

RECOVERY WEEKLY CHECK-IN

WITH DMPED

Economic Recovery Updates

February 23, 2021

[CORONAVIRUS.DC.GOV/RECOVERY](https://coronavirus.dc.gov/recovery)

DMPED
OFFICE OF THE DEPUTY MAYOR FOR
PLANNING & ECONOMIC DEVELOPMENT

WE ARE
WASHINGTON
GOVERNMENT OF THE
DISTRICT OF COLUMBIA
DC MURIEL BOWSER, MAYOR

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Welcome

**Deputy Mayor John Falcicchio,
Planning and Economic Development (DMPED)**

DISB Updates

**Commissioner Karima Woods, Director,
Department of Insurance, Securities and Banking
(DISB)**

Protecting Your Financial Interests



Government of the District of Columbia
Department of Insurance, Securities and Banking

Karima M. Woods, Commissioner

Contact DISB

202-727.8000

disb.dc.gov

Twitter @DCDISB

facebook.com/DISBDC

DISB.AskTheCommissioner@dc.gov



We Are Here to Help

DISB Programs & Services

Bank On DC: bankondc.org

Financially Fit DC: welcomefinanciallyfitdc.com

Student Loan Ombudsman: 202-442-8000 or DCLoanHelp@dc.gov

Foreclosure Prevention Hotline: 202-265-2255

DC BizCAP: 202-442-7821 or disb.dc.gov/service/small-business-resources

File a Complaint: 202-727-8000 or disbcomplaints@dc.gov

Financial Resource Guide: disb.dc.gov/publication/disb-financial-resource-guide

Financial Empowerment and Education

Michelle Hammonds, Director, Office of Financial Empowerment and Education, Department of Insurance, Securities and Banking (DISB)

OFFICE OF FINANCIAL EMPOWERMENT AND EDUCATION

DMPED Economic Recovery Presentation

February 23, 2021




About Us



- DISB created office in 2020.
- Provides resources and information on how to increase generational wealth and maximize income.
- Partners with stakeholders to provide innovative initiatives that safeguard the financial future of Washingtonians.
- Promotes resilience through financial education and access to tools, skills and resources.

Financial Empowerment & Education



✓ Financial Emergencies

- Learn the dynamics of the financial needs of District's residents and provide resources to help alleviate the issues.

✓ Breaking the Unbanked and Underbanked Cycle

- Develop and cultivate the public trust in the institutions and the resources they provide.
- Work with financial institutions to develop products and services for specific demographics

Our Programs



Current Economic Development Programs:

- Bank on DC
- Earned Income Tax Credit Campaign
- Financially Fit DC
- Financial Navigators
- Opportunity Accounts
- MBSYEP Financial Education Liaison

Managing Money in an Emergency



- ✓ Control spending
- ✓ Manage debt
- ✓ Avoid new debt
- ✓ Invest in yourself
- ✓ Protect what you have
- Remember:
 - a crisis doesn't last forever.

America Saves Week 2021

- An annual call to action for Americans to commit to saving successfully.
 - Partnership with over 1700 organizations.
 - Opportunity to focus on the importance of emergency savings and saving automatically
- **Monday, February 22**
Save Automatically
 - **Tuesday, February 23**
Save for the Unexpected
 - **Wednesday, February 24**
Save to Retire
 - **Thursday, February 25**
Save by Reducing Debt
 - **Friday, February 26** Save as a Family

Financial Navigators Program



**Financial
Navigators**

- Free program to help District residents facing critical financial struggles during the coronavirus (COVID-19) public health emergency.
- In partnership with United Planning Organization



Financial Navigators

Remote, confidential financial navigators can help
you manage money + connect to resources - free!



TO SCHEDULE A
SESSION CALL
202-231-7908 OR VISIT
finnav.org/interest-dc



To make an appointment, you'll just need:

- Name
- ZIP Code
- Language preference
- Phone and/or email address



Let's Connect



District of Columbia Department of Insurance,
Securities and Banking (DISB)
1050 First Street, NE, Suite 801
Washington, DC 20002
(202) 727-8000
www.disb.dc.gov

Urban Institute

Caleb Quakenbush, Research Associate,
Urban Institute



Photo Credit: MH Anderson Photography/Shutterstock

FEBRUARY 2021

Tracking the Credit Health of Washington, DC Residents

How can city leaders support an inclusive recovery and help residents build financial health?

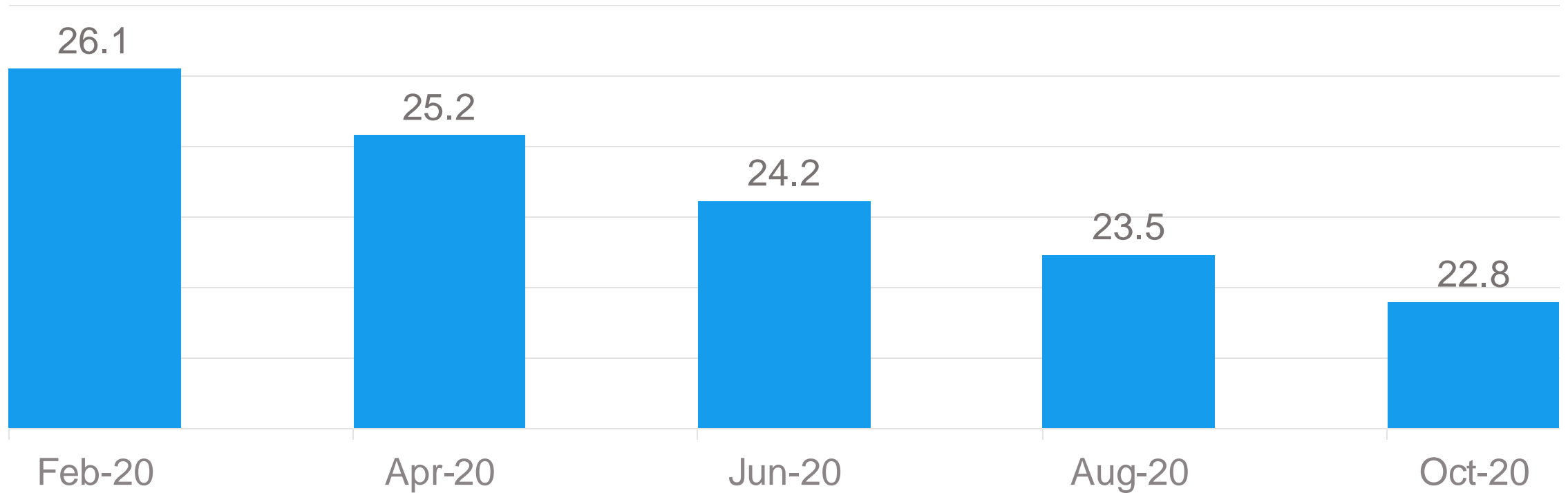


Indicators of the Credit Health of City Residents

Three ways to characterize credit health using credit data:

- 1) **Credit scores** are a composite indicator of overall credit health. Having a subprime credit score can limit access to credit and increase the cost of debt.
 - Scores range from 300 to 850; a score below 600 is subprime.
- 2) **Credit use** indicates access to credit, which families may use to meet their financial needs. The share of available credit used is a measure of debt burden. Higher debt burdens could signal financial distress.
 - Use of alternative financial service loans like payday loans can indicate emergency needs.
- 3) **Delinquent debt** data can show where support is needed to avoid foreclosures, bankruptcies, calls from debt collectors, and other hardships. Delinquent debt appears on credit reports, which are sometimes used by employers and landlords to assess job and rental applicants.
 - Delinquent debt is debt that is 30, 60, or more days past due or in collections.

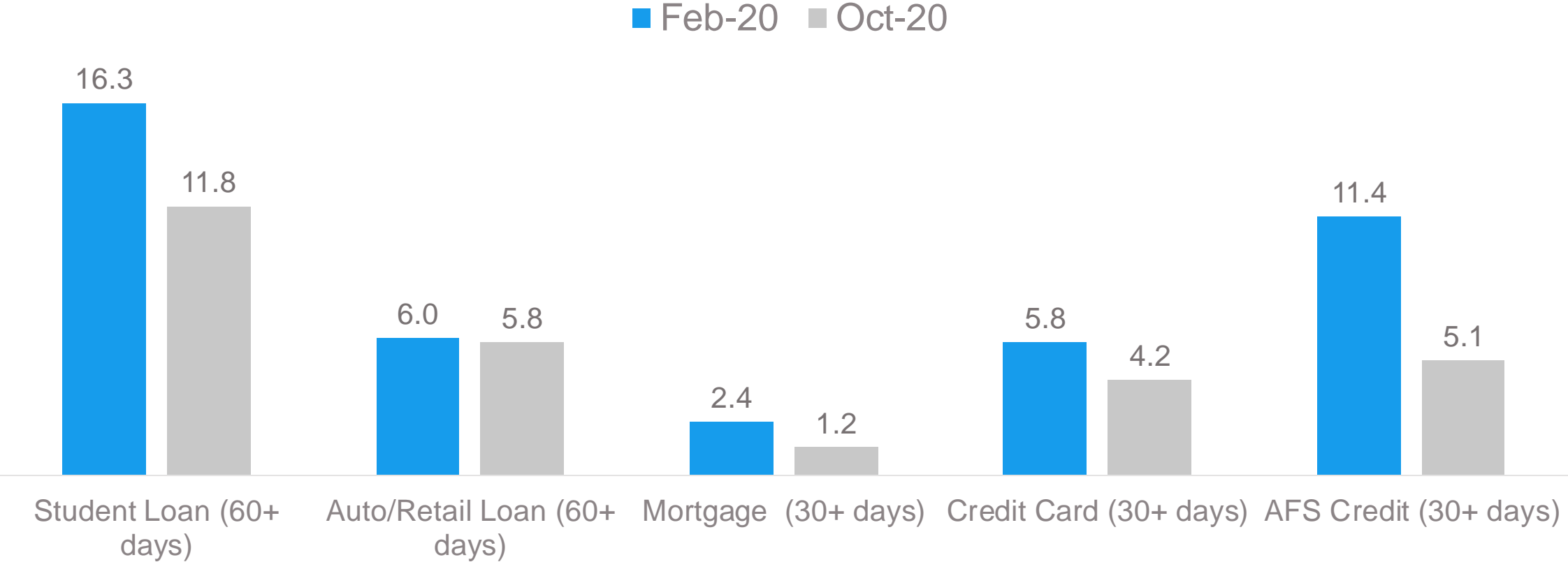
The share of DC residents with a subprime credit score declined between February and October 2020



Source: Tabulations of Urban Institute credit bureau data.

Notes: Subprime credit score is a VantageScore of 600 or below.

Delinquency rates for major loan types declined between February and October 2020



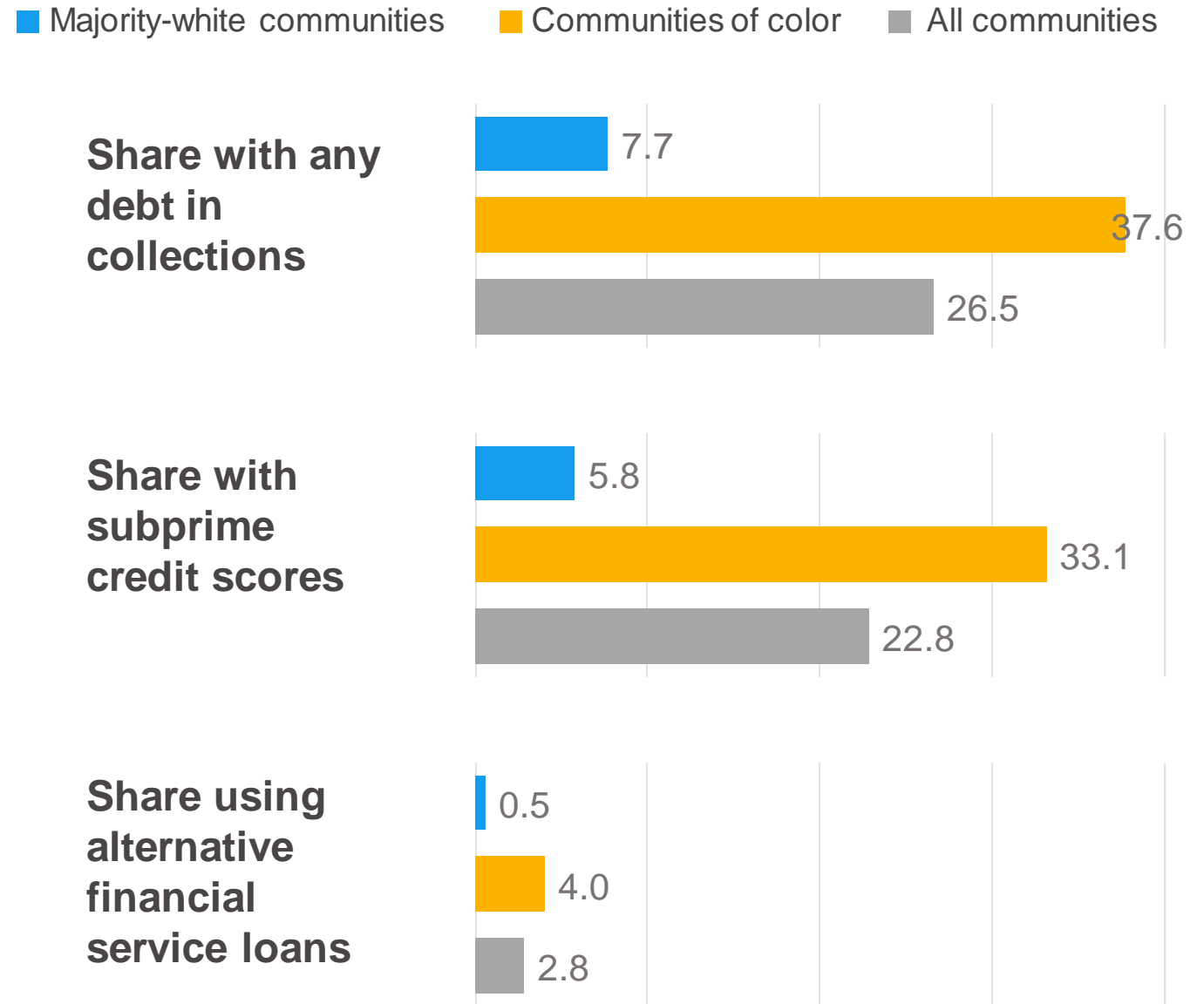
Source: Tabulations of Urban Institute credit bureau data.

Notes: AFS = Alternative Financial Service. 30+/60+ = Minimum days debt is past due.

Communities of color in DC experience worse debt outcomes than majority-white neighborhoods

Washingtonians in communities of color in are:

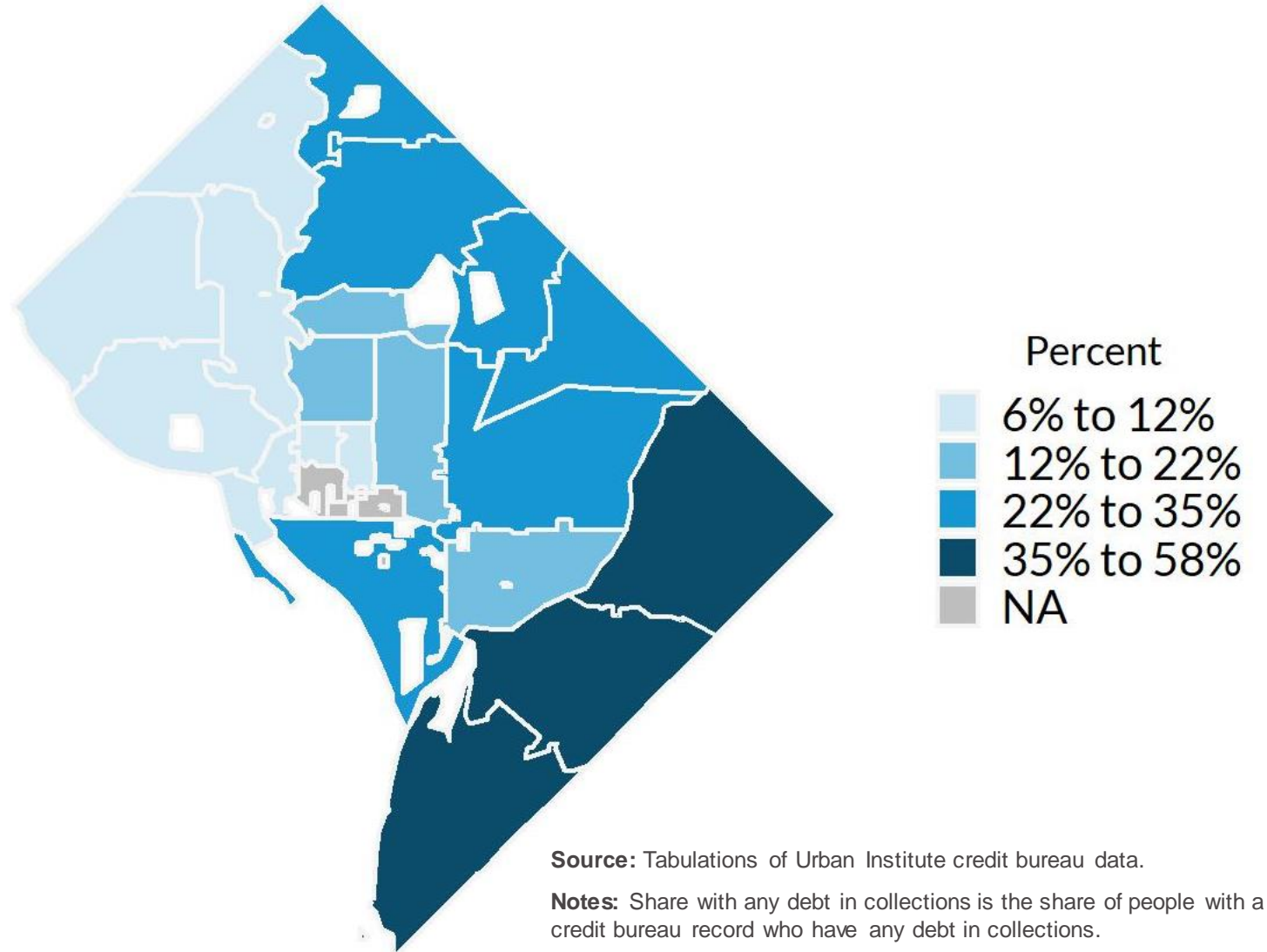
- **5x** more likely to have **any debt in collections**
- **6x** more likely to have **subprime credit scores**
- **8x** more likely to **use alternative financial services loans** (e.g., payday loans)



Source: Tabulations of Urban Institute credit bureau data.

Notes: Data are for October 2020.

Southeast DC has the highest share of **debt in collections** in the District



Special Guest Remarks

**Alona Joyner, CAAB/DC Opportunity Program
participant**

Open Discussion

Q & A

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