

The AFI logo is located in the top left corner of the slide. It consists of the letters 'AFI' in a bold, white, sans-serif font, set against a dark blue background that is part of a larger graphic element resembling a stylized 'A' or a document icon.

AFI

Financial Capability and Asset Building for the A&O Network: AFI Funding Opportunity

AFI Resource Center

2 – 3pm ET

1-866-778-6037

info@IDAresources.org

www.IDAresources.acf.hhs.gov

Presenters:

Carmen Shorter, CFED

Parker Cohen, CFED

Jessica Junke, Neighborhood Partnerships

Trevor Hoffberger, AFI Resource Center

Presenters

- ▶ Carmen Shorter, Senior Manager for Learning, CFED



- ▶ Parker Cohen, Associate Director, CFED



- ▶ Jessica Junke, Director of Economic Opportunity, Neighborhood Partnerships



- ▶ Trevor Hoffberger, AFI Resource Center



During this Webinar

- ▶ For assistance accessing the materials, contact the AFI Resource Center: info@IDAresources.org or call 1-866-778-6037
- ▶ The webinar is being recorded and will be available on our website along with the presentation
- ▶ All participants have been muted to ensure sound quality
- ▶ If you have any questions before/ during Q&A:
 1. Go to the Q&A panel on the right-hand side
 2. Type in your question
 3. Click “Send”





AFI

Assets for Independence

Poll Question #1

- ▶ How familiar are you with the Assets for Independence Program?

Assets for Independence (AFI) Program

- ▶ Assets for Independence (AFI) is a discretionary grant program administered by the Office of Community Services (OCS) in the Administration for Children and Families (ACF).
- ▶ Administration for Children and Families (ACF)
 - Part of the US Department of Health & Human Services.
 - One of the key *human services* agencies within HHS.
 - Promotes the economic and social well-being of families, children, individuals and communities.
 - Responsible for funding many programs and services, including Head Start, child care, child welfare, child support, LIHEAP, family violence prevention, TANF, CSBG, and refugee services.

Assets for Independence (AFI) Program

- ▶ AFI was created by Congress in 1998 to demonstrate and support an assets-based approach for increasing the economic self-sufficiency of low-income individuals and families.
- ▶ What is asset building?
Supporting the acquisition of assets (both tangible, such as a home, and intangible, such as education) that can increase opportunities, build wealth, and increase economic stability.
 - Income-support strategies, such as cash assistance and SNAP (food stamps), act as a safety net.
 - Asset-building strategies act as a ladder.



Assets for Independence (AFI) Program

- ▶ AFI funds projects that provide Individual Development Accounts (IDAs) and related services to low-income people.
 - IDAs are matched savings accounts with a specific goal: purchasing an asset.
 - AFI IDAs may be used for:
 - To purchase a first home,
 - To capitalize a business, or
 - To fund post-secondary education or training.

Which entities are eligible for AFI grants?

- ▶ AFI is authorized to award grants to the following entities:
 - Non-profit entities with 501(c)(3) status;
 - State or local government agencies, or tribal governments, applying jointly with a non-profit with 501(c)(3) status;
 - Financial institutions that are federally certified as either a Low-Income Credit Union or a Community Development Financial Institution and that demonstrate a collaborative relationship with a local community-based organization whose activities are designed to address poverty.
 - Entities deemed eligible under Section 405(g) of the AFI Act [the grandfather clause], specifically state agencies in Indiana and Pennsylvania.

AFI Award Information

- ▶ AFI is a discretionary grant program.
 - Competitively awarded; typically more than one competition per fiscal year.
 - Program is implemented by grantees.
 - Organizations can have more than one AFI grant at a time.
- ▶ In FY 2014, AFI was appropriated \$19 million.
 - Approximately \$10 million was awarded as grants.
 - Total of 44 grant awards were made.
- ▶ General grant information:
 - Maximum award: \$1,000,000.
 - Minimum award: \$10,000.
 - Grants have a 5 year period.
 - Full funding is available upon award.



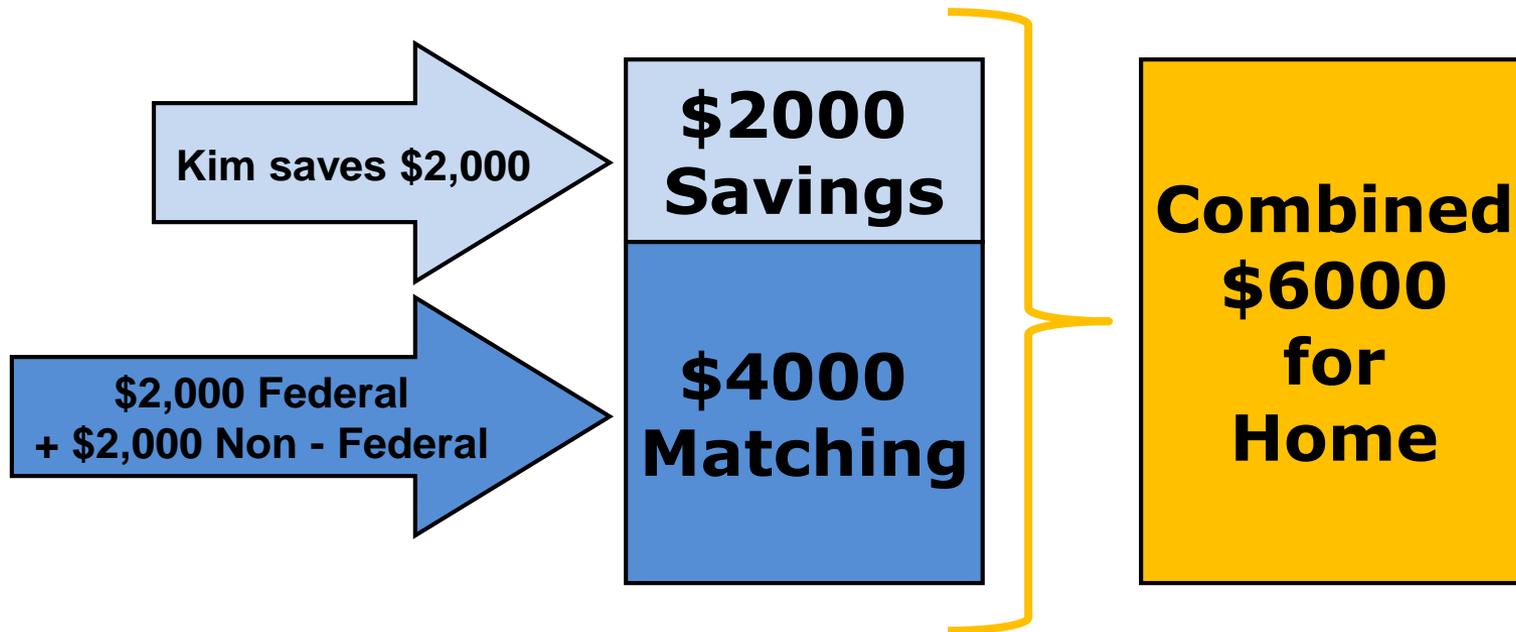
AFI

How AFI Works

How AFI Works: A Participant's Perspective

- ▶ Kim would like to purchase her first home.
- ▶ An AFI grantee in her community determines that she is eligible and Kim opens her IDA.
- ▶ The AFI grantee matches Kim's savings at a rate of \$2 for every \$1.
- ▶ For 3 years, Kim saves \$55 per month of her earned income, working towards a goal of \$2,000 in her IDA.
- ▶ During this time, she receives tax assistance, financial education, and homeownership preparation from the AFI grantee and its partners.
- ▶ Kim saves \$2,000 and purchases her home using her savings plus \$4,000 from the AFI grantee (\$2,000 federal/\$2,000 non-federal).

How AFI Works: Kim's IDA



More on IDA Mechanics

- ▶ Federally-supported IDAs are not counted as an asset for federal aid programs, so will not impact eligibility
- ▶ Participants can withdraw from the program at any time, taking their personal savings with them
- ▶ Only interest earned on participant's personal savings is potentially taxable
- ▶ Set up as custodial accounts at federally-insured financial institution

Who can participate in an AFI project?

1. Any individual who is a member of a household that is eligible for assistance under their state's Temporary Assistance for Needy Families (TANF) program.

OR

2. Any individual who is a member of a household that meets both of the following requirements:
 - Income Test - Adjusted gross income of the household is equal to or less than 200 percent of the federal poverty guidelines or the earned income tax credit limits.
 - Net Worth Test - Net worth of the household, as of the end of the calendar year preceding the determination of eligibility, does not exceed \$10,000 (excluding value of the primary residence and one vehicle).

How AFI Works: A Grantee's Perspective

▶ Project start-up:

- Activate partnership with financial institution(s) and other partners
- Establish project Reserve Fund, deposit non-federal cash contribution, and draw down federal AFI funds
- Develop program policies and procedures and train staff
- Develop program outreach and marketing materials
- Set up data management system and other record-keeping

▶ Engage and support savers:

- Perform outreach and recruitment
- **Determine eligibility of applicants and ability to participate**
- Establish savings plan agreements and **open IDAs**
- Support participant savings progress

How AFI Works: A Grantee's Perspective

- ▶ Engage and support savers:
 - **Periodically match participant savings**
 - Develop system for participant **business plan review and approval** (if offering business as an asset)
 - **Assist participants in obtaining skills and information necessary to achieve economic self-sufficiency**
 - Offer activities and strategies for retaining participants
 - **Approve and process qualified expenses and emergency withdrawals**
- ▶ Behind the scenes:
 - Submit required reports
 - Conduct periodic internal reviews
 - Perform project close-out

NEIGHBORHOOD PARTNERSHIPS

Portland, OR

Jessica Junke, Director of Economic Opportunity

About *Neighborhood Partnerships*

- ▶ We work at the intersection of program delivery and policy change across a range of issue areas, including helping Oregonians achieve housing stability and build financial security.
- ▶ Oregon Housing and Community Services Department works with [Neighborhood Partnerships](#) to manage the Oregon IDA Initiative. Neighborhood Partnerships contracts with ten [Initiative Partners](#) to work directly with clients in all parts of the state.

Why AFI?

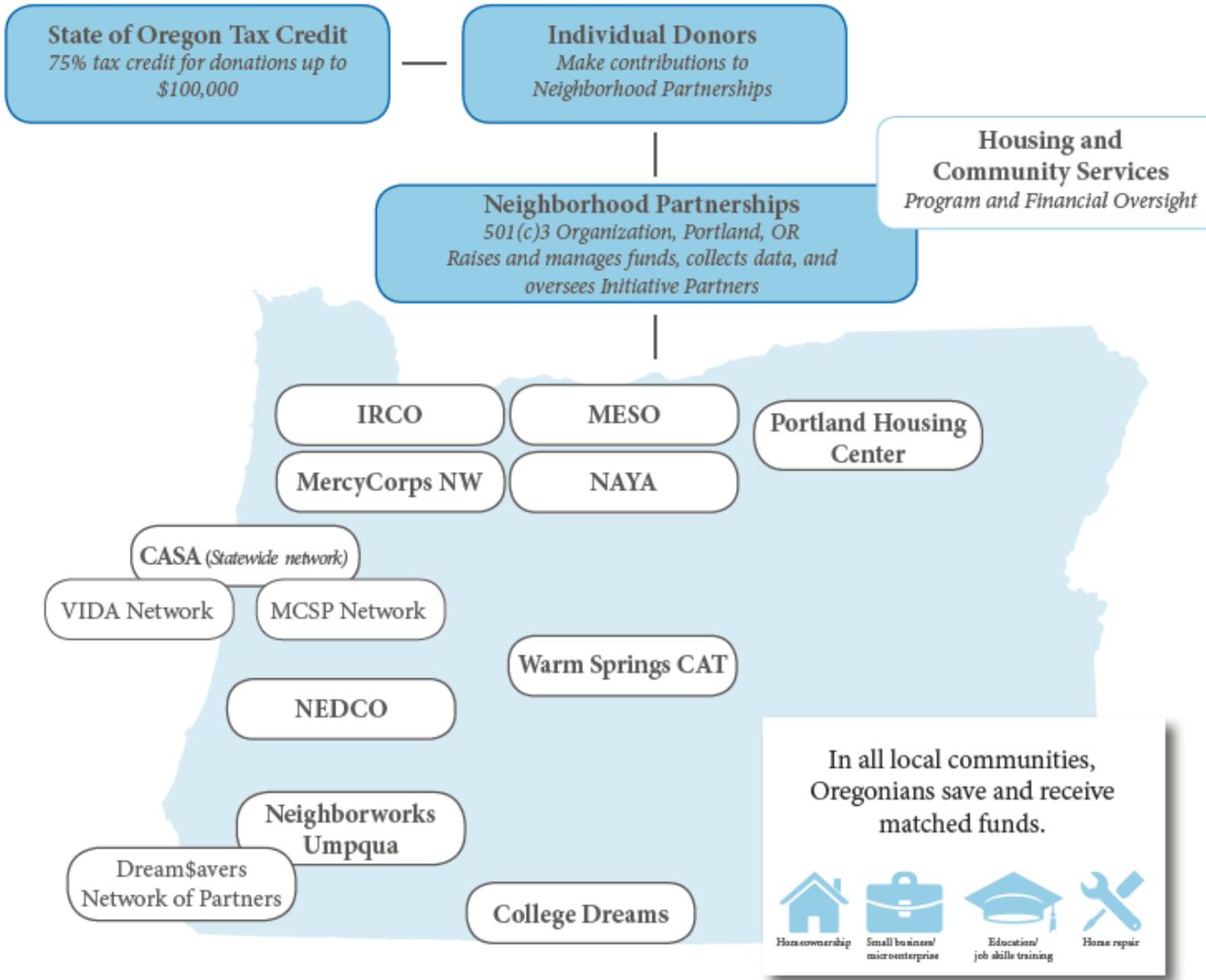
- ▶ We believe in the power of programs like IDAs to begin addressing asset poverty in communities across our state.
- ▶ Financial education + coaching + savings incentives = big impacts for individuals → financial capability.
- ▶ Leverage our state IDA resources to achieve greater impacts for participants and communities.

IDA 75% Tax Credit:

The poster child for tax credits

IDAs spark resilient communities by teaching financial health, promoting faster savings and inspiring bigger dreams.

How the IDA Tax Credit process works



Everybody wins with the IDA



The State of Oregon gets 1 dollar worth of community investment for every 75 cents it spends.

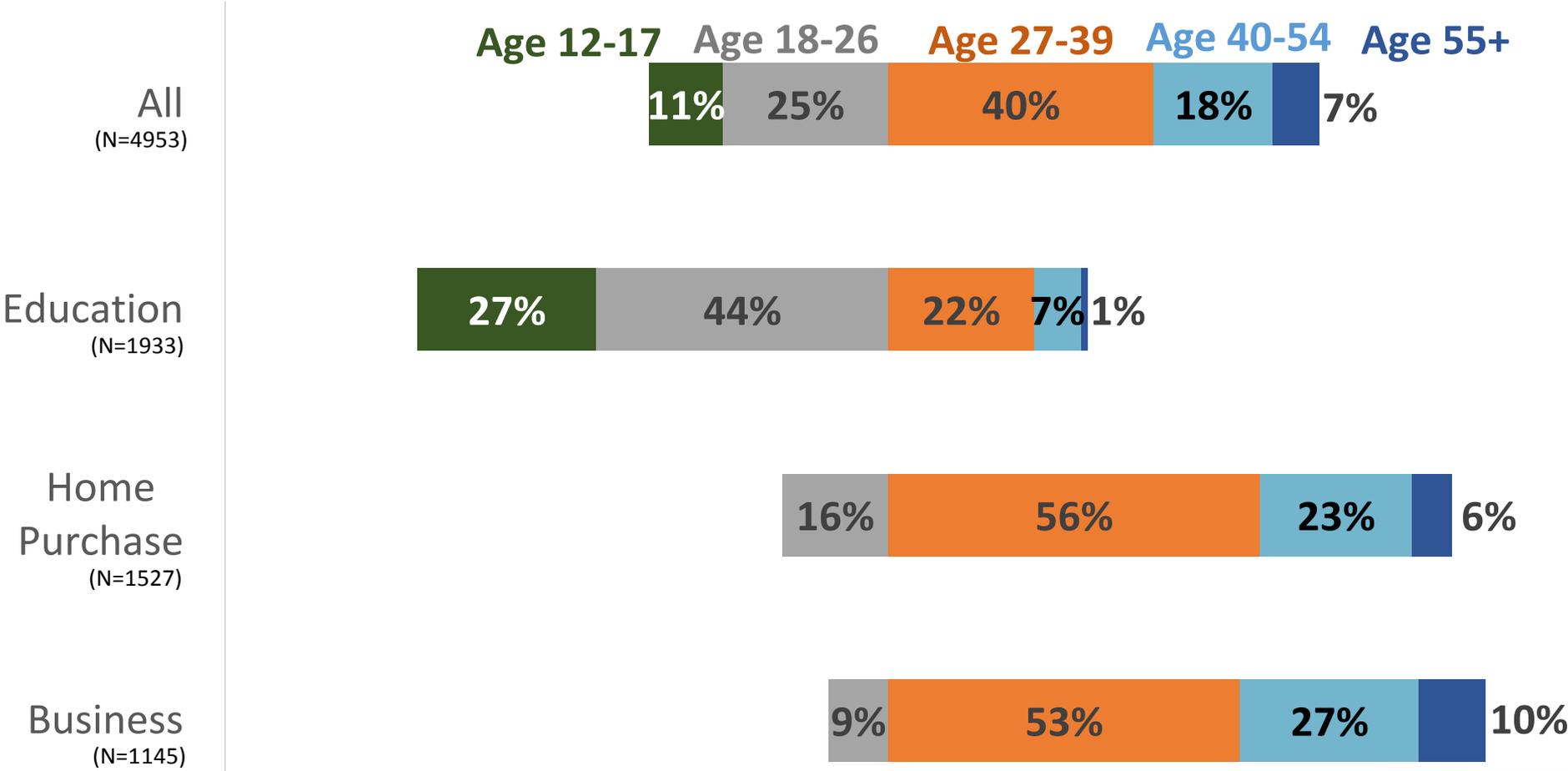


The donor gets 75 cents back for every 1 dollar donated - a far larger credit than a typical donation.



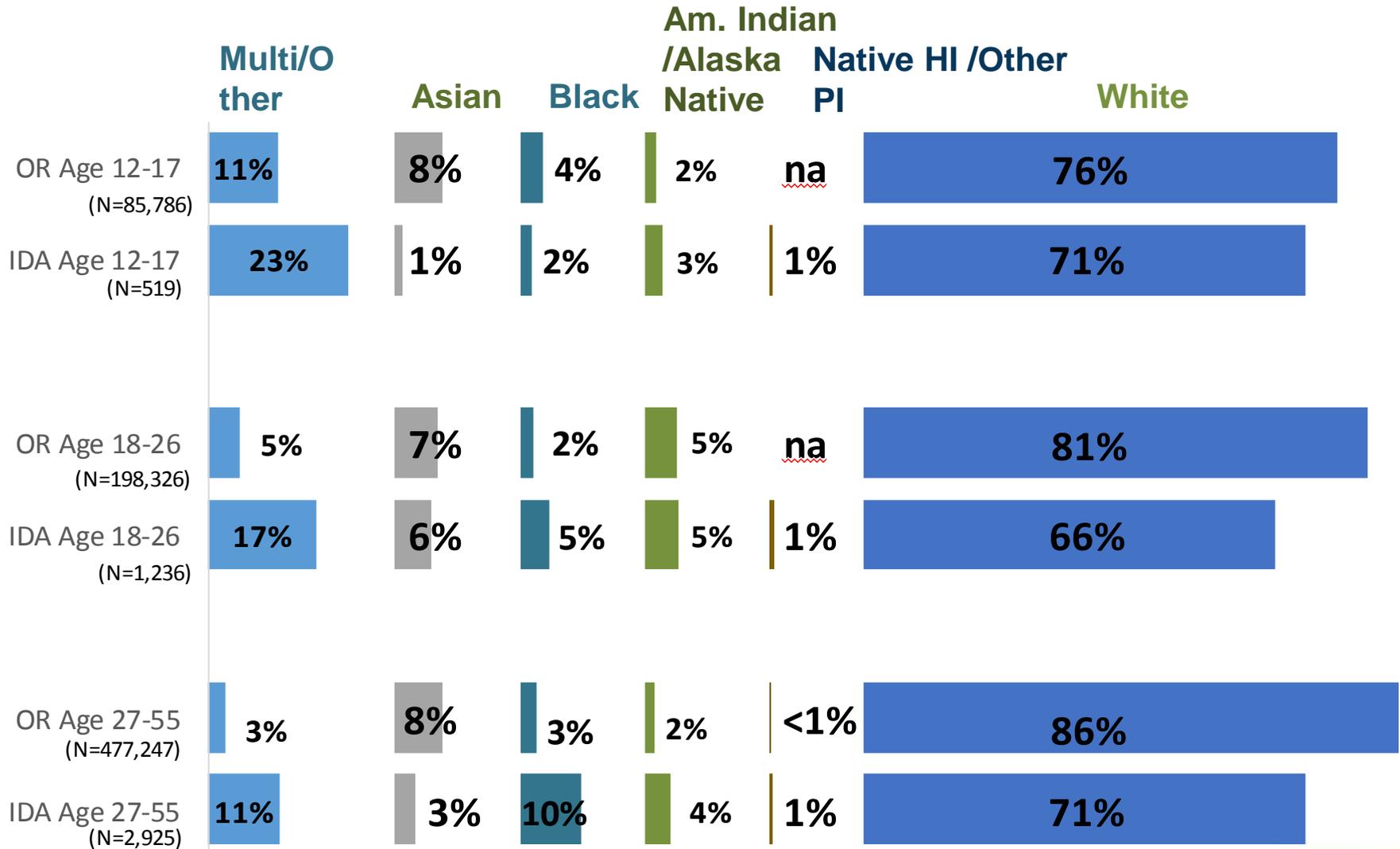
Oregonians with low incomes receive a 3 to 1 match for their homeownership, small business or education savings.

Most Education savers are younger than age 27, and most Home Purchase and Business Savers are age 27 and older.

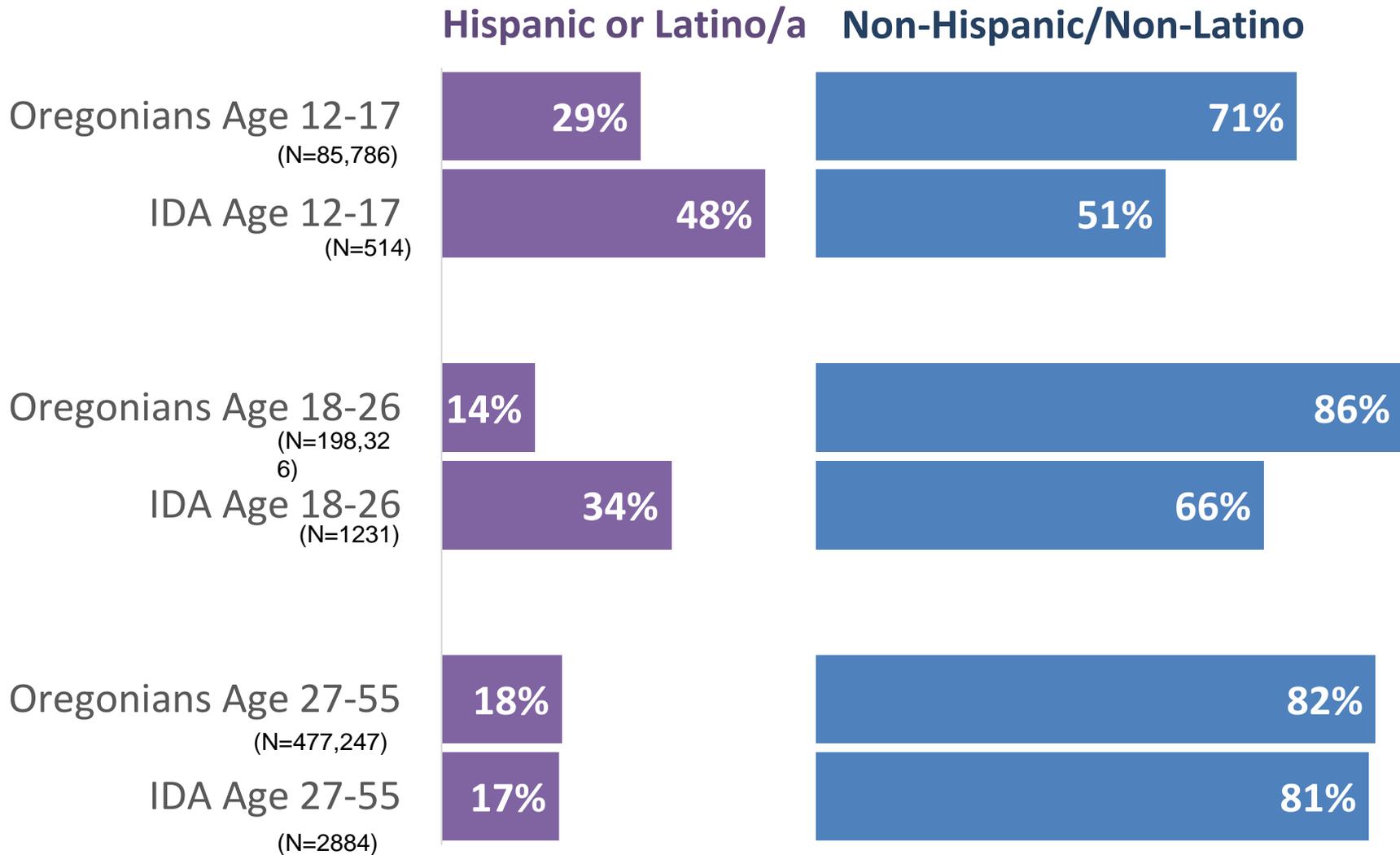


IDAs reach people of color in all age groups.

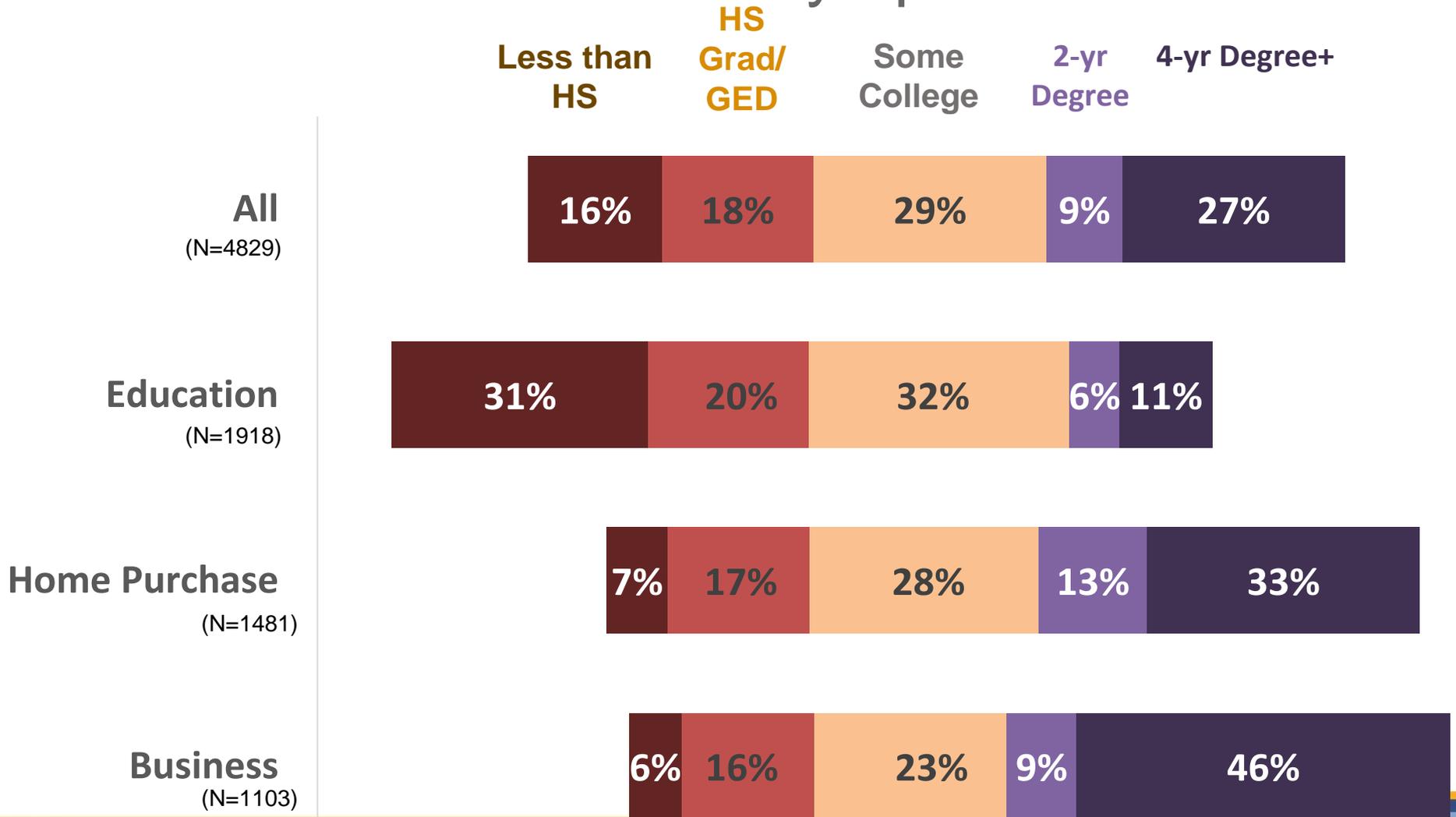
Asian Oregonians and younger Black Oregonians are underrepresented.



IDA programs have been effective in enrolling participants of Hispanic ethnicity.



Many savers have had at least some college education when they open an IDA.

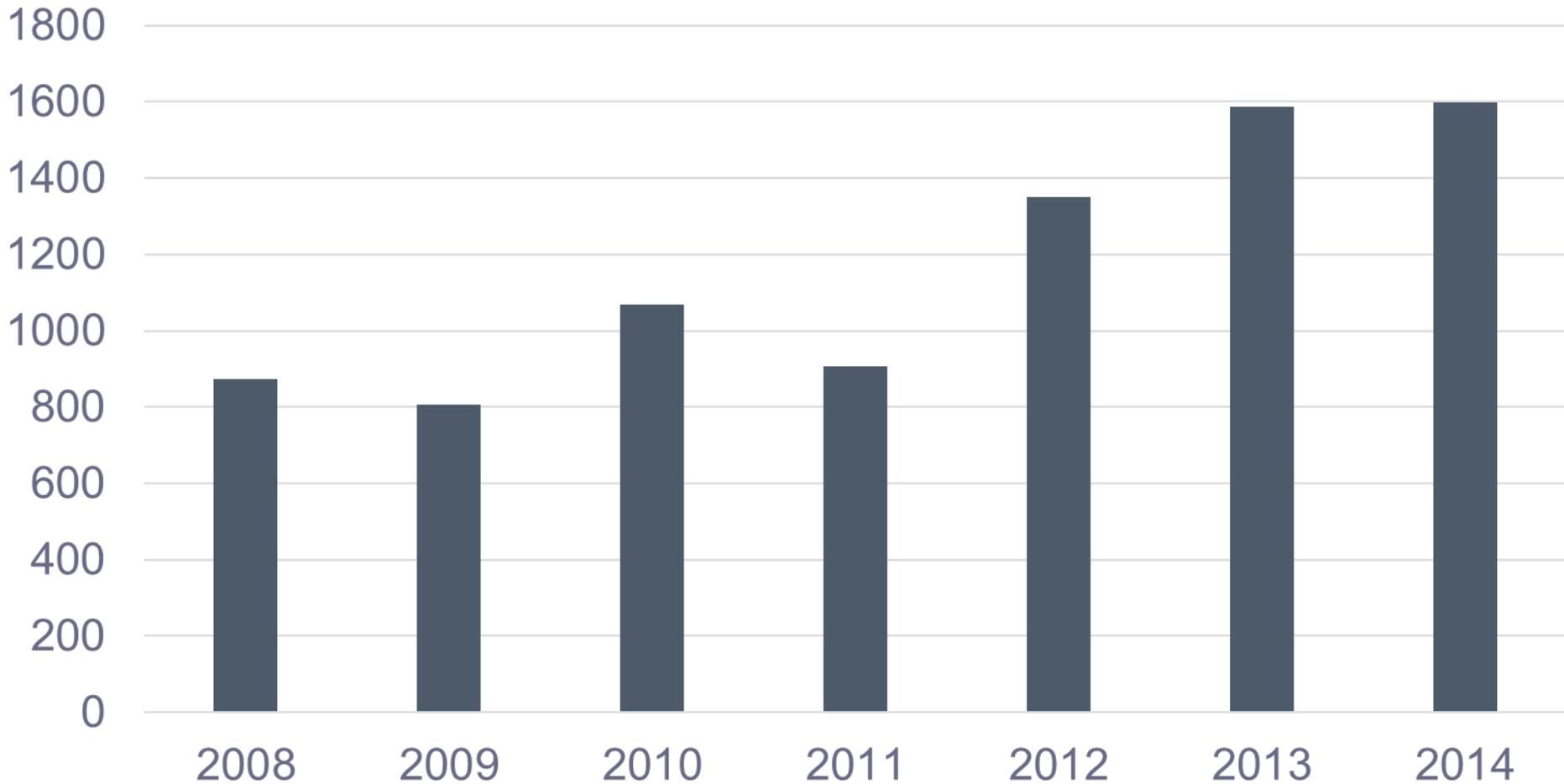


Two-thirds of savers are **women**.

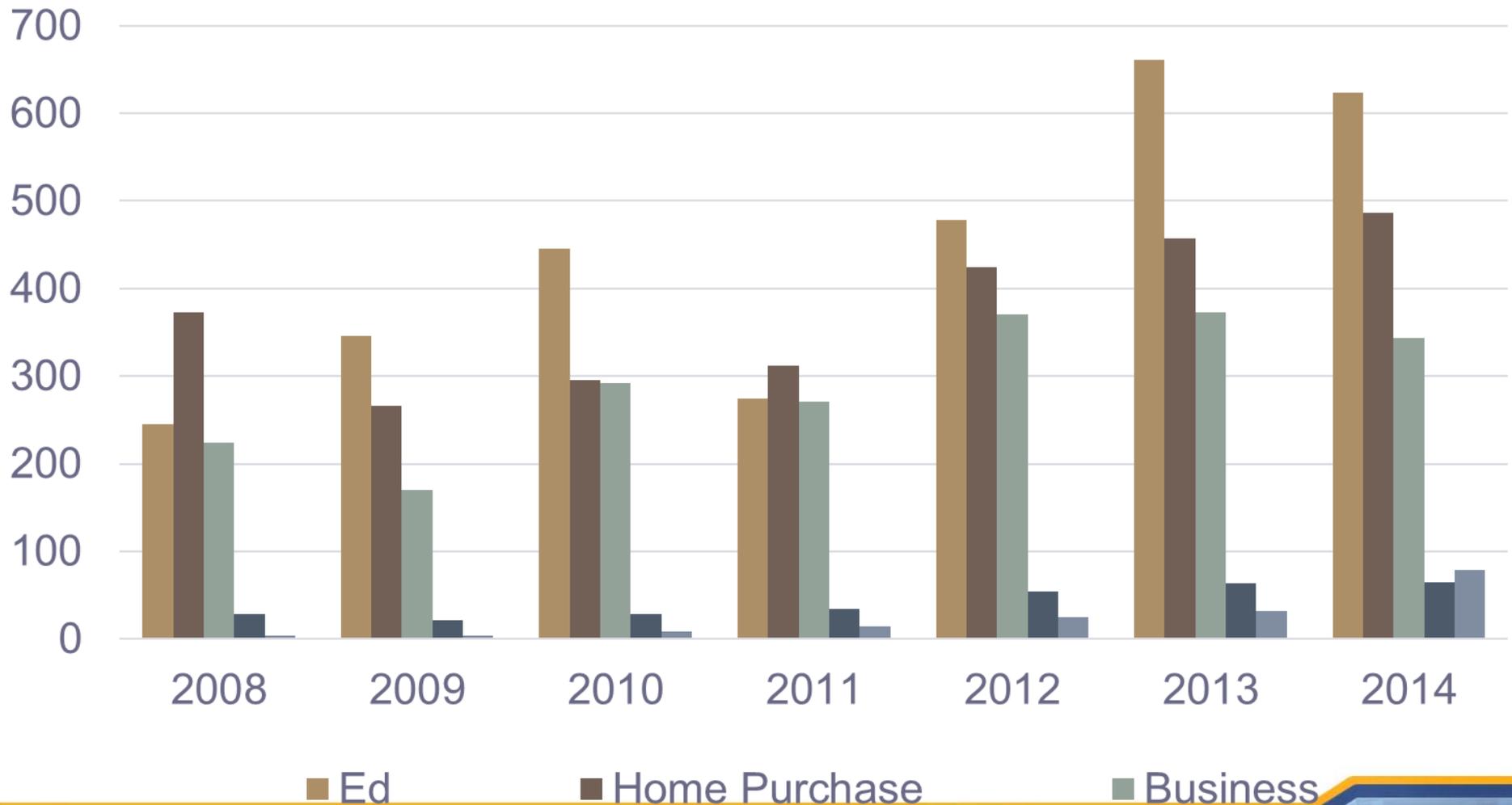
Men make up a slightly larger proportion of business savers.



The number of new savers per year has nearly doubled in 5 years.



Education has consistently been the largest asset class savers enroll in, followed by Home Purchase and Business.



IDAs at *Neighborhood Partnerships*

- ▶ AFI match rate: 3:1
- ▶ AFI savings goal: \$2,000 to be matched with \$6000 (\$2000 of which is AFI, \$4000 is state)
- ▶ AFI savings period: at least 6 months, average is 18 mos
- ▶ Day-to-day activities @ NP – largely administrative and providing TA to our statewide network.
- ▶ Day-to-day activities @ Grantee – largely administrative re: client and case management, coaching, financial education, on-the-ground innovation.
- ▶ Time dedicated: @NP and Grantees – full time IDA
 - @Sub-grantee – depends on volume of accounts.

IDAs at *Neighborhood Partnerships* (cont'd)

- ▶ Total dollars saved: ~\$9,200,000
- ▶ Total match earned: ~\$25,700,000

- ▶ Total AFI granted to partners of Oregon IDA Initiative:
\$11,300,000

Lessons Learned

▶ Benefits to organization:

- Statewide network of partners working in financial capability
 - Sharing resources and lessons w/ other financial capability programs
- IDAs are magic for all people regardless of demographics, politics, etc
- Documented impacts of IDAs
- IDAs are changing communities
- Increased creativity

▶ Biggest challenges to organization:

- Limited funding which does not cover operating costs
- Partnerships with financial institutions
- Managing data with database that has limitations
- Coordinating very diverse programs across state

Lessons Learned (cont'd)

▶ Questions to consider:

- Does your organization offer programs or resources that connect to the savings goals or financial capability?
- Do the communities you work with have a high level of trust for your agency?
- How strong are your partnerships with financial institutions?
- Are you equipped to manage a program that is not one-size-fits-all for every participant?
- Are there other resources available to support operating costs?
- How comfortable is the agency with navigating uncertainty?
- What level of bandwidth does your staff have to establish new systems that will need to evolve as lessons are learned?

Jessica Junke, Director of Economic Opportunity

Neighborhood Partnerships

310 SW Fourth Ave, Suite 715

Portland, OR 97204

jjunke@neighborhoodpartnerships.org

503-226-3001 x109



AFI

Applying for AFI

Key AFI Requirements

- ▶ Cost Sharing: Awards require 100% cash match from non-federal sources.
- ▶ Limitation on Uses of Funds: 85% of project funds must be used to match participant IDA savings.
- ▶ Qualified Expenses: AFI IDAs may be used to purchase a first home, capitalize a business, or fund post-secondary education or training.
- ▶ Matching Participant Savings: Specific requirements related to administration of the project (savings period, match cap, financial institutions).

Identifying Potential Funders

For each of your asset goals, determine:

- ▶ Aside from the IDA accountholders, who else shares these goals?
- ▶ Who else benefits from your success?
 - Private sector: lenders, education & training institutes, etc.
 - Public sector: local government, CDCs, etc.
- ▶ Who is already funding this work? What existing sources of funding can you leverage?
 - Examples: downpayment assistance, scholarships

Sources of Non-federal Funds

- ▶ Financial institutions and their foundations
- ▶ State and local governments, including tax credits
- ▶ Tribal governments
- ▶ United Way
- ▶ Foundations (local, regional)
- ▶ Applicant organization funds
- ▶ Funds directed to specific goals (i.e., scholarship funds, downpayment assistance funds)
- ▶ Special needs funding opportunities (mental health, youth programs, disability programs, and other nonfederal funding streams that target specific populations)
- ▶ Locally-based corporations/employers
- ▶ Places of worship
- ▶ Individuals/online donations
- ▶ Civic/fraternal organizations
- ▶ Local business associations or industry sectors (e.g. Realtor donations)

How's the Fit?

- ▶ For your organization:
 - Experience in administering AFI projects or similar programs helping low-income people pursue the goals of homeownership, post-secondary education, or business development?
 - Capacity to implement project (including partners)?
 - Resources available for project?
 - Accounting/financial records systems?

- ▶ For your service area and target population:
 - Eligibility and demand for allowable asset purchases?
 - Viability of the proposed project with regard to the asset purchases included in the design?

AFI Funding Opportunity

▶ Funding Opportunity Announcement (FOA)

- Available at <https://www.acf.hhs.gov/grants/open/foa/index.cfm?switch=foa&fon=HHS-2015-ACF-OCS-EI-1005> or through the link at <http://www.IDAresources.acf.hhs.gov/Apply>
- Next application due date: **May 13, 2016**
 - Pending funding availability, there are also application due dates expected in October 2016, and April 2017.



Next Steps

1. Share AFI information with agency leadership, partners, and staff
2. Contact the AFI Resource Center for a copy of the AFI Application Kit and to join the mailing list
3. Learn from other Prospective Grantee Webinars:
 - Introduction to the FOA
 - Recording posted at www.IDAresources.acf.hhs.gov/Apply
 - Intensive Coaching Cohorts
 - <http://idaresources.acf.hhs.gov/page?pageid=a047000000T2bsT>

AFI Resource Center

- ▶ The AFI Resource Center is the access point for AFI program technical assistance.
- ▶ Website: idaresources.acf.hhs.gov
 - Includes information for potential applicants
 - Grantee Locator:
<http://idaresources.acf.hhs.gov/afigrantees>
- ▶ Help Desk:
 - **Phone:** 1-866-778-6037
 - **Email:** info@idaresources.org

Poll Question #2

- ▶ How likely are you to apply for AFI in the next two years?

Building Financial Capability: A Planning Guide for Integrated Services

■ **What is it?**

- An interactive guide to help organizations develop a comprehensive plan for **integrating financial capability services** into their existing programs (e.g. TANF, housing, job training)
- Prepared by CFED for the Administration for Children and Families

■ **Who should use it?**

- Any organization (public or private), whose mission includes serving low-income communities or providing social services
 - E.g. human services agencies, community colleges, faith-based organizations
- Program managers & directors at these organizations

■ **Why integration?**

- Integrated approach meets clients where they are and simultaneously addresses multiple interrelated challenges
- Adding financial capability services can help enhance the outcomes of an organization's core programs

Building Financial Capability: **Overview of Contents**

13 field-tested, practical tools walk organizations step-by-step through the integration planning process including:

- Understanding clients' financial issues and identifying financial capability services to meet their needs
- Assessing the resources (in-house and in the community) available for integrating financial capability services
- Determining how to provide these services (refer, partner, or do-it-yourself)
- Developing in-house capacity to provide services, if appropriate
- Creating successful partnerships or referral systems with other service providers, if appropriate
- Making the case for integration to internal and external stakeholders

Building Financial Capability



BUILDING FINANCIAL CAPABILITY A Planning Guide for Integrated Services MENU

Table of Contents

- Foreword**
- Executive Summary**
- About Financial Capability Integration**
- How to Use This Guide**

Section 1: Envisioning Your Clients' Financial Capability	Tool 1: How Your Clients Manage Now Tool 2: Outcomes That Matter Tool 3: The Theory of Change (Section 1 Capstone Tool)
Section 2: Building the Team	Tool 4: In-House Capacity Tool 5: Inventory of Community Service Providers Tool 6: Assessment of Community Service Providers Tool 7: Deciding Who Will Deliver Services (Section 2 Capstone Tool)
Section 3: Moving Into Action	Tool 8: Current Program Workflow Tool 9: The Referral Plan Tool 10: The Partnership Plan Tool 11: The DIY Plan Tool 12: Putting it All Together – The Logic Model (Capstone Tool for Section 3 and for the Guide as a Whole)
Cross-Cutting Section: Making the Case	Tool: Key Stakeholder Support

- Frequently Asked Questions**
- References & Resources**
- Appendices**
- One Stop Tool Shop**
- Acknowledgements**

Home < 3 >

Available for download at: <http://1.usa.gov/1FxrLnE>

Training Video Series on the Guide



Watch the videos at: <http://www.acf.hhs.gov/programs/ocs/training-video-series-building-financial-capability>

QUESTIONS?

- ▶ AFI Help Desk:
 - 1-866-778-6037
 - info@idaresources.org
- ▶ Trevor Hoffberger, AFI Resource Center Technical Specialist
 - trevor.Hoffberger@icfi.com
- ▶ Carmen Shorter, CFED
 - cshorter@cfed.org
- ▶ Parker Cohen, CFED
 - pcohen@cfed.org
- ▶ Jessica Junke, Neighborhood Partnerships
 - jjunke@neighborhoodpartnerships.org