

Call for Papers

Federal Reserve System Community Affairs Research Conference
Renaissance Washington D.C. Hotel
Washington, D.C.
April 16-17, 2009

Innovative Financial Services for the Underserved: Opportunities and Outcomes

The Community Affairs officers of the Federal Reserve System are jointly sponsoring their sixth biennial research conference to encourage objective research into financial services issues affecting low- and moderate-income individuals, families, and communities. The theme of the 2009 conference centers on innovation in financial services. What innovations have occurred and what is emerging? Who benefits from these innovations? Do traditionally underserved populations benefit? Do these innovative financial services serve as an entry point into the financial mainstream? Have we gone too far in creating additional access to financial services, in particular, access to credit? What is the proper balance between access and consumer protection? What role does financial literacy play in striking that balance? Finally, what is the impact of innovation in financial services on economic and social mobility?

The program committee welcomes the submission of papers (preferably) or abstracts of papers that address these topics. Papers that stress empirically verifiable, statistically valid research are highly preferred and are more likely to be accepted for the conference.

Based on the conference theme and underlying basic questions, the conference could be structured as follows:

Session 1. Trends in Financial Services Innovation

This session sets the stage for the remainder of the conference. Before addressing the questions surrounding innovation in financial services in traditionally underserved markets, we need to first understand who the underserved are, what recent innovations have come about or are emerging, and the environment and process through which innovations occur.

Session 2. Innovative Financial Services: Who Benefits?

This session would showcase research evaluating the effectiveness of innovative financial services in improving access of traditionally underserved people to credit and other financial services.

Session 3. Innovative Financial Services as an Entry Point into the Financial Mainstream

Papers in this session would evaluate the success of alternative and/or innovative financial services in helping traditionally underserved people reach the financial mainstream.

Session 4. Too Much or Too Little Access to Financial Services? The Trade-Off between Consumer Access and Protection

As traditionally underserved people have gained increased access to credit and other financial services, consumer problems such as predatory pricing, high debt burdens, foreclosures, and bankruptcy have been increasing. Recent efforts to curtail these problems include new and proposed laws and regulations that would likely have the result of restricting access to some financial services. This session would explore the proper balance between access to financial services and consumer protection.

Session 5. Is Financial Literacy Keeping Up with Financial Services Innovation?

Financial education has been critical to providing consumers with the tools necessary to avoid costly or otherwise poor choices in financial services. This session would evaluate the efficacy of financial education programs in helping traditionally underserved people gain and maintain access to the financial mainstream.

Session 6. The Evolution of Financial Services: Implications for Economic Mobility

This session would seek to explore the connection between financial services and economic mobility. How do financial services advance social and economic mobility? Are subprime borrowers able to transition to prime products? Can access to credit and financial services result in downward mobility for some borrowers, particularly in the context of increased defaults and foreclosures in the subprime market?

Examples of specific topics that could be addressed are:

- Innovations in financial products and services
 - Stored-value cards
 - nontraditional mortgage products
 - foreign remittances
 - delivery
 - marketing
 - credit scoring
- Consumer access to mortgage and consumer credit
 - low income people
 - racial and ethnic minorities
 - Native Americans
 - people in rural areas
- Earned income tax credit / VITA sites
- Subprime lending
- Asset-backed securities
- Foreclosures
- Consumer debt burdens and/or bankruptcies
- Payday lending
- Predatory lending

- Regulation of consumer finance
- Consumer literacy and financial education
- Counseling and other risk mitigation strategies
- IDAs
- Homeownership programs
- Other asset building programs and strategies

Papers outside of these specific topics that fit within the underlying theme also are welcomed.

Authors of papers accepted for the conference are expected to provide executive summaries, which may be published in the Federal Reserve's conference proceedings. Paper presenters and discussants will receive travel expenses as per Federal Reserve System guidelines; authors of papers accepted for the conference will receive honoraria.

Individuals interested in presenting their research should submit via e-mail an electronic copy of their completed paper (which will receive preference) or detailed abstract by July 15, 2008 to:

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