



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

**Economic Development - Maryland Financial Empowerment Center Network
Pilot Program - Establishment (HB 801) - 2025**

Testimony of Delegate Ryan Spiegel – Favorable

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee:

House Bill 801 establishes a pilot program to operate a network of Financial Empowerment Centers across the state.

While other financial literacy bills importantly focus on providing financial education in the academic environment at K-12 schools or for university students, HB 801 is designed to provide financial empowerment services primarily to adults out in the community who may not have had the background or education to deal with issues of debt, credit, and personal budgeting.

The diversity of our state is a great strength, and I am proud to represent some of the most diverse cities in America. But in our extremely diverse state, we have a substantial population of residents – many of whom are minorities and immigrants and many of whom live and work in socioeconomically disadvantaged communities – for whom access to, and education about, financial services have historically been denied.

Direct aid to those in need is obviously important and aligns with our values as a compassionate State. But as a matter of equity, it is also critical to provide the tools and educational resources that can help address the root causes of poverty. If we want to have a more permanent impact, and make more progress in addressing the generational wealth gap and systemic barriers to access and opportunity, we should also be investing in financial empowerment programs to give Marylanders the support to build financial stability for a lifetime, and then pass on those benefits and lessons to future generations.

During my time on the Gaithersburg City Council, I led the effort to invest in local financial education programs. Working together with great partners like the CASH Campaign of Maryland, CAFE Montgomery, Family Services Inc., and others, that effort eventually grew into what is now the Gaithersburg Financial Empowerment Center (FEC), which provides people with several sessions of free, hands-on, one-on-one financial coaching in multiple languages.

Funded in part by city grants and in part by some national foundation grant money, the Center also measures its own effectiveness by collecting and analyzing anonymized data from its clients. And with that data-driven approach to the provision of comprehensive financial empowerment programs and services, we have seen the truly transformative impacts of these services for families.

In just the first year or two, one local center has helped clients achieve hundreds of thousands of dollars in debt reduction or elimination, as well as hundreds of thousands of new dollars saved by establishing savings accounts and budget plans. Other striking metrics include the number of points that credit scores were increased, and the number of goals, both large and small, that clients have achieved – whether it's saving for a down payment on a first home, or being able to send a child to college, or eliminating a crippling debt.

This isn't theoretical. These are real, measurable, life-changing metrics. And that's just for one center, in just one city, for just one year.

These programs are proven to offer a tremendous return on investment, from steering folks away from predatory check cashing services and payday lenders that often take a usurious cut of a customer's hard-earned income, to helping them improve credit scores, establish FDIC-insured savings and checking accounts that earn interest, learn about and apply for the EITC, reduce hundreds of thousands of dollars of debt, build family budgets, and get access to high-quality loans to purchase a first home or start a small business or send a child to community college. There are also ripple effects on our state and local economies as families have more funds to spend in the community, and the promise of positive impacts on the budget pressures of our social safety net as more people start to attain more financial stability and independence. But beyond the policy discussion, there are life-changing impacts for individual families.

HB 801 is a relatively modest first step to expanding access to these services, by having a pilot program of financial coaching available around the state as a certified financial coach working out of the Comptroller's Office can travel for appointments. Under the bill, the pilot is required to begin in FY 2027 and run two years, but even if the Comptroller's Office chooses to begin the program in FY 2026, there is a tremendous return on a relatively small investment—a lot of bang for the buck—as demonstrated by the striking data collected by the Gaithersburg FEC.

The Comptroller has expressed enthusiasm for the bill and is working to provide more services to Marylanders focused on financial literacy, so the Comptroller's Office is a natural fit for this pilot program. And as you can see, we have a number of great organizations and officials supporting this legislation. Additionally, the Maryland Financial Education and Capability Commission, chaired by Senator Brooks and Delegate Stein, voted in October 2024 to support this legislation.

Given the nature of these programs, the potentially huge return on investment, and the transformative impacts on people's quality of life and future economic opportunities, as

well as the long-term benefit to the State, I ask for a favorable report on HB 801. Thank you.