

Telecom & Information Technology: The New Infrastructure for Community Economic Development

Case Studies

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This presentation was prepared under the auspices of CDIII, a national project on the future of community development and CD finance:

- Premise: The economic and financial worlds have changed profoundly over the last 30 years; fundamental assumptions about community development and community development finance must be revisited.
- Range of Concerns: Macrofinancial trends, savings and financial services, affordable housing, business development and job creation, asset building strategies for individuals and communities, technology and community infrastructure, financial infrastructure for the CD field
- Questions: What is the current state of the CD and CDFI industries? How do these industries need to evolve in order to have impact in this new economic and financial world? What is needed to help move these industries into their new positions and roles?
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This presentation will provide more information on the following eight examples illustrating the connection between telecommunications/information technology and community economic development:

- Montana Terrace, Washington, DC
- E-Tropolis, Evanston, IL
- Sprint Call Center, Kansas City, MO
- Coastal Enterprises, Inc., Wiscasset, ME
- Business First Stop, MACED, Berea, KY
- John C. Ford Program, Inc., Dallas, TX
- United Neighborhood Houses, New York, NY
- Proposed Online Financial Services: The De Novo Bank Project

This presentation should be read in conjunction with “Telecom & Information Technology: The New Infrastructure for Community Economic Development”

Montana Terrace

A comprehensive package of telecommunications, educational and health care services are provided to an affordable housing community through communications technology.

Montana Terrace, a public housing complex in Northeast Washington, D.C., is being transformed into a *Smart Home Community*.

- 155 apartment units with problems of physical decay, unemployment, violence
- Being re-developed into a mixture of market-rate and subsidized single-family homes, townhouses and apartments
- Broadband telecommunications technology installed as the houses are being built; fiber/coax grid runs throughout the community and into each home
- Interconnect agreements are negotiated with wireline and wireless systems to provide bundled services such as telephone, high-speed internet and cable TV

The fundamental premises of the Smart Home Community are:

- The Little Guy is Bypassed: Although hardware costs are decreasing, the telecom industry gravitates towards perceived more lucrative markets. Residents of low-income communities will end up paying more for less service.
- Maximum Bandwidth: More bandwidth means high-speed internet, broadband video, greater data capability.
- Education Amenities: Education and information opportunities are more important in lower-income communities because residents generally have less access to those resources

The fundamental premises of the Smart Home Community are:

- Jobs: Deployment of the technology creates jobs. Many residents who completed training in fiber optic cabling are now employed by Bell Atlantic and Potomac Electric Power Co.
- Small Business Opportunities: Local ISPs (Internet Service Providers), network maintenance companies, and web designers are only a few examples of startup business opportunities arising from the new technology

This effort was orchestrated by Allied Communications Group, which specializes in “one-stop” telecom communities for the affordable housing market.

Other Partners Include:

- ALTA Consulting Group: coordinate training programs for residents, develop public/private partnerships for workforce education, telemedicine and distance learning
- Children’s Hospital and Providence Hospital: support the telemedicine services
- Southeastern University: distance learning, 120 years experience in education for adult learners
- D.C. Link & Learn/PeoplePC: workforce education partner
- 3Com Corporation: network vendor

Several of these services will be provided through a Community Technology Center, including:

- Telemedicine Suite: community-based health care staff linked to three area hospitals; particular focus on chronic health problems and prevention: asthma, pre-natal care, hypertension, diabetes
- Distance-Learning Labs: linked to Southeastern University; offering Distance Learning Adult Education courses with matriculation to Southeastern University
- Workstations: linked to business development, training and self-sufficiency resources

Overall, residents of the Smart Home Community will benefit from having access to:

- Long-distance learning
- Telemedicine
- Community-based business opportunities
- High-speed Internet access at competitive prices
- Bundled and discounted telecom/video services
- Training and lifelong learning
- New homeownership opportunities

E-Tropolis Evanston

Developing telecommunications
infrastructure as a platform for community
economic development.

E-Tropolis Evanston is a public/private venture to turn Evanston into an “electronic city.”

- Evanston is a city of about 75,000 people, immediately north of Chicago, and home to Northwestern University.
- Goal of e-Tropolis Evanston is to offer affordable, high-speed data, voice and video services for every residence, business, institution and government office in Evanston.
- The vision emerged from a partnership between Evanston Inventure (a business coalition), Northwestern University, the public schools, library, Evanston Hospital, City of Evanston, Chamber of Commerce, Research Park companies, community leaders and others.

The specific goals of E-Tropolis Evanston include:

- Attracting more technology-based companies
- Offering advanced network services, technical support, and education and training for residents, community organizations, schools, businesses and government agencies
- Providing e-commerce development for small and boutique businesses
- Linking all Evanstonians to government services and policy makers, education and information sources, arts and culture, businesses and community organizations through an “electronic city”

Wrapped around these goals are four design principles:

- Assuring equal access for all citizens, businesses and organizations
- Building on existing infrastructure and assuring scalability
- Providing community service and support throughout the project
- Offering strongly competitive pricing for internet, long distance and local services

e-Tropolis Evanston plans to deliver a wide spectrum of services:

- Equal, competitively priced high-speed access to the Internet for every residence, business, agency and organization in the City of Evanston
- “Smart” integrated building services (including energy management and security) for commercial and multi-tenanted buildings that request such services.
- The Electronic City: a directory of “all things Evanston linking to any and all,” the first page up when an e-Tropolis subscriber signs in; and the Internet portal for e-Tropolis subscribers
- e-Tropolis CommerceNet: enabling every business in Evanston to engage in e-commerce: a website for every business, capacity for secure transactions and ability to offer up to 10 products through its site; additional enhancements are under investigation

E-Tropolis Services, cont'd:

- The development of a Community Resource Center as a central information point, with adequate staffing and hours
- The ability to build community and to strengthen education and training so as to complement the initiatives and offerings already in place through the City, the schools, the Library, the churches and social service agencies

E-Tropolis Evanston is governed by Technopolis Evanston, a not-for-profit entity with a 17-member Board of Directors.

- Board members represent the major sectors or the community and are organized into four Board committees:
 - Infrastructure and Services Committee
 - Electronic City Committee
 - e-Commerce Committee
 - Education and Training Committee
- Service delivery is managed by e-Tropolis Partners, comprised of members of the Performance Group, a subsidiary of the Chicago architectural firm of Loeb, Schlossman and Hackl
- A joint licensing agreement establishes the relationship between Technopolis Evanston and e-Tropolis Partners.

The joint licensing agreement between Technopolis Evanston and e-Tropolis Partners includes the following provisions:

- Services and pricing for telecommunications and related technologies offered by e-Tropolis Partners must be approved by the e-Tropolis Evanston Board and reviewed semi-annually.
- All revenues are collected by e-Tropolis Partners with a percentage accruing to e-Tropolis Evanston for staffing, marketing, development of the Electronic City content, and education and training. (Projected timeframe for breakeven: 24 months)
- e-Tropolis Partners has the right to market the concept to other cities using the e-Tropolis name; in exchange, e-Tropolis has an equity position in the for-profit company and a seat on the e-Tropolis Partners board.

Sprint Call Center, Kansas City

A partnership between the private sector and a Community Development Corporation to create jobs, train residents in appropriate technology, and build telecommunications infrastructure in the inner city.

This initiative is a partnership between Sprint, Kansas City Area Development Council (KCADC) and the Black Economic Union (BEU), a community development corporation.

- KCADC and BEU facilitate economic empowerment of minorities in inner city neighborhoods of Kansas City.
- Call center is located in the Lincoln Building in an historically African-American community with a rich cultural heritage in jazz music and sports.
- 4,000 sq ft center processes long distance calls placed by residential and business customers throughout the U.S.; designed to handle an average of 400,000 calls per month (potential of one million calls per month based on number of customer agents employed).
- The center initially created 45 jobs; currently being expanded to provide an additional 30 customer agent positions; average pay of \$ 8-10/hour; good benefits and flexible shifts to accommodate needs of single parents.

Call centers represent a large and growing employment opportunity.

- First formal call center established in 1973; currently well over 100,000 call centers in U.S.; projections for new call centers range between 8,000-10,000 annually.
- As a satellite call center, the equipment is an extension of the digital switch located at Sprint's regional operator center in Lenexa, KS.
- Lenexa is one of Sprint's three main operator centers; each provides call completion and connection services to support Sprint's consumer, business, wholesale and govt. marketing divisions. The centers provide both automated and live agent services in 12 languages.
- Extending off a switch is a normal practice and a popular alternative to building large facilities in major cities.

Call Center is a partnership between BEU, Sprint and several workforce development providers.

- BEU owns and renovated the Lincoln Building; about 5,200 sq.ft. rented to Sprint for the Call Center.
- Sprint purchased, maintains, updates telecom equipment
- Tax credits are available to businesses who qualify based on economic development zoning and government economic development grants for the community.
- The Full Employment Council (FEC) recruits and pre-screen's applicants; FEC, Urban League and KC School District provides basic skills training; Metropolitan Community College does assessment and skill training of all recruits utilizing a new telecommunications training facility; funds available from City and State to help pay training costs; wage supplements available for individuals transferring from AFDC

The Sprint/BEU call center has performed very well to date:

- Improved retention rates of customer agents compared to the Lenexa center of 15-20% annually since opening in October, 1997.
- Sprint again wins the JD POWERS Award for best customer service in the industry for the 5th straight year.
- Planned expansion will enable Sprint to hire an additional 30 agents as business needs warrant growth.
- Average starting hourly wage: \$8.25, with medical/dental benefits, stock options and a 401 (k) plan; four employees promoted to management positions so far

And there have been other significant neighborhood and economic development impacts:

- Utilization of vacant commercial space in the 18th & Vine Historic District
- Creation of corporate tax base in the community
- BEU has doubled the size of its business incubator and added new services due to increased interest in local entrepreneurship as a result of the call center; funding from Southwest Bell, the Kaufman Foundation, and City of Kansas City (MO) (which occupies space in the incubator)
- Sprint is now a participant in community cultural and recreational activities
- H&R Block has completed a larger call center based on the Sprint/BEU model with another CDC in Kansas City

And there have been other significant neighborhood and economic development impacts (cont'd):

- Finally, BEU's participation in the call center has bought them a place at the table with major corporations, foundations and the public sector during the planning, design and implementation phases of key economic development initiatives in Kansas City: e.g, projects in telecom/IT and transportation.

The success of this call center is attributed to several factors:

- A qualified applicant pool
- Appropriate training
- Ease of administration (no bureaucracy; clear and direct lines of communications between decision makers)
- Information and resource sharing between parties
- A true private/community partnership

Coastal Enterprises, Inc.

Integrating a telecommunications and information technology focus into a CDC/CDFI's community economic development mission and activities.

Coastal Enterprises, a CDC based in Wiscasset, Maine has targeted telecom and IT industry for its financing and business assistance programs.

- CEI is a CDC founded in 1977. Its mission is to help people and communities in Maine, especially those with low incomes, reach an equitable standard of living in harmony with the natural environment.
- Maine is a rural state that has lost many of its traditional jobs and contains areas of high unemployment with few income opportunities.
- State government is making an effort to support the development of telecommunications infrastructure to overcome distance and facilitate access to markets.

CEI provides a broad array of community and economic development services including:

- Financing for small to medium-sized businesses through three different loan funds and a venture capital fund
- Entrepreneurial training and counseling
- Microenterprise development
- Workforce development, including training targeted to refugees, immigrants and women
- Affordable housing and homeownership counseling
- Child care financing
- Research, policy development and advocacy

Coastal has been a pioneer among CDCs in supporting small telecom & telecom-related businesses.

- CEI has a business counselor specializing in telecom to provide TA to small telecom businesses
- CEI has a telecom specialist for its Women's Business Center; the Center offers Internet training, one-on-one counseling, and acts as a technical resource for the On Line Women's Business Center (www.onlinewbc.org)
- Telecom training topics include: how to get connected; business research; marketing and e-commerce; developing an effective website, and going global.
- CEI participated in The Maine Partnership, a consortium of 14 projects statewide to build telecom capacity and identify the state's needs; Partnership funded by Department of Commerce TIIAP (Telecommunications and Information Infrastructure Assistance Program) grant

CEI has invested in several telecom businesses through its loan fund and venture capital company.

- CEI has made telecom businesses a priority for its micro and small business lending and its community development venture capital investing.
- Telecom businesses financed include: EnvisioNet (a call center for technology companies), New England 800 (a telecom service company), Resort Sports Network (an Internet-based reservation company for outdoor sports), regional ISPs, and a website designer
- Some issues in financing telecom: e.g., capital-intensive nature and rapid obsolescence of equipment, difficulty of assessing new technologies, specialized TA needs of entrepreneurs in telecom sectors.

One CEI borrower is New England 800 Company, the oldest “call center for hire” in Maine.

- New England 800 develops and manages custom call-centers and provides Web-center services.
- The company is growing rapidly and has track record of hiring, training and retaining low-income employees including TANF recipients.
- CEI has lent money to the company’s real estate affiliate directly as well as through its SBA 504 program for the purchase and rehab of a company facility in rural Waldoboro, Maine

CEI invested \$600,000 in New England 800 which expects to create 100 new jobs over a 3-year period.

- In 1999, Coastal Ventures Limited Partnership (CVLP) and CEI participated in a \$935,650 round of expansion financing for the company. CVLP purchased \$300,000 of convertible preferred stock with projected venture capital-type returns over a 5-7 year period; CEI provided a \$300,000 term loan from HHS JOLI funds; balance of funds provided by a local bank.
- Proceeds of financing used for equipment and working capital;
- 75 of the jobs created will be targeted to people of low incomes; company has guaranteed that employees will earn more than \$7/hr after one year with company-paid health insurance and other benefits; the company promotes exclusively from within.

Business First Stop, MACED

www.bizfirststop.org

A web-based tool providing customized information, resources and business diagnostics for entrepreneurs; distinguished by extensive local content and value-added filters, tailored Business First Stop sites currently exist for Kentucky and West Virginia, with one underway for Ohio.

The Mountain Association for Community Economic Development (MACED) is a multi-faceted CDC based in Berea, KY:

- MACED formed in 1976 to improve living conditions of low-income and unemployed people throughout the Appalachian region of Kentucky
- Mission: to provide opportunities and resources to help citizens build sustainable, healthy, equitable, democratic and prosperous communities in Kentucky and Central Appalachia
- MACED serves Central Appalachia through three program areas: business development, sustainable communities, and land and resources
- Among MACED's current projects: a five-year Sustainable Communities Initiative, a Forest Resource Model, and a Strategic Capital Fund for business investment

Business development is a critical component of MACED's economic development activities:

- Kentucky: 6th poorest state in terms of people living below the poverty line; Eastern Kentucky the poorest region of the state.
- “Real” rates of unemployment (incl. individuals who have stopped looking for work) range as high as 50% in some Appalachian counties; as in other parts of rural America, most new jobs pay minimum wage, provide few or no benefits and offer few opportunities for advancement.
- Geographic isolation and cultural attitudes toward entrepreneurship present special challenges to development in the region
- MACED's business development program attempts to stimulate new business activity in counties lacking population or infrastructure sufficient for manufacturing or other traditional employment sectors

In 1998, MACED launched Business First Stop, a Web-based resource to promote small enterprise development, especially in geographically remote areas of Eastern Kentucky and West Virginia:

- Outgrowth of research carried out among entrepreneurs, business service providers and community leaders in the Appalachian regions of Kentucky, Ohio, Tennessee and West Virginia
- Business First Stop is the first Internet-based business center offering easy access to information and resources specifically geared to assist Central Appalachian business owners; envisioned as an online community for entrepreneurs and local service providers
- (Per MACED) “At one interactive site, business owners can determine if they’re OSHA compliant, learn how to qualify for special state incentives.....Self-paced tutorials also offer entrepreneurs a confidential and convenient way to prepare for a loan application or refine their marketing strategy.”

Future directions for MACED and Business First Stop include the following:

- MACED is focusing on replication efforts to help other organizations tailor and launch region-specific sites.
- Opportunities exist to partner with regional newspapers, business publications and regionally focused websites and portals (e.g., RealCities, Yahoo! Get Local, etc.).
- MACED is developing an interactive TA module to connect business owners with advisors through dialogue boards and real time.

John C. Ford Program, Inc.

An inner-city telecommunication centers program to reduce the Digital Divide by bringing state-of-the-art technology and business training to residents and small business owners in a 200 square-mile inner-city area known as the Southern Sector in Dallas.

The Ford Program is a nonprofit corporation which provides free business education, technology training, and job skills-career development programs in the Dallas-Ft. Worth Metroplex area:

- Founded in 1994 by 10 reorganization attorneys; began as a pro bono legal assistance program for the working poor
- In 1995, meeting with the Dallas Chief of Police convinced Ford Program representatives that pro-active preventive education was needed in inner-city communities; Program advised to work through the churches
- In 1996, Ford Program began assembling a core Coalition Base of purchasing executives from major corporations, partners from law and accounting firms, and business professors from local colleges and universities to develop a curriculum of basic, non-academic business courses including: People's Business College Education Program, Parent-Youth Business Technology Academy and others

Today, The Ford Program provides training and development programs in two areas:

- **Business Ownership Training Programs -**

- Entry level: *People's Business College Education Program (PBC)*, a 10-week/30-hr training program for existing and startup business; lectures by corporate volunteers and individualized business consultation by MBA interns
- Intermediate: *Business Infrastructure Program*, a 4-6 week followup program for PBC graduates; *Education Based Working Capital Program* for PBC graduates who are not otherwise bankable; *On-Site Business Consultant Team Program*, a 16-20 week program providing a Business Consultant Team to assist start-up and existing businesses of PBC graduates
- Interm./Advanced: *Business Max Academy*, a 12-week program on Sales Presentation Training and e-Commerce Training for the “New Millennium Entrepreneur”; *Historic Business Districts Merchandising Program* promotes growth of inner-city retailers and the revitalization of inner-city shopping strips.

Today, The Ford Program provides training and development programs in two areas (cont'd):

- **Job Skills-Career Development Programs -**
 - Entry level: *Parent-Youth Business Technology Academy*, for state-of-the-art technology training, communication skills development and business education for At-Risk Youth, their parents and teachers; *Business Leadership & Technology Training Academy*, for keyboard training to low-income and Welfare-to-Work residents; Customer Service Training, developed in conjunction w/ WalMart and The Greater Dallas Restaurant Assn., where corporate volunteers teach courses and corporations hire graduates at starting salaries over \$10/hr
 - Intermediate: *Computer Repair Training*, taught by CompUSA and other Corporate Coalition Partners; *Basic Bookkeeping Principles*, developed by associates of Ernst & Young; *Microsoft Certification Training* for At-Risk Youth and low-income adults

In September, 1999, U.S. Department of Commerce awarded the Program a 2-year infrastructure grant to establish the Dallas Inner-City Telecommunications Centers Program:

- Mission of the project: to bring state-of-the-art technology training to the inner-city Urban Family (At-Risk Youth/K-12, their parents and teachers) and inner-city entrepreneurs in the 200-sq.mile area of Dallas known as the Southern Sector
- Phase I - Opening of 6 community-based Telecommunications Centers located primarily at inner-city churches; 4 centers opened in February, 2000, remaining 2 centers to open in September 2000
- Telecommunication Centers to be connected by 2-way interactive video-conference equipment and a Wide Area Network of 126 Pentium III computers w/ Microsoft Office 2000

In September, 1999, U.S. Department of Commerce awarded the Program a 2-year infrastructure grant to establish the Dallas Inner-City Telecommunications Centers Program:

- Phase II (to commence in October,2000) - Establish “Virtual Telecommunications Communities” by connecting the 6 Telecommunications Centers to feeder public schools (elementary, middle and high schools), in partnership with community colleges, universities and the corporate sector

The vision of The Ford Program is best summarized through the words of its Executive Director, Jacqueline Varma, one of the Program's founders:

“The Ford Program believes that increased economic self-sufficiency is achieved through a foundation of education that promotes growth of small businesses, upward-mobility career opportunities.....and the forum to connect the Inner-Cities with the Mainstream. Vital to such growth is Technology..... Used wisely, Technology possesses the ability to level the economic playing field in distressed communities in a single generation. Ignored, Technology will leave inner-city residents behind in its wake, economically depressed for generations to come... .this Telecommunications Project creates a seamless Distance Education Network that extends from Inner-City Public Schools, through the neighborhood Telecommunications Centers--to Community Colleges, Universities, and to Corporate America.....”

Current and projected impact of The Ford Project:

- More than 1000 inner-city youth, low-income adults and entrepreneurs trained from September 28, 1996 to June 30, 2000
- Over 300 inner-city youth and low-income adults trained at 4 Telecom Centers since their opening in February of this year
- Goal: state-of-the-art technology training with business education for over 1000 inner-city youth and low-income adults annually through the Telecommunications Centers
- Increases in the number of inner-city high school graduates, college enrollees and entrepreneurs among other positive impacts

United Neighborhood Houses of New York

Use of technology by neighborhood-based settlement houses to enhance service delivery and expand employment and training and other social, educational and cultural services through the establishment of community computer learning centers and technology-related partnerships.

United Neighborhood Houses is the umbrella federation of 37 settlement houses in New York City:

- First settlement house in the U.S. opened in 1886. Today, NY settlement houses operate more than 500 programs in over 300 locations and serve over 500,000 New Yorkers each year
- Services and activities: early childhood education, after school programs, teen centers, ESL and literacy education, GED classes, job training and employment programs, citizenship instruction, legal counseling, recreation, home meals for the elderly, mental health counseling, drug and AIDS prevention, senior centers, sports, arts and cultural activities and events and housing programs
- Community development and empowerment are integral to the mission of settlement houses

UNH initiated a demonstration project known as the Information Technology Initiative (ITI):

- Installation of a Wide Area Network (WAN) linking UNH headquarters with five settlement houses
- Two major purposes:
 - facilitate the management of settlement house programs
 - establish “family rooms” enabling neighborhood residents and community groups to access computers and the Internet and enhance computer skills and communication
- Pilot project funded by National Telecommunications and Information Administration (NTIA) of U.S. Department of Commerce; foundation grants, \$1.5 million of software donated by Microsoft, and 250 computers and printers valued at over \$750,000 donated by IBM

Positive outcomes of the demonstration have led to an expansion of the program:

- WAN links UNH headquarters and 9 settlement houses, connects 1000+ staff members at 35 sites across the City.
- Technology used to improve program administration:
 - Database management systems to measure participants' progress
 - Tracking grant income and expenditures
 - Maintaining resource database of local community-based agencies
 - Responding to RFPs online

Positive outcomes of the demonstration have led to an expansion of the program (cont'd):

- There are now 16 settlement-based computer learning centers.
 - To develop reading, writing, language, math, word processing, desktop publishing, website design and other job skills;
 - Job searches on the Net
 - After-school programs to encourage young people to view technology as a medium for self-expression

The ITI project has led to a number of creative partnerships including:

- **American Gateways Project** - a collaboration between settlement houses and the NYC Board of Ed to develop Web-based content about immigration and migration; assists at-risk populations in acquiring literacy and technology skills.
- **PEPTECH** - a training program in partnership with Per Scholas, a non-profit which sells computers and training to schools; develops technological support staff for settlement houses and corporate sector
- **CLOUT** - an employment program developed by Pace University; furnishes out-of-work residents with computer skills, internships, mentoring and academic support.

The ITI project has led to a number of creative partnerships including: (cont'd)

- **TeamTECH KIDSMART Young Explorer Early Learning Centers** - a partnership with IBM and the United Way; brings computers into pre-school setting using specially designed computers for very young children.
- **College Computer Science Interns** - a program placing student interns from area colleges such as Polytechnic University, NY Technical College and Pace University in settlement houses, providing settlements with much-needed technological support and students interns with valuable employment experience.
- **Technology Scholarship Fund** - a grant program established by Sid Lapidus Scholarship Fund for additional training for settlement house technical staff.

Technology has brought new programmatic and administrative benefits as well as new challenges:

- Computer equipment and software demand frequent and costly upgrading.
- City government increasingly requires computer-generated reporting in its contracts, but rarely allows for budgeting of the costs.
- Many settlement houses cannot afford to join the WAN.
- Staff training in using current and upgraded computer systems is an ongoing need, but the cost of this training is often not budgeted

Proposed Online Financial Services: The De Novo Bank Project

A technology-based market-driven solution to deliver banking products and services to low-income consumers in geographic markets throughout the U.S. The Bank's intended market is households with annual income of \$16,000 or less. Bank is currently in formation.

The De Novo Bank will deliver its products and services through the staffed locations of financial institutions and other neighborhood-based entities:

- Participating financial institutions (e.g, banks and credit unions) located throughout low-income communities will serve as staffed Internet Points-of-Access. Benefits to participating institutions include:
 - access to new (underserved) markets
 - risk and administrative costs assumed by the De Novo Bank
 - transaction fees established and updated by the participating institution
 - opportunity to cross-sell traditional products: e.g., auto loans, home mortgages
- Other IPAs will include grocers, retailers, check-cashing service centers, nonprofit and faith-based organizations

Consumers gain access to low-cost FDIC-insured products and services that establish credit history and savings:

- **Savings Vehicle**

- A checkless, no-minimum balance account designed to accept the \$10-20 micro-deposits characteristic of low-income consumers; account cannot be overdrawn, will be opened without a credit check, and remains available with a zero balance
- Access online via magnetic-stripped BankCard technology at staffed IPAs; account will have \$1-\$2 monthly fee and limited ATM access

- **Consumer Credit**

- Loans available online through use of the BankCard at participating IPAs; average loan size \$200-500; loans available for up to 12 months; borrowers will be charged an administrative processing fee