



# Assets for Independence (AFI) Serving Domestic Violence Survivors Toolkit

*Strategies for partnerships between the asset building and domestic violence services communities*



*This toolkit has been developed for AFI grantees and Domestic Violence service providers interested in working together to help domestic violence survivors become financially stronger. The information compiled provides step-by-step guidance to bring partnerships from concept to reality.*



**April 2012**

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# Assets for Independence (AFI) Serving Domestic Violence Survivors Toolkit

*Strategies for partnerships between the asset building and domestic violence services communities*

## CHAPTER ONE



*This toolkit has been developed for AFI grantees and Domestic Violence service providers interested in working together to help domestic violence survivors become financially stronger. The information compiled provides step-by-step guidance to bring partnerships from concept to reality.*



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## Chapter 1: Purpose and Background Information

### In this Section

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### Why This Toolkit?

Economic dependence and lack of economic options are the main reasons that victims stay with or return to an abusive partner. Survivors often have to leave behind property, housing, support networks or employment in order to escape and be safe. Many survivors—those who have left and those still connected in some way to their abuser—are faced with considerable debt, poor credit, lack of savings, and other financial hardships, often directly due to economic abuse they have experienced. Over the past several years, domestic violence (DV) agencies and asset-building organizations have begun exploring ways to boost the financial strength of domestic violence survivors and to build their economic capacity and options. Some of these partnerships involve Assets for Independence (AFI) projects, the federal government's asset-building program for low-income individuals.

An increasing number of DV service providers are adding financial education, credit repair, debt management, tax assistance, and Individual Development Accounts (IDAs) to the set of support services they provide. A small but growing number of AFI organizations are partnering with DV agencies to provide these services. The lessons that these early pioneers are learning are ready to be shared.

This toolkit has been developed for AFI grantees and DV service providers interested in working together to help domestic violence survivors become financially stronger. The information compiled provides step-by-step guidance to bring partnerships from concept to reality. This toolkit contains answers to such questions as how to structure these partnerships and define the roles and responsibilities of each party, as well as how AFI grantees and DV service providers can launch their first conversations toward partnering. Readers will also find background information on how AFI works and the range of services it provides, as well as how the DV service system is structured. Finally, the last section of the toolkit contains helpful resources such as sample contracts and credit report request forms.

#### **What Services Do AFI Programs Offer?**

- ▶ Financial Education
- ▶ Credit Counseling/Debt Management
- ▶ Help to Open a Bank Account
- ▶ Matched Savings Accounts (average 2:1 match rate)
- ▶ Tax assistance
- ▶ Help in accessing other benefits

## Focus on Domestic Violence

*DV survivors are a new focus for the AFI program, which over the years has explored bringing asset-building services to a number of vulnerable low-income populations.*

## How to Use this Toolkit

The toolkit is organized for simplicity. The Introduction and Resources chapters are for everyone. Information in [Chapter 2](#) and [Chapter 3](#) are tailored to domestic violence service providers and AFI grantees, respectively. For instance, if you are a domestic violence service provider – either a state coalition or a local-level program – you will find all of the information you need (background on AFI, reasons for partnering, ways to partner, etc.) in [Chapter 2](#). If you are an AFI grantee, you will find all of the information you need (an understanding of domestic violence, how the domestic violence services infrastructure in this country is set up, reasons for partnering, and ways to partner, etc.) in [Chapter 3](#). Some information —such as an explanation of different models for partnering—are identical in [Chapter 2](#) and [Chapter 3](#).

- Chapter 1:** Introduction and purpose
- Chapter 2:** Information for domestic violence service providers
- Chapter 3:** Information for AFI grantees
- Chapter 4:** Resources

**Note:** *References in this toolkit to rules for operating asset-building organizations specifically describe those governing AFI grantees. Other asset building organizations may operate under different rules, especially those that apply to how IDAs operate and how the money saved by participants can be used. However, much of the information in this toolkit on partnering can help foster relationships with asset building organizations that are not AFI grantees.*

This toolkit was developed as part of the Building Assets for Survivors of Domestic Violence initiative, a federal effort under way to encourage partnerships between AFI projects and DV service providers. The initiative is itself a partnership between the U.S. Department of Health and Human Services' Office of Community Services (OCS), which runs the Assets for Independence (AFI) program, and the Division of Family Violence Prevention, Family Violence Prevention and Services Program, which provides core crisis and intervention services for victims of domestic violence.

- ▶ *For more information about AFI go to:*  
<http://www.acf.hhs.gov/programs/ocs/afi/index.html>.
- ▶ *For more information about the Division of Family Violence Prevention go to:*  
<http://www.acf.hhs.gov/programs/fysb/content/programs/fv.htm>.

### *Glossary of Terms and Acronyms*

- ▶ **Assets**—*tangible and intangible economic resources – a home, savings in a bank account, a college education – that can produce value for their owner.*<sup>1</sup>
- ▶ **AFI**—*Assets for Independence. A Federal program that provides grants to organizations to help low-income people improve their economic status by teaching them how to manage money and by offering special matched savings accounts to purchase a first home, start a small business, or pursue post-secondary education.*
- ▶ **IDA**—*Individual Development Account. A matched savings account for low-income individuals to help them purchase a long-term asset.*
- ▶ **Allowable Asset Purchases under AFI IDA**—*a first home, post-secondary education or training, business capital investment, or transfer to an eligible dependent.*
- ▶ **Financial Education**—*Education to improve one’s understanding of financial products and, services.*<sup>2</sup> *Financial education can include information on how to budget, set up bank accounts, save money, build credit, and avoid excessive debt.*
- ▶ **DV**—*Domestic Violence*
- ▶ **Survivor**—*the person being targeted for abuse in a domestic violence situation. Survivor and victim are used interchangeably.*

<sup>1</sup> CFED (2011). Why Assets Matter: An overview of research on assets and their effect on financial stability and economic opportunity. [http://cfed.org/knowledge\\_center/publications/savings\\_financial\\_security/why\\_assets\\_matter/](http://cfed.org/knowledge_center/publications/savings_financial_security/why_assets_matter/). Accessed March 12, 2012.

<sup>2</sup> United States Government Accountability Office (2011). FINANCIAL LITERACY: The Federal Government’s Role in Empowering Americans to Make Sound Financial Choices. Testimony Before the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate. GAO-11-504T. <http://www.gao.gov/assets/130/125996.pdf>. Accessed March 12, 2012.

## *Don't Let this Toolkit Sit on a Shelf!*

This toolkit was produced because there is evidence that shows that when DV service providers and AFI grantees partner, domestic violence survivors can greatly benefit. It is up to you, the reader, to make sure that this information is put to use and that it leads to an increase in such partnerships in communities across the country. After reading this toolkit, we encourage you to consider the following:



*Mary O'Doherty,  
Kentucky Domestic  
Violence Association*

### **If you are an AFI grantee:**

- ▶ Give a copy of the toolkit to your front line workers to read and schedule a staff meeting to discuss the type of partnership your organization would be interested in pursuing with either a local DV service provider or your state DV coalition. Schedule a meeting to discuss the potential of a partnership with your state DV coalition contact or a local domestic violence provider organization.

### **If you are a local domestic violence service provider:**

- ▶ Give a copy of the toolkit to your advocates to read and schedule a staff meeting to discuss the type of partnership your organization would be interested in pursuing with a local AFI grantee.
- ▶ If there is no AFI program in your region, call your state DV coalition and ask what they can do to promote asset-building among survivors in your community.

### **If you are a State Domestic Violence Coalition leader:**

- ▶ Distribute this toolkit to your local affiliates and ask them to read it. Schedule a conference call with your member programs to discuss the potential of establishing local-level partnerships.
- ▶ Identify and contact the state or regional asset-building coalition closest to you (go to list in [Chapter 4 Resources](#)) and set up a meeting to discuss collaborating on issues such as cross-training staff and raising the visibility among local asset-building programs of domestic violence survivors as strong AFI candidates.

**A note about language:** *Given the disproportionate impact of domestic violence on women abused by their male partners, the pronoun “she” is used throughout this document when referring to a victim or survivor of domestic violence. This use of language is not meant to detract from the reality that there are men abused by female partners and men and women abused in same-sex relationships.*

*All victims of domestic violence deserve protections as well as access to support and advocacy services. “Victim” and “survivor” will be used interchangeably throughout this toolkit.*

## [New Federal Initiative: Building Assets for Survivors of Domestic Violence](#)

*Read about a new federal initiative launched to promote partnerships between AFI grantees and DV service providers to give survivors the economic tools they need to live independent, violence-free lives. This toolkit is a resource developed by the Building Assets for Survivors of Domestic Violence initiative.*

Building Assets for Survivors of Domestic Violence was launched in October 2010 to expand asset-building services to this population and hone strategies for empowering survivors to achieve greater financial independence. It is a joint effort between the U.S. Department of Health and Human Services’ Office of Community Services (OCS), which runs the Assets for Independence (AFI) program, and the Division of Family Violence Prevention, which supports a significant portion of the nation’s DV services infrastructure.

### **Project Goals**

- ▶ Enhance AFI grantees’ knowledge about how best to recruit and provide asset-building services to DV survivors;
- ▶ Inform DV service providers about a range of asset-building services that can help their clients achieve and maintain economic independence;
- ▶ Educate DV survivors about the menu of asset-building services they can access to become financially stronger; and
- ▶ Explore effective strategies for partnerships between the asset building and DV services communities to help survivors access financial services and savings programs that would be most beneficial to them.

## Project Accomplishments

- ▶ Develop knowledge and expertise about the opportunities and challenges of using Individual Development Accounts (IDAs) and other asset-building strategies to empower survivors of domestic violence and their families to move toward economic stability and asset ownership;
- ▶ Create training materials and provide training to AFI grantees on the nature of domestic violence and how best to work with survivors of domestic violence;
- ▶ Create training materials and provide training to DV service providers on asset-building strategies, particularly use of IDAs with survivors of domestic violence and the effectiveness of IDAs in empowering survivors economically;
- ▶ Encourage collaboration between AFI grantees and national, state and local DV agencies and DV advocacy organizations and their partners; and
- ▶ Share knowledge learned and information developed through the partnership with AFI grantees and the asset-building community, the DV community, policymakers and other interested individuals and organizations.

### Asset Building for All

*DV survivors are a new focus for the AFI program, which over the years has explored bringing asset-building services to a number of vulnerable low-income populations.*

*For a full listing of activities already conducted and materials already developed under this initiative please visit*

*<http://idaresources.org/page?pageid=a047000000Bmr7F>*

## The Federal Partners

Over the years, the AFI program has partnered with different service systems to extend asset-building services to a range of low-income populations, including people with disabilities, parents of preschool-aged children, Native Americans, refugees, and parents involved in the child support system. Domestic violence survivors are the newest focus.

The Division of Family Violence Prevention (Family Violence Prevention and Services Program) provides core crisis and intervention services for domestic violence victims and their families through a network of residential and nonresidential services, the National Domestic Violence Hotline, and national resource centers.

Together, the Division of Family Violence Prevention and the Office of Community Services seek to increase the number of partnerships between domestic violence and asset-building agencies and train both communities in the financial needs of this population and how best to tailor asset-building services to meet those needs. This new federal initiative will provide the training and technical assistance to support these local partnerships in developing safety policies and protocols, inter-agency referral agreements, and program materials, including specialized financial planning resources for survivors. Promising practices will be identified and disseminated, along with other related resources.

## More Information

This project is run by The Lewin Group in partnership with the National Resource Center on Domestic Violence, the National Network to End Domestic Violence, and the Kentucky Domestic Violence Association.

- ▶ *For more information about the Building Assets for Survivors of Domestic Violence Initiative, or about the AFI program, contact the Assets for Independence Resource Center at **1-866-778-6037** or [info@idaresources.org](mailto:info@idaresources.org) or visit the AFI Resources Center website (<http://idaresources.org/>) and click on “Domestic Violence Survivors”.*
- ▶ *For technical assistance concerning any questions about serving survivors in AFI programs, contact the National Resource Center on Domestic Violence at **800-547-2338** or [nrcdvta@nrcdv.org](mailto:nrcdvta@nrcdv.org)*
- ▶ *For more information about the Division of Family Violence Prevention go to: <http://www.acf.hhs.gov/programs/fysb/content/programs/fv.htm>.*

The screenshot shows the homepage of the Assets for Independence Resource Center. The header includes the AFI logo and the website name 'Assets for Independence Resource Center IDAresources.org'. A navigation bar contains links for 'AFI Resource Center Home', 'Calendar of Events', 'AFI e-Newsletter', 'Grantee Gateway', 'AFI System Login', 'Contact Us', and a search box. The main content area is divided into a left sidebar with links for 'About AFI Resource Center', 'About AFI', 'Success Stories', 'Locate a Project Near You', 'Apply for an AFI Grant', and 'e-Newsletter'. The main text area welcomes visitors and describes the center as a one-stop source for information on the AFI program and IDAs. Below this, there are three columns of content: 'Announcements' featuring 'AFI-Sponsored Financial Education Training Academies' and 'A Message to Assets for Independence Grantees'; 'Topics & Tools' featuring 'Managing Your AFI Grant' and 'ASSET Initiative'; and 'Populations' featuring 'Domestic Violence Survivors'.

## *Do Domestic Violence Survivors Make Good AFI Candidates?*

*Kay didn't want her two daughters to grow up around the violence and substance abuse that was keeping her from taking charge of her life. She left her abusive partner and moved her children to another state—Kentucky. After reaching out to OASIS, a local domestic violence program, a presentation about IDAs changed Kay's life. She learned about the IDA program available through OASIS, which would help her increase her financial skills and match the money she saved while in the program. Kay enrolled. She learned how to budget, saved enough each month to maximize the matching funds, and deposited the majority of her tax refunds into her IDA. She used her savings and matching funds to complete an LPN (Licensed Practical Nurse) program and got a job at a nursing facility. She opened a second IDA in early 2009, with the goal of buying a home. Kay also improved her credit score by more than 150 points—enough to get a 4.25% interest rate on her mortgage. In October 2009, Kay and her daughters moved into their brand new 3-bedroom home with a large backyard.*

***Read more Survivor Success Stories at***

***<http://www.allstatefoundation.org/domestic-violence-success-stories>***



***Becky Mishos,  
Women's Crisis  
Center, Kentucky***

### **What do domestic violence advocates say?**

Becky Mishos, who has worked directly with hundreds of survivors participating in the Kentucky Domestic Violence Association's IDA program, says that there are many reasons for why domestic violence survivors make good AFI participants and IDA savers. While survivors are a diverse group, they have faced similar hardships and bring strength and resilience to the asset-building process, particularly when they have the support of a domestic violence advocacy program throughout the process. She has found that survivors:

- ▶ ***Are open and committed to change.*** Someone who has survived abuse, left an abusive relationship, found housing, and is maintaining a budget has shown that they are open and committed to change.
- ▶ ***Understand the difference between needs and wants.*** Survivors have learned to do without real necessities at times. They have faced real hardships and are

prepared to make the hard choices that are often part of successful saving and asset building.

- ▶ ***Seek economic independence.*** Survivors understand the need for an emergency savings fund and the importance of financial stability. When faced with their first emergency that they can handle on their own, it gives them a sense of pride and freedom.
- ▶ ***Will do the hard work to achieve their goals.*** If the rules and steps to reach the savings goal and receive the matching funds are clearly understood, survivors will do the hard work needed to get there. If they feel as if they are part of the process and empowered to make their own choices, they will be highly motivated and persistent.
- ▶ ***Have compassion and empathy.*** If survivors are engaged in the process, they will share during group, tell others about their success and possibly – upon graduation-- volunteer to be a speaker for your ongoing financial empowerment groups, as well as program funders and other important community stakeholders.

### What do AFI grantees say?

- ▶ “Because of the advocacy and because of the training that we provide for them... I think that's why they are so committed to this program,” says Delia Chavez, executive director of the El Paso Collaborative for Community and Economic Development, which is partnering with the El Paso Center Against Family Violence to provide AFI services to survivors. With an 11-year history of managing AFI IDA accounts, Chavez noted that the survivors “have been our best savers. They really have been.”

### What does the research say?

While promoting asset-building among survivors of domestic violence is a newly emerging area, the research findings that do exist and the growing body of practice are encouraging. Both speak to the opportunity and potential impact such asset-building efforts hold for survivors of domestic violence.

A 2007 study by Cynthia Sanders included interviews with 30 early participants in a St. Louis, Missouri financial literacy and IDA program for survivors. Several key themes emerged about how the women viewed the IDA program offered by Redevelopment Opportunities for Women's Economic Action Program (REAP).

Those who were interviewed said that participating in the program brought about several behavioral changes, such as being able to create and stick to a budget and save more consistently, spend cautiously, and teach their children about saving. They also said they were more focused on setting goals and motivated to achieve

### What do survivors say?

Those who were interviewed said that participating in the program brought about several behavioral changes, such as being able to create and stick to a budget and save more consistently, spend cautiously, and teach their children about saving.

—Cynthia Sanders, 2007 Survey

goals, and had more self-confidence, self-esteem and hope for the future. Sanders concluded that saving in an IDA seemed to make women feel good about themselves and that “as their financial stability increased, women believed their ability to stay safe and free from intimate partner violence would also improve.”<sup>3</sup>

Sanders’ study also found the following positive outcomes surrounding survivors’ use of IDA accounts. For instance:

- ▶ 64 percent of accounts were closed after women met their savings goals and completed the program, while 36 percent of account holders closed prematurely. *In comparison, a report for the federal government found that nationwide, as of 2009, 38.5 percent of AFI IDA enrollees had met their savings goals and purchased an asset.*<sup>4</sup>
- ▶ The average net savings was \$1,045 (total savings minus unmatched withdrawals), while the average total savings accumulation was \$3,041 (total participant savings plus interest and matching funds received, but minus unmatched withdrawals). Unmatched withdrawals were typically made for an unexpected or emergency expense such as paying bills, for safety purposes, or to close out an account. Emergency withdrawals to maintain housing or for relocation, for example, could enhance safety, preventing the need to return to an abusive partner.
- ▶ The average monthly deposit was \$74.
- ▶ On average, women who achieved their savings goal did so in 19 months.

<sup>3</sup> Sanders, C.K. (2011, November). *Asset Building Programs for Domestic Violence Survivors*. Harrisburg, PA: VAWnet, a project of the National Resource Center on Domestic Violence. Retrieved from <http://www.vawnet.org>.

<sup>4</sup> The Lewin Group (2010). *Report to Congress: Assets for Independence. Status at the Conclusion of the Tenth Year*. U.S. Department of Health and Human Services, Office of Community Services. Retrieved from: <http://www.acf.hhs.gov/programs/ocs/afi/AFITenthReporttoCongress.pdf>

## *Why Should AFI Grantees and Domestic Violence Service Providers Partner?*

DV advocates know that financial independence plays a central role in many survivors' ability to escape domestic violence, heal and prosper. They are actively looking for ways to strengthen survivors' financial skills and increase economic options and available resources.

DV survivors who are low income and thus eligible for AFI services may receive help from AFI projects to better manage money, learn to save, increase their assets, and ultimately improve the long-term economic stability of their families.

### **Working together, AFI programs and DV agencies can achieve a number of key outcomes:**

- ▶ Together, they can work together to help survivors safely access financial literacy, credit repair services, tax assistance and other financial empowerment services within their community, whether provided by the domestic violence program, the AFI program or other community partners.
- ▶ Domestic violence programs can help AFI grantees identify promising IDA-ready candidates and provide critical support and case management services to them as they participate in the asset-building program.
- ▶ When domestic violence issues are disclosed by new or current AFI participants, DV programs can provide safety planning and other support services and help evaluate when they can safely continue in the program. AFI programs can include information about domestic violence services and resources in the materials they provide to applicants and clients, which may help reach victims who are unaware of such programs in their community.
- ▶ DV programs and AFI grantees can work together to identify new sources of IDA match from funders with a commitment to ending domestic violence.



*Shaun, Survivor and IDA Completer*

Together DV advocates and AFI grantees can help survivors improve both their safety and economic security.



# Assets for Independence (AFI) Serving Domestic Violence Survivors Toolkit

*Strategies for partnerships between the asset building and domestic violence services communities*

## CHAPTER TWO



*This toolkit has been developed for AFI grantees and Domestic Violence service providers interested in working together to help domestic violence survivors become financially stronger. The information compiled provides step-by-step guidance to bring partnerships from concept to reality.*



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## Chapter 2: Information for Domestic Violence Service Providers

### Effective Partnerships

Throughout the section, AFI programs will find practical ideas for building and sustaining effective partnerships with DV programs in their communities that help increase the economic security of the individuals and families with whom they work.

#### In this Section:

- ▶ **Assets for Independence (AFI): A Primer for Domestic Violence Programs .....13**
  - Asset Building: Background and Philosophy
  - Assets for Independence: Key Program Elements
- ▶ **Asset Building for Survivors of Domestic Violence .....20**
  - Talking to Domestic Violence Survivors about Asset Building: When and How to Introduce the Conversation
  - Safety First: Addressing Risks and Enhancing Safety for All AFI Participants
  - Building the Foundation for Saving: Working with Survivors Not Ready to Open IDAs
  - How to Determine When a Survivor Is IDA Ready
  - Helping Domestic Violence Survivors Be Successful IDA Savers: Helpful Advice
  - Tips for Survivors on Starting an IDA
  - How AFI Services Can Benefit Domestic Violence Survivors
- ▶ **Building Partnerships .....37**
  - Why Should DV Service Providers Partner with AFI Programs?
  - Steps to Building Successful Partnerships
  - Continuum of Partnering: Finding What Works for Your Community
  - Two Models for Providing AFI Services to DV Survivors: DV Coalition as AFI Grantee and Community Partnership Model

*This section of the toolkit provides domestic violence (DV) programs with information about Assets for Independence (AFI) programs and how they can help domestic violence survivors manage their money, build savings and achieve greater financial independence and strength.*

*After describing the philosophical framework for asset building, the scope and impact of AFI programs, and how specific AFI services can benefit survivors, strategies for supporting asset building are identified. DV service providers at either at the state or local level will find practical ways to build and sustain effective partnerships with AFI programs in your communities that will increase the economic security of the individuals and families with whom you work.*

## *Assets for Independence (AFI): A Primer for Domestic Violence Programs*

AFI projects help low-income individuals improve their economic status by providing financial education and access to special matched savings accounts known as Individual Development Accounts (IDAs) so that they can purchase an asset. These programs can be an important resource to DV service providers who seek to help survivors become safe from violence and gain financial ground. Many DV survivors face a range of financial barriers and are eligible for AFI services.

### **Asset Building: Background and Philosophy**

*“Income helps families get by. Assets help families get ahead.”  
—Michael Sherraden, University of Washington in St. Louis*

In recent years there has been a growing emphasis on moving beyond methods for helping people move out of poverty based solely upon income supports. Current thinking in poverty reduction focuses on the accumulation of "wealth," not just on cash flow. Long-term poverty reduction requires that people save money and make investments that will increase in value over time. The theory is that asset development is what actually moves people out of poverty and keeps them out over time. One of the most exciting results of the asset development movement has been the introduction of Individual Development Accounts or IDAs. An IDA is essentially a special savings account for individuals and families with low incomes. In using an IDA, a participant identifies a specific asset that he or she would like to acquire and works with the IDA program to develop a savings plan to ultimately purchase the asset. What makes the IDA savings account special is that participants receive matching funds. The match rate is the amount that the IDA program contributes for each dollar that a participant saves, such as 2:1 that matches each dollar saved with an additional two dollars.

- ▶ **Assets**—*tangible and intangible economic resources – a home, savings in a bank account, a college education – that can produce value for their owner*<sup>5</sup>
- ▶ **AFI**—*Assets for Independence. A Federal program that provides grants to organizations to help low-income people improve their economic status by teaching them how to manage money and by offering special matched savings accounts to purchase a first home, start a small business, or pursue post-secondary education.*
- ▶ **IDA**—*Individual Development Account. A matched savings account for low-income individuals to help them purchase a long-term asset.*

IDAs were first proposed as a policy tool by Michael Sherraden, founding director of the Center for Social Development at the University of Washington in St Louis. He suggested that traditional welfare policy focuses on maintaining income for poor individuals, but does little to improve their long-term economic prospects<sup>6</sup>. Assets have benefits far beyond basic sustenance, as they not only provide household income stability for day-to-day living and emergency situations, but also help encourage long-term thinking and planning for the future. For example, individuals can think about improving their future job prospects through education, increasing their income through self-employment, and developing a measure of security by purchasing a home.

Sherraden noted that the government and private sector create incentives for upper- and middle-income people to save money through homeownership and investment benefits in the tax code and subsidized retirement accounts. But low-income individuals often are not in a position to take advantage of these incentives; homeownership requires a large initial down payment and good credit, resources that many low-income families lack, and many low-paying jobs do not offer retirement benefits. In addition, those on public assistance risk losing their benefits if they accumulate too much in assets, and thus have little incentive to save. IDAs are designed to provide low-income individuals with the incentives to save and accumulate long-term assets.

<sup>5</sup> CFED (2011). Why Assets Matter: An overview of research on assets and their effect on financial stability and economic opportunity. [http://cfed.org/knowledge\\_center/publications/savings\\_financial\\_security/why\\_assets\\_matter/](http://cfed.org/knowledge_center/publications/savings_financial_security/why_assets_matter/). Accessed March 12, 2012.

<sup>6</sup> Sherraden, Michael. 1991. Assets and the Poor: A New American Welfare Policy. M.E. Sharp Inc: New York.

## Assets for Independence: Key Program Elements

### **What is an IDA?**

*Individual Development Accounts (IDAs) are matched savings accounts that enable low-income individuals to save for a specified goal within a defined time frame. The savings goals for AFI IDAs are homeownership, small business ownership, post-secondary education, and transfer to an eligible dependent*

### **What is AFI?**

Assets for Independence (AFI) is a program administered by the Office of Community Services within the Administration for Children and Families at the U.S. Department of Health and Human Services. AFI projects provide a range of financial services to help low-income people gain economic strength. The centerpiece of AFI is the Individual Development Account (IDA)—a matched savings account that allows participants to save for the purchase of a new home, to capitalize a small business, or to pursue post-secondary education. IDAs are just one part of the broader asset-building philosophy. AFI programs can provide financial education, credit counseling and debt management, tax assistance, help with opening a bank account, and connection to other helpful federal or state benefits. Together, these services can help AFI participants develop and maintain long-term economic stability for themselves and their families.

- ▶ *For more information on the AFI program, go to: <http://www.acf.hhs.gov/programs/ocs/afi> or <http://www.idaresources.org/Home>.*

### **What Services Do AFI Programs Offer?**

- ▶ *Financial Education*
- ▶ *Credit Counseling/Debt Management*
- ▶ *Help with opening a bank account*
- ▶ *Matched Savings Accounts (average 2:1 match rate)*
- ▶ *Help in accessing other federal/state benefits*

### **How Do AFI IDAs Work?**

An IDA is essentially a special matched savings account held at a financial institution for individuals and families with low incomes. In using an IDA, a participant identifies a specific asset that he or she would like to acquire and works with the IDA program to develop a savings plan that will make it feasible to reach that goal. As mentioned, an AFI IDA allows participants to save for the purchase of a new home, to capitalize a small business, to pursue post-secondary education, or to transfer to an eligible dependent. According to their plan, the individual then begins to deposit a certain amount of earned income on a regular basis—typically monthly—into an IDA account, which is then matched by the AFI program using a combination of federal and non-federal funds.

**NOTE:** A maximum amount of \$2,000 in federal AFI funds may be used to match a participant's IDA savings (up to \$4,000 for a household). An AFI project must then "match" these federal funds with an equal amount from non-federal sources.

Aside from withdrawing the funds from their account to purchase the particular asset they have saved for, participants are only permitted to withdraw from their account funds for certain emergency needs that arise while they are participating in the IDA program. After an emergency withdrawal has been made, a participant must reimburse her or his account for the full amount within 12 months. Participants who do not replenish these funds may not continue in the IDA program. *Please see Chapter 4: Resources for an example of an emergency withdrawal request form.*

### Who is Eligible to Participate in an AFI IDA?

Generally, AFI projects serve individuals and families with limited income and assets. Eligible clients include those who:

- ▶ Are eligible for Temporary Assistance for Needy Families (TANF)<sup>7</sup>, or
- ▶ Are eligible for the Federal Earned Income Tax Credit (EITC)<sup>8</sup>, or
- ▶ Have income less than two times, or 200% of the Federal poverty line (approximately \$44,700 for a family of four in 2011)<sup>9</sup>

Clients may have no more than \$10,000 in net asset wealth when they enroll in an AFI Project (not including one automobile and a home).

- ▶ **Individuals who are refugees or immigrants:** The AFI legislation does not prohibit immigrants and refugees from participating in the program. Many successful AFI grantees work with these diverse families. *Check with your local AFI program to see if they target these populations for AFI or related asset-building services.*
- ▶ **Children:** Children old enough to have earned income and purchase assets within the grant time period are eligible to participate.

<sup>7</sup> To determine income eligibility for TANF in a particular state, go to <http://www.benefits.gov/benefits/browse-by-category/category/LVA>

<sup>8</sup> For EITC income limits, go to <http://www.irs.gov/individuals/article/0,,id=150513,00.html>

<sup>9</sup> For 2011 poverty guidelines go to <http://aspe.hhs.gov/poverty/11poverty.shtml>

## What Do We Know about AFI IDA Participants?

AFI participants are<sup>10</sup>:

- ▶ Predominantly female (75%);
- ▶ Racially and ethnically diverse (45% are African American, 27 % are White, 16% are Hispanic, 5% are Asian, 2% are Native American);
- ▶ Generally eligible for or receiving TANF (70%); and
- ▶ Largely single parents (65%).



*Kalyn, Survivor and IDA completer*

## What Have AFI IDA Participants Accomplished<sup>11</sup>?

- ▶ Federal government data show that 60,108 IDAs were opened in regular AFI projects between Fiscal Year 1999 and 2009 and a total of nearly \$57 million in earned income was deposited.
- ▶ During these years, participants made 23,147 asset purchases, the most common of which was a first home (39%), followed by post-secondary education (32%), and capitalization of a small business (29%).
- ▶ A recent evaluation of AFI found that AFI savers were significantly more likely to be homeowners, own a business, or pursue post-secondary education than similar low-income families who did not participate in an AFI project.

## What Types of Organizations Operate AFI Projects?

The Office of Community Services awards about 60 AFI grants each year. Grants go to a variety of organizations to help them fund IDAs and other asset-building strategies. The average grant is \$280,000 and covers 5 years. Grantees customize their AFI projects to meet the needs of the populations and geographic areas they serve.

Many types of organizations administer AFI projects, including:

- ▶ Nonprofit entities that are certified under Section 501(c)(3) of the IRS code
- ▶ State, local, and tribal government agencies applying jointly with nonprofit organizations

<sup>10</sup> The Lewin Group (2010). *Report to Congress: Assets for Independence. Status at the Conclusion of the Tenth Year*. U.S. Department of Health and Human Services, Office of Community Services.

Retrieved from: <http://www.acf.hhs.gov/programs/ocs/afi/AFITenthReporttoCongress.pdf>

<sup>11</sup> *ibid*

- ▶ Community Development Financial Institutions that partner with community-based antipoverty groups
- ▶ Low-income credit unions that partner with community-based antipoverty groups
- ▶ Consortia of organizations and agencies that target multiple service areas

**NOTE:** *State Domestic Violence Coalitions and local domestic violence programs are eligible to become AFI grantees. The Kentucky Domestic Violence Association (KDVA) is a successful example of a domestic violence program that is also an AFI grantee. Domestic violence agencies are also well positioned to partner with the types of organizations identified above to support AFI projects that serve domestic violence survivors as well as expand the asset building resources in their communities.*

### What is the AFI IDA Match Rate?

The match rate is the amount that the AFI IDA program contributes for each dollar that a participant saves. For example, if a program has a match rate of \$2 for every \$1 saved, each time a participant deposits \$25 in their IDA account, an additional \$50 in matching funds would be allocated for their savings. While most AFI IDA programs offer a 2:1 match rate, some programs offer a match of up to \$8 for every dollar saved.

What this means is that a participant receiving a 2:1 match from an AFI project could save up to \$2000, and then receive \$2000 in federal match and \$2000 in non-federal match, resulting in a total of \$6000 to spend toward an asset.

### Are All IDA Programs Exactly the Same?

AFI grantees have the flexibility to design the rules around participant savings. As a result, AFI IDA programs vary in the following areas:

- ▶ **Match rate.** For example, while most AFI programs offer \$2 in match for every \$1 saved, there are some AFI grantees, as just indicated, that provide as much as an \$8 match for every \$1 saved (these grantees usually call for a much lower savings contribution from the participant).
- ▶ **Match maximum.** The maximum amount of savings that will be matched/ Although, as noted above, a maximum amount of \$2,000 in federal AFI funds may be used to match a participant's IDA savings - up to \$4,000 for a household - and any federal funds paid out must be matched by at least an equal amount from non-federal sources.

- ▶ ***Earned income saved.*** The minimum initial or opening deposit, the minimum monthly savings, and the number of missed deposits allowed.
- ▶ ***Savings period.*** The time period over which participants are allowed to save, although generally this time period will range from one to four years, as long as participants make their asset purchase before the grant end period.

## How Does the AFI Program Work for Grantees?

AFI projects receive 5-year grants (with an option to extend the program for one additional year) from the federal government to provide federal funding for IDAs. Each AFI project must include non-federal cash funding in an amount at least equal to the AFI grant. What this means is that if a grantee applies for a \$100,000 AFI grant, it must secure at least \$100,000 in non-federal funds to match the federal funds.

Grantees may draw down their federal grant award in increments, up to an amount equivalent to their non-federal cash contributions. Both federal and non-federal dollars are held in a bank account owned by the grantee. At least 85 percent of the AFI grant and the required non-federal cash must be used to match IDA savings; no more than 13 percent may be used for financial education and other activities; and at least 2 percent must be available for data collection for the HHS-supported research on the effects of IDAs and impacts of the AFI program.

## Request an AFI Grant Application Kit

You can learn more about what it would mean for you or a partner organization to become an AFI grantee at [www.acf.hhs.gov/programs/ocs/afi/](http://www.acf.hhs.gov/programs/ocs/afi/), including information about how to apply for an AFI grant. For a list of current AFI projects that can help you locate a project near you, please visit <http://www.idaresources.org/afigrantees>.

- ▶ *For more information about the Building Assets for Survivors of Domestic Violence Initiative, or about the AFI program, contact the Assets for Independence Resource Center at **1-866-778-6037** or [info@idaresources.org](mailto:info@idaresources.org) or visit the AFI Resources Center website (<http://idaresources.org/>) and click “Domestic Violence Survivors”.*
- ▶ *For technical assistance concerning any questions about serving survivors in AFI programs, contact the National Resource Center on Domestic Violence at **800-547-2338** or [nrcdvta@nrcdv.org](mailto:nrcdvta@nrcdv.org)*

## Asset Building for Survivors of Domestic Violence

*In this section, DV service providers will find concrete examples of how a range of financial services—financial education, credit repair, debt reduction services, tax preparation, access to other federal and state assistance, and IDAs—benefit survivors. Guidance is also offered on how to determine when a survivor is ready to save in an IDA account. Safety concerns are central to the provision of all of these services.*

### **Talking to Domestic Violence Survivors about Asset Building: When and How to Introduce the Conversation**

Your domestic violence program may offer formal financial education classes – either by itself or in partnership with an AFI grantee. Or, financial empowerment may be integrated into the case management and general supportive counseling that you provide. Either way, domestic violence advocates suggest using the following opportunities to talk about the issue of asset building, and offer the following advice on how to broach the topic. Note: For programs providing formal financial education classes, it is recommended to delay talking about asset building and IDAs until after the survivor’s immediate financial situation is stabilized.

**Receiving the first phone call:** Advocates know that during that first call, asking about immediate safety needs comes first. After callers learn about the array of services you can offer to protect their safety – a shelter, a hotline, case management, advocacy – you can also describe what you offer in terms of financial services so that they know these are available after immediate safety needs are met. Let them know, for instance, whether your organization provides financial education, credit counseling and matched savings accounts to help them get back on their feet, and that the caller should come in to discuss which services would best meet her needs. Be sure to describe your financial services in plain language. For example, you might want to say “teaching how to budget and how to avoid writing bad checks” instead of “financial education, or “matched savings accounts” instead of “IDAs.”

**First in-person meeting:** During the first meeting advocates often focus on the participant’s immediate needs for food, medical attention and shelter. After these are addressed, how to meet longer-term goals is often discussed, such as finding stable housing and a job. This is a good time to talk about any financial abuse that may be occurring/has occurred in the relationship. For instance, you can ask:

- ▶ Have you been/are you being financially abused: (such as control over bank accounts, interference in going to a job, whether you're given an allowance, etc.?)
- ▶ Where do you keep your money?
- ▶ Does your abuser have access to your bank account(s)?
- ▶ How can you ensure that the abuser cannot access your employment income?

Developing a plan to protect the participant's money is then in order.

**Group or Individual Counseling Sessions** (*this may be offered as part of a formal financial education program or separately*): This is an opportune time to have longer discussions about the definition of financial abuse and to reinforce the importance of being financially stable in order to stay safe. Some examples you can offer of financial abuse include:

- ▶ Sabotaging your job or education;
- ▶ Controlling all the money and not including the partner in major financial decisions; and
- ▶ Getting angry when the victim spends money on necessities, such as going to the doctor.

In talking about financial abuse it may be helpful to compare the tactics of abusers to those of predatory lenders. Both are very nice at first and can appear as if they are the only ones that are offering to help you. But in accepting their help there are strings attached. Abusers use loans to exert control; pay-day lenders charge steep interest rates and impose large penalties for missed or late payments.

**By the 3rd or 4th visit:** Case managers at this point are often asking how much participants can afford for housing as well as showing them where they can access benefits such as food stamps, Medicaid, housing assistance, etc. This is a good time to talk about how to develop a budget, or about having them enroll in a formal financial education class if it is available. It might help to frame the budget discussion in the following way: "If you don't control your money, people will use money to control you."

**When to talk about saving money:** It is important to talk about saving money right when participants find a job—before they receive their first paycheck. Discuss how having an emergency savings fund can help prevent them from losing their job if and when problems arise. For instance, if the car breaks down, there is money for a taxi to get to work and to make car repairs. If a child is sick, they can pay for child care and not have to miss a day of work. Participants need to know that having money to address these obstacles is especially important in the first few probationary weeks

of a new job, when they should not miss any work. And having their own savings means that they do not have to approach their abuser or a pay-day lender for money.

Many DV advocates say it is important to educate clients about Individual Development Accounts as soon as possible. Most clients will not be ready to start an IDA account until they have a steady job and stable place to live, but the education and knowledge will plant the seeds for when they are ready and give them hope.



*Christy, Survivor  
and IDA Completer*

### **Safety First: Addressing Risks and Enhancing Safety for All AFI Participants**

DV programs and advocates are in a unique position to develop partnerships through which they can help AFI grantees serve survivors in a number of ways. They can help AFI grantees understand how the services they offer can benefit domestic violence survivors; develop appropriate procedures to address domestic violence issues that arise for AFI participants; refer survivors who are IDA ready; and provide ongoing training, guidance and support as needed.

Safety is always a primary concern when working with survivors, and it is important to evaluate up front whether participation in an IDA program might place a family at risk. It may be in the best interest of a survivor's safety to initially engage in basic economic empowerment services until particular threats or concerns have decreased or been addressed. Even when survivors assert that it is safe to participate in an IDA program, advocates should be prepared to talk through services and requirements of the program as well as highlight potential risks.

With good reason, DV agencies have strict procedures for ensuring the privacy and confidentiality of domestic violence survivors, as well as guidelines for the sharing of information about survivors with other organizations.<sup>12</sup> As in any other collaborative partnerships, these will need to be clearly communicated with the AFI projects with whom you chose to work or as you consider developing your own AFI project.

Similarly, the effectiveness of the safety planning support that advocates offer survivors will depend on their understanding of the specific steps required of survivors participating in AFI and the potential risks or opportunities that they may

<sup>12</sup> See, for example, the model release of information forms (in English and Spanish) for use by DV agencies when sharing survivor information developed by NNEDV's SafetyNet project at <http://nnedv.org/resources/for-ovw-grantees/technology-a-confidentiality.html>.

pose. An AFI partner can help advocates and survivors identify where risks might arise, as well as possible safeguards that can be put in place.

There are a number of safety tips that DV programs and AFI projects should consider as they work with survivors participating (or getting ready to participate) in an IDA program or other financial empowerment services:

- ▶ **Attention to times of high risk.** Research has shown the time shortly after leaving an abuser is the most dangerous for a survivor of domestic violence. Particular caution should be exercised when trying to resolve financial issues during this time period.
- ▶ **Safe communication.** Ask survivors for a safe phone number or email address to use for communication (e.g., a contact unknown to the abuser, such as a trusted friend), and be aware that these may need to be changed periodically if an abusive partner gains access to them.
- ▶ **Flexible meeting times and locations.** For survivors with pressing safety concerns, an AFI project should be flexible about meeting times and locations and, working with a DV partner, frequently help the survivor re-assess safety issues.
- ▶ **Securing credit reports.** Use a post office box or DV shelter address when requesting a credit report for a DV survivor. Pulling a credit report by listing an address known to the abuser may alert him/her to the survivor's activities and jeopardize safety.
- ▶ **Passwords.** Change the passwords required to access checking and savings accounts.
- ▶ **Safeguarding assets in joint accounts and joint property.** Change the signature authority on joint accounts to require the signature of both account-holders on any withdrawals. If possible, photograph joint and individual property that might later be contested in divorce proceedings.
- ▶ **Safely securing housing.** Supply a copy of a survivor's credit report when applying for rental housing if the landlord requires a credit check. Any new credit inquiry may be visible on the credit report and could alert the abuser to a survivor's new residence. Search for rental housing with private property owners who are more likely to accept a credit report provided by the applicant.
- ▶ **Safeguarding documents.** Encourage the survivors to rent a safe deposit box at a local financial institution to store important documents.

- ▶ **Tech safety.** Be aware of the inherent risks of technology (mobile phone and computer) and attempt to mitigate them.<sup>13</sup>

## Building the Foundation for Saving: Working with Survivors Not Ready to Open IDAs

*Economic empowerment work with survivors most likely will not include opening an Individual Development Account (IDA) right away. Some survivors may still be dealing with immediate risks, or have lingering concerns about their physical safety and financial security. Others may not yet have the earned income required to enroll in an IDA, or need to work on poor credit or excessive debt before saving to buy an asset. In these cases, a range of AFI pre-IDA services can help survivors begin to assess their financial situations, set financial goals, gain a more solid understanding of how to budget, and work on building credit and reducing debt, if necessary. The following AFI services can help survivors become successful IDA savers when they are able and eligible to open an IDA account.*

### Financial Education

Financial education is an essential component of asset-building services. While individuals may not be eligible for an IDA, they can still develop useful financial literacy skills with an asset-building agency. The core financial literacy skills covered in AFI programs focus on goal setting, creating and managing a budget, credit and debt management, gaining access to mainstream banking services, understanding financial services and taxes, and saving for the future.

**Special considerations.** Most financial education programs also address issues related to predatory lending services and practices, which is also an important issue for survivors. Too often, survivors who lack safe access to mainstream financial resources— especially if they are in the process of leaving an abuser—use payday lenders, check cashers, high-cost tax-time services, and auto title lenders because they feel they have no other option.

- ▶ *For more information on predatory lending, go to:* <http://idaresources.org/page?pageid=a047000000B6abX>.

<sup>13</sup> Many resources are available describing best practices around technology safety, including the NNEDV's Safety Net Project. <http://nnedv.org/projects/safetynet.html>.



**Vickie Johnson,**  
**Kentucky Domestic**  
**Violence Association**

Advocates have also learned that financial education classes delivered in a peer group setting can be extremely helpful to survivors; the opportunity to discuss their financial situation in a guided forum, free of criticism, with others who have similar experiences can be very empowering. A well-facilitated peer group can help participants examine their values and behaviors related to money, recognize signs of economic abuse, and discuss strategies for changing negative attitudes and behaviors. Hearing the stories of other survivors who have purchased assets with their IDA savings can be inspiring to participants, and such opportunities should be created whenever possible.

**Specialized resources.** As many DV service providers know firsthand, successful financial education programs for survivors have used an economic empowerment model that features the following:

- ▶ An emphasis on financial education, an understanding of rights and resources, and changes to spending and saving habits as a path to self-sufficiency;
- ▶ A focus on giving participants tools that can be used to make sound economic decisions for themselves and their families, rather than dictating a singular path to financial well-being for all survivors;
- ▶ Survivor-defined goals and progress toward those goals, with the guidance of a trusted advocate; and
- ▶ A recognition that economic abuse is common and serious and that, out of necessity, survivors' economic decisions often have been made with only immediate consequences in mind.

**TIP:** *Inviting experts in a variety of fields to speak at financial education classes can offer new perspectives on specific topics. With the help of a grant from the Foundation for Financial Planning, advocates at the Kentucky Domestic Violence Association's member programs have invited financial aid officers, attorneys specializing in small business incorporation, insurance agents, mortgage lenders, career counselors, and professional financial planners to speak with domestic violence survivors.*

A few financial education curricula have been developed specifically for survivors of domestic violence. Two of the most widely used are:

- ▶ *Realizing Your Economic Action Plan (REAP)* by Redevelopment Opportunities for Women (\$150-\$175 at [http://www.row-stl.org/Content/RP\\_EEC.aspx](http://www.row-stl.org/Content/RP_EEC.aspx))

- ▶ *Moving Ahead through Financial Management* by the Allstate Foundation. <http://www.clicktoempower.org/financial-tools/financial-empowerment-curriculum.aspx>. Please also refer to [Chapter 4 Resources](#) for a larger list of curricula.

In addition, DV advocates and researchers have developed two publications that address the importance and effectiveness of financial education for survivors, program design and the need for including information about safety: *Economic Education Programs for Battered Women: Lessons Learned from Two Settings, and Economic Empowerment of Domestic Violence Survivors*. These papers, as well as additional resources on domestic violence, are available at <http://www.vawnet.org/>. Please refer to [Chapter 4, Additional Resources](#), for a list of financial education curricula tailored to survivors.

## Getting Banked

For many survivors of domestic violence, opening a bank account may be an early step toward economic self-sufficiency. However, getting banked may be an obstacle for some. Survivors may not have been “allowed” to have a bank account, as a part of the power and control exerted by their abusers. Others may have been victims of economic abuse resulting in debt being accrued in their name, and they may have been unable to open a bank account. Survivors may be in ChexSystems due to the actions of their abusers and often don’t know it until they try to open a bank account. In addition, survivors may have negative feelings or lack knowledge about financial institutions as a result of financial abuse or their experiences growing up.

**Special considerations.** AFI grantees serving survivors should be encouraged to partner with financial institutions that are willing to take the necessary steps to ensure participants’ safety. This includes allowing survivors to open checking or savings accounts using a post office box or shelter address. Financial partners that understand the dynamics of economic abuse may also be willing to waive fees or offer “second-chance” accounts to those with a troubled banking history. The BankOn (<http://joinbankon.org/>) initiative can be an excellent resource for linking participants with “second-chance accounts.” *Read more about this nationwide initiative in [Chapter 4](#).*

**TIP:** *The Kentucky Domestic Violence Association has partnered with BB&T bank to have funds set aside to assist survivors with paying off small debts that appear in ChexSystems or are preventing them from getting banked. Helping survivors build positive relationships with financial institutions can benefit them while they are receiving services at a domestic violence program and for years to come.*

### Credit Score

*A credit score is a number that is calculated based on elements in a credit report, and is used by lenders to calculate risk by predicting the likelihood that an individual will pay back his or her debt as agreed.*

### Credit Counseling

AFI projects can also help survivors repair credit. A credit report provides a snapshot of an individual's credit history—current and past debts with details about amounts currently owed, amounts paid, judgments or liens filed, and delinquent and collection accounts. A credit score is a number that is calculated based on elements in a credit report, and is used by lenders to calculate risk by predicting the likelihood that an individual will pay back his or her debt as agreed. Credit scores are determined by considering the following factors: payment history, debt owed, length of credit history, new credit established, and types of credit used.

Debt accrued—including credit card debt, auto loans, mortgages, student loans and unpaid child support—will appear on a credit report and will negatively affect the overall credit score if debt has not been paid on a regular and timely basis.

- ▶ *For more information about all of the elements that go into determining a credit score, go to the fact sheet on “Credit Scoring” at <http://www.idaresources.org/page?pageid=a047000000B7oys>.*

**Special considerations.** When helping survivors review their credit reports, it is important to look for information that may indicate fraud or identity theft. Because so many survivors of domestic violence have experienced economic abuse, the client may uncover evidence of that abuse on a credit report. Requesting that a “fraud alert” be placed in the survivor's file will inform potential creditors that the applicant may be the victim of identity theft. A fraud alert may make it more difficult for someone to apply for credit in the survivor's name.

- ▶ *For more information about identity theft and how to address it, please go to: [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft).*

For many survivors, building or repairing credit can be difficult. However, with the help of trained credit counselors, some AFI participants have increased their scores by as much as 150 points in a two-year period. These participants were able to

increase their scores by paying down existing or delinquent debt, using multiple lines of credit, making on-time payments and keeping their credit balances low.

**TIP:** *Savers in the Kentucky Domestic Violence Association's IDA program can take out microloans that are secured by the funds in their account and usually range from \$250-\$1000. This has proven to be a valuable credit-building tool, as borrowed funds can be used to pay outstanding debts and on-time payments are reported to the major credit bureaus, establishing a positive line of credit.*

## Debt Management

As a result of having experienced financial abuse, many survivors are left with high levels of debt and lowered levels of confidence in managing money. Debt management is a crucial need for many survivors. Basic debt management services may revolve around the same steps as credit repair—getting a sense of how much is owed to whom, and at what interest rates and terms. The next step is to set up a plan to begin paying off that debt. AFI grantees may have financial counselors in-house to assist with this step, or may refer to partners who can help participants develop an individual plan.

**Special considerations.** Resolving debt may require personal contact with creditors or the holders of that loan. The sooner a survivor contacts a creditor, the better their chances for negotiating a modified payment plan with a lower interest rate and/or lower monthly payments.

For more intensive assistance, survivors can take advantage of a debt management plan. In this program, the client regularly deposits money with a credit counseling/debt management organization, which then makes payments to the various creditors. The creditors may agree to lower interest rates or waive fees in exchange for regular timely payments through the program.

## Tax Assistance and the Earned Income Tax Credit

While domestic violence occurs in all socio-economic groups, women living in poverty experience it at higher rates than their higher income peers. Research shows that women with household incomes of less than \$7,500 a year are 7 times as

likely as women with household incomes over \$75,000 to experience domestic violence.<sup>14</sup>

Lifting over 5 million people out of poverty every year, the federal Earned Income Tax Credit (EITC) is the nation's largest cash assistance program for low-income families. Along with child support, the EITC is the biggest income support for low-income working parents with children. For tax year 2011 EITC was available to families whose adjusted gross income did not exceed \$43,998 with three or more qualifying children; \$40,964 with two qualifying children; \$36,052 with one qualifying child; and \$13,660 with no qualifying children.<sup>15</sup> Yet, the IRS estimates that 20 to 25 percent of eligible taxpayers do not claim the EITC.

***Special considerations.*** An EITC refund can provide DV survivors with the money they need to exit an abusive relationship or help them remain independent after having left. When working with survivors to claim the EITC, it is important to consider the following:

- ▶ Tax time can be an extremely stressful time for survivors of domestic violence. If the survivor has been married or is still married and separated from her abusive partner, tax filing may require her to be in contact with her abuser. DV providers and AFI grantees can work together to assist survivors in safely filing a joint return or securing information from a partner related to filing her own return.
- ▶ If a survivor is faced with a tax debt due to fraudulent or understatement of tax liability claimed by a spouse on a jointly filed tax return, eligibility for relief under "Innocent Spouse" status can be explored
- ▶ *For more information, see IRS Innocent Spouse Questions and Answers at: <http://www.irs.gov/individuals/article/0,,id=109283,00.html>.*
- ▶ *For more information on claiming the EITC and other tax benefits, go to: <http://idaresources.org/page?pageid=a047000000ApiTf>.*

## Working in Partnership to Remove Obstacles

Many survivors are single parents who are working, attending school, and juggling child care schedules. Removing obstacles that might prevent them from attending financial education classes and one-on-one case management meetings is a way to build attendance. AFI grantees and DV advocates can work together to ensure that specific obstacles are addressed in a way that is safe for survivors. The following can help pave the way for a survivor's success in an AFI program:

<sup>14</sup> Rennison, C.M. (2003). Crime Data Brief, Intimate Partner Violence, 1993-2001. Bureau of Justice Statistics.

<sup>15</sup> For EITC income limits and maximum credit amounts, go to <http://www.irs.gov/individuals/article/0,,id=150513,00.html>

- ▶ **Child care.** Some DV service providers offer child care for clients during classes and at certain times of the day, if not full-time. AFI grantees who are providing the financial education classes or case management for IDAs might offer special classes at the shelter at a time when child care would be provided.
- ▶ **Meals.** The provision of a simple evening meal during financial education classes for participants and their children allows the family to meet a critical need while creating an opportunity for the survivor to work on financial goals.
- ▶ **Transportation.** Because many survivors have left everything behind and do not have their own cars, transportation to and from case management meetings or financial education classes can be critical for IDA savers' success. Collaboration between AFI and DV agencies can help address this issue (e.g., provision of bus passes, ensuring that meetings are held at a convenient location).

While many agencies that work with lower-income households may address these basic concerns in their programs, it is important to help survivors of domestic violence determine their own barriers. An initial meeting about economic self-sufficiency and IDAs can help uncover and address these issues by asking simple questions. *For suggested questions see Chapter 1 Page 4.*

## How Can You Determine When a Survivor Is IDA Ready?

There are unique considerations for survivors of domestic violence who are interested in opening an IDA. Typically, the best candidates have:

**Permanently separated from their abusers.** Complications associated with a continued or intermittent relationship with someone exercising power and control can jeopardize the survivor's IDA savings as well as any other progress she has made toward economic self-sufficiency.



*Linda, Survivor and financial education instructor*

*NOTE: Research and experience tell us that the decisions survivors make about staying with or leaving an abusive partner are complex. A survivor may still be with an abusive partner but preparing financially and otherwise to leave, and our advocacy should always support those efforts to become more financially independent. We are still learning about the efficacy of IDA participation for survivors whose abusive partners can potentially access or exert control over saved assets.*

- ▶ **Moved from emergency shelter into transitional or other stable housing or have concrete plans to do so.** This way, an applicant is less likely to have a significant or unexpected increase in her housing expenses during the time she is

saving in her IDA. However, some successful IDA participants (who had stable income) used their time in a shelter to save money and make larger IDA deposits. *Advocates should help survivors in this situation budget for an increase in living expenses when they do move into transitional or permanent housing, to ensure that they can continue to make IDA deposits and meet other financial obligations.*

- ▶ ***A history of regular contact with a DV advocate and/or the opportunity to meet with one throughout their participation in an IDA program.*** A trusted advocate can help a participant stay on track and cope with unexpected expenses as well as advise on budgeting and goal-setting.
- ▶ ***Secured employment and/or a good work history.*** An IDA participant should be able to meet her monthly deposit obligations in addition to any other expenses.
- ▶ ***Started to consider mid- and long-term goals rather than immediate concerns and has communicated or responded positively to ideas such as college/vocational training, micro-enterprise or home ownership.*** Survivors who are still in a crisis will probably have a difficult time meeting savings requirements and regularly attending financial education classes.

## Helping Domestic Violence Survivors Be Successful IDA Savers

*Saving in an Individual Development Account (IDA) is a challenging process that requires careful planning and discipline. Advocates working in the AFI project operated by the Kentucky Domestic Violence Association have developed a number of practices to support survivors in their savings goals and keep them on track when life circumstances threaten to derail their efforts to save. They are described below.*

### Detailed monthly statements

Many survivors who have opened IDAs find it helpful to receive detailed monthly statements that document their IDA deposits and the total available to them for an asset purchase, including matching funds. Programs should also receive statements for survivors to know whether participants are missing deposits or making unauthorized withdrawals. Because IDA savers often make more than a minimum monthly IDA contribution, the monthly statements can help them plan for occasional larger deposits, such as after receiving a tax refund. The monthly statements also can be an important motivational tool, as the participants can see how their savings have multiplied each month.

## Missed deposits and leaves of absence

The lives of lower-income survivors can be unpredictable, and it is likely that many of them will miss a monthly deposit due to an unexpected emergency such as a loss of income or sudden need to relocate. AFI rules state that participants who miss three deposits should be withdrawn from the IDA program. But when serving survivors, IDA programs may want to consider offering a leave of absence of up to six months. If a survivor indicates that she wants to remain in the program but has encountered a temporary setback, her advocate can recommend that her account be “suspended” until her situation becomes more stable.

## IDA emergency fund

Programs should consider creating an emergency fund to help IDA participants make consistent deposits. Many savers withdraw from IDA programs because of unexpected expenses that prevent them from making their required monthly deposit. Having an emergency fund can be key to their success and eventual asset purchase. Participants are most likely to use the fund for car repairs, medical emergencies, one-time rental or utility assistance, or to pay an outstanding debt shortly before an asset purchase (especially a home purchase). Access to an emergency fund may also prevent survivors from turning to payday loans or other predatory financial products. The emergency fund should not be used as a source of regular assistance and should be used only when other options have been exhausted. Consider limiting the number of times a participant can use emergency funds or the amount of money that can be withdrawn over a set time period.

## Credit score

AFI programs use different enrollment strategies when working with survivors who have very low credit scores (in the 450 to 550 range). Some provide credit counseling for six months to a year *before* opening the IDA. Others start credit counseling immediately after an account is opened, hoping that the prospect of an IDA will incentivize survivors to improve their scores.

The applicant’s credit score is especially important if she intends to purchase a home or apply for a small business loan; mortgage and small business lenders can deny an application or charge higher interest rates based on credit scores. If your program allows participants to save for three years, participants will probably have enough time to raise a low credit score to get favorable loan terms. If the time frame for saving is shorter, consider whether the applicant will have enough time to improve her credit score to be able to receive favorable loan terms. Additionally, mortgage lenders typically will not lend to individuals with a bankruptcy less than two years old; those that do offer loans at extremely high interest rates.

### Improving Credit

*Through its microloan program, the Kentucky Domestic Violence Association has helped at least half a dozen survivors increase their credit scores by more than 100 points in two years or less.*

- ▶ *For more information about all of the elements that go into determining a credit score, see the fact sheet on “Credit Scoring” at <http://www.idaresources.org/page?pageid=a047000000B7oys>.*

## Microloans

Innovative approaches to credit repair, such as the Kentucky Domestic Violence Association’s Microloan Program, can help survivors build or repair their credit. Survivors take out zero-interest loans that typically range between \$500 and \$1000 and are secured by their IDA savings. Borrowers frequently use the loans to pay outstanding debts reflected on their credit report or start emergency savings accounts. The loans are repaid over one year, and on-time payments are reported to the credit bureaus, establishing a positive line of credit. If the borrower cannot repay the loan, the remaining debt is repaid with savings from her IDA account and the loan is reported to the credit bureaus as “Paid in Full.” Survivors who take out subsequent loans and use other lines of credit have seen vast improvement in their credit scores. Through its microloan program, the Kentucky Domestic Violence Association has helped at least half a dozen survivors increase their credit scores by more than 100 points in two years or less.

- ▶ *For more information on the Kentucky Domestic Violence Association’s microloan program go to: [http://kdva.org/projects/economic\\_justice/microloan.html](http://kdva.org/projects/economic_justice/microloan.html)*

## Free tax preparation programs

It is likely that a survivor’s tax refund is the largest lump sum of money she and her family will see during the year. Advocates can help survivors plan for tax season by reminding them about it throughout the year and by ensuring that they have all the information they will need to file. Maximize this opportunity by:

- ▶ Referring the client to a free tax preparation program such as a Volunteer Income Tax Assistance (VITA) site to avoid paying preparation fees;
- ▶ Ensuring that eligible clients claim the Earned Income Tax Credit ;
- ▶ Discouraging the use of Rapid Anticipation Loans Rapid Anticipation Checks ;
- ▶ Helping the client determine the best use of refund money and encouraging that a portion of it be used to start or increase an emergency savings fund; and
- ▶ Encouraging the survivor to use her refund to make a large deposit in her IDA.

*For information and tools on helping DV survivors file for tax benefits and receive free tax assistance, go to <http://www.IDAresources.org> and click “EITC and Tax Assistance”.*

## Some Tips for Survivors on Starting an IDA

### Safety First

If you are worried about your physical safety, this may not be an appropriate time to open an IDA.

*Survivors interested in enrolling in Individual Development Accounts (IDAs) should consider a number of factors to determine whether they are ready for this step. Those who proceed can benefit from some fundamental advice on questions to ask to make sure they understand the IDA savings process, and how to develop a savings plan. AFI grantees and domestic violence service providers can offer this tip sheet to survivors who are considering, or already enrolled, in IDAs.*

### Always consider your family's safety first

- If you are worried about your physical safety, this may not be an appropriate time to open an IDA.
- You must have a safe place to receive phone calls and mail (e.g. a contact whom the abuser does not know, such as a trusted friend).
- Be sure that you have a secure place to store your documents, such as your birth certificate, social security card, passport, and bank statements.

### Support and Resources

- Use the National Domestic Violence hotline number 1-800-799-SAFE for information about what constitutes domestic violence and to connect with help in your area.
- Your local domestic violence program can help you access important services.
- Consider all forms of assistance you may be eligible for, such as Legal aid, food stamps, Supplemental Security Income/Social Security Disability Insurance, rental assistance, the special feeding program for Women, Infants, and Children (WIC), and Temporary Assistance for Needy Families (TANF). Ask an advocate for assistance to learn more about these programs.

### Financial Safety

- Consider carefully if your abuser is still in a position to financially harm you (e.g., removing money from a joint account or ruining your credit).

- If you have joint accounts, shared debt or property, or outstanding child support issues, it may be best to delay opening an IDA because your abuser could potentially gain access to your assets.
- Work closely with your case manager to develop a safety plan that protects you from further financial abuse.

### Fully tap into the services of AFI programs

AFI programs provide a variety of useful services, including:

- Financial education
- Credit counseling/debt management
- Helping with starting a bank account
- Tax assistance
- Individual development accounts (matched savings accounts)
- Access to other helpful state/federal benefits

### Your Spending Plan

- Use your credit report to identify possible fraud or theft AND to help create a spending plan that includes the payment of outstanding debt.
- Create a household budget that includes your anticipated monthly IDA deposits.
  - PAY YOURSELF FIRST -- Work savings into your budget in addition to your IDA deposits to begin building an emergency savings fund.
  - Consider fixed (rent, car insurance, car payment) and variable expenses. (utilities, groceries, etc.).
  - Plan for expenses that happen quarterly or annually.
  - Re-evaluate your situation and your budget if your plan is not working.
  - Be sure that you are not the victim of fraud or identity theft.
  - You may need to seek additional income, such as a second job or federal/state assistance, or look for other areas to cut expenses.

### IDA Program Requirements

*Every IDA program has different savings, financial education, and case management requirements. For instance, ask what the minimum monthly amount is that you are required to save, and what happens if you miss making a deposit.*

## Starting your IDA

- ❑ Make sure that you understand the program. For instance, ask what assets you are allowed to purchase through the program—a home, schooling, capital investment, a car (*Remember that AFI IDAs allow the purchase of a first home, capitalizing a small business, paying for postsecondary education or vocational training, or transferring to an eligible dependent*)?
  - Every IDA program has different savings, financial education, and case management requirements. For instance, ask what the minimum monthly amount is that you are required to save, and what happens if you miss making a deposit.
  - Be sure that you know the asset-purchase process. For instance, ask how long you need to save before you can make a withdrawal for a purchase.
- ❑ Get the most out of your financial education and case management. For instance, make sure you learn how to pull your credit report, what to do to improve your credit score, how to budget, and what other federal or state benefits you may be eligible to receive. This is information that can help you for your entire life and be passed on to your children and even your peer group.

Remember that economic self-sufficiency does not happen overnight, and that the most successful IDA participants are generally those who view it as a long-term process.

## Building Partnerships

*Over the past several years, domestic violence (DV) agencies and asset building organizations have begun exploring ways to work together to boost the financial strength of domestic violence survivors. These partnerships can take many forms. Whatever the level of involvement of each partner, these collaborations involve hard work, and as yet there is not an instruction booklet to guide the process. This Toolkit, and this section on Building Partnerships, begins to fill this gap. In it, you'll read the case for why DV agencies and AFI grantees should partner, the steps involved in developing successful partnerships, and descriptions of different models for partnering.*

*In these partnerships, AFI grantees are not expected to screen their clients for domestic violence, but rather to be sensitive to how domestic violence might be impacting their clients, to know how to respond appropriately to disclosures of domestic violence that do occur, and to have the knowledge and relationships to refer clients for help. DV program partners can provide safety planning support for domestic violence victims participating in AFI projects (including those survivors they refer as IDA-ready) and to help respond to other issues unique to serving domestic violence survivors. Throughout this section you'll learn various ways to partner and different levels of involvement to consider in working with an AFI project partner.*

### **Why Should DV Programs Partner with AFI Projects?**

- ▶ ***DV advocates know how much financial independence affects survivors' ability to escape domestic violence and recover from its effects.*** Partnering with AFI programs can enhance your ability to increase survivors' economic options and resources.
- ▶ ***Many domestic violence survivors are low income and eligible for AFI services.*** AFI programs can help survivors better manage money, learn to save, increase their assets, and ultimately improve the economic strength of their families.
- ▶ ***DV advocates can help AFI programs identify motivated IDA-ready candidates.*** You can then provide critical support to these survivors as they participate in the asset building programs.

## Unique Partners

AFI and other asset-building organizations differ in the range of financial services they offer clients, so DV programs will need to know about the particular services its potential partner offers. Also, since DV programs have varying levels of involvement in economic empowerment advocacy, their linkages to AFI programs will be different.

- ▶ **When AFI participants disclose DV issues, DV programs can provide safety planning and other support services.** You can also help participants evaluate how they can safely continue in the program.
- ▶ **Partnering will expand a DV program's reach in the community and promote awareness of domestic violence and services available to a broader spectrum of community members.**

## Steps to Building Successful Partnerships

*Successful collaborations involve creating connections between people and purpose. There are many positive reasons for AFI and DV programs to partner and nothing can substitute for simply getting together, talking, and learning about each other.*

This is especially true because DV programs and AFI grantees are unique in every community. AFI and other asset-building organizations differ in the range of financial services they offer clients, so DV programs will need to know about the particular services its potential partner offers. Also, since DV programs have varying levels of involvement in economic empowerment advocacy, their linkages to AFI programs will be different.

## Starting the Conversation

Partnership building starts with conversation, and ideas to help launch these conversations are included below. The questions below are designed to help DV agency representatives understand the overlap between the survivors with whom they work and those able to participate in IDAs and other AFI services.

*These questions should be considered a starting point for discussion—a means to partnership rather than an end. Identifying common ground, creating a shared sense of purpose, and building mutual trust will be key to not only building collaborative relationships, but sustaining them over time.*

## Learn about how each of your programs operates, and what each has to offer the other.

How can AFI programs help DV programs improve the financial skills and circumstances of survivors? How can DV programs identify IDA-ready survivors who can safely participate in asset-building activities?

Questions DV programs can ask—	
<i>Indicators</i>	<input checked="" type="checkbox"/> <i>Check here if this is true</i>
1. What types of services does your AFI agency offer? Make sure you have asked about all of the following types of services:	
Financial education	<input type="checkbox"/>
Getting banked	<input type="checkbox"/>
Matched savings accounts such as Individual Development Accounts (IDAs)	<input type="checkbox"/>
Debt management	<input type="checkbox"/>
Credit building/rebuilding	<input type="checkbox"/>
Tax credits, tax preparation and filing assistance	<input type="checkbox"/>
Education planning for your clients' children	<input type="checkbox"/>
Accessing federal and state benefits	<input type="checkbox"/>
Other services not mentioned	<input type="checkbox"/>
2. What is the typical financial profile of the clients who receive asset-building services? What are your agency's eligibility requirements? What characteristics do you look for in IDA participants?	
Answer question here:	
3. Are there specific approaches that improve the potential for success among participants from different racial and ethnic backgrounds, refugees and immigrants, rural vs. urban populations, individuals of different ages, or those from LGBT (Lesbian, Gay Bisexual and Transgendered) communities? Are your services provided to those with limited English proficiency and those with low literacy?	
Answer question here:	
4. Does your agency have any experience in working with survivors of domestic violence? If yes, what issues have arisen and how were they handled?	

### Questions DV programs can ask—

Answer question here:

5. Which of your agency's services do you feel could benefit domestic violence survivors most? Are you interested in serving survivors who are not yet IDA-ready? If so, would you expect them to be IDA ready within a specified amount of time to consider serving them?

Answer question here:

6. What privacy/confidentiality policies does your agency follow in order to protect program participants?

Answer question here:

### Questions AFI programs can ask—

1. What core services do you offer to domestic violence survivors in our community?

Answer question here:

2. What types of economic issues are the survivors you work with facing? What types of economic abuse have they faced? What are their most pressing financial issues?

Answer question here:

3. What specific types of economic advocacy services do you provide, if any? Do these include discussion of matched savings accounts or IDAs?

Answer question here:

4. Are there specific approaches that improve the potential for success among participants from different racial and ethnic backgrounds, refugees and immigrants, rural vs. urban populations, individuals of different ages, or those from LGBT (Lesbian, Gay Bisexual and Transgendered) communities? Are your services provided to those with limited English proficiency and those with low literacy?

### Questions AFI programs can ask—

Answer question here:

5. Have you ever referred a survivor to our AFI program for services? If yes, what was the experience?

Answer question here:

6. Do you feel that any of the survivors you have worked with in the last 3—6 months might be interested in opening an IDA or receive other asset building services?

Answer question here:

7. Do you offer any case management or supportive services that would help survivors in your program stay on track with the AFI goals they establish?

Answer question here:

### Questions about Working Together

In addition to learning about particular services for your clients, it is important to ask questions that will help the partnership operate more smoothly. Suggestions include:

- ▶ How many referrals can your asset-building agency handle from my agency? How many referrals do you think your organization would make to our agency?
- ▶ **DV program:** Can your agency train my staff on basic financial literacy and the value of asset-building strategies?
- ▶ **AFI program:** Can your agency train my staff on DV issues that might arise within asset-building programs?
- ▶ Who is the best point of contact at your agency with whom we should work?
- ▶ Does your agency work with any other DV programs/AFI programs in the area?
- ▶ What concerns do you have about working with our agency? What opportunities do you see?

- ▶ When should we meet again, and what steps should we take to make sure that this partnership moves forward?

### Why is the first conversation important?

In general, AFI programs and DV programs do not know each other well, and each has its own unique history, language, funding streams, and approach to serving its clients. There may also be very different perspectives and levels of understanding as to community and family needs. For these reasons and more, spending time getting to know each other first, rather than jumping immediately into program planning, is essential.

### Formalizing your relationship

If you reach the point in your discussions where you are planning joint activities with agreed-upon objectives, you might want to formalize your relationship. This can take the form of a Memorandum of Understanding (MOU), which allows you to express in writing how you have agreed to work together. The following elements of an MOU are straightforward and should be developed jointly with your partner agency:

- ▶ A description of what you intend to do together
- ▶ The timeline for the joint activities you plan to undertake together (these activities can be quite specific, such as engaging in cross-training or submitting a joint proposal for match funds, or more general, such as continuing to meet monthly to discuss issues of common interest)
- ▶ A description of the specific tasks that each partner is agreeing to assume, either as lead staff or as part of shared responsibilities
- ▶ A description of how costs associated with activities or the ongoing collaboration will be handled.

In addition, each of the organizations that are part of the MOU should identify a lead contact to ensure implementation of the MOU and resolution of any issues that arise.

### Other collaborative activities to consider:

- ▶ **Cross-reference each other.** Reference your partnership and your partner's resources in organizational brochures, websites, and other materials as appropriate.
- ▶ **Emphasize shared goals.** In public education and promotional materials, articulate your shared interests in asset building for DV survivors.

## Keeping the partnership alive and healthy

Like any ongoing relationship, collaborations between AFI projects and DV programs will require “care and feeding” to remain productive, healthy and strong. Below are some tips for cultivating ongoing, beneficial partnerships between DV programs and AFI projects.

- ▶ **Keep lines of communication open.** Identify liaisons with each DV partner, and establish regular points of contact. This ensures that all communication is not just in response to problems.
- ▶ **Commit to addressing issues as they arise in an open, honest manner.** Before problems arise, decide how issues will be brought up for discussion. These issues could include the normal challenges of blending different communication styles and ways of working.
- ▶ **Document your work together, both in terms of process and programming.** This will be particularly important as you are developing a shared language, when misunderstandings and miscommunication are more likely. This can be as simple as identifying at the beginning of every meeting or conference call who will take notes and make sure that they are distributed to participants.
- ▶ **Take time to assess your work together.** Ask yourself what’s working? To what or to whom can it be attributed? What hasn’t worked as well as you had hoped, and why? Documenting your work together will help when you periodically reflect on both your accomplishments and the opportunities that you’ve not yet explored.
- ▶ **Take time to celebrate successes.** Completing a list of community resources, jointly writing a letter to the editor, or co-sponsoring a community forum should all be noted as successes and celebrated. Individual and organizational leadership should be honored and supported.
- ▶ **Update your Memorandums of Understanding and any contracts you have in place at least annually.** This provides both of you the opportunity to clarify or modify how you will work together in the upcoming year.

## Expand the Vision of Partnerships

It can also be very helpful to expand your vision of partnerships beyond AFI and DV agencies to other organizations that work to promote safe and financially stable families such as housing agencies, faith-based groups, community action agencies and others. These organizations can supplement the help that AFI grantees and DV agencies can provide and meet other critical needs of survivors and their families, such as offering heating assistance, job search, housing assistance, child care, etc.

## Continuum of Partnering: Finding What Works for Your Community

*While a DV state coalition or local DV provider may choose to operate an AFI program, such as the Kentucky Domestic Violence Association (KDVA) did (go to page 50) , or choose to form a formal partnership with an AFI program, such as occurred between the El Paso Collaborative for Economic and Community Development (AFI grantee) and the Center Against Family Violence (DV service provider) in Texas (go to page 46), there are many other ways that AFI programs and DV programs can partner. This continuum of partnering can include one or several of the following activities and can occur at the state or county level (between state/county-wide initiatives) or within a local community:*

- ▶ ***Invite your partner to a staff meeting to learn about the services and supports that they can offer to the individuals and families you serve.*** Review organizational mission, program objectives, eligibility criteria, how best to refer, and other important service issues. Identify where your missions overlap, where there are shared interests and where the services offered might be helpful to your agency's constituents.
- ▶ ***Arrange for a similar visit to your partner's staff meeting.***
- ▶ ***DV programs: Offer to provide training to AFI staff on domestic violence.*** A focus should be on how DV issues might arise within the context of an AFI program and appropriate responses.
- ▶ ***AFI program: Offer to provide access to financial education services to both DV program staff and survivors.*** Explore ways to make the AFI program services, including IDAs, more accessible to DV survivors. This could include offering financial education classes for DV shelter residents or survivors living in the community in collaboration with your DV partner.
- ▶ ***Share and disseminate outreach and program materials.*** Provide each other with a supply of outreach materials to make available to clients about the services provided by your partner organization
- ▶ ***Conduct a joint review of AFI policies and procedures.*** Such a review can identify where DV issues might arise for AFI program (including IDA) participants and steps to enhance safety of all participants.
- ▶ ***Develop a joint protocol.*** Such a protocol can articulate how cross-training, cross-referrals, and coordinated services will be delivered, particularly when a disclosure of domestic violence occurs and when both programs are working with the same individual or family.

## Engaging Others

Consider co-presenting at AFI and DV regional/state-wide meetings or conferences on the nature and impact of your partnership.

- ▶ **Identify a point-of-contact at each agency and set up quarterly meetings.** Such points-of-contact can facilitate an ongoing exchange of information, assist in problem-solving, identify opportunities for ongoing collaboration and identify training and technical assistance needs.
- ▶ **DV program: Provide case management services.** Such services can be provided for AFI program participants referred by your program or disclosing domestic violence to the AFI program.
- ▶ **Consider co-presenting at AFI and DV regional/state-wide meetings or conferences on the nature and impact of your partnership.** Engage others in discussions of how to support the economic empowerment of low-income DV survivors.
- ▶ **DV program: Secure match funds for IDA “slots” for DV survivors.** Consider approaching funders who have provided support for DV intervention and prevention efforts to request match funds for individual slots. Even \$500—\$3000 in matching funds can make a difference to individual DV survivors who are then able to successfully participate in an IDA program.
- ▶ *For more information on how/where to secure match funds go to:* <http://idaresources.org/page?pageid=a047000000ApiTB>.
- ▶ **Submit a joint proposal for AFI funding.** Formalize your partnership with a joint proposal to support ongoing collaboration.

## Two Models for Providing AFI Services to DV Survivors: DV Coalition as AFI Grantee and Community Partnership Model

*This section describes the two models for providing AFI services to DV survivors that are currently operating in the field and their benefits and drawbacks. While these models may not fit the needs or circumstances of your particular community, included are valuable and concrete lessons on how the models started and how they operate, including division of responsibilities between AFI grantees and DV agencies—both at the state and local level.*

### Community Partnership Model: El Paso

The Texas Council on Family Violence (the state DV coalition) facilitated a partnership between a DV service provider and an AFI grantee in the same community. The El Paso Collaborative for Economic and Community Development (AFI grantee) is working with the Center against Family Violence (local DV service provider) to provide AFI services to the Center’s clients in El Paso. The state DV coalition secured the AFI matching funds through a contribution from the Allstate Foundation. The following charts describe the division of responsibilities between the two partners, and the strengths and weaknesses of such a model.

El Paso Community Partnership Model: Division of Responsibilities	
AFI Grantee	DV Service Provider
<ul style="list-style-type: none"> <li><input type="checkbox"/> Verify survivor’s eligibility for AFI</li> <li><input type="checkbox"/> Conduct financial literacy classes and asset-specific education</li> <li><input type="checkbox"/> Administer IDA accounts and relationship with bank</li> <li><input type="checkbox"/> Handle AFI grant reporting requirements</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Market AFI services to survivor clients (in the case of the Center against Family Violence, this happens by educating case managers about AFI.)</li> <li><input type="checkbox"/> Identify survivors who would make good candidates for AFI services</li> <li><input type="checkbox"/> Provide space for AFI grantee to conduct orientation sessions and financial literacy classes</li> <li><input type="checkbox"/> Handle safety planning around all AFI-related services</li> <li><input type="checkbox"/> Reinforce financial literacy training with DV-specific financial literacy</li> </ul>

### El Paso Community Partnership Model: Division of Responsibilities

<i>AFI Grantee</i>	<i>DV Service Provider</i>
	curriculum used by caseworkers helping AFI-enrolled survivors  <input type="checkbox"/> Offer additional support to help survivors keep on track with building credit and saving money

### El Paso Community Partnership Model: Benefits and Drawbacks

<i>Benefits</i>	<i>Drawbacks</i>
<input type="checkbox"/> The model maximizes each partner's strengths. The AFI grantee can connect clients to asset building resources; the DV agency knows how best to support survivors as they go through the program.  <input type="checkbox"/> Neither the DV agency nor the state coalition needs to administer the accounts, do AFI reporting or conduct other admin activities.	<input type="checkbox"/> Each partner faces a learning curve in understanding each other's field and how to work together.  <input type="checkbox"/> Partnerships are limited by the geographic proximity of AFI grantees.  <input type="checkbox"/> It requires an ongoing commitment to coordination between two separate, independent agencies.

#### Advice for Starting

Krista Del Gallo, Policy Manager with the Texas Council on Family Violence, offered the following guidance for state DV coalitions wishing to encourage partnerships at the community level:

- ▶ Seek out the asset building coalition or leading entity in asset building in your state. Make sure this coalition is aware of the DV community's interest in collaborating and request help in identifying a strong AFI grantee that would make a good partner.
- ▶ Identify a strong DV service provider in the same community as the AFI grantee, preferably a DV provider that is already involved in economic empowerment issues such as assistance with job search and/or financial literacy classes
- ▶ Reach out to both the DV service provider and AFI grantee separately to gauge interest and ongoing capacity. The presence of champions within each organization to advocate for the partnership will promote success.

## El Paso: Case Study of a Partnership Model

In 2008, when the Texas Council on Family Violence (the state DV coalition) first learned about the AFI program, a light bulb went on. The Council recognized that access to financial education and IDAs to purchase assets would be important tools to help survivors lead independent, violence-free lives. With 100 member organizations, the Council was not in the position to be able to work with every DV service provider in the state, nor was it interested in the administrative work involved in managing IDA accounts. With a contribution from the Allstate Foundation, the Council sought to identify an AFI grantee and a DV provider in the same community and launch a partnership by providing the matching funds for IDA accounts.

### Finding the Partners

Finding the right programs was crucial. The coalition turned to the state asset-building association—RAISE Texas—for help in identifying a strong AFI grantee. It suggested the El Paso Collaborative for Economic and Community Development, which had an accomplished track record of operating IDA programs since 2001. Krista Del Gallo, Council Policy Manager, contacted Delia Chavez, executive director for the Collaborative. “She was extraordinarily open and excited about the potential for a partnership,” said Del Gallo.

Through its own channels the Council identified the Center against Family Violence in El Paso to be the DV provider in the partnership. The Center seemed promising because it already had a very robust employment program for survivors that began in 2006. The Center’s president, who previously had worked for the Chamber of Commerce, had joined a local workforce development board and offered to funnel survivors to the board to help them meet their employment quotas and draw down federal funds. The Center had developed “a base of clients that were going to be successful in the IDA program,” noted Del Gallo, acknowledging that only those with earned income could participate in IDAs.

### Division of Responsibilities

The El Paso Collaborative and the Center against Family Violence jointly applied for an AFI grant, which the Collaborative now administers. The Collaborative handles all interactions with the bank, manages the IDA accounts, and meets all of the reporting requirements for the grant. In terms of direct services, the Collaborative verifies participant IDA eligibility, provides financial education, and opens participant IDA accounts.

The Center against Family Violence brings its own expertise to the partnership. Case managers know the circumstances of the survivors they work with and at what stage they are in their walk to independence. All of the Center’s case managers were

informed about the AFI partnership and asked to identify promising candidates for the program. The Center also provides support for AFI participants to help them stay on course with financial education classes as well as to overcome barriers to successful completion. And, the Center handles the safety planning for participants to help ensure that their identity is kept confidential from their abusers in their transactions with the program, according to Center advocate Jose Avila.

“It’s a really good use of both organizations’ expertise,” said Del Gallo. The two organizations work together on problem solving if issues arise concerning missed IDA deposits and possible terminations from the program. Perhaps most central to the success of the partnership is finding strong leaders in both organizations, said Del Gallo.

*“If you don't identify somebody that's going to be a champion in an organization, it might not work out.”—Krista Del Gallo, Texas Council on Family Violence*

As of January 2012, 13 survivors were participating in the partnership. With attrition a major challenge for any AFI grantee, it is significant that since 2010 only one survivor has dropped out of the program. “Because of the advocacy and because of the training that we provide for them... I think that’s why they are so committed to this program,” said Chavez. With an 11-year history of managing AFI IDA accounts, Chavez noted that the survivors “have been our best savers. They really have been.”

### **Kentucky Domestic Violence Association: State DV Coalition as AFI Grantee Model**

The Kentucky Domestic Violence Association (KDVA) is the only AFI grantee that is also a state DV coalition. KDVA is comprised of 15 member programs that serve DV survivors across the state. Fourteen of these programs are sub-grantees for the AFI grant (one program receives its own IDA funding). KDVA has also built partnerships with seven financial institutions throughout Kentucky because there is no single bank or credit union with branches statewide.

**Division of Responsibilities**

Kentucky Domestic Violence Association: State DV Coalition Model Division of Responsibilities	
<i>AFI Grantee: KDVA</i>	<i>Sub-grantees: KDVA member programs</i>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Writes and administers AFI grant, manages grant reporting</li> <li><input type="checkbox"/> Raises matching funds</li> <li><input type="checkbox"/> Offers training for advocates on asset building and economic empowerment and facilitates participation in national trainings such as NeighborWorks America and AFI Financial Education Academies</li> <li><input type="checkbox"/> Verifies applicant’s eligibility and approves applications</li> <li><input type="checkbox"/> Pulls credit reports after accounts are open</li> <li><input type="checkbox"/> Manages relationships with partnering financial institutions</li> <li><input type="checkbox"/> Holds IDA “Master Account” from which matching funds are drawn</li> <li><input type="checkbox"/> Compiles monthly IDA statements for savers and their advocates</li> <li><input type="checkbox"/> Facilitates asset purchases</li> <li><input type="checkbox"/> Provides technical assistance to advocates</li> <li><input type="checkbox"/> Administers emergency fund</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Recruit participants</li> <li><input type="checkbox"/> Assist survivors with application process before submission to KDVA</li> <li><input type="checkbox"/> Help survivors open bank accounts</li> <li><input type="checkbox"/> Provide one-on-one case management that includes budgeting and credit counseling</li> <li><input type="checkbox"/> Help determine if participants are receiving appropriate public assistance benefits and make referrals to public assistance programs and other community resources as appropriate</li> <li><input type="checkbox"/> Refer survivors to other resources, such as KDVA’s microloan program or emergency fund</li> <li><input type="checkbox"/> Conduct financial education classes and facilitate guest speakers with expertise in a related field</li> <li><input type="checkbox"/> Identify or conduct appropriate asset-specific trainings</li> <li><input type="checkbox"/> Document completion of financial education requirements</li> <li><input type="checkbox"/> Initiate asset purchases</li> </ul>

Kentucky Domestic Violence Association: State DV Coalition Model Benefits and Drawbacks	
<i>Benefits</i>	<i>Drawbacks</i>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Both grantee and sub-grantees understand the nature of domestic violence</li> <li><input type="checkbox"/> Best for rural DV agencies that are less likely to have AFI grantees in their region with which to partner</li> <li><input type="checkbox"/> Policies can be tailored to survivors' needs</li> <li><input type="checkbox"/> Can develop programs to supplement AFI IDAs (e.g. car IDAs, microloans)</li> <li><input type="checkbox"/> Local programs already have a working and/or financial relationship with the coalitions</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> It can be difficult securing commitment from DV service providers who historically have focused on survivors' immediate needs.</li> <li><input type="checkbox"/> Raising non-federal match is more difficult for coalitions who are not focused on community development funding sources</li> <li><input type="checkbox"/> It can be challenging to administer a large program with many sub-grantees.</li> </ul>

### Advice for Starting

Mary O'Doherty, Director of Economic Justice at KDVA, offered the following guidance for state DV coalitions wishing to encourage partnerships at the community level:

- ▶ Ensure that you can raise the non-federal AFI match funds
- ▶ Choose local DV organizations with directors and staff that are committed to doing the work and have clients they think would benefit from the program
- ▶ Partner with local programs that have strong nonresidential service programs. Most of the women KDVA works with have moved out of shelters and are still receiving support services from their local DV program. Ms. O'Doherty finds that IDAs work best for women who have left the shelter and established independent housing.
- ▶ Plan on having an emergency fund to assist survivors when life interferes and they miss a deposit.

## Kentucky Domestic Violence Association: Case Study of a State DV Coalition as AFI Grantee

The Kentucky Domestic Violence Association (KDVA) – the state’s domestic violence coalition—became an AFI grantee in 2004, when it sought to develop an economic empowerment focus to its activities. Newly hired as the economic justice director, Mary O’Doherty said she heard about AFI—interestingly—from one of KDVA’s member organizations in Louisville, which was the first organization to receive an AFI grant in the state. As with most AFI grantees, finding the nonfederal match money took some work. *“We got our first bit of match funds from Fifth Third Bank. In order to do that, we (KDVA) agreed to move some of our accounts to the bank,”* recalls O’Doherty. The coalition solicited additional match money from the Kentucky Housing Corporation, the state’s housing finance agency. KDVA is now applying for its fourth AFI grant; it is the only state domestic violence coalition to wear the hat of AFI grantee.

Enrollment happened fairly quickly for the first grant because a number of KDVA’s member organizations were enthusiastic and assigned staff to work with the coalition to get their clients on board. KDVA also made the strategic move of allowing DV program staff—who were eligible—to enroll in IDAs. *“That was smart because they were good participants. They finished quickly. And they demonstrated that this [program] could work.”*

### Benefits of the Model

O’Doherty points to some very compelling features of the “state DV coalition as AFI grantee” model. It sidesteps the problem of having to find an AFI program in a community with an interested DV provider and it removes the burden of raising AFI match funds from local DV service providers. *“We provide an opportunity for the small rural program that only has a couple or handful of people that want to have an IDA,”* she says.

As a coalition, KDVA also has the financial capacity to support survivors to stay on track with their IDA savings goals. It runs an IDA emergency fund, which helps IDA savers weather emergencies so they can still make their monthly IDA payments. Emergency Fund

### Emergency Fund

*“I think this is critically important to any IDA program, but especially to a domestic violence program. This is a fund that you can tap when life intrudes and it looks like the participant is not going to be able to make her monthly deposit because her car broke down or her kids got sick.”*  
—Mary O’Doherty, Kentucky Domestic Violence Association

*“I think this is critically important to any IDA program, but especially to a domestic violence program. This is a fund that you can tap when life intrudes and it looks like the participant is not going to be able to make her monthly deposit because her car broke down or her kids got sick.”*

KDVA also offers a creative microloan program, which allows survivors saving in an IDA to borrow as much as they have in their accounts (up to \$2,000) to be secured with their IDA savings. The microloan program allows savers to build their credit scores by making on-time monthly loan payments, which KDVA reports to the credit bureaus. Use of loan funds is not restricted. Some borrowers use the loan to start an emergency savings account or pay outstanding debt that is negatively impacting their credit score; in other cases survivors have taken out microloans and used the loan money to pay it back, so they can establish a repayment history.



**Mary O'Doherty,**  
**Kentucky Domestic**  
**Violence Association**

In describing the division of responsibilities between KDVA and its member organizations in running the AFI program, O'Doherty points to the critical role that the local providers play in working with survivors.

*“We wrote the grant, we raise the grant matching funds, we administer the grant... and we provide training for our programs so that they can teach financial education classes and provide credit counseling. And we recruit community partners so that they can offer home ownership counseling and small business counseling. But where the rubber meets the road, where the hard work happens is at the program level: the domestic violence programs.”—Mary O'Doherty, Kentucky Domestic Violence Association*

The one-on-one case management that advocates offer survivors in the AFI program helps to identify and overcome the problems that could derail their success and gives them with the ongoing emotional support they need to have the discipline to save, notes O'Doherty.

### Summary

As this section describes, even a modest level of involvement in a partnership takes deliberate and ongoing communication between the AFI grantee and the DV agency, an explicit delineation of roles and responsibilities, and flexibility to jointly handle any challenges that may arise. *For additional resources on developing partnerships, please see [Chapter 4](#).*



# Assets for Independence (AFI) Serving Domestic Violence Survivors Toolkit

*Strategies for partnerships between the asset building and domestic violence services communities*

## CHAPTER THREE



*This toolkit has been developed for AFI grantees and Domestic Violence service providers interested in working together to help domestic violence survivors become financially stronger. The information compiled provides step-by-step guidance to bring partnerships from concept to reality.*



April 2012

## Chapter 3: Information for AFI Grantees

### In this Section

*AFI programs will find practical ideas for building and sustaining effective partnerships with DV programs in their communities that help increase the economic security of the individuals and families with whom they work.*

### In This Section:

- ▶ **What Is Domestic Violence? .....55**
  - Understanding the Nature and Impact of Financial Abuse
- ▶ **A Look at the Domestic Violence Field.....60**
  - Key Federal Funding Provided
  - Domestic Violence Programs: An Overview
- ▶ **Asset Building for Survivors of Domestic Violence .....64**
  - Safety First: Addressing Risks and Enhancing Safety for All AFI Participants
  - Building the Foundation for Saving: Working with Survivors Not Ready for IDAs
  - How Can You Determine When a Survivor Is IDA Ready?
  - Helping Domestic Violence Survivors Be Successful IDA Savers
  - Some Tips for Survivors on Starting an IDA
- ▶ **Building Partnerships .....77**
  - Why Should AFI Programs Partner with Domestic Violence Service Providers?
  - Steps to Building Successful Partnerships
  - Continuum of Partnering: Finding What Works for Your Community
  - Two Models for Providing AFI Services to DV Survivors: DV Coalition as AFI Grantee and Community Partnership Model

*This section of the toolkit focuses on how AFI programs can help domestic violence survivors manage their money, build savings and achieve greater financial independence and strength.*

*Throughout the section, AFI programs will find practical ideas for building and sustaining effective partnerships with DV programs in their communities that help increase the economic security of the individuals and families with whom they work.*

## What Is Domestic Violence?

*Domestic violence (also known as intimate partner violence) is best understood as a pattern of abusive behaviors -- including physical, sexual, and psychological attacks as well as economic coercion -- used by one intimate partner against another to gain, maintain, or regain power and control in the relationship. Abusive partners use of a range of tactics to frighten, manipulate, hurt, and often injure a current or former intimate partner.<sup>16</sup>*

According to the Centers for Disease Control's 2010 National Intimate Partner and Sexual Violence Survey, intimate partner violence affects more than 12 million people each year and women are disproportionately impacted. One in four women have been the victim of severe physical violence by an intimate partner and one in seven men experienced such violence in their lifetime. However, 81% of women who experienced rape, stalking or physical violence by an intimate partner reported significant short- or long-term impacts related to the violence experienced in this relationship such as Post-Traumatic Stress Disorder (PTSD) symptoms and injury while 35% of men report such impacts of their experiences.<sup>17</sup> Each day in the United States, three women are killed by an intimate partner.<sup>18</sup>

The National Census on Domestic Violence conducted annually by the National Network to End Domestic Violence found that on a one-day count in 2011, over 67,300 domestic violence victims received help in local domestic violence programs nationwide, with half of them seeking emergency shelter or transitional housing and others receiving individual counseling, legal advocacy, and other support services.<sup>19</sup>

<sup>16</sup> National Resource Center on Domestic Violence, at <http://www.nrcdv.org/dvam/about/aboutdv.php>.

<sup>17</sup> Black, M.C., Basile, K.C., Breiding, M.J., Smith, S.G., Walters, M.L., Merrick, M.T., Chen, J., & Stevens, M.R. (2011). *The National Intimate Partner and Sexual Violence Survey (NISVS): 2010 Summary Report*. Atlanta, GA: National Center for Injury Prevention and Control, Centers for Disease Control and Prevention. [www.cdc.gov/violenceprevention/nisvs](http://www.cdc.gov/violenceprevention/nisvs).

<sup>18</sup> Catalano, S., Smith, E., Snyder, H., & Rand, M. (September 2009). *Female victims of violence*. Washington, DC: U.S. Department of Justice, Bureau of Justice Statistics. Available at <http://bjs.ojp.usdoj.gov/content/pub/pdf/fvv.pdf>

<sup>19</sup> National Network to End Domestic Violence, *Domestic Violence Counts 2011: A 24-hour Census of Domestic Violence Shelters and Services*, available at <http://nnev.org/resources/census/2011-report.html>.

**A note about language:** *Given the disproportionate impact of domestic violence on women abused by their male partners, female domestic violence victims will be the focus here. However, men abused by female partners and men and women abused in same-sex relationships also deserve protections as well as access to support and advocacy services. “Victim” and “survivor” will be used interchangeably.*

## Financial Abuse

*Research indicates that financial abuse is experienced in well over 90% of abusive relationships.*

## Understanding the Nature and Impact of Financial Abuse

Financial abuse is a common tactic used by abusers to gain and maintain power and control in an intimate relationship. Financial abuse may be subtle or overt, but in general includes tactics to limit access to assets, conceal information and access to household finances and belittle a partner’s ability to manage money. Financial abuse--combined with emotional, physical and sexual abuse, manipulation, intimidation and threats-- are all intentional tactics used by an abuser to entrap the partner in the relationship. In some abusive relationships, financial abuse is present throughout the relationship and in others it starts when the survivor attempts to leave or has left the relationship.

Financial abuse, while less commonly understood, is one of the most powerful methods of keeping a survivor trapped in an abusive relationship and deeply diminishes the abused partner’s ability to stay safe after leaving the relationship. Research indicates that financial abuse is experienced in well over 90% of abusive relationships.<sup>20</sup> Survivors often report that concern over their ability to provide financially for themselves and their children is one of the top reasons for staying in or returning to a battering relationship.<sup>21</sup>

## Forms of Financial Abuse

Like other forms of abuse, financial abuse may begin subtly and progress over time. The victim may interpret this behavior as loving, as abusers have the capacity to appear charming and are oftentimes masterful at manipulation. For example, the abuser may offer to manage all finances to relieve any potential stress from the victim, while providing their partners an “allowance” each week for necessities.

<sup>20</sup> Adams, A. E., Sullivan, C. M., Bybee, D., & Greeson, M. R. (2008). Development of the Scale of Economic Abuse. *Violence Against Women*, 14(5), 563-588.

<sup>21</sup> Sullivan, C. M., Basta, J., Tan, C., & Davidson II, W. S. (1992). After the crisis: A needs assessment of women leaving a domestic violence shelter. *Violence and Victims*, 7(3), 267-275; Gondolf, E. with Fisher, E. (1988). *Battered Women as Survivors: An Alternative to Treating Learned Helplessness*. Lexington, MA: Lexington.

Under these circumstances, the victim may believe that she should or can trust the partner and may willingly hand over control of the money and how it is spent. This scenario commonly leads to the abusive partner giving the victim less and less in allowance. Frequently, by the time victims decide they want to take back control of their finances, they discover that all accounts have been drained or moved and that they no longer have access to the family funds.

In other cases, the financial abuse may be much more overt. Abusers may use violence or threats of violence and intimidation to keep their partners from working or having access to the family's financial resources. The common tactics that abusers use to gain financial control over their partners include, but are not limited to:

- ▶ *Forbidding the victim to work*
- ▶ *Sabotaging work or job opportunities by stalking or harassing the victim at the workplace or causing the victim to lose her job by physically battering her prior to important meetings or interviews*
- ▶ *Controlling how all of the money is spent*
- ▶ *Not allowing the victim access to bank accounts*
- ▶ *Withholding money or giving "an allowance"*
- ▶ *Excluding the victim from investment or banking decisions*
- ▶ *Forbidding the victim from attending job training or advancement opportunities*
- ▶ *Forcing the victim to write bad checks or file fraudulent tax returns*
- ▶ *Running up large amounts of debt on joint accounts*
- ▶ *Refusing to work or contribute to the family income*
- ▶ *Withholding funds for the victim or children for basic needs such as food and medicine*
- ▶ *Hiding assets*
- ▶ *Stealing the victim's identity, property or inheritance*
- ▶ *Forcing the victim to work in a family business without pay*
- ▶ *Refusing to pay bills and ruining the victim's credit score*
- ▶ *Forcing the victim to turn over public benefits or threatening to turn the victim in for "cheating or misusing benefits"*
- ▶ *Filing false insurance claims*

- ▶ *Refusing to pay or evading child support, prolonging the divorce process by hiding, or refusing to disclose assets.<sup>22</sup>*
- ▶ *Threatening to disclose the victim's undocumented immigrant status to authorities.*

### **Financial Abuse Impacts**

*Those survivors who manage to escape the abuse often face extreme challenges to self-sufficiency due to ruined credit scores, sporadic employment histories and legal issues caused by the battering.*

## **Impact of Financial Abuse**

The short- and long-term effects of financial abuse can be devastating. In the short term, access to financial resources is critical to staying safe. Without assets, survivors are often unable to secure safe and affordable housing or the funds necessary to provide for themselves or their children. Although allowable in all 50 states, many judges and courts are reluctant to address economic relief within the civil protective order proceedings, citing divorce court as a more appropriate venue to deal with such issues.<sup>23</sup> A problem with this approach is that many survivors seeking safety and refuge via a protective order are not legally married; those who are married often do not have the time to wait for such court relief or the resources to secure an attorney to file.

Those survivors who manage to escape the abuse often face extreme challenges to self-sufficiency due to ruined credit scores, sporadic employment histories and legal issues caused by the battering. Additionally, many survivors continue to face financial, emotional and even physical abuse long after they have left the battering relationship. Abusers often drain joint bank accounts or attempt to use the victim's personal identifying information to take out credit and debt in their name, leaving survivors with liabilities and legal fees to recover or to defend themselves from damaged credit or loss of assets.<sup>24</sup>

Recent research has also documented how economic abuse by an intimate partner can corrode a survivor's confidence in managing financial resources and her ability to achieve long-term safety and security.<sup>25</sup> Abusers frequently tell their partners that they are "too stupid" to manage money effectively. This, in combination with

<sup>22</sup> The National Network to End Domestic Violence. Economic Justice Project. Retrieved from <http://nnedv.org/projects/ecojustice.html>

<sup>23</sup> The Battered Women's Justice Project. Economic Relief in Protection Orders. Retrieved from <http://www.csaj.org/documents/174.pdf>.

<sup>24</sup> The National Network to End Domestic Violence. Economic Justice Project. Retrieved from <http://nnedv.org/projects/ecojustice.html>.

<sup>25</sup> Adams, A. E., Sullivan, C. M., Bybee, D., & Greeson, M. R. (2008). Development of the Scale of Economic Abuse. *Violence Against Women*, 14(5), 563-588. Fawole, O. I. (2008). Economic violence to women and girls: Is it receiving the necessary attention? *Trauma Violence Abuse*, 9(3), 167-177.

other forms of abuse, leads many survivors to doubt their ability to manage their finances or provide for themselves and their children.

### **Increasing the Economic Stability of Domestic Violence Survivors**

Domestic violence advocates and allies are working together to mitigate the effects of economic and financial abuse as well as create strategies to prevent it in the future. Advocates are helping survivors rebuild their credit so they can obtain safe and affordable housing, secure reasonable interest rates on loans and provide financial education through one-on-one and group counseling. Domestic violence programs are partnering with community-level banking institutions, housing agencies and educational programs to help survivors meet their housing and economic needs.

Individual Development Accounts (IDAs) and other matched savings programs can play a critical role in helping survivors rebuild their financial foundation and regain confidence in their ability to save for the future.

## *A Look at the Domestic Violence Field*

Services Funded by  
FVPSA, 2011

### LOCAL

**1,538**

Domestic Violence  
Shelters

**966**

Non-Residential  
Service Programs

Services for domestic violence victims are a critical component of a community's response to domestic violence. Over the last three decades, a sea change has occurred in the public's recognition of domestic violence as a serious societal issue. In the 1970s and early 1980s, grassroots activists identified three tasks:

- ❑ **First**—securing shelter and support services for abused women and their children;
- ❑ **Second**—enhancing protections and safety, often by improving laws as well as the police and court response to domestic violence; and
- ❑ **Third**—changing community attitudes and responses.

These advocates organized the first shelters and safe homes for battered women and their children and worked to put basic legal protections in place, train police and health care providers, and increase public awareness. State, tribal and territorial domestic violence coalitions were organized to provide leadership to systems and social change efforts, and national organizations—including a network of technical assistance providers and culturally-specific resource centers—were established. The National Domestic Violence Hotline, established in 1996, currently receives over 22,000 calls a month.

Services Funded by  
FVPSA, 2011

### STATE/ TERRITORY

**56**

State/Territory  
domestic  
violence  
coalitions many  
of these are dual  
domestic and  
sexual violence  
programs

### Key Federal Funding Provided

In 1981 Congress established the Family Violence Prevention and Services (FVPSA) program at the U.S. Department of Health and Human Services, the first federal funding stream to provide financial support for core services throughout the country. In 2011, the Family Violence Prevention and Services program provided approximately \$86.5 million to over 1,500 community-based domestic violence shelter programs and almost 1,000 non-residential services sites through formula grants to states. Many community-based domestic violence programs also receive support from the federal Victims of Crime Act (VOCA) program and from state and local sources. The Violence Against Women Act (VAWA), passed in 1994, was the first federal law to acknowledge domestic violence and sexual assault as crimes and continues to provide federal resources to encourage coordinated approaches to combating intimate partner violence.

Services Funded by  
FVPSA, 2011

### TRIBAL

**160**

Tribal domestic  
violence shelters

**68**

Non-residential  
programs

Overall funding for domestic violence programs remains limited in the face of need. While some states have at least one domestic violence program in every county, there are still many areas, particularly in rural, low-population states, where a victim must travel more than 150 miles to reach the nearest domestic violence shelter, support group or advocacy service. The lack of programs is particularly acute for Native Americans as well as survivors in migrant and immigrant communities. Also,

Services Funded by  
FVPSA, 2011

**NATIONAL**

- ▶ Domestic & dating violence hotlines (available 24/7)
- ▶ Resource centers focused on broad-based technical assistance, resource development, public policy, training, and on expanding the work of Tribal Nations
- ▶ Special issue resource centers focused on public health, civil/criminal legal response, child protection and custody, mental health, trauma, and working with incarcerated victims
- ▶ Culturally Specific Resource Centers and organizations focused on communities of color and immigrant populations including African-Americans, Asian Pacific Islanders, and Hispanic/Latinas
- ▶ Technical assistance project focused on enhancing services to children and youth

access to services remains limited for victims and children with disabilities and older partners in abusive relationships.

## Domestic Violence Programs: An Overview

Community-based domestic violence programs typically provide 24-hour crisis hotlines, individual and group counseling, support groups for victims and their children, legal and medical advocacy programs, as well as children's services. Most provide emergency shelter to family members not safe in their own homes. These programs guide victims to protection and service options available under domestic violence laws and help them develop safety plans for themselves and their children.

### Services: Scope and Reach

Domestic violence programs receiving funds from the Family Violence Prevention and Services program at HHS reported the following for FY 2010:

- ▶ Over 134,000 adults (98.5% women) received emergency shelter services, along with 121,600 children. This included over 8.3 million shelter nights-- a 16.7% increase from 2009. There were over 171,000 unmet requests for shelter due in large part to limited shelter beds.
- ▶ Over 948,000 women and men and over 64,000 children received non-residential services such as counseling, advocacy and support groups.
- ▶ Over 3.8 million calls were made to domestic violence crisis hotlines. Hotlines provide callers with a safe place to talk about the abuse they are experiencing, while also helping them develop immediate and long-term safety plans.
- ▶ Domestic violence programs were active in community education efforts, providing over 84,000 presentations reaching 6.7 adults, and over 81,000 presentations reaching 1.8 million youth.

## Domestic Violence Services: Key Issues to Consider



*Shanna, Oasis  
Domestic Violence  
Shelter Worker*

Since many AFI programs may be unfamiliar with the nature and scope of the services provided by domestic violence programs, this additional information is provided to introduce key issues that are important to domestic violence victims and the programs that serve them at the local level.

- ▶ ***Victims are often reluctant to disclose domestic violence incidents.*** There are many reasons for this: they fear that their complaints will not be taken seriously, that they will be blamed for their partner's violence, that they will lose custody of their children, that their source of family economic support will be jeopardized, or that this information will be shared with their abusive partner. In light of these fears and the prevalence of domestic violence, it is critical to make victim safety issues a high priority and to assume that some of the individuals participating in your program may be domestic violence victims.
- ▶ ***Many abuse victims are unaware of the legal options, services, and support systems available,*** including those that might increase their economic independence. Abusers often isolate victims and control the information they need to become financially independent and physically safe.
- ▶ ***Domestic violence service delivery and advocacy are rooted in confidentiality and privacy, which are crucial to victims seeking safety from abusive partners.*** The confidentiality of a victim's conversations with a domestic violence advocate may be protected by state statute, and federal funding for domestic violence services requires safeguarding the privacy of records and information about those to whom programs have provided shelter and other services. Domestic violence programs take confidentiality very seriously.

### Safety Planning

*Safety planning must be understood as a process. Simply stated, a safety plan is each victim's unique strategy to reduce the risks generated by a partner's abuse and control.*

*A victim's safety plan might include strategies for staying as well as for leaving, and may have short and long-term timeframes. A short-term plan might be to feed the children early so the partner won't hit them during dinner. A longer term plan might be to save \$10 a week from the food money that is doled out to them until they can save enough to get a bus ticket to their mother's house in the next state over. Or they might plan to leave their abusive partner after they earn their GED or after the children have finished high school and leave home.*

*Of necessity, these safety plans change – as the abusive tactics change, so must their safety plan change. Many aspects of a victim/survivor's safety plan may remain hidden, even from advocates, and certainly from others with whom they have not yet built a trusting relationship.*

- ▶ ***An increasing number of domestic violence programs are culturally-specific in their approach.*** These programs are typically organized by and for a particular racial or ethnic community and provide a range of culturally-relevant services to African American, Latino, and Asian-Pacific Islander survivors. They often arise from a critique that traditional interventions and services are not responding well to marginalized communities and that new approaches are necessary.
- ▶ ***More and more domestic violence programs have developed comprehensive follow-up services for sheltered and non-sheltered victims of abuse.*** These include second-stage or transitional housing programs offering a full range of job training, educational, child care and supported living services, as well as financial literacy and other economic empowerment services. In some communities, specialized services have been designed for older survivors, victims exposed to HIV/AIDS, victims within gay and lesbian relationships, immigrant victims, and children witnessing domestic violence.

## Asset Building for Survivors of Domestic Violence

### Safety First

*It is important to evaluate up front whether participation in an IDA program might place a family at risk.*

*It may be in the best interest of a survivor's safety to initially engage in basic economic empowerment services until particular threats or concerns have decreased or been addressed.*

*It may be in the best interest of a survivor's safety to initially engage in basic economic empowerment services until particular threats or concerns have decreased or been addressed. In this section AFI grantees will find concrete examples of best practices in delivering a range of financial services—financial education, credit repair, debt reduction services, tax preparation, and IDAs—to survivors. Guidance is also offered on how to determine when a survivor is ready to save in an IDA account. Safety concerns are central to the provision of all of these services.*

### **Safety First: Addressing Risks and Enhancing Safety for All AFI Participants**

DV programs and advocates are in a unique position to develop partnerships with AFI grantees that will provide a range of help to grantees in serving survivors. They can help AFI grantees understand how the services they offer can benefit survivors; develop appropriate procedures to address domestic violence issues that arise for AFI participants; refer survivors who are IDA-ready; and provide ongoing training, guidance and support as needed.

It is important to evaluate up front whether participation in an IDA program might place a family at risk. It may be in the best interest of a survivor's safety to initially engage in basic economic empowerment services until particular threats or concerns have decreased or been addressed. Even when survivors assert that it is safe to participate in an IDA program, advocates should be prepared to talk through services and requirements of the program as well as highlight potential risks.

DV agencies have strict procedures for ensuring the privacy and confidentiality of domestic violence survivors, as well as guidelines for the sharing of information about survivors with other organizations.<sup>26</sup> As in any other collaborative partnership, your DV partner will need to clearly communicate these procedures with their AFI partners.

Similarly, the effectiveness of the safety planning support that advocates provide to survivors will depend on their understanding of the specific steps required of

<sup>26</sup> See, for example, the model release of information forms (in English and Spanish) for use by DV agencies when sharing survivor information developed by NNEDV's SafetyNet project at <http://nnedv.org/resources/for-ovw-grantees/technology-a-confidentiality.html>.

survivors participating in AFI programs and the potential risks or opportunities that they may pose for individual survivors. An AFI partner can help advocates and survivors identify where risks might arise for individual survivors, as well as possible safeguards that can be put in place.

There are a number of safety tips that DV programs and AFI projects should consider as they work with survivors participating (or getting ready to participate) in an IDA program or other financial empowerment services:

- ▶ **Attention to times of high risk.** Research has shown the time shortly after leaving an abuser is the most dangerous for a survivor of domestic violence. Particular caution should be exercised when trying to resolve financial issues during this time period.
- ▶ **Safe communication.** Ask survivors for a safe phone number or email address to use for communication, and be aware that these may need to be changed periodically if an abusive partner gains access to them.
- ▶ **Flexible meeting times and locations.** For survivors with pressing safety concerns, an AFI project should be flexible about meeting times and locations and, working with a DV partner, frequently help the survivor re-assess safety issues.
- ▶ **Securing credit reports.** Use a post office box or DV shelter address when requesting a credit report for a DV survivor. Pulling a credit report by listing an address known to the abuser may alert him/her to the survivor's activities and jeopardize safety.
- ▶ **Passwords.** Change the passwords required to access checking and savings accounts.
- ▶ **Safeguarding assets in joint accounts and joint property.** Change the signature authority on joint accounts to require the signature of both account-holders on any withdrawals. If possible, photograph joint and individual property that might later be contested in divorce proceedings.
- ▶ **Safely securing housing.** Supply a copy of a survivor's credit report when applying for rental housing if the landlord requires a credit check. Any new credit inquiry may be visible on the credit report and could alert the abuser to a survivor's new residence. Search for rental housing with private property owners who are more likely to accept a credit report provided by the applicant.
- ▶ **Safeguarding documents.** Encourage the survivors to rent a safe deposit box at a local financial institution to store important documents.
- ▶ **Tech safety.** Be aware of the inherent risks of technology (mobile phone and computer) and attempt to mitigate them. Many resources are available describing best practices around technology safety, including the NNEDV's Safety Net Project. <http://nnedv.org/projects/safetynet.html>

## Building the Foundation for Saving: Working with Survivors Not Ready to Open IDAs

### Financial Education

Financial education classes delivered in a peer group setting can be extremely helpful to survivors. The opportunity to discuss their financial situation in a guided forum, free of criticism, with others who have similar experiences can be empowering.

*Economic empowerment work with survivors most likely will not include opening an Individual Development Account right away. Some survivors may still be dealing with immediate risks, or have lingering concerns about their physical safety and financial security. Others may not yet have the earned income required to enroll in an IDA but are looking for employment. In these cases, a range of pre-IDA services can help survivors understand economic abuse, begin to assess their financial situations, set financial goals, examine available resources, and gain a more solid understanding of concepts of household financial management (such as budgeting and consumer credit). The following services can help survivors become successful IDA savers when they are able and eligible to open an IDA account.*

### Financial Education

Successful financial education programs for survivors have used an economic empowerment model which features the following:

- ▶ An emphasis on financial education, an understanding of rights and resources, and changes to spending and saving habits as a path to self-sufficiency;
- ▶ A focus on giving participants tools that can be used to make sound economic decisions for themselves and their families, rather than dictating a singular path to financial well-being for all survivors;
- ▶ Survivor-defined goals and progress toward those goals, with the guidance of a trusted advocate; and
- ▶ A recognition that economic abuse is common and serious and that, out of necessity, survivors' economic decisions often have been made with only immediate consequences in mind.

Financial education classes delivered in a peer group setting can be extremely helpful to survivors. The opportunity to discuss their financial situation in a guided forum, free of criticism, with others who have similar experiences can be empowering. A well-facilitated peer group can help participants examine their values and behaviors related to money, recognize signs of economic abuse, and discuss strategies for changing negative attitudes and behaviors. Hearing the stories of other survivors who have purchased assets with their IDA savings can be inspiring to participants, and such opportunities should be created whenever possible.

**TIP:** *Inviting experts in a variety of fields to speak at financial education classes can offer new perspectives on specific topics. With the help of a grant from the Foundation for Financial Planning, advocates at the Kentucky Domestic Violence Association’s member programs have invited financial aid officers, attorneys specializing in small business incorporation, insurance agents, mortgage lenders, career counselors, and professional financial planners to speak with domestic violence survivors.*

## Getting Banked

*For many survivors of domestic violence, opening a bank account may be an early step toward economic self-sufficiency.*

A few financial education curricula have been developed specifically for survivors of domestic violence. Two of the most widely used are:

- ▶ *Realizing Your Economic Action Plan* (REAP) by Redevelopment Opportunities for Women (\$150-\$175 at [http://www.row-stl.org/Content/RP\\_EEC.aspx](http://www.row-stl.org/Content/RP_EEC.aspx))
- ▶ *Moving Ahead through Financial Management* by the Allstate Foundation: <http://www.clicktoempower.org/financial-tools/financial-empowerment-curriculum.aspx>. (Please also go to [Chapter 4 Resources](#) for a larger list of curricula)

Survivors should also be informed about predatory financial services and practices. Too often, survivors who lack safe access to mainstream financial resources—especially if they are in the process of leaving an abuser—use payday lenders, check cashers, high-cost tax-time services, and auto title lenders because they feel they have no other option.

- ▶ *For more information on predatory lending, go to:* <http://idaresources.org/page?pageid=a047000000B6abX>.

## Getting Banked

For many survivors of domestic violence, opening a bank account may be an early step toward economic self-sufficiency. However, getting banked may be an obstacle for some. Survivors may not have been “allowed” to have a bank account, as a part of the power and control exerted by their abusers. Others may have been victims of economic abuse resulting in debt being accrued in their name, and they may have been unable to open a bank account. Survivors may be in ChexSystems due to the actions of their abusers and often don’t know it until they try to open a bank account. In addition, survivors may have negative feelings or lack knowledge about financial institutions as a result of financial abuse or their experiences growing up.

AFI grantees serving survivors should always partner with financial institutions that are willing to take the necessary steps to ensure participants' safety. This includes allowing survivors to open checking or savings accounts using a post office box or shelter address. Financial partners that understand the dynamics of economic abuse may also be willing to waive fees or offer "second-chance" accounts to those with a troubled banking history. The BankOn (<http://joinbankon.org/>) initiative can be an excellent resource for linking participants with "second-chance accounts." Read more about this nation-wide initiative in [Chapter 4](#).

**TIP:** *The Kentucky Domestic Violence Association has partnered with BB&T bank to have funds set aside to assist survivors with paying off small debts that appear in ChexSystems or are preventing them from getting banked. Helping survivors build positive relationships with financial institutions can benefit them while they are receiving services at a domestic violence program and for years to come.*

### Credit Counseling

When helping survivors review their credit reports, it is important to look for information that may indicate fraud or identity theft. Because so many survivors of domestic violence have experienced economic abuse, the client may uncover evidence of that abuse on a credit report. Requesting that a "fraud alert" be placed in the survivor's file will inform potential creditors that the applicant may be the victim of identity theft. A fraud alert may make it more difficult for someone to apply for credit in the survivor's name.

- ▶ *For more information about identity theft and how to address it, please go to: [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft).*

For many survivors, building or repairing credit can be difficult. However, with the help of advocates trained in credit counseling, some AFI participants have increased their scores by as much as 150 points in a two-year period. These participants were able to increase their scores by paying down existing or delinquent debt, using multiple lines of credit, making on-time payments and keeping their credit balances low.

**TIP:** *Savers in the Kentucky Domestic Violence Association's IDA program can take out microloans that are secured by the funds in their account and usually range from \$250-\$1000. This has proven to be a valuable credit-building tool, as borrowed funds can be used to pay outstanding debts and on-time payments are reported to the major credit bureaus, establishing a positive line of credit.*

## Removing Obstacles

Many survivors are single parents who are working, attending school, and juggling child care schedules. Removing obstacles that might prevent them from participating in financial education classes and one-on-one case management meetings is a way to build attendance. AFI grantees that are working with survivors can eliminate many barriers with thoughtful planning and programming. AFI grantees and domestic violence advocates can work together to ensure that specific obstacles are addressed in a way that is safe for survivors. The following programmatic considerations can help pave the way for a survivor's success in an AFI program:

- ▶ **Child care**—Some domestic violence service providers offer child care for clients during classes and at certain times of the day, if not full-time. AFI grantees who are providing the financial education classes or case management for IDAs might offer special classes at the shelter at a time when child care would be provided.
- ▶ **Meals**—The provision of a simple evening meal during financial education classes for participants and their children allows the family to meet a critical need while creating an opportunity for the survivor to work on financial goals.
- ▶ **Transportation**—Because many survivors have left everything behind and do not have their own cars, transportation to and from case management meetings or financial education classes can be critical for IDA savers' success. Collaboration between AFI and DV agencies can help address this issue (e.g., provision of bus passes, ensuring that meetings are held at a convenient location).

While many agencies that work with lower-income households may address these basic concerns in their programs, it is important to help survivors of domestic violence determine their own barriers. An initial meeting about economic self-sufficiency and IDAs can help uncover and address these issues by asking simple questions (while always considering the survivor's safety).

## How Can You Determine When a Survivor Is IDA Ready?

There are unique considerations for survivors of domestic violence who are interested in opening an IDA. Typically, the best candidates have:

***Permanently separated from their abusers.*** Complications associated with a continued or intermittent relationship with someone exercising power and control can jeopardize the survivor's IDA savings as well as any other progress she has made toward economic self-sufficiency.

**NOTE:** *Research and experience tell us that the decisions survivors make about staying with or leaving an abusive partner are complex. A survivor may still be with an abusive partner but preparing financially and otherwise to leave, and our advocacy should always support those efforts to become more financially independent. We are still learning about the efficacy of IDA participation for survivors whose abusive partners can potentially access or exert control over saved assets.*

### Being IDA-Ready

An IDA participant should be able to meet her monthly deposit obligations in addition to any other expenses.

- ▶ ***Transitioned from emergency shelter into transitional housing or other stable housing or have concrete plans to do so.*** This way, an applicant is less likely to have a significant or unexpected increase in her housing expenses during the time she is saving in her IDA. However, some successful IDA participants (who had stable income) used their time in a shelter to save money and make larger IDA deposits. Advocates should help survivors in this situation budget for an increase in living expenses when they do move into transitional or permanent housing, to ensure that they can continue to make IDA deposits and meet other financial obligations.
- ▶ ***A history of regular contact with a DV advocate and/or the opportunity to meet with one throughout their participation in an IDA program.*** A trusted advocate can help a participant stay on track and cope with unexpected expenses as well as advise on budgeting and goal-setting.
- ▶ ***Secured employment and/or a good work history.*** An IDA participant should be able to meet her monthly deposit obligations in addition to any other expenses.
- ▶ ***Started to consider mid- and long-term goals rather than immediate concerns and has communicated or responded positively to ideas such as college, micro-enterprise or home ownership.*** Survivors who are still in a crisis will probably have a difficult time meeting savings requirements and regularly attending financial education classes.

## Helping Domestic Violence Survivors Be Successful IDA Savers

*Saving in an Individual Development Account (IDA) is a challenging process that requires careful planning and discipline. Advocates at the Kentucky Domestic Violence Association (also an AFI grantee) have developed a number of practices to support survivors in their savings goals and keep them on track when life circumstances threaten to derail their efforts to save. They are described below.*

### Emergency Fund

*Many savers withdraw from IDA programs because of unexpected expenses that prevent them from making their required monthly deposit. Having an emergency fund can be key to their success and eventual asset purchase.*

### Detailed monthly statements

Many survivors who have opened IDAs find it helpful to receive detailed monthly statements that document their IDA deposits and the total available to them for an asset purchase, including matching funds. Programs should also receive statements for survivors to know whether participants are missing deposits or making unauthorized withdrawals. Because IDA savers often make more than a minimum monthly IDA contribution, the monthly statements can help them plan for occasional larger deposits, such as after receiving a tax refund. The monthly statements also can be an important motivational tool, as the participants can see how their savings have multiplied each month.

### Missed deposits and leaves of absence

The lives of lower-income survivors can be unpredictable, and it is likely that many of them will miss a monthly deposit due to an unexpected emergency such as a loss of income or sudden need to relocate. AFI rules state that participants who miss three deposits should be withdrawn from the IDA program. But when serving survivors, IDA programs may want to consider offering a leave of absence of up to six months. If a survivor indicates that she wants to remain in the program but has encountered a temporary setback, her advocate can recommend that her account be “suspended” until her situation becomes more stable.

### IDA emergency fund

Programs working with survivors enrolled in IDAs should consider creating an emergency fund to help participants make consistent deposits. Many savers withdraw from IDA programs because of unexpected expenses that prevent them from making their required monthly deposit. Having an emergency fund can be key to their success and eventual asset purchase. Participants are most likely to use the fund for car repairs, medical emergencies, one-time rental or utility assistance, or to pay an outstanding debt shortly before an asset purchase (*especially a home purchase*). Access to an emergency fund may also prevent survivors from turning to payday loans or other predatory financial products. The emergency fund should not

be used as a source of regular assistance and should be used only when other options have been exhausted. Consider limiting the number of times a participant can use emergency funds or the amount of money that can be withdrawn over a set time period.

### Credit score

AFI programs use different enrollment strategies when working with survivors who have very low credit scores (in the 450 to 550 range). Some provide credit counseling for six months to a year *before* opening the IDA. Others start credit counseling immediately after an account is opened, hoping that the prospect of an IDA will incentivize survivors to improve their scores.

The applicant's credit score is especially important if she intends to purchase a home or apply for a small business loan; mortgage and small business lenders can deny an application or charge higher interest rates based on credit scores. If your program allows participants to save for three years, participants will probably have enough time to raise a low credit score to get favorable loan terms. If the time frame for saving is shorter, consider whether the applicant will have enough time to improve her credit score to be able to receive favorable loan terms. Additionally, mortgage lenders typically will not lend to individuals with a bankruptcy less than two years old; those that do offer loans at extremely high interest rates.

- ▶ *For more information about all of the elements that go into determining a credit score, see the fact sheet on "Credit Scoring" at <http://www.idaresources.org/page?pageid=a047000000B7oys>.*

### Microloans

Innovative approaches to credit repair, such as the Kentucky Domestic Violence Association's Microloan Program, can help survivors build or repair their credit. Survivors take out zero-interest loans that typically range between \$500 and \$1000 and are secured by their IDA savings. Borrowers frequently use the loans to pay outstanding debts reflected on their credit report or start emergency savings accounts. The loans are repaid over one year, and on-time payments are reported to the credit bureaus, establishing a positive line of credit. If the borrower cannot repay the loan, the remaining debt is repaid with savings from her IDA account and the loan is reported to the credit bureaus as "Paid in Full." Survivors who take out subsequent loans and use other lines of credit have seen vast improvement in their credit scores.

Through its microloan program, the Kentucky Domestic Violence Association has helped at least half a dozen survivors increase their credit scores by more than 100 points in two years or less.

#### Microloans

*Through its microloan program, the Kentucky Domestic Violence Association has helped at least half a dozen survivors increase their credit scores by more than 100 points in two years or less.*

- ▶ *For more information on the Kentucky Domestic Violence Association’s microloan program go to: [http://kdva.org/projects/economic\\_justice/microloan.html](http://kdva.org/projects/economic_justice/microloan.html)*

### **Free tax preparation programs**

It is likely that a survivor’s tax refund is the largest lump sum of money she and her family will see during the year. Advocates can help survivors plan for tax season by reminding them about it throughout the year and by ensuring that they have all the information they will need to file. Maximize this opportunity by:

- ▶ referring the client to a free tax preparation program such as a Volunteer Income Tax Assistance (VITA) site to avoid paying preparation fees;
- ▶ ensuring that eligible clients claim the Earned Income Tax Credit ;
- ▶ discouraging the use of Rapid Anticipation Loans or Rapid Anticipation Checks ;
- ▶ helping the client determine the best use of refund money and encouraging that a portion of it be used to start or increase an emergency savings fund; and
- ▶ encouraging the survivor to use her refund to make a large deposit in her IDA.

*For information and tools on helping DV survivors file for tax benefits and receive free tax assistance, go to: <http://www.IDAresources.org> and click “**EITC and Tax Assistance**”.*

## Some Tips for Survivors on Starting an IDA

*Survivors interested in enrolling in Individual Development Accounts (IDAs) should consider a number of factors to determine whether they are ready for this step. Those who proceed can benefit from some fundamental advice on questions to ask to make sure they understand the IDA savings process, and how to develop a savings plan. AFI grantees and domestic violence service providers can offer this tip sheet to survivors who are considering, or already enrolled, in IDAs.*

### Always Consider your Family's Safety First

- If you are worried about your physical safety, this may not be an appropriate time to open an IDA.
- You must have a safe place to receive phone calls and mail (e.g. a contact whom the abuser does not know, such as a trusted friend).
- Be sure that you have a secure place to store your documents, such as your birth certificate, social security card, passport, and bank statements.

### Support and Resources

- Use the National Domestic Violence hotline number 1-800-799-SAFE for information about what constitutes domestic violence and to connect with help in your area.
- Your local domestic violence program can help you access important services.
- Consider all forms of assistance you may be eligible for, such as Legal aid, food stamps, Supplemental Security Income/Social Security Disability Insurance, rental assistance, the special feeding program for Women, Infants, and Children (WIC), and Temporary Assistance for Needy Families (TANF). Ask an advocate for assistance to learn more about these programs.

### Financial Safety

- Consider carefully if your abuser is still in a position to financially harm you (e.g., removing money from a joint account or ruining your credit).

- If you have joint accounts, shared debt or property, or outstanding child support issues, it may be best to delay opening an IDA because your abuser could potentially gain access to your assets.
- Work closely with your case manager to develop a safety plan that protects you from further financial abuse.

## Fully Tap into the Services of AFI Programs

AFI programs provide a variety of useful services, including:

- Financial education
- Credit counseling/debt management
- Helping with starting a bank account
- Tax assistance
- Individual development accounts (matched savings accounts)
- Access to other helpful state/federal benefits

## Your Spending Plan

- Use your credit report to identify possible fraud or theft AND to help create a spending plan that includes the payment of outstanding debt.
- Create a household budget that includes your anticipated monthly IDA deposits.
  - PAY YOURSELF FIRST -- Work savings into your budget in addition to your IDA deposits to begin building an emergency savings fund.
  - Consider fixed (rent, car insurance, car payment) and variable expenses. (utilities, groceries, etc.).
  - Plan for expenses that happen quarterly or annually.
  - Re-evaluate your situation and your budget if your plan is not working.
  - Be sure that you are not the victim of fraud or identity theft.
  - You may need to seek additional income, such as a second job or federal/state assistance, or look for other areas to cut expenses.

## Starting your IDA

- ❑ Make sure that you understand the program. For instance, ask what assets you are allowed to purchase through the program—a home, schooling, capital investment, a car (*Remember that AFI IDAs allow the purchase of a first home, capitalizing a small business, paying for postsecondary education or vocational training, or transferring to an eligible dependent*)?
  - Every IDA program has different savings, financial education, and case management requirements. For instance, ask what the minimum monthly amount is that you are required to save, and what happens if you miss making a deposit.
  - Be sure that you know the asset-purchase process. For instance, ask how long you need to save before you can make a withdrawal for a purchase.
- ❑ Get the most out of your financial education and case management. For instance, make sure you learn how to pull your credit report, what to do to improve your credit score, how to budget, and what other federal or state benefits you may be eligible to receive. This is information that can help you for your entire life and be passed on to your children and even your peer group.

Remember that economic self-sufficiency does not happen overnight, and that the most successful IDA participants are generally those who view it as a long-term process.

## AFI Grantee Role

*AFI grantees are not expected to screen their clients for domestic violence, but rather to be sensitive to how domestic violence might be impacting their clients, to know how to respond appropriately to disclosures of domestic violence that do occur, and to have the knowledge and relationships to refer clients for help.*

## Building Partnerships

Over the past several years, domestic violence (DV) agencies and asset building organizations have begun exploring ways to work together to boost the financial strength of domestic violence survivors. These partnerships can take many forms. Whatever the level of involvement of each partner, these collaborations involve hard work, and as yet there is not an instruction booklet to guide the process. This Toolkit, and this section on Building Partnerships, begins to fill this gap. In it, you'll read the case for why DV agencies and AFI grantees should partner, the steps involved in developing successful partnerships, and descriptions of different models for partnering.

### *What is the AFI Grantee's role in these collaborations?*

*AFI grantees are not expected to screen their clients for domestic violence, but rather to be sensitive to how domestic violence might be impacting their clients, to know how to respond appropriately to disclosures of domestic violence that do occur, and to have the knowledge and relationships to refer clients for help. It is your DV agency partner's role to provide safety planning support for domestic violence victims participating in your programs (including those referred by the DV agency as IDA-ready) and to help you respond to other issues unique to serving domestic violence survivors. Throughout this section you'll learn various ways to partner as well as different levels of involvement to consider in working with domestic violence service providers.*

## Why Should AFI Programs Partner with Domestic Violence Service Providers?

- ▶ **Many domestic violence survivors face significant financial challenges and are eligible for AFI services.** AFI programs can help survivors better manage money, learn to save, increase their assets, and ultimately improve the economic strength of their families.
- ▶ **Domestic violence advocates know how much financial independence affects survivors' ability to be safe from abuse.** As partners, you can increase survivors' economic options and resources.
- ▶ **Domestic violence programs can identify promising IDA-ready candidates.** Experience has shown that these survivors, particularly when supported by domestic violence advocates, can be very successful IDA savers.

- ▶ ***When AFI participants disclose domestic violence issues to AFI staff, domestic violence programs can provide safety planning and other support services.*** This will increase their ability to safely continue in the program.
- ▶ ***Domestic violence affects one in four women and one in seven men.*** AFI agencies should have a system for responding to disclosures of domestic violence among their clients and their staff.

## Steps to Building Successful Partnerships

*Successful collaborations involve creating connections between people and purpose. There are many positive reasons for AFI and DV programs to partner and nothing can substitute for simply getting together, talking, and learning about each other.*

This is especially true because DV programs and AFI grantees are unique in every community. AFI and other asset-building organizations differ in the range of financial services they offer clients, so DV programs will need to know about the particular services its potential partner offers. Also, since DV programs have varying levels of involvement in economic empowerment advocacy, their linkages to AFI programs will be different.

## Starting the conversation

Partnership building starts with conversation, and ideas to help launch these conversations are included below. The questions below are designed to help DV agency representatives understand the overlap between the survivors with whom they work and those able to participate in IDAs and other AFI services.

*These questions should be considered a starting point for discussion—a means to partnership rather than an end. Identifying common ground, creating a shared sense of purpose, and building mutual trust will be key to not only building collaborative relationships, but sustaining them over time.*

## Learn about how each of your programs operates, and what each has to offer the other.

How can AFI programs help DV programs improve the financial skills and circumstances of survivors? How can DV programs identify IDA-ready survivors who can safely participate in asset-building activities?

**Questions DV programs can ask—**

<b>Indicators</b>	<input checked="" type="checkbox"/> <b>Check here if this is true</b>
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8. What types of services does your AFI agency offer? Make sure you have asked about all of the following types of services:

Financial education	<input type="checkbox"/>
Getting banked	<input type="checkbox"/>
Matched savings accounts such as Individual Development Accounts (IDAs)	<input type="checkbox"/>
Debt management	<input type="checkbox"/>
Credit building/rebuilding	<input type="checkbox"/>
Tax credits, tax preparation and filing assistance	<input type="checkbox"/>
Education planning for your clients' children	<input type="checkbox"/>
Accessing federal and state benefits	<input type="checkbox"/>
Other services not mentioned	<input type="checkbox"/>

9. What is the typical financial profile of the clients who receive asset-building services? What are your agency's eligibility requirements? What characteristics do you look for in IDA participants?

Answer question here:

10. Are there specific approaches that improve the potential for success among participants from different racial and ethnic backgrounds, refugees and immigrants, rural vs. urban populations, individuals of different ages, or those from LGBT (Lesbian, Gay Bisexual and Transgendered) communities? Are your services provided to those with limited English proficiency and those with low literacy?

Answer questsgfgf

11. Does your agency have any experience in working with survivors of domestic violence? If yes, what issues have arisen and how were they handled?

### Questions DV programs can ask—

Answer question here:

12. Which of your agency's services do you feel could benefit domestic violence survivors most? Are you interested in serving survivors who are not yet IDA-ready? If so, would you expect them to be IDA ready within a specified amount of time to consider serving them?

Answer question here:

13. What privacy/confidentiality policies does your agency follow in order to protect program participants?

Answer question here:

### Questions AFI programs can ask—

14. What core services do you offer to domestic violence survivors in our community?

Answer question here:

15. What types of economic issues are the survivors you work with facing? What types of economic abuse have they faced? What are their most pressing financial issues?

Answer question here:

16. What specific types of economic advocacy services do you provide, if any? Do these include discussion of matched savings accounts or IDAs?

Answer question here:

17. Are there specific approaches that improve the potential for success among participants from different racial and ethnic backgrounds, refugees and immigrants, rural vs. urban populations, individuals of different ages, or those from LGBT (Lesbian, Gay Bisexual and Transgendered) communities? Are your services provided to those with limited English proficiency and those with low literacy?

### Questions AFI programs can ask—

Answer question here:

18. Have you ever referred a survivor to our AFI program for services? If yes, what was the experience?

Answer question here:

19. Do you feel that any of the survivors you have worked with in the last 3—6 months might be interested in opening an IDA or receive other asset building services?

Answer question here:

20. Do you offer any case management or supportive services that would help survivors in your program stay on track with the AFI goals they establish?

Answer question here:

### Questions about working together

In addition to learning about particular services for your clients, it is important to ask questions that will help the partnership operate more smoothly. Suggestions include:

- ▶ How many referrals can your asset-building agency handle from my agency? How many referrals do you think your organization would make to our agency?
- ▶ **DV program:** Can your agency train my staff on basic financial literacy and the value of asset-building strategies?
- ▶ **AFI program:** Can your agency train my staff on DV issues that might arise within asset-building programs?
- ▶ Who is the best point of contact at your agency with whom we should work?
- ▶ Does your agency work with any other DV programs/AFI programs in the area?
- ▶ What concerns do you have about working with our agency? What opportunities do you see?

- ▶ When should we meet again, and what steps should we take to make sure that this partnership moves forward?

### Why is the first conversation important?

In general, AFI programs and DV programs do not know each other well, and each has its own unique history, language, funding streams, and approach to serving its clients. There may also be very different perspectives and levels of understanding as to community and family needs. For these reasons and more, spending time getting to know each other first, rather than jumping immediately into program planning, is essential.

### Formalizing your relationship

If you reach the point in your discussions where you are planning joint activities with agreed-upon objectives, you might want to formalize your relationship. This can take the form of a Memorandum of Understanding (MOU), which allows you to express in writing how you have agreed to work together. The following elements of an MOU are straightforward and should be developed jointly with your partner agency:

- ▶ A description of what you intend to do together
- ▶ The timeline for the joint activities you plan to undertake together (these activities can be quite specific, such as engaging in cross-training or submitting a joint proposal for match funds, or more general, such as continuing to meet monthly to discuss issues of common interest)
- ▶ A description of the specific tasks that each partner is agreeing to assume, either as lead staff or as part of shared responsibilities
- ▶ A description of how costs associated with activities or the ongoing collaboration will be handled.

In addition, each of the organizations that are part of the MOU should identify a lead contact to ensure implementation of the MOU and resolution of any issues that arise.

### Other collaborative activities to consider:

- ▶ **Cross-reference each other.** Reference your partnership and your partner's resources in organizational brochures, websites, and other materials as appropriate.
- ▶ **Emphasize shared goals.** In public education and promotional materials, articulate your shared interests in asset building for DV survivors.

## Celebrate successes

Completing a list of community resources, jointly writing a letter to the editor, or co-sponsoring a community forum should all be noted as successes and celebrated. Individual and organizational leadership should be honored and supported.

## Keeping the partnership alive and healthy

Like any ongoing relationship, collaborations between AFI projects and DV programs will require “care and feeding” to remain productive, healthy and strong. Below are some tips for cultivating ongoing, beneficial partnerships between DV programs and AFI projects.

- ▶ **Keep lines of communication open.** Identify liaisons with each DV partner, and establish regular points of contact. This ensures that all communication is not just in response to problems.
- ▶ **Commit to addressing issues as they arise in an open, honest manner.** Before problems arise, decide how issues will be brought up for discussion. These issues could include the normal challenges of blending different communication styles and ways of working.
- ▶ **Document your work together, both in terms of process and programming.** This will be particularly important as you are developing a shared language, when misunderstandings and miscommunication are more likely. This can be as simple as identifying at the beginning of every meeting or conference call who will take notes and make sure that they are distributed to participants.
- ▶ **Take time to assess your work together.** Ask yourself what’s working? To what or to whom can it be attributed? What hasn’t worked as well as you had hoped, and why? Documenting your work together will help when you periodically reflect on both your accomplishments and the opportunities that you’ve not yet explored.
- ▶ **Take time to celebrate successes.** Completing a list of community resources, jointly writing a letter to the editor, or co-sponsoring a community forum should all be noted as successes and celebrated. Individual and organizational leadership should be honored and supported.
- ▶ **Update your Memorandums of Understanding and any contracts you have in place at least annually.** This provides both of you the opportunity to clarify or modify how you will work together in the upcoming year.

## Expand the Vision of Partnerships

It can also be very helpful to expand your vision of partnerships beyond AFI and DV agencies to other organizations that work to promote safe and financially stable families such as housing agencies, faith-based groups, community action agencies and others. These organizations can supplement the help that AFI grantees and DV agencies can provide and meet other critical needs of survivors and their families, such as offering heating assistance, job search, housing assistance, child care, etc.

## Continuum of Partnering: Finding What Works for Your Community

*While a DV state coalition or local DV provider may choose to operate an AFI program, such as the Kentucky Domestic Violence Association (KDVA) did (go to page 90) , or choose to form a formal partnership with an AFI program, such as occurred between the El Paso Collaborative for Economic and Community Development (AFI grantee) and the Center Against Family Violence (DV service provider) in Texas (go to page 86), there are many other ways that AFI programs and DV programs can partner. This continuum of partnering can include one or several of the following activities and can occur at the state or county level (between state/county-wide initiatives) or within a local community:*

- ▶ **Invite your partner to a staff meeting to learn about the services and supports that they can offer to the individuals and families you serve.** Review organizational mission, program objectives, eligibility criteria, how best to refer, and other important service issues. Identify where your missions overlap, where there are shared interests and where the services offered might be helpful to your agency's constituents.
- ▶ **Arrange for a similar visit to your partner's staff meeting.**
- ▶ **DV programs: Offer to provide training to AFI staff on domestic violence.** A focus should be on how DV issues might arise within the context of an AFI program and appropriate responses.
- ▶ **AFI program: Offer to provide access to financial education services to both DV program staff and survivors.** Explore ways to make the AFI program services, including IDAs, more accessible to DV survivors. This could include offering financial education classes for DV shelter residents or survivors living in the community in collaboration with your DV partner.
- ▶ **Share and disseminate outreach and program materials.** Provide each other with a supply of outreach materials to make available to clients about the services provided by your partner organization
- ▶ **Conduct a joint review of AFI policies and procedures.** Such a review can identify where DV issues might arise for AFI program (including IDA) participants and steps to enhance safety of all participants.
- ▶ **Develop a joint protocol.** Such a protocol can articulate how cross-training, cross-referrals, and coordinated services will be delivered, particularly when a disclosure of domestic violence occurs and when both programs are working with the same individual or family.

## Engaging Others

Consider co-presenting at AFI and DV regional/state-wide meetings or conferences on the nature and impact of your partnership.

- ▶ **Identify a point-of-contact at each agency and set up quarterly meetings.** Such points-of-contact can facilitate an ongoing exchange of information, assist in problem-solving, identify opportunities for ongoing collaboration and identify training and technical assistance needs.
- ▶ **DV program: Provide case management services.** Such services can be provided for AFI program participants referred by your program or disclosing domestic violence to the AFI program.
- ▶ **Consider co-presenting at AFI and DV regional/state-wide meetings or conferences on the nature and impact of your partnership.** Engage others in discussions of how to support the economic empowerment of low-income DV survivors.
- ▶ **DV program: Secure match funds for IDA “slots” for DV survivors.** Consider approaching funders who have provided support for DV intervention and prevention efforts to request match funds for individual slots. Even \$500—\$3000 in matching funds can make a difference to individual DV survivors who are then able to successfully participate in an IDA program.
- ▶ *For more information on how/where to secure match funds go to:* <http://idaresources.org/page?pageid=a047000000ApiTB>.
- ▶ **Submit a joint proposal for AFI funding.** Formalize your partnership with a joint proposal to support ongoing collaboration.

## Two Models for Providing AFI Services to DV Survivors: DV Coalition as AFI Grantee and Community Partnership Model

*This section describes the two models for providing AFI services to DV survivors that are currently operating in the field and their benefits and drawbacks. While these models may not fit the needs or circumstances of your particular community, included are valuable and concrete lessons on how the models started and how they operate, including division of responsibilities between AFI grantees and DV agencies—both at the state and local level.*

### Community Partnership Model: El Paso

The Texas Council on Family Violence (the state DV coalition) facilitated a partnership between a DV service provider and an AFI grantee in the same community. The El Paso Collaborative for Economic and Community Development (AFI grantee) is working with the Center against Family Violence (local DV service provider) to provide AFI services to the Center’s clients in El Paso. The state DV coalition secured the AFI matching funds through a contribution from the Allstate Foundation. The following charts describe the division of responsibilities between the two partners, and the strengths and weaknesses of such a model.

El Paso Community Partnership Model: Division of Responsibilities	
AFI Grantee	DV Service Provider
<ul style="list-style-type: none"> <li><input type="checkbox"/> Verify survivor’s eligibility for AFI</li> <li><input type="checkbox"/> Conduct financial literacy classes and asset-specific education</li> <li><input type="checkbox"/> Administer IDA accounts and relationship with bank</li> <li><input type="checkbox"/> Handle AFI grant reporting requirements</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Market AFI services to survivor clients (in the case of the Center against Family Violence, this happens by educating case managers about AFI.)</li> <li><input type="checkbox"/> Identify survivors who would make good candidates for AFI services</li> <li><input type="checkbox"/> Provide space for AFI grantee to conduct orientation sessions and financial literacy classes</li> <li><input type="checkbox"/> Handle safety planning around all AFI-related services</li> <li><input type="checkbox"/> Reinforce financial literacy training with DV-specific financial literacy</li> </ul>

### El Paso Community Partnership Model: Division of Responsibilities

<i>AFI Grantee</i>	<i>DV Service Provider</i>
	curriculum used by caseworkers helping AFI-enrolled survivors  <input type="checkbox"/> Offer additional support to help survivors keep on track with building credit and saving money

### El Paso Community Partnership Model: Benefits and Drawbacks

<i>Benefits</i>	<i>Drawbacks</i>
<input type="checkbox"/> The model maximizes each partner's strengths. The AFI grantee can connect clients to asset building resources; the DV agency knows how best to support survivors as they go through the program.  <input type="checkbox"/> Neither the DV agency nor the state coalition needs to administer the accounts, do AFI reporting or conduct other admin activities.	<input type="checkbox"/> Each partner faces a learning curve in understanding each other's field and how to work together.  <input type="checkbox"/> Partnerships are limited by the geographic proximity of AFI grantees.  <input type="checkbox"/> It requires an ongoing commitment to coordination between two separate, independent agencies.

#### Advice for Starting

Krista Del Gallo, Policy Manager with the Texas Council on Family Violence, offered the following guidance for state DV coalitions wishing to encourage partnerships at the community level:

- ▶ Seek out the asset building coalition or leading entity in asset building in your state. Make sure this coalition is aware of the DV community's interest in collaborating and request help in identifying a strong AFI grantee that would make a good partner.
- ▶ Identify a strong DV service provider in the same community as the AFI grantee, preferably a DV provider that is already involved in economic empowerment issues such as assistance with job search and/or financial literacy classes

- ▶ Reach out to both the DV service provider and AFI grantee separately to gauge interest and ongoing capacity. The presence of champions within each organization to advocate for the partnership will promote success.

### El Paso: Case Study of a Partnership Model

In 2008, when the Texas Council on Family Violence (the state DV coalition) first learned about the AFI program, a light bulb went on. The Council recognized that access to financial education and IDAs to purchase assets would be important tools to help survivors lead independent, violence-free lives. With 100 member organizations, the Council was not in the position to be able to work with every DV service provider in the state, nor was it interested in the administrative work involved in managing IDA accounts. With a contribution from the Allstate Foundation, the Council sought to identify an AFI grantee and a DV provider in the same community and launch a partnership by providing the matching funds for IDA accounts.

#### Finding the Partners

Finding the right programs was crucial. The coalition turned to the state asset-building association—RAISE Texas—for help in identifying a strong AFI grantee. It suggested the El Paso Collaborative for Economic and Community Development, which had an accomplished track record of operating IDA programs since 2001. Krista Del Gallo, Council Policy Manager, contacted Delia Chavez, executive director for the Collaborative. “She was extraordinarily open and excited about the potential for a partnership,” said Del Gallo.

Through its own channels the Council identified the Center against Family Violence in El Paso to be the DV provider in the partnership. The Center seemed promising because it already had a very robust employment program for survivors that began in 2006. The Center’s president, who previously had worked for the Chamber of Commerce, had joined a local workforce development board and offered to funnel survivors to the board to help them meet their employment quotas and draw down federal funds. The Center had developed “a base of clients that were going to be successful in the IDA program,” noted Del Gallo, acknowledging that only those with earned income could participate in IDAs.

#### Division of Responsibilities

The El Paso Collaborative and the Center against Family Violence jointly applied for an AFI grant, which the Collaborative now administers. The Collaborative handles all interactions with the bank, manages the IDA accounts, and meets all of the reporting requirements for the grant. In terms of direct services, the Collaborative verifies participant IDA eligibility, provides financial education, and opens participant IDA accounts.

The Center against Family Violence brings its own expertise to the partnership. Case managers know the circumstances of the survivors they work with and at what stage they are in their walk to independence. All of the Center’s case managers were informed about the AFI partnership and asked to identify promising candidates for the program. The Center also provides support for AFI participants to help them stay on course with financial education classes as well as to overcome barriers to successful completion. And, the Center handles the safety planning for participants to help ensure that their identity is kept confidential from their abusers in their transactions with the program, according to Center advocate Jose Avila.

“It’s a really good use of both organizations’ expertise,” said Del Gallo. The two organizations work together on problem solving if issues arise concerning missed IDA deposits and possible terminations from the program. Perhaps most central to the success of the partnership is finding strong leaders in both organizations, said Del Gallo.

*“If you don't identify somebody that's going to be a champion in an organization, it might not work out.”—Krista Del Gallo, Texas Council on Family Violence*

As of January 2012, 13 survivors were participating in the partnership. With attrition a major challenge for any AFI grantee, it is significant that since 2010 only one survivor has dropped out of the program. “Because of the advocacy and because of the training that we provide for them... I think that’s why they are so committed to this program,” said Chavez. With an 11-year history of managing AFI IDA accounts, Chavez noted that the survivors “have been our best savers. They really have been.”

### **Kentucky Domestic Violence Association: State DV Coalition as AFI Grantee Model**

The Kentucky Domestic Violence Association (KDVA) is the only AFI grantee that is also a state DV coalition. KDVA is comprised of 15 member programs that serve DV survivors across the state. Fourteen of these programs are sub-grantees for the AFI grant (one program receives its own IDA funding). KDVA has also built partnerships with seven financial institutions throughout Kentucky because there is no single bank or credit union with branches statewide.

**Division of Responsibilities**

Kentucky Domestic Violence Association: State DV Coalition Model Division of Responsibilities	
<i>AFI Grantee: KDVA</i>	<i>Sub-grantees: KDVA member programs</i>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Writes and administers AFI grant, manages grant reporting</li> <li><input type="checkbox"/> Raises matching funds</li> <li><input type="checkbox"/> Offers training for advocates on asset building and economic empowerment and facilitates participation in national trainings such as NeighborWorks America and AFI Financial Education Academies</li> <li><input type="checkbox"/> Verifies applicant’s eligibility and approves applications</li> <li><input type="checkbox"/> Pulls credit reports after accounts are open</li> <li><input type="checkbox"/> Manages relationships with partnering financial institutions</li> <li><input type="checkbox"/> Holds IDA “Master Account” from which matching funds are drawn</li> <li><input type="checkbox"/> Compiles monthly IDA statements for savers and their advocates</li> <li><input type="checkbox"/> Facilitates asset purchases</li> <li><input type="checkbox"/> Provides technical assistance to advocates</li> <li><input type="checkbox"/> Administers emergency fund</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Recruit participants</li> <li><input type="checkbox"/> Assist survivors with application process before submission to KDVA</li> <li><input type="checkbox"/> Help survivors open bank accounts</li> <li><input type="checkbox"/> Provide one-on-one case management that includes budgeting and credit counseling</li> <li><input type="checkbox"/> Help determine if participants are receiving appropriate public assistance benefits and make referrals to public assistance programs and other community resources as appropriate</li> <li><input type="checkbox"/> Refer survivors to other resources, such as KDVA’s microloan program or emergency fund</li> <li><input type="checkbox"/> Conduct financial education classes and facilitate guest speakers with expertise in a related field</li> <li><input type="checkbox"/> Identify or conduct appropriate asset-specific trainings</li> <li><input type="checkbox"/> Document completion of financial education requirements</li> <li><input type="checkbox"/> Initiate asset purchases</li> </ul>

Kentucky Domestic Violence Association: State DV Coalition Model Benefits and Drawbacks	
<i>Benefits</i>	<i>Drawbacks</i>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Both grantee and sub-grantees understand the nature of domestic violence</li> <li><input type="checkbox"/> Best for rural DV agencies that are less likely to have AFI grantees in their region with which to partner</li> <li><input type="checkbox"/> Policies can be tailored to survivors' needs</li> <li><input type="checkbox"/> Can develop programs to supplement AFI IDAs (e.g. car IDAs, microloans)</li> <li><input type="checkbox"/> Local programs already have a working and/or financial relationship with the coalitions</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> It can be difficult securing commitment from DV service providers who historically have focused on survivors' immediate needs.</li> <li><input type="checkbox"/> Raising non-federal match is more difficult for coalitions who are not focused on community development funding sources</li> <li><input type="checkbox"/> It can be challenging to administer a large program with many sub-grantees.</li> </ul>

### Advice for Starting

Mary O'Doherty, Director of Economic Justice at KDVA, offered the following guidance for state DV coalitions wishing to encourage partnerships at the community level:

- ▶ Ensure that you can raise the non-federal AFI match funds
- ▶ Choose local DV organizations with directors and staff that are committed to doing the work and have clients they think would benefit from the program
- ▶ Partner with local programs that have strong nonresidential service programs. Most of the women KDVA works with have moved out of shelters and are still receiving support services from their local DV program. Ms. O'Doherty finds that IDAs work best for women who have left the shelter and established independent housing.
- ▶ Plan on having an emergency fund to assist survivors when life interferes and they miss a deposit.

## Emergency Fund

*“I think this is critically important to any IDA program, but especially to a domestic violence program. This is a fund that you can tap when life intrudes and it looks like the participant is not going to be able to make her monthly deposit because her car broke down or her kids got sick.”*  
—Mary O’Doherty, Kentucky Domestic Violence Association

## Kentucky Domestic Violence Association: Case Study of a State DV Coalition as AFI Grantee

The Kentucky Domestic Violence Association (KDVA) – the state’s domestic violence coalition—became an AFI grantee in 2004, when it sought to develop an economic empowerment focus to its activities. Newly hired as the economic justice director, Mary O’Doherty said she heard about AFI—interestingly—from one of KDVA’s member organizations in Louisville, which was the first organization to receive an AFI grant in the state. As with most AFI grantees, finding the nonfederal match money took some work. “We got our first bit of match funds from Fifth Third Bank. In order to do that, we (KDVA) agreed to move some of our accounts to the bank,” recalls O’Doherty. The coalition solicited additional match money from the Kentucky Housing Corporation, the state’s housing finance agency. KDVA is now applying for its fourth AFI grant; it is the only state domestic violence coalition to wear the hat of AFI grantee.

Enrollment happened fairly quickly for the first grant because a number of KDVA’s member organizations were enthusiastic and assigned staff to work with the coalition to get their clients on board. KDVA also made the strategic move of allowing DV program staff—who were eligible—to enroll in IDAs. “That was smart because they were good participants. They finished quickly. And they demonstrated that this [program] could work.”

### Benefits of the Model

O’Doherty points to some very compelling features of the “state DV coalition as AFI grantee” model. It sidesteps the problem of having to find an AFI program in a community with an interested DV provider and it removes the burden of raising AFI match funds from local DV service providers. “We provide an opportunity for the small rural program that only has a couple or handful of people that want to have an IDA,” she says.

As a coalition, KDVA also has the financial capacity to support survivors to stay on track with their IDA savings goals. It runs an IDA emergency fund, which helps IDA savers weather emergencies so they can still make their monthly IDA payments.

*“I think this is critically important to any IDA program, but especially to a domestic violence program. This is a fund that you can tap when life intrudes and it looks like the participant is not going to be able to make her monthly deposit because her car broke down or her kids got sick.”*

KDVA also offers a creative microloan program, which allows survivors saving in an IDA to borrow as much as they have in their accounts (up to \$2,000) to be secured

with their IDA savings. The microloan program allows savers to build their credit scores by making on-time monthly loan payments, which KDVA reports to the credit bureaus. Use of loan funds is not restricted. Some borrowers use the loan to start an emergency savings account or pay outstanding debt that is negatively impacting their credit score; in other cases survivors have taken out microloans and used the loan money to pay it back, so they can establish a repayment history.

In describing the division of responsibilities between KDVA and its member organizations in running the AFI program, O’Doherty points to the critical role that the local providers play in working with survivors.

*“We wrote the grant, we raise the grant matching funds, we administer the grant... and we provide training for our programs so that they can teach financial education classes and provide credit counseling. And we recruit community partners so that they can offer home ownership counseling and small business counseling. But where the rubber meets the road, where the hard work happens is at the program level: the domestic violence programs.”—Mary O’Doherty, Kentucky Domestic Violence Association*



**Mary O’Doherty ,  
Kentucky Domestic  
Violence Association**

The one-on-one case management that advocates offer survivors in the AFI program helps to identify and overcome the problems that could derail their success and gives them the ongoing emotional support they need to have the discipline to save, notes O’Doherty.

### Summary

As this section describes, even a modest level of involvement in a partnership takes deliberate and ongoing communication between the AFI grantee and the DV agency, an explicit delineation of roles and responsibilities, and flexibility to jointly handle any challenges that may arise. (*For additional resources on developing partnerships, please refer to [Chapter 4](#).*)



# Assets for Independence (AFI) Serving Domestic Violence Survivors Toolkit

*Strategies for partnerships between the asset building and domestic violence services communities*

## CHAPTER FOUR



*This toolkit has been developed for AFI grantees and Domestic Violence service providers interested in working together to help domestic violence survivors become financially stronger. The information compiled provides step-by-step guidance to bring partnerships from concept to reality.*



April 2012

## Chapter 4: Additional Resources

### **Find an AFI Project**

Contact and speak to someone at the AFI Resource Center at 1-866-778-6037 or [info@idaresources.org](mailto:info@idaresources.org) to get connected to a local AFI project.

### **In This Section:**

- ▶ **AFI Contacts**.....94
- ▶ **Domestic Violence Service Provider Contacts**.....96
- ▶ **Financial Education Curricula for Domestic Violence Survivors** .....96
- ▶ **Resources for DV Service Providers interested in Becoming AFI Grantees** .....99
- ▶ **Resources for AFI Grantees and DV Service Providers interested in partnering with each other**.....121

*This section of the toolkit provides domestic violence (DV) programs and AFI grantees with some helpful forms and contact lists to use as they initiate partnerships. These resources include links and information for contacts for AFI grantees and state and local domestic violence agencies. Also included are sample contracts, checklists and draft MOUs for DV service providers interested in becoming AFI grantees, and a sample AFI match funds commitment letter.*

*Please note that these documents are considered examples only, and the language used is not specifically endorsed by AFI. You can contact the AFI Resource Center if you have questions about developing materials. Please also check the online version of this toolkit periodically at <http://idaresources.org> (go to the Domestic Survivors box) for additions to this section.*

### AFI Contacts

- ▶ A list of active AFI grantees by state can be found on the IDA Resources website at: <http://idaresources.org/afigrantees>.
- ▶ An interactive map to visually see where grantees are located can be found at: <http://idaresources.org/Map>.

- ▶ You can also contact and speak to someone at the AFI Resource Center at **1-866-778-6037** or [info@idaresources.org](mailto:info@idaresources.org) to get connected to a local AFI project.

## Other Asset Building Resources

- ▶ ***The Corporation for Enterprise Development (CFED)*** is a national non-profit organization focused on improving economic opportunity for low-income families through research and policy development. CFED initiates a number of asset building projects, including the yearly Assets and Opportunity Scorecard for each of the fifty states that provide a state-by-state snapshot of household financial security and state policy around assets. ***More information about CFED can be found at*** <http://www.cfed.org>.
- ▶ ***Many states have state asset building coalitions*** that provide information about member organizations and specific state asset policies. The Asset Coalition Toolkit for States (ACTS) website has an interactive map to help identify state asset building coalitions: <http://www.assetcoalitiontoolkit.org/state-coalition-search-map>. Each state has a link to the CFED Assets and Opportunity Scorecard and more information about the state’s asset policy from the Center for Social Development (CSD), as well as contact information for the state coalition, if available.
- ▶ ***For the latest AFI Report to Congress***, which details outcomes for AFI grantees since the start of the Assets for Independence program, visit the Publications and Reports page on the AFI website: <http://www.acf.hhs.gov/programs/ocs/afi/research.html>.
- ▶ ***For the full text of the legislation*** that authorized the Assets for Independence Act, see <http://www.acf.hhs.gov/programs/ocs/afi/afialaw2000.pdf>.
- ▶ ***Bank On programs*** are organizations nationwide that “negotiate with banks and credit unions in local communities to reduce barriers to banking and increase access to the financial mainstream. Typically led by local government or state public officials, Bank On programs are voluntary, public/private partnerships between local or state government, financial institutions, and community-based organizations that provide low-income un- and underbanked people with free or low-cost starter or ‘second chance’ bank accounts and access to financial education.” ***More information about Bank On, including how to find the local Bank On program in your area, can be found at*** <http://joinbankon.org>.

## Domestic Violence Service Provider Contacts

- ▶ To contact the National Domestic Violence Hotline, call **1-800-799-SAFE (7233)** or **TTY 1-800-787-3224** (for hearing impaired individuals).
- ▶ Domestic violence coalitions help connect local domestic violence providers in states and territories, and provide valuable resources about state/territorial services, program and policy. To find information about state and territory domestic violence coalitions, you can visit the links to each individual coalition on the VAWnet (National Online Resource Center on Violence Against Women) website: <http://www.vawnet.org/links/state-coalitions>.
- ▶ The state coalition pages list local shelters and domestic violence agencies within their state.

## **Other Domestic Violence Resources**

- ▶ **VAWnet** also has a special collection on asset building and IDAs to assist domestic violence advocates interested in connecting clients to these opportunities. The collection includes general information about asset building, as well as information about how it intersects with domestic violence, and can be found at <http://www.vawnet.org/special-collections/DVAssetBuilding.php>.

## Financial Education Curricula for Domestic Violence Survivors

### **Overview**

For an overview of the financial education materials available for survivors, see:

- ▶ ***Exploring the Intersection Between Financial Capability and Domestic Violence:*** A workshop hosted by the U.S. Department of the Treasury, the Social Security Administration, and the UW-Madison Center for Financial Security in May 2011. Meeting materials, including a meeting summary, PowerPoint presentations, and research briefs, are available at: [http://cfs.wisc.edu/events/DV\\_Workshop.aspx](http://cfs.wisc.edu/events/DV_Workshop.aspx)

## Curricula

*Inclusion of the following curricula does not constitute an endorsement by the Building Assets for Survivors of Domestic Violence initiative.*

### ► **Allstate Foundation**

The **Moving Ahead through Financial Management** curriculum addresses:

- ❑ Strategies for addressing the complex financial and safety challenges of ending a relationship with an abusive partner
- ❑ Information on how to protect personal and financial safety in an abusive relationship and after leaving an abusive relationship
- ❑ Methods for dealing with the misuse of financial records
- ❑ Resources for working through the financial and safety challenges of identity change
- ❑ Tools to help people of all incomes and earning power work toward long-term economic empowerment, including budgeting tools, step-by-step planners and more
- ❑ Tactics for locating and accessing local, state and national personal safety and financial resources

*The curriculum is available for free download online from:*

<http://www.clicktoempower.org/financial-tools/financial-empowerment-curriculum.aspx>.

*An evaluation of the Allstate curriculum is also available:*

[http://cfs.wisc.edu/DV\\_Workshop/Postmus\\_PowerPoint.pdf](http://cfs.wisc.edu/DV_Workshop/Postmus_PowerPoint.pdf).

### ► **National Coalition Against Domestic Violence (NCADV)**

The **Hope & Power for Your Personal Finances: A Rebuilding Guide Following Domestic Violence** curriculum was created by NCADV, the National Endowment for Financial Education and Intuit. It was developed to help domestic violence survivors regain control of their finances. The curriculum is designed to be helpful both for women who have left an abusive relationship and for those still in the relationship and considering their options.

*Organizations and survivors may obtain a free copy for review from:*

<http://www.ncadv.org/programs/FinancialEducation.php>. *Organizations can also order multiple copies for a small fee.*

▶ ***Redevelopment Opportunities for Women (ROW)***

**ROW's Economic Action Program (REAP)** is a 12-hour group economic education curriculum. It is provided by ROW on-site at several locations, including emergency shelter programs and non-residential social service programs that serve low income women. The curriculum covers budgeting, credit and banking topics, and addresses safety issues throughout. REAP participants receive credit counseling and assistance developing an individualized economic plan.

*For more information, go to: <http://www.row-stl.org/Content/REAP.aspx>.*

▶ ***Federal Deposit Insurance Corporation (FDIC)***

FDIC's **Money Smart** curriculum was updated in October 2010 to include information about helping domestic violence survivors recover from financial abuse. The FDIC website includes examples of how organizations have used the curriculum to serve domestic violence survivors:

<http://www.fdic.gov/consumers/consumer/moneysmart/newsletter/sum2011/stories.html>.

*To order a free copy of the FDIC curriculum, go to the FDIC website's Money Smart page and click on "Order Money Smart":*

<http://www.fdic.gov/consumers/consumer/moneysmart/index.html>.

## [Resources for DV Service Providers Interested in Becoming AFI Grantees](#)

### Draft MOUs (Courtesy of the Kentucky Domestic Violence Association)

#### Sample MOU for member organizations in a coalition model

#### **Why a Memorandum of Understanding?**

*This sample MOU can be tweaked for your own use to outline each agency's responsibilities and help solidify the partnership. This agreement can help reduce conflict and maintain continuity when there is staff turnover. The MOU can be revised yearly to incorporate necessary changes and make sure that everybody is still on board.*

### **MEMORANDUM OF UNDERSTANDING**

***THIS MEMORANDUM OF UNDERSTANDING*** is made and entered into by and between Kentucky Domestic Violence Association (KDVA) and its Partner Organizations for KDVA's Individual Development Account program.

In consideration of the rights and obligations set forth below, the parties agree as follows:

1. Partner Organizations will identify clients who are eligible to participate in the Individual Development Accounts (IDA) program.
2. Partner Organizations will assist clients in making application to Kentucky Domestic Violence Association (KDVA) for eligibility approval.
3. Partner Organizations will provide financial education classes for its participants or facilitate the enrollment of clients in financial education classes provided by community partners.
4. Partner Organizations will provide one-on-one monthly case management to participants and monitor client participation in program as outlined by KDVA requirements. Clients who establish good savings records and complete the financial education requirements may be eligible for quarterly case management in the 2nd and 3rd years.
5. KDVA will administer the program for its full five-year life; coordinate and integrate all organizations involved, including funders, financial institution partners and community organization partners.
6. KDVA will coordinate and provide training for all partner programs.
7. KDVA will provide the Partner Organizations and the participants with monthly statements showing the participants' deposits and their matches.
8. KDVA will send checks from IDA accounts to post-secondary education institutions, banks, mortgage companies and other appropriate vendors.

To indicate their understanding of and agreement to the terms of this MOU, the parties have executed this instrument on the  day of ,

Name

Name

Organization

Organization

Date

Date

## Sample MOU with financial institution partner to set up participant IDAs

### **SAVINGS ACCOUNT PROGRAM AGREEMENT**

The Kentucky Domestic Violence Association Individual Development Account Program Agreement (“Agreement”) is executed as of January, 2012 by and between KDVA, Barren River Area Safe Space (BRASS) and PNC Bank (“PNC”).

### **RECITALS**

WHEREAS, BRASS has developed an Individual Development Account (“IDA”) initiative; and

WHEREAS, the Program benefits certain qualified low income clients (“Clients”) in the Commonwealth of Kentucky; and

WHEREAS, BRASS requires clients to save a minimum of twenty dollars (\$20) a month for at least one (1) year and up to three (3) years to qualify for a four to one match; and

WHEREAS, PNC has agreed to offer savings accounts to Clients referred to PNC by BRASS, sponsor of the Program.

NOW THEREFORE, by mutual consent of the parties and for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### **PNC RESPONSIBILITIES**

1. PNC will offer agreed upon no-cost savings accounts (“Accounts”) in which Clients can deposit funds on a regular basis.
2. PNC will waive low balance fees and will provide current interest rates for said Accounts.
3. PNC shall use information provided on Clients’ Program application form to set up Accounts. PNC will require one (1) acceptable form of personal identification from Clients.
4. PNC will inform BRASS and Client of any early withdrawal penalties or special charges for Account closure.

5. PNC shall, at the completion of the Program, provide to Client an official check covering the balance in the Account and made payable to Client AND a specific vendor provided by BRASS.
6. PNC will, during the term of the Program, provide BRASS with information concerning the account for reports required by the Assets for Independence Program.
7. PNC will, with the Client's written consent, provide Client Account statements to BRASS on a regular basis.

### **BARREN RIVER AREA SAFE SPACE RESPONSIBILITIES**

1. BRASS will recruit, screen and provide a program orientation to Clients before the Accounts are opened.
2. BRASS will provide two (2) weeks' notice to PNC when its presence is necessary to open Accounts at group sessions.
3. BRASS will inform PNC that the Applications have been completed and that the Clients have been accepted into the Program. BRASS will, with Clients' consent, be provided with a list of Accounts opened at PNC branches.
4. BRASS will provide PNC with necessary Account and Program information for use in regulatory examinations.
5. BRASS will provide to PNC a written form regarding vendor specific information in order that PNC can generate accurate official checks to the Client at the conclusion of the Program.
6. BRASS will indemnify and hold harmless PNC, its successors and assigns from and against any and all claims, suits, actions, damages, losses, judgments and expenses (including any and all attorney fees) of any nature whatsoever incurred by PNC and arising from PNC's participation in the Program.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

BARREN RIVER AREA SAFE SPACE

PNC BANK OF BOWLING GREEN

By:

By:

Name:

Name:

Title:

Title:

## Sample MOU with financial institution partner to set up project reserve fund account

### Kentucky Domestic Violence Association IDA Memorandum of Understanding Fifth Third Bank 2012

Fifth Third Bank is making an in-kind contribution to the Kentucky Domestic Violence Association (KDVA) IDA program. The details of this commitment are:

1. Fifth Third will hold a Reserve Account, in the name of the KDVA IDA Project, which will hold both Fifth Third's non-federal match and the federal match.
2. In accordance with the Asset for Independence Act (AFIA), Fifth Third agrees to deposit into the Reserve Account all funds provided to it from public or private sources in connection with the AFIA demonstration project.
3. The Reserve Account will accrue interest monthly at an annualized tiered rate (depending on the balance) of 0.12% on the average monthly collected balance. (Rate is subject to change due to periodic rate adjustments made by the bank at its discretion.) Any rate changes will be reflected on the regular monthly statement.
4. The no cost IDA accounts will be opened for up to 92 individuals who are approved IDA applicants for up to three years.
5. KDVA will be responsible for tracking all monthly matches. Since all matching funds are held in the Reserve Account, the matching contributions plus interest accrued will only be issued from the bank when a participant supplies a completed Authorized Withdrawal Form to the bank and only for the amount stated on the authorized withdrawal form.
6. The IDA accounts will be regular interest-bearing savings accounts, held in the name of the participant and will accrue interest. The interest rate on the match will be 0.10% for account balances up to \$5,000.00. Rates are subject to change due to periodic rate adjustments made by the bank at its discretion. Any accrued interest on participant's savings above \$10 will be surrendered to the IDA Emergency Fund.
7. Fifth Third Bank complies with Federal Deposit Insurance Corporation (FDIC) accounting regulations, reporting quarterly and annually. KDVA follows Government Auditing Standards: OMB A-133 Uniform Administrative

Requirements for Grants and Agreements for Non Profit Organizations, and A-122 Cost Principles for Non Profit Organizations.

8. The accounting procedures followed in account management at Fifth Third Bank will conform to guidelines required by the U.S. Department of Health and Human Services.
9. Fifth Third will supply KDVA, free of charge, with data and reports as requested by KDVA.
10. Fifth Third agrees to waive fees customarily associated with opening and monthly service fees of an interest bearing savings account for the Reserve Account and the IDAs.

Beth Workman  
IDA Program Coordinator

Janet Beard  
Fifth Third Representative

## IDA Program Documents (Courtesy of the Kentucky Domestic Violence Association)

### Sample Application Form

#### KDVA Classic IDA Program

##### **Checklist**

1. All 6 pages of the KDVA IDA Application
  - a) including Credit Authorization Form
2. Verification of all earned income
  - a) pay stub, tax return, and/or letter
3. 4:1 Savings Plan Agreement (2 pages)

##### **Participant Application**

*This program is designed to help you save money towards a specified asset. We will match every dollar you save from earned income with four dollars. The maximum savings amount is \$1,000 and the maximum savings period is three years. **This is an application for the program.** The information on this form will be used for program evaluation and to obtain your credit report and will otherwise be confidential.*

#### **How to Use this Sample Application Form?**

*This sample application form can be used to determine whether a participant is eligible for the AFI IDA program. Another sample application packet can be found on the IDA Resources website: go to [www.idaresources.org](http://www.idaresources.org), and click on the "AFI<sup>2</sup> System" link, and look under "Data Management Templates and Forms".*

**Participant Information**

Social Security Number

Full Name

First

M.I.

Last

Gender

DOB

Ethnicity

Primary language

Referred By

Address

Apartment No.

City

State

Zip code

County

Years at this address

Home phone

Safe time to call

Work phone

Receive calls

YES NO

Email

Enter the name and address of a relative who would know how to contact you if you moved:

Full Name

First

M.I.

Last

Relationship to You:

Address

Apartment No.

City

State

Zip Code

County

Home Phone

Work Phone

Asset Goal:

Income Source:

IDA Bank Acct. #:

**Household Information**

Are you (circle):    Single, never married    married    divorced    separated    widowed

How many adults live in your household (including yourself)?

How many children live in your household?

**Employment Information**

What is your highest level of education? \_\_\_\_\_

How long have you been in your current position?

How many hours per week are you working?

Where are you employed?

What is your position?

**Referral Information**

How did you hear about this program?

Multiple Line entry

Are you currently receiving case management services?

Multiple Line entry

If yes, where?

Multiple Line entry

**Income Information**

Have you ever received the Earned Income Tax Credit?

Have you ever received Welfare or TANF?

Are you presently receiving Welfare or TANF?

Please list your household **monthly gross income:**

	Participant (self)		Other Household Members
Formal Employment	<input type="text"/>	<input type="text"/>	<input type="text"/>
Self-employment	<input type="text"/>	<input type="text"/>	<input type="text"/>
Government Assistance	<input type="text"/>	<input type="text"/>	<input type="text"/>
Pension or retirement income	<input type="text"/>	<input type="text"/>	<input type="text"/>
Child Support	<input type="text"/>	<input type="text"/>	<input type="text"/>
Friends/Family Income	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other Income (SSI or SSDI)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Source of other income (Food Stamps)?	<input type="text"/>	<input type="text"/>	<input type="text"/>

**TOTAL Monthly INCOME**

Net Worth Information		Assets Information	Debt Information
<i>Do You...</i>			
	Yes/ No	What is its Value?	How Much Do You Owe?
Own a Vehicle?	_____	<input type="text"/>	<input type="text"/>
Own a Home?	_____	<input type="text"/>	<input type="text"/>
Own a Business?	_____	<input type="text"/>	<input type="text"/>
Own Rental Property?	_____	<input type="text"/>	<input type="text"/>
Have Investments (i.e. 401 k)?	_____	<input type="text"/>	<input type="text"/>
Have a Checking Account?	_____	<input type="text"/>	<input type="text"/>
Have a Savings Account?	_____	<input type="text"/>	<input type="text"/>
Owe Money to Family or Friends?	_____	<input type="text"/>	<input type="text"/>
Have Past Due Household Bills?	_____	<input type="text"/>	<input type="text"/>
Credit Card Bills?	_____	<input type="text"/>	<input type="text"/>
Student Loans?	_____	<input type="text"/>	<input type="text"/>
Medical Bills?	_____	<input type="text"/>	<input type="text"/>
<b>Total</b> the amounts in each column		<hr/>	<hr/>

These are your

Assets

Liabilities

Your assets minus your liabilities are

(If you owe more than you own, put the number in brackets, like (\$1,505).)

Do you currently have health insurance?

Do you currently have life insurance?

Do you currently have auto insurance?

Have You ever declared bankruptcy?

Have you ever defaulted on a loan?

Have you ever used direct deposit?

Do you have a high school diploma or a GED?

John Doe Smith

Name (Printed)

*John Doe Smith*

Signature\*

03/00/2012

Date

\*This IDA program reserves the right to change IDA Program rules and policies during the term of this letter of agreement. Written notification of any changes will be provided to participants prior to its taking effect.

**Why Make a Request for Credit History Records?**

*Reviewing a participant's credit history is essential for establishing a strong financial profile. A participant's permission is required to pull up his or her credit score.*

## Authorization for Credit History Records or Other Records

### Request For Credit History Records

By signing this form you verify that KDVA and your participating organization can pull and review your credit report.

NAME:     
 Last First MI

SSN:

ADDRESS:    
 Street, Name, and Number APT #

City State Zip Code

To Whom It May Concern:

I hereby authorize a representative of the KDVA IDA Project and Kentucky Housing Corporation to inspect and copy all records regarding my IDA participation, including but not limited to, statements, reports, credit history records or any other documents in any form which are maintained by, in the custody of, or in the possession of any institution, organization, or individual. A photocopy hereof shall be considered as fully as the original.

I also understand that program staff may use email to send information about me to KDVA.

This is notice to you as required by the Right to Financial Privacy Act of 1979.

I affirm that the information stated in this application is true to the best of my knowledge. I understand that any information I provide to the program will be used for program evaluation and to obtain credit information for program purposes and will otherwise be kept confidential.

This authorization expires on December 31, 2017 or at my request.

Print Name

Signature

Date

This form is required for all IDA applicants. Please submit all household income information with the application.

Wages, salaries, tips, etc.

Unemployment compensation

Social Security benefits

Student loan interest deduction

Tuition and fees deduction

**Total**

Applicant signature \*

\*By signing this form I verify that I am reporting all household income. Household income includes all adults living in my household that receive earned income. If I cannot provide a pay stub to verify my earned income I will provide a letter from my employer, or if I am self-employed, I will provide my most recent tax return.

## Savings Plan Agreement

### What is a Savings Plan Agreement?

The savings plan agreement outlines the rules and responsibilities of both the AFI grantee and the participant when starting an IDA. The document will explain the restrictions around the AFI account and the timeline for completing program requirements.

### IDA Classic Program

Participant:

**Signing this agreement verifies that the participant and advocate agrees to abide by the guidelines set forth below:**

1. I,  agree to make a minimum deposit of \$20/month for a minimum of six months to a maximum of three years. My projected monthly savings is . I understand that all deposits must be from earned income. I will inform my IDA Coordinator if I experience loss of earned income.
2. I plan to use my savings for . The choice of this asset is not set in stone and may change after conferring with my IDA Coordinator.
3. I agree to participate in monthly one-on-one case management sessions for the first year I am enrolled in the program. Following the first year, case management may occur on a quarterly basis if my IDA Coordinator agrees. I will participate in asset purchase specific workshops. It is my responsibility to obtain proper documentation for the completion of the course.
4. I understand that withdrawals are allowed only for purposes stated below and that all withdrawals must be approved by my IDA coordinator and a KDVA representative. My IDA account may be used only for saving toward my IDA goal and not for any other purpose. I understand that the account is not to be used as a checking or emergency savings account.
5. I may make one emergency withdrawal every 12 months to prevent eviction, help with medical emergencies and to meet necessary living expenses (medical, food, clothing, and utilities) following loss of employment. I must reimburse those funds within 12 months or I will lose my matching funds and be removed from the program. Only one emergency withdrawal is allowed per 12 months. In extreme cases, KDVA may approve one additional withdrawal in the lapsed time.
6. If I fail to make a deposit for three months, I must withdraw from the IDA program. I am required to speak with my IDA Coordinator if I experience reduced or loss of earned income.
7. I understand that the IDA program is designed to help develop my savings habits. If I make a lump sum deposit, which is encouraged when I receive my

federal tax return, I will continue to make monthly savings. I also understand that I am encouraged, but not required to make continued monthly deposits once I reach the maximum savings.

8. I understand that I must stay enrolled in the program for at least six months before I can purchase my asset. I also must have at least \$1,000 of my own funds in my IDA before I can purchase an asset.
9. In the event of my death, any balance remaining in the account shall be distributed within 30 days of the death to another account holder for the benefit of the person listed below.

Beneficiary:

Relationship:

10. Each dollar saved (up to \$1,000 for three years) by an account holder will be matched with one dollar each of non-federal and federal funds, only at the time of an asset purchase. This matching money will be held in the IDA reserve account (not the account holder's.) At the time of an approved purchase, match funds will be withdrawn from the reserve account.
11. Participant will be enrolled for at least 6 months before making a purchase and no longer than three years to complete the program; meaning an asset must be purchased no later than three years after opening a qualified IDA.
12. Each month, account holder will receive a bank statement showing savings and interest to date. Account holder can contact the IDA Coordinator or KDVA if there are questions regarding the statement.
13.  will coordinate the financial education program and peer support groups that the account holder must attend.
14.  will work with the account holder to ensure his/her savings timeline and plan contain realistic goals. The coordinator also will help account holder address any barriers to completing all of the requirements for eligibility including helping him/her find other resources when financial emergencies arise.
15. When the account holder is deemed ready to purchase an asset, the IDA program (KDVA) will write a check directly to the bank or mortgage company, educational institution or applicable vendor. Checks will never be made out to the IDA participants. Checks will only be made out to approved businesses, organizations, firms, or institutions.

Account holder

Date

IDA Coordinator

Date

KDVA Representative

Date

### **Opening a Bank Account**

*Participants may need extra guidance when opening their IDA account at a partner financial institution. These instructions would be developed in conjunction with the partner bank.*

## **Instructions for Participants on how to open an IDA account at a partner financial institution**

### **How to open an IDA account with Fifth Third Bank**

All IDA participants need to open their IDA accounts at Fifth Third Bank by mail. Please fill out the signature card and attach a copy of your **driver's license** or a picture ID. The items that need to be included in the envelope are: a cover letter which makes clear the program the participant is applying through, the signature card, and a legible copy of the participant's driver's license.

The envelope needs to be sent to:

Contact Person

Bank

Address

If you have any questions, please feel free to **Contact Person** at **Your Organization, (555) 123-4567**. **Your Organization** would like to handle all contact with **Bank**.

**Pre-Authorized Bank Withdrawal Form**

**Making a Withdrawal**

When a participant is ready to make an asset purchase, the AFI grantee makes the withdrawal and payment to a third party on behalf of the individual. This form allows the participant to give consent for that withdrawal.

**Kentucky Domestic Violence Association (KDVA)**  
**Pre-Authorized Bank Withdrawal Form IDA**

Participant Name:

Date:

**Please circle Participants Bank:** (BB&T, Community Trust, Fifth Third, Heritage, PBI, People’s or PNC)

The above participant hereby authorizes KDVA to make the following transfer regarding my Individual Development Account (IDA) to Kentucky Domestic Violence Account, so that I may make an asset purchase under the terms of the program.

**Must Circle One below:**

Participant’s Account Number:   
Checking or Savings Account

Participant’s Bank Routing Number:

Amount to be transferred: \$

Description of Asset Purchase:

Special Instructions for KDVA only: i.e.: check to be made out to, address for check to be mailed, any other additional special request

KDVA Fifth Third R/T:  R/T:

KDVA Fifth Third IDA Account (Please Check One):

Authorizations:

 

Participant  KDVA Representative



## Asset Purchase Checklists

### How to Use Asset Purchase Checklists

Asset purchase checklists can help participants properly prepare for an asset purchase. Many purchases require specialized education (e.g. homeownership education), and this checklist can help ensure that the requirements are met.

### Individual Development Account Post-Secondary Education Purchase Checklist

***Please discuss these issues with Mary, Beth, Vickie or Andrea BEFORE your IDA participant makes an asset purchase:***

1. What is the account holder's updated credit score? How does it compare to her credit score when she enrolled?
2. Does the account holder's file include a copy of her certification or any kind of documentation that she attended as asset specific education workshop?
3. Does the participant qualify for student loans? How much is the student taking out in loans? What is the student loan interest rate?
4. What are the check request details: Who or what agency is the benefactor of the check? How much is the check for? Where will the check be mailed?
5. Have you discussed these questions with a KDVA staff member three weeks before the asset purchase request?

***KDVA needs this documentation before it can issue a check to the lender:***

1. KDVA's Authorized Withdrawal and Transfer Form
2. Enrollment at a post-secondary education institution
3. Invoice
4. Certificate of workshop completion

### Individual Development Account Small Business Purchase Checklist

***Please discuss these issues with Mary, Beth, Vickie or Andrea BEFORE your IDA participant makes an asset purchase:***

1. What is the account holder's updated credit score? How does it compare to her credit score when she enrolled?
2. Does the account holder's file include a copy of her certification or any kind of documentation that she attended a small business and/or micro-enterprise education class?

3. Does the participant qualify for any local small business loans?
4. Has the participant opened a small business bank account in the name of the small business?
5. Has the small business plan been approved by a small business counselor from a Small Business Administration organization?
6. Is the participant the sole owner of the small business? If not, are they an equal partner?
7. What are the check request details: Who or what agency is the benefactor of the check? How much is the check for? Where will the check be mailed?
8. Have you provide KDVA with an approved copy of the small business plan three weeks before the asset purchase request?
9. Check requests can take up to 1 week to process.

***KDVA needs this documentation before it can issue a check to the lender:***

1. KDVA's Authorized Withdrawal and Transfer Form
2. Small business plan
3. Small business plan approval
4. Certificate of workshop completion
5. Invoice for item(s) to be purchased

### **Individual Development Account** **Home Purchase Checklist**

***Please discuss these issues with Mary, Beth, Vickie or Andrea BEFORE your IDA participant signs a purchase agreement:***

1. What is the account holder's updated credit score? How does it compare to her credit score when she enrolled?
2. Does the account holder's file include a copy of her certification or any kind of documentation that she attended a home-ownership education class?
3. Has the account holder talked to Kentucky Housing Corporation or other community partners about whether she is eligible for down-payment assistance?
4. Does the account holder understand that her home must be on a permanent foundation (in the event that she is considering a non-stick-built home)?

5. Has the account holder found a lender offering a mortgage with terms in the account holder's best interest for the long-term? If so,
  - a) What is the interest rate?
  - b) What is the monthly payment and does it include insurance and taxes?
  - c) How does the mortgage payment compare to her rent payment?
  - d) Does the mortgage payment comprise a disproportionate share of her income?
6. What are the check request details: Who will the check be made out to? For how much? Where will the check be mailed?
7. Have you notified KDVA of the closing date at least three weeks in advance?

***KDVA needs this documentation before it can issue a check to the lender:***

1. KDVA's Authorized Withdrawal and Transfer Form
2. Copy of updated credit report
3. Proof of completion of a home-ownership education class
4. HUD 1. If the lender cannot send KDVA the HUD 1 at least a week in advance of closing, please make plans with the account holder for payment of next-day or two-day mail fees to ensure her check arrives in time for the closing.

## [Resources for AFI Grantees and DV Service Providers Interested in Partnering with Each Other](#)

### **Commitment Letter**

*Like a Memorandum of Understanding, a letter of commitment can help outline what each partner is bringing to the collaboration, and can be used as supporting documentation when applying for grants and funding.*

### **Draft Letter of Commitment (Courtesy of the Texas Council on Family Violence)**

#### **A sample commitment letter to provide AFI non-federal matching funds**



*December 18, 2009*

Delia Chavez

Executive Director

El Paso Collaborative for Community and Economic Development

1359 Lomaland Drive, Suite 516

El Paso, TX 79935

*Re: El Paso Collaborative Assets for Independence-IDA Program Commitment of Matching Funds*

*Dear Ms. Chavez:*

*On behalf of the Texas Council against Family Violence, it is my pleasure to commit \$30,000 to the El Paso Collaborative for Community and Economic Development as non-federal matching funds to support a new AFI-IDA Program that will help program-eligible, domestic violence survivors in the El Paso area to develop long-term assets.*

*The source of these funds is a grant from The Allstate Foundation. These funds were specifically designated to be used for a pilot matched savings program in El Paso, Texas.*

*We strongly support your partnership with the El Paso Center against Family Violence to develop this project and look forward to working with you. It is our hope that this project will serve as a model project throughout Texas.*

Sincerely,

*Krista Del Gallo*

Policy Manager | Texas Council on Family Violence