



## How Innovative Programs are Helping System-Involved Youth Succeed by Getting Them Banked

Direct cash transfers have become a popular anti-poverty tool. Whether paid by the federal government like the COVID-19 pandemic stimulus payments, or at the state or local level as one-time payments or a more robust “basic income,” the appeal of directly giving money to those who need it most is undeniable. Too often, however, these funds are disbursed via prepaid cards – preventing those who most need the stabilizing force of a mainstream account from connecting to the financial mainstream. **But innovative new programs providing direct cash assistance to young adults with human services involvement, including the foster system, in Allegheny County, PA and in Milwaukee, WI are using these payments as a banking access moment, helping young people connect to the mainstream financial system as they enter adulthood and work towards independence.**

### ALLEGHENY COUNTY

The Allegheny County Department of Human Services recently has begun piloting a new direct cash assistance program for young people aged 18-22 as they navigate the child welfare system or other supportive services. Drawing on state Independent Living funds, eligible young people can receive a \$4,000 payment to support their basic needs and build toward broader financial goals. Given the focus of these funds on helping young people prepare for their futures, and the high unbanked rates of this population, it was clear to the County that these payments should be paired with financial education and other financially stabilizing opportunities. In partnership with Neighborhood Allies, a local nonprofit who runs Bank On Allegheny County, as well as local youth serving organization Auberle’s 412 Youth Zone, the County decided to emphasize and incentivize safe banking access throughout the program.

The program enrollment site, [www.youthpgh.org](http://www.youthpgh.org), emphasizes the need for an account, highlighting that participants’ money will be safe and they can receive payment faster and without fees. Banking information is included on program fliers and outreach materials, and the 412 Youth Zone recently held an on-site account opening event where a bank representative helped youth open accounts. Neighborhood Allies also works with youth one-on-one to open safe sole-ownership accounts, as many have complex past banking issues often related to or incurred by foster parents or other adults or otherwise have mistaken a nonbank fintech product as a regulated account.



The innovative program began in March 2023 and runs through the end of May; program partners report that they’ve seen significant success in getting youth banked.

“ There is a real sense among youth of ‘I’m doing something very adult in opening a bank or credit union account – this is another step in my transition to adulthood.’ They feel really good about it.”

—AIMEE PLOWMAN, DIRECTOR  
AUBERLE’S 412 YOUTH ZONE

## MILWAUKEE

In Milwaukee, two programs serving a similar population of foster and human service involved youth also are using payments as banking access moments. Working with Bank On Greater Milwaukee, Lad Lake and St. Charles added financial education and safe account opening into their program models so youth could open accounts both in care and as they exit care.

While looking for housing and employment, program participants also needed a safe place to put and manage their money and future income. Using a financial education curriculum created by national nonprofit partner Economic Awareness Council, the programs added information about the benefits of banking and the account opening process into their financial education courses, including into a two-day workshop that St. Charles held and across a semester-long course at Lad Lake; they had branch staff from a local credit union come on-site to open accounts; and they even conducted a field trip to a local branch.

**The results have been encouraging, with an astounding 96% of program participants opening accounts to date (including some already-banked youth who transitioned to a better account). Both organizations now are looking to expand their financial education and account opening opportunities across their programs.**



“ We estimate that over 70% of youth were initially unbanked, which made them reliant on high-cost financial services, reduced their ability to build credit and save, and made it difficult to achieve financial independence.”

—DONELLE HAUSER,  
PRESIDENT AND CHIEF EXECUTIVE  
OFFICER OF LAD LAKE



**In 2021 alone, over 19,000 youth aged out of foster care.** This is just one of several vulnerable youth populations that could receive similarly augmented services that incorporate banking access and help them build towards stronger financial futures.



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