Native Bank On:
Addressing Native Banking Access

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The Oklahoma Native Asset Coalition (ONAC) is a Native-led nonprofit asset building coalition that works with tribes and partners interested in establishing asset-building initiatives and programs in Native communities. ONAC serves across the United States.
• 2001, initial meeting about the formation of a Native asset building coalition in OK (Center for Social Development, CSD, and FNDI)
• 2014, IRS approval of tax exempt status, 501(c)(3)
• 2018, ONAC Board of Directors decided ONAC would serve at a national level
ONAC’S TARGET CONSTITUENTS

• Tribes and their citizens
• Tribal government program directors and staff
• Native-led nonprofits
• Asset-building practitioners
• Local, county, state and federal programs that serve tribes
• Native financial education programs
• Voluntary Income Tax Assistance
• Credit builder programs
• Native small business resources
• Homeownership assistance programs
• Children’s Savings Account programs
• Native Individual Development Account programs
• Family emergency savings accounts
• Native Bank On initiatives
PURPOSES OF ASSET BUILDING PROGRAMS

• Asset building programs can help individuals, families, and communities to:
  o Plug their leaking economies
  o Increase their financial literacy
  o Pass along intergenerational assets such as land
  o Change savings habits
  o Think about their future differently
  o Access to safe and affordable bank accounts
  o Purchase assets such as homes, post-secondary education, dance clothes for our tribal dances, etc.
  o Repair and build credit
  o Hold land in common
  o Teach tribal history, values, and language, etc.
Native families will have multiple opportunities to grow their assets, through participation in integrated and culturally-relevant Native asset building programs. With this vision, ONAC, as a Native asset building coalition, works to increase the numbers of Native asset building programs.
ONAC’S FOUR PROGRAMS

1) **Children’s Savings Accounts, CSAs**
   - Have opened and funded 951 CSAs to date
   - 529 accounts opened for **Native youth** to help them build a nest egg of savings
   - ONAC has 21 tribal and Native nonprofit partners

2) **Grants for Native asset builders**
   - Mini-grants and larger **grants** to fund various asset building programs
   - ONAC has grant **administration** system in place
   - Provide **technical assistance** to grantees
   - Have funded twenty-eight grants ($126,500 total) since 2014 to tribes and Native nonprofits in Oklahoma, Minnesota, Montana, Alaska, and North Carolina
3) Professional development for Native asset builders and program building

- Host an annual conference to share lessons learned and provide networking opportunities
- Offer free technical assistance to our constituents as they design and implement asset building programs
- Submit administrative policy guidance requests
- Lead the first Native Bank On Coalition in U.S. to provide more options for safe and affordable bank accounts to tribal citizens
- Administer the national Native VITA/EITC network to provide resources to Native VITA practitioners
- Created an investor education booklet for our CSA program
3) **Professional development for Native asset builders and program building**
   (continued)
   - Conducting Native asset building *research*, paper on national Native Child Savings Initiatives to be published later this year
   - Co-hosting Native financial education *train-the-trainers*
   - Participate in advisory groups related to the community *tax preparation* field and closing the *women’s wealth gap*

4) **Emergency Savings Accounts**, ESAs
   - 382 ESAs funded thus far
   - Funding for 179 more accounts to be opened by 2021
• For past 18 years, ONAC and its constituents have worked with financial institutions on account options with low fees for various asset building programs.
• Bank On provides a formal mechanism to promote safe and affordable accounts.
63 million adults – **25% of US households** – are un- or underbanked.

The average unbanked person spends 5% of net income on unnecessary fees for alternative financial services. This can amount to **$40,000 over a lifetime**.

Unbanked financial counseling clients were:
- *half as likely* to increase savings
- *over a third less likely* to establish a new credit score.

Unbanked clients who **became banked during counseling** were almost **8 times more likely** to increase their savings relative to those who never became banked.
The goal of Bank On is to ensure that everyone has access to safe and affordable financial products and services.
Across the country, Bank On coalitions are connecting consumers to Bank On Certified Accounts.

Coalitions are locally-led partnerships between:

- public officials;
- city, state, tribal, and other government agencies;
- financial institutions; and
- community-based organizations

that work together to help improve the financial stability of un- and underbanked individuals and families in their communities.
The CFE Fund’s Bank On National Account Standards provide local programs with a benchmark for account partnerships with financial institutions.

Accounts certified as meeting the Bank On National Account Standards are:

- **Safe**: No overdraft, non-sufficient funds, or dormancy fees
- **Affordable**: Monthly fees of $5 or less with a low minimum opening deposit
- **Functional**: Pay bills, make deposits and withdrawals, and transfer money
In partnership with Federal Reserve Bank of St. Louis, four institutions with certified accounts in 2017 (Chase, Bank of America, U.S. Bank, & Wells Fargo) reported on:

- Account Opening
- Account Usage and Consistency
- Online Access

Gives Bank On partners the ability to quantify:

- The impact of Bank On nationally and locally
- How consumers are opening and using safe, affordable transaction accounts
1.3 million accounts currently open and active

3 million Bank On certified accounts opened to date

nearly 600,000 accounts newly opened

72% of accounts opened were opened by customers new to the financial institution

Pilot banks processed an average of 16 million+ debit transactions/month, with an average value of $511 million+ each month.
The CFE Fund is testing different ways to embed banking access into existing municipal and community programs.

- **Youth** Connecting high school students and families to the financial mainstream through safe and affordable accounts

- **Workforce development** Innovative programmatic approaches to help unbanked people open accounts at the start of a new job

- **Additional programs and populations of focus:**
  - Foster care
  - Re-entry
  - Survivors of domestic violence
  - College students (financial aid, work-study)
  - Tax preparation
UN- AND UNDERBANKED HOUSEHOLDS BY RACE

Based on FDIC Economic Inclusion Survey data

2009 2011 2013 2015 2017

25.8% 28.3% 27.7% 26.9% 25.2%

44.5%

All
White
Black
Hispanic
Asian
AI/AN
• Access to mainstream banking accounts
• Low barrier to entry
• No surprises
• Partnering with tribes and Native-led organizations to raise awareness
HIGHLIGHTS OF BANK ON CERTIFIED ACCOUNTS

- It’s an actual account
- Minimum opening deposit of $25 or less
- Monthly fee of $5 or less
- Structurally unable to overdraw
- Full access to bank services
- Federally insured
HOW CAN YOU HELP?

• Spread the word
• Talk to the banks you work with about offering a Bank On Certified account
• Educate your citizens
• Look for integration points
• Partner with ONAC
• Start your own coalition
Questions?
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