

“LIFT-UP” by National League of Cities

Can municipalities create interventions that effectively connect consumers with resources for building financial health?

LIFT-UP

LIFT-UP (Local Interventions for Financial Empowerment through Utility Payments) is a multi-city initiative overseen by the National League of Cities’ (NLC) Institute for Youth, Education, and Families designed to provide financial counseling to delinquent utility customers. Under the program, missed utility payments are used as a means of proactively identifying customers in need of assistance. Households identified by the program are offered favorable terms (e.g. lower monthly payments, new billing dates, or waived fees) to get current on utility bills, as well as financial counseling to help solve deeper financial troubles.

LIFT-UP was implemented in five different cities - Newark, NJ; Savannah, GA; St. Petersburg, FL; Houston, TX; Louisville, KY- and was administered jointly through partnerships between nonprofit and municipal agencies. NLC and participating municipalities worked to improve the financial health of utility customers along with their repayment rates, making LIFT-UP a win-win for both consumers and utility companies.

The project received funding from the Center for Financial Services Innovation’s Financial Capability Innovation Funds. A partnership with a collaborative of funders led by the Citi Foundation, the Funds provided support to innovative projects designed to help low-income and underserved consumers adopt positive financial behaviors.



Payment reminder card distributed to LIFT-UP clients in Savannah, GA

NLC asked:

- » Can city leaders utilize new approaches to address family indebtedness by aligning local financial empowerment services with municipal debt collection practices?
- » What mix of incentives or sanctions would be most effective in encouraging families to participate in financial empowerment activities when faced with unpaid debts to cities?
- » Which specific products and services would have the greatest potential for helping low-income families pay debts and build assets?
- » Will the intervention provided by LIFT-UP lead to lasting changes in consumers’ financial behaviors and health?
- » Can utility payments be used to identify households in financial distress?

NLC learned:

- » Participants made positive behavioral changes that reduced water service shut-offs in Houston and St. Petersburg, and significantly fewer shut-off fees in three of the other cities.
- » Water bill balances were reduced for participants in Newark and Houston. Newark participants made more frequent payments.

- » There was strong evidence of demand for LIFT-UP; over 300 participants enrolled.
- » Higher take-up rates were seen in cities that employed direct telephone outreach, such as St. Petersburg.
- » Infrastructure hurdles stemming from variations in city utility data systems caused launch problems in several cities.
- » Each city required a different approach, which yielded findings about best practices, trends, etc. For instance, Louisville conducts screenings with clients at an earlier stage in the process than the other cities, which NLC thinks may be a significant factor in the city’s strong retention rate.

LIFT-UP results:

- » **Participants made positive behavioral changes that reduced water service shut-offs.**
- » **Water bill balances were reduced.**
- » **High participation levels indicated strong demand for LIFT-UP.**

Future Applications

When it comes to government-nonprofit partnerships, there is no one-size-fits-all approach. In implementing the LIFT-UP program, NLC was confronted with many challenges specific to each municipality and its respective partner organization(s). However, the unique characteristics of each site also allowed for a degree of experimentation, which helped NLC identify potential best practices or common hurdles.

NLC and the municipalities it is working with both consider the pilot to have been a valuable learning experience, and recently received funding to continue and expand the program based on the lessons learned from the recent pilot phase. LIFT-UP continues to generate interest from other cities looking to implement similar programs, as well as interest from foundations and media outlets.



National League of Cities

NLC is dedicated to helping city leaders build better communities. Working in partnership with the 49 state municipal leagues, NLC is a resource and advocate for 19,000 cities, towns and villages, representing more than 218 million Americans.

NLC's Institute for Youth, Education, and Families helps municipal leaders take action on behalf of the children, youth, and families in their communities. NLC launched the YEF Institute in January 2000 in recognition of the unique and influential roles that mayors, city councilmembers, and other local leaders play in strengthening families and improving outcomes for children and youth.

To learn more, visit nlc.org.

The Financial Capability Innovation Funds

The Financial Capability Innovation Funds were supported by a collaborative of funders led by the Citi Foundation and also including Bank of America, the Capital One Foundation, Charles Schwab Bank, Charles Schwab Foundation, Experian, Morgan Stanley, NYSE Euronext Foundation, US Bank, and Visa.

From 2010-2012, the Center for Financial Services Innovation selected thirteen cutting-edge projects to receive \$4 million total in grant support, from among 373 applications totaling more than \$107 million in requests.

To learn more, visit cfsinnovation.com/Financial-Capability-Innovation-Funds.

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