



Financial Empowerment Report & Action Plan

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A Message from Mayor Sandy Stimpson

Dear fellow citizens of Mobile,

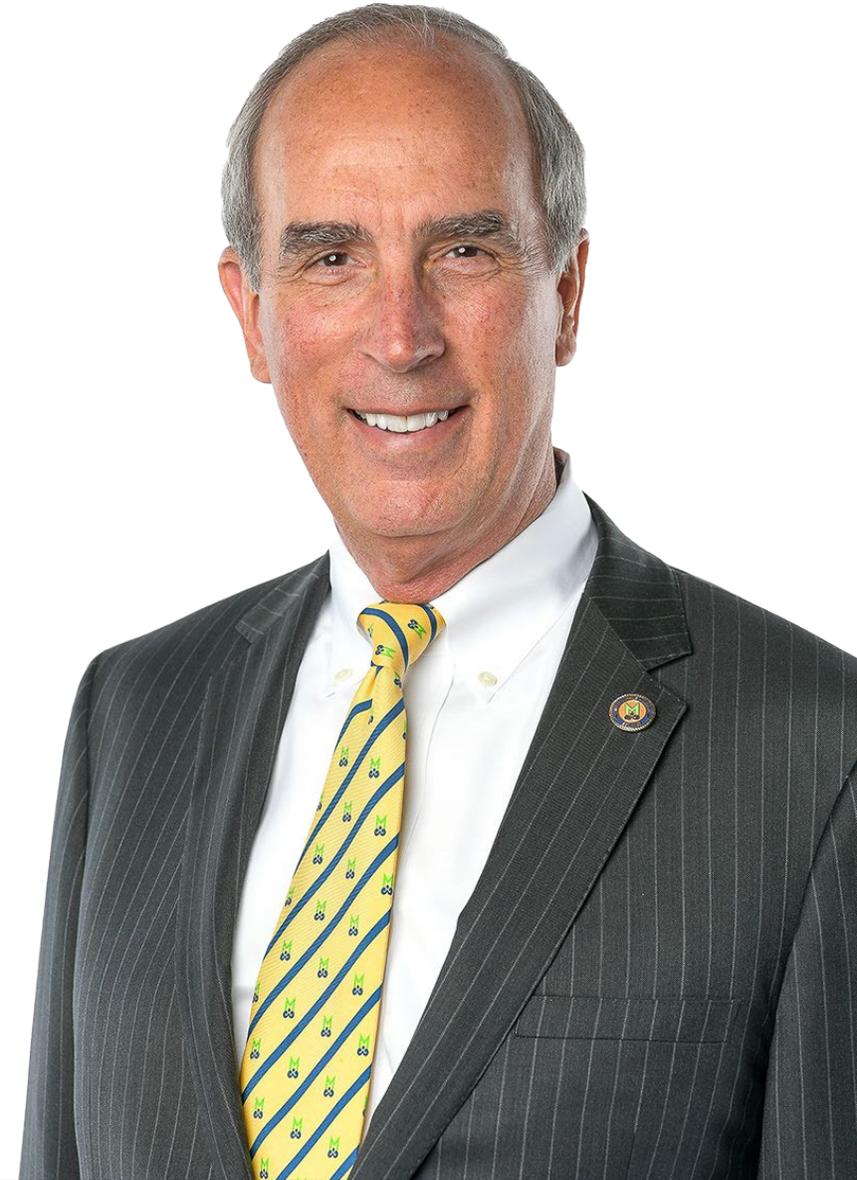
When I was first elected mayor, we set a goal to become One Mobile — a safer, more business and family-friendly city. We have made significant progress toward that goal but living up to the promise of One Mobile means that every neighborhood, every family, and every resident can access the growing opportunities available in our community. In that regard, we know there is still work to be done.

In 2022, our team set out to take a hard look at the financial landscape of our community and how our citizens are impacted by a number of economic and societal factors. Over the past year, our work with the Cities for Financial Empowerment Fund and the University of South Alabama has shown what many of us already knew: the economic reality for every Mobilian is not the same.

There are neighborhoods in this community where families continue to struggle with a lack of educational and economic opportunities, financial insecurity, higher unemployment, and disproportionate crime. Not all of these things are directly within the city government's control, but there are ways the city can support financial empowerment across all of our communities. Money can't solve every problem, but financial independence and stability can certainly give families additional options.

That's why we must ensure that the tools for financial empowerment are available and accessible to ALL Mobilians. This Financial Empowerment Blueprint will help my administration and future city leaders by defining the challenges our community faces and charting a course to address them in the coming years.

From an economic development standpoint, Mobile is thriving. Our community has become a leader in major global industries like aerospace and steel production. As the benefits of this economic growth come back into our community, we want to ensure that all our citizens feel the impacts. My hope is that this document can serve as a roadmap to expand on the progress we've made over the last decade to put affordable housing and greater economic opportunities within reach of ALL Mobilians.



Introduction

In 2022, the City of Mobile was competitively selected by the Cities for Financial Empowerment Fund (CFE Fund) to participate in their CityStart Initiative grant. This Bloomberg Philanthropies-supported initiative, which offers local governments a structured approach to identify financial empowerment goals from which to develop actionable strategies.

The administration sought to be a part of a cohort of CFE Fund CityStart municipalities because of an ongoing commitment to increasing the prosperity of all Mobilians.

The process began with an online educational series, providing city staff exposure to national practitioners, relevant thought leaders, and other cities with experience in this field. Subsequently, the process transitioned to a localized approach, initiating five CFE-guided community listening sessions that include local businesses, nonprofits, and government agencies. These sessions helped us identify overarching challenges, formulate essential questions, and explore available resources.

To strengthen our efforts, we brought in two consultant teams to engage our residents effectively. This included surveys, group listening sessions with residents, in-depth one-on-one interviews, and quick intercept chats, resulting in the involvement of over 900 Mobilians within two months.

By combining this valuable data with insights from national studies and expert knowledge, we have crafted a comprehensive blueprint that provides a detailed understanding of the path forward.

The background is a faded, grayscale image of a city street. On the left, there are multi-story historic buildings with ornate architectural details, including arched windows and balconies. A striped awning is visible on the left side. In the center, a street lamp stands. On the right, a tall, modern skyscraper with a pointed top (resembling the Chrysler Building) rises into a sky with scattered clouds. The overall scene is a mix of old and new urban architecture.

Community Outreach Meetings

One-on-One Interviews (4 Individuals)

Community Listening Sessions (22 Organizations)

Internal Workshops & Interviews (8 Departments)

Teen Workshop (10 Individuals)

Mass Survey (900 Respondents)



Overview of Findings

History

Nationally, communities of color continue to be disproportionately affected by socio-economic challenges — many of which likely stem from historic discrimination. These discriminations were “explicitly designed to increase — and segregate — America’s housing stock,” such as the 1934 Federal Housing Act that sanctioned practices like redlining.

Other practices, like exclusionary zoning, have had impacts across the nation on the valuation and development of homes and businesses in areas that support these types of laws, often used to discriminate. Considering that home equity is one of the largest portions of American household wealth, and most businesses are started using this equity, it is easy to conclude that the current racial wealth gap is, in part, the direct result of these exclusionary actions. Though there is no concrete local evidence that these practices are still taking place, some citizens feel these historical actions are visible in our present reality.

The challenges faced by those who have been raised in generational poverty aren’t unique to the City of Mobile or even unique to the Southeastern region. From coast to coast and throughout Middle America, the effects of poverty are a deepening crisis. Yet, these crises are being slowly overcome by cities across the country through innovative approaches and with the support of organizations like the CFE Fund.

The City of Mobile has worked diligently to identify and eliminate anything that remains from those eras of willful discrimination. In recent years, the city has undertaken a complete overhaul of zoning and development laws and placed an enhanced focus on affordable housing programs that help families from all backgrounds build wealth. The city also provides development support and guidance to small and minority businesses.

We engaged in this project to better understand what the City of Mobile can do to continue to narrow that wealth gap and help Black Mobilians, and all residents, build wealth. After engaging directly with residents, our team decided to focus on four key areas: **Wealth-building, Financial Services, Entrepreneurship, and Education.**

Focus Areas

- 1. Wealth Building**
- 2. Financial Services**
- 3. Entrepreneurship**
- 4. Education**

The background is a faded, grayscale image of a city street. On the left, there are multi-story historic buildings with ornate architectural details, including a balcony with a striped awning. In the center, a street sign for 'LEO JEWELRY' is visible. On the right, a prominent skyscraper with a pointed top, resembling the Chrysler Building, rises into a sky with scattered clouds. The overall scene is a mix of old and new urban architecture.

How We Are Addressing the Challenges

Focus Area 1:

Wealth Building

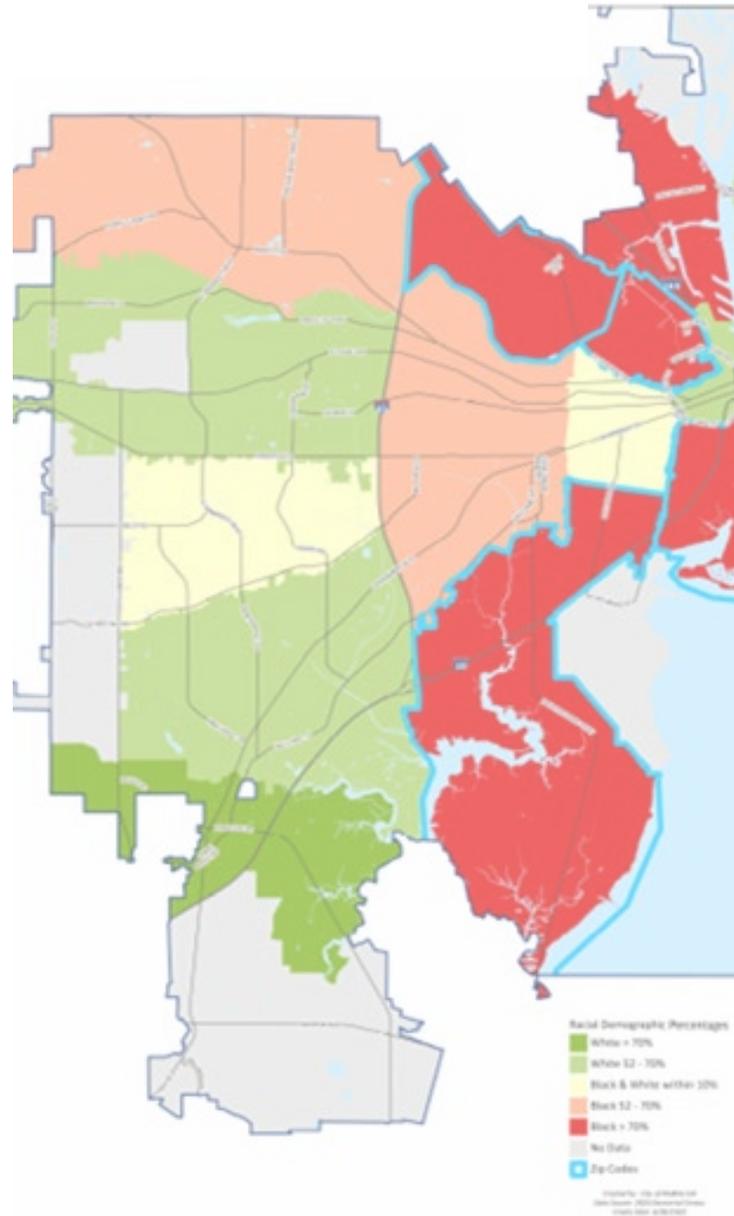
A wealth gap exists in most American cities. To address its gap, the City of Mobile continues to seek opportunities to assist in financial empowerment for our citizens.

Wealth Gap

Of the zip codes located entirely within the city limits, the largest percentage of Black residents live in 36603, 36605 and 36617. These zip codes also have some of the lowest business densities within inhabited areas and the lowest home valuations. Within the communities with the lowest home valuations, there are very few homes valued at more than \$50,000, which indicates an extreme lack of economic diversity as well as low-value asset ownership for homeowners.

Business density is an indicator of access to the economy, and home valuation is an indicator of transferable equity. Some economic statistics not visualized in maps in this report include revolving debt and average mortgage debt, which were significantly lower in the three priority zip codes than in most other zip codes.

As indicated later in this report, these priority zip codes also have the lowest credit score index and the least amount of local financial institutions offering long-term credit.



Racial Demographics by Zip Code



Business Density

Challenge A: Limited Income & Financial Burdens

According to a poll of City of Mobile residents from a range of backgrounds, income has the largest impact on wealth disparity. The financial decision-making that leads to wealth building isn't possible when there is a complete lack of disposable income. This is survival-level income, which doesn't allow for saving or building wealth.

Current City Efforts

- Increased minimum wage to \$15.99 for all city employees (Mayor's Office)
- Conducted a wage assessment and increased City employee pay by 5-7% for positions that were not competitive (Admin Services & Public Services)
- Shifted incentive pay to Merit raises increasing retirement contributions (Public Services)
- Fund three food pantries feeding 3,150 families per month (Neighborhood Development)
- Provide utility and rental assistance - assisted 1,076 persons since 2021 (Neighborhood Development)
- Provided critical home repairs to 100-200 qualified homes a year (Neighborhood Development)
- Tenant Advocate Inspector gives renters recourse against landlords that are not providing suitable living conditions (Neighborhood Development)
- Provide funding for Franklin Primary Health Center and Victory Health to provide health care medications for underserved, low-income, and homeless patients (Neighborhood Development)*
- Provide funding for the following emergency shelters and homelessness prevention organizations: Legal Services of Alabama, McKemie Place, Family Promise, Penelope House, Salvation Army (Neighborhood Development)*
- Providing funding to South Alabama Workforce Development Agency (Alabama Works) for workforce training*

** Partnerships or financial support for partners or stakeholders*

Future City Efforts

- Increase access to city services with a Mobile 311 campaign to inform communities of what services can be requested with an aim of services that increase neighborhood value/quality of life (Community Affairs & Administration)
- Continue to improve quality of life opportunities – to encourage population growth, public safety, recreation opportunities, and infrastructure improvements, so Mobile businesses will have a competitive labor pool to draw from.
- Increase Job Training Programs through Bishop State Community College and other job training programs to help incentivize new employers to hire local citizens. (Mobile Workforce Development)
- Continued Small, Minority, and Service-Disabled Veteran Owned Business Assistance and Loan Program. (Office of Small Business Development)
- Provide Financial Community Resource Information to the Citizens as a whole (Office of Small Business Development and Community Affairs)

Challenge B: Local Financial Burdens

- Unemployment
- Lack of or non-existing transportation
- Financing charges and fees
- Fines/fees associated with legal infractions
 - Traffic Tickets
 - Court fines
- Unregulated, predatory lending
- All of the above topics and others make up barriers to financial prosperity for some citizens.

Current City Efforts

Municipal Court reform to stop penalizing poverty.

- Made court fee payment available online (Courts)
- Allow payment plans to match what is affordable for individuals (Courts)
- Amnesty for anyone issued a warrant for failed payment who can pay (Courts)
- Allow individuals to convert their payments into community service either through Public Works or Animal Services (Courts)
- Added a second physical payment location in Tilman's Corner Annex to allow for more convenience for those who find it difficult to travel downtown (Courts)
- Provide funding to Mobile Area Interfaith Conference, Inc. to support their efforts to diminish the financial and reentry impacts of incarceration (Neighborhood Development)

Future City Efforts

- Open a new physical payment office in northwest Mobile, increasing the total locations to three (Courts)
- Setup & advertise community center computer labs as court fine payment locations (Courts, Parks & Rec)
- Expand on community service opportunities by partnering with more departments, non-profits, and maybe even DBE contractors (Courts)
- Provide community information sessions on how to properly process outdated traffic violations without penalty or arrest.

Challenge C: Struggles with Home Ownership

There has been a decline in home building since the 1980s so many homes in our area are over 40 years old. The homes in some zip codes are likely of this older stock which are more costly to maintain, not likely to increase in value, and have a high probability of being more of a financial burden than an asset. This can lead to disinterest and potential blight, hindering financial stability for future generations.

Current City Efforts

- **Housing Rehab Program:** Provides a grant of up to \$10,000 for home repair for qualified homeowners (Neighborhood Development)
- **Community Reinvestment Program:** Provides a grant of up to \$20,000 for exterior repairs to blighted vacant or rental-occupied structures (Neighborhood Development)
- **Down payment Assistance:** Provides up to \$10,000 for down payment and eligible closing costs for first-time home-buyers (Neighborhood Development)
- **Neighborhood Renewal Program:** Provides an opportunity to purchase and redevelop tax-delinquent and abandoned properties (Neighborhood Development)
- **HoPE Program:** Offers qualified housing choice voucher holders the opportunity to build and own a new home through a low-interest loan (Neighborhood Development)
- **Critical Repair Program:** Assists in repairing roofs and painting exteriors of houses (Neighborhood Development)
- **New Service Request Portal** with increased ease and transparency (MIT, OSI, Admin Services)
- **New zoning code** allowing the reduction of lots to 6,000 sq/ft, enabling the development of smaller, more affordable homes (Build Mobile)
- **Unified Development Code & Map for Mobile** sets rules, standards, and procedures to guide new development or redevelopment in Mobile. It is helping strengthen neighborhoods, remain economically competitive, and create community-approved places (Build Mobile)
- **The construction of two new income-base apartment complexes** with pathway programs to homeownership
- **Continue the free-will assistance program** for low to moderate-income homeowners.

Future City Efforts

- HOPE Program to build 50-75 houses by 2027 for qualified housing choice voucher holders. The homes will be built east of I-65 or in areas where property is available. (Neighborhood Development)
- Acquiring at least 26 acres of land to develop affordable rental housing and single-family homes for purchase by income-qualified citizens (Neighborhood Development)
- Provide seed funding for Africatown Redevelopment Corporation and provided five lots for the development (Neighborhood Development)
- Citizens Academy will familiarize community leaders and residents with city housing programs, and permitting and inspection requirements (Neighborhood Development & Community Affairs)
- Permitting & inspecting infographics in community centers (Build Mobile, Communications, Parks & Rec)
- Increase access to city services with a Mobile 311 campaign to inform communities of what services can be requested, with an aim on services that increase neighborhood value/quality of life (Admin Services, Communications, Community Affairs)
- Partnering with developers to build more affordable homes in the City of Mobile (Neighborhood Development)

Focus Area 2: **Financial Services**

Challenge A: Banking Disconnection

Being unbanked or underbanked means relying on cash or alternative means to access funds.

In the City of Mobile, 8% of people are unbanked, meaning they lack secure places to deposit their cash earnings. Another 17% are underbanked, using alternative services despite having checking or savings accounts.

An internal study of the locations, types, and number of available financial institutions revealed that low-income communities have extremely low access to conveniently located financial institutions that offer support for positive financial development.

Additionally, many of those with bank accounts have not adopted cost-saving services like direct deposit and online bill pay. These services are crucial for saving money by eliminating expenses like transportation and check-cashing fees, especially for those receiving paper checks or digital payments.

Current City Efforts

- The City of Mobile is a supporting member of the Bank On Coalition (Office of Small Business Development)
- The national Bank On movement, led by the CFE Fund, aims to ensure everyone has access to safe and affordable financial services. The CFE Fund established the Bank On National Account Standards, and accompanying certification process, to give Bank On coalitions, residents, and other partners a benchmark for safe and affordable transactional checking accounts, and qualifying bank and credit union accounts.
- Between 2020 and 2021, there was a 167% increase in people opening BankOn participating institution accounts in the City of Mobile.

Future City Efforts

- Inform citizens about financial services in the city through Bank On Alabama Financial Partners (Office of Small Business Development, Communications, Community Affairs)
- Intensify Bank On presence and efforts with community outreach events (Office of Small Business Development)

Challenge B: Limitations in Financial Planning

Complex financial terms and misunderstanding of the
banking process

High interest rates

Current City Efforts

- The City of Mobile: Office of Small Business Development has volunteered with Bank On Alabama Gulf Coast Region and has access to banking services through programs such as “Your Money, Your Life: Living in the Real World.” This program works with teens and focuses on real-life financial situations.
- The City of Mobile hosts “Money Moves Bootcamp”, a workshop that focuses on money mindset, building credit, savings, homeownership, and preparing to be an entrepreneur. The program also connects the citizens with local non-profit agencies that offer financial assistance free of charge or at a low cost. During the workshop, Bank On Alabama Gulf Coast Region provides information on their member’s no-cost bank accounts.
- The City of Mobile has partnered with Cadence Bank and Operation Hope to offer a certified financial counselor who provides financial counseling services free of charge to small business owners.

Future City Efforts

- In collaboration with Operation Hope, we are exploring a K-8 savings account program that would offer children donor/grant-funded savings accounts and guides on how to manage these accounts.
- Expansion of “Money Moves Bootcamp” – In 2025, the City will partner with the Mobile Public Library to host the workshop at libraries in three city council districts.
- The Office of Strategic Initiatives and Parks and Recreation Department will work with the city’s youth by providing financial training and special programs on saving, checking, and financing college.
- All efforts are in collaboration with local financial institutions and BankOn partners.

Focus Area 3: **Entrepreneurship**

Challenge A: Business Ownership Gap

The City of Mobile is one of our nation's majority Black cities with Black residents making up over 52% of our population. Although the City of Mobile's population is majority Black, only a small percentage of the businesses in the City of Mobile are Black or minority-owned.

In a survey conducted by the University of South Alabama, respondents from communities of color indicated an overwhelming amount of interest in incentivized entrepreneurship.

Current City Efforts

- Created in 2015, the Office of Small Business Development was codified into the City of Mobile ordinance, ensuring that all policies and procedures guiding OSD's work will endure across future mayoral administrations.
- For all large contracts, the prime contractor must demonstrate a good faith effort to obtain at least a 15% DBE participation rate. These contracts will be reviewed by the Office of Small Business Development to ensure the requirement is met. Information about DBE participation in large contracts is also provided to the Mobile City Council.
- In 2021, the City of Mobile launched a partnership with Bishop State Community College to create a Contractor's College. This program is designed to help small businesses compete for, receive, and manage public contracts. Like OSD, it is operated through the City's Neighborhood Development Department.
- In 2020, the NexGen Contractor Portal was added to expand access and streamline the process for contractors to apply for and submit bids for City contracts. This initiative was led by the Public Services Department but applies to all city contracts.
- In 2018, OSD began collaborating with Public Services to connect local DBEs and other small businesses to opportunities to work with the City of Mobile or prime contractors on minor concrete repair, tree removal, and tree trimming contracts.
- Since 2019, the City of Mobile has encouraged the use of small local vendors through a "local vendor preference." This initiative helps local vendors connect with contracting opportunities within the parameters of state bid laws.
- Since 2019, the City of Mobile has offered business training and incubator programs for small, minority-owned businesses through its community partners.
- In 2018, the City of Mobile created a Micro-loan program to assist low-to-moderate-income business owners with bonding, insurance, licensing, and certifications. Loans are forgiven once the business owner has completed 24 hours of business development courses.
- In 2023, the City of Mobile opened a Neighborhood Resource Center to assist local non-profits and small business owners with technical assistance. The city also partnered with the area's only minority-owned financial institution, Commonwealth Bank, to create a loan program for small businesses.
- In 2024, the City of Mobile launched a recurring series of free financial literacy workshops that are open to any member of the community. Held multiple times a year, these events help connect residents in Mobile to local resources and experts who can offer guidance on starting a business, competing for city contracts, business development, and more.
- Since their implementation, these programs have been continuously analyzed and adjusted to improve their impact on the largest number of citizens. Moving forward, we hope to see these entrepreneurship programs, many of which rely on federal funding, continue and even expand.
- We are also focused on increasing public awareness and expanding our outreach and marketing efforts surrounding these programs in the future.

Focus Area 4: **Education**

Challenge A: Limited Career Pathway Awareness & Knowledge

Limited exposure to diverse career options and industries. The lack of existing businesses within the communities we have identified as priority zip codes creates a problem of awareness and limits learning through visibility. Teens from the 36605 zip code area demonstrated limited awareness of available careers, mainly focusing on jobs visible within their community, such as food services, car washes, teaching, law enforcement, and welding.

Current City Efforts

- Sweet Pea Interns: The City of Mobile funds various non-profits in order to support the hiring of interns who are residents of public housing (Neighborhood Development)
- Provides Dearborn YMCA, United Methodist Inner City Mission, Historic Avenue Foundation with Block Grants for youth education and mentoring (Neighborhood Development)
- STEM Program introduces youth to career pathways in sciences, math's, technology, engineering in diverse cohorts (Parks & Rec)
- The Mobile Area Chamber of Commerce Workforce Development Alliance puts on four high school job fairs a year to create opportunities for high school students to speak with industry professionals and seek summer employment.

Future City Efforts

- Add career pathway education to the Public Safety “Community Days” agenda



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City of Mobile: Revenue Department, Bank On Alabama Gulf
Coast, Experian