



***“TOOLS FOR SUCCESS” WEBINAR SERIES
FOR ASSETS FOR INDEPENDENCE
GRANTEES***

**More Than Just A Wish:
Planning For Your AFI Project**

June 27, 2012

Connecting to Audio

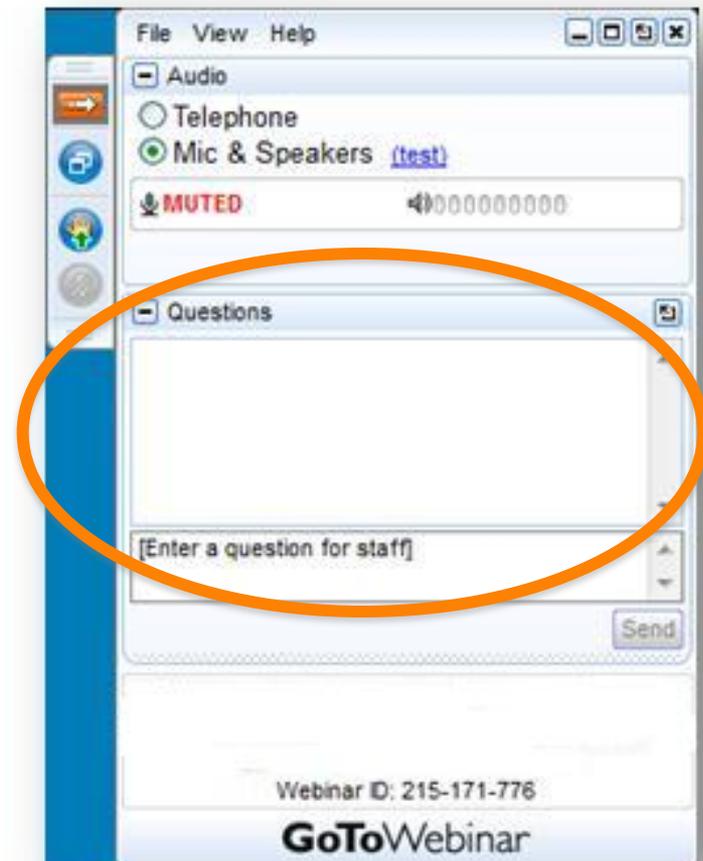
- Having trouble dialing in?
 - Just listen on your computer!
 - Connect your speakers or a headset to your computer.
- **Having technical difficulties? Contact webinars@cfed.org**

Housekeeping

- This webinar is being recorded.
- A transcript and link to the recording will be available 1 week after the webinar.
- The webinar will last for 1 hour.
- **Having technical difficulties? Contact webinars@cfed.org**

Housekeeping

- All webinar attendees are muted to ensure sound quality.
- Use the question box in your webinar Control Panel to ask questions at any time.





Not an AFI grantee yet?

- The Assets for Independence (AFI) program, administered through the Office of Community Services at the U.S. Dept. of Health and Human Services, provides federal funding to community-based nonprofits and government agencies for Individual Development Accounts (IDAs).
- Next application deadline: January 25, 2013
- To learn more about applying, visit www.idaresources.org.

Today's speakers



Denise DeVaan, speaker



Leigh Tivol, moderator

- The AFI Resource Center provides training and technical assistance to AFI grantees, their project partners, and other organizations that are providing asset building services across the nation.

**“A goal
without a plan
is just a wish.”**

--Antoine de Saint-Exupéry

So...what are we planning for?

**Savers purchase assets
and use all AFI and non-AFI match funds
by the end of the five-year grant period.**

Six stages of planning

1. Set a big goal
2. Break it into smaller goals
3. Identify milestones along the way
4. Monitor your progress
5. Course-correct as needed
6. Celebrate your success!

Six key indicators to track

1. Non-federal match raised
2. Savers enrolled
3. Savings deposited
4. Financial education completed
5. Asset-specific education completed
6. Assets purchased

What we mean by “Good Practice Milestones”

- Not an official AFI requirement
- Based on experience from high-performing programs
- Ambitious but desirable
- You may not meet all of them, but they’re good to aim for

A case study for our webinar

- Asset Building Corporation (ABC), a local nonprofit, just received its first AFI grant for \$100,000.
- They plan to offer a 1:1 match on up to \$2,000 in participant savings over 5 years.
- ABC will offer IDAs for homeownership, small business, and higher education. They expect to have equal numbers of participants saving for each asset goal.



#1: Non-federal match raised

How much of the AFI grant will be available to ABC for *match and for administration*?

AFI Grant	\$100,000	
	- \$15,000	<i>15% Administration</i>
	<hr/>	
	\$85,000	Match
Non-Federal Contribution	\$100,000	
	- \$15,000	<i>15% Administration</i>
	<hr/>	
	\$85,000	Match
Total	\$170,000	Available for Match

What's the ideal fundraising pace?

- Fundraising is the first and most essential step. It can begin as soon as you begin to apply for an AFI grant, contingent upon receiving the AFI grant.
- You should only open IDA accounts & enroll participants for which you have raised all the non-federal match and drawn down the federal match into the reserve account.
- **Good Practice Milestone:** Aim to secure all funding commitments by the midpoint of the grant (Year 2.5).
Note: Many funders commit to multi-year funding, but can only allocate funds one year at a time.

ABC's fundraising plan

- ABC has to raise \$100,000 in non-federal match to complement their \$100,000 AFI grant.
- They already had a commitment of \$10,000 from a local bank when they applied for the AFI grant. They want to raise at least \$15,000 more (total \$25,000) for year 1.
- The ABC team developed a \$90,000 fundraising plan:
 - Contributions, donations from faith-based orgs (\$10,000)
 - Community foundation (donor-advised funds) (\$25,000)
 - State grant to City for small business development (\$25,000)
 - Bank Foundation where reserve fund is held (\$15,000)
 - United Way grant (\$15,000)

#2: Savers enrolled

What are ABC's overall enrollment targets?



#2: Savers enrolled

How many accounts can ABC open right now?



What's the ideal enrollment pace?

- Experience tells us that enrollment should begin as soon as possible after the start of the grant – ideally within the first year.
- The longer it takes to enroll, the less time your participants have to save and use their funds.
- Remember, though – you must have raised non-federal match and drawn down AFI funds first!
- **Good Practice Milestone:** Enroll 25% of savers by the end of year 1. Enroll the remainder by the midpoint of the grant (Year 2.5).

ABC's enrollment plan

- ABC wanted to enroll all 85 participants quickly to maximize time for them to save – but only had funds for 8 savers at the start.
- They enrolled all 8 right away and set a goal of:
 - enrolling an additional 13 savers by the end of year 1
 - enrolling 8 savers/month for the first 8 months of year 2, assuming funds were raised.
- They drew two thermometers to hang on the office wall – one for fundraising, one for enrollment – and tracked their progress each month.

A bump in the road...

- ABC planned to raise an additional \$15,000 in Year 1, but a funder they were counting on told ABC that the funds wouldn't be available until the following year.

#3: Savings deposited

What's the ideal savings pace?

- Every participant is different – and saves at a different pace.
- All participants need time to save and spend their funds. Don't forget to allow time for the spending phase!
- **Good Practice Milestone:** Savers have gotten halfway to their savings goal and half of the match funds are obligated by the end of year 3.

ABC's savings plan

- ABC matches up to \$2,000 in participant savings over the grant period.
- Most savers would not have the full five years to save, since they weren't enrolling on Day 1 of the grant.
- The ABC staff also knew that some savers would need more time to spend their savings before the end of the five-year grant period.
- So, the team did some math...

ABC's savings plan

- They decided to plan for the assumption that savers would only have 4 years to save the \$2,000. Each year, participants would need to save \$500 to stay on track.
- The ABC team decided that \$10 a week was an achievable goal to suggest to their participants.
- They also encouraged savers to make larger deposits if possible, especially for those wanting to purchase assets more quickly.
- Each month, they monitored participant deposits. If it looked like a saver was slipping far behind the goal, the ABC team reached out. They had great success with their “Tax Time Catch-Up Savings” campaign!

#4: Financial education completed

When should this happen?

- Some programs require financial education be completed before participants can enroll. Others simply require it before asset purchase.
- **Good Practice Milestones:**
 - Assuming that financial education classes follow enrollment to keep savers engaged and learning, classes begin as soon a cohort forms.
 - Consider aiming for financial education completion rates that mirror your targeted enrollment goals.

#5: Asset-specific education completed

- Asset-specific education includes:
 - First time homebuyer classes
 - Small business training, including development of a business plan
 - Counseling or classes on pursuing higher ed or career goals
- Many programs ask first-time homebuyers to meet with a counselor and develop a plan to strengthen credit close to enrollment. It takes time to qualify for financing. Use community partners!
- **Good Practice Milestone:** Classes usually follow completion of general financial education, ideally in the second year of the saver's contract period.

#6: Assets purchased

- Remember, all assets must be purchased within the 5-year grant period, even if the accountholder hasn't been enrolled for the full five years.
- **Good Practice Milestone:** Every participant is different! However...
 - Asset purchases frequently begin in Year 3 of the grant for small businesses and in Years 4-5 for homes.
 - Those saving for higher education/training typically save and draw down match for each semester, so they often make withdrawals as early as Year 1.

ABC's asset purchase plan

- ABC expects to have equal numbers of participants saving for each asset goal.
- Their asset purchase targets:
 - 28 education savers in Years 1-5
 - 28 small business savers in Years 3-5
 - 28 homebuyers in Years 4-5

ABC: Three years later...

- Three years into their grant, ABC realized that they were significantly behind on their enrollment goal.
- They had raised 100% of the funds they needed, for a total of 85 savers.
- However, due to dropouts, ABC had only 56 current savers.
- They have just 2 years left in the grant.

Course corrections

- An important part of the planning process!
- Common reasons for course corrections:
 - Fundraising challenges
 - Low enrollment
 - “Dropouts”
 - Credit challenges, especially for homebuyers
 - Poor financial education attendance
- Your AFI Program Specialist and the AFI Resource Center can help

Tools you can use

- Sample “Schedule of Activities” – will be sent to you following this call
- Visit www.idaresources.org:
 - Under Applying for An AFI Grant, the **Project Builder Toolkit** has planning tools including Gantt charts & worksheets
 - Under the Network tab, there is a **Planning Fundraising & Resource Guide**
- For changes to your grant (e.g. increasing match rate), talk to your AFI Program Specialist



Questions?



Contact Information

For general questions about the AFI program,
visit www.idaresources.org.

- **Denise DeVaan**
AFI Resource Center
denise.devaan@idaresources.org
- **Leigh Tivol**
AFI Resource Center
leigh.tivol@idaresources.org



Thank you!

Assets for Independence Resource Center

- AFI Resource Center:
 - 1-866-778-6037
 - info@idaresources.org
 - www.idaresources.org
- AFI Program Website:
 - www.acf.hhs.gov/assetbuilding