



February 23, 2026

Bill: SB 518: Maryland Financial Empowerment Center Network Pilot Program - Establishment
Position: Support

Dear Chair, Vice Chair, and Members of the Committee:

The City of Gaithersburg and its Financial Empowerment Center are pleased to submit this testimony **in favor of Senate Bill 518**, calling for a pilot program to establish a network of Financial Empowerment Centers in Maryland.

Financial Empowerment Centers (FECs), using the model designed by the Cities for Financial Empowerment Fund (CFE Fund), are open to residents over the age of 18 and offer their confidential services for free, without income limits or other qualification requirements. Clients work with professional financial counselors to achieve their financial goals, including paying down debt, improving credit scores, adopting savings behaviors, connecting to safe, low-cost banking products, and legacy planning to protect and pass on their assets. Under this model, FECs operate within a network of other government agencies, financial institutions, and nonprofit service providers to support the holistic wellbeing of their clients. CFE Fund currently supports 46 such FECs across the country. ¹

The City of Gaithersburg established a Financial Empowerment Center (FEC) in March of 2022 to provide free, confidential, professional, one-on-one financial counseling as a public service to City residents. In the four years since, we have helped 749 clients improve their financial wellbeing. Collectively, FEC clients have eliminated \$2.3 million in non-mortgage debt, increased their savings by \$740,000, gotten current on 176 delinquent accounts, and increased their credit scores by over 5,700 points. This is even more remarkable when you consider that 94 percent of these clients have household incomes below 80 percent of the Area Median Income for Montgomery County.

Hidden within these numbers is a multitude of individual impact stories:

- a family facing eviction who was supported in preserving their housing, finding employment, and attaining financial stability;
- a business owner who paid down tens of thousands of dollars in back taxes from his unregistered business, registered it properly, and re-grew it to provide enough income for his family to purchase their first home;
- a single mother who was living in a basement unit with her three children after her divorce who rebuilt her credit and eventually qualified for safe, stable housing near her children's school.

¹ <https://cfefund.org/project/financial-empowerment-centers/>

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Every day, our FEC sees clients who are trapped in debt, underbanked, and trying to make ends meet amidst an affordability crisis, while grappling with the ripple effects of federal layoffs and cuts to public benefits. Residents of Gaithersburg face many acute financial challenges:

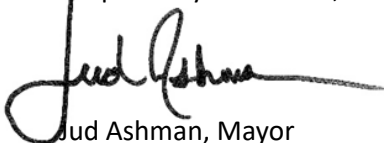
- 50% of renters are housing cost burdened (paying 30% or more of their income on housing) and 25% are severely cost burdened²
- 16% are asset poor (having insufficient savings or assets to meet three months of expenses)³
- 15% are underbanked⁴
- Median household income has remained flat since the year 2000⁵

Furthermore, when disaggregated by race and ethnicity, we see that across all these indicators, non-White households have significantly worse outcomes than White households. These challenges are not unique to Gaithersburg nor Montgomery County; across Maryland, families are grappling with these same obstacles to financial stability. While financial counseling cannot eliminate these obstacles, it can provide residents with practical tools to mitigate them as well as relational support to help see them through times of crisis.

At the City of Gaithersburg, we have seen firsthand how free, professional, one-on-one financial counseling offered as a public service, can promote upward mobility and mitigate economic hardships for our residents. However, the vast majority of Marylanders who do not reside in a municipality with an FEC, do not have access to this transformative service. The initiative put forward in SB 518 to establish a state-wide network of FECs would bring an effective, evidence-based intervention to Marylanders across the state at a crucial time. We are pleased to provide this testimony in support of this bill.

Feel free to contact me if you have any questions at 301-466-5350.

Respectfully submitted,



Jud Ashman, Mayor
City of Gaithersburg

² Gaithersburg Housing Element. 2023.

<https://www.gaithersburgmd.gov/home/showpublisheddocument/12907/638309745988500000>

³ Gaithersburg Prosperity Now Scorecard. 2023.

⁴ Gaithersburg Prosperity Now Scorecard. 2023.

⁵ For Montgomery County: https://www.montgomerycountymd.gov/countystat/housing_insights.html