



NOTICE OF SOLICITATION

Proposal for Research Partners

Cities for Financial Empowerment in coordination with the Mayor's Fund to Advance New York City

Background

The Cities for Financial Empowerment (CFE) Coalition brings together pioneering municipal governments from across the country to advance innovative financial empowerment initiatives on a local level. By working with key partners in the public, private, and nonprofit sectors, CFE leverages its members' collective power to advance a financial empowerment agenda on a state and national level. CFE member cities include co-chairs New York City and San Francisco, and member cities Chicago, Miami, San Antonio, Savannah, and Seattle.

This Notice of Solicitation is issued on behalf of CFE by the Mayor's Fund to Advance New York City ("Mayor's Fund"). The Mayor's Fund is a 501(c)(3) not-for-profit organization established to promote partnerships between New York City and the private sector in an effort to strengthen public programs. By working closely with City agencies, the Mayor's Fund supports innovative projects serving the needs and general welfare of New Yorkers. The Mayor's Fund supports CFE's efforts to pilot and evaluate innovative initiatives with the help of private sector partners.

Over the past year, CFE members have launched innovative initiatives that capitalize on the unique position of municipal government to advance the mission of financially empowering individuals with lower incomes. These initiatives include opportunities to help individuals move into the banking system through piloting safe and affordable banking products, as well as opportunities to begin saving, reduce debt, and build assets for the future. CFE member cities have been leading innovators in leveraging city initiatives to strengthen their impact, including through efforts to promote the Earned Income Tax Credit (EITC); launch large-scale public education campaigns; and coordinate the delivery of financial education, counseling, and tax preparation services.

CFE wishes to identify partners to collaborate on an ambitious joint research initiative with the goal of generating solid comparable data about financial services serving low- and moderate-income individuals in CFE member cities. This data will serve as the basis for developing a robust research report and inform the development of a series of concept papers on financial empowerment topics.

Goals

At its most recent forum in July, CFE identified the following key goals to a research initiative:

- Quantify the unbanked and under-banked marketplace in the seven CFE cities and identify key opportunities for financial institutions, regulators, and policymakers to best meet their needs.

- Establish key baseline indicators on usage and costs associated with financial services (such as basic banking, check cashing, savings, and credit) and household financial stability to enable cities to measure impact. In addition to providing critical information for each CFE member city, indicators created through this research effort can lay the foundation for a more focused set of metrics for score-card initiatives at the local or state level.
- Inform programmatic interventions by cities, including EITC campaigns, financial education initiatives, “Bank On” financial product campaigns, asset-building initiatives, enforcement of consumer protection measures, and other initiatives.

Key Research Questions

The purpose of the research initiative is to compile critical financial empowerment data points (across a number of different markets) on consumer usage and demand of financial products, services, and programs. This should encompass: checking and short-term financial transaction behavior, savings, credit, and financial education. Specific research questions include:

- **Basic Banking/Transactional Services:** How many people lack a banking relationship? What are the major barriers to banking? How many people use check cashers for basic financial transactions? How much do low- and moderate-income households spend to cash checks, pay bills, and remit money to foreign countries?
- **Savings:** How much savings do low- and moderate-income households hold in formal financial products or informally? What types of savings vehicles are used? How is savings linked to occupation, employment, or tax filing?
- **Debt and Credit:** How much debt are households carrying? How much do city residents pay for credit? What are the relationships between credit score and debt level, credit costs and credit access? How does bankruptcy affect families and their ability to rebuild credit? How many city residents lack access to mainstream credit? How many residents use payday lending or refund anticipation loans?
- **Financial Knowledge/Educational Opportunities:** What experiences do residents have with financial education? How does this correlate with financial behaviors? Where do people get their information about finances, including media and advertisements?

Applicants may choose to respond to all or some research questions in their proposal.

Request for Research Partner

CFE seeks a research partner(s) to:

- Identify appropriate public or proprietary datasets that could be used to address primary research questions. Datasets might include survey or administrative data, credit bureau data, bankruptcy filings, SEC or other corporate filings, media data, or other datasets as appropriate;
- Conduct analysis of data with reliable methods (which may include the use of algorithms or inferential analysis);
- Recommend a set of baseline indicators that can be tracked across cities over time;
- Provide individual, city-level analysis and a comparative analysis of research questions and present data to CFE members; and
- Support and inform the early development of a series of concept papers by identifying synergies, critical issues, and innovations in financial empowerment.

Expected Deliverables

- Scope of Work: Following the initial proposal, selected firms will be expected to submit a detailed scope of work, which will include: research questions that will be answered, datasets used, final methodology for approval by CFE member cities, timeline, and roles of any partners.
- Detailed outline: This should be completed prior to financial data analysis. The outline should include separate sections for each city, as well as a section that compares indicators across CFE cities.
- Initial analysis: This will be submitted for CFE member city review and approval. It is expected that initial data analysis will be presented to CFE cities via telephone or in person.
- Final report: The final comparative analysis will again be submitted for CFE member review and approval.

Who should apply?

CFE encourages organizations to apply with background, experience, and interest in studying individuals with low incomes or individuals who are financially underserved and/or organizations that have extensive experience in the financial services marketplace. This may include (but is not limited to):

- financial services consulting firms
- data warehouses
- research institutes or universities
- think-tanks
- policy organizations
- individual consultants

CFE is interested in proposals from both nonprofit organizations and for-profit firms.

Resources

While some initial seed funds have been raised, CFE anticipates that the costs for the project will exceed funds available. CFE is committed to working with partners to identify resources to support this initiative. CFE will give preference to applicants who are able to leverage resources either directly or in-kind.

How to Apply

Interested organizations should submit a brief (3-5 pages maximum) proposal outlining the applicants':

- Proposed scope of work, including research questions, datasets, and proposed methodology for analysis (*Note: Applicants may choose to answer a subset of research questions, or all research questions.*)
- Proposed timeline
- Estimated cost
- Background and experience of the organization/firm
- Ability to identify or leverage resources for this initiative

All proposals can be faxed, e-mailed, or mailed by **Friday, November 14th, 2008** to the attention of:

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