



Overview

The Alliance for Economic Inclusion (AEI) is the FDIC's national initiative to establish broad-based coalitions of financial institutions, community-based organizations and other partners in nine markets across the country to bring all unbanked and underserved populations into the financial mainstream. A high-level national *Advisory Committee on Economic Inclusion* has also been formed by FDIC Chairman Sheila Bair to provide advice and recommendations. For more information, see: <http://www.fdic.gov/consumers/community/AEI/index.html>.

The **Boston Alliance for Economic Inclusion (BAEI)** is one of these public-private coalitions. This collaborative effort offers banks, credit unions, and other financial institutions opportunities to work with the non-profit and public sectors to better understand, and develop the means to tap into the significant business potential of, the unbanked/underserved market and remain in compliance with all current banking laws.

Mission

The Mission of the Boston Alliance for Economic Inclusion is to enhance the economic well-being of the unbanked/underserved in metropolitan Boston by improving their access to the U.S. banking system, developing and marketing more responsive and affordable financial products and services, promoting financial education, and addressing technical or regulatory issues surrounding these developments.

General Principles

In order to achieve its Mission, the BAEI:

- Informs and educates financial institutions and others about the positive business opportunities provided by improved access to mainstream financial services by the unbanked/underserved; and identifies and solves issues and obstacles associated with new product or service development.
- Fosters a continuing commitment by leaders in the financial services industry, the non-profit, and public sectors, to take positive action in response to these opportunities, and recognizes task force members for their contributions.

The BAEI Process

The BAEI's operating structure is intended to support the Mission and embody the General Principles. It consists of an Open Work Committee, various temporary sub-committees, and a larger roster of individuals who are interested in the initiative and attend periodic General Forums.

- The *Open Work Committee* meets regularly to identify action that needs to be taken and generally guide the initiative's course. This group will operate under the facilitation of a Chair, supported by two Co-Chairs.
- Topic-specific activity by temporary, task-specific *Sub-Committees*.
- Periodic informational meetings, called *BAEI General Forums*, feature guest speakers addressing issues of common interest, and report-outs of on-going activity. Participation in the monthly Open Work Committee meetings is not required to attend these information Forums.

Currently, there are three broad functional areas into which much of the BAEI's work is categorized:

- Products & Services – research and compile information about appropriate and affordable products and services, and promote their use by banks and credit unions.
- Financial Education – understand financial education needs and develop strategies to respond to those needs, using existing financial literacy resources such as the FDIC's *Money Smart* curriculum; identify and promote best practices to structure and deliver personal money management classes; and conduct outreach to create partnerships that build or expand capacity in the community.
- Communications – create new or obtain existing information resources, and disseminate this material as broadly and consistently as possible.

Topic areas are not isolated; many issues are common to two or more sub-committees. For example, Asset-Development has elements of product and services development, financial education, and both internal and external communications.

Compliance with Applicable Banking Law

The BAEI's objectives are consistent with current banking laws generally, the Customer Identification Program (CIP) provisions of the USA Patriot Act, and deposit insurance reform (PL 109-173) enacted by Congress and signed into law in 2006, particularly as it applies to efforts to bring the unbanked into the financial mainstream:

Sec. 7. BI-ANNUAL FDIC SURVEY AND REPORT ON INCREASING THE DEPOSIT BASE BY ENCOURAGING USE OF DEPOSITORY INSTITUTIONS BY THE UNBANKED

Section 7 of this Act requires the FDIC to conduct a bi-annual survey on efforts by insured depository institutions to bring unbanked individuals and families into the conventional finance system. Among other questions, the FDIC must take into account:

- What efforts are insured institutions making at converting unbanked money order, wire transfer, and international remittance customers into conventional account holders?
- What cultural, language and identification issues, as well as transaction costs, appear to prevent unbanked individuals from establishing conventional accounts?

Milestones (through October 2007)

[**Historical Note:** this initiative has evolved considerably since its launch in 2005. A formal Steering Committee and standing working groups operated until July 2007 when the current structure based on an Open Work Committee and temporary project-oriented sub-committees was adopted.]

2005

October

Formal launch of the initiative.

November – December

Working Group formation.

2006

General Meetings in January, May and October.

All three Working Groups operational.

Financial Institutions Survey

A collaboration among all three original working groups, administered and analyzed by two member organizations (Massachusetts Bankers Association and Massachusetts Credit Union League) covering: Identification Policies; Lending Products; Money Remittance Services; Financial Education; and Outreach.

Working Group Action:

Financial Education

Survey of financial education practitioners.

Consumer education radio series.

Community based classes (using the FDIC's Money Smart curriculum) in Chelsea and Waltham Massachusetts, two cities with significant immigrant population.

Products & Services

Audio teleconference with the chief of Wells Fargo remittance program.

Initiated compiling the *Products and Services List*, an extensive and growing matrix of representative examples of various approaches to serving the emerging market.

Designed four-part financial institution education series to be conducted during 1st and 2nd Quarters 2007.

Regulatory & Technical Issues

Coordinated the FI Survey's final design, implementation, and preliminary review

Organized the Regulators' Panel for the October 2006 General Meeting addressing the Customer Identification Program provisions of the USA Patriot Act, after substantial review of key issues.

2007

General Forums in March, June and October.

Working Group Action:

Financial Education

Launch and expansion of the Massachusetts Area Financial Literacy Group listserve.

Resumption of radio program.

Promising Practices Guide being developed.

Products & Services

Conducted the four-part financial institutions education series, in conjunction with MA Bankers Association and MA Credit Union League.

Continually updating the *Products and Services List*.

Practitioner *Tool Kit* under development.

Communications

Formed and operational during the first quarter.

Fact Sheet on Customer identification Programs released. Others focusing on Alternative identification, Remittances, and Cash Security under development.

July

Steering Committee adopts reorganization plan.

September

Open Work Committee structure implemented.

BAEI QUESTIONS & ANSWERS

Q1. How does the Boston Alliance for Economic Inclusion operate?

A1. Operations are the result of the combined efforts of the Open Work Committee and the temporary Sub-Committees.

Q2. How often does the BAEI meet?

A2. The Open Work Committee ordinarily meets monthly. The periodic General Forums are convened approximately three times a year.

Q3. Who can participate in the Sub-Committees and what are the time commitments?

A3. Sub-committee membership is open to individuals from all sectors represented within the BAEI (financial services industry, non-profits, government, etc.) making the commitment to actively participate. Time requirements vary according to the specific tasks that are undertaken.

Q4. Where do the Open Work Committee and the Sub-Committees meet?

A4. Meeting locations are determined by the members of each body. Efforts are made to hold meetings at centrally-located sites and/or by conference call.

Q5. How can I participate?

A5. Interest should be communicated to any member of the Open Work Committee or a sub-committee. Meeting schedules and notes will be circulated by email to everyone on the BAEI master roster.

Q6: Who is the BAEI's primary Point of Contact?

A6: The BAEI's project manager and Open Work Committee Chair is:

Timothy DeLessio, Community Affairs Officer
FDIC Boston Area Office
15 Braintree Hill Office Park, Suite 300
Braintree, MA 02184
(781) 794-5632 (voice), (781) 794-5722 (fax)
tdelessio@fdic.gov



BAEI

Boston Alliance for
Economic Inclusion

A Bridge to a Better Life

Yes, I would like my contact information to be added to the Boston Alliance for Economic Inclusion data base for information-sharing purposes.

I am also interested in the following topic/action area(s):

Products and Services

Financial Education

Communications

Other (please specify) _____

In addition to English, I also speak _____

If you are unable to participate in the BAEI yourself, please feel free to identify another person from your organization who will participate.

Name: _____ Title: _____

Organization: _____

Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

Email: _____

Please turn this sheet in at any BAEI meeting; fax it to FDIC at (781) 794-5722; e-mail the information to phorwitz@fdic.gov; or send by regular mail to: Paul Horwitz, FDIC Community Affairs, 15 Braintree Hill Office Park, Suite 300, Braintree, MA 02184