



**SB 518 - Maryland Financial Empowerment Center Network Pilot Program - Establishment
House Ways and Means Committee**

April 2, 2025

SUPPORT

Chair Wilkins, Vice-Chair and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 518. This bill will establish a pilot program for Financial Empowerment Centers in the state.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

In 2016, CASH convened with over 100 stakeholders to discuss the state of financial security for Baltimore families. Over the course of the year, the Financial Inclusion Work Group developed a diverse set of financial inclusion recommendations that promote long-term financial security for Baltimore's families. Financial Empowerment Centers were a key part in the conversation on how to improve liquid asset poverty, access to affordable credit products, and ensuring Baltimore City residents have access to financial counselors.

Financial Empowerment Center models offer free public service to residents while providing the following:

- Financial counseling at no cost, with counseling delivered one-on-one to empower clients to address complex financial challenges.
- Counselors that are professionally trained according to the CFE Fund's rigorous FEC Counselor Training Standards and a Code of Ethics.
- Counseling services that are managed through rigorous data; the central FEC database collects over 200 client data points, and impact is measured against specific financial behavior change outcomes.
- Strategic FEC partnerships with other services such as housing and foreclosure prevention, workforce development, prisoner reentry, and benefits access are critical.
- Financial counseling that serves a critical public need, and local government oversight provides for credibility, accountability, scale, and program sustainability.

CASH has supported local Financial Empowerment Centers in Maryland by helping them get established, training navigators, and participating on steering committees. All Marylanders should have access to the education and knowledge that will help them overcome current financial barriers and help them make good financial decisions in the future.

Thus, we strongly urge a favorable report for SB 518.

Creating Assets, Savings and Hope