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**MAYOR BLOOMBERG AND ACS COMMISSIONER MATTINGLY ANNOUNCE
YOUTH FINANCIAL EMPOWERMENT, A NEW FINANCIAL LITERACY AND
SAVINGS PROGRAM FOR YOUTH AGING OUT OF FOSTER CARE**

*Program Matches Savings for Youth Leaving Foster Care and Teaches Financial
Literacy Skills*

Mayor Michael R. Bloomberg and Administration for Children's Services Commissioner John Mattingly today announced a new program, *Youth Financial Empowerment* (YFE), which teaches essential financial literacy skills and also provides matching funds to contributions made by youth into Individual Development Accounts (IDAs). Participants in the program will receive matching funds of up to \$2,000 by saving \$1,000 in the IDAs that will be established for them. These savings can be applied to secure and maintain stable housing, to pursue educational opportunities, and to obtain vocational training. The Mayor and Commissioner Mattingly were joined at a Citibank branch in the Bronx by Deputy Mayor for Health and Human Services Linda Gibbs; Executive Director of the Center for Economic Opportunity, Veronica White; Acting Head of Citibank North America and Head of Customer Franchise Management in North America, Peter Knitzer; and Mary Brown, a *Youth Financial Empowerment* program participant.

"While we've made a lot of progress over the last decade keeping young children from having to enter foster care, the older kids who grew up in foster care and are now beginning lives as independent adults still face serious challenges. When they turn 21 and leave foster care, they immediately have to navigate a complicated and competitive world on their own, which can be very intimidating," said Mayor Bloomberg. "With financial literacy lessons and new Individual Development Accounts that provide a two-for-one match for every dollar put in the bank, the *Youth Financial Empowerment* program will give foster kids a final boost up as they age out of our the system and have to make it out there on their own. It's just the latest innovative program our Center for Economic Opportunity has developed to reduce poverty among New Yorkers."

The *Youth Financial Empowerment* program is part of the Mayor's overall plan to find innovative strategies to reduce poverty in the city through the work of the Center for Economic Opportunity. This program, which will teach basic skills of money management and saving, will help youth leaving foster care in their transition to independent living.

(more)

This pilot program will provide 450 youth in foster care with individual development accounts, which are matched savings accounts that allow program participants to grow their savings. Participants must contribute to their accounts regularly, and their contributions will be matched from a pool of funds secured from both the public and private sector. The Center for Economic Opportunity has committed \$300,000 toward the program, and approximately \$700,000 in additional public and private funds have been set aside for the program.

Participants will also be actively engaged in financial literacy training which will focus on identifying goals and financial management skills like managing a checking account, paying bills on time and lowering their debt. The *Youth Financial Empowerment* program is being launched in collaboration with Citibank, New Yorkers for Children, the United Way of New York City, Wells Fargo & Company and the U.S. Department of Health & Human Services.

“Mayor Bloomberg’s poverty commission urged us to focus on at-risk and disconnected young adults. Young people aging out of foster care are faced with many challenges, including homelessness and unemployment, and often don’t have family supports to help them to make the transition to independent living,” said Deputy Mayor Linda Gibbs. “By targeting this intervention to foster care youth, we will test whether IDAs and financial literacy combined will produce improved assets and savings, as well as higher rates of graduation, secondary education and employment for those who need it most.”

“Citibank is proud to support *Youth Financial Empowerment*,” said Peter Knitzer, Acting Head of Citibank North America and Head of Customer Franchise Management in North America. “We share the Mayor’s commitment to instilling the importance of saving and financial responsibility in our youth. At Citibank, we are committed to making communities better because we are there.”

Nationwide 20,000 youth per year will age out of foster care over the next decade; locally, the number will be approximately 1,000. Most often live in poor communities and face limited educational, employment, housing and permanency options. They often leave the child welfare system at high risk for homelessness, delinquency, and are often in need of public assistance.

“This program is a critical piece of ACS’s system-wide effort to address the issue of youth aging out of foster care through its plan, *Preparing Youth for Adulthood*, a five-year demonstration program targeting youth in foster care, between ages 16 and 21,” said Commissioner Mattingly.

Center for Economic Opportunity

The Center for Economic Opportunity (CEO) was established by Mayor Bloomberg to implement innovative ways to reduce poverty in New York City. Led by Executive Director Veronica White, the CEO works with City agencies to design and implement evidence-based initiatives aimed at poverty reduction. The CEO manages an Innovation Fund through which it provides City agencies annual funding to implement such initiatives and will oversee a rigorous evaluation of each to determine which are successful in demonstrating results towards reducing poverty and increasing self-sufficiency among New Yorkers.

