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The ACCESS Miami Model-- Shifting the Paradigm A Case Study in Sustainable Community Development through Partnerships and Community Resource Maximization

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Introduction

Affordable housing for low- and moderate-income earners has become the premier issue at the forefront of the community development debate. Throughout the last century, immigration, urbanization, suburbanization, gentrification and re-urbanization have left low- and moderate-income earners very few options in terms of affordable housing, with the problem growing increasingly worse. Today, rapidly changing housing markets, the reemergence of downtown as the place to live, increased labor costs and the present presidential administration's desire to drastically scale back the funding of community development projects has led to what many call an affordable housing crisis. Municipalities struggle to find the funds to house at least a portion of those residents in need while states and municipalities alike now face the prospect of the Community Development Block Grant (CDBG) being eliminated under President Bush's proposed budget cuts for 2006. The budget proposal recommends the compression of the current CDBG program with 17 other direct grant programs into a proposed Strengthening America's Communities Initiative, resulting in a total federal budget available to community development activities nationwide of $3.71 billion, $1.59 billion less than the current CDBG budget alone (Ford 2005). Though these budget cuts have met stiff opposition by members of the House and Senate on both sides of the aisle, the dialogue of the program's elimination has begun and will arguably remain on the table for years to come as proponents of these budget cuts continue to see CDBG as superfluous spending.

This ideology of fiscal downsizing outweighing the benefits of community development spending does not merely exist at the federal level. The State of Florida, for example, has recently initiated a legislative effort to establish a cap on its affordable housing trust fund, diverting a significant portion of the funds that were originally dedicated to the provision of affordable housing into the state's general budget. The original idea fueling the creation of this trust fund was that developers would subsidize affordable housing via a variety of state imposed construction fees on developers in which a portion of these fees would be directed into the housing trust fund. This would then result in increased dollars available for affordable developments when construction levels were high. But now that the state is experiencing a development boom unlike any other, both the Florida House and the Senate have voted to cap the trust fund, albeit a step down from Governor Bush's proposed elimination of the program in 2004 (Kras 2005). The philosophy behind this move: steer these protected funds into growth-related projects that will benefit all Floridians and make affordable housing compete for money "alongside thousands of other projects in the annual budget." "This," according to Senator Ken Pruitt, Senate Rules Chairman, "is a banner day for affordable housing in Florida" (Kras 2005).

These fiscal downsizing trends all point in one direction: the provision of affordable housing is going to be much more difficult for municipalities in the not-to-distant future, if not impossible for some, due to high costs and decreasing subsidies from federal and state governments, as is particularly highlighted in Florida. As a result, municipalities must find new ways to help citizens lift themselves out of poverty or low-income status in a manner that maximizes their budgets while ensuring productivity and sustainability. In response to the ever-growing income inequality in the United States there must be a shift in the community development paradigm. According to Jared Bernstein, co-director of research at the Economic Policy Institute in Washington, D.C and co-author of *The State of Working America 2002/2003*, the average income for the top 5 percent of income earners in the country had grown from 11 times the average income of the bottom 20 percent of income earners in 1979 to 19 percent in 2000. In other words, the gap between the wealthiest and lowest income families that grew from 11 to 19 percent during the 20 year period. For the low-income earners, Bernstein states, "Although the level of pay is somewhat constrained, there is a fairly broad range within which low-wage labor can be paid. Low-wage workers are paid much less now than they used to be" (Bernstein 2003).

With an increasing division of wealth nationwide and decreasing funding from upper levels of government resulting in more people needing to be served by the decreasing dollars available to municipalities, a crossroads in community development has been reached in which traditional ideologies of simply providing affordable housing as the primary means of serving the less fortunate must be altered. Municipalities must establish new, cost effective programs that reach a wider audience and empower individuals to play a much more proactive role in their own quest for economic independence and self-sufficiency. Simply stated, the provision of affordable housing is has become an inefficient primary development tool for local governments and developers in the face of booming real-estate markets, rapidly increasing living costs and the reemergence of downtown as the place to live. With present discussions on Capitol Hill of drastically reducing federal community development dollars, the sustainability of community development at the local level lies in the directing of resources to indirect community development activities such as financial literacy education, wealth-building programs and related empowerment activities that increase self-sufficiency and independence, coupled with private sector partnerships and tapping into existing infrastructures. The City of Miami, FL has created a program that responds to the demands of the modern community development enterprise with A.C.C.E.S.S. (Assets, Capital, Community, Education, Savings and Success) Miami, a municipal asset-building model for national replication.

The structure of this examination of the ACCESS Miami model is not only designed to highlight the programmatic components of the model itself, but also to bring to light the overall environment of its development along with its transferability to other municipalities experiencing similar circumstances. The paper begins with an overview of the proposed budget cuts for 2006 by the Bush Administration as they relate to community development funding while empirically demonstrating the inability of local governments to solely rely on the provision of affordable housing units and subsidies as primary tools for sustainable community development. The argument then proceeds to the need for financial literacy in the majority of households throughout the country, regardless of financial capacity, and the feasibility of positively impacting people's negative financial situations via financial literacy education and access to financial empowerment tools. The focus then moves to the City of Miami, with an in-depth examination of the ethnic composition, the business environment and their combined effect upon the local community development framework. In response to these economic, political and social forces, the ACCESS Miami model is presented in its entirety as an alternative to traditional community development benefit provision for low- and moderate-income earners. Finally, the paper discusses the outcomes and implications of the ACCESS Miami model to date, with a focused discussion on replication of the model in other municipalities while employing the components of ACCESS Miami as a means for shifting the paradigm of conventional community development. In all, the arguments presented throughout this paper, rooted in both fact and experience, clearly indicate that great strides must be taken to shift the modern community development paradigm, with individual empowerment, access to financial independence tools and financial literacy education being the cornerstones to freeing people from the shackles of economic disenfranchisement; encouraging low- and moderate-income earners to take control of their individual financial situations and interact with a system that has historically marginalized them because of their financial shortcomings.

Purpose and Approach

The primary purpose of this paper is to bring attention to the community development model that is being created in the City of Miami, combining two avenues of community development assistance to the less fortunate; direct and indirect benefits. The term "direct benefit" is being used to describe the traditional assistance of affordable housing, typically employing a number of funding programs such as CDBG, HOME (HOME Investments Partnership Program), SHIP (State Housing Initiative Partnerships) and HOPWA (Housing Opportunities for People with AIDS). These are the more tangible benefits for residents; physical structures for families to live in, either as rentals or for homeownership, and direct subsidies. The term "indirect benefit" is used to describe a newer trend in community development that is gaining wider acceptance as an effective tool for combating poverty and economic hardship; wealth building and financial literacy activities. These benefits are less tangible in nature; they do not necessarily supply a direct benefit to the resident that he or she can touch or use physically for security. Instead, these direct benefits come in the form of information, education, access to benefits and wealth building tools such as individual development accounts (IDAs) and financial literacy classes. There is empirical evidence (to be discussed at length) indicating that by improving one's knowledge of personal finances and giving individuals the tools to build their own wealth, people can lift themselves out of economic hardship. The municipality, in this case, simply acts as the bridge to economic independence by imparting knowledge to the resident and creating access to resident benefits, eliminating the stigma of creating dependency, which is so often associated with affordable housing.

The information presented in this paper concerning City of Miami community development activities was gathered from the author's direct involvement with each program as a professional graduate intern with the Department of Community Development for an 11 month period spanning from February 2005 to December 2005. It is important to note that the majority of the programmatic components were already in place upon his arrival but the author played an active role in the development and implementation of ACCESS Miami, which was rolled-out full scale in August 2005. Beginning in February and throughout the development stages of ACCESS, the author worked directly with William Porro, Special Projects Administrator for the City of Miami, who was overseeing the management of the mayor's original Anti-Poverty initiative at the time. These two individuals were the primary development team for ACCESS, meeting with representatives from the public, private and non-profit sectors in order to coordinate the management and implementation of the individual programs. The information presented herein in relation to the ACCESS program was compiled and designed by the author and Mr. Porro for use by the Mayor's office and the Department of Community Development. Information and reports compiled for ACCESS Miami by these individuals are referenced throughout this paper for specific information pertaining to community development activities in the City of Miami.

It is not the intent of this paper to suggest that the provision of affordable housing is unnecessary and should be abandoned; there will always be a need to provide assistance in the form of shelter for the least fortunate in society. Instead, the exclusion of a discussion centered on affordable housing provision as a tool for community development departments merely suggests that the affordable housing dialogue has been underway for decades, and a new dialogue needs to emerge that centers on more cost-effective, sustainable solutions that combat economic hardship at the municipal level and empower a broader scope of individuals to achieve economic independence, not simply create residential dependence. With the current discussions on decreased funding and an increased need to assist even those in the middle income category, a shift in the community development paradigm is paramount; discussions must be centered on alternatives to direct housing subsidization and construction. The demand is far too great because incomes are lagging, subsidies are too small and the supply is simply not enough. According to a National Low-Income Housing Coalition's report, "Housing assistance outlays have not only remained roughly a third of housing-related expenditures, but federal support fell 70 percent from $60 billion in 1980 to $18 billion in 1983 and has never recovered, falling 49 percent over the entire period from 1980 to 2003" (NLIHC 2005). All this points in one direction, more progressive methods of community assistance must be incorporated into the community development framework in order to effectively assist all those struggling financially.

The arguments presented in this paper are based both on research and the author's professional experience at the City of Miami. By examining the newly designed ACCESS Miami in relation to the population dynamic of the City and present trends in community development funding, the author is presenting a model for sustainable community development activities for replication in municipalities throughout the country. ACCESS Miami presents a cost-effective system that reaches out to all segments of the population through the transfer of information and streamlining of programs, resulting in the easing of access to basic benefits and wealth building tools that promote independence and less reliance on government assistance.

The Proposed Federal Budget - Community Development's Downfall

In February of 2005, President Bush presented his federal budget proposal for 2006 to Congress, which included reductions to and eliminations of 150 different programs, with a projected savings of about $20 billion to the federal budget in one year alone. The need for such drastic savings came on the heels of the Congressional Budget Office's (CBO) announcement in 2005 of a $331 billion national deficit (Swann 2005). Moreover, the CBO now projects a 2006 national deficit of $332 billion based on President Bush's proposed budget, which excludes additional funding to continue operations in Iraq and Afghanistan. According to the CBO, its own "estimate of the budget's effects in 2006 reflects only outlays for those operations that would result from the 2005 supplemental request (a total of $82 billion in budget authority) and from appropriations enacted for previous years. Additional funding to keep the operations at roughly the same level as expected for 2005 would add about $40 billion to the 2006 deficit, bringing it to between $370 billion and $375 billion, or 2.9 percent of the GDP" (CBO 2005).

Nevertheless, these harsh realities of fiscal indebtedness are present. Despite previous cost-cutting measures put into place by President Bush in the preceding year's budget, there were record increases in the amount of money spent on military and homeland security efforts. As such, the Bush Administration has looked to non-military, non-discretionary spending to reduce the national deficit in light of present government spending habits and the War on Terror, where more than $250 billion has already been spent on military operations and reconstruction at an average monthly cost of $6 billion a month. The war in Iraq alone is projected to cost more than $1.3 trillion over the next 5 years if the United States maintains its military presence, which amounts to $11,300 for every household in the country (Moore 2005). The result is therefore the proposed reduction, consolidation or elimination of nearly 150 federally administered programs which the present administration sees as superfluous. This section is going to examine the cuts proposed in the realm of community development and their concomitant effect on municipalities' abilities to continue to facilitate traditional community development activities in an efficient, sustainable manner.

The Office of Management and Budget (OMB) describes the fundamental rationale behind the President's proposed budget cuts in the document titled *The Nation's Fiscal Outlook*. The OMB states that "when the Federal Government focuses on its priorities and limits its claim on resources taken from the private sector that helps sustain a stronger, more productive economy. When it is achieved through spending restraint rather than through tax increases, deficit reduction bolsters confidence in America's economy" (OMB 2005). This begs the question, what are the Federal Government's priorities? An examination of the Bush Administration's proposed budget cuts clearly indicates that its view of the Federal Government's priorities is not rooted in community development.

According to the Washington Posts review of the budget, the Department of Housing and Urban Development's budget would shrink by about $3.7 billion, or 11.5 percent, under the new budget. The majority of these cuts would come from the suggested reorganization that would place HUD's multi-billion dollar community development programs under the Department of Commerce. Furthermore, "the administrations proposal would cut a number of other programs that provide housing assistance to low-income Americans. It would cut housing aid for the disabled by $118 million, or almost half. It would also cut funding for housing assistance programs for those with AIDS, for Native Americans, for programs that pay to rebuild the government's most decrepit public housing and for the agency's lead abatement program" (Washington Post 2005). Sadly enough, though, these cuts do not go deep enough for these scavengers of fiscal conservatism. The Bush Administration also plans to eliminate the Community Development Block Grant, the sole source of community development dollars for many municipalities throughout the nation.

The Community Development Block Grant is described on the Department of Housing and Urban Development's (HUD) website as "one of the oldest programs in

HUD." It "provides annual grants on a formula basis to many different types of grantees through several programs like:

- Entitlement Communities
- State Administered CDBG;
- Section 108 Loan Guarantee Program;
- HUD Administered Small Cities
- Insular Areas
- Disaster Recovery Assistance; and
- Colonias."

Though these programs are quite diverse in nature, they are all aimed at serving those in need; the less fortunate in society. As HUD's website goes on to say, "The Community Development Block Grant (CDBG) program works largely without fanfare or recognition to ensure decent affordable housing for all, and to provide services to the most vulnerable in our communities, to create jobs and expand business opportunities. CDBG is an important tool in helping local governments tackle the most serious challenges facing their communities. The CDBG program has made a difference in the lives of millions of people living in communities all across this Nation" (HUD 2005). The dollars from the federal budget that are appropriated to the Community Development Block Grant, which received approximately $4.9 billion in funding in 2005, are split between the 50 states and entitlement communities throughout the country. A recent overview of HUD's community development allocations and appropriations is as follows:

	1999 Enacted	2000 Enacted	2001 Enacted	2002 Enacted	2003 Enacted	2004 Enacted
Entitlement	2,952,740	2,965,235	3,079,510	3,038,700	3,037,677	3,031,592
Non-Entitlement	1,265,460	1,270,815	1,319,790	1,302,300	1,301,862	1,299,254
Subtotal	4,218,200	4,236,050	4,399,300	4,341,000	4,339,538	4,330,846
Set Asides	531,800	545,185	647,123	659,000	565,371	603,469
Total CDBG	4,750,000	4,781,235	5,046,423	5,000,000	4,904,910	4,934,315

Source: (HUD 2005)

The Department of Housing and Urban Development's total budget appropriation for 2005 (including CDBG) amounted to $5.7 billion.

In addition to his proposed slashing of HUD's budget, President Bush now recommends dismantling the Community Development Block Grant all together. Under the Bush Administration proposal, most present community and economic development programs would be sandwiched into a new "Strengthening America's Communities Grant Program" and funded at a grand total of $3.7 billion while others would be eliminated outright. This would occur as the Commerce Department gains control over the Initiative, resulting in a Departmental budget increase of 49 percent to $9.4 billion but an overall decrease in community/economic development funding of nearly one-third (Washington Post 2005).

The National Community Development Association has developed a list of CDBG accomplishments. An overview of the list's statistics concerning direct citizen impact is as follows (the complete list can be found in Appendix 1):

- In FY 2004 alone, 94.9 percent of the CDBG funds allocated to entitlement communities went to activities principally benefiting low- and moderate-income persons and 96.4 percent of the CDBG funds allocated to States went to activities principally benefiting low- and moderate-income persons.
- In FY 2004, CDBG provided funds for thousands of local activities, assisting over 23 million persons and households.

- In FY 2004, CDBG assisted 159,703 households with their housing needs. Of this number, 112,000 owner-occupied single-family homes were rehabilitated, 19,000 rental units were rehabilitated, and more than 11,000 households became new homeowners.
- Over 9 million persons, of whom an estimated 74 percent were low- and moderate-income, were served by new or reconstructed public facilities and infrastructure, including new or improved roads, fire stations, libraries, water and sewer systems, and centers for youth, seniors, and person with disabilities.
- More than 13 million persons received assistance through a wide range of public services, including employment training, child care, victims of domestic violence assistance, transportation services, crime awareness, legal services, and services for seniors, the disabled and youth. Of this number, 1.6 million seniors were assisted through programs that provide meals on wheels and adult day care. More than 1.5 million youth were served by after-school enrichment programs and other activities designed to keep children safe. Child care services were provided to 100,065 children in 205 communities across the country.
- More than 90,637 jobs were created or retained in hundreds of communities throughout the nation.

Though these figures demonstrate an extremely positive impact from CDBG dollars, this by no means indicates that all those in need are being assisted. There still remains millions of low- and moderate- income earners that can not afford to provide the most basic needs in life. But with the proposed decrease by President Bush of nearly one-third of the budget available to community development activities as those outlined above, one begins to wonder if he simply feels that helping one-third less of those in need is the answer to the nation's housing, education, poverty, drug and employment shortcomings. Or, do the proposed budget cuts simply indicate this administration's willingness to accept and promote an economically divided nation by refusing financial assistance to the least economically self-sufficient?

Perhaps Martin O'Malley, Mayor of the City of Baltimore, Maryland described it the effects of the proposed budget cuts when he said, "Back on September 11, terrorists attacked our metropolitan cores, two of America's great cities. They did that because they knew that was where they could do the most damage and weaken us the most. Years later, we are given a budget proposal by our commander in chief, the president of the United States. And with a budget ax, he is attacking America's cities. He is attacking our metropolitan core." And he goes on to speak directly of the President's communities initiative, "It is a false and misleading thing. If any mayor reduced school funding by 33 percent and called it the 'Strengthening Our Schools Initiative,' I think they'd be excoriated" (Montgomery 2005). O'Malley responded in a frank, straight-forward manner to the President's proposed budget cuts and now the same must be done concerning the municipal response, for President Bush has begun a dialogue of decreasing community development funds that arguably will never end until the programs themselves are eliminated. Conservative America, proponents of the Bush Administration agenda and opponents of social service spending, have seen an opening in which they can eliminate the use of tax dollars on objectives that do not further their individual goals.

Affordable Housing – Increasing Costs/Decreasing Feasibility

As previously suggested, many professionals in the field of community development believe the idea of affordable housing has become so out-of-reach for such a large number of low- and moderate-income earners that the nation is now facing an affordable housing crisis. According to the Washington Post, the most recent official estimate indicates that the country lacks 1.6 million units of low-income housing while 7.5 million households were "severely burdened" by their housing costs, meaning that more than half their income went for rent or mortgage payments (Broder 2005). And according to the National Housing Trust Fund Campaign, families across the country must earn $15.37 an hour on average (called the housing wage)—nearly three times the minimum wage—to afford a two-bedroom apartment at fair market rent. Moreover, this wage is rising at twice the rate of inflation and has increased 37 percent in less than five years.

This "affordable housing crisis" is no longer just a problem for the poor and low-income earners either. The US Congress commissioned Millennial Housing Commission (MHC) report examined the status of affordable housing in the United States. The MHC reported that in 1999, one in four families spent more than 30 percent of its annual income on housing. This problem becomes even more acute when examining rates for the working poor. The MHC report notes that one in eight low-income families spent more than 50 percent of its income on housing with affordable housing becoming increasingly more difficult to locate. According to the MHC report findings, there was a 1.8 million-unit gap between low-income need and supply in 1999 (MHC 2002).

But despite this obvious need for intervention, the federal government has done little to meet the demand. Housing in the United States accounts for one-fifth of total gross domestic product and is the largest source of wealth generation but the percentage of federal resources aimed at addressing the affordable housing problems actually has been in decline over the past three decades. An examination of federal spending patterns by the NLIHC found that while the total federal budget authority had nearly doubled between 1976 and 2002, HUD's budget authority actually had declined over the same period. As a percentage of overall federal budget authority in the mid-1970s, housing assistance ranged from five to eight percent. Since 1981, housing has been above two percent of the total federal budget authority only once (Farmer 2005).

Paul Farmer, Executive Director of the American Planning Association, addressed the federal government's historical ability, or lack thereof to holistically address the problem. He notes:

> The General Accounting Office looked at federal housing spending patterns and found that in all the years since the dawn of federal housing assistance programs, not once has the federal government provided aid to all those who qualified. For example, in 1999, the federal government offered aid to 5.2 million qualified households at a cost of $28.7 billion. During the same year, however, another nine million families qualified for aid but failed to receive any due to insufficient funding. Of those nine million eligible but unassisted families, more than half (4.9 million) spent more than 50 percent of their income on housing. The study noted that historically only about one-third of eligible families receive housing aid. While spending less than $30 billion on housing assistance, last year the U.S. spent $55 billion on non-military aid to Iraq (Farmer 2005).

The nation's priorities have shifted over the previous decades, with the present presidential administration's primary focus lying in national security and the War in Iraq. Billions of US tax dollars are being poured into the military effort and infrastructure of Iraq and not American communities while funding the funding for American families and communities is experience drastic cuts.

The benefits of affordable housing do not just exist at the individual level either. In addition to the direct connection between individuals' economic struggles and the lack of affordable housing, the National Housing Trust Fund Campaign also suggests that there is a direct linkage between housing and economic development:

> The lack of housing in our communities also affects economic development—businesses simply will not locate in communities where their workers cannot live. And, especially important in today's economy, housing is a proven economic stimulus. A $5 billion investment in housing production would initially create more than 180,000 jobs. When leveraged, this investment could result in up to 1.8 million jobs $50 billion in wages (National Housing Trust Fund Campaign 2005).

Communities are comprised of individuals and families, and when these individuals and families thrive, so do the communities they live in.

The connection is apparent, when people can obtain housing that is affordable, they and their families are able to live a life that is much less cost-burdened, having a positive effect on the local economy in which they live. But in the face of the decreasing funds dedicated to affordable housing, the proposed elimination of the Community Development Block Grant by the Bush Administration and the growing number of people requiring assistance when obtaining a home, a direct housing provision is simply becoming an impossibility for municipalities. The provision of affordable housing is simply becoming an inefficient primary development tool for local governments. With the demand for affordable housing at record levels and the funding continually decreasing, the only recourse for municipalities seeking sustainable solutions that build resident wealth and decrease their dependency on government assistance is improving the financial literacy of its citizens through empowerment activities, therefore promoting economic independence at the individual and community levels, and promoting access to financial independence tools. The inclusion of affordable housing in residential developments may be dictated via legislated measures such as inclusionary zoning policies but the development of residents must be directly linked to the development of their financial assets and thus financial education and joint investment strategies that incorporate the input of the community resources, the municipal government, the private sector and the residents themselves are fundamental. As such, the future of affordable housing development must be a policy issue while resident development is and will continue to be a continuously developing programmatic issue that must be addressed through wealth-building and educational initiatives by municipal governements.

Financial Literacy – Making the Case

Understanding one's personal finances can be very difficult in today's world of complicated fiscal jargon. With the relentless marketing efforts of credit card companies preying on distinct portions of the population, interest-only home mortgage loans and credit checks serving as the foundation for everything from car loans to employment, personal financial management can be a very tricky subject-matter. The excessive availability of credit for people starting at a very young age, including credit cards, payday loan advances and check cashing establishments, can place individuals at risk of personal financial crisis at a very early stage in life.

The U.S. Treasury says that a worker earning $12,000 annually pays about $250 of that to cash pay checks at check cashing stores, not including additional fees from money orders or wire transfers. And in terms of payday loans, the average annual percentage rate (APR) is 474 percent (Katz 2004). Furthermore, the assistance that is being given to low-income earners in the form of the Earned Income Tax Credit (EITC) is being consumed by these fees. According to Brookings' Institution research in 2001, "$32.4 billion in Earned Income Tax Credit (EITC) refunds, designed specifically to aid the working poor, were issued. However, fully $1.9 billion went to loan fees, tax preparation services and filing fees" (Katz 2004). These transactional fees and high-cost loans are the greatest financial stumbling-blocks for low-income earners. Below is a table estimating the fees for financial services charged by non-bank providers in 2002:

Service	Rate per Transactions (percent)	# of transactions (millions)	Gross revenue (billions)	Total fee revenue (billions of dollars)
Check cashing	Payroll and government, 2-3% (Personal, can exceed 15)	180	60	1.5
Payday loans	15-17% per two weeks 400 APR	55-69	10-13.8	1.6-2.2
Pawnshops	1.5-25% per month 30-300 APR	42	3.3	N/A
Rent-to-own	2 or 3 times retail	3	4.7	2.35
Auto title lenders	1.5-25% per month 30-300 APR	N/A	N/A	
Total	N/A	280	78	5.45

Source: Carr James H. and Jenny Schuetz, "Financial Services in distressed Communities: Framing the Issue, Finding Solutions" (Fannie Mae Foundation, August 2001).

According to Fannie Mae, "as many as 12 million household in the United States either had no relationship with traditional financial institutions or depended on fringe lenders for financial services" in 2001, defining fringe financial services as the alternative financial sector that exist in lower-income and minority communities, including largely unregulated financial service outlets such as pawnshops, check-cashing outlets, payday lenders and rent-to-own stores, which "differ greatly from the asset-building and wealth-creation services accessed by the majority of Americans" (Carr and Schuetz 2001). The success of this fringe financial sector is largely attributed to a lack of traditional financial services from banks and credit unions in low-income and minority communities. Carr and Schuetz note that "fringe lenders attribute their rapid growth to large, unmet consumer financial services needs among many lower-income households." And according to the Financial Service Centers of America (FiSCA), "alternative sources of credit are filling an important credit gap for individuals with limited financial means or who may lack the tangible assets to pledge in connection with traditional types of collateralized transactions" (FiSCA 1998). Due to the lack of traditional financial services in these areas, a demand is being filled but at a great cost to the residents of these communities that typically have little excess income. The Progressive Policy Institute notes that the two largest check cashing companies in the nation cashed approximately $6.5 billion in checks in 2000 with an average profit of 2.2 and 3.5 percent of the face amount of the checks they cleared. The greater effect of check-cashing outlets is further highlighted in an April 2000 report prepared by Dove Consulting for the U.S. Department of Treasury indicating that approximately "11,000 check-cashing outlets in the United States cash more than 180 million checks annually, worth roughly $60 billion" (Carr and Shuetz 2001). As such, the gross revenue of fringe financial services, as indicated in the above table, is approximately $78 billion annually, which is continually increasing.

The portions of the population that must rely on these check cashing and payday loan service typically do so because they lack a solid banking relationship with a financial institution. This surprisingly large portion of population is commonly referred to as the "unbanked." There are approximately ten million unbanked households throughout the nation accordingly to many surveys published on the subject. When conducting household surveys, the answer most commonly given to the question of why households do not have a bank account is that they have "almost no month-to-month financial savings to keep them in." Other common responses include: "bank fees are too high;" "bank minimum balance requirements are too high;" "we want to keep our financial records private;" and "we are not comfortable dealing with a bank" (Caskey 2002). John P. Caskey (2002), Professor of Economics at Swarthmore College, articulates with great succinctness the cyclical burdens placed on the unbanked, which in turn creates a system of structural indebtedness and banking aversion:

> Because so many of the unbanked live from paycheck to paycheck with no financial margin of safety, many have been forced by past personal financial

> crises to miss scheduled payment obligations, such as rent, debt service, or utility bill payments. Problems in their credit histories and debt-service burdens leave a large share of the unbanked, and a significant share of lower-income households generally, cut off from mainstream credit. When these households need short-term loans to meet emergencies, they find informal sources of credit or turn to high-cost formal-sector lenders such as pawnshops, car-title lenders, payday lenders, and small-loan companies.[2] Annualized interest rates from these lenders are generally over 100 percent and often as high as 500 percent.

This once again points to low-income earners exhausting an increased amount of their marginal income on fees and services, which have no tangible benefit to the spender.

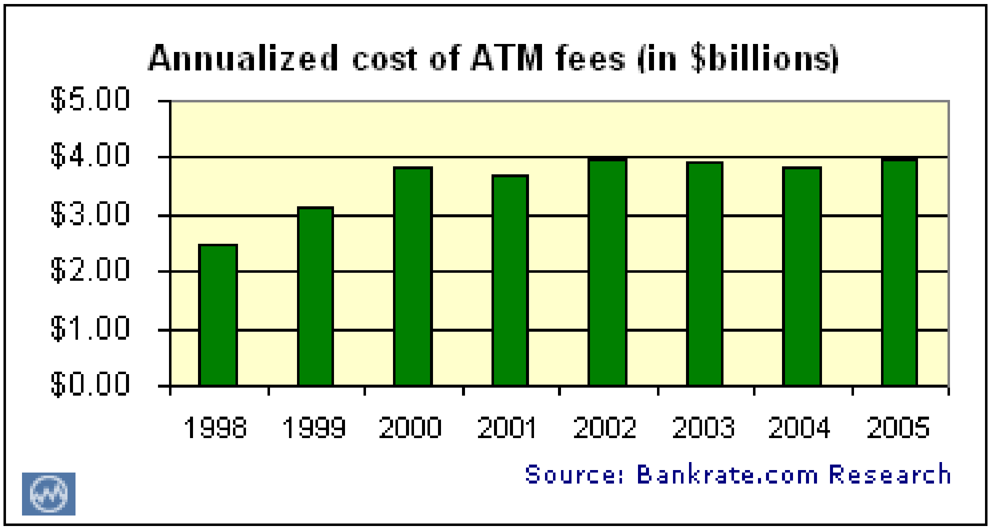
As a result of these many ways that paycheck dollars can quickly diminish without anything to show for money spent, understanding the overall financial system, savings vehicles and ways to eliminate money loss are extremely important and instrumental in increasing the financial literacy of the nation. Nevertheless, these fundamental components of financial literacy are often non-existent in many of today's household. Oftentimes, the assumption is made of American households that the United States is relatively financially literate, but the opposite holds true. The Tennessean, a newspaper out of central Tennessee, reported in June 5, 2005 that:

- Last year, financial Web site Bankrate.com gave America a financial literacy grade of "D" based on a nationwide poll that measured respondents' knowledge and practice of smart financial habits such as keeping an emergency fund, following a monthly budget and saving for retirement. More than one-third of the 1,000 respondents earned a grade of "F." Less than 10 percent earned an "A."

- Consumer debt and personal bankruptcies have reached record highs in recent years. Meanwhile, a report last month by CFED, a nonprofit group formerly known as the Corporation for Enterprise Development, estimated that almost one in five Americans has zero net worth or is in debt.

- A study released in March estimated that as many as 30 million, or one in four, Americans are 'seriously financially distressed.' Nearly half of those who reported having financial stress said it had negatively affected their health; at least 30 percent said it hurt their productivity at work by forcing them to spend time dealing with their financial problems while on the job.

Financial literacy affects all segments of the population, as is indicated by the statistics noted above. Low-income populations relying on “fringe financial services” such as check cashing services and payday loans are not the only persons subject to the imposition of fees for financial services. Bank fees, primarily those charged for the simple use of an ATM that does not belong to the user’s bank, impose a significant financial burden on the greater population. According to another study conducted by Bankrate.com, “American’s waste nearly $4 billion each year making ATM withdrawals at the ‘wrong’ bank’s ATM.” This is a significant increase of 44 percent from the approximately $2.77 billion spent on ATM fees in 1999, indicating that it is not only the unbanked committing a sizeable portion of money to fees that, if spent wisely, could be directed to financial growth (McBride 2005). Instead, banks are making millions of dollars from the banked population that carelessly wastes their money on fees tied to convenience, indicating that both the unbanked and banked could benefit from education on fiscal frugality and the economic impacts of careless financial planning. The graph below shows the amount of money squandered on bank fees between 1998 and 2005, amounting to an 8-year total of more than $28 billion:



Source: McBride 2005

These staggering statistics of financial illiteracy do not only hold true at the aggregate level; Miami residents too suffer from a lack of financial proficiency. As the Brookings Institute Article *Purging the Parasitic Economy* indicates, "People often point to Miami's informal economy when trying to explain the city's dismal poverty statistics… But that alone does not explain Miami's miserable median income or the paucity of its middle class… The parasitic economy—the check cashers, payday lenders, tax refund advance firms and *envie dinero* shops—thrive on low-income customers conventional banks do not pursue and contribute to Miami's weak middle class" (Katz and Jackson 2004). The author of the article later articulates that the "disconnect between working families without bank accounts and mainstream financial institutions carries a huge price." Therefore, for municipalities around the nation such as Miami, it is imperative that a system be put in place that not only puts money in the residents' hands, but also educates them on effective ways to spend, save and, when possible, invest. Financial literacy education is the key to this educational empowerment while programs such as the Earned Income Tax Credit, Individual Development Accounts and small-business loans hold the key to financial independence.

The Earned Income Tax Credit (EITC) is the nation's largest and most effective anti-poverty program, yet millions of EITC dollars go unclaimed each year. On September 1, 2004, the Association of Community Organizations for Reform Now (ACORN), released the report entitled "Increasing Incomes and Reducing the Rapid Refund Rip-Off," documenting that as many as seven million low-income working households in the U.S. may be missing out on more than $12 billion in EITC refunds to which they are entitled. The report further examines this lost revenue at the local level, focusing on the City of Miami in particular. The report highlights the following findings for the City of Miami:

- 79,463 households collected the EITC in 2002 and received a total of $151,542,301, an average of $1,907 per household.
- The number of households who missed out on their EITC benefits is between a low of 14,203 (15 percent of eligible households) and a high of 26,488 (25 percent of eligible households).
- Using the conservative estimate that just 14,203 eligible households failed to claim an average EITC credit of $1,907 would mean that low-wage Miami workers missed out on $26,742,759.
- Economists suggest that every increased dollar received by low and moderate-income families has a multiplier effect of between 1.5 and 2 times the original amount, in terms of its impact on the local economy and how much money is spent in an around the communities where these families live. Using the conservative estimate that for every $1 in EITC funds received, $1.50 ends up being spent locally, would mean that more than $26,742,759 that Miami families are missing actually means $40,114,139 are effectively lost to low-income neighborhoods in Miami (ACORN 2004).

In the words of William Porro, Special Projects Administrator for the City of Miami, "People don't know what they don't know." In other words, people are sometimes unaware of the knowledge they are lacking. This holds true in the case of the EITC dollars available in Miami and elsewhere. More than $40 million are available to low-income earners who simply need to apply for the credit, yet conservative estimates place the number of qualified households that do not apply for the credit at more than 14,000. Therefore, an effective educational outreach campaign is paramount to increasing awareness of and access to this capital producing vehicle. A highly visible EITC awareness campaign at the municipal level is absolutely fundamental to educating residents about its existence and encouraging those qualified to apply for what is rightfully theirs. This combines financial literacy through education and financial empowerment via placing money in the residents' hands, but must be supplemented with additional educational activities and savings vehicles that promote long term growth and independence.

The state of financial literacy in the United States is appalling and the lack of awareness is even more staggering. From the billions of dollars paid each year in bank fees to the enormous amount of debt incurred from high interest rates and check cashing fees, Americans both rich and poor are failing in financial literacy. While many people do not have access to the education and tools necessary to attain adequate levels of financial literacy, many of those that do operate in a financially illiterate manner. The overall framework of our economic system is designed to benefit the financial institutions, as is seen by the enormous sums of money gathered from ATM fees alone. In order for individuals to compete with the economic prowess of financial institutions, they must be equipped with the proper tools of the trade, which in this case amounts to knowledge and capital. These two components of financial literacy cannot operate independently though; one without the other does not amount to financial literacy. Instead, they form a symbiotic relationship, linking independence to sustainability. This independence, though, can only be sustained via direct investment from the municipality and the resident. While the municipality supplies the means, education, capital and savings vehicles, the resident provides the driving force through the application of that education and capital, resulting in long-term, sustainable economic independence when the initial education supplied by the municipality is of high-quality and comprehensive. This is a short-term investment on behalf of the municipality with long-term results empowering low-income earners to have ownership of their own financial growth. This multi-layered investment strategy is the key to economic growth at the individual level for all people regardless of previous economic shortcomings.

Miami – The City and Its People

The City of Miami, the central city portion of the greater Miami area located in Miami-Dade County Florida, is quite diverse. The area has been fueled by high levels of immigration from Central and South America, primarily Cuba, and beautiful weather year-round that not only attracts those looking to retire from harsher climates but also people from around the world desiring to enjoy "the beach life." As indicated by the April 19, 2005 USA article entitled Condo Development on Miami Costs is Hot, Hotter, Hottest, there are several favorable factors fueling new development in Miami:

> Powerful economic and demographic forces are driving the boom [in Miami]. Developers see an army of aging baby boomers looking for a warm place to vacation or retire. Low interest rates have made big mortgages more affordable… the weak dollar make Florida real estate look like a bargain abroad. To Europeans with euros to spend, Florida property can seem like a deal because of the added buying power they get from a favorable currency exchange rate. Unlike the past, today's Florida developers aren't targeting just retirees or snowbirds from the Northeast and Latin America. Luxury buildings are targeting the wealthy worldwide.

Miami is not only a place for vacation from the harsh winters of the most northern portion of the country but has now become a tropical playground for the wealthy from around the world. This has resulted in a disproportionately growing population, with a quickly growing wealthy contingent that is physically and economically segregating the less financially stable populations, primarily recent immigrants and minority groups.

With this influx of people has come a stronger economy in recent years. In 2002, the City of Miami was ranked as the poorest big city in the nation. As of 2004, the US Census ranks the City as the fifth poorest major city, with 28.3 percent of the city's residents or 91,836 people living below the poverty line. Though the poverty statistics are still staggering, an economic renaissance has begun to encapsulate the Miami area when the most recent mayor, Mayor Manny Diaz, was elected to office in 2001, taking the City from a status of fiscal incapacity to the present situation in which more than $20 billion worth of development is in the pipeline. USA Today reported in April 19, 2005 that "a remarkable 69,000 condo unites are currently in the permit pipeline or are newly built and for sale citywide [in Miami]. By comparison, Las Vegas—perennially among the USA's hottest housing markets—issued permits for 40,000 units of all types of housing last year." With this great influx of capital and development also comes the cost of providing for not just those that benefit from the newfound wealth, but also those that are marginalized by the negative elements of economic development. In other words, the highly diverse population of Miami is characterized by a great deal of poverty, at the individual, neighborhood and community levels, which must be taken into account in light of the economic prosperity being experienced at the municipal level. The diversity of Miami is physical, economic and cultural and the development at the level that is presently being experienced in Miami can, and usually does, have the backlash effect of marginalizing, excluding and pushing out of the lower income populations and communities, which compose a large portion of the diverse population.

According to US Census figures, the 2003 population of the City of Miami was 382,959, composed of 65.8 percent Hispanics, 22.3 percent Black/African-Americans, 11.8 percent white non-Hispanics and the remaining 0.1 percent other Non-Hispanics (the population of Miami-Dade County during this same period was 2.34 million people). This historically uncommon characteristic of having a higher percentage of ethnic minority populations (Hispanic and Black) than the national ethnic majority (white, non-Hispanic) has earned Miami the title of being a minority-majority metropolitan area. Miami is not the only city in the country though to have this distinction and the list of minority-majority cities continues to grow. Below is a list of other metropolitan areas that shared this distinction as of 2002:

METRO AREA	MINORITY POPULATION	% MINORITY
Laredo, TX	201,401	96.6%
McAllen-Edinburgh-Mission, TX	563,482	91.8%
Brownsville-Harlingen-San Benito, TX	309,377	88.2%
EI Paso, TX	587,953	84.3%
Miami, FL	1,856,040	79.8%
Honolulu, HI	705,854	79.7%
Los Angeles-Long Beach, CA	6,731,130	69.5%
Las Cruces, NM	124,421	68.7%
Jersey City, NJ	401,883	65.3%
Corpus Christi, TX	238,623	61.9%

Source: Wellner 2003

By 2007, the list is projected to grow:

METRO AREA	MINORITY POPULATION 2007	% MINORITY, 2007
Orange County, CA	1,749,406	55.4%
San Francisco, CA	1,001,015	55.1%
Victoria, TX	45,016	51.2%
Memphis, TN-AR-MS	621,703	52.5%
Jackson, MS	234,189	50.6%
Rocky Mount, NC	79,332	53.2%
Fayetteville, NC	166,359	54.2%
Columbus, GA-AL	147,590	53.1%
Vallejo-Fairfield-Napa, CA	302,946	52.9%
San Diego, CA	1,576,500	51.1%

Source: Wellner 2003

Miami's neighboring county to the north is also experiencing this transition to a majority comprised of minority populations. "Within five years demographers expect that Broward [County] will become what's know as a "minority majority" county," according to the Miami Herald, "it's Broward's turn to mirror the trends of Miami-Dade County and states like New Mexico, California and Texas—all places where the combined minority population outnumbers the overall white population" (Bolstad, McNeal and Henderson 2005). Moreover, many cities in the United States, including Miami, would have decreased in population between the years 1990 and 2000 if it were not for growth in the Hispanic population:

City	**Overall Population Gain (1990-2000)**	**Hispanic Population Gain**	**Difference (Net Loss in non-Hispanics)**
Los Angeles, CA	209,422	327,662	118,240
Chicago, IL	112,290	207,792	95,502
Long Beach, CA	32,089	63,673	31,584
Dallas, TX	181,703	212,347	30,664
El Paso, TX	48,320	76,206	27,886
Santa Ana, CA	44,235	65,714	21,479

Yonkers, NY	8,004	19,376	11,372
Miami, FL	3,922	14,387	10,465
Riverside, CA	28,661	38,489	9,828
Oakland, CA	27,242	35,756	8,514
Boston, MA	14,858	23,134	8,276
Anaheim, CA	61,608	69,619	8,011
Grand Rapids, MI	8,674	16,424	7,750
Kansas City, MO	6,399	13,587	7,188
Minneapolis, MN	14,235	21,275	7,040
Des Moines, IA	5,495	8,509	3,014
Hialeah, FL	38,415	39,891	1,476
Jersey City, NJ	11,518	12,557	1,039
Corpus Christi, TX	20,001	21,029	1,028
19-city total	**877,091**	**1,287,427**	**410,336**

Source: Berube 2001

It is a common misconception that Miami is extremely unique because of its ethnic composition. Though no two places could ever be ethnically identical, these data indicate that Hispanics and minorities in general are significantly impacting cities and communities across the nation, to the point of completely shifting the overall population dynamic of the area, as has been occuring in Miami for nealy 30 years. As such, not only is it a misconception that Miami is a one-of-a-kind municipality because of its predominately Hispanic population, but the present situation in Miami represents trends that are common nationwide. And even though this ethnic dynamic may be more pronounced in Miami because it has been occurring for several decades while being newer to other areas around the country, it is a characteristic all-the-same that suggests transferability of successful enterprises targeting Hispanic populations to other municipalities.

This reasoning can be further extended to the black population that has characterized inner-cities across the nation for decades. As previously indicated, over 22 percent of Miami's population is Black/African American. Census 2000 indicates that the national average for Black/African American populations "inside metropolitan areas within the central city," as the City of Miami is the central city of the Miami Metropolitan Area, was 21.6 percent (US Census Bureau 2000). A simple examination of this data indicates that the City of Miami symbolizes the ethnic crossroads of past, present and future, having the traditional concentration of the Black/African American population in the central city and the emerging trend of a burgeoning Hispanic population as either the fastest growing or most representative ethnic group in the area, once again lending to the transferability of successful program targeting these populations.

The labor force on the other hand is an extremely defining characteristic for Miami that sets it apart from many other municipalities. The Miami job market is primarily characterized by jobs in the service industry, stemming directly from the high levels of tourism in the area, resulting in a median household income of merely $23,774 in 2003, compared to a national average of $41,994 (US Census 2003). Of the total 184,132 persons in the workforce, 43,585 employees work in the service industry, equating to 23.67 percent of workers. The Florida International University Center for Labor Studies recently released a study entitled the State of Working Florida- -- 2005 Report, which indicated that though Florida has one of the lowest unemployment rates in the nation and is experiencing job growth at a rate of 8 percent, most jobs produced in Florida are low-paying. The Miami Herald reported on the study, stating "From 2000 to 2004, the state lost lucrative manufacturing and information-services jobs, but added lower-paying construction, leisure and professional-service jobs" (Associated Press 2005). Furthermore, Manuel Lasaga, president of Miami-based economic and financial consulting firm StratInfo, said "Florida's labor scenario has more to do with demographics than government policy. Florida, he said, is a tourism haven, rich in low-paying service-sector jobs. In addition, it's a Mecca for immigrants, who are often entering the workforce on the bottom rung. Both factors keep wages relatively low" (Wyss 2005). As such, "In South Florida, hotel housekeepers make about $7.75 an hour -- a bit more than child-care workers ($7.47), but less than home health aides ($8.11), janitors ($8.12), healthcare workers ($10.97), and construction laborers ($11.35), according to state labor statistics" (Hanks 2005). Thus the Miami labor market is laden with low-paying service industry jobs, which in turn fuel the elevated poverty rate of the municipality.

In addition to the high concentration of low paying jobs, the number of people in the work force is well below cities of similar size and consistency. According to the Brookings Institute, "Miami residents participate only weakly in the labor market. Only half of working-age adults in Miami were employed or looking for work in 2000—the lowest percentage among the 100 largest cities in the U.S. As a result, more than one in four Miami children lives in a family with no workers" (Brookings 2003). As such, only half of the population is working and nearly one-fifth of that population is employed in extremely low-wage jobs with little or no benefits and a less than sufficient income.

As for the relationship between the cost of living and salaries, Miami is experiencing much the same trend as the nation as a whole. According to the Center for Housing Policy, the median price of a home in the United States rose 20 percent in just

18 months to $225,000 while, during the same period, wages for professions such as teachers, firefighters, police officers, restaurant workers and nurses, those who provide the bulk of essential services in their communities, remained flat or increased slightly yet still fell far short of the annual salary needed to buy a home. Ironically, in most areas throughout the nation, construction workers presently cannot afford to live in the homes they labor to build. South Florida and Miami are no different. “In South Florida, where home prices have risen at a dizzying pace, the increasingly prohibitive costs of housing have raised some concerns. A report in June by the Federal Deposit Insurance Corporation found the gap between home prices and incomes reached a record level in Miami-Dade County,” placing Miami 44th on the list of least affordable housing markets in the nation (Herald Staff 2005).

The median home price in Miami-Dade County in July 2005 had ballooned to nearly $355,000 and “a dwindling number of homes for sale has created a supply crunch while intense demand continues pushing home prices to record levels,” according to the Florida Association of Realtors (Haggman 2005). This means, according to the Miami Herald, that an annual income needed to qualify for a mortgage on a median priced home would be $71,354, more than 3 times the median household income of $23,774. Perhaps the situation is best surmised by the words of Barbara Lipman, research director for the Center for Housing Policy: “It’s not just the level of housing prices versus wages, but the fact that, especially in some areas, the housing prices are growing so much faster. It’s creating this dynamic where people who work these jobs must feel like they’ll never catch up.” This has forced more than 40 percent of Miami-Dade County residents to become renters, as compared to 33 percent nationwide, because of a severely lacking housing affordability.

One final component of the Miami equation that must be highlighted as well is the small-business climate. The local economy in Miami is comprised predominantly of small-business. In 2001, Florida International University conducted a study of the local small climate and reported the following:

- In the Miami metropolitan statistical area (MSA), there exist 77,500 micro-entrepreneurs. Approximately 39,400 are Hispanics, 13,500 are African-American, and the remaining 24,600 are others (Haitian, Asian, etc)
- 68,800 of these entrepreneurs have never received a loan from a bank or other conventional lending sources.
- Focus group participants expressed strong negative feelings towards banks and other lenders, underscoring the apparent lack of access to quality credit.
- Very large gaps between the apparent demand and the present level of service exist in this area.
- Greatest market opportunities for this kind of a program exist n the communities of East Little Havana and Little Haiti**.** (FIU 2001)

The small business environment plays a very big role in Miami's local economy. With an extremely sizeable presence in 2001, as indicated by the FIU study, micro-entrepreneurs play a primary role in creating a viable economy of scale, especially considering that their numbers continue to grow. The small business community presents an excellent opportunity to impact the growth of residents and in turn the growth of the city but large gaps exist between the financial services that are available to small business start-ups and bigger business that employ more persons and have a larger community presence. Therefore, the possibility for financial independence and empowerment programs exists not only for households but also for individuals hoping to attain financial success through business creation.

The City of Miami is a very diverse municipality, but it does not stand alone. Municipalities across the country are experiencing high rates of immigration and gentrification. Small businesses are struggling from coast to coast in light of tax breaks given to big box, chain retailers that can charge lower prices because of their extremely high volume purchases and the present trend of outsourcing that is not being effectively combated by the federal government. Labor forces are weakening throughout the country as businesses find new ways to reduce employee hours, pay and benefits. All of this points to one notion, the City of Miami is not as unique as conventional wisdom indicates and lessons learned locally can be applied elsewhere. By examining the successes of the City of Miami, primarily in the realm of community development considering the numerous obstacles faced by low- and moderate-income earners nationwide, which now includes a growing portion of the middle class, municipalities across the country can adapt their community outreach programs to include diverse non-housing activities rooted in empowerment that shift the community development paradigm in the direction of financial independence and sustainability.

Miami – The Community Development Framework

In November 2001, the City of Miami entered an era of new leadership. Upon entering office, the newly elected Mayor Manuel Diaz called upon departments within the City to work together in a consolidated effort to combat the effects of poverty that were plaguing Miami's neighborhoods. Mayor Diaz presented an Anti-Poverty Initiative aimed at decreasing the unemployment rate while increasing homeownership, small business startups and resident wealth. The original Anti-Poverty Initiative had four primary objectives in the realm of community development:

- Economic development activities that generate living wage jobs and community sustainability;
- Access to a variety of housing options that promote family and community stability;
- A comprehensive financial education system that prepares citizens for participation in the economic and social fabric of the community; and
- Coordinate community–based services that nurture and support young people and their families. (City of Miami 2004)

His goal was to provide stability for local city residents through trusted leadership and economic opportunity while combating poverty within City limits to the greatest extent possible. Pulling from his many years of experience in the business world, the mayor sought to replace traditional bureaucratic government structure with a private sector influenced model driven by efficiency and performance outcomes.

A.C.C.E.S.S. Miami

ACCESS Miami (Assets, Capital, Community, Education, Savings and Success) is a poverty reduction strategy that was borne out of the mayor's original Anti-Poverty Initiative; pulling from its foundation of economic opportunity for all residents, efficiency and performance outcomes while interjecting continuity amongst all programs, brand recognition and ease of access to resident benefits. ACCESS Miami is a newly designed comprehensive, citywide initiative aimed at increasing residents' access to the financial tools that are fundamental to economic prosperity and success. By increasing access to educational and financial resources while harnessing the strength of community assets, ACCESS Miami provides city residents with increased opportunity to build wealth, improve financial literacy and save for the future. ACCESS Miami also incorporates resources from the public and private sectors, participation from community-based organizations and dedication from the residents themselves. By focusing on asset accumulation, access to capital and job creation/retention, ACCESS Miami creates a comprehensive financial growth strategy rooted in education and savings that promotes economic prosperity for all small business entrepreneurs and residents (Porro 2005).

The goal of ACCESS Miami is to create a recognizable and marketable overarching theme to provide continuity to all of the elements previously falling within the Mayor's original poverty reduction plan as well as add new programs that enhance the existing financial independence efforts. It is built upon four cornerstones: Access to Existing Benefits; Access to Capital; Building Wealth and Accumulating Assets, and Improve Financial Literacy. These four cornerstones are the fundamental elements to assisting both city residents and small business entrepreneurs. The information in the following sections has been developed from City of Miami documentation on the programmatic components of ACCESS Miami, created by William Porro, Special Projects Administrator and the author. The following components make up the ACCESS model:

- Tax Preparation and Financial Services
- Pastoral Roundtable
- Micro-lending
- Matched Savings Program
- The Benefit Bank
- The Parent Academy
- Workforce Initiative and Small Business Administration (SBA)
- Financial Literacy/Community Outreach Workshops

Mission Statement

To facilitate access and provide a seamless opportunity to enable our residents and business entrepreneurs to obtain the needed resources, along with the benefits they are entitled and eligible to receive.

Focus on Individuals

- Access to existing benefits
- Build wealth and accumulate assets
- Increase financial literacy

Focus on Small Businesses

- Access to capital
- Build wealth and accumulate assets
- Increase financial literacy

Programs – General Overview

This section includes information regarding the program components of the ACCESS model (for additional information on each of these programs, see Appendix 1) It combines the author's working knowledge of the programs and the City's internal documents outlining the intended purpose of each component.

Tax Preparation and Financial Services

In 2003, the City of Miami began a creative outreach campaign offering a variety of tax preparation options to its residents. The model offers three distinct service options for its low income residents. First, free tax preparation sites are open to all City residents with convenient locations at 7 Volunteer Income Tax Assistance Sites (VITA), including three public schools, two "super sites" and two Office Depot stores, the City's new corporate partner. Concomitantly, the free internet-based, counselor-assisted Benefit Bank™ program was offered at 11 of the City's NET (Neighborhood Enhancement Team) offices. Finally, a successful partnership with the nation's largest tax preparation firm, H&R Block, was introduced. Under this groundbreaking agreement between the public and private sectors, H&R Block agreed to offer drastically reduced prices to low-income residents at 11 offices. Residents are also given the opportunity to open Individual Retirement Accounts (IRAs) while filing, an option that over 470 city residents took advantage of in 2005 year alone.

The successes of tax preparation outreach program are directly tied to the EITC campaign. Because of this concerted effort to inform Miami residents about the EITC, 80 percent of eligible City residents now claim the credit.

Pastoral Roundtable

The Roundtable is a forum in which representatives from the faith-based community convene quarterly with the mayor to discuss community needs. These meetings are enhanced by City administered break-out sessions to discuss services available to faith-based organizations in relation to their community needs. Between each quarterly Roundtable, programmatic workshops aimed at increasing organizational capacity are held for all faith-based organizations interested in attending, regardless of their religious affiliation. Topics covered include such programmatic and administrative issues as how to operate a 501(c)(3) nonprofit organization, grant-writing, partnering on grants with the City and fund development.

The City of Miami was also recently awarded a Volunteers In Service To America (VISTA) grant for 15 organizations throughout the City, including 7 faith-based organizations and 9 community-based organizations. In conjunction with this grant, the City is further able reach into the faith-based community with the help of the dedicated VISTA volunteers, who are present in these organizations for a minimum of one year, forging a pathway to strengthening the social capital that exists between the City and faith-based community.

Micro-Lending

In an April 2001, the Florida International University (FIU) Metropolitan Center in Miami released an Economic Development Implementation Plan (EDIP) which identified the following:

> Without capital sources for equity and debt, entrepreneurial development in Miami-Dade will continue to suffer. Access to small business loans is especially difficult for start-up and growing companies. For instance, approximately 90 percent of the County's minorities owned businesses are sole–proprietorships. Many of these businesses struggle with accumulating personal business assets to help secure their debts. Mainstream financial institutions, while having increased overall small business lending, still do not have the capacity of business will to finance these small minority-owned business (FIU 2001).

Small businesses, with as few as one or two employees have long been the backbone of the Miami local economy and this investigation of local economic development by FIU indicates the need for diverse funding sources.

In response to this expressed need, the City of Miami embarked on a partnership with ACCIÓN USA, a nonprofit organization whose mission is to make access to credit a permanent resource to low- and moderate-income small businesses. By providing small or "micro" loans to men and women who have been shut out of the traditional banking sector, ACCIÓN and the City of Miami help residents to build their businesses and increase their incomes. The partnership sees business credit as a resource that can help narrow the income gap and provide economic opportunity, thereby stabilizing and strengthening communities and economies.

Matched Savings Program (Individual Development Accounts)

The mission of Micro-Business, USA is to "support financial self-sufficiency and the accumulation of assets by low-income families via opportunities to make, borrow, save, and manage money." According to Micro-Business USA, "Sustainable community development depends on low-income residents having a stake in the community. Without assets, a person has nothing to lose. With assets, a person has everything to gain by planning for the future, taking an interest in the community and educating the young."

To accomplish these goals, Micro-Business USA, partially funded locally by the City of Miami via ACCESS, implements three programs:

- Peer-Program **-** provides low-mod income persons with the opportunity to start micro-businesses with loans starting at $500, going up to $3,000 *without credit or collateral.*
- The Entrepreneurial Institute **-** a 12 week intensive training to prepare established businesses for expansion loans to $35,000
- The Matched Savings Fund **-** encourages the accumulation of assets by low-income families. The program provides Financial Literacy Training with a $2 grant for each $1 dollar a low- income family saves each month toward home or business ownership.

The Matched Savings Fund, the source of Individual Development Accounts (IDA) within the City of Miami, is a central element of the ACCESS model. The IDA acts as a savings multiplier for qualified residents. Through this plan, for each dollar the resident places in the IDA, an additional two dollars are placed into the account by the City (using City funds and leveraged funds). The primary criterion of this program is that the funds placed in this account must be used for purchasing a home, furthering education or capitalizing a business. The upper limit per person for this program is $4,000 of matched funds.

The Benefit Bank

The Benefit Bank is an internet-based program that helps clients file or apply for the following:

- Taxes – Federal taxes, including Earned Income Tax Credit, Child Tax Credit, Additional Child Tax Credit, Child & Dependent Care Credit, and the Hope & Lifetime Learning Credit, amended taxes for up to three years and state taxes.
- Benefits – Food Stamps, State Children's Health Insurance Plan (including coverage for parents), Child Care Subsidy, Medicaid, Pharmaceutical Coverage for the Elderly, Low-Income Home Energy Assistance (LIHEAP), and Voter Registration.

Designed as a counselor-assisted program, TBB creates dialogue through simple interview questions between the client and the counselor, who navigates them through the screens. When all the questions necessary to fill out the application or tax return are completed, TBB reviews the information, generates the approved applications for signature, and where possible submits forms electronically. (The Benefit Bank 2005)

As clients enter data for one benefit, TBB saves the information for use with another form or benefit. The Benefit Bank stores all of the client information, eliminating the need to type it in again - thereby reducing the amount of time spent filling out multiple applications. For example, once a client has finished filing their federal taxes the application for Food Stamps is 75 percent completed. (The Benefit Bank 2005)

The Parent Academy

On May 18, 2005, the Miami-Dade County School Board approved the resolution and project plan for over $1,000,000 presented by the public school system to create the Parent Academy. The Parent Academy will help parents gain the experience and skills they need to guide their children to productive lives. "The goal of the Parent Academy is simple: Empower parents to be effective advocates for their children through information-sharing, skill-building, and personal development. To that end, The Parent Academy will provide parents with an opportunity to take advantage of a smorgasbord of courses. Offerings will include classes in literacy; household, financial, and time management skills; effective parent-teacher communication; and career preparation skills" (The Parent Academy 2005).

The Parent Academy is a countywide initiative in which the City of Miami is the regional model. The City is responsible for providing financial literacy curriculum and the corresponding facilitators while assisting with venues for the classes. The City is also creating links to existing resources, such as the Benefit Bank and the Earned Income Tax Credit during tax season as well as other financial services. In order to do this, the City has turned to some of its partner organizations that specialize in the many diverse areas of financial literacy. These organizations are facilitating the classes while City staff is coordinating scheduling and availability with the Parent Academy. Additionally, the City is working with a financial institution to provide financial products specifically designed for Parent Academy participants. The goal of the City in its involvement with the Parent Academy is to provide participants with flexible financial solutions that are sensitive to their needs and are available to them while participating in Parent Academy classes.

Workforce Initiative and Small Business Administration

Recognizing the role that the small business community plays in the City and the need to provide access to jobs, the City of Miami has combined forces with multiple organizations to provide services that directly impact City residents. Most recently the

City teamed up with the Small Business Administration under the guiding premise of a Strategic Alliance Memorandum. The agreement states:

> The City of Miami recognizes the value of the economic engine that is the small business community of over 70,000 entrepreneurs. The City of Miami will strive to facilitate the small business community with the tools necessary for success, in conjunction with the SBA and other strategic partners. Outreach efforts will be coordinated through city resources, such as the Neighborhood Enhancement Team (NET) Offices and Channel 9, the official television channel of the City of Miami, in an effort to identify clients and promote key programs. The City will coordinate these efforts under the ACCESS Miami umbrella, which is based on four strategic cornerstones: access to existing benefits, access to capital, asset accumulation and wealth building, and improving financial literacy. Additionally, the City will serve as an advocate with private sector and community leadership to maximize local resources towards these efforts.

This agreement not only combines the resources of the two organizations but also highlights the City's commitment to assisting the small business community.

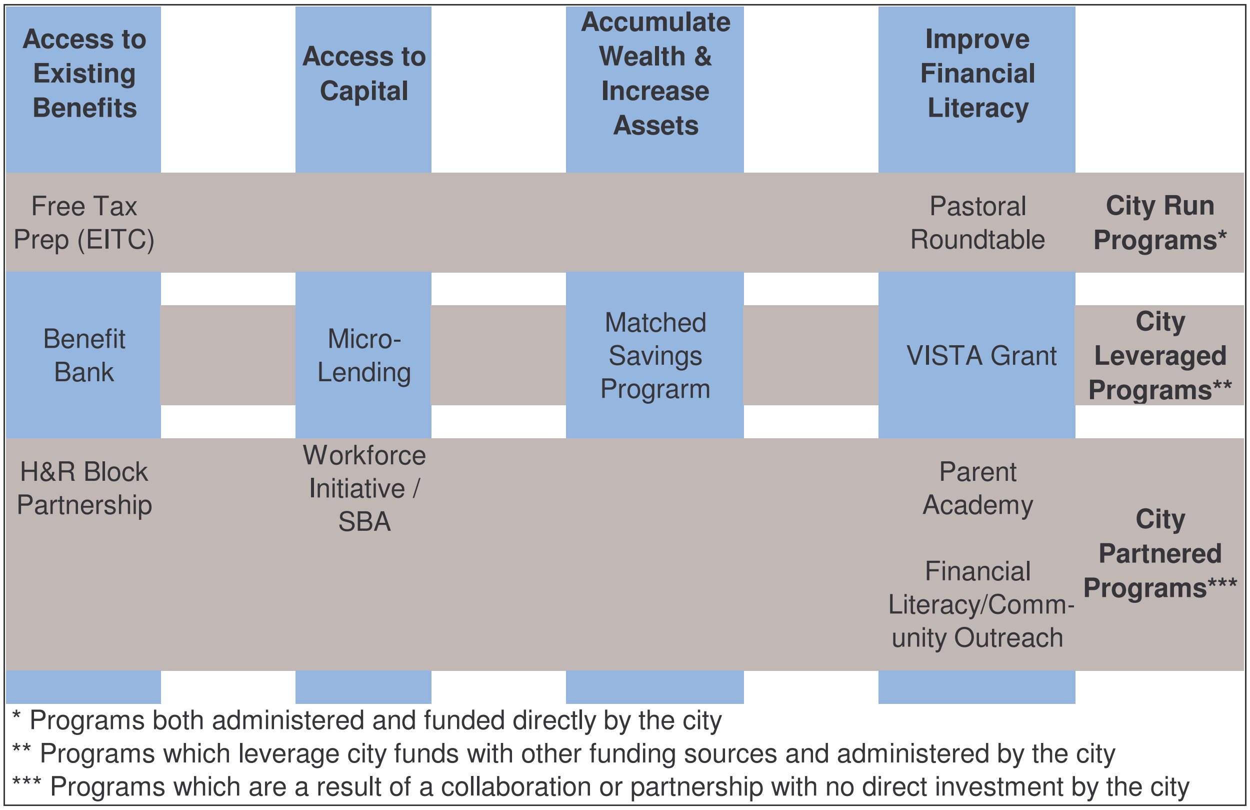
The workforce initiative is being developed to expose qualified workers to interested companies in critical job areas through a partnership with South Florida Workforce (SFW). According to their mission statement, "The South Florida Workforce (SFW) is responsible for initiating state and federal funded workforce development programs in Miami-Dade and Monroe counties. We assist employers and job seekers with employment services, labor market information, and provide training for economically disadvantaged adults, youth, dislocated workers, individuals transitioning from welfare to work, and refugees" (SFW 2005). In conjunction with South Florida Workforce, quarterly job fairs will be created that bring together low-skilled workers and employers, thus creating a partnership of referral and job placement. The structure of these job fairs is that the City will first conduct a prescreening process that indicates the skill level of the applicant in the specific field. The City and SFW will then work with their employment partners that are in agreement with the prescreening specifications and classification system to provide job opportunities onsite; eliminating the need for the applicant to return at a later date for a job offer. Therefore the agreement between the City, SFW and the employment partners is being arranged to stipulate that the City and SFW will oversee the administration of the prescreening process and the job fair itself while the employers, in agreement with the prescreening qualification process, will offer jobs to applicants at the actual job fair to begin work immediately. The first of many of these quarterly job fairs is presently being coordinated in the field of construction, since construction positions are at a premium due to the building boom underway throughout Miami and South Florida.

Financial Literacy/Community Outreach Workshops

In addition to the programs above, the City of Miami implements projects and workshops to increase the financial literacy of citizens and small business owners. These efforts include direct community outreach and train-the-trainer style events. Recent workshops have included partnerships with the Mortgage Bankers Association to provide a train-the-trainer series in consumer home buying and Florida Jumpstart to provide financial literacy education for public school system teachers

An ongoing financial literacy effort also exists between the City and the Bilingual Parent Outreach Program (BPOP), an arm of the public school system. BPOP works directly with newly arrived immigrant parents of school children in diverse areas, including adjustment to life in the United States, job skills, personal finances and family life. The City works directly with the curriculum facilitators of BPOP to educate them on the many topics of financial literacy so that the information can then be relayed to BPOP participants. The Miami-Dade County Public School System has more than 88,000 foreign-born students, thus allowing BPOP to provide educational information to over 25,000 families annually.

Program Model



City Run Programs

Critics often argue that city-administered programs tend to be the most inefficient and costly. Many argue that this stems directly from the municipality's lack of knowledge in and/or dedicated resources to the specific subject matter. For example, the present presidential administration is arguing on behalf of privatizing Social Security in order to increase the programs efficiency and outputs. It is their belief that the Federal government is too big of an entity, lacking the ability and knowledge to properly and efficiently invest individual American's retirement dollar. Instead, they argue that privatization will allow individuals and private companies who are specialized in financial retirement services to invest the dollars previously handled by the Social Security Administration in a manner that is sensitive to the individual's needs and gains a larger return on the investment. Despite one's personal convictions regarding the benefits and risks of Social Security privatization, governments have historically struggled with providing social programs in an efficient manner and have thus turned to outside organizations, including both the private and nonprofit sectors, to provide for its citizens in a cost-effective manner. It is for this reason that the ACCESS Miami model looks to limit the number of City run programs to the greatest extent possible.

As can be seen in the illustration above, the City run programs portion of the ACCESS Miami model consists of those programs which are both administered and funded directly by the City. This grouping is limited to free tax preparation and the Pastoral Roundtable. With each of these programs comes a direct cost to the City; tax preparer salaries and site costs for the tax preparation and facilitator and location costs for the Pastoral Roundtable workshops and quarterly breakfasts. Though the costs add up, they are curbed by the limited nature of tax season and frequency of the Pastoral Roundtable meetings. Costs are further inhibited by turning to specialists in the field and volunteers to assist with the implementation of the programs. For example, the Pastoral Roundtable workshops are conducted by either faith-based organizations with proven experience on the subject matter of the workshop or a nonprofit organization that is focused on capacity building. By incorporating this system, the City gains highly qualified, trusted resources to reach out to the seemingly limitless faith-based community while limiting its own direct costs. In other words, the organizations that assist in the facilitation of events associated with these mission sensitive programs are also focused on reducing costs and increasing effectiveness. As such, the majority of the costs incurred by the City are on the administrative side in terms of man hours required to coordinate the events and the faith-based initiative as a whole.

As for the free VITA tax sites, there is a sizeable investment in terms of staff (site managers), promotion and a phone bank for answering questions from residents, but the return on investment is unequivocal, with residents receiving $1.14 million for 760 returns filed from free tax sites alone in 2005. This amounts to an average return of $1,568, which is remarkable considering this service is only available to low-income residents who are eligible to receive the Earned Income Tax Credit and this is only one arm of the tax preparation services model.

The future of ACCESS Miami for this grouping of programs will see growth, but not significantly. Instead, the future of ACCESS Miami under the City Run Programs component brings the housing side of the Community Development into the model. The goal is to tie in the Single Family Rehabilitation and First-Time Homebuyer programs that the Department presently administers for low-income and first-time homebuyers. This will not only help to streamline departmental activities but also complete a fully comprehensive program that takes participants through multiple stages of financial development (accessing capital, accessing benefits, investment and savings) with a new termination point of access to homeownership. Once again, though it is the City that is already administering these housing programs, the ACCESS model taps into this presently existing infrastructure, placing minimal strain on the budgetary resources of the program while significantly increasing the ease of access for residents to City benefits.

City Leveraged Programs

City leveraged programs reference those programs which are administered by the City, thus requiring an investment on the City's behalf, but leverage the invested City funds with other funding sources (as is quite common on the housing side of community development). As the table on page 50 indicates, the city leveraged programs of the ACCESS model include the Matched Savings Program (IDAs), Micro-lending (with ACCION Miami), the Benefit Bank and the VISTA partnership. Each of these programs includes a multiplier effect in which City dollars are multiplied by other funding sources to create an increased resource pool of capital, services and people available to service City residents.

The Matched Savings Program is administered by the local nonprofit organization Micro-Business USA through Individual Development Accounts (IDA). An IDA program allows a low-income earner to place money in an account where that money is matched by other available funds for a specific use. According to Micro-Business's website, their "Matched Savings Fund provides Financial Literacy training and a $2: $1 match for savings made by low income people who are saving for home or business ownership." This means that for every one dollar placed into the IDA through the Matched Savings Fund, two additional dollars are placed into that same account, as long as the money is then used to buy a home, for post-secondary education or capitalize a small business.

As a funding agent, the City, through the ACCESS model, provides the additional funds that are placed into the account once a resident makes the initial investment. These funds come from both federal dollars the City receives as an entitlement community as well as the general budget. This allows the City to leverage its own dollars with the federal community development dollars, the resources of Micro-Business USA via its administration of the program and the financial investment of the resident. From the City's perspective, this is a safe and wise investment due to the matched funds at all levels and the guaranteed expenditure of the funds on one of the three quality of life improving criteria: housing, entrepreneurship or education.

Micro-lending through ACCION allows the City to have a direct investment in many of the small-business that dominate the local business environment while not incorporating the many costs and difficulties associated with micro-loan administration. ACCION has a proven track record of success both internationally (primarily in South America) and domestically, though it has only been in operation in the Miami area since 2003. Because of its proven success in other markets, the City chose ACCION to be the administrator of its small-business loan funds. As can be seen in the 2006 programmatic budget outlined in Appendix 4, the City's investment in micro-lending is $200,000 a year, but a multiplier is in effect here because of the other funding sources obtained by ACCION for administrative costs and direct loans as well as the continuous loan repayment by ACCION's clientele, with a minimal default rate of three percent. The initial goal of this collaboration was to leverage more than $730,000 in operating grants and $1.7 million in loan capital. Since October 2003, the program has generated over 300 loans totaling more than $1.4 million dollars, with an average loan size of $4,700 and a competitive default rate of 3 percent. This program continues to provide the needed capital to low- to moderate-income entrepreneurs with loan sizes:

- From $500 up to $10,000 for new business start-ups;

- Up to $15,000 for businesses established more than one year but less than two;
- Up to $25,000 for businesses established more than two years

These loans are underwritten by a number of sources that include: the Congregational Church of Coral Gables, Anne E. Casey Foundation, JP Morgan Chase, Washington Mutual and the Knight Foundation in addition to the City of Miami.

The Benefit Bank, as discussed earlier, is an internet-based tool geared towards user-friendliness and easing access to benefits available to residents, which is directly in line with the Mayor's initial anti-poverty initiative and the access to benefits cornerstone at the foundation of ACCESS Miami. The investment on behalf of the City comes in the form of a direct investment of the development of the software as well as training staff as counselors and the associated time assisting residents during tax time. This investment though, is leveraged by other investors in the software (both locally and nationally and the increased efficiency associated with the program. The amount of time that a City staff member spends with a resident while using the Benefit Bank is minimized because multiple forms are completed concurrently and the forms are submitted electronically. Thus, as the software becomes more popular at the national level, not only will staff be well trained and residents already be in the system's memory, but the City of Miami will be viewed as a trail-blazer in the effort to bridge the gap between residents in need and benefits to service those needs, with the Benefit Bank opening the door to benefits at all levels of government.

The successful implementation of this software throughout the City is done in conjunction with the recently enacted VISTA partnership. The VISTA partnership's funding comes from the City's general revenue budget, not ACCESS Miami, but the work of the 15 volunteers placed at diverse community-based organizations (CBO) and faith-based organizations (FBO) throughout the city ties in directly to ACCESS Miami. Though they interact with the ACCESS model in multiple capacities, the VISTA volunteers are being trained by the Benefit Bank to act as counselors for the software's implementation during the upcoming tax season when they will have direct contact with those City residents seeking the services offered by the Benefit Bank. They also participate in all financial literacy events hosted by the City. The return on investment for the volunteers is quite sizeable. In return for the City partnering with VISTA to manage the volunteers, "AmeriCorps VISTA covers the cost of a series of benefits and services for the AmeriCorps VISTA members and the organization:

- $4,725 education award or $1,200 post-service stipend
- Health coverage for all members assigned to your project - approximately $1,600 per member
- Payroll service
- Training in project management and leadership for members and project supervisor
- Travel and moving costs
- Liability coverage for all members, under the Federal Employees Compensation Act and the Federal Torts Claims Act
- Child care for income-eligible members
- FICA
- Assistance with recruiting members
- Estimated total contribution from AmeriCorps: $10,000" (AmeriCorps 2005)

Because the VISTA volunteers are placed with community organizations throughout the city but serve as an extension of the City, they also function as a portal to local communities for City programs such as ACCESS. The VISTA volunteers assist with Benefit Bank, financial literacy/community outreach seminars, tax preparation and the Pastoral Roundtable. They also recruit and manage volunteers for the organization they are placed with as well as foster the relationship between the City and the community as whole. Therefore, the leveraged dollar amount for each volunteer can be estimated at $10,000 but the value of their service, harnessing of resources, relationship-building and social capital development is arguably immeasurable.

Leveraging resources and investments is invaluable to the ACCESS model. These programs promote accountability and efficiency by incorporating resources from multiple entities and allowing organizations specialized in the specific field to administer the program and City funds. The multiplier effect associated with these programs also allows the City dollars invested in these programs to go farther and touch more lives. Leveraging funds and resources is paramount to the success of ACCESS.

City Partnered Programs

Partnering with other organizations allows for the maximization of resources from all partnering entities. The partnering with other organizations under the ACCESS umbrella permits the City of Miami to reach further into communities while maximizing resources and limiting, if not completely eliminating the direct financial investment in the program. With each of the partnered programs in ACCESS, the primary costs involved on the City side are those of promotion, which usually comes in the form of man-hours, and printed materials, which come from the City's printing office. Other than these minimal costs, the City has no direct financial investment but acts more as a sponsoring agent that promotes the events to a wide audience of people. Therefore, with minimal expenditures, the City is able to maximize its resources through partnerships that tap into existing infrastructures, maximize available community resources and partner with the public, private and nonprofit sectors.

For example, the City of Miami is acting as the regional model of the Parent Academy. In this capacity, the City is coordinating the financial literacy class offerings within the Academy by organizing all the financial class offerings being presently offered by a variety of banks and housing and social service agencies and presenting them to the Parent Academy in an organized fashion. The parents then receive credit for Parent Academy classes when participating in the financial classes/seminars/workshops that are regularly offered by the bank/organization. As such, the City acts as a relationship broker, incurring no financial cost but uniting people and resources at the same time. The same holds true for the H&R Block partnership. Here, the City negotiating significantly reduced fees for City residents and the City, in turn, promotes the partnership to its residents. Once again, there is no direct cost to the City (except for promotion materials in this case), but residents benefit from the joint effort. In this and all components of the ACCESS model, the City focuses on empowerment and independence activities via the maximization of its resources with those that already exist within the community.

Outcomes

Though ACCESS Miami as a whole is a new program, many of its components were put into place when Mayor Diaz implemented his initial anti-poverty initiative in 2001. In addition to the specific programmatic results discussed in previous sections, the table below outlines the outcomes of components of the ACCESS model in correlation with the four cornerstones that serve as the model's foundation:

Objective	Program	Outcomes and Impacts
Access to Capital	Micro-Lending	• In 2005, the City's program produced 170 active loans for over $800,000. • A three-year study released of 849 borrowers showed that after two loans (17 months), borrowers increased their take home income by 38% ($455 on average per month), their average monthly profits by 47 percent and their business equity by 42 percent.
Access to Capital	Small Business Initiative	Partner with SBA to bring appropriate tax credits, loans and grants to apply towards training, job creation and retention.
Access to Existing Benefits	Free Tax Preparation/EITC IRS VITA Sites	• 2005 produced 9,258 returns for total refunds of over $20,000,000 to city residents. A 704% increase over 2004. • Returns have more than quadrupled since 2003. • Opportunity to create local model to be implemented nationally.
Access to Existing Benefits	Benefit Bank	• The Benefit Bank processed over $1,000,000 in federal tax returns in 2005. • 83% of TBB users qualify for the Earned Income Tax Credit (EITC). • In 2004, connected families with Child Care Subsidies of $4000 per child. • Residents have access city wide at 13 NET offices and 12 VISTA partnered CBOs.
Access to Existing Benefits	Job Fairs	• Forum in which the City and South Florida Workforce pre-screens potential employees for employer requested qualifications and then the employer will commit to interview and hire a specific number of qualified workers.
Build Wealth/Accumulate Assets	IDA Inititative (Matched Saving Program)	• Provide a saving vehicle to low/moderate income residents to save towards homeownership, capitalize a business or post-secondary education. • Studies show that low/moderate income families will save if giving the opportunity. • Serve approximately 120 families annually become self-sufficient.
Build Wealth/Accumulate Assets	H&R Tax Program	• Reduced fees for City residents including tax-filing, IRAs, etc. • This partnership enabled to city to extend its reach to produce over 8,000 tax returns and $18,000,000 in refunds. An 1,100% increase. • Possibility for local model to be implemented nationwide (Bank, Local Government and H&R Block) with access to H&R Block's more than 14 million tax filing customers.
Build Wealth/Accumulate Assets	Workforce Initiative	• In conjunction with South Florida Workforce, Miami Works and One Stop Centers to create quarterly job fairs that bring together low-skilled workers and employers.
Financial Literacy	Community Outreach Workshops	• Local educational institutions – Miami-Dade College, Florida International University, University of Miami, Miami Dade County Public Schools (MDCPS). • Diverse topics (credit, basic banking practices, home buying basics, money management, etc.). • Unlimited potential with student body, staff, faculty and community outreach.
Financial Literacy	Pastoral Roundtable	• Direct link to strongest social network at the community level, the faith-based community. • Potential of joining forces with 50 churches with 100 person congregations or 5,000 people.
Financial Literacy	Bilingual Parent Outreach Program	• Provide various educational information to over 25,000 families annually. • MDCPS – More than 88,000 foreign-born students.
Financial Literacy	Parent Academy	• MDCPS: over 360,000 students and over 43,000 full and part-time staff with more than 18,000 teachers (4th largest school system in country). • Direct link to parents, students and full and part-time staff with more than 18,000 teachers. • Regional Model with City of Miami and MDCPS.

As can bee seen from the table above, the components of the ACCESS model have already expressed a plethora of quantifiable results; with potential positive outcomes still abound considering the far-reaching capabilities of its partnered infrastructures, including youth in the school system, the parents of those youth, newly arrived immigrants, the faith-based community, community-based organizations and EITC recipients. Moreover, much of the population within these infrastructures changes quite frequently, as is seen in the school system, giving the City new opportunities to reach further into the community. But awareness alone is not the goal of ACCESS Miami. The ACCESS model aims to equip the entire community with the tools necessary in the quest for economic self-sufficiency. For example, informing the citizenry about the Earned Income Tax Credit assists low income earners with immediate access to capital, but it does not serve the long-term goals of financial literacy and independence. By informing people about the availability of the EITC through free and partnered tax sites, the City was not only able to return more than $20 million to tax-payer but, arguably more important, over 350 IRAs were opened in 2005 alone, highlighting the comprehensive nature of the model.

The EITC marks one entry point into the program, which can then be augmented by additional components of the model. For example, if an individual wishes, he can have his money tripled by placing a part of his tax return (which was prepared free-of-charge at a free tax site or at a reduced rate through the H&R Block partnership) placed in an Individual Development Account. He can then attend financial workshops offered by the City or through the Parent Academy or Pastoral Roundtable and, if he wants to start a small-business, access City dollars in the form of a micro-business loan, having the effect of increasing his take-home income by an average of 38 percent. And this is only one pathway; there are many diverse avenues that access Miami.

Though it is only one access point of the ACCESS Miami model, the EITC is the largest capital generating tool locally and nationally. Therefore, an effective EITC campaign is paramount to the success of this and all access to capital programs. An EITC campaign can range from a single effort to raise public awareness about the credit to an in-depth initiative that not only informs families but also helps them claim and make the most out of this benefit. The primary goals of EITC campaigns generally aim to:

- Increase the number of families who know about the claim available tax credits through outreach and public awareness;
- Increase the amount of tax credits and overall refunds that actually reach low-income working families and neighborhoods by reducing transaction costs related to filing taxes and converting refunds into cash through free or low-cost tax preparation and alternatives to high-interest refund anticipation loans;
- Increase the number of families who claim not only the EITC but also related tax credits and other benefits by expanding the reach of existing public awareness and tax preparation programs; and
- Assist low-income families in using their tax refunds to build assets by promoting financial literacy, credit counseling, and connections to savings and investment opportunities.

The 2005 EITC campaign resulted in more than $20 million in EITC credits being returned to City residents, an increase from a mere $1 million the year before. The results of the 2005 effort indicates the need for a continued EITC public awareness campaign in conjunction with awareness of other wealth generating tools such as IDAs and IRAs. This is a lesson for the City of Miami and all municipalities; a continuum of asset and wealth-building services available to residents must include a strong emphasis on awareness of benefits such as the EITC that presently exist. The dollars generated by the EITC come a little to no cost to the resident and have a high return on investment for the municipality.

As ACCESS Miami is in its infancy and many of the model's outcomes are yet to be measured, proper measuring tools must be incorporated as the forward movement continues. For example, the financial literacy/community outreach workshops are typically conducted in a train-the-trainer style fashion, requiring specific tools that measure the success of the trainers as well as the end users. Since February 2005, seven financial literacy workshops, two Pastoral Roundtable meetings and four related capacity building workshops have been conducted. Each of these has reached out to a wide audience representing a wide array of organizations and purposes. The financial literacy workshops, for example, have focused on such diverse populations as high school teachers, community service organizations, the faith-based community, housing agencies, the banking industry and community members. The Pastoral Roundtable related activities are directed at a much more focused audience but, as many academics argue, the faith-based community is the only remaining social network with high levels of community-wide participation. As such, the success of these community outreach workshops can be initially measured by the number of people in attendance (more than 200 trainers trained in the last year alone), but the truly accurate measurement tools need to measure the number of people that the trainers reach out to, the end-users, and the number of end-users that implement the knowledge gained through the desired activity (i.e., a community member buys a home after being trained in home buying basics). By tracking the end-user usage rate, the success of the partnerships formed for community outreach and financial literacy workshops can be effectively measured, but this is not an easy task because of the multiple layers of people involved (the City, the partners and the diverse community members).

Success can be measured in a number of ways, both quantitatively and qualitatively. Many see improvement in quality of life as success, but what unit is to be used for measurement and what is the cutoff for success? In other words, can we simply say that increasing one's income by 30 percent is successful financial independence or is there a dollar figure that is the limit? Does a minimum yearly income of $25,000 indicate that an individual is economically self-sufficient? What if the individual makes $50,000 a year but has $70,000 in debt and does not own a home? There are many questions to be answered when attempting to establish a generally accepted measurement of success at the individual level in the realm of financial empowerment and self-sufficiency. But at the municipality level, the poverty rate is an arguably acceptable measurement tool for poverty reduction. In 2003, the City of Miami was ranked as the poorest City in the nation due to its egregious poverty rate. Though it is still high, the poverty rate was reduced by 2004, ranking Miami as the 3rd poorest City in the nation. This decrease in citywide poverty is directly connected to the components of ACCESS Miami. Perhaps the situation is best surmised in the words of Mayor Manny Diaz in his 2005 State of the City Address:

> Poverty was the most important challenge facing us. Job creation became a top priority – because having a job is the best way for someone to control their own destiny. Our economic development plan set out to remedy this condition by creating a climate where the opportunity for prosperity would spread to each and every neighborhood. What was once the poorest city in the nation is now among its top 10 generators of new jobs. In the last two years, we have cut our unemployment rate by over 50 percent. Make no mistake, this prosperity is a result of an economic plan that fosters a never before seen climate of expansion and growth. And, for the first time ever, the city targeted funds for poverty reduction. Because many factors contribute to poverty, we fought it on several

> fronts. Over eighty percent of our eligible residents now claim Earned Income Tax Credits totaling over 125 million dollars. Our small business and micro lending programs fortified the backbone of the small business economy. We created job training and financial literacy programs. We helped the most vulnerable among us – increasing access to Kid Care and protecting the meals of our senior citizens. Today, we are no longer the poorest city in America (Diaz 2005).

The components of ACCESS helped to lift the City of Miami from the bottom of the poverty barrel while collective strength of ACCESS has begun the forward movement. The table on page 59 indicates the outcomes of the programmatic aspects of ACCESS in line with the four cornerstones. With the inclusion of more specific measuring tools, the success of these outcomes can be measured more specifically and the programs fine-tuned to deliver more effective results in line with the cornerstones. As ACCESS Miami continues to provide the tools of financial empowerment and independence to City residents, the outcomes to date indicate that these citizens and those yet to be served will have the necessary resources to build a strong financial future rooted in asset-building and self-sufficiency.

Implications

ACCESS Miami is such an innovative undertaking because it evolved out of individual poverty reduction programs that had shown proven success during their initial development. The model was not designed holistically to eradicate poverty; instead it developed naturally in response to the community needs, addressing such issues as small business development, education levels, ethnicity, immigrant challenges, etc. ACCESS Miami bridges the gap between the public and private sectors while incorporating the expertise of the non-profit/non-government sector. It harnesses the resources of all three sectors, but in such a way that maximizes them to benefit residents in the most efficient and effective manner. For example, the H&R Block partnership has received mixed reviews from observers around the nation because it introduces a private entity into the service provision equation for low and moderate-income earners. Rather than simply negotiate a reduced rate for City residents, the City also insisted that H&R Block remove all lighted signs from their locations that promoted Refund Anticipation Loans (RAL) and required H&R Block tax consultants to promote alternative financial products that are less costly in response to requests for information about the RALs. This is a protection mechanism for the residents using H&R Block's tax services because RALs have enormous fees associated with their immediate advance on tax returns. Oftentimes high pressure sales tactics and limited financial literacy prohibit people from choosing alternatives to the RAL. Through this innovative partnership that is unique to the City of Miami, the City assures that residents receive reduced rates for tax services and are not targeted for extremely costly products such as RALs under the ACCESS umbrella in exchange for a joint marketing and promotion campaign between the City and H&R Block. As a result, the RAL consumption rate in 2005 within City limits was reduced by 14 percent.

This is just one example of the innovation and implications of the ACCESS Miami effort. This partnership alone resulted in more than $18 million put back into the pockets of City residents via H&R Block partnership sites in the 2005 tax season alone along with 356 new IRAs. As partnerships and the leveraging of resources are the backbone of the model, ACCESS pulls from diverse elements throughout the community in addition to the private sector, including FBOs, CBOs, and the school system, all of which have established relationships with various portions of the local community. All of this implies limitless possibilities; limitless because the crux of the model is education and empowerment via the provision of resources and access to benefits which transcend incomes, ages, generations and ethnicities. All too often, the outreach abilities of community development are tied to a specific dollar amount, such as a specific number of units being constructed due to budgetary constraints. Under the ACCESS umbrella, communitywide resources are leveraged and maximized, tapping into various budgets, and resource pools in all three sectors. And as diversification is the foundation of most any successful financial portfolio, the City of Miami has established a diverse collection of public, private and nonprofit partners that have just as diverse infrastructures, resources, clientele, budgets and specialties. As such, ACCESS Miami acts as the glue that binds together these entities and maximizes their resources to the benefit of low and moderate income City residents.

ACCESS Miami's elements of sustainability are not solely rooted in its coordination of resources at the local level. The decreasing supply of federal funds for community development-related activities and the increasing demand for financial education and wealth building tools are coming together to produce a dynamic in which municipalities must assist a great number of residents with a smaller number of corresponding dollars. As indicated by President Bush's proposed budget cuts to community development programs and the elimination of CDBG, relief will not be coming from the federal government. Instead, the opposite will occur. For municipalities such as the City of Miami, which is characterized as an Entitlement Community by HUD, dollars will significantly decrease if the budget is enacted, due to the elimination of CDBG and entitlement communities. This would be devastating to the

City of Miami's Department of Community Development. The result would be a reduction of more than $10 million in community development assistance tied to the City's status as an Entitlement Community and CDBG. Moreover, the State of Florida's proposed capping of the affordable housing trust fund further limits dollars available to municipalities statewide, including Miami. This is then compounded by the low-paying local economy of Miami and the lackluster financial knowledge and spending habits both locally and nationally. In other words, the pool of community development funds is quickly drying up at multiple levels for all municipalities while the need for services, financial tools and resources is drastically increasing for low and middle income earners across the country. As such, the present status of community development affairs in the United States points to a future that requires radical change in order to achieve sustainability. There must be a shift in the community development paradigm that reduces the cost to the municipality, empowers the resident to take part in his/her own financial development and independence and increases the assets of these residents. ACCESS Miami is the wave of the future by shifting the paradigm of local, non-housing community development assistance to Asset-Building Community Empowerment.

Shifting the Paradigm

Asset-Building Community Empowerment is a two-fold approach to sustainable community development. It classifies the residents as the assets of the community but also empowers them to take control of their own financial assets, creating a multi-dimensional asset-building approach to community development; assets-to-assets. This argument for an asset-driven approach to community development which views the residents as the primary building blocks of the greater community and their associated empowerment as the driving force of sustainable community development is reinforced by the words of Bill Traynor, former Loeb Fellow at Harvard University. In his article entitled *Community Development and Community Organizing*, Mr. Traynor advocates for a change in the community development paradigm that steers away from the present "narrowly focused-technical-production related model of community development which is estranged from strong neighborhood control or direction," in exchange for a more resident-driven model:

> A fundamental change is needed in the community development movement-a paradigm shift from this technical/production/service delivery model to one which views neighborhood residents as producers, consumers and leaders who, with access to information, training, and support can shape, steer and influence the future of their neighborhoods-producers who have the capacity to create value; consumers whose collective economic power can be -organized and directed toward the kind of change they and their families need; and leaders who will fight to ensure that change takes place. Housing, jobs, enterprise development, and the other products of the movement are critical to the economic wellbeing of the neighborhood and its people-but they must be the products which people themselves define and demand and they must be the result of a process which is fundamentally empowering (Traynor 1993).

This notion of residents being the assets of the community that create value through economic activity and empowerment is furthered by Robert Reich in his book, *I'll be Short: Essentials for a Decent Working Society*. His thesis is simple and straight forward; in the United States everyone who wants a job should have one, these jobs should financially empower people to lift those workers out of poverty and everyone should have access to a quality education. In the realm of community development, he pointedly states that people need money to escape poverty:

> Here's an idea for helping the bottom half share in the nation's prosperity. Give them, literally, a share in America. Spread capitalism by spreading capital. Rather than just redistribute income to people after they've become poor, give them capital up front to build their fortunes. Give a young family a starter nest egg. Give young adults a capital stake (Reich 2003).

He goes on to give an example of giving people money and the multiplier effect that takes place over time:

> ...Here's how it would work. Families earning under $40,000 would get an annual $600 tax credit, plus another $700 if they deposited $700 of their own money into their account. This adds up to an annual nest egg of $2,000. If they continue saving in this way for forty years, assuming a modest 5% rate of return, their nest egg would accumulate into a brontosaurus egg of over $250,000. Higher income families would get a smaller subsidy. Total cost to taxpayers: about $30 billion a year, most of which would go to poorer families (Reich 2003).

Lastly, he succinctly points out the benefit of the direct benefit of providing access to capital and other wealth-building tools, reinforcing the fundamental purpose of the ACCESS Miami model:

> Instead of redistributing income, redistribute capital. Encourage people to save and depend on their personal choices about how to invest money. This is the way we get the efficiency benefits of a market economy and also the social benefits of a more egalitarian society. It's a twofer... (Reich 2003).

As both Mr. Traynor and Mr. Reich point out and the successes to date of the ACCESS Miami program indicate, the future of sustainable community development lies in the empowerment of residents to improve their own lives. No longer can municipalities simply rely on a system of service and housing provision. Instead, tools of empowerment, wealth-building vehicles and resources must be made available for the use and development of residents. The provision of these tools is merely one component though; they must be enhanced through quality education and the maximization of community resources that tap into the existing social capital between community-based organizations and community members, faith-based organizations and congregations, employers and employees, established community businesses and their clientele, etc. These trusted social networks provide the infrastructure for the successful provision of wealth-building tools from the municipality to the residents. These established social networks are the key to legitimizing the actions of the municipality via the tapping into of established trust relationships through partnerships with reputable community organizations and the private sector. Mr. Traynor writes,

> It is time to shift the paradigm to one that views community development as a broad, resident-led effort to direct, shape and influence the future direction of their neighborhoods. One that views neighborhood residents not as clients but as producers of value, consumers of products and services, and as potential leaders in the transformation of their neighborhoods.

ACCESS Miami is this shift in the paradigm; it focuses squarely on the residents as the producers of value, providing catalysts for empowerment and development in the form of wealth-building tools and education. Unlike traditional community development housing programs that can be severely impacted via changes in the marketplace, as is presently seen in South Florida with skyrocketing property values and building costs that are making the provision of affordable housing by the municipality unsustainable, ACCESS Miami's outreach ability is not strictly limited by the budget dollars committed to the program. Instead, ACCESS uses its leveraging power as a multiplier of budget dollars to directly and indirectly impact the entire Miami population. Hence ACCESS marks the transition to a new era in community development in South Florida via Asset-Building Community Empowerment.

The stage is set for Asset-Building Community Empowerment and the development community must continue to monitor its progress. Although it is young, its components have shown proven successful. As this is a pioneering effort, the implementers of ACCESS Miami must continue to educate themselves and make adjustments to the program based on the needs and demands of the local communities.

This comes by listening to partner organizations and the residents themselves. Trust is the key and the development of the existing social capital at the grassroots level will unlock the shackles of poverty for City residents. This is an incremental learning process and programs must be continuously developed and manipulated to meet the ever-changing needs of the local population. Partnerships must continue to be formed in response to the community needs while enhancing the services already offered. Measurement tools must be incorporated that track information to the end-user level. The City must continue to diversify programs and leverage funding sources, including possible future elements such as a locally administered housing trust fund (independent of the state affordable housing trust fund) and tax credits for low-income residents.

As for other municipalities looking to learn from the ACCESS model, they must realize that a direct transplantation of programmatic components is not advisable. Asset-Building Community Empowerment is defined by the assets of the community; the residents. There are many communities throughout the nation with similar ethnic compositions to the City of Miami, while others differ drastically. Regardless of the population dynamic overlap with Miami, municipalities looking to implement the ACCESS model must only take from those elements that respond to the needs of their respective communities. This is not a one-size fits all solution. Rather, the uniqueness of ACCESS Miami is that it is locally defined and locally implemented, hence the municipality name in the program name. Empowerment is not a universal activity that can be simply implemented by any organization. Instead, empowerment activities and the transmission of empowering information are rooted in trust and individual development, both of which exist at the local level. Therefore, in order to truly maximize community resources, partnerships must be formed with the trusted organizations at the community level. It must be noted, however, that it is the residents themselves who must be seen as the true assets of development and thus the most important element of Asset-Building Community Empowerment. On its maiden voyage of Asset-Building Community Empowerment, ACCESS Miami is uncovering its role as a pioneer in non-housing community development while shifting the modern day community development paradigm to develop community assets via access to financial assets, thus adding value to the most important elements of the community, the residents.

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Appendices

Appendix 1 – CDBG Fact Sheet

(*Taken from the National Community Development Association website www.ncdaonline.org*)

• In FY 2004 alone, 94.9 percent of the CDBG funds allocated to entitlement communities went to activities principally benefiting low- and moderate-income persons and 96.4 percent of the CDBG funds allocated to States went to activities principally benefiting low- and moderate-income persons.

• In FY 2004, CDBG provided funds for thousands of local activities, assisting over 23 million persons and households.

• In FY 2004, CDBG assisted 159,703 households with their housing needs. Of this number, 112,000 owner-occupied single-family homes were rehabilitated, 19,000 rental units were rehabilitated, and more than 11,000 households became new homeowners.

• Over 9 million persons, of whom an estimated 74 percent were low- and moderate-income, were served by new or reconstructed public facilities and infrastructure, including new or improved roads, fire stations, libraries, water and sewer systems, and centers for youth, seniors, and person with disabilities.

• More than 13 million persons received assistance through a wide range of public services, including employment training, child care, victims of domestic violence assistance, transportation services, crime awareness, legal services, and services for seniors, the disabled and youth. Of this number, 1.6 million seniors were assisted through programs that provide meals on wheels and adult day care. More than 1.5 million youth were served by after-school enrichment programs and other activities designed to keep children safe. Child care services were provided to 100,065 children in 205 communities across the country, enabling parents to go to work with the knowledge that their children were in a safe environment. These dollars also funded nearly 700 crime prevention and awareness programs.

• More than 90,637 jobs were created or retained in hundreds of communities throughout the nation.

• For every one dollar of CDBG funding approximately $2.79 in private funding was leveraged in FY 2004.

• CDBG has a good track record in business retention, with over 80 percent of the businesses assisted through the program still in operation after three years.

• CDBG grantees are very efficient in spending their allocations. In 1999, 399 entitlement grantees out of 1,111 were considered “untimely” in spending their CDBG allocation, meaning they had at least 1.5 years of their current allocation remaining to be spent. In FY 2004, 55 entitlement grantees (5 percent) were considered “untimely” by HUD. Currently, however, only 3 (less than 1 percent of all entitlement grantees) of those grantees have failed to meet HUD’s requirement to spend their allocation in a timely manner.

Appendix 2 – ACCESS Miami Programs – City Document Descriptions

Tax Preparation and Financial Services

In 2003, the City of Miami began a creative outreach campaign offering a variety of tax preparation options to its residents. The model offers three distinct service options for its low income residents. First, free tax preparation sites are open to all City residents with convenient locations at 7 Volunteer Income Tax Assistance Sites (VITA), including three public schools, two "super sites" and two Office Depot stores, the City's new corporate partner. Concomitantly, the free internet-based, counselor-assisted Benefit Bank™ program was offered at 11 of the City's NET (Neighborhood Enhancement Team) offices. Finally, a successful partnership with the nation's largest tax preparation firm, H&R Block, was introduced. Under this ground-breaking agreement between the public and private sectors, H&R Block agreed to offer drastically reduced prices to low-income residents at 11 offices. Residents were also given the opportunity to open Individual Retirement Accounts (IRA) while filing, an option that over 470 city residents took advantage of in 2005 year alone.

An agreement was also reached regarding the facilitation of Refund Anticipation Loans. Refund Anticipation Loans are high-interest loans extended to those seeking a faster return, and in turn take a significant percentage out of a low-income working family's refund. The agreement stated that H&R Block would not market these loans in will be adding another six preparation sites throughout the City next tax season. Those interested should note that in order to qualify for the discounted tax preparation rates offered by the H&R Block/City of Miami partnership, those filing must qualify for the Earned Income Tax Credit (EITC). During the 2005 tax season, this partnership assisted 9,258 City of Miami residents, accounting for more than $20 million in total refunds and saving them more than $800,000 in fees. This was a dramatic increase for the 2004 campaign, which logged approximately $1.5 million in refunds. Results stemming from the free tax preparation sites reach $1.14 million and over 760 tax returns prepared in 2004.

The successes of tax preparation outreach program are directly tied to the EITC campaign. Because of this concerted effort to inform Miami residents about the EITC, 80 percent of eligible City residents now claim the credit.

Pastoral Roundtable

The Roundtable is a forum in which representatives from the faith-based community convene quarterly with the mayor to discuss community needs. These meetings are enhanced by City administered break-out sessions to discuss services available to faith-based organizations in relation to their community needs. Between each quarterly Roundtable, programmatic workshops aimed at increasing capacity are held for all faith-based organizations interested in attending, regardless of their religious affiliation. Topics covered include such programmatic and administrative issues as how to operate a

501(c)(3) nonprofit organization, grant-writing, partnering on grants with the City and fund development.

The City of Miami was also recently awarded a Volunteers In Service To America (VISTA) grant for 15 organizations throughout the City, including 7 faith-based and 9 community-based organizations. In conjunction with this grant, the City is further able reach into the faith-based community with the help of the dedicated VISTA volunteers, who are present in these organizations for a minimum of one year, forging a pathway to strengthening the social capital that exists between the City and faith-based community.

Micro-Lending

In an April 2001, the Florida International University (FIU) Metropolitan Center in Miami released an Economic Development Implementation Plan (EDIP) which identified the following:

"Without capital sources for equity and debt, entrepreneurial development in Miami-Dade will continue to suffer. Access to small business loans is especially difficult for start-up and growing companies. For instance, approximately 90 percent of the County's minorities owned businesses are sole–proprietorships. Many of these businesses struggle with accumulating personal business assets to help secure their debts. Mainstream financial institutions, while having increased overall small business lending, still do not have the capacity of business will to finance these small minority-owned business."

In response to this expressed need, the City of Miami embarked on a partnership with ACCIÓN USA, a nonprofit organization whose mission is to make access to credit a permanent resource to low- and moderate-income small businesses. By providing small or "micro" loans to men and women who have been shut out of the traditional banking sector, ACCIÓN and the City of Miami help residents to build their businesses and increase their incomes. The partnership sees business credit as a resource that can help narrow the income gap and provide economic opportunity, thereby stabilizing and strengthening communities and economies and has been able to leverage more than $730,000 in operating grants and $1.7 million in loan capital in the City of Miami. (ACCIÓN 2005)

Since October 2003, the micro lending program has generated over 300 loans totaling more than $1.4 million dollars, with an average loan size of $4,700 and a competitive default rate of 3 percent. This program continues to provide the needed capital to low- to moderate-income entrepreneurs with loan sizes:

- From $500 up to $10,000 for new business start-ups;
- Up to $15,000 for businesses established more than one year but less than two;
- Up to $25,000 for businesses established more than two years.

Matched Savings Program (Individual Development Accounts)

In conjunction with Micro-Business USA, the City offers a Matched Savings Program for those that qualify, which allows qualifying City of Miami residents to open an Individual Development Account (IDA) whereby for every $1 they put into the account, an additional $2 is added. The saved monies must be utilized for saving towards a home, opening a business, or seeking post-secondary education.

The Benefit Bank

The Benefit Bank is an internet-based program that helps clients file or apply for the following:

> Taxes – Federal taxes, including Earned Income Tax Credit, Child Tax Credit, Additional Child Tax Credit, Child & Dependent Care Credit, and the Hope & Lifetime Learning Credit, amended taxes for up to three years and state taxes.
>
> Benefits – Food Stamps, State Children's Health Insurance Plan (including coverage for parents), Child Care Subsidy, Medicaid, Pharmaceutical Coverage for the Elderly, Low-Income Home Energy Assistance (LIHEAP), and Voter Registration.

Designed as a counselor-assisted program, TBB creates dialogue through simple interview questions between the client and the counselor, who navigates them through the screens. When all the questions necessary to fill out the application or tax return are completed, TBB reviews the information, generates the approved applications for signature, and where possible submits forms electronically. (The Benefit Bank 2005)

As clients enter data for one benefit, TBB saves the information for use with another form or benefit. The Benefit Bank stores all of the client information, eliminating the need to type it in again - thereby reducing the amount of time spent filling out multiple applications. For example, once a client has finished filing their federal taxes the application for Food Stamps is 75 percent completed. (The Benefit Bank 2005)

Parent Academy

On May 18, 2005, the Miami-Dade County School Board approved the resolution and project plan for over $1,000,000 presented by the public school system to create the Parent Academy. The Parent Academy will help parents gain the experience and skills they need to guide their children to productive lives. "The goal of the Parent Academy is simple: Empower parents to be effective advocates for their children through information-sharing, skill-building, and personal development. To that end, The Parent Academy will provide parents with an opportunity to take advantage of a smorgasbord of courses. Offerings will include classes in literacy; household, financial, and time management skills; effective parent-teacher communication; and career preparation skills" (The Parent Academy 2005).

The Parent Academy is a countywide initiative in which the City of Miami is the regional model. The City is responsible for providing financial literacy curriculum and the corresponding facilitators while assisting with venues for the classes. The City is also creating links to existing resources, such as the Benefit Bank and the Earned Income Tax Credit during tax season as well as other financial services. In order to do this, the City has turned to some of its partner organizations that specialize in the many diverse areas of financial literacy. These organizations are facilitating the classes while City staff is coordinating scheduling and availability with the Parent Academy. Additionally, the City is working with a financial institution to provide financial products specifically designed for Parent Academy participants. The goal is to provide participants with flexible financial solutions that are sensitive to their needs and are available to them while participating in Parent Academy classes.

The City of Miami and the Parent Academy are in the planning stages of a partnership in which the City of Miami will be a regional model for the countywide Parent Academy. The City will be responsible for providing financial literacy curriculum and the corresponding facilitators while assisting with venues for the classes. We will also look to create links to existing resources, such as the Benefit Bank and financial services to the Parent Academy.

NOTE: The city is looking for appropriate financial services/products that will offer flexible solutions that increase participants' (both residents and small business entrepreneurs) financial success.

Financial Literacy/Community Outreach Workshops

In addition to the programs above, the City of Miami implements projects and workshops to increase the financial literacy of its citizens and small business owners. These efforts include direct community outreach and train-the-trainer style events. Recent workshops have included partnerships with the Mortgage Bankers Association to provide a train-the-trainer series in consumer home buying and Florida Jumpstart to provide financial literacy education for public school system teachers

An ongoing financial literacy effort also exists between the City and the Bilingual Parent Outreach Program (BPOP), an arm of the public school system. BPOP works directly with newly arrived immigrant parents of school children in diverse areas, including adjustment to life in the United States, job skills, personal finances and family life. The City works directly with the curriculum facilitators of BPOP to educate them on the many topics of financial literacy so that the information can then be relayed to BPOP participants. The Miami-Dade County Public School System has more than 88,000 foreign-born students, thus allowing BPOP to provide educational information to over 25,000 families annually.

Appendix 3 - City of Miami Benefit Programs – Promotional Material

If you meet the income requirements for the federal Earned Income Credit (EIC), you may be eligible for additional benefit programs that help working families. We have compiled this abbreviated list of benefit programs available to residents of the City of Miami. For specific program information and whether or not you are eligible, please contact the city agency or program provider directly. This information may change at any time without notice.

Community Programs

- Tax Preparation Services – Every year the City of Miami provides various options for free or reduced price tax preparation services throughout the city. In partnership with H&R Block, there will be additional convenient sites available at a drastically reduced rate. Call 305-416-2188 for future tax sites.

- *The Benefit Bank* (TBB™) is an internet-based, counselor-assisted program that simplifies the process of applying for many state and federal benefits, and helps working individuals and families maximize income tax refunds. **TBB** not only helps individuals determine eligibility for benefits but actually fills-out the benefit applications and prints final applications or tax returns on their proper forms. It even allows for e-filing such returns and benefit applications when possible. Most importantly, **TBB** is free. For more information and the location of a site nearest you, call directory assistance at **311** or Human Services Coalition at 305-576-5001.

- The Matched Saving Fund - $2 DOLLARS FOR EVERY $1 YOU SAVE - Individual Development Accounts (IDA) are supported by the City of Miami and the Federal Government, to help working families and individuals save and accumulate assets from **earned income** to buy a first home, capitalize a business or to use towards post-secondary education. For information call 1-877-722-4505 or 305-438-1407, ext. 215 or visit www.microbusinessusa.org

- Micro-Lending – ACCION USA - Are you a start-up or existing business that has had trouble getting financing for your small business? ACCION USA is a non-profit organization that provides financing and technical assistance to Miami's small business owners. ACCION makes loans from $500 to $25,000. ACCION also assists people in starting a credit history. For more information call 305-548-3360 or visit www.accionusa.org.

Credit Counseling

- Consumer Credit Counseling Service of South Florida – Consumer Credit Counseling Service (CCCS) Certified Credit Counselors work with the individual to set and meet financial goals – whether that means saving for a home, planning for retirement, or paying off debt. Services are confidential, and counselors are available in person, over the telephone, or via the Internet. For more information, please call 1-800-355-2227, or visit www.cccservices.com

Health

- Florida KidCare open enrollment. Please call 305-468-KIDS (5437) or 1-888-540-5437 or visit www.floridakidcare.org
- City of Miami Health Care Providers - These health centers provide comprehensive primary healthcare that is culturally and linguistically diversified to serve the many different ethnic groups residing in Miami. For information please call one of Jackson Health System primary care clinics listed below:

Rafael Penalver Clinic 971 N.W. 2nd St Miami, FL 33128 305.545.5180	**Jefferson Reaves Health Center** 1009 NW 5th Ave, Miami, Florida 33136 305.577.0093 x300	**Liberty City Health Services Center** 1320 NW 62nd St., Miami, FL 33147 305.835.2200

Housing

- City of Miami Community Development Housing Division - The City has many different programs to assist homeowners and potential homebuyers. The First-Time Homebuyer's program provides down payment and closing cost assistance for eligible families to buy their first home. The City also provides subsidies to private developers throughout the City to provide affordable housing units for purchase or renting. In addition, the Single Family Rehabilitation program provides low-interest deferred loans to homeowners in the City of Miami to repair their properties. For more information, call 305-416-2012, or visit http://ci.miami.fl.us/communitydevelopment/HousingDivision.asp

- Florida Housing Finance Corporation: Provides funding to developers to provide affordable rental housing throughout the State. For more information about rental housing funded by Florida Housing in the City, call (850) 488-4197 or visit http://www.floridahousing.org/FindApartment.aspx

Job Skills

- One Stop Centers – These centers offer job placement, job training and guidance, with ESL programs for Hispanic and Creole students. In addition, the centers may provide childcare and other services for students. For more information, call one of the centers listed or visit www.southfloridaworkforce.com

Miami Downtown One-Stop Career Center Operated by: SER Jobs for Progress 3050 Biscayne Blvd., 4th Floor Miami, FL 33137 Tel: (305) 573-7301	**Little Havana One-Stop Career Center** Operated by: Youth Co-Op, Inc. 701 S.W. 27th Avenue Miami, FL 33135 Tel: (305) 643-3300

Appendix 4 - Tax Preparation Campaign Recap

Free Tax Sites: Super Sites include: Orange Bowl and Corpus Christi Church. **New partners** include: Office Depot (two sites 27th & Coral Way), two elementary schools: Riverside and Southside and Lindsey Hopkins Technical Center.

Free Tax Sites Results

2005 City Tax Sites	Accepted	Average EIC	Total EIC	Requesting Direct Deposit	Average AGI	Total Refund Amt	Average Refund Amt
Super Site Total	705	$1,564	$589,439	301	$15,342	$1,064,300	$1,432
NET Office Total	21	$1,398	$22,174	6	$14,388	$38,286	$1,338
New Locations/Partners	43	$1,375	$25,717	20	$14,854	$41,346	$1,119
Grand Total	**769**	**$1,574**	**637,330**	**327**	**$17,691**	**1,143,932**	**$1,568**
Total 2004	1,152					$1,574,784	$1,367
Inc/Dec (-)	-33%					-27%	15%

H&R Block Partnership Sites: 11 locations include; three existing offices, six new offices for 2005 including: Little Havana, Little Haiti and Overtown and two offices with Coral Gables addresses that are on the edge of the City of Miami and serve mostly Miami residents.

Partnership Results

Total Partnership returns COM region	Total returns H&R offices bordering COM region	Average EITC only refund COM region	Average total refund COM region	Total IRA opened COM region	Average starting deposit	Average monthly contributions to IRAs	# of Debit Plus accts opened COM region	# of Debit Plus accts opened Miami region
8,026	400	$2,032	$2,239	356	$470	$56	13	24

H&R Block Partnership Impact:

Tot Returns 8,426 Avg Refund $2,239 → Total $18,865,814

Benefit Bank Tax Sites: The new Internet eligibility tool was deployed in 11 NET offices as an alternative way to prepare taxes. This year-round tool will be able to assist residents with other benefits such as Food Stamp enrollment (April 2005), Medicaid / Kid Care (May 2005), Silver Care (prescription assistance for seniors), Low Income Home Energy Assistance Program (LIHEAP), voter registration and child care subsidy and federal back and amended taxes.

Benefit Bank Results

Month	TOTAL REFUND VALUE	CTC	EIC
Total	**$82,498**	**$14,286**	**$34,097**
	63		
	$1,309		

Benefit → $82,498

TOTAL REFUND IMPACT: $20,092,244 TOTAL RESIDENTS SERVED: 9,258

Cost savings to City Residents:

Program	# of returns	Fee savings
Free tax sites*	769	$69,210
H&R Block sites**	8,426	$758,340
Benefit Bank*	63	$5,670
Total	**9,258**	**$833,220**

*Average tax preparation fees are $90 for Miami Dade County

** Additional saving to those who opened IRAs and Debit Plus Accounts - $25 for each not incl.

City residents take advantage of savings and banking opportunities

City of Miami residents who opened IRA and Debit Plus accounts – 356 IRA and 13 Debit Plus accounts with average deposits of $470 or **$167,320**.

Appendix 5 - ACCESS Miami Programmatic Budget, FY 2006

ACCESS MIAMI – Create a recognizable and marketable overarching theme that would assist in providing continuity to program elements in the Mayor's former Poverty Initiative. Four cornerstones comprise ACCESS Miami: access to existing benefits, access to capital, increase assets and accumulate wealth and improve financial literacy. A.C.C.E.S.S stands for; Assets, Capital, Community, Education, Savings and Success.

Tax Preparation Campaign

Program Segment	Description	Amount	Total
Tax Prep Sites	Phone Bank	165,000	
	Site Coordinators	25,000	
	Marketing Materials	25,000	$215,000
H&R Block			
	Billboard Placement	5320	$5,320
Total			**$220,320**
	Goals		
	Tax Prep completed	12,000	
	29% increase over last year		
	Cost per return	$18.36	

Workforce Programs

Program Segment	Description	Amount	Total
H&R Block campaign to hire and training city residents for tax services	Train & hire 2,000 residents Materials and awareness	100,000	$100,000
Total			**$100,000**
	Goals		
	Train and placement	2,000	
	Cost per placement	$50.00	

Micro Lending

Program Segment	Description	Amount	Total
Micro Lending	City wide lending program to assist small business growth	200,000	200,000
Total			**$200,000**
	Goals		
	New loans generated	200	
	Cost per placement	$1,000.00	

IDAs (Individual Development Accounts)

Program Segment	Description	Amount	Total
Matched Saving Program	YWCA Program Funding Materials and subsidies	150,000	$150,000
Total			**$150,000**
	Goals		
	Residents in program	100	
	Cost per savings match	$1,500.00	

Financial Literacy

Program Segment	Description	Amount	Total
Financial Literacy	Events	3,000	
	Parent Academy	10,000	
	Accion Business Seminars	10,000	
	Training & Materials	15,000	$38,000
Total			**$38,000**
	Goals		
	Residents in program	2,000	
	Cost per resident attendee	$19.00	

The Benefit Bank

Program Segment	Description	Amount	Total
The Benefit Bank	Implementation of new benefits	3,000	
	Development cost of new benefits	60,000	
	Training & Materials	10,000	
			$73,000
Total			**$73,000**
	Goals		
	Residents in program	2,000	
	Cost per resident assisted	$36.50	

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Programs with no direct cost component

- **311/CitiStat** – Introduce all ACCESS programs into 311 services. The directory assistance type of service will enable residents to be directed to appropriate services by using "key word" searches. Also introduce next year's tax preparation sites and screening to eliminate $150,000 in costs.

- **Pastoral Roundtable** – Restructure the Mayor's initiative to include a general session and two break-out sessions. First meeting under new format was completed on April 27. Break-out sessions included the Mentoring Initiative and our Match Savings Fund Program. Pastoral Roundtables will be held once each quarter with training sessions in between on such items as setting up a 501c3, budgeting, board development, fundraising and grant development.

- **Grants –** Estimation of future grants is difficult but should be budgeted if we are to be prepared to take advantage of potential opportunities.
    - **VISTA volunteer grant**
    - **Compassion Capital Grant**
    - **Grant to help Dade County manufacturers** – Florida Manufactures Extensions Partnership have reached out to us to assist them with grant monies available to train current employees and/or improve efficiencies, quality and methodologies.

Total Budget

Program Segment	Description	Amount
Tax Prep Campaign	H&R, Free tax sites and Benefit Bank	220,320
Workforce	Training and placement of residents	100,000
Micro Lending	City wide lending program	200,000
IDAs	New program funding	150,000
Financial Literacy	Various initiatives	38,000
Benefit Bank	Implementation of benefits	73,000
Total		$781,320