



*"Tools for Success" webinars for Assets for Independence grantees:*

**Your Questions Answered: A Dialogue with IDA Funders**

Friday, February 8, 2013

12:30 – 1:30 p.m. PST / 3:30 – 4:30 p.m. EST

**Leigh Tivol:** Good afternoon everyone, welcome to today's webinar "Your Questions Answered: A Dialogue with IDA Funders." This webinar is the latest in an ongoing series of Tools for Success webinars that are designed specifically for AFI grantees and sub-grantees across the country. My name is Leigh Tivol and I would like to welcome you to our conversation today.

Before we start today's presentation, I'd like to begin with a few housekeeping items. If you're having trouble dialing in you can listen through your computer using speakers or connecting a headset to your computer.

If you're having technical difficulties such as trouble connecting to the visual portion of the webinar or any other problems, send us an e-mail and we'll send you the Power Point file as an attachment so that you can follow along. The e-mail address is [tmurphy@cfed.org](mailto:tmurphy@cfed.org).

Today's webinar is being recorded, so you will be able to review it and share it on demand. You will receive a follow up email in a week or two with details on how to access the recording. We will also send a copy of the PowerPoint presentation that is being used today. So you'll have that in hand as well.

We have a number of participants registered today, so your phone lines have been muted to ensure sound quality.

At any point during the webinar, if you have questions for our speakers, we encourage you to send questions at any time during this presentation by using the Questions box in your GoToWebinar Control Panel as you see on your screen. We will try to answer as many of your questions as we can during the presentation.

We realize that some of you on this call may not be AFI grantees, so we want to provide you with information about the program. The Assets for Independence Program, or AFI for short, is the largest source of IDA funding nationally. AFI funding is administered through the Department of Health and Human Services Office of Community Services. There is an upcoming orientation session if you'd like to learn more about applying for AFI funds. You can register for that at [www.idaresources.org](http://www.idaresources.org). That will be held on Wednesday, February 13 from 2:00 – 3:00 EST.

With that I'd like to begin with some introductions of our guest speakers for today's call. First, I want to introduce Janet Hamilton who is the Program Officer at the Hutchinson Community Foundation in Kansas. In her role as Program Officer, she is a leader in her community in identifying local needs and she administers a number of grants for the foundation. The foundation's focus areas include a number of important issues including family economic success, early childhood education, nutrition and physical activity, transfer of wealth, and capacity building of area not-for-profits. You'll probably imagine that a number of those come into play with the Hutchinson Community Foundation's support of IDA programs.

I also want to introduce Rebeca Rangel who is a Program Officer at Bank of the West and she is based in California. She's been with the bank since 2005 and she is responsible for the bank's community relations work as well as its multi-million dollar corporate philanthropy program. So she provides a really important financial institution perspective on support for IDA programs. Her work is designed to strategically advance Bank of the West's community support goals and their Community Reinvestment Act objectives.

I am Leigh Tivol and I am representing today the AFI Resource Center which provides training and technical assistance to the IDA programs and AFI grantees in particular across the country.

Let's get to what we hope to accomplish today. We have really designed today as an opportunity to get inside the head of a couple of grant makers and strong supporters of IDA programs for a number of years. We are going to ask our panelists to share their thoughts on funding IDA programs and their advice to programs. Our hope here is that it will give you some additional ideas and additional tools in your toolkit to help you refine and strengthen your approaches to perspective funders. We also hope that you will ask a lot of questions and take advantage of this opportunity to get advice from the folks on the phone.

This is particularly important for those who are currently AFI grantees or who are looking to become AFI grantees because as you know AFI requires that for every dollar of federal grant that you receive you must raise another dollar in nonfederal match. That's why we thought this session was so important.

We have a format today that is a little different from what we typically do in these webinars. It is going to be less of a presentation and more of an interview style. Today I am going to pretend to be Oprah and I am sure I won't do nearly as good of a job as she would. But the idea is that we are going to ask our panelists to respond to a series of questions in a few key areas. Your role in this is key. We have a lot of questions for the panelists, but this is really your opportunity to get advice directly from folks who have a lot of wisdom and experience to share in this area. So feel free to use the questions box in your control panel at any time during the course of the webinar to send in your questions. We will share those with the panelists as they come in and we will also have some time at the end.

Now that we have given you a chance to get to know who our panelists are, we want to pause for a moment and give our panelists a moment to get to know who you are. We are going to launch a series of three quick insta-polls, just to give Rebeca and Janet a sense of who is on the phone.

First we want to ask how long has your IDA program been up and running? Okay, so we have a good blend of folks on the phone, but almost half of you are in the planning stages, so this is the perfect time to be thinking about how to fundraise in order to get your program off the ground. The rest of you, your programs are already up and running and obviously fundraising is an ongoing process. We are glad to have this blend of people on the line.

The second insta-poll is going to ask what your primary roll at your organization is so that we have a sense of what you primarily do. Wow, what a diverse mix. This is why we like to know who is in the mix. We almost have an exact 25% split across four areas. Some people on the phone probably have a lot of experience in fundraising, particularly those who are in the development side of the executive leadership space. Perhaps for others this is a newer realm to explore.

The third insta-poll, we just want to get a sense for the size of your community? We know we probably have a pretty good mix of rural and urban. Approximate if you don't know off the top of your head. Not surprising, we actually have a good mix, about 60% of you in larger, perhaps metro areas, but a good number in rural areas as well.

Rebeca and Janet, I hope that was helpful for you in getting to know our audience a little bit today.

With that, let's move in to the heart of this conversation, which are the questions for you. Janet I'd like to start with you and have you introduce the Hutchinson Foundation. Tell us a little bit about what you and the community foundation do and maybe give us a little bit of a definition of community foundations for those of us who aren't familiar with them.

**Janet Hamilton:** I live in Hutchinson, Kansas. It is a community of about 42,000 in a county of about 60,000. We are geographically located about an hour northwest of Wichita, Kansas, so we are sort of in the south-central part of the state. We are a 23 year old community foundation, this year 24 years old. We consider ourselves the holders of the community endowment of the community savings account. We have about 34 million dollars in assets, many of which are held and controlled by donors and a donor's advice fund. Then, of course, we have unrestricted money that can be used for grant making in any area: arts, homeless, zoos, housing, as well as in our focus area. We are a nonprofit and we have nonprofit status like many of the partners we work with. We work to strengthen the community in many ways.

**Leigh Tivol:** Great. So tell us a little about the ways in which the foundation has support and intercepted with the IDA field, both historically and currently.

**Janet Hamilton:** Hutchinson is home to two community housing development organizations. One of them focuses on apartment style housing, multi-family dwellings. The other focuses on helping people gain a home, a freestanding home. Hutchinson is a fairly depressed area of the country. Many people around on the webinar would think we have very affordable housing. People can get themselves into a 2-3 bedroom home for well less than \$100,000 in Hutchinson, which is good and bad. We have worked very much with one of the Interfaith Housing Services, which is a religiously supported organization that works to acquire properties and to fix those properties up and then teaching those people how to save money for a down payment with the IDA. They also work with families on the other IDA services of saving for higher education or starting a business. Our work extends back about six to seven years ago when the foundation at that time ventured into its first strategic area which at that time was family economic success. Helping families of limited means stabilize their income and create some wealth for the betterment of their families. So we did not want to run the IDA program ourselves but we wanted it to be a viable option in the community. So we partnered with them, the Interfaith Housing organization. They have really taken the ball and run with it well. They provide the usual marketing and education for clients, as well as teaching them many things to help with budgeting and so forth. Our foundation has not specifically provided IDA match dollars, but we have provided capacity building for them to get their staff trained and for them to pay staff to run programs. So one thing I would say is to consider the role of smaller foundations as you seek matching dollars as well as capacity building dollars, because the organization of our size may not feel like we can be an ongoing match provider, but we can provide smaller grants, \$3,000, \$5,000, \$7,000, \$10,000 to help staff become educated and to help staff have the resources to teach and to reach the families they're wanting to reach.

**Leigh Tivol:** That's great thank you, Janet. And I know that Interfaith Housing Services is appreciative of your ongoing support and your presence on this call. So Rebeca, let's turn to you, different perspective here coming from a financial institution. Tell us a little bit about Bank of the West and what you do and your work with the IDA field.

**Rebeca Rangel:** Absolutely and Leigh also thank you for the opportunity to participate in this conversation. We appreciate our partnership with CFED and look forward to participating. By way of background for those who may not be familiar with Bank of the West, we are a full-service commercial bank and headquartered in San Francisco. We are about 63 billion dollars in assets and we have about 700 branches concentrated in California but spread out throughout the western and Midwestern states. We also have a strong commitment to community, which is what I am responsible for in the Community Affairs Group. Last year, our team members along with our foundation and corporate giving program donated about seven and a half million dollars. We also provide a lot of in-kind support and volunteerism as a part of that. We have long been interested in IDA and supportive asset building. The community and economic development world is obviously a core competency for financial institutions so I think you'll find that interest across the board. In the recent past, with the housing and the foreclosure crisis, we were motivated to become more involved. Bank of the West is quite conservative in its lending, specifically in the mortgage area. We did not offer a subprime product and we had historically only been a

portfolio lender, which meant that if we made a loan we kept it on our books. Because of that we were fortunate to not experience the losses and complications that many others did and that we all read about and experienced. But we still wanted to be a part of the solution and understanding the demands that were out there and the community needs. And so what we did was reached out to CFED about three years ago at this point and brainstormed ways to promote responsible homeownership. Prior to being able to reach out to CFED, I and the Community Affairs Group had to garner support from my business and colleagues and so that meant really bringing on board our national finance group and the mortgage banking group in moving forward, which they wholeheartedly did. We see IDAs as being very consistent with our brand and so that's then part of the synergy with helping us move forward and advance the IDA field. And so the concept we came up with and that we piloted is a Saver and Homeownership Story Fund and basically what we do, Bank of the West supports local IDA providers by providing \$2,000 in match support and another \$1,000 to offset the cost of critical financial education that is provided. And then we promote the good work and success of your clients that we learn about in the process. We partner with CFED to learn about you and your clients and to gather these stories and promote everyone's collective good works. So we actually have an open call now. It is in select markets in California and Tucson and you see some of the background information and the link on your screen now. We are accepting nominations for this round through the end of the month. That is one way that we wanted to contribute to the field in a way that perhaps others hadn't and to free up resources for those that had already experienced success and placed specifically IDA savers in their first home.

**Leigh Tivol:** Thanks Rebeca. And I will say this is kind of an unusual and innovative way for a financial institution to support IDA programs. I think probably the more typical approach is for a financial institution to provide grant funding directly for match and operations, as you've noted they may provide accounts. So just to recognize that this is a fun, interesting, innovative approach, but Rebeca I think you can probably also speak as a general financial institution on this, even though other banks may not be operating in exactly the same way, Bank of the West is in this space.

**Rebeca Rangel:** Right, so this is appealing and IDAs in general are appealing to financial institutions for several reasons. One is that there is that synergy in giving area and banks do small business lending, do mortgage lending, in some cases educational lending too. But this theme of helping people finance their dreams and bringing people into the financial mainstream is something that is shared between IDA programs and financial institutions. And there are also business opportunities, right? So you as an IDA provider can establish a depository relationship with the bank for your match savings in addition to the accounts that you are opening on behalf of your clients. Later in the discussion we will also discuss some of the challenges. But I would say that this is one key element from a financial perspective.

**Leigh Tivol:** That is a great point Rebeca. We also shouldn't forget about Community Reinvestment Act incentives. Would you care to speak to that at all?

**Rebeca Rangel:** Absolutely. There's a couple ways that this can also be beneficial to financial institutions through the Community Reinvestment Act. So the dollars that a bank donates to an IDA program are CRA qualified because your beneficiary is low to moderate income through the investment test. And so CRA has three major tests. One is a lending test, one is an investment test, and one is a service test. There is also potentially benefit under the service test because banks are being responsive through community needs and innovative in developing the custodial accounts and host that your IDA savers use. In addition if you have technical assistance programs or if you allow bankers to participate in the financial education that you provide, then those community development service hours also get CRA credit.

**Leigh Tivol:** And those are important for financial institutions to have.

**Rebeca Rangel:** Very.

**Leigh Tivol:** Yes. Great. Thanks, Rebeca. This is a really nice introduction to the question of why does your organization fund IDAs. Janet, let me turn to you, I mean you talked a little bit about the fact that the foundation saw IDAs as fitting into this overall mission and into this area in particular of family economic success. Are there any other aspects of IDAs in particular that are appealing to you and to the foundation and that you would suggest that other programs think about showcasing or highlighting as they approach funders in their areas?

**Janet Hamilton:** Community foundations and family foundations are all interested in philanthropy more so than charity. Charity you might think of as a checking account and you pay the monthly bill, the annual bill. The United Way, in their past at least, has certainly been a form of charity whereas philanthropy hopes to enable people to reach another level and then function from there. So helping people secure enough money for a down payment or for a college education, or resources to start a small business is very philanthropic because it enables those families to operate at another level. It also helps the community in which you're in because we know that homeownership is very valuable, the homes look nicer, families have pride in what they do, they're more likely to be stable and live in the same community so their children can go to the same school and they won't have to move around a lot. And so there are many reasons for a foundation to like IDAs, because it helps families increase their ability to function well.

**Leigh Tivol:** That's great. I think part of the task of those who are fundraising for IDA programs is to be able to articulate those kinds of benefits very clearly and explicitly. They might sort of make sense to many of us on the call today intuitively, but particularly for a funder who may not be as familiar with IDAs as a financial empowerment and a financial stability and community building tool, I think being able to really thoughtfully articulate that is an important part of the process.

**Rebeca Rangel:** Could I just add that I would also really underscore that IDAs are unique in that they provide multiple bottom lines and they have this real multiplier effect. The fact

that you're leveraging resources is noteworthy and in addition the fact that your client, the beneficiary, is a fully committed partner, just alongside AFI and private resources and public resources, that's, I think, important to underscore. Alongside with the asset building portion of this, that is something that makes the benefits intergenerational, or at least there is the potential for intergenerational change, and so IDAs have the potential to be real game changers for the livelihood of that individual but also for that family and for future generations. One of the challenges is quantifying that and telling that narrative very succinctly but I think that you really do want to underscore that multiple bottom lines and that multiplier effect of IDAs.

**Leigh Tivol:** That's a great point. So if I as a funder give a dollar to an IDA program that is receiving AFI funds, I know that is going to leverage a dollar in federal funds and at least a dollar of savers funds and then that saver will produce an asset that will be worth certainly far more than that. That is a really important point, thank you Rebeca.

I want to actually move to a question about what would be less appealing about IDAs and what challenges IDA programs might face as they approach funders. We actually have gotten a question in and the listener says, "I've heard that some banks aren't supportive of IDAs because of the perception that there will be high administrative cost and reporting burdens. How would suggest mitigating that concern with financial institutions?"

**Rebeca Rangel:** Sure, by way of background Bank of the West at this point doesn't hold IDA accounts and we haven't developed the infrastructure to do so. I can't speak to the administrative challenges from a first-hand perspective but from my awareness of IDAs and from being in the field, they are real. I would say that it's not just a perception that these are administratively burdensome. They actually are. I think that on your side you see that as well, too, in the way that you have to manage these programs and keep up with the different sources of funding and the matches straight. But I think that one way to mitigate this or at least to have that conversation with financial institutions that are accepting the deposits and hosting those custodial accounts is to really demonstrate your own strengths in managing these programs from your IT perspective. Technology and the technology platform that you use and your ability to adapt that to your specific program parameters is really critical. I think that is a good starting base because the fact is that they are administratively burdensome and aside from the large accounts that hold the match, they are relatively small accounts.

Another consideration to have is to ensure that there is going to be continuous growth of these accounts. One of the reasons why there is an administrative burden is because IDAs are not currently scaled. Another factor to consider when making this proposal to financial institutions is really projecting what you're growth is going to be like and when you will reach scale. That might help also make a business case for being involved on the account side.

**Leigh Tivol:** Great. Thanks for that response, Rebeca. Anything else, Janet or Rebeca, with regard to helping those folks on the phone identify potential pitfalls that they might encounter as they pitch their IDA programs to funders?

**Janet Hamilton:** Sometimes we get so involved in our work that we assume the whole world understands it. In talking to people I think you have to be very specific in describing what IDA means, who else is interested in it. Sometimes in a community your status is strengthened because you have already developed a relationship with another funder or with a bank and you need to constantly educate people about that. It's good if you can get some positive press to help explain to the general public about what an IDA is and why it is valuable for the community and for that family.

**Leigh Tivol:** Great points. One thing that we know is that many funders really like partnerships. I'm wondering about ways that either of you see IDAs sitting or complementing the work that you're doing with other grantees and how you have seen those partnerships develop so that IDAs are integrated into those other initiatives or programs. Are there examples that you could share that might be helpful for the audience?

**Janet Hamilton:** Not every bank is interested and we know that. The community foundation has many relationships with banks and other financial planners, so sometimes the foundation personnel can also be an advocate for the program because they already have relationships with lending institutions. I think when you are approaching a funder, don't always just think about approaching them for money, think about approaching them for operating dollars, but also what resources, what connections do they have in the community and what else can they leverage to help people understand the value of these programs.

**Leigh Tivol:** Great. Let's move into the next section here where we start getting into specific advice to grant seekers for IDA programs. We've had a couple of questions come in that I want to start with.

First, sort of a general question about making that pitch and getting a sense of how much to ask for. How do you determine the dollar amount to request when approaching a donor for an IDA program?

**Janet Hamilton:** All foundations have to publish their grants every year; it's called the 990 form. Funders are probably familiar with that. That's one way to understand what a foundation is able to fund. It is typically based on what they have funded in the past. A personal conversation is very appropriate, especially a community foundation, where we hold dollars not only that we control, but we hold dollars that our donors control. So it would be appropriate to say, "Do you have donors that would have interest in supporting an IDA type program?" Maybe we do, maybe we would want to explore that. Funders typically do not like to be the sole funder. We would want to know who else you are working with, collaborating with, who else you've had conversations with, and who else you've had resources from. Those kinds of things are important. And of course, what is your reputation in the community. We certainly try to be aware of what's going on in the

community at any one time. We can miss things though, so provide us evidence or provide us proof that you've partnered with people and have had positive press. Let us have a sense of the capacity of your organization to carry out this kind of program. Do you have the appropriate internal bookkeeping and the appropriate controls? Those would be important things as well.

**Leigh Tivol:** Great so what I am hearing from you, Janet, is that it's not just about asking the dollar amount although doing that I think, and trying to get a sense of that range in a fairly direct way and by doing your homework on what the funder has done in the past, that's important but it's also important to make sure that the IDA program or the prospective IDA program has laid the groundwork to make sure that, again, kind of getting to the silver bullet on this slide, that they'll be able to answer any tough questions you might ask. Rebeca, how would you respond to this first bullet? What tough questions would you ask a prospective grantee?

**Rebeca Rangel:** Well I think for those organization that are in the planning phase, which seems to be about half of folks on the call, I would say your first task is to demonstrate that there is a demand for the IDA and obviously, we can demonstrate that there are low income individuals but, I think going beyond that to identify that there's a desire to start a business or achieve higher education or their first time home or whatever it is that your IDA focus is on. I think that you need to be very clear on demonstrating that there is a demand for your service and what portion of that demand you're able to address today and what you'll be able to address down the line in 3 or 5 years, for example. In addition, once you're able to really make that case for what the need and what the demand is, make the case that you are the right partner to offer an excellent solution. You have the operations in place, you have the technology platform, that even before that, you have a strong theory of change and a real sound logic model about how you're approaching this solution that you're offering and your growth strategy. And so I think that, particularly in that planning stage, I think it's worthwhile to pause because there is a lot of great existing field research in this area. You really have a really strong foundation to build on in terms of the behavioral changes that have been demonstrated in the IDA field and the environmental changes that it also leads to so you use that as your base and then you show how your program is set up appropriately to advance that and I would say that that's a mouthful but I think that's really important in establishing your legitimacy in the field, particularly if you're just getting started.

**Leigh Tivol:** Great, so we are getting a number of questions in. Rebeca there's one that's come in that circles back to the point you made about reaching scale. This question either of you could answer; how would you define scale? What does that mean and what should IDA programs be thinking about?

**Rebeca Rangel:** Scale is going to mean different things to different institutions because we all operate in different geographies and scales. We have different abilities to reach the market ourselves and so I don't have a hard direct answer on that because it really is going to vary from institution to institution but, I think that to the extent you're able to identify what the need is and what your capacity is, and what you're doing to increase your capacity.

I think that it's also important to demonstrate, year over year growth and that you have a plan to get that type of growth and so even being thoughtful in what these IDAs are going to look like when you're first class graduates, what's the time horizon for that and how you'll continue to outreach to others is important. I'm sorry I don't have a specific answer on the scale question because it varies from institution to institution. But I think that is one of the dilemmas is that this is sort of slow moving and so there's demand also on the funding side like we have demand to show that there is innovation in our giving portfolio and that there is year over year growth and progress and the outcomes our grantees face. To the extent that the IDA providers can help share that with us, then we are able to make a better case for their grant as well.

**Leigh Tivol:** Great. Janet, anything you want to add to that?

**Janet Hamilton:** If funders are not themselves the experts in the community on housing, they need to be working hand in hand with the people who are and then they will have some sense in their own community what scale would look like.

**Leigh Tivol:** So I think you both touched on a couple of items on the second bullet on this slide but about what perspective grantees would do before they make a funding request. You both talked about the need to plan. Rebeca, you mentioned a theory of change. Janet, you mentioned visibility and getting your organization out there. Is there anything else you would suggest that grantees do in advance of approaching a funder?

**Janet Hamilton:** I would suggest; what are your capabilities? As you plan, you need to say realistically, "is my agency able to do this?" If it is not, "who in the community is and who is my possible collaborator?" People hate planning. We want to just go out and do do do but the planning part is really important because it shows a funder that you've given serious thought to this. The logic model; I don't know anyone who likes logic models, but they are very important. What are the capabilities and what can we expect and who in the community can help us deliver that? Those things are very important to bring forward to a funder.

**Leigh Tivol:** Terrific, Rebeca anything you want to chime in on there?

**Rebeca Rangel:** I think that, to Janet's first point and the question that was asked regarding how much to specifically ask for in a grant, I think you want to request an amount and know before you ask what the consistent giving standards are for that donor and be within that so you don't elicit any type of knee-jerk reaction in asking something that's pie in the sky as opposed to realistic. And then that should also be consistent with your ability to meet the needs of the market.

**Leigh Tivol:** That's absolutely true, not just for IDA programs but any kind of philanthropic ask. So quickly, can either of you share, and Rebeca maybe we start with you; As a program makes a pitch to you, what specific kinds of data or other background information or metrics are compelling to you as a funder?

**Rebeca Rangel:** So I think that beyond some of the ones that I've stated, looking at the outcomes of your program and in addition to how many clients you serve, so I think it's great to have how many clients you serve but you need the impact also of the IDAs. So what assets have they achieved? How have these assets grown over time? And really charting the direct impact and the indirect impact. I think that there are some challenges here because it requires your ability to stay in touch with that saver beyond the life of their saving horizon and into the life of their asset growing and so, you know, in terms of if the small business IDA for example, you might want to look at how the business has grown over time, the state of the business, if they've developed new jobs or created or generated new jobs. For example, in education you might want to look beyond having started higher education at the completion rates. Did it lead to increases in salaries or different indicators of quality of life? I think that showing that long term benefit and those long term consequences you'll begin to prove your theory of change and will really make a strong case for investing in your program.

**Leigh Tivol:** That's really helpful. Janet is there anything you see differently coming from the community foundation perspective.

**Janet Hamilton:** Well, I think we want to know that you've done your homework. What is the local need that you can, best to your ability as you can, discern it? Where did you get that information? Who did you talk to? How well have you done your homework? What is your staff capacity for taking this on? Does your staff have the skills? Do they have the background, the training? Do they have the administrative time? Because we know it is a time consuming thing. Who are all the partners out there? Not just money partners but partners you're working with to go out on this venture and is it realistic for your nonprofit's or your organization's mission? If you work in childcare and all of a sudden you want to take on IDAs, that seems a little far reaching but if you have been a social service agency in good standing and you've worked a lot with families and you have some economic expertise, then it would seem more realistic.

**Leigh Tivol:** Great, thank you both. I want to move now to a series of questions that looks more broadly at the big picture of funding in this field and I want to actually tackle the second bullet first because we have gotten a similar question from someone on the call who has asked it more eloquently than we have here. They say "how do you get a funder to be a long term funder of IDAs given that this is a long term strategy?" Janet, do you want to answer that?

**Janet Hamilton:** I would suggest looking at those funders who themselves have been in business for a long time. Many new foundations or many new funders, they want quick results. They're young in their organizational life and they're anxious for some quick wins. I would suggest looking at funders who are older, who have been around longer and can look out 20 years and say "yes, we like our community to look like this in 20 years." As an IDA partner, what is it that you would add that would help our community look different in 20 years? So look at the organization and their ethics and their mode of operating. Are they

brand new? If so, I know this is a generalization, but if they're brand new, they might want something really quick that they can have an early win on. So I would say look at more mature organizations who have the ability and vision to look out long term. IDA is long term, it's not a single year thing. It's a many year thing.

**Leigh Tivol:** Yes, it really is and as the field has become more established I think we have some additional challenges in securing funding. Rebeca, anything you'd like to add to this question?

**Rebeca Rangel:** I think that largely there is a need to demonstrate year over year progress, as I stated, but also innovation. So I think that if you, with every funding request that you make, are able to demonstrate how you're advancing the field, then you're well positioned to maintain funding even from funders that Janet mentioned that may need quicker short term wins and may be looking at a shorter time horizon but demonstrating how you are bringing about innovation in your program I think is important in maintaining that sustainability because you never know. It could be that the market has changed around you and the demand has changed and it's also important, even though this solution has proven to have long term benefits, there may be elements that need to be adapted to your local economy and it is important to be nimble in that way as well and then demonstrate that to funders; that you're being responsive and innovative.

**Leigh Tivol:** That's really helpful. So let's step back and I want to just ask you both, given your familiarity with the IDA field and grant making generally, are there any trends that you have observed in recent years in regard to overall interest, be that short term or long term in funding the IDA space, Rebeca you want to kick us off on that one?

**Rebeca Rangel:** Sure and I would venture to say that some of the trends that we are seeing have to do with some of that advice and also diversifying the funding streams. I know we've spoken to that but one of the trends is that I think IDAs perhaps have proven themselves in the market. They are a proven tool that helps demonstrate that low income people do save and they have the capacity to build these assets. For some of us, we knew that but maybe not for others. I think that the field has done a good job in achieving that. Also, I think for the most part, they understand that and that these are very valuable tools for helping low income people save and build their assets and achieve financial stability for the long term. But I think that there might be also some funder fatigue in the sense that they say "this is the same thing I saw five years ago so I would rather fund something that's new or advancing the field above where it is today." One potential possibility and solution to that can also be in technology and in bringing on new incentives. I'm based in San Francisco and last night there was an event sponsored by the Federal Reserve that was all presentations on new technology helping low income consumers and some of the presentations may have some applicability to IDAs. There was one program that presented that was called Save Up and what they do is they provide incentives as individuals work towards their savings goals. You're entered into chances to win prizes or get points as you move forward towards your goal and that might be interesting to understand how those types of incentives change behavior and enhance IDAs. Similarly, Kiva has this pilot of new technology called Kiva Zip

which promotes individual to individual lending in the US for microfinance. I think we can be similar to CFED's 1 to 1 Fund where you're really engaging in individual donations which are another way to diversify funding streams that has been largely untapped. Those are some ways I think that IDA providers can respond to some of the trends of feeling that perhaps this is scaling too slowly or there's some fatigue in that we've seen the same program for many years at this point and what have you.

**Leigh Tivol:** Thanks Rebeca. So we've had a question come in that's related about how foundations may or funders may typically choose to fund and how we might persuade them to think innovatively. So the question is; if a funder does not typically support operating or staff expenses, what are some strategies for persuading them to consider such work for IDA programs in particular? Janet, since that's specifically what Hutchinson Community Foundation is doing, can you speak to the appeal of that and what might help move a foundation's thinking in that area?

**Janet Hamilton:** I would think about those foundations that have been around longer and see the advantage of supporting an existing non-profit. I think I said it earlier but it's just very important that the operating costs be supported so nonprofit staff are not constantly out fundraising and can actually work on their mission. So I think if a nonprofit organization were to approach a funder and say we need operating money and here's why, so we can go do these outcomes that we are all interested in. IDA clients, IDAs growing, that is one way to show foundations that operating support is important. It's not sexy, it's not headlines but it's important to getting the job done and, frankly, don't be discouraged. If one funder says no, we just can't do this then you just remember that and offer them something new and innovative and maybe they would do that and maybe another funder down the street would be interested in operations. Just because one funder turns you down, it just means one funder has turned you down, not the whole field.

**Leigh Tivol:** Great point. The other thing to remember for IDA programs is that IDAs are not just about opening a bank accounts, it's about providing that critical support and ongoing encouragement to the account holders. So when I talk about, and I'm not a funder, when I talk about "staff time or operating funds" for IDA programs I actually don't use those words. I talk about program support services that are such a central piece of an IDA program. If you just open an account for someone and didn't provide the financial education and other critical supports, I'm not sure how successful we would be, so to the question asker, that might be another way to reframe it a little bit. I want to keep moving here because we are getting close to the end of our time together. I wanted to ask, Rebeca, maybe you could start us off, is there anything else you want to add in regards to diversifying funding streams and your thoughts about what kind of funders or donors IDA programs should be thinking about approaching?

**Rebeca Rangel:** I think that the individual donor model is largely untapped and so I think that finding some ways of preserving the integrity of your program if you don't want to reveal who your clients are or if there's privacy issues but identifying what space you're comfortable in there and then making them the face for your campaign to individual donors

for allowing individual donors to feel some affinity for your clients and contribute to them directly through any platform that you provide is a big untapped source and when I think about individual giving also in the US, most of that giving is targeted to religious institutions and places of worship so I also wonder if there aren't any possible partnerships there because that might be the synergy where individuals are giving. I don't have a solution there but pose it as a question for folks to explore and see if that works in their communities.

**Leigh Tivol:** Great. And Janet obviously community foundations have deep relationships with individual donors, do you want to speak to that and any other ideas you have for diversifying funding streams?

**Janet Hamilton:** Certainly, even if the community foundation isn't willing in providing match or operational support, provide information to them and ask them to share with their donors who might be interested. A community foundation of our size, we have more than 350 individual donors who hold dollars here. One thing donors like is that they can give anonymously, and then they don't receive all that literature at home. So always think about a foundation and not just the foundation itself but the donors as well. My only caution about individual to individual donation is if the donor is expecting to be able to take a charitable deduction, there are certain tasks that they have to prove. I cannot give a nonprofit money so they can put it in the IDA account of my nephew. They could do that but I could not expect to take a tax deduction for that so there has to be some distance and some autonomy between the donor and the charitable cause. So I would just caution that.

**Leigh Tivol:** Right, if I just give you a \$100 match, I couldn't take that off my taxes as a deduction but if I give it to the foundation as an intermediary then I would have that opportunity, right??

**Janet Hamilton:** Yes, but the foundation would not designate the money to the nonprofit for your nephews' account. We cannot do that.

**Leigh Tivol:** Great. Before we wrap up today, I want to touch upon other ways that IDA programs can build powerful relationships with grant makers and I want to ask these two questions; in what other ways can a funder be supportive of an IDA program beyond financial resources and one of those ways might be helping to bring other players to the table. So Rebeca, could you start us off and respond to either or both of these in the ways that Bank of the West has been active.

**Rebeca Rangel:** Sure, so I think that one big opportunity that exists is in providing technical assistance and in-kind support. More of that human capital element in addition to the financial capital. So to the extent that your program may have a performance outcomes committee or opportunities to provide the financial education, I think that financial institutions would respond positively to that in part because then they get to be more integrated with the grants that they make and, to Leigh's point earlier, there's CRA credits that banks can receive both in addition to the grant dollars but with the time invested. Actually, I'm not familiar with a lot of IDA programs that have performance outcome

committees or opportunities to become more involved and provide technical assistance but, I think that we would be receptive to that.

**Leigh Tivol:** Great, Janet how would you respond?

**Janet Hamilton:** Think about nonprofits that are entering into this field and what they need to think about; the comfort level and knowledge level of their Board of Directors. Many foundations, including us, when we consider ourselves, one of our major activities is to build the capacity of nonprofits. We're not just talking about giving them money; we are talking about giving them resources to do more development. So I would say, consider that, where is your Board in this process? If you are an agency that works with a Board, what learning and what education do they need to have? Maybe you would receive some assistance from a funder to bring in an expert or facilitator to help the Board become very comfortable with the concept and then, of course, ideally, your board is a mouthpiece for your organization to reach to other partners as well.

**Leigh Tivol:** That's really helpful. Another piece of wisdom that I've heard over the years is that if you're ultimately looking to build a relationship that might end in a financial contribution, one of the first steps is to ask for advice. Would you both feel comfortable if an organization came to you just looking for advice before money?

**Janet Hamilton:** Absolutely. Often times that is how we get to know a new organization. They come to us, explain things, maybe we go out and see them in operation and then they are on our radar so when one of our donor calls and says I'm interested in "xyz, what can you tell me?" then those kind of organizations are on the top of our mind and we can encourage that as well. We can include them in resources that we have here on a regular basis. So conversations are always good.

**Leigh Tivol:** Yeah, it's a powerful model. So we've gotten a number of questions in, a number of which we've asked already but I do want to ask quickly one last question which is one that's particular to AFI. The question is, we've got kind of a chicken and egg scenario here; how do you approach funders for the match if you don't already have the AFI grant in hand, yet if you don't have the matching funds in hand your federal grant application might be not be so competitive. Do either of you have any advice as to how to resolve that issue?

**Janet Hamilton:** I think you need to show in your application your strength, your breadth, the homework you've done, that you are working to find match money. After writing a convincing speech, and it's easiest to write a convincing speech when you've actually done the work, it is chicken and egg, and you've got to work on both at the same time and hope they meet in the middle.

**Rebeca Rangel:** My recommendation would be that, if you're a nonprofit that already exists and you're adopting an IDA program, so you're trying to access these new AFI dollars, that you leverage the reputation that you've built in your core competency or what you were offering prior to IDAs and convince a donor that's already very comfortable with you, your

mission and your leadership to be a pioneer in your IDA work and then that way you're not convincing someone to take a total chance on you because they already are familiar with your work and then once you built success within your IDA program, it will be much easier to make the case to funders who aren't familiar with your work at all.

**Leigh Tivol:** Terrific. That was the icing on the cake of what has been an hour of fabulous advice. Thank you so much and, for those of you that have questions that didn't get answered, we are sharing the contact information for both Rebeca and Janet. I want to again thank you both so much for joining us and sharing your thoughts and your candid advice with folks on the call.

Last but not least, I do want to say, particularly for those who are not yet AFI grantees and especially for those who are, there's a wealth of information available at the AFI Resource Center at [idaresources.org](http://idaresources.org). Lots of help with fundraising tools and other materials there so I encourage you to visit that website.

And one last thing, before you leave today, we'd like you to respond to one last quick instapoll that's popping up on your screen now. It will only take a few seconds and will help us keep track of the quality of the webinars. So we hope you'll take just a quick minute to submit your feedback before you sign off. And Rebeca and Janet, again, many many thanks.

**Rebeca Rangel:** Thank you, Leigh.

**Janet Hamilton:** Thank you.

**Leigh Tivol:** Ok, have a wonderful weekend everyone, bye.