

SB 21-148 Legislative Fact Sheet

What Is an Office of Financial Empowerment (OFE)?

Offices of financial empowerment (OFE) offer proactive tools to build financial health and resilience. A proven model that's up and running in communities across the country, including in Denver, OFEs:

- **Support one-on-one financial coaching that centers clients' goals and skill building**
- **Expand safe and affordable banking and lending products**
- **Streamline and enhance consumer protections**

In evaluation after evaluation, OFEs have been shown to help clients lower their debt, increase savings, and reduce the risk of foreclosures and evictions.

Denver's OFE alone has been credited with:



Reducing its clients' debt by over \$6 million



Increasing clients' average credit score by almost 50 points



Preventing nearly 40 foreclosures

Why Does Colorado Need a Statewide Office of Financial Empowerment?

Inadequate access to capital, bank accounts, non-predatory credit, and financial counseling – especially for Black, Latinx, Indigenous, and other Coloradans of color – contribute to financial precarity throughout our state.

- **Nearly 22 percent of Coloradans – and 49 percent of households of color – are either unbanked or underbanked.** This can result in a reliance on high-cost, predatory financial services as mainstream banking fails to meet their basic financial needs.
- While our state's made progress in regulating existing predatory products like payday loans, we still lack the proactive infrastructure needed to prevent other equally or more harmful financial practices from expanding in Colorado.

These gaps in our financial systems existed well before COVID-19. However, as a growing number of Coloradans have taken on debt and fallen into financial precarity, these holes have only become more obvious and consequential.

42%

Through September 2020, up to 42 percent of Coloradans report taking on debt to meet everyday expenses.

over

25%

As of the end of December 2020, over one-quarter of Colorado adults are facing likely eviction or foreclosure.

What Will a Statewide Office of Financial Empowerment Do?

A statewide OFE will elevate and expand the financial empowerment work happening in local communities across our state. Housed within the attorney general's office, it will use the power of the state government to lift best financial empowerment practices, identify statewide trends and concerns, attract and secure additional resources, and ensure coordination between communities and state agencies.

Support SB21-148

Long before the pandemic, Colorado needed a statewide financial empowerment strategy, and now as we rebuild after COVID-19, Colorado needs SB21-148 to provide meaningful tools, services, and programs to help Coloradans recover and thrive. With a statewide OFE we can leverage the power of the state, adopt a proven model, and create systemic change that grows financial resilience throughout Colorado.