporation (SFHDC)

San Francisco Human Services Agency

San Francisco Unified School District

Santa Cruz Community Ventures

SimplifyCT (formerly Virtual VITA)

Social Finance

SparkPoint Contra Costa

Springboard for the Arts

Squaxin Island Tribe

Tehama County Community Action Agency

The Bridge Project

The Potter's House Ministries

Transformational Prison Project

Tri-County Action Program (Tri-CAP)

United Community Action Partnership

United Way Greenville County

United Way of Northern California

United Way of Southwestern Pennsylvania

United Way of Tarrant County

United Way of Tucson and Southern Arizona

UpSpire

Urban Tilth

Yellow Springs Community Foundation

Young Women's Freedom Center

# Funders



<b>Capital One</b>	<b>Comerica</b>	<b>Department of Financial Protection &amp; Innovation</b>	<b>Friedman Family Foundation</b>	<b>JPMorgan Chase</b>	<b>S.H. Cowell Foundation</b>
<b>US Bank</b>	<b>Walter &amp; Elise Haas Fund</b>	<b>Wells Fargo</b>	<b>Y&amp;H Soda Foundation</b>		

# Board

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# Staff

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<b>Amy Nguyen</b> Product Operations Manager	<b>Tom Taggart</b> Chief Operations Officer	<b>Anthony Vinton</b> Product Operations Specialist	<b>Cindy West</b> Finance Officer	<b>Cassidy Zehnder</b> Strategic Philanthropy & Marketing Manager



Since our founding by financial industry veterans and economic justice activists in 2003, Community Financial Resources has been a leader in applying the principles of behavioral economics in designing consumer-friendly financial products and tools that produce beneficial money management outcomes for consumers.

To date, CFR products and programs have helped over **100,000 people nationwide** open up one or more new banking accounts (checking, savings, prepaid card, secured credit-builder card).

**MISSION:** Community Financial Resources (CFR) is a national economic justice organization that provides a pathway to financial well-being through products, tools and education that improve financial stability, protect assets, and establish a foundation to build wealth for low-income, low-wealth households, with a focus on communities of color.

# About Community Financial Resources

