



Summer Jobs Connect: Integrating Banking Access into Summer Youth Employment Programs

The Summer Jobs Connect Model

Across the country, municipal Summer Youth Employment Programs (SYEPs) provide hundreds of thousands of young people with short-term work experience and a regular paycheck. Building off this existing, widespread infrastructure and connection to young people, the Citi Foundation and the Cities for Financial Empowerment Fund (CFE Fund) saw an opportunity to connect young workers to bank accounts and targeted financial education, turning this large-scale youth employment program into a linchpin for building long-term positive financial behaviors. More broadly, Summer Jobs Connect (SJC) demonstrates how banking access efforts can be embedded in municipal infrastructure, a core goal of the CFE Fund's national Bank On initiative. SJC operates in 8 cities across the country (Chicago, IL; Los Angeles, CA; Miami, FL; Newark, NJ; New York, NY; San Francisco, CA; St. Louis, MO; and Washington, DC). The CFE Fund also recently accepted applicants for an expansion cohort of new cities.

The Summer Jobs Connect initiative connects young people to bank accounts and teaches them skills to manage the accounts as an important foundation for financial stability. In addition, city partners experimented with innovative strategies to reinforce and encourage positive financial behaviors, such as using direct deposit and saving regularly.

Direct Deposit and Financial Education Strategies

To encourage bank account usage, city partners explored strategies to connect participants to direct deposit enrollment, and supported their account usage with targeted financial education. Strategies ranged from tasking job coaches with promoting direct deposit; connecting young people directly with financial institutions; emphasizing the importance of split savings to enroll in direct deposit and save; and using technology to facilitate online account opening. Cities also found that centralizing the entire payroll process made it much easier to enroll young people in direct deposit. In many cases, cities worked closely with bank and credit union partners to tweak financial products and account opening processes to make them work for their programs and for participants. These partnerships also facilitated data sharing for incentives or program management.

Financial education reinforced financial empowerment themes, such as why mainstream banking accounts are important, how to use an account to budget and save, and how to split payroll deposits to facilitate savings.

Importance of Summer Pay to Youth and Family Economic Advancement

Financial capability, supported by low-cost pay methods and targeted financial education, is vital to SYEP participants because their summer wages are not just "pocket money." Many SYEP participants are young adults with serious obligations ranging from paying for their college educations to supporting their families. Their ability to manage money, and their knowledge and attitudes about financial systems, have effects beyond their own pockets. In focus groups and surveys conducted over the three years of SJC, many youth indicated that they wanted to save their summer earnings towards major purchases or investments in their education. Youth who did not reach their summer savings goals often cited the necessity of contributing to household expenses as an obstacle to saving.

SJC survey research from 2016 showed that youth improved and sustained their engagement with mainstream financial products and services:

- Youth who opened new banking accounts for their SYEP pay were 24.6% more likely to agree that “things I learned this summer make me feel more confident about using a bank or credit union” than those who either had accounts before the summer and those who didn’t have accounts at all.
- In addition, 94% of 2016 survey respondents with bank accounts intended to maintain the account after the summer program concluded.
- The survey found no difference in intent to keep accounts open between youth who had opened their accounts over the summer and those who already had accounts before entering the program. This is encouraging, as it suggests that a young person can form a strong attachment to the mainstream financial system based on a short-term experience (their accounts had been open for less than three months).

SJC 2015 focus groups demonstrated that youth who participated in SYEP not only developed skills and habits for using and evaluating financial services, but felt competent using their skills. Participants said they:

- transfer funds from payroll cards to bank accounts to reduce transaction fees;
- use auto-pay for bills;
- use mobile banking, online transfers, apps and text alerts regarding account activity;
- plan to extend their high school-based credit union accounts until college;
- are savvy about bank account fees relative to no-fee accounts;
- see debit cards as important to track expenses and curb impulse spending; and
- value direct deposit.

The Impact of Summer Jobs Connect on Cities

For many cities, Summer Jobs Connect was the first time youth workforce programs had included financial empowerment strategies like access to banking and targeted financial education; most of these cities had to develop new partnerships. For some cities, this meant municipal agencies working together in new ways, such as workforce agencies collaborating with Offices of Financial Empowerment. This sustained engagement, driven by Summer Jobs Connect, has led to broader financial empowerment integrations beyond SYEP. In addition, many cities engaged in new partnerships with local financial institutions to develop appropriate youth products.

City partners changed their SYEP infrastructure to ensure the sustainability of financial empowerment strategies, meaningfully changing the way SYEP services are delivered. Operating the SJC initiative required partner cities to dedicate staff time to create and own the integrated financial empowerment work, building financial empowerment capacity into city staffing infrastructure. Cities also made changes to the underlying processes that support the SYEP, including application, enrollment, and payroll, to encourage direct deposit enrollment. Cities also used technology to implement significant financial empowerment programmatic elements; for example, banking and savings behavioral prompts were built into online application and certification processes.

Based on Summer Jobs Connect successes, there is a growing movement to embed financial empowerment into summer youth employment at both the municipal and the federal levels.

Want to learn more? Visit www.cfefund.org to read past reports about the Summer Jobs Connect initiative, and sign up for our mailing list to receive future Summer Jobs Connect information.