



HOWARD COUNTY OFFICE OF COUNTY EXECUTIVE

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Delegate Ben Barnes, Chair
Appropriations Committee
House Office Building, Room 121
Annapolis, MD 21401

Re: **TESTIMONY OF SUPPORT:** HB 815 Economic Development - Maryland Financial Empowerment Center Network Pilot Program - Establishment

Dear Chairs Barnes, Vice Chair Chang, and Members of the House Appropriations Committee:

I commend Delegate Spiegel for sponsoring House Bill 815 which seeks to establish a network of financial empowerment centers to the state.

In Howard County, we help residents build a better financial future, identify, and avoid scams, and remind residents of the importance of credit scores throughout the year. Our Office on Consumer Protection is one of only two local offices in Maryland. Our team works to support residents with lower incomes and often, higher debt, become more self-sufficient. Through the establishment of a Financial Empowerment Center, even more residents will set and accomplish savings goals while building wealth for their families.

Howard County applied to enroll in Cities for Financial Empowerment's (CFE) FEC Academy to bring a financial empowerment center (FEC) to the County. Howard County would therefore be the first and only county led FEC in the state. It is currently enrolled in Phase 2 of the FEC Academy using its blueprint and technical advisors to craft an implementation plan for the eventual Howard County Financial Empowerment Center.

During my time as a Councilmember, I launched Money Matters in Howard County, a series of free programs aimed at educating residents on financial literacy, managing debt and financial challenges, credit improvement, and more. Although Howard County is continually ranked among the most affluent and educated communities in our country, we have yet to close the gaps between those who are self-sufficient and those who are not. Based on data from the *Association of Community Services' FY22 Self-Sufficiency Indicators Report* and the *Prosperity Now Scorecard*, some Howard County residents are not self-sufficient or, are Liquid Asset Poor, meaning the "percentage of households without sufficient liquid assets to subsist at the poverty level for three months in the absence of income."

Based on data reported to and by federal agencies, complaints about credit reports and credit repair to the Consumer Financial Protection Bureau, have tripled in Howard County over the last three years.

The Federal Deposit Insurance Corporation National Survey of Unbanked and Underbanked Households, for the Baltimore-Columbia-Towson MSA, reports nearly 18% of the population underbanked or unbanked. These same consumers tend to rely (98%) on alternative forms of credit. Finally, recent Census data shows that ~5% of Howard County residents are below the federal poverty line, and 9% are below 150% of the federal poverty line.

Finding honest, reputable, and trustworthy credit and financial counseling is thus a consumer necessity, and drove the decision to bring a financial empowerment center to the county. The Pilot Program suggested by House Bill 815 would lend support from the state to counties and municipalities to build similar centers throughout Maryland and help our most vulnerable community members build wealth, lower debt, improve credit and by extension increase opportunities.

I welcome your support and respectfully request a favorable report on House Bill 815.

All the Best,

A handwritten signature in blue ink, appearing to read "Calvin Ball".

Calvin Ball
Howard County Executive