



Asset Building for Parents and Families

AFI Resource Center

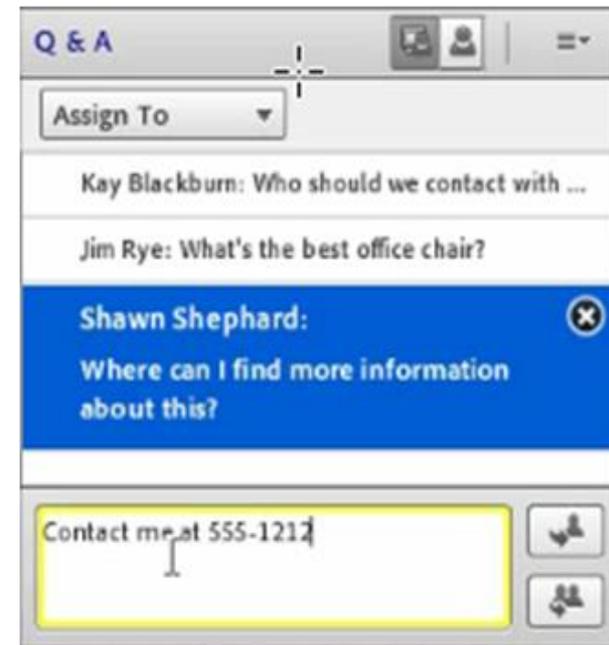
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www.IDAresources.acf.hhs.gov

During this Webinar

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



Presenters

- ▶ Emily Appel-Newby, AFI Resource Center
- ▶ Sharon Henderson, Prosperity Works
- ▶ Emet J. Ma'ayan, PB&J



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Asset Building to Promote Economic Stability and Mobility

Asset Building

▶ What is asset building?

Supporting the acquisition of assets (both tangible, such as a home, and intangible, such as education) that can increase opportunities, build wealth, and increase economic stability.

- Income-support strategies, such as cash assistance and SNAP (food stamps), act as a safety net.
- Asset-building strategies act as a ladder.



Asset Building Strategies for Parents and Families

Youth & Parents

- Financial Education
- Getting Banked
- Savings
- Managing Credit and Debt

Parents

- Tax Credits and Filing Assistance
- Federal and State Benefits

Poll Question

What financial capability/asset building strategies are you currently using?



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You Got the Job, Now What?

Key Decisions with Long-term Financial Impact

- Getting paid
 - Cash; Check (how to cash?); Direct deposit; Payroll card
- Managing income
 - Envelopes, cookie jar(s), mattress; Bank/credit union account; Auto bill pay (bills, savings)
- Benefits
 - Employer-based health insurance and retirement savings; Training/education; Transportation vouchers

Key Decisions with Long-term Financial Impact

- Taxes
 - Withholding (too little/too much?); Filing tax returns (Required/not required? E-file? Tax assistance (VITA) site vs. commercial preparer?); Available credits; Splitting refunds short-term/long-term



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Resources

Your Money, Your Goals: A Financial Empowerment Toolkit for Social Services Programs

- ▶ The toolkit: Available in English and Spanish
- ▶ The training: Aids can help your staff or volunteers make more effective use of the toolkit
 - Implementation guide; Training in English; Training in Spanish; Creating a referral guide; Train the trainer videos
- ▶ Follow-up resources: Learn what's most useful by surveying the trainees both before and after
 - Pre-training; Post-training; Follow-up



YOUR MONEY, YOUR GOALS

A financial empowerment
toolkit for Social Services
programs

Available for download at:

<http://www.consumerfinance.gov/your-money-your-goals/>

Building Financial Capability: A Planning Guide for Integrated Services

- ▶ 13 field-tested, practical tools walk organizations step-by-step through the integration planning process including:
 - Understanding clients' financial issues and identifying financial capability services to meet their needs
 - Assessing the resources (in-house and in the community) available for integrating financial capability services
 - Determining how to provide these services (refer, partner, or do-it-yourself)
 - Developing in-house capacity to provide services, if appropriate
 - Creating successful partnerships or referral systems with other service providers, if appropriate
 - Making the case for integration to internal and external stakeholders



BUILDING FINANCIAL CAPABILITY A Planning Guide for Integrated Services MENU

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

Building Assets * Building Stronger Families

- ▶ 50 special financial literacy activities designed specifically for family-focused projects.
 - Money Talk; Family Assets; Money Value & Attitudes; Family Dreams & Goals; Family Budgeting; Family Saving; Banking & Investment; Credit & Debt
- ▶ Guide to resources for more information on asset building and family-strengthening and healthy marriage topics and strategies.

Available for download at:

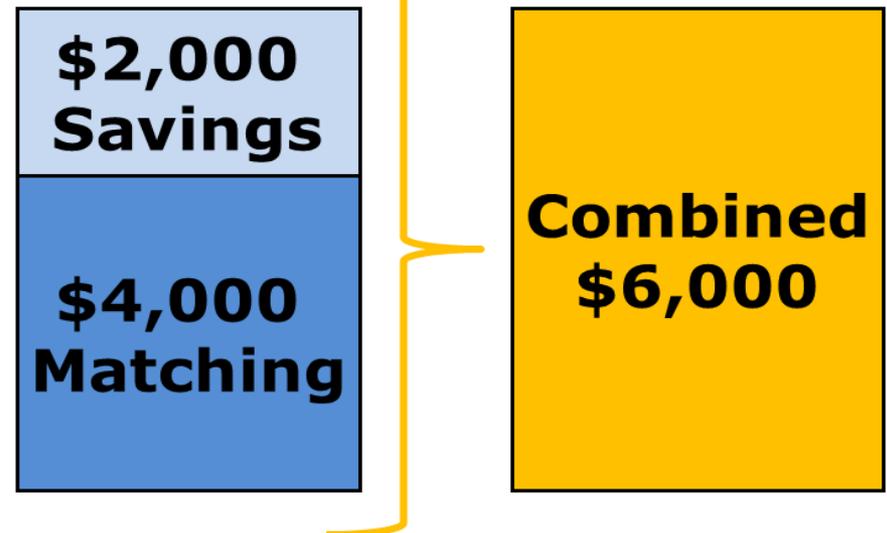
[http://idaresources.acf.hhs.gov/Financial Education](http://idaresources.acf.hhs.gov/Financial_Education)

Matched Savings/IDAs

- IDAs are matched savings accounts with a specific goal: purchasing an asset.
 - Post-secondary education
 - Homeownership
 - Business/self-employment
- Behavior change + asset acquisition
- “Carrot” for financial education attendance

Individual Development Accounts - Example

- IDA program offers a match rate of \$2 for every \$1 saved
- Kim saves \$2,000 -- \$84/month over 2 years
- She takes courses in financial education and works with the financial aid and career services office at her college
- Spends \$1,500 per semester for a 2-year Associates program



Funding for IDAs: Federal Assets for Independence (AFI) Program

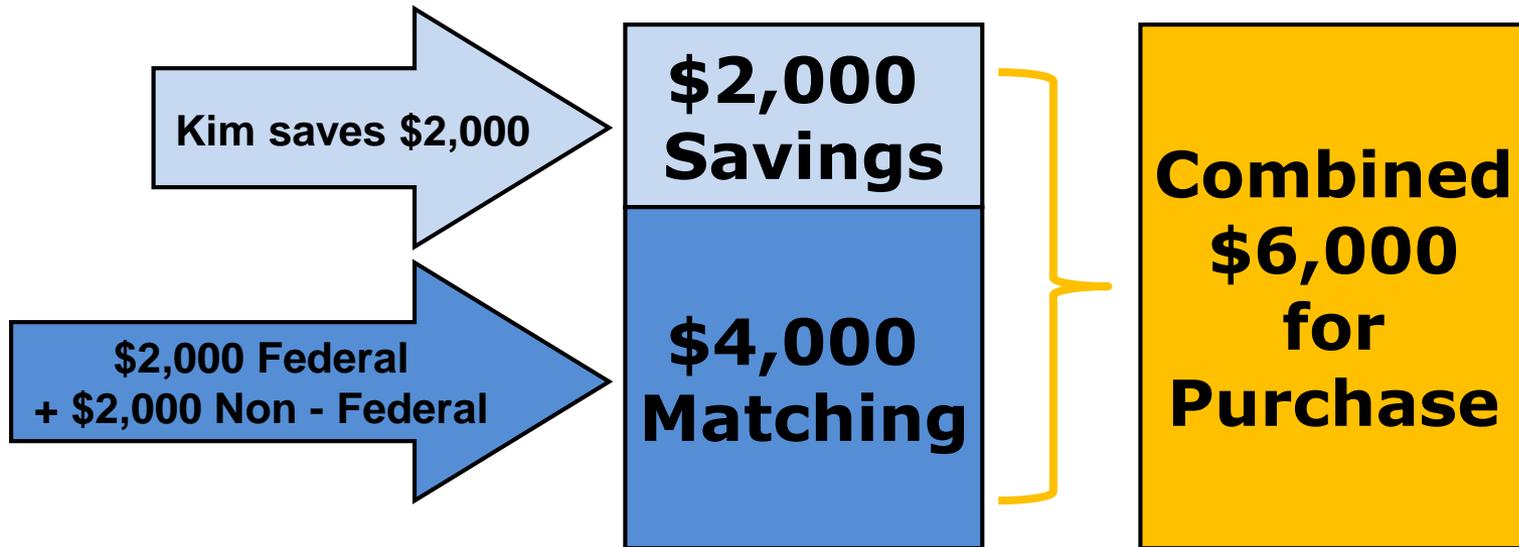
- ▶ Office of Community Services, ACF, DHHS
- ▶ Award information
 - Award size: \$10,000 to \$1,000,000
 - 5 year project period
 - Competitively awarded; typically more than one competition per fiscal year
 - Full funding is available upon award
 - In FY 2014, AFI awarded ~ \$10 million in grants to 44 organizations



Which entities are eligible for AFI grants?

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

AFI Funding Requirements



PROSPERITY WORKS

Albuquerque, New Mexico

Sharon Henderson, Senior Vice President

About *Prosperity Works*

- Founded in 2000 for the purpose of ending poverty in New Mexico.
 - Developed the New Mexico Assets Consortium (NMAC) in 2004 to assist organizations throughout New Mexico to integrate asset-building strategies into their products and services.
 - Currently 33 participating organizations and financial institutions in the NMAC.
 - Prosperity Works is a 5-staff organization that designs and tests out-of-poverty strategies; builds capacity within community based organizations; advocates for policy change.
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Why AFI?

- Develop the New Mexico Assets Consortium to streamline products and services, taking the grant administration burden off of those organizations that directly serve the public.
 - The IDA program is one of several financial products that we administer. It is an excellent fit in New Mexico where the population is income poor and exceptionally self-determined.
 - Use of AFI funds protects participants' public assistance benefits, allows us to work with all age groups, helps us support non-citizens.
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IDAs at *Prosperity Works* (cont'd)

- Our savers are 53% Hispanic or Latino; 31% White; 10% Native American; 2.5% African American; 3.5% other race or multi-race.
 - 52% of all savings accounts have been in rural NM.
 - 1,888 Savings Partners have opened IDAs to date.
 - 1,642 have graduated with asset purchases.
 - 369 families have purchased homes, resulting in \$59,040,000 in mortgage holdings.
 - 562 have entered or continued in higher education, resulting in \$2,810,000 cash tuition payments.
 - 710 Savings Partners have opened or expanded their businesses, creating 1,243 new jobs in New Mexico.
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IDAs at *Prosperity Works*

- Most sub grantees offer a 4:1 match rate for each of the assets. A few sub grantees offer a 2:1 match rate.
 - The common savings goal for participants is \$1,000, with some exceptions for youth-oriented savings at \$500.
 - An average savings period is 18 months – participants are allowed to save as long as the grant period is open.
 - Prosperity Works staff develops asset-building products and services and trains/provides technical assistance/monitors organizations that participate in the Assets Consortium.
 - We have the equivalent of 1.5 FTE within 3 staff members assigned to the IDA activities.
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IDAs at *Prosperity Works* (cont'd)

- IDA Partners include organizations that participate in the Assets Consortium; local banks and credit unions; the statewide SBDC network; several affordable housing organizations; each of the state universities and Central New Mexico Community College.
 - Funding is received from many sources including the Central New Mexico Community College; a combination of several local financial institutions; the State of New Mexico general fund; several local foundations.
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IDAs at *PB&J*

- PB&J's Fathers Building Futures program is an economic development initiative with funding provided by the US DHHS.
 - Fathers Building Futures targets men that are reintegrating into their community following incarceration.
 - Participants are trained in a business of their choice: Auto Detailing, Mobile Power Washing, or Custom Woodworking.
 - The program is inspired by courageous men who have, and who will continue to overcome obstacles in order to succeed as providers for their children and community.
 - Find us at <http://fathersbuildingfutures.org/>
 - Like us at <https://www.facebook.com/FathersBuildingFutures>
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Lessons Learned

- IDAs have provided a meaningful catalyst for self-efficacy within family structures.
 - Bringing IDAs to New Mexico has changed the political discussion – asset development is now part of the fabric of law making.
 - IDAs have opened opportunities for sustained involvement from participants and provided a glimmer of hope for the future.
 - Biggest challenges and overcoming them.
 - Timeline of grants expiring – develop and train sub grantees on project management tools that include phases of an IDA program.
 - Definition of earned income – keeping applicants on an active waiting list, ready to enroll when earned income is present.
 - Asset readiness – engaging participants in their asset plan immediately
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Lessons Learned (cont'd)

- Important to understand the full range of skills required in an IDA program and to identify which parts of the organization may provide program support.
 - Essential to have the full support of the organization's key leadership.
 - Have a plan in place to secure non-federal funding.
 - Have a plan in place to provide asset development support to the savers either through partnerships or through the services you already provide.
 - Ask if the organization is ready to coach savers to success, or is more geared toward "ruling participants to death".
 - Can my organization be flexible?
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Prosperity Works

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Applying for AFI

Next Steps

1. Share AFI information with agency leadership, partners, and staff
2. Contact the AFI Resource Center (info@IDAresources.org) to be notified when the Funding Opportunity Announcement is posted
3. Learn from other Prospective Grantee Webinars (at www.IDAresources.acf.hhs.gov/Apply):
 - Understanding the AFI Program
 - Introduction to the 2015 FOA
 - Developing Resources and Partners
 - Preparing & Submitting an AFI Application

AFI Resource Center

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



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Questions?