



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.



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Table of Contents

Chapter 1: Purpose and Background Information.....	1
<i>Why This Toolkit?</i>	1
<i>Don't Let this Toolkit Sit on a Shelf!</i>	4
<i>New Federal Initiative: Building Assets for Survivors of Domestic Violence</i>	5
<i>Do Domestic Violence Survivors Make Good AFI Candidates?</i>	8
<i>Why Should AFI Grantees and Domestic Violence Service Providers Partner?</i>	11
Chapter 2: Information for Domestic Violence Service Providers	12
<i>Assets for Independence (AFI): A Primer for Domestic Violence Programs</i>	13
Asset Building: Background and Philosophy	13
Assets for Independence: Key Program Elements	15
<i>Asset Building for Survivors of Domestic Violence</i>	20
Talking to Domestic Violence Survivors about Asset Building: When and How to Introduce the Conversation	20
Safety First: Addressing Risks and Enhancing Safety for All AFI Participants	22
Building the Foundation for Saving: Working with Survivors Not Ready to Open IDAs.....	24
How Can You Determine When a Survivor Is IDA Ready?.....	30
Helping Domestic Violence Survivors Be Successful IDA Savers	31
Some Tips for Survivors on Starting an IDA.....	34
<i>Building Partnerships</i>	37
Why Should DV Programs Partner with AFI Projects?	37
Steps to Building Successful Partnerships	38
Continuum of Partnering: Finding What Works for Your Community	44

Table of Contents (continued)

Two Models for Providing AFI Services to DV Survivors: DV Coalition as AFI Grantee and Community Partnership Model	46
Chapter 3: Information for AFI Grantees	54
<i>What Is Domestic Violence?</i>	55
Understanding the Nature and Impact of Financial Abuse	56
<i>A Look at the Domestic Violence Field</i>	60
Key Federal Funding Provided	60
Domestic Violence Programs: An Overview	61
Domestic Violence Services: Key Issues to Consider	62
<i>Asset Building for Survivors of Domestic Violence</i>	64
Safety First: Addressing Risks and Enhancing Safety for All AFI Participants	64
Building the Foundation for Saving: Working with Survivors Not Ready to Open IDAs	66
How Can You Determine When a Survivor Is IDA Ready?.....	70
Helping Domestic Violence Survivors Be Successful IDA Savers	71
Some Tips for Survivors on Starting an IDA.....	74
<i>Building Partnerships</i>	77
Why Should AFI Programs Partner with Domestic Violence Service Providers?	77
Steps to Building Successful Partnerships	78
Continuum of Partnering: Finding What Works for Your Community	84
Two Models for Providing AFI Services to DV Survivors: DV Coalition as AFI Grantee and Community Partnership Model	86
Chapter 4: Additional Resources.....	94
<i>AFI Contacts</i>	94
<i>Domestic Violence Service Provider Contacts</i>	96
<i>Financial Education Curricula for Domestic Violence Survivors</i>	96

Table of Contents (continued)

<i>Resources for DV Service Providers Interested in Becoming AFI Grantees</i>	99
Draft MOUs (Courtesy of the Kentucky Domestic Violence Association)	99
IDA Program Documents (Courtesy of the Kentucky Domestic Violence Association).....	105
<i>Resources for AFI Grantees and DV Service Providers Interested in Partnering with Each Other</i>	121
Draft Letter of Commitment (Courtesy of the Texas Council on Family Violence)	121



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 Programs13**
 - Asset Building: Background and Philosophy
 - Assets for Independence: Key Program Elements
- ▶ **Asset Building for Survivors of Domestic Violence20**
 - 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 Partnerships37**
 - 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*⁵
- ▶ **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 prospects⁶. 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.

⁵ 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/. Accessed March 12, 2012.

⁶ 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)⁷, or
- ▶ Are eligible for the Federal Earned Income Tax Credit (EITC)⁸, or
- ▶ Have income less than two times, or 200% of the Federal poverty line (approximately \$44,700 for a family of four in 2011)⁹

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.

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

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

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

What Do We Know about AFI IDA Participants?

AFI participants are¹⁰:

- ▶ 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 Accomplished¹¹?

- ▶ 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

¹⁰ 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>

¹¹ *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/, 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 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*

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.¹² 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

¹² 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.¹³

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>.

¹³ 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)

- ▶ *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.*

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.¹⁴

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.¹⁵ 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:

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

¹⁵ 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=a04700000B7oys>.*

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*

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"> <input type="checkbox"/> Verify survivor’s eligibility for AFI <input type="checkbox"/> Conduct financial literacy classes and asset-specific education <input type="checkbox"/> Administer IDA accounts and relationship with bank <input type="checkbox"/> Handle AFI grant reporting requirements 	<ul style="list-style-type: none"> <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.) <input type="checkbox"/> Identify survivors who would make good candidates for AFI services <input type="checkbox"/> Provide space for AFI grantee to conduct orientation sessions and financial literacy classes <input type="checkbox"/> Handle safety planning around all AFI-related services <input type="checkbox"/> Reinforce financial literacy training with DV-specific financial literacy

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"> <input type="checkbox"/> Writes and administers AFI grant, manages grant reporting <input type="checkbox"/> Raises matching funds <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 <input type="checkbox"/> Verifies applicant’s eligibility and approves applications <input type="checkbox"/> Pulls credit reports after accounts are open <input type="checkbox"/> Manages relationships with partnering financial institutions <input type="checkbox"/> Holds IDA “Master Account” from which matching funds are drawn <input type="checkbox"/> Compiles monthly IDA statements for savers and their advocates <input type="checkbox"/> Facilitates asset purchases <input type="checkbox"/> Provides technical assistance to advocates <input type="checkbox"/> Administers emergency fund 	<ul style="list-style-type: none"> <input type="checkbox"/> Recruit participants <input type="checkbox"/> Assist survivors with application process before submission to KDVA <input type="checkbox"/> Help survivors open bank accounts <input type="checkbox"/> Provide one-on-one case management that includes budgeting and credit counseling <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 <input type="checkbox"/> Refer survivors to other resources, such as KDVA’s microloan program or emergency fund <input type="checkbox"/> Conduct financial education classes and facilitate guest speakers with expertise in a related field <input type="checkbox"/> Identify or conduct appropriate asset-specific trainings <input type="checkbox"/> Document completion of financial education requirements <input type="checkbox"/> Initiate asset purchases

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

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](#).*