

PUBLISHED QUARTERLY
BY THE COMMUNITY
DEVELOPMENT
DEPARTMENT OF
THE FEDERAL RESERVE
BANK OF ST. LOUIS

BRIDGES

WWW.STLOUISFED.ORG

INDEX

2

Going Digital? News from the Managing Editor

4

Bank On Louisville Helps Lead the Way to Financial Empowerment

St. Louis Community Credit Union's Newest Branch Represents Innovative Community Partnership

6

Are All Types of College Financial Aid Created Equal?

By William Elliott

One of the primary research questions driving the work of the Assets and Education Initiative (AEDI) at the University of Kansas is this: Are all types of college financial aid created equal? Increasingly, the evidence suggests that the answer may be “no”—that asset approaches to helping children pay for higher education may yield superior educational outcomes and may provide for a better future than relying on student loans.

Compared to students without savings designated for college, those with college savings are twice as likely to be on course

for college completion.¹ While research about the precise psychological, social and institutional mechanisms through which these effects are realized is still evolving, it is increasingly clear that saving changes how students think about college. Importantly, because assets accumulate as students

tion remains—Does saving for college only make a difference in students' achievement at the point when they have saved enough to pay most of their college expenses? If so, how can systems be designed and financed to provide adequate savings, especially for low- and moderate-income (LMI)

Having a school savings account with even \$1 or less increases the odds that a child will enroll in college.

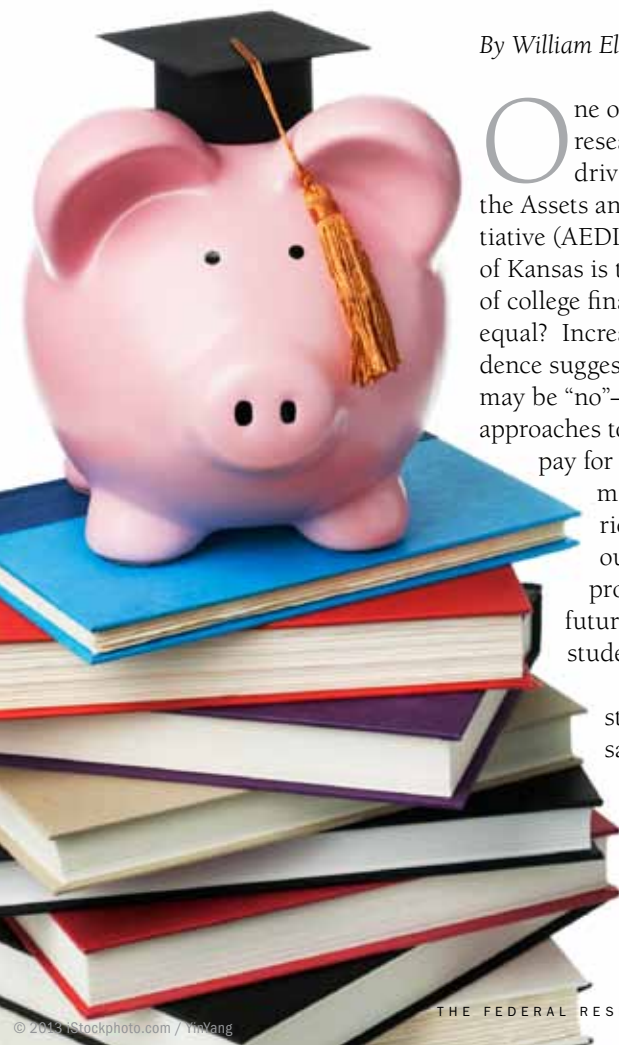
progress toward college, the changes in educational expectations and behavior that occur can improve academic performance, helping them prepare both financially and intellectually for higher education.²

Evidence of these educational outcomes through students' careers has contributed to interest in children's savings. However, the ques-

students whose families are unlikely to be able to contribute significantly?

Some of AEDI's recent research suggests that even very small account holdings may yield significantly better educational outcomes than a complete absence of savings. Having a school savings

continued on Page 3



Going Digital?

News from the Managing Editor



Daniel Davis

In the Spring 2012 issue of *Bridges*, we announced the transition of the newsletter to an online-only publication. So, why am I bringing this issue back to your attention? Well, as a part of the process, we asked that you provide your e-mail address in order to receive alerts for new issues of the newsletter. You were definitely paying attention.

Reader responses were amazing, heartfelt and greatly appreciated. Obviously, this is not an issue that people ignore. Many subscribers strongly

supported retaining the print version, while some did prefer online only, and a few would choose access to both the print and online formats. Looks like we all have our preferred methods of reading *Bridges*!

You spoke. We listened. We truly do not want to take the plunge into the digital world and leave any of our loyal readers behind. So, we've reached what we hope is a compromise that delivers a win-win to all of us.

Beginning with the next issue, we will continue to print and mail *Bridges* to subscribers for whom we do not have an e-mail address. Those with e-mail addresses will receive notification that the newsletter is live and available online. We will not accept any new subscriptions for print copies. All digital subscribers will be able to print the newsletter if they wish and save and retrieve copies easily.

There are numerous other benefits of providing your e-mail address. Increasingly, that is how we communicate. We can ensure that you receive invitations to our events, lists

of resources and notifications of special projects, to name just a few. You can unsubscribe at any time (but we don't think you'll want to!). So, if you haven't provided us with your e-mail address, please take a moment to do so at www.stlouisfed.org/br/subscribe.

BRIDGES ONLINE

If you haven't provided us with your e-mail address, please take a moment to do so at

www.stlouisfed.org/br/subscribe.

Bridges will appear online in the same familiar format subscribers are accustomed to; so, they will be able to read through the publication on their computers or tablets in the same manner as they did with the print version. And we will continue to work to make the newsletter available on a wider range of mobile devices.

The advantages of the online version are many, including expanded coverage, easy linking to external web sites, use

of supplemental material (e.g., sidebars, primary documents) and multimedia (e.g., video, audio, interactive illustrations) to bring stories to life, and being a bit more gentle on the earth.

One thing that will definitely not change is our commitment to meet the news and information needs of our readers. We hope that you will join us in this move into a digital future and share the newsletter with your friends and colleagues in community development and related fields.

We invite you to send us your comments and suggestions on how we can continue to serve you most effectively in the digital age.

A handwritten signature in black ink, appearing to read 'Daniel Davis', with a stylized flourish at the end.

Daniel Davis is managing editor of *Bridges* and manager of community development at the Federal Reserve Bank of St. Louis.

College Financial Aid

continued from Page 1

account with even \$1 or less increases the odds that a child will enroll in college.³ Obviously, these small amounts of money do not make a huge difference in students' actual college financing, but they may help students see themselves as *people who go to college*—what is often called a “college-bound identity.” Just opening an account and designating some of that money for higher

education may turn college into an important goal rather than just a dream, with a strategy for how to overcome cost barriers. These differences in outcomes are sustained throughout the college experience; for example, a student who has designated school savings from \$1 to \$499 is more than four and a half times more likely to graduate from college than a child with no savings.³ (See Table 1.)

This is not to say that policies that provide matches for students' savings and use

These small amounts of money ... may help students see themselves as people who go to college—what is often called a “college-bound identity.”

institutional structures to facilitate larger balances are not important. Indeed, these educational outcomes mostly follow a pattern of increasing strength as deposits grow. (See Table 1.)

Given that research suggests that designating savings for school with very little money can have a positive effect on LMI students enrolling in college, and that even a small amount of savings designated for school (\$1 to \$499) can have a positive effect on those students continuing to graduation,⁴ supporting students' savings may be a path to college financing that deserves additional investigation.

Additionally, it may be true that relying heavily on student loans jeopardizes the long-term financial health of U.S. households.⁵ In contrast, there is evidence to suggest that children's savings can improve the balance sheets of families.⁶

William Elliott is the founding director of the Assets and Education Initiative (AEDI) at the University of Kansas, School of Social Welfare, in Lawrence, Kan.

ENDNOTES

- 1 Elliott, W., and Beverly, S. (2011). “Staying on course: The effects of savings and assets on the college progress of young adults,” *American Journal of Education*, 117(3), 343-374.
- 2 Elliott, W., Jung, H., and Friedline, T. (2011). “Raising math scores among children in low-wealth households: Potential benefit of children's school savings,” *Journal of Income Distribution*, 20(2), 72-91.
- 3 Elliott, W. (2012). “Small-dollar children's savings accounts and children's college outcomes,” *Children and Youth Services Review*. <http://dx.doi.org/10.1016/j.childyouth.2012.12.015>.
- 4 Freidline, T., Elliott, W., and Nam, I. (2012). “Small-dollar children's savings accounts and children's college outcomes by race,” *Children and Youth Services Review*. <http://dx.doi.org/10.1016/j.childyouth.2012.12.003>.
- 5 Elliott, W., and Nam, I. (2012). *Are the negative effects of student loans on family net worth jeopardizing the long-term financial health of US households?* Paper presented at “Restoring Household Financial Stability After the Great Recession: Why Household Balance Sheets Matter,” St. Louis, Mo. Also see Mishory, J., O'Sullivan, R., and Invincibles, Y. (2012). *Denied? The impact of student debt on the ability to buy a house*. Retrieved Nov. 9, 2012, from Young Invincibles <http://younginvincibles.org/wp-content/uploads/2012/08/Denied-The-Impact-of-Student-Debt-on-the-Ability-to-Buy-a-House-8.14.12.pdf>.
- 6 Ashby, J., Schoon, I., and Webley, P. (2011). “Save now, save later? Linkages between saving behaviour in adolescence and adulthood,” *European Psychologist*, 16(3), 227-237.

TABLE 1

Correlation of Savings Accounts with Educational Outcome

Savings Account	Educational Outcome ³	
	Enroll in College	Graduate from College
School-designated savings of \$500+	72%	33%
School-designated savings of \$1-\$499	65%	25%
School-designated savings of <\$1	71%	13%
Savings, but not designated for college	49%	8%
No account	45%	5%



Bank On Louisville Helps Lead the Way to Financial Empowerment

© 2013 Shutterstock.com / Todd Taulman

By Tina Lentz

Over the last five years, Louisville has made tremendous strides in its financial empowerment integration efforts through the city's ability to convene stakeholders across all relevant sectors and the work being done to increase the financial capability of clients seeking social services. The Bank On Louisville (BOL) initiative has served as an engine to drive many of these efforts.

BOL's roots emerged in response to the 2009 FDIC National Survey of Unbanked and Underbanked Households, which reported that Louisville had a combined 76,500 households that fell into those two categories. In 2010, after nearly 18 months of collaboration from public, private and nonprofit sectors, BOL was launched through an innovative partnership between two Louisville Metro Government departments—Community Services

and Revitalization (CSR) and Economic Development.

CSR now spearheads this initiative, with 16 banks and credit unions and more than 100 community organizations, faith-based and government agencies in support. In August 2012, two years after its launch, BOL celebrated the opening of 10,144 new accounts, representing those who were previously unbanked by choice or were in need of a second chance. (See Figure 1.) Of these accounts, 85 percent have remained open.

In addition, BOL financial education provider partners across the community reported that last year 1,693 participants were engaged in topics that included budgeting and saving, financial goal setting, building and maintaining good credit, predatory lending, and homeownership. (See Figure 2.) For a summary of BOL's accomplishments, visit www.bankonlouisville.com.

Louisville Mayor Greg Fischer, a strong supporter

of BOL, helped to establish strategic goals for 2012-2013, which include:

- 35 percent increase in account openings,
- 100 percent increase in financial education participation and
- 30 percent increase in partners.

BOL's impact in the community reaches much further; the initiative has served as a catalyst for the receipt of a grant from Living Cities, member-

ship in the Cities for Financial Empowerment (CFE) coalition and a unique partnership with HelloWallet.

Living Cities Grant

In January 2012, due in large part to the work being done by BOL, Louisville was selected to receive a \$164,000 grant from Living Cities to boost financial empowerment strategies among service providers for the city's homeless population. The funds provide an opportunity

FIGURE 1
Increase in Open Accounts, July 2010 through June 2012



to work closely with more than a dozen social service providers to create a financial empowerment framework and build capacity within the agencies to increase access to empowerment services and resources.

As the social services provider for Metro Government, CSR assists thousands of Louisville residents each year with a variety of programs, including emergency financial assistance, household income supports, energy aid and nutrition programs, supportive services to families who are homeless or at-risk of being homeless, as well as education, training and employment opportunities.

By championing the need for further integration of asset-building strategies, CSR and other partners hope to improve the financial stability of clients they serve; address the ever-increasing demand on public resources; and create a model that can be replicated by other

social service providers to generate a much broader system-wide change.

Cities for Financial Empowerment Coalition

In April 2012, citing the work that the city has done in improving the financial health of its low- to moderate-income (LMI) residents through BOL and other initiatives, Louisville was invited to join 11 other municipalities that comprise the CFE coalition. Launched in 2008 by the mayors of New York City (Michael Bloomberg) and San Francisco (Gavin Newsom), the group brings together local governments interested in advancing programs that increase financial security for struggling households.

Membership in this coalition of officials from Chicago; Hawai'i County, Hawaii; Los Angeles; Miami; Newark; New York; Providence, R.I.; San Antonio; San Fran-

cisco; Savannah, Ga.; and Seattle can greatly influence Louisville's momentum as a municipal leader in financial empowerment.

HelloWallet Partnership

In December 2012 BOL embarked on an innovative partnership with HelloWallet, which generously

and share lessons learned to support other BOL partner agencies that will participate in the HelloWallet program in the future.

Financial Empowerment Summit

The Living Cities funding is also providing an opportunity for Louisville to hold a Financial Empowerment Sum-

Bank On Louisville ... has served as a catalyst for the receipt of a grant from Living Cities, membership in the Cities for Financial Empowerment coalition and a unique partnership with HelloWallet.

donated 1,000 free two-year subscriptions valued at \$90,000. This web- and mobile-based application helps its subscribers/members better manage their financial life by helping to grow savings, pay down debt, plan for their future and manage their financial responsibilities through personalized, independent guidance.

Family Scholar House and Community Action Partnership—two of BOL's community partners that work with LMI households—are serving as pilot agencies for HelloWallet. Caseworkers at these organizations will assist in introducing the app to clients. They will also track progress

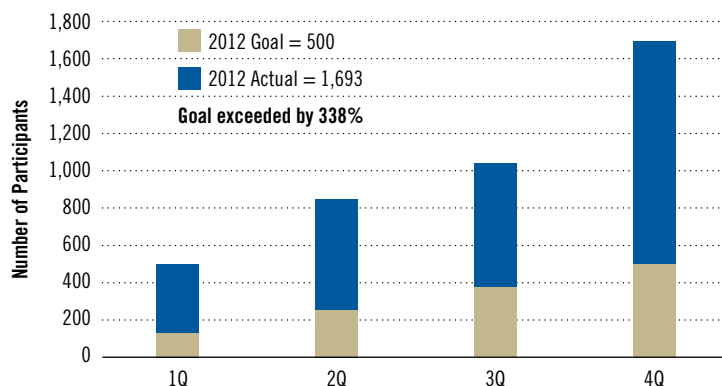
mit in March 2013 to enhance public, private and community partnerships with a focus on financial empowerment and a goal of developing a community-wide strategy.

For more information about the BOL initiative, visit www.bankonlouisville.com. To learn more about the Department of Community Services and Revitalization and other related programs and initiatives, visit www.louisvilleky.gov/csr.

Tina Lentz is executive administrator for Louisville Metro Community Services and Revitalization, and program administrator for Bank On Louisville.

FIGURE 2

Financial Education Cumulative Participation Numbers (across 10 partners)



St. Louis Community Credit Union's Newest Branch Represents Innovative Community Partnership

Micro-branch Becomes Oasis in St. Louis Financial Services Desert

By Jeanne C. Marra

On the morning of January 24, representatives from St. Louis Community Credit Union (SLCCU), Carrollton Bank and Kingdom House joined with St. Louis community members at large to celebrate the opening of a new micro-branch of SLCCU and the partnership that made the branch possible.

The morning had all the fanfare you would expect from a typical ribbon-cutting ceremony—balloons, food and speeches from leadership. But what stole the show were two opening songs by smiling 4- and 5-year-olds from the Blue Room preschool class at Kingdom House, who represent the families and shared commitment behind the celebration itself.

An Oasis in a Financial Institution Desert

The 310-square-foot micro-branch is located within the Kingdom House social services facility just south of downtown St. Louis. The branch is SLCCU's 11th location.

"The newest Kingdom House branch speaks to our unwavering commitment of providing access and financial empowerment to individuals who need our services," said



LEFT TO RIGHT: Tim Butler (board member, SLCCU), Jasmine Guest (member services representative, SLCCU), Scott Walker (executive director, Kingdom House), Tom Hough (CEO, Carrollton Bank), Gerald Brooks (board chairman, SLCCU), Angela Brooks (board member, SLCCU) and Karen Kizeart (branch manager, SLCCU).

Patrick Adams, president and CEO of SLCCU. "We look forward to working with Kingdom House clients and area residents to provide affordable, alternative banking options that they deserve."

Scott Walker, executive director of Kingdom House, said that the new micro-branch is especially valuable to the community that it serves because it is situated in what was previously known as a "financial institution desert." "There is nothing close by, within walking distance or even a bus ride away until you go to the downtown area," Walker said.

For more than 110 years, Kingdom House has been an

anchor in the low- to moderate-income (LMI) community, offering a variety of transformative community services that annually help thousands to achieve self-sufficiency and gain economic independence. Using a holistic service approach with individuals and families, Kingdom House offers child care, food and clothing assistance, educational programs, job training, youth and teen programs, and senior companions. According to Tom Hough, CEO of Carrollton Bank, it makes sense that Kingdom House would lead the charge to also offer financial literacy training and basic banking services, loans, low-fee checking and credit-building

programs through its partnership with SLCCU.

"At Kingdom House, we have been working on developing pathways out of poverty for our clients, and life-skills classes have been a part of that," Walker said. "The financial literacy classes that have been offered here by Carrollton Bank and St. Louis Community Credit Union, and the new branch, are a big piece of connecting the dots among our various services."

Officially launched with a soft opening in mid-December, the micro-branch opened almost 40 new accounts within the first few weeks and extended \$10,000 in small-dollar loans, such as the Freedom

Loan, a payday loan alternative; Credit Matters, a credit-builder loan; and Payday Saver, a payday consolidation loan. The branch is currently open three days a week—Mondays, Wednesdays and Fridays.

Additional Partnership Initiatives

The partnership between SLCCU and Carrollton Bank formally began in May 2012, when they announced a 4-year, \$800,000 collaborative agreement to increase lending, provide greater access to affordable

Carrollton and SLCCU have joined together to open and operate the CU Excel Center, a financial literacy and life-skills education facility located in Northwoods, an LMI suburb of St. Louis. The center offers free consumer resources, financial education classes and seminars to the public, taught primarily by employees from the two organizations, with help from partner community groups.

Practicing what it preaches, Carrollton is also providing a \$500,000 loan fund for small-

similar mission-mindedness and commitment to make a sustainable difference in their communities.

Gerald Brooks, chairman of SLCCU, described the initiative at the ribbon-cutting ceremony as a special partnership that “puts to bed the myth that credit unions and banks can’t work together.”

By focusing on what draws these institutions together and using innovative strategies to capitalize on organizational

assets, these three community partners have created an innovative model that has resulted in a win-win outcome for their own organizations and their communities.

Brooks summed it all up: “When a community thrives, we all thrive.”

Jeanne C. Marra is a senior community development specialist at the Federal Reserve Bank of St. Louis.

“The newest Kingdom House branch speaks to our unwavering commitment of providing access and financial empowerment to individuals who need our services.”

—Patrick Adams, president and CEO of SLCCU

services and expand financial education to the local underserved and LMI population. SLCCU is a certified CDFI that has more than 50,000 members and more than \$220 million in assets. Eighty percent of its customers are considered LMI. Carrollton Bank is a privately held, employee-owned bank with nine offices and more than \$1 billion in assets.

“St. Louis Community Credit Union lives to serve the underserved community,” says Hough. “Really, no one does that in our industry. We are very fortunate to work with them.”

In addition to the new micro-branch at Kingdom House,

dollar loans, such as SLCCU’s Freedom Loan and Credit Matters. In addition, Carrollton also offers two additional loan programs not currently offered at the credit union—low-down-payment FHA home loans, available at SLCCU offices, and commercial loans to area business owners.

Unlikely Partnership Results in Win-Win

As a credit union and a bank, the two institutions operate under different charters, which would normally become a wedge between them working together. What connects them as partners, they say, is their



TOP: Preschool children at Kingdom House were part of the celebration of the new chapter in their community’s history. BOTTOM: Tom Hough (left) from Carrollton Bank and Patrick Adams (right) from SLCCU forged a unique partnership between bank and credit union, dedicated to make a difference in their communities.

Bank-On Save-Up Kicks Off in St. Louis

By Jeanne C. Marra

Bank-On Save-Up St. Louis, a community-based financial education and public awareness campaign, recently launched in the St. Louis metro community. The initiative has set a goal to open 20,000 new bank accounts for unbanked St. Louis metro residents over the next two years, and to maintain or grow 80 percent of those accounts.

The St. Louis effort is modeled after Bank On initiatives in other cities and is designed to increase access to mainstream financial products and services among low- and mod-

erate-income (LMI) individuals. The Community Development department at the Federal Reserve Bank of St. Louis is partnering with campaign organizers by serving as the official data collector and will report its findings quarterly to sponsors of the campaign, the St. Louis Regional Unbanked Task Force (Task Force).

According to Alex Fennoy, director of community development at Midwest BankCentre and co-chair of the effort, the initiative began almost three years ago, after the first of two FDIC studies revealed the high number of unbanked households in the St. Louis area. After learning that 88,000 households—7.6 percent—in the St. Louis metro were unbanked, and that St. Louis ranked first in the nation with the highest percentage of unbanked African-Americans, a number of financial institutions and community partners formed the Task Force. A subsequent study conducted by the FDIC in 2011 and released last fall echoed the need, revealing that 111,000 St. Louis metro households—9.7 percent—do not have bank accounts. African-Americans comprise 33.9 percent of those households, making St. Louis third in the nation for unbanked African-Americans.

The Task Force formed a steering committee to study

the issue and began a formal process two years ago to identify ways to address the needs of the unbanked. This group and each of its subcommittees are comprised equally of bank and non-bank partners—what Fennoy calls the yin and the yang. “The process has been a true collective, collaborative, group effort,” he said.

no-cost accounts, low minimal dollar amounts to open accounts, free online banking services, and safeguards to help customers avoid overdraft and other fees. The collaboration component with community partners made this effort a great fit as well.

Today, Bank-On Save-Up St. Louis is comprised of 18



“We looked at every national initiative that’s out there. We had to decide: Do we create something ourselves, or is there already something that makes sense,” explained Fennoy. Lisa Potts, case manager at People’s Community Action Corp., and coordinator for the Task Force, added, “We brought in a lot of experts who had touched not only Bank On [programs] but also other asset-building initiatives to see what was best for our community.”

Both agree that the decision of the steering committee to adopt a Bank On effort in St. Louis was ideal because of its promotion of low-cost or

participating financial institutions and more than 40 community partners.

Fennoy said that enrollment in a participating Bank-On Save-Up account will help LMI families save money by avoiding costly alternative financial providers, such as check-cashing companies and payday lenders. By using bank accounts instead of these alternative sources, families can save hundreds of dollars annually—as much as \$1,200. He also stressed the importance of the savings component of the Bank-On Save-Up effort.

“In the meetings we held with both financial institutions and nonprofits, they

WHAT QUALIFIES AS A BANK-ON SAVE-UP ACCOUNT?

- Opening deposit of \$100 or less
- Minimum monthly balance (\$0 - \$100)
- Free online banking
- Free ATM/debit card
- Low- or no-cost checking account (\$10 or less account fee)
- Low- or no-cost savings account

Strongly encouraged:

- Consider alternative forms of ID
- Promote direct deposit
- Encourage financial education
- Offer second-chance checking options

kept telling us that getting a bank account wasn't the be-all, end-all," Fennoy said. "That's why we wanted the Save-Up component, because you're starting to build assets, and that's critical when moving from the alternative financial services into the mainstream. You've got to build assets, even if it's \$5 a month. Start saving."

Financial institutions will partner with community-based organizations to engage in outreach activities and financial education opportunities that campaign coordinators consider critical to the success of the initiative. Classes and training sessions will be available to partici-

outcomes, but also for its potential social impact. "At the Fed, we have worked with Bank On initiatives in other cities and have learned that the empowerment that comes with using mainstream financial services has a widespread and generational impact on communities. Research has documented that those who use bank accounts and learn to save are more likely to graduate high school, are less likely to be incarcerated and will more likely pursue higher education than those who do not. This is not just a financial issue; it has ramifications in the community as well. I'm delighted that this effort is being driven by the

Research has documented that those who use bank accounts and learn to save are more likely to graduate high school, are less likely to be incarcerated and will more likely pursue higher education than those who do not.

pants free of charge and will cover a variety of topics, including the benefits of mainstream banking, savings tips and opportunities, and debt-management strategies.

St. Louis Fed Community Development Officer Yvonne Sparks considers the Bank-On Save-Up initiative important for the community not only with regard to economic

community, and that so many financial institutions are taking on this role."

For more information on Bank-On Save-Up St. Louis, visit www.getbankednow.org.

Jeanne C. Marra is a senior community development specialist at the Federal Reserve Bank of St. Louis.

RESOURCES

CFED Releases 2013 Assets & Opportunity Scorecard

Despite strong signs of economic recovery, millions of Americans are still living on the brink of financial disaster, according to CFED's 2013 Assets & Opportunity Scorecard. <http://assetsandopportunity.org/scorecard/>

Philanthropy in the New Age of Government Austerity

How are philanthropists who pursue social change revising their strategies to align with the current economic climate? www.bridgespan.org/getattachment/44f7da17-6296-4581-8daa-2dd359bb313d/Philanthropy-in-the-New-Age-of-Government-Austerit.aspx

Best-Performing Cities 2012

The Milken Institute—whose mission is to improve lives around the world by advancing innovative economic and policy solutions that create jobs, widen access to capital and enhance health—has released its report on last year's best-performing cities. This index ranks U.S. metropolitan areas by how well they are creating and sustaining jobs and economic growth. <http://bestcities.milkeninstitute.org/best-performing-cities-about.html>

Census Bureau's American Community Survey Estimates

The U.S. Census Bureau recently released estimates from the American Community Survey for the combined years from 2007 to 2011, providing the only statistics down to the neighborhood level on school enrollment, jobs, housing and many other measures. www.census.gov/newsroom/releases/archives/american_community_survey_acs/cb12-228.html

U.S. Economic Development Administration's Triple Bottom Line Tool

The U.S. Economic Development Administration has created an online tool that can be used to improve design, decision-making and communication about investment alignment with triple bottom line (TBL) goals for social, environmental and financial performance. The tool was developed with significant practitioner input and is responsive to a wide range of communities. www.tblltool.org

SPANNING THE REGION



THE REGION SERVED BY THE FEDERAL RESERVE BANK OF ST. LOUIS ENCOMPASSES ALL OF ARKANSAS AND PARTS OF ILLINOIS, INDIANA, KENTUCKY, MISSISSIPPI, MISSOURI AND TENNESSEE.

1 Million Cups Launches in St. Louis

1 Million Cups, a program originated in Kansas City, has expanded to St. Louis. Innovate St. Louis, through its Information Technology Entrepreneur Network (ITEN), serves as the program organizer, helping St. Louis entrepreneurs connect with one another over coffee.

For one hour each Wednesday morning at the studios of the local PBS station, 1 Million Cups gives two early-stage startups the opportunity to present their companies to a diverse audience that includes mentors, advisers, researchers, builders, makers, and aspiring and existing entrepreneurs. In the education-based forum, each startup founder presents for six minutes and then fields audience questions for 20 minutes more. For more information, visit www.1millioncups.com or follow @1MillionCups on Twitter.



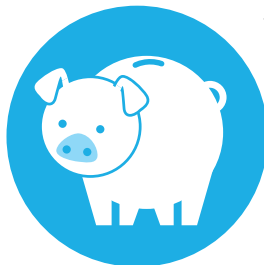
The Need To Rebuild Household Balance Sheets

The net worth of many U.S. households was severely impacted by the financial

crisis and ensuing recession. Severe declines in home values and stock prices, together with many job losses and

weak income growth among those who held on to their jobs, exposed the precarious debt-laden balance sheets many families had created.

In the upcoming annual report of the Federal Reserve Bank of St. Louis, find out which groups of people lost the most wealth because of the downturn in the economy, why it's important for those households to rebuild their balance sheets and what the latest research has to say about the impact of household financial stability on the broader economy. Many of the families with weak balance sheets going into the crisis have yet to recover financially, while others, who were better diversified and had less debt, have benefited from rising stock prices and low interest rates. Thus,



the economic recovery to date has been bifurcated among households of varying balance-sheet strength and remains weak overall.

To sign up for an e-mail alert when the annual report is published this spring, or to subscribe to the paper version (U.S. addresses only), see www.stlouisfed.org/subscribe.

Historic Soulsville, Tenn., To Receive Access to Broadband

A new wireless, broadband network is coming to help Soulsville small-business owners and residents create jobs and boost their economic opportunity. The Delta Regional Authority (DRA) is proceeding with a new \$250,000 investment, coordinated through the Community LIFT Corp., to establish a Wi-Fi network that will allow residents to work, learn and fully utilize information technology in their daily lives.



This innovative project will have significant business development implications in the Soulsville community by giving area businesses a larger capacity for innovation, efficiency and communication. The investment will also bring Memphis its first high-speed wireless, broadband neighborhood network; leverage an additional \$157,000 in

private investment for the Community Digital Advantage Program; and align Soulsville with the State of Tennessee reshoring telecommunication strategy.

U.S. Rep. Steve Cohen, who represents Memphis/Shelby County, said, "The benefits of broadband and its efficiency have transformed how we approach education, health care, public safety, homeland security, the arts, e-commerce and so many other industries across our city, state and country. This new investment in broadband will go a long way toward helping Soulsville create jobs, grow our economy and improve our community's quality of life."

CALENDAR

APRIL

10-11

18th Annual Rural Development Conference: Achieving Sustainable Prosperity—Cookeville, Tenn.

Sponsors: USDA Rural Development, Tennessee Valley Authority, Tennessee Tech University, Tennessee Department of Economic and Community Development
https://epay.tntech.edu/C20205_ustores/web/store_main.jsp?STOREID=33

11

Exploring Innovation in Community Development Audioconference: "Case Management: A Holistic Approach to Asset Building"—Audioconference

Sponsor: Federal Reserve Bank of St. Louis
www.stlouisfed.org/bsr/EI_CDAudioConference

11-12

Resilience and Rebuilding for Low-Income Communities: Research to Inform Policy and Practice—Washington, D.C.

Sponsors: Federal Reserve System
www.frbatlanta.org/news/conferences/13resilience_rebuilding.cfm

12

The Intentional Entrepreneur—Memphis, Tenn.

Sponsor: SEEDCO and Kauffman FASTRAC
<http://seedco.affiliate.fasttrac.org/program-event-detail.aspx?peid=Dyj8YHr0GkuA-v2CRnw-uQ>

16-18

National Development Council 2013 Academy—Washington, D.C.

Sponsors: Multiple
<http://www.ndccademy2013.org/>

17

7th Annual Financial Literacy and Education Summit—Chicago

Sponsors: Federal Reserve Bank of Chicago, Visa Inc.
www.practicalmoneyskills.com/summit2013/register.php#regform

17-18

Opportunity Finance Network Midwest Regional Meeting—Cincinnati, Ohio

<http://www.opportunityfinance.net/newsletter/feb13.htm>

20-27

Money Smart Week—Nationwide

Sponsors: Multiple
www.moneysmartweek.org

29-May 2

Tennessee Basic Economic Development Course—Nashville, Tenn.

Sponsor: University of Tennessee Institute for Public Service
<https://cis.tennessee.edu/train/programtraining/TNEDPT/Pages/TBEDC.aspx>

MAY

5-8

AEO National Conference: "Tilt Forward: The Power of Microbusiness"—St. Louis, Mo.

Sponsors: Multiple
www.microenterpriseworks.org

7-9

Annie's Project: Professional Development Program for Educators Serving Farm Women in the Southern SARE Region—Jackson, Miss.

Sponsors: Multiple
<http://www.ucs.iastate.edu/mnet/annienational/home.html>

13-17

Exploring Innovation Week—Little Rock, Ark.; Louisville, Ky.; Memphis, Tenn.; St. Louis, Mo.

Sponsor: Federal Reserve Bank of St. Louis
Contact: Lisa Locke at Lisa.Locke@stls.frb.org

20-24

The Council for Community and Economic Research (C2ER) 53rd Annual Conference & LMI Training Institute Annual Forum—Nashville, Tenn.

Sponsors: Multiple
<http://www.c2er.org/conference/2013>

23

Exploring Innovation in Community Development Audioconference: Neighborhood Revitalization—Audioconference

Sponsor: Federal Reserve Bank of St. Louis
Contact: Faith Weekly at Faith.E.Weekly@stls.frb.org

JUNE

12-14

Business Alliance for Local Living Economies (BALLE)—Buffalo, N.Y.

Sponsors: Multiple
<http://bealocalist.org/2013-balle-conference>

ONLINE ONLY

www.stlouisfed.org/publications/br

In addition to the print version, each issue of *Bridges* offers information that is exclusively online. This content expands on topics in the current issue or a past issue. Online content for the winter issue is:

- ▶ **8 From the 8th Podcast:** *Louisville's 55,000 Degrees*
- ▶ **Housing Market Conditions, December 2012 Report**
- ▶ **Community Development Outlook Survey, October 2012 Report**

BRIDGES

Bridges is a publication of the Community Development Office of the Federal Reserve Bank of St. Louis. It is intended to inform bankers, community development organizations, representatives of state and local government agencies and others in the Eighth District about current issues and initiatives in community and economic development. The Eighth District includes the state of Arkansas and parts of Illinois, Indiana, Kentucky, Mississippi, Missouri and Tennessee.

Yvonne Sparks

Community Development Officer and Executive Editor
314-444-8650

Daniel Davis

Community Development Manager and Managing Editor
314-444-8308

Maureen Slaten

Senior Editor
314-444-8732

Community Development Staff

St. Louis: Matthew Ashby
314-444-8891
Jeanne Marra
314-444-6146
Brandon Farber
314-444-7439
Johanna Gruenewald
314-444-8743

Memphis: Kathy Moore Cowan
901-579-4103
Teresa Cheeks Wilson
901-579-4101

Little Rock: Drew Pack
501-324-8268

Louisville: Lisa Locke
502-568-9292
Faith Weekly
502-568-9216

The views expressed in *Bridges* are not necessarily those of the Federal Reserve Bank of St. Louis or the Federal Reserve System. Material herein may be reprinted or abstracted as long as *Bridges* is credited. Please provide the editor with a copy of any reprinted articles.

Free subscriptions are available by calling 314-444-8761, by e-mail to communitydevelopment@stls.frb.org or online at www.stlouisfed.org/br/subscribe.

FOLLOW THE FED
stlouisfed.org/followthefed





FEDERAL RESERVE BANK *of* ST. LOUIS

CENTRAL to AMERICA'S ECONOMY®

P.O. Box 442
St. Louis, MO 63166

STLOUISFED.ORG

Have you HEARD

CDFI Fund Announces Nearly \$18 Million in Bank Enterprise Awards

The U.S. Department of the Treasury's Community Development Financial Institutions Fund (CDFI Fund) has awarded nearly \$18 million to 59 FDIC-insured depository institutions for serving economically distressed communities across the nation. The awards are being made through the Bank Enterprise Award (BEA) Program; awardees were selected after a comprehensive review of 71 applications received by the CDFI Fund from financial institutions across the nation that requested more than \$88.5 million in funding. The activities that qualify these institutions for BEA Program awards occur in census tracts where at least 30 percent of the population lives at or below the national poverty level and where the unemployment rate is 1.5 times above the national average.

Collectively, these depository institutions increased their loans and

investments in distressed communities by \$383.3 million; increased their loans, deposits and technical assistance to Community Development Financial Institutions (CDFIs) by \$21.1 million; increased their equity and equity-like loans and grants to CDFIs by \$258,000; and increased the provision of financial services in distressed communities by \$5.5 million. For more information, including a list of award recipients, visit [www.cdffund.gov/news_events/CDFI-2012-45-CDFI_Fund_Announces_Nearly_\\$18_Million_in_Bank_Enterprise_Awards.asp](http://www.cdffund.gov/news_events/CDFI-2012-45-CDFI_Fund_Announces_Nearly_$18_Million_in_Bank_Enterprise_Awards.asp).

New Mortgage Protection Rule Protects Borrowers and Banks

In January, the Consumer Financial Protection Bureau (CFPB) issued the ability-to-repay rule. It creates a new loan category called "qualified mortgages" with no interest-only loans, limited up-front fees and debt burdens

of no more than 43 percent of income. Consumer and housing advocates have expressed concern that borrowers do not have the ability to redress any grievances on "qualified mortgages" in the prime market, thereby sheltering banks. Further details about the rule are forthcoming. For more information, see www.consumerfinance.gov/regulations/ability-to-repay-and-qualified-mortgage-standards-under-the-truth-in-lending-act-regulation-z/.

HUD Issues Notice of Funding Availability for SHOP Funds

Self-help Homeownership Opportunity Program (SHOP) funds are awarded to national and regional nonprofit organizations and consortia to facilitate and encourage innovative homeownership opportunities for low-income persons and families. For more information, including a program description and application instructions, visit [\[home.org/storage/documents/shop13/shop_2013_program_description_and_application_instructions.pdf\]\(http://home.org/storage/documents/shop13/shop_2013_program_description_and_application_instructions.pdf\).](http://www.rural-</p></div><div data-bbox=)

Dollar General Literacy Foundation – Youth Literacy Grants

The Dollar General Literacy Foundation is accepting applications for its Youth Literacy Grants, which provide funding to schools, public libraries and nonprofits working to help students who are below grade level or having difficulty reading. Grants of up to \$4,000 are awarded to implement new or expand existing literacy programs; purchase new technology or equipment to support literacy initiatives; or purchase books, materials or software for literacy programs. For more information, visit www2.dollargeneral.com/dgliteracy/Pages/youth_grants.aspx.