Banking DC’s Youth: Marion Barry’s Summer Youth Employment Program

Presented by Carla Decker
The Business Proposition

Since 2010, DGEFCU has banked the young adult participants of SYEP with safe and affordable accounts.

- Alignment with a mission of financial inclusion
- Support for DC Govt’s programs; Bank-on-DC
- Diversifying our membership base; cultivating the next generation of Credit Union members
### Youth Account Features

**MBSYEP Participants 18 – 24 Years Old (or Custodial Accounts for Minors)**
- A checking and savings account
- Checking account with Debit Card (no Overdraft privileges)
- Free withdrawals at over 150 ATMs in DC
- No monthly or usage fees
- Online enrollment and submission of IDs
- Auto enrollment to suite of e-services, including e-statements, remote deposit capture and text messaging. CU App available for Apple and Android devices.
- Super Saver chance to win $1,000 at end of Summer

**MBSYEP Participants Under 18 Years Old (Non-Custodial Accounts)**
- Two savings accounts (one for transactions, one for pure savings)
- ATM card linked to transactional savings account
- Free withdrawals at over 150 ATMs in DC
- No monthly or usage fees
- Online application; DGEFCU follow-up to collect signatures, IDs
- Optional enrollment to e-services. CU App on Apple & Android.
- **ALL Non-ACH Payroll Deposits performed over the counter.**

*Helping DC’s Youth make good financial decisions from the start!*
Non-Custodial in 2016

• Customized account with risk mitigation features:
  – Two forms of ID & signed acct agreement
  – Transactional savings linked to ATM card
  – Daily transaction limitations, no ODs
  – Over the counter deposits only
  – Custodial account option available

• Board & Staff buy-in

• Challenges:
  – UCC and contractual considerations
  – Minors and Online transactions
  – Know Your Customer
2016 Results

• 1,014 youth accounts opened (817 Non-Custodial)
• 888 received ACH payroll, i.e. 90% usage rate
• Average Account holder was 16 years old
• Total portfolio balance at end of MBSYEP = $65,139
  – 35% of $$$ in savings; 65% in transactional accounts
  – Average Savings Balance = $30
  – Average Transactional Account Balance = $50

At the end of October; 871 accounts remain open with an average balance of $60.
Lessons Learned & Next Steps!

• It takes a Village!
• NOT just a summer program – year round efforts required
• Over 10,000 youth participate in the SYEP – more FIs needed to increase scale