



AFI Coaching Cohort 4: Session 3

October 6, 2015

This transcript contains some indiscernible sections due to audio quality. These sections are marked with [indiscernible].

[Audio Begins]

Emily: So, thanks so much, Jamie, for joining the conversation. It looks like you haven't attended any of the earlier calls. But it looks like you're a returning grantee? So, you're interested in getting started up again?

Jamie: Yes. We have looked at applying for the June 1 but we had a funder who had committed to us about a donation, but we did not have it in writing yet. So, now that that is completely committed through your local United Way we have the dollars ready then we have the commitment letter that those dollars are committed to us. And so now it's just getting this application in. So, we're sort of at the tail end of a year process.

Emily: Oh yeah, it's so frustrating. I'm sorry to hear that. But I'm glad you have everything lined up at this point.

Jamie: Yeah.

Emily: And let's see, have you started working on the narrative and other items for this current proposal round?

Jamie: Yes. Yeah, we have, and because [indiscernible] [0:01:28] something that we have been wanting to apply for this matching funds for quite some time so our application itself is pretty much all ready to go and the narrative is all ready. It's just a matter of, you know, we have a couple letters of support that we need that we'd like to be able to include hopefully as long as it doesn't meet the maximum allotted amount that we can submit. But other than that we're just towards the wrap on portion of this, so, looking forward that we can submit it.

Emily: Yeah, definitely. So, in terms of the letters of support are those from project partners?

Jamie: Yeah. So, the Iowa Credit Union Foundation has a network IDA model where we work with many credit union partners to deliver the program throughout the state of Iowa. And what we have found is that in partnering with organizations you are like minded in our investing and asset building themselves. It's sort of a win-win. So, one big example that we have here locally in Central Iowa is we partnered with Habitat for Humanity. And so in terms of Iowa the individuals and families who are purchasing habitat homes will do their savings with the local credit union. They will get financial education by local credit union. But the asset financial education will actually come from Habitat where they have a very well established model. So, we want to make sure that we're demonstrating that long standing partnership in our application.

Emily: Okay. I guess what I would challenge you to do would be to take it from like a letter of support into more of a MOU format where there are more details about the explanations about the roles that each organization is going to play. And maybe that was already something that was in your letter of support. But that's really something that OCS and the reviewers are going to place more value on.

Jamie: Okay.

Emily: Not just a formal letter that says we support this application but more of an explanation of the role that they're going to play and how and where the mutual accountability is.

Jamie: That's helpful. Thank you.

Emily: Yeah. A big theme in this funding opportunity announcement is about how the grantee is responsible for the delivery of the grants. But of course they're going to have partners in the product delivery of the project. But of course they're going to have partners, so, how they are going to hold them accountable and keep them organize and keep everybody moving in the same direction?

Jamie: That's great. Thank you.

Emily: Thanks. Let's see, who else has joined us? I've been talking with Jamie from the Iowa Credit Union Foundation. Is anybody else on the phone?

Debbie: Debbie Sheeding from Ohio.

Emily: Great. Thanks.

Debbie: Yeah, hi.

Emily: Is anyone else on the call? I'm not hearing anybody else. Maybe you're on mute. Is anybody else on the call?

Elizabeth: I'm sorry if I was on mute, Elizabeth Wilson, with the Georgia Micro Enterprise Network.

Emily: Oh great, wonderful. Thank you so much. And great, is there anybody else who's on the call at this point? Okay, so, Elizabeth, thank you so much for joining us today. I don't think you've been able to join any of the earlier calls so I'm glad you're catching up now. Where are you with planning your AFI IDA application?

Elizabeth: We are working on the application but we're also considering what we're going to do for our match. So, we're meeting with some of our financial institutions this week to see if we will be able to submit a full proposal this time or waiting until the spring.

Emily: Okay. Well, so one thing that I would say is that the most recent funding opportunity that was released had the next application due date of October 13th, but that funding opportunity announcement has been pulled down and is being revised by OCS. So, actually right now there is no current way to apply for AFI, but they're going to repost the funding opportunity announcement. But they're really just very minor tweaks from what I understand. And, so, that will open the next grant competition round, application round. And my understanding is that the due date will probably be some time in December. So, that gives you a little bit more time to plan it out and hopefully that should help.

Elizabeth: You're absolutely right.

Emily: Good.

Jamie: I was wondering about that myself because I've been checking the website almost daily, so, I'm happy to hear that. Okay.

Emily: Good. Yeah. And so we'll make sure that all of you are on the mailing list to be notified. So, the AFI Resource Center—if we have your email which we do—we will send out a notification saying that the FOA has been posted and the application package is up and we'll also go through and highlight the changes that OCS put in from the most recent funding opportunity announcement. So, we're definitely telling people, "Yes, go ahead and start developing your application and the narrative and definitely start fund raising for the non-federal cash contribution." And then when we see what little tweaks they made we'll make sure to communicate that to you so you can have that information. Let's see, Debbie, you've been on both the calls so far. And so you're thinking through, I think, the funding and sources that you would have. And you had a question earlier about if an individual donor wanted to sponsor—

Debbie: Yeah. It's totally hypothetical. I don't know that I would even run into it. But I do know that we've been advised in the past as a tax-exempt organization not to accept any donations that were targeted for the benefit of a specific individual. So, it seems like, well, with any of the three goals, potential goals, that we might run into a family or private party that might want to do that and I was just wondering, it was something I haven't thought of that would allow us to accept that—

Emily: I don't think that we got a direct answer from the Office of Community Services to that question. But what I would point out is that since you have to have the non-federal cash contributions you have to have the commitment for funding in hand when you apply unless you are really going to actively seek out these opportunities. It doesn't seem likely that you're probably going to have it in time, like, one family is not going to approach you and say, "We want to do this," and you're not going to submit a whole new AFI application to serve one person, right?

Debbie: Yeah. Although from the conversations I think we're in a little bit different situation in that we're starting out really small. We're starting out with people we already know. We know they had one of those three goals. We know what their support is, where they represent it. So, it's a little unprofessional that way maybe. But—

Emily: So, yeah.

Debbie: In that way we might and it's not, certainly not going to happen with us this round. But, yeah, I'm satisfied with leaving it as it is. And if it were to come up I could check in probably with our attorney and [indiscernible] [0:10:16].

Emily: Okay. Yeah. I would probably get something started with a product with other sources of funding.

Debbie: Oh yeah. Yeah. And this way is wonderful because I was sweating getting the word back from my local grant application. This will be perfect.

Emily: Oh good. I'm glad to hear it, glad to hear the timing. It makes sense, right?

Debbie: Yes. It helps a lot.

Emily: But I am starting to tell you that the funding opportunity announcement hasn't been released yet. And obviously we're all eager to see what it looks like and how it's been changed a little bit just so we can really get started in earnest. But I'm glad to hear that this helps people out with their planning.

Debbie: Yeah.

Emily: So, Jamie and Elizabeth, do you want to tell me a little bit about the design? Or, Jamie, why don't you tell us a little bit about the design of your project since you already have a program in place and we can learn from that and then maybe, Elizabeth, you can get some ideas? Then I'd like to hear from Elizabeth about how she's going to design her project.

Jamie: Sure, and certainly please feel free to stop me. We have been operating with AFI funding since 2008 with our first grant that we received through AFI, and since then have had multiple different funding sources come in to operate our programs. So, I apologize if as I'm explaining this I'm not getting in the details. But we're unique in the sense that while we have one financial institution that we work with that rolled our reserve, we operate our programs through the credit union network in Iowa. And through that we are able to serve all 99 counties in Iowa with our program. So, it's a unique model in that sense, but we're not working with just one financial institution. We have developed several financial education vehicles for our participants to utilize and they do it at the credit union level.

So, an individual enrolled at the credit union level, they have to provide their income validation, they have to connect to their savings goal, and we then approve them here at the foundation. So, we work very closely with our credit union partners on each IDA saver. They then receive their financial literacy depending on what they're saving for at the credit union level. We have developed a financial education tutorial that is on our website where the credit union actually logs on to our website and accesses those tools for each individual IDA saver. So, we have a specific home ownership, to starting a small business, and education. And the education piece is a little bit unique here in Iowa. We're experiencing high trend of student loan default here in Iowa. So, we talk a lot about know before you owe and those types of things.

And, so, that all happens at the credit union level. Their monthly savings information is sent to the Iowa Credit Union Foundation each month by all of our credit union partners. And we operate through the outcome tracker software. I'm not sure if others from the call are familiar with that. But that information is all uploaded each month into the outcome tracker. And we've experienced, in the first two to three years of the program, we had to do a lot of community education about what IDAs are and why it's something that can really help break the cycle of poverty. We're now on the other end, but we're struggling to keep up with the demands. We are getting constant request for more IDA funding in the state of Iowa. So, we've had traditionally some state funding appropriation that we have lobbied for here in the state of Iowa. And due to some changes in our political landscape the last two years we have not received state funding. So, we are now working locally with United Ways and they have become a really strong partner to help us continue to sustain IDA funding as well as a few private funders outside of course the AFI match.

So, yeah, and I think what we've learned since 2008 and what we are including as a strong component of this application are other non-profit partners that help us to recruit, identify, and deliver the IDA program and what I was sharing earlier with our strong partnership with Habitat for Humanity here in Central Iowa. So, they're actually helping us identify fake IDA savers, helping us provide the financial education, and one

thing—and I'd be curious to hear this from others on the call as well—that we have heard from our funders is what happens after the asset is purchased? So, we're really trying to focus this next cycle of IDA participants on not just the asset purchase but what's their lifestyle looking like a year from now or two years or 10 years from now. And through partnering with non-profits like Habitat and other organizations who hold those relationships very, very closely, we are hoping that we can better tell that story. So, well that was a long winded explanation but I'd love to hear others as well.

Emily: I wanted to ask when you said it was a matter early on of selling the program to people and promoting it, how was that work—I'm sure it was a variety of stake holders?

Jamie: Oh yes, yeah. So, we worked with the Department of Human Services, the State Department of Human Services, our credit unions themselves, they have many connections in the community. We worked with several state agencies as a referral source. The unique thing about the IDA program is, in what I think makes it work so well, is that you do have to have some skin in the game. It's not a pure grant program for families or individuals. And yet I think that was a little bit challenging for individuals and families to understand that it wasn't that they were just going to get this funding, they had to participate in a much bigger way. So, I mean, I think from a funder's perspective that's a big selling point, at an individual level I think there was a learning curve there especially in the need community that we have in Iowa which is the recent immigrant community, so, folks that immigrated here in the last five to 10 years. And so we experienced many barriers with language barriers, there's a cultural barrier. But word of mouth has spread and I think that's been our strongest [indiscernible] [0:18:27] quite frankly.

Emily: Definitely. That's what we hear from a lot of projects. And you mentioned also that you've had a variety of funders over the course of years.

Jamie: Yeah.

Emily: Can you talk about what some of those are? It sounds like the state agency was one of them.

Jamie: Yeah. So, the State Department of Human Rights is one of our largest and continues to be one of our largest funders. Several credit unions themselves have actually made \$50,000 donations, \$20,000 donations toward matching funds. The Northwest Area Foundation have been a partner of our Iowa North Central United Way. We've had several United Ways in Iowa who have been funders and actually they have been very strong partners of this. We fit perfectly into their income category of their areas of funding. And then we have a large private anonymous donor that is a trust that has made several significant donations toward our program. And now we're thinking a little bit outside the box and actually looking at individual donors potentially in the future as well.

Emily: And so how did you get the—I'm interested in the trust, the individual donors through trust.

Jamie: Yeah.

Emily: Did you do anything to make that happen or did they discover you?

Jamie: The anonymous donor was actually a member of one of our corporate boards. The Iowa Credit Union Foundation is founded out of the floods of '93 in Iowa. And we had a board, a corporate board, that was established on the corporate side of things and the individuals on that board had a connection. And when they heard that our mission was to eliminate poverty in Iowa they wanted to bandwagon on that.

And when they heard that we are the last AFI funded IDA program in the state and so they were very interested in helping us sustain the program.

Emily: Great. Okay, and I have one other question. Are there similar organizations to yours across the country in other state?

Jamie: Yes, there are. So, The National Credit Union Foundation would be a really good resource. We have what we call State Credit Union Foundation probably in almost every state. I mean, they're all over. Now, I would say we're rare. I think it's—no not Minnesota—Montana. The Montana Credit Union Foundation or Montana Credit Union League is the only other one that I know that's interested in IDAs. We've actually used some of their best practices before. So, they'd be one to check out for sure, but they are the only one that's doing it at our level.

Emily: Okay. But maybe there's some place we can get the word out to others—

Jamie: Oh definitely. Yeah.

Emily: Let's see, for Debbie and for Elizabeth, can you tell them a little bit more about the software platform that you said you were using, the results tracker?

Jamie: Outcome tracker.

Emily: Outcome tracker, yeah, can you tell them? They might not know about that.

Jamie: Yeah. So, we had used the old AFI sponsored software for a very long time. There were things that were great about it. But in the end it just was not meeting our needs. Outside of just the reporting requirements for this AFI grant our grant funders and other funders were asking for really complex reporting needs and we just were struggling to be able to meet those. And so outcome tracker, they are trying to become—I don't know if they're necessarily the best practice—they had become a great resource in helping to provide really strong reporting mechanisms. So, you can upload data points instead of having to manually enter data. And that was very attractive to our foundation when you look at the amount and the level of individuals and families that we are working with and the dollars and keeping everything in the multiple funding and keeping everything organized. So, that has been something that we've been invested in in the last year thanks to another donor. He's assisting with that. And quite frankly when it comes to the software the investment really was not as dramatic as I had feared. So, it's been a great tool.

Emily: You mean the learning curve investment?

Jamie: Yeah.

Emily: Okay.

Jamie: Well, both. I would say the financial investment and the learning curve investment, moving from a new system. When we had used the API sponsored system each of our credit unions had their own log-ins where they would log in individually and update data about IDA savers whether it was monthly savings or demographic data. And the problem with that is that if there was a turnover at that credit union or if for whatever reason the data wasn't entered we would have to go back and do a lot of digging to make sure that we collected everything. And so it was a little bit more difficult to keep our arms around it because we worked on a network model. So, with this outcome tracker we now have Excel spreadsheets that our credit unions can go in on a monthly basis and we can upload it rather than having to do data

entries. So, it's a little more streamlined if that's the right way to put it and helped us create some efficiency.

Emily: Great, and that definitely ties into what I said, what I was talking to you about just as we're starting the call about accountability of your partners because the credit unions across the states who were doing the frontline operation of your AFI project, they are considered partners to you as the grantee. And, so, that's a great example of how you are—I don't want to say holding them accountable—but you've designed a process for transparency with your partners. And that's definitely something that I would encourage you to highlight in your AFI application.

Jamie: Great, thank you.

Emily: Yeah. Let's see, Elizabeth, let's see, so, your network is, I guess, is a statewide network. And I see you're located in Atlanta.

Elizabeth: Right.

Emily: Are you looking to put together a statewide project? And would you have nodes in your network of different local micro-enterprise organizations?

Elizabeth: Yes. We are a statewide association of micro-enterprise organizations. We've been around since 1997. I ran an IDA program back in the 90's for United Ways here in Atlanta.

Emily: Oh.

Elizabeth: Yeah. They were our key partner for the IDA programs for micro development organizations. Recently they informed me that they were not going to reapply and were not going to provide IDAs anymore. So, they suggested that we do it this time.

Emily: Oh.

Elizabeth: So, rather than not having any programs offering IDAs or having to go individually, several of our members have asked if we would take on the leadership role of submitting an application and have a statewide IDA program that they could either refer their clients to or partner with us and under one umbrella. So, that was our goal with this application. Yeah. So, we do have financial institutions that are members of our team and board who have also funded IDA programs in the past. We also have some new financial institutions that are interested and this is an opportunity for them around CRA as well as their financial literacy components.

Emily: Okay.

Elizabeth: We have a good footprint in Georgia. We have 75 organizations that are members of GMEN. So, our initial thought was to start with a small IDA program and to see if we could leverage it by building it out over a period of time. We have organizations that deal with specific populations—immigrants, refugees, very low income people, agri-businesses and farm communities—that maybe haven't participated before, that this would be a good opportunity for them to provide this instrument to help access business support services. And our previous program that I ran it was the largest IDA program in Atlanta. We had a three to one match then we were able to provide four savings components. So, we have a lot of interest in that. And I'm not sure if we'll be able to duplicate that level right off but—

Emily: What do you mean you were able to, you said, “Pursue a lot of savings components?” What do you mean by that?

Elizabeth: Yeah. Well, we were able to provide a significant match and we got a lot of interest in our program because we were doing a three to one match.

Emily: Okay, yeah. Okay.

Elizabeth: So, we’re not sure exactly how much we—again the timeline was tight before, like we’re just starting to have our conversations with some of our new financial institutions to see if they would like to participate. And we’re not sure if we could expand it to health insurance support services for our micro entrepreneurs in addition to other assets that they could pay for because we also manage the shop component of small business. There were navigator that we have, federal funded navigator, who helps people to find a health insurance but it will be good if there was also a component to help them, assist them in paying for the health insurance once they signed up for it.

Emily: Probably not the way that asset purchases work with business capitalization IDA. It has to be an expense that’s part of an approved business plan.

Elizabeth: Yeah.

Emily: So, unless you have a—and maybe you know better than I—but I don’t see how that would necessarily fit in the business plan.

Elizabeth: I know other cities that have expanded IDAs to around health. We’ve never done that. We’ve only done it with business assets in the past. But I wanted to explore every possibility around the needs of entrepreneurs.

Emily: Yes.

Elizabeth: Yeah.

Emily: Sure. And probably you had—

Elizabeth: So, we’re looking at it.

Emily: They probably had non-API funded IDAs.

Elizabeth: Probably so.

Emily: Yeah, and you can definitely combine it, have an IDA program that has some of the pluses for AFI funded IDAs and so you have to meet those eligibility determinations and only can be used for those specific asset purposes. And then you have some other slots that are totally privately funded.

Elizabeth: Okay. That’s a thought.

Emily: Yeah. You can do a mix.

Elizabeth: Oh we were trying to use specific to entrepreneurs and meet their needs as much as possible. So, we just want to make sure we were looking at all of our bases. We also just started a program working with the faith communities in Georgia. So, that might be a population that we want to extend services to under this umbrella.

Emily: Okay. Yeah. Well, that's definitely something that's put forth in the application is that you have good working knowledge of the target populations that you want to serve and what their needs are and what their strengths and barriers are going to be to savings and to asset investments. And so I think that will serve you well with putting together this application, your thorough knowledge of entrepreneurs in Georgia.

Elizabeth: I do have a question; we also are doing a lot of workaround on technology for entrepreneurs. And we have been presented a savings app that automatically provides savings for individuals once they sign up. It just makes savings decisions for them. Is it something that we should integrate into this as a tool? It's new and I've worked with it a little bit, but I have never thought of it around IDAs. But I want to be as creative as possible with our application. Any thoughts on that or is that a little bit out of the box for this moment?

Emily: I mean it does sound out of the box, but I'm not saying that in a bad way. Without knowing more about the app it would be hard for me to make a judgment call. I mean, I guess I would probably say that you should look into the app and see if you think it's something that would be really beneficial to your target population and really help them with being consistent in their IDA savings. And if you think it's a good fit for them like they're very comfortable with technology and this would be an easy way to help motivate them and facilitate them saving in their IDAs then sure. Just like any other electronic tool, like something like Mint.com for managing your finances, or the use of direct deposits, splitting your direct deposit between your checking accounts and your IDA accounts. There are definitely tools out there that help people manage their finances.

Elizabeth: Right.

Emily: So, yeah, I mean, it all comes down to knowing your target population and if you can find something that's going to help them be successful then yeah sure that could be a great part of it. It doesn't feel to me like there is a big push for the use of innovative technologies necessarily. That's not something that's highlighted in the funding opportunity announcement. It's more just about finding the right products for the right people.

Elizabeth: Yeah. I'm concerned about that so I think there should be more push for innovation. Again, that's from—

Emily: Well, go ahead and suggest it. [Chuckles]

Elizabeth: I mean, with our federal proposals, the one that we just submitted for USDA, the total reason that we did not receive the award was because of our use of technology with farmers and with agribusinesses around tools. And they just thought that it's not going to help the population managers. And it makes me sad because I think the world is changing and we're a little slow on realizing what people are doing. And if there's not a push for innovation then we're keeping people at a level when other people are surpassing them because they are using more tools and encouraged to do that particularly around business. It's almost like if you're not internet connected and don't know how to use certain tools for business you're going to not be in business long because it's just a new world.

Emily: Sure. Yeah. I can see that. I mean, I'm not saying that AFI does not fund projects that use innovative technologies. And, yeah, the reviewers could be very excited by something like that. I'm just saying there's nothing like—

Elizabeth: They're usually not, "No, I don't like that, I'm not familiar, so, could you take that out." [Chuckles] Sorry if I was trying to find out on the front end. Hearing from you maybe we'll be told off and just do that without talking about it too much because if that's not a goal to slightly push the envelope a little bit then I don't want to cause more questions about our methodology.

Emily: Okay.

Elizabeth: But we do appreciate the extra time to work on the application in our match because that was something we were pushing forward and now we can take the time to roll it out a little bit to more of our financial partners.

Emily: Great. And have you looked at state funding maybe?

Elizabeth: I have not. We've had state funding in the past, around [indiscernible] [0:37:14], but that has gone away and been absorbed. So, I would have to find out which state agency might be open to provide match dollars for us. I don't know as of now. I'll try to find that out when I meet with United Way.

Emily: Yeah. That would be a good thing too.

Elizabeth: Yeah.

Emily: Just see if they know about. What about the agencies that look at community development block grant dollars?

Elizabeth: I haven't thought of that. Do you feel that's a source for a match?

Emily: Yeah. For the most part the non-Federal cash contribution has to be from non-Federal sources. But the CDBG funds are one exception to the rule there because it's written in the statute for the communities on block grants. It's administered by HUD. It's written into the statute that it's okay to use that as non-Federal match for other Federal programs. It gets a free pass. So, if you can identify cities or states that have CDBG funds that they want to allocate to small business development then that's something that you could leverage.

Elizabeth: Okay.

Emily: And they would probably be interested in hearing about how you're leveraging additional Federal dollars through the AFI program as well.

Elizabeth: Okay. I will make that approach. I will identify—I know we have CDBG funds in Atlanta and I'll see if there's a way to leverage that and if there's a state way also.

Emily: Yeah.

Elizabeth: So we want it to be brought over Georgia.

Emily: Right, or at least maybe in your major cities you can [crosstalk] [0:39:12] together in the larger cities. Yeah, how are you thinking, do you have some rural sites or do you focus mostly on urban sites?

Elizabeth: We have rural sites also, about 60-40 split of our members, half or 60% are urban and the 40% are rural. So, potentially with our—I'll just have to do an additional recount because we were basically

approaching our bank partners around the match and haven't thought of other Federal sources that we could tap into for this.

Emily: Okay. Great. Yeah, I mean, definitely financial institutions are the most common sources of funding for AFI projects but definitely we're thinking about some local and state public sources as well. So, I want to circle back to the other folks from the call. Debbie, I hope that you learned something about data management and network management from this call even though it maybe not where you're ready to be just yet. Do you have any other questions?

Debbie: No, but we're certainly hoping to grow into it.

Emily: Yeah, right.

Debbie: So, it's good to know. Yeah. And I love the idea of the credit union network. I think that's one that I can look into for the future.

Emily: Okay, great.

Debbie: We certainly have a relationship here that could be a start, a good idea.

Emily: Yeah, credit unions because they have that community support mission and are often great partners for AFI projects.

Debbie: Yeah.

Emily: Jamie, did you have any other questions for me today?

Jamie: I don't think so. I guess we were preparing to submit this application next week. So, is that for sure that it won't be open on Tuesday then?

Emily: Right. It's for sure.

Jamie: Okay.

Emily: Any application package that you've previously downloaded is obsolete at this point.

Jamie: Okay. That's good. Oh I imagine it will probably be fairly similar, so, okay.

Emily: Yeah. It will be very similar. But right now I would focus on the stuff that you've developed outside that PDF, so, the narrative and the budget piece of it.

Jamie: Yeah. Okay.

Emily: Yeah. Okay, well, I will definitely be in touch. We'll send the blast email out when the funding opportunity announcement is released. And I'm happy to schedule a follow up, the times to talk with each of you if you have any questions about what the new FOA looks like for sure.

Jamie: Great. Thank you.

Emily: And with that good luck.

Debbie: Thank you.

Jamie: Thank you very much.

Emily: Alright, bye-bye.

Jamie: Bye.

[Audio Ends]