



## **Open-Door Check-Cashing Leads To Banking Opportunities For Low-To Moderate Income Residents**

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### **Commitment to communities expands services**

CLEVELAND — We didn't know if it would work, but we knew we had to try; and its success proves we're filling an important need.

We knew that the residents of Cleveland's inner city neighborhoods needed the same banking services as everyone else, but that many had little or no access to banks. That made it difficult for them to cash checks, pay bills, and get loans.

To help people in these neighborhoods access banking services, we have invited them into KeyBank branches by offering check-cashing even to those who don't have accounts with us. We charge less than storefront check-cashing services – only 1 percent to 1.5 percent depending on state regulations, versus 3 to 7 percent. We also offer free financial education courses to everyone in the community – whether or not a person banks with us. These courses help people build the skills necessary for financial independence and for eventually realizing their dreams. These services combined – check cashing and financial education – are called KeyBank Plus.

If you grew up in a blue collar working class neighborhood, as I did, you don't need the Wall Street Journal to explain who needs such a program and how useful it can be. But it helps understand how great the need is for banking services in many communities across the country. The Journal reported last year that 28 million Americans don't have bank accounts at all; these people are considered "unbanked." Another 45 million only use banks occasionally; they are "under-banked." Both groups are excluded from the convenience that banking provides.

Many of the "unbanked" and "under-banked" live paycheck to paycheck, with no reserve for unexpected expenses. They are usually renters rather than homeowners and often struggle to find affordable housing. They also face challenges with transportation and childcare.

How can a bank help?

Having a bank means having a relationship in which it's possible to borrow money for essentials as well to pay bills and even take out long-term loans. Check-cashing services don't offer these services since they try to maximize income from transactions rather than build relationships.

We recognize that, sometimes, fairly large barriers are in place for a person who wants to open a bank account. First of all, traditionally, banks have not reached out to low- and moderate-income people very well. Also, many people in this group have no knowledge of banks or negative memories of dealing with them. They often assume that they can't afford to use a bank or that banks will turn them down for accounts or loans.

For us at KeyBank, that is simply not true. We are committed to reaching out to those who have not used banks before and people who have been turned away due to check cashing or credit problems. This is part of our commitment to the communities where we do business. In the end, once people are ready to use the full range of bank products and are knowledgeable about how to do so, we hope they will take advantage of many more of our services.

KeyBank Plus can be found right here in Cleveland. The check cashing is offered at branches in low- to moderate-income neighborhoods, and the classes are offered at the Financial Education Center at 11461 Buckeye Road.

In 2004, we started the check cashing component of KeyBank Plus with only five branches in Cleveland. Now it's available at 175 branches across the country, including 25 in Cleveland. More than 16,000 people have enrolled in the program and have cashed checks with us totaling \$43.1 million.

The financial education portion of KeyBank Plus, called "Learn and Earn," provides people with financial information, as well as private financial coaching. The curriculum of 13 courses covers topics like savings and checking accounts, how to plan a budget, how to own a home, and getting and keeping good credit. These are steps toward the American dream, but there's nothing dreamy about "Learn and Earn." The courses are simple and practical, and our financial coaching activity is very individualized. The courses are listed at [www.key.com/financialeducation](http://www.key.com/financialeducation). In addition to the in-person courses, Key offers a web-based tutorial in English and Spanish through One Economy, available at [www.key.com/moneymadeeasy](http://www.key.com/moneymadeeasy).

People are taking advantage of the KeyBank Plus program because it's clearly a good value and very accessible in the community. We will continue to reach out to people, to help them build a bridge from convenient, affordable check-cashing to financial education to conventional banking services that make life easier and more affordable.

It all starts right at our open door. At KeyBank, we treat every customer the same and strive to provide the best possible services to meet everyone's needs. When you're ready, come on in. You can learn where the nearest branch is by calling 216-370-5630 or emailing us at [financial\\_education@keybank.com](mailto:financial_education@keybank.com).

Bruce Murphy is president of KeyBank's Community Development Banking, which provides construction lending for affordable housing, commercial loans for small business, and residential mortgage lending in low- to moderate-income communities.