Integrating Financial Capability Services: Lessons from Community Action Agencies

August 31, 2017
Objectives

- Establish a shared understanding of financial capability and integration
- Share the lessons learned from the Community Action Agencies integration project
- Explore a financial capability integration tool from the Planning Guide

Agenda

1. Introductions
2. Overview of Financial Capability
3. Lessons Learned with Enrichment Services Program
4. Interactive Activity on Referral Plans
5. Presentation of Brief
Introduction: Prosperity Now

Ola Wadibia
Program Manager
Savings & Financial Capability
Introduction: Enrichment Services Program

Belva Dorsey
Chief Executive Officer
Office of Community Services (OCS)

- OCS partners with states, communities and agencies to eliminate the causes of poverty, increase opportunity and economic security of individuals and families and revitalize communities.

- OCS administers 6 social service and community development programs:
  - Assets for Independence
  - Community Economic Development
  - Community Services Block Grant
  - Low Income Home Energy Assistance Program
  - Rural Community Development
  - Social Services Block Grant
About Technical Assistance

- **Purpose**
  - Build the capacity of cohort members to integrate financial capability services into existing programs
  - Help cohorts identify the financial needs of their communities, increase internal capacity, and leverage partnerships in order to achieve their financial capability goals
  - Share integration lessons and promising practices with the field

- **Organizations served**
  - Baltimore City Community Action Partnership
  - Enrichment Services Program (ESP)
  - Community Action Partnership of Orange County (CAPOC)

- **Activities**
  - 6-8 months of TA from Prosperity Now
  - 10-15 hours of work per month
  - Receive one on-site TA visit and regular TA calls
  - Work through planning tools, receive coaching to help problem solve, connect with experts in the field, peer learning opportunities, and more
About Prosperity Now
Prosperity Now’s mission is to ensure everyone in our country has a clear path to financial stability, wealth and prosperity.
The Challenge

Liquid Asset Poverty measures the percentage of those who lack savings to cover basic expenses for three months if job loss, a medical emergency, or other crisis leads to a loss of income—$6,150 for a family of four.

37% OF HOUSEHOLDS ARE LIQUID ASSET POOR IN AMERICA

Source: 2017 Prosperity Now Scorecard
Barriers to Asset Building

INCOME VOLATILITY

1 IN 5 HOUSEHOLDS HAVE SIGNIFICANT INCOME FLUCTUATIONS FROM MONTH TO MONTH

Source: FDIC

UNDERBANKED

20%

Have a bank account but still use check-cashing or pay day loans

Source: 2017 Prosperity Now Scorecard
Disparities by Race

Source: 2017 Prosperity Now Scorecard

<table>
<thead>
<tr>
<th>Category</th>
<th>White Households</th>
<th>Households of Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own homes</td>
<td>71%</td>
<td>45%</td>
</tr>
<tr>
<td>Own business</td>
<td>19%</td>
<td>16%</td>
</tr>
<tr>
<td>Have college degrees</td>
<td>34%</td>
<td>22%</td>
</tr>
<tr>
<td>Are liquid asset poor</td>
<td>28%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Source: 2017 Prosperity Now Scorecard
Prosperity Now Scorecard: 2017

Source: 2017 Prosperity Now Scorecard
Quick Check-In
Raise your hand if...

- What is your role in your organization?
  - Executive
  - Senior Leadership
  - Program Manager
  - Front-line staff
  - Board Member
  - Other
What Is Financial Capability?
Financial Capability

“the capacity, based on knowledge, skills, and access, to manage financial resources effectively”

- Financial capability is a critical step toward financial security, and many people (regardless of socioeconomic background) may lack one or more necessary factors:
“Integration refers to incorporating financial capability discussions, resources, and tools directly into other existing program services rather than creating a stand-alone program”
Examples of financial capability services

- Financial education
- Financial coaching
- Financial counseling
- Access to safe and affordable financial products
- Credit building
- Credit counseling
- Access to federal and state benefits
- Free tax preparation assistance
- Incentivized savings programs
- Asset ownership programs
Achieving Financial Capability Integration

The Ultimate Goal: Identify a program(s) to integrate financial conversations, enhance opportunities to develop skills around finances and increase access to financial capability services to put clients on a path to financial self-sufficiency

- Determine which financial capability services best meet the needs of clients
- Determine what points in time financial topics, conversations and tools can be embedded within existing service delivery
- Determine the best approach for delivering services, by exploring delivery methods that are effective and accessible for clients
Decision #1: What financial capability services will best impact our clients?

Decision #2: Who will deliver the identified financial capability services to our target clients?

Decision #3: How will operations change for integration?

Ongoing Decision: How can we convince key stakeholders to support this work?
Raise your hand if...

- Does your organization provide financial capability services?
  - Yes
  - No
  - No, but we would like to
  - I’m not sure
Lessons Learned and Reflections from Enrichment Services Program
Reminder of Technical Assistance

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### About Enrichment Services Program

**Belva Dorsey**  
*Chief Executive Officer*

<table>
<thead>
<tr>
<th>Headquarters Location</th>
<th>People Served By Your Organization?</th>
<th>What services do you currently offer?</th>
<th>Into what program(s) are you integrating financial capability services?</th>
<th>What was surprising to you about the integration planning process?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbus, Georgia</td>
<td>Low income families, children</td>
<td>Early Childhood Programs; Public Benefits; Employment Training Programs</td>
<td>Early Childhood and Self-Sufficiency Programs</td>
<td>TBD</td>
</tr>
</tbody>
</table>

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**Columbus, Georgia**

Low income families, children

Early Childhood Programs; Public Benefits; Employment Training Programs

Early Childhood and Self-Sufficiency Programs

TBD
Lesson #1: Meeting clients where they are

- Assessing clients’ financial needs
  - Though CAAs conduct a community needs assessment every 3 years, there is value to a specific financial needs assessment for your programs
  - Think about financial topics outside of budgeting and income
    - For example, what are clients’ relationship to credit and debt or financial products and services?
  - Create ways for clients to share their feedback with you
    - Distribute surveys
    - Incorporate additional questions during intake processes

- Refer to Tool 1: How Your Clients Manage Now from the Planning Guide for prompting questions to include in your assessment
Lesson #2: Opportunities to optimize your program

- Analyzing program workflow
  - Reviewing how your program operates allows you to identify where financial conversations already arise, and opportunities to incorporate products and services
    - These are called “integration points”
  - Think through outreach, intake and application, start of services, main service activities, program exit and follow up from the client’s perspective
- Refer to Tool 8: Current Program Workflow tool from the Planning Guide) to develop a program workflow
Lesson #3: Don’t need to do it alone

- To integrate the services needed to best meet clients needs and the organization’s capacity, **explore referral and partner relationships**
  - **Refer**: Know who does what and share information with client; Create formal referral network
  - **Partner**: Establish formal partnerships (MOU); Co-locate multiple services; Co-brand and co-locate services
- Community action agencies might expect to use a combination of approaches
  - Community scans and internal capacity assessments can help support this decision-making
- Refer to Tool 9: The Referral Plan and Tool 10: the Partnership Plan to formalize these processes
Lesson #3: Three integration approaches

- **REFER**
  - Know who does what and share information with client
  - Create formal referral network

- **PARTNER**
  - Establish formal partnerships
  - Co-locate multiple services

- **DO-IT-YOURSELF**
  - Build internal capacity to deliver new services
  - Co-brand and co-locate services
Activity: Developing a Referral Plan
Decision #3: How will operations change for integration?
What does a referral look like?

Connect to referral organization
CONSIDER THESE 4 STEPS FOR A STRONG REFERRAL PLAN

1. Screen for eligibility/readiness
2. Prepare for referral
3. Connect to referral organization
4. Support after referral
Activity Instructions

- Take 5 mins to **brainstorm a series of questions** that would be important to ask a referral organization, for one of the 4 stages of the referral plan:
  - Screen
  - Prepare
  - Screen
  - Support

- **Write the questions** on post-it notes and place them on the respective flip chart.
Activity Instructions

- Take 5 mins to report out the questions to the large group
Activity Instructions

- Skim the questions included in Tool 9
- **Share reflections** with the large group
  - Do you see alignment between the questions on the flip charts and the ones included in the tool?
  - Anything that surprises you?
  - What particular stage does your organization need to focus on to strengthen your referrals?
Resources

- Building Financial Capability: A Planning Guide For Integrated Services (Interactive PDF)

- Building Financial Capability: A Planning Guide for Integrated Services (Introductory Webinar)

- About Financial Capability Services (Informative PDF)
RESOURCES

Blog:  [https://lcrcweb.com/](https://lcrcweb.com/)

CSBG T/TA Resource Center:  [www.csbgtta.org](http://www.csbgtta.org)
Questions?
EVALUATIONS

The Partnership Wants Your Feedback!

Please be sure to complete the evaluation for this session online, via the CAPCON17 Event App. Thanks in Advance for your Cooperation!