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C.F. #12-1282

The Honorable Richard Alarcón, Chair  
Arts, Parks, Health and Aging Committee  
c/o City Clerk, Room 395  
City Hall, 200 N. Spring Street  
Los Angeles, CA 90012-4801

Dear Councilmember Alarcón:

In response to your Motion (C.F. #12-1282), the Los Angeles Public Library (LAPL) provides the attached report regarding its plan to implement a financial literacy program relative to the creation of a Universal City Services Card. The LAPL is pleased to participate in the development of the City Services Card, led by Community Development Department (CDD), and to play a major role in building financial literacy throughout the city.

**Need**

The City of Los Angeles, according to a research study quoted in the Los Angeles Times, has the nation's largest unbanked population. According to the same article, the number of check cashers, pawnshops and payday lenders is five times the number of banks and credit unions. Lacking access to the traditional government insured banking services and lacking opportunities to build credit, this population is extremely vulnerable to expensive and predatory financial products and services providers. Without access to a checking account or the use of a credit or banking card the unbanked often carry large amounts of cash making them easy prey for criminals.

The unbanked population according to a report, "Unbanked By Choice," published by the Pew Health Group finds that unbanked households in Los Angeles fall within a distinct demographic. The unbanked population is mostly foreign born (69%), with an annual family income of \$17,300, just below the federal poverty line. Only 48% have completed high school, and most of the unbanked have never had a bank account (63%) and often pay monetary transactions in cash.

These demographic characteristics overlap with other vulnerable populations that the Los Angeles Public Library has been serving, such as low literacy populations and populations that need assistance with obtaining citizenship. Increasingly we find that members of these vulnerable population groups need assistance on several fronts and not just on a single issue.

**Organizational Capacity**

The LAPL's 72 branches and Central Library serve as the hub in communities across the city, serving the largest population of any public library in the U.S. They are free, open 6 days a week, offer a wealth of information in all formats, provide public access to technology, and



expert staff to guide the public to the best resources for their needs. The Los Angeles Public Library has been a leader in providing basic instruction, programming and resources for our residents to achieve the basic skills necessary to become proficient in a variety of 21st century literacies. The Library has an active and vibrant basic literacy program for adults and reading readiness for children. Our computer and digital literacy classes are offered throughout the city and thousands of hours of instruction are provided yearly.

It has been the experience of the library that participants in our programs: basic literacy, financial literacy, digital literacy and citizenship are in need of a range of literacies and by taking a more holistic approach to teaching these basic literacies, participants will be able to take more control of their lives and their new skills will allow them more life options.

For the past two years the City of Los Angeles and the Los Angeles Public Library have made an aggressive commitment to financial literacy and to banking the unbanked. To further this commitment, the Library is partnering with CDD to expand the reach and impact of its financial literacy initiative designed to make all of our seventy-three locations one-stop shops for basic financial information, programming on financial topics of concern to our residents and sites of instruction on basic financial topics.

#### **Financial Literacy Programs @ LAPL**

The Library has a strong track record of providing financial literacy programs to the Los Angeles community. As a Financial Industry Regulatory Authority (FINRA) Investor Education Foundation/American Library Association (ALA) "Smart Investing@ Your Library" grant recipient in the 2010-2011, the Library held over 130 workshops and classes on a full range of financial topics, such as dealing with basic budgeting, opening a checking account, saving, financing college, managing credit & debt, planning for retirement, investing and buying a home. The grant project was branded "The Language of Money" and workshops were offered in English, Spanish, Chinese and Korean. Collaborative partnerships were developed with community-based organizations, such as Consumer Action, Korean Resource Center, East Los Angeles Community, Los Angeles County Department of Consumer Affairs, California Department of Corporations, Chinatown Service Center, and Wilson-Lincoln Adult School, who presented the workshops along with librarians.

The goal was to provide access to high-quality, unbiased financial literacy programming and resources to help residents make well-informed financial decisions in a tough economy.

Based on self-completion surveys distributed at the workshops, respondents reported the following:

- 95% agreed that their knowledge of financial matters increased
- 97% said they will use what they learned to help them manage their money
- 39% said that they opened a bank account since taking their first financial workshop at the LAPL
- 73% started saving
- 34% reduced their credit card debt
- 17% opened a retirement savings account

Building on the success of the grant project, we are expanding and renewing our efforts. A growing list of over 25 organizations providing free, unbiased financial workshops has been developed. Libraries throughout the city will kick off **National Financial Literacy Month in April 2013** by scheduling the first of a series of workshops tailored to the needs of the community.

### **Partnership with CDD**

The LAPL is very pleased to be partnering with CDD on providing financial literacy events and campaigns. Below is a list of events for FY 2012-13:

- **Financial Planning Day 2012** - Central Library - October 13, 2012  
250 families attended this successful event co-sponsored by CDD, LAPL, U.S. Conference of Mayors, Financial Planning, Foundation for Financial Planning, and the Certified Financial Planner Board of Standards. Workshops on forging your financial future, retirement planning, budgeting and basic investing were offered in English and Spanish. 150 received one-on-one free consultations with a certified financial planner.
- **Financial Fitness Fair** – Central Library – March 16, 2013  
Workshops and booths staffed by representatives from organizations offering a wide range of financial and social services that meet needs such as credit counseling, small business lending, LA County Department of Public Social Services, and much more.
- **Financial Planning Day 2013** - Central Library - October 19, 2013  
Due to the success of the 2012 event, Central Library will again be the venue in 2013.
- **Earned Income Tax Credit (EITC) Awareness Campaign and Facilitated Self-Assisted Tax Preparation using MyFreeTaxes.com**  
The LAPL is partnering with the IRS, as well as CDD, to increase awareness of the EITC. Information about EITC eligibility and links to MyFreeTaxes.com are featured prominently on the LAPL home page. Promotional flyers are being distributed to all 73 libraries. In January 2013, Abigail Marquez, CDD, and Tina Su, IRS, provided training to all library managers on the EITC campaign. Residents with earnings less than \$57,000 can complete their simple tax return for free on a library computer if they do not have Internet access at home. Information on where to receive free tax preparation assistance is also available.
- **Promotion of the Cal Fresh (formerly known as Food Stamps) Program**  
CDD facilitated the LAPL's collaboration with the Los Angeles County Department of Public Social Services (LA DPSS) with the goal of increasing Cal Fresh Program participation. Cal Fresh Awareness Month is May 2013. Brochures, flyers, marketing on the library website, word-of-mouth referrals from librarians and outreach programs at libraries will serve to reach low-income residents who would greatly benefit financially and nutritionally from this program.

In addition to these workshops and programs the library's website offers hundreds of resources for residents to find the information that they need.

### **Financial Literacy Resources @ LAPL**

The LAPL has an outstanding collection of books, e-books, e-audio books, and DVDs on a wide range of financial literacy topics in English, Spanish and a variety of other languages. In addition, the following electronic resources are available in the library or remotely via the library website:

- **A comprehensive online Financial Resource Guide**  
Developed by experts in the Central Library's Business & Economics Department, this is a compilation of suggested library and online resources providing information, education, and tools covering savings, credit, investments, budgeting, financial planning, and consumer protection: <http://money.lapl.org/money>
- **Online Courses**  
The LAPL now offers hundreds of free e-courses with continuing education credits through Universal Class and Ed2Go. Residents can take the flexible, on-demand courses on a library computer or remotely with a library card from any Internet – connected device. Included are several financial literacy courses, such as:
  - Personal Finance 101: How to Manage Your Money
  - Understanding and Managing Your Credit Report
  - Learn Basic Money Management Skills – Saving, banking, balancing a checking account, credit cards, debts, investments, loans
  - Budgeting & Saving 101
  - Home Ownership
  - How to Save Your Money
  - Keys to Successful Money Management
  - Where Does All My Money Go?
  - Couponing 101
  - Protect Your Money, Credit & Identity

In summary, the LAPL is committed to continuing to seek opportunities to expand our capacity to offer and promote programs and resources that help people make better decisions about their money. By taking advantage of the library's free, unbiased resources, consumers can better manage their money, credit, investments, and debt, and learn to avoid identity theft, protect their privacy, and steer clear of financial scams and fraud. For many families, finances are tight so it's important to learn about budgeting, planning for major life events such as college tuition or retirement and managing debt.

I appreciate the opportunity to address your committee on this important initiative and look forward to providing additional information if necessary.

Sincerely,



John F. Szabo  
City Librarian

cc: The Honorable Members, Arts, Parks, Health & Aging Committee  
The Honorable Herb Wesson  
Gregory P. Irish, Interim General Manager, CDD