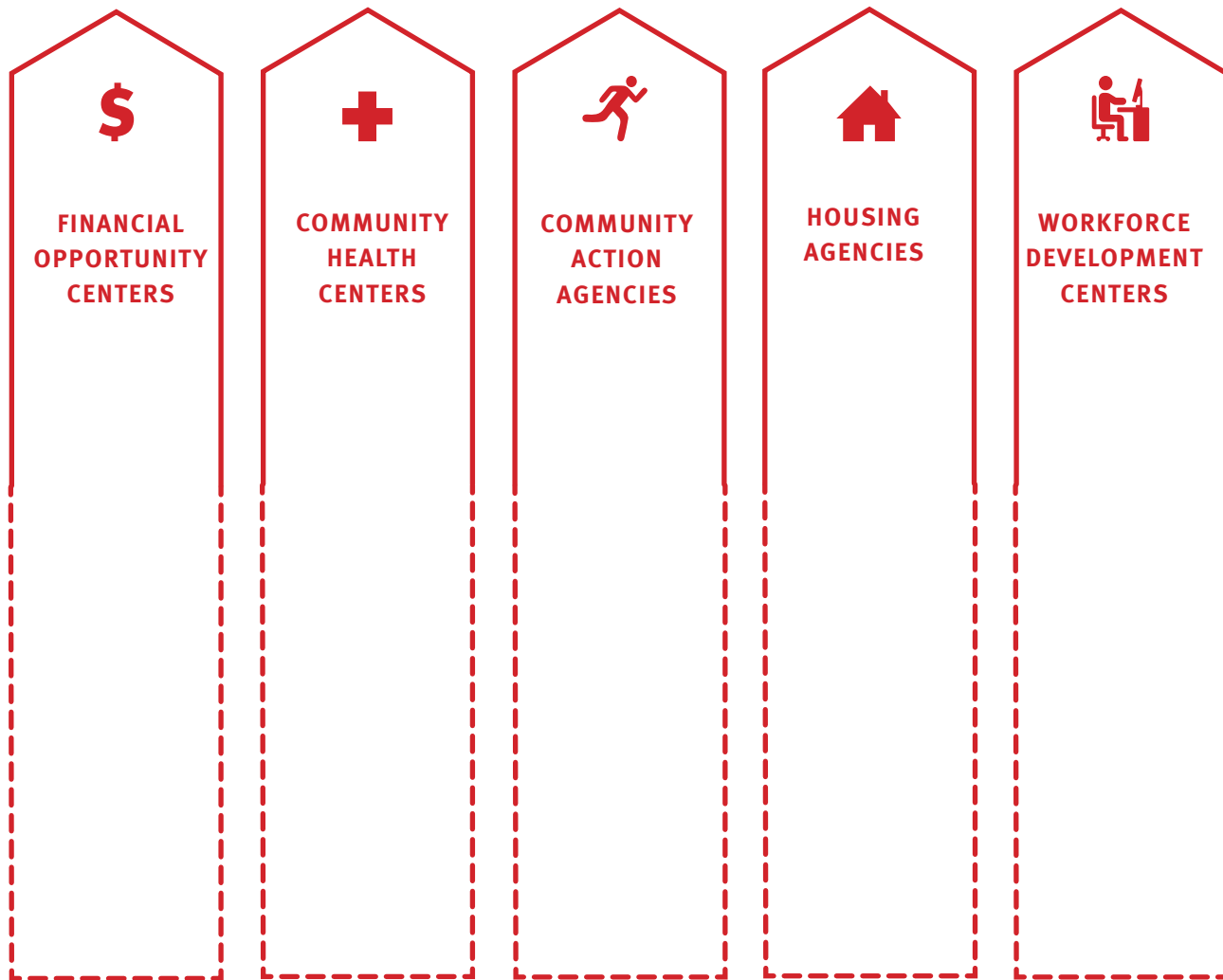


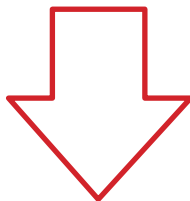
## PART 1: ASSET INTEGRATION

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How can asset-building services benefit the individuals, families and communities served by human service agencies?



**BREAKING SILOS**



**PROSPERITY**



**ECONOMIC SECURITY**

# Integrating Asset Building Into Human Service Agencies, Systems and Structures

- › HOW CAN HUMAN SERVICE AGENCIES INCORPORATE ASSET BUILDING INTO THEIR PROGRAMS AND SERVICES?
  - › HOW CAN ASSET-BUILDING SERVICES BENEFIT THE CLIENTS OF HUMAN SERVICE AGENCIES?
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Human service agencies are pillars within the communities they serve, addressing immediate needs such as food, housing, medical care, income assistance or employment services. And by integrating asset building into existing service offerings, these agencies can continue to meet critical time-sensitive needs while also supporting families in moving to long-term security and stability. Because assets expand educational and business opportunities, improve family health, and function as a buffer for emergencies, asset building as a framework for engagement produces long-term, sustainable gains within low- and moderate-income families and communities. By developing a focus on asset building, human service agencies can expand capacity and broaden impact.

Asset building benefits human service providers and their clients across a range of fields that includes nonprofit organizations, community health centers, community action centers, housing agencies and workforce development centers. Strategies for integrating assets take many forms, ranging from minimal to high commitment within the organization. Agencies can take the simple step of educating staff about local asset-development programs and making written materials available to clients or assume a bigger commitment by partnering with asset-building organizations to co-locate services within their agencies. Human service agencies can also opt to institutionalize asset development by building asset-related services into their agency's programming.

Part I of this guidebook explores how the following types of agencies integrate asset-building strategies into existing programming.

- › **Financial Opportunity Centers** One way that human service agencies can help their clients build assets is to establish Financial Opportunity Centers (FOCs). FOCs provide services such as employment assistance, financial education and coaching, and connection with public benefits to enhance low- and moderate-income people's financial stability.
- › **Community Health Centers** Community health centers are particularly well situated to connect their patients with financial resources, including asset-building opportunities, and to identify health issues stemming from financial stress. They can integrate financial health screening as a standard of primary care and use that information to offer financial wellness programs, help patients understand their insurance options and navigate the insurance system, and provide financial coaching to support ways to reduce the health burdens that stem from financial insecurity.
- › **Community Action Agencies** Many community action agencies (CAAs) engage in asset building and other economic empowerment programs. These services range from free tax preparation through the VITA program to inclusion of and connection to financial education, job and housing support services, assistance with public benefits, and referrals to education and training such as English as a Second Language services. Many CAAs also effectively integrate financial coaching into all the services they deliver.

- › **Housing Agencies** Many housing agencies are currently engaged with asset building through the federally funded Family Self-Sufficiency (FSS) program. FSS allows residents to save new income they earn that would otherwise go toward increased rent. There is no limit on how much families can save as long as they remain enrolled in FSS and eligible for subsidized housing. After five years, participants who have completed their self-sufficiency goals can access their savings.
- › **Workforce Development Centers** Workforce development centers do much to help clients build skills, locate job opportunities and navigate the labor market. As trusted resources and allies to workers and job seekers, workforce development centers can play an important role in connecting clients to asset-building opportunities. Among the services workforce development centers can offer are providing free tax preparation, raising awareness about tax credits for low-income workers, providing financial coaching and stabilizing programs, and facilitating access to low-cost bank accounts, small-dollar loans and credit-rebuilding programs.



“Amos House decided to focus on financial services and asset building by incorporating the financial opportunity center model across all education, training and housing programs to help individuals work toward greater personal and financial stability and to help families move out of poverty. In the past four years, we have seen a significant impact that reaches beyond the hard outcomes of increased income, net worth and improved credit scores.

“We have seen an attitudinal and behavioral shift in how our guests manage and value their money, and the feeling of accomplishment for men and women who are opening savings accounts, acquiring new credit, purchasing insurance, paying off debt, saving for retirement and purchasing cars, accomplishments that many would not have considered an option based on their past experiences, including histories of homelessness, incarceration and substance use.”

*Jennifer Kodis, Coordinator of Employment Services, Amos House*

## FINANCIAL OPPORTUNITY CENTERS (FOCs)

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FOCs embody a comprehensive, multifaceted approach to income and wealth building among low- and moderate-income clients. Agencies with an FOC model provide a variation of core services — including employment assistance, financial education and coaching, and enrollment in public benefits — by co-locating services to improve access and streamlining enrollment processes so that their effects reinforce and build upon one another. These services foster clients' focus on increasing income, decreasing expenses, and saving and acquiring assets while building tools and resources for economic empowerment and self-sufficiency.

Community-based organizations can implement the FOC model among their client base with guidance from the Local Initiative Support Corporation (LISC) and the United Way. The FOC model is built on the work of these two organizations and the Annie E. Casey Foundation's Center for Working Families framework. Since launching in 2005, LISC's FOC network has expanded and now consists of 65 centers in 25 cities, including Boston, Chicago, Detroit, Houston, Oakland and Philadelphia.<sup>28</sup>

For more information: [www.lisc.org/section/ourwork/national/family/foc/](http://www.lisc.org/section/ourwork/national/family/foc/)

### Amos House Financial Opportunity Center

Amos House in Providence, R.I., is a nonprofit human service agency that provides a range of services to homeless and financially insecure people, including daily meals, utility assistance, recovery-based shelter, permanent supportive housing, literacy education, job training and placement, and financial counseling. Amos House opened its FOC in 2011. By incorporating financial services, including employment assistance, financial coaching, and assistance with public benefits into all of its programs, Amos House helps clients progress on their path to financial stability. Amos House credits the FOC model with enabling clients to plan for the future, change the direction of their lives and locate a clear pathway out of poverty. As of 2014, the Amos House FOC had served more than 300 men and women; of these, 252 have found employment, 204 have increased their net worth, and 57 have boosted their credit. In the FOC's fourth year, 74% of participants who were working had zero or positive net income, an increase of about 50% over the previous year.

For more information: [www.amoshouse.com/TrainingEducation/FinancialOpportunityCenter.aspx](http://www.amoshouse.com/TrainingEducation/FinancialOpportunityCenter.aspx)

## COMMUNITY HEALTH CENTERS

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Financial hardship and poverty are closely entwined with health outcomes, exacerbating health risks while also creating barriers to medical care. Families' financial capacity — or lack thereof — plays an important role in determining their diet, exercise routines and other health habits. According to a recent study by the American Psychological Association, people in lower-income households are almost twice as likely to say that lack of money prevents them from living a healthy lifestyle compared to higher-income respondents. This inability to afford nutritious foods and other opportunities for a healthy lifestyle plays a role in lower-income individuals' higher risk for diabetes, obesity and related diseases.<sup>29,30</sup> Additionally, while financial concerns are the leading cause of stress for all Americans, financial stress disproportionately affects low-income households<sup>31</sup> who in turn face a higher risk of stress-related ailments like heart disease, ulcers and anxiety.<sup>32-33,35</sup> Among low-income individuals, high financial stress is associated with unhealthy coping mechanisms, such as drinking alcohol or smoking, which carry their own health risks.<sup>31</sup> Another way that finances affect health is by determining or limiting families' access to medical care and their ability to comply with medical advice. Even with new insurance programs available through the federal Affordable Care Act, out-of-pocket fees create financial stress for many low-income families<sup>31</sup> and are prohibitive for others. One in five low-income Americans has skipped necessary doctors' appointments for financial reasons.<sup>31</sup> Financial constraints also limit individuals' ability to afford medication or to make dietary or exercise changes recommended by their medical providers.<sup>34</sup>

From a community-level point of view, high-poverty neighborhoods are also disproportionately subject to environmental hazards such as exhaust fumes and poorly maintained housing, which can contribute to health problems and are conditions known to exacerbate asthma.<sup>35,36</sup> Many high-poverty neighborhoods lack access to affordable, healthy foods, which may also impact residents' health.<sup>37</sup>

Given the extensive research on income level as a determinant of health, as well as the compelling evidence on the detrimental health effects of financial stress, it is clear financial concerns are a central public health issue that cannot be separated from physical or mental health concerns. Medical professionals and community health centers can play an important role in addressing the financial health of their patients, and fiscal health-screening tools could be incorporated into their daily practice.<sup>34</sup> Asset building is an important piece of the financial wellness effort. Assets are associated with health and psychological well-being because they can help people meet unanticipated medical costs and also reduce financial stress on family members. Assets may allow people to seek preventive care and timely treatment, with the potential for better health outcomes.<sup>38</sup> Community health centers, which provide essential medical services to millions of low-income and uninsured people, are particularly well situated to connect their patients with financial resources, including asset-building opportunities.

For more information: [www.nachc.com/findahealthcenter.cfm](http://www.nachc.com/findahealthcenter.cfm)

Community health centers in several states are partnering with asset-building providers to develop financial wellness programs within their clinics. Through these programs, community health centers and their partners will help uninsured patients understand and access new insurance offerings available under the Affordable Care Act.<sup>39</sup> Participating states include California, Connecticut, Maryland, Massachusetts, Texas and Washington.<sup>40</sup> Because financial wellness programs are currently in development, outcome results are not yet available.

### **Aurora Family Service**

An example of a local financial-wellness program is Aurora Family Service, a social service agency run by Aurora Health Care in Milwaukee, Wis. Aurora Family Service integrates financial wellness into their other comprehensive social services, which include mental health care, health and wellness training, and elder services. Aurora's Center for Financial Wellness offers consumer credit counseling, debt consolidation, and help with money management, goal setting and budgeting.

For more information: [www.aurorahealthcare.org/services/aurora-family-service](http://www.aurorahealthcare.org/services/aurora-family-service)

## **COMMUNITY ACTION AGENCIES**

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Community action agencies (CAAs) are nonprofit organizations that were established in 1964 as part of President Johnson's War on Poverty. CAAs provide emergency assistance to people in crisis and connect families with employment, housing, nutrition and educational resources designed to support their longer-term goals toward self-sufficiency. Many CAAs also provide assistance with income management, budgeting and economic development. Today, CAAs serve about half of all people living in poverty in the U.S. — more than 16.2 million individuals.<sup>41</sup> With their focus on self-sufficiency, deep engagement with communities, and wide reach, CAAs are an ideal location for asset-building opportunities, and indeed, many CAAs are engaged in this effort. CAAs can refer clients to external financial literacy education (FLE) opportunities as a complement to their own financial advising services, or they may build FLE or financial coaching into existing programs.

For more information: [www.communityactionpartnership.com](http://www.communityactionpartnership.com)

“We believe in a holistic approach with our clients and try to stabilize each family physically, emotionally and financially. We feel that healthy families take care of their physical health by connecting with their doctor at least annually; they have support when life gets stressful; and they can meet their financial obligations each month. When someone struggles financially, they are often under a lot of stress, which can affect their physical health. We counsel our clients on the importance of budgeting, credit, prioritizing expenses and living within one’s means.”

*Kathryn Crumpton, Manager, Aurora Center for Financial Wellness*





### MASSCAP's Asset Formation Initiative

The Massachusetts Association for Community Action, better known as MASSCAP, is an association of the state's 24 CAAs. In 2006, MASSCAP launched a multi-year effort to expand asset-building opportunities available to low-income people. Under this coordinated effort, all 24 CAAs in Massachusetts initiated or expanded asset-formation services and worked to further integrate these services into their other program offerings.<sup>42</sup> Foremost among these efforts was the provision of free tax-preparation services, which enhance low-income households' access to tax-based benefits such as the Earned Income Tax Credit (EITC). All 24 agencies offer free tax preparation through the Voluntary Income Tax Assistance (VITA) program, and they collectively process about 14,000 tax returns annually.<sup>43</sup> Many CAAs also offer financial education and individual development accounts (IDAs). Research has shown that the EITC and FLE offerings do much to advance financial stability among low-income households that utilize these services.<sup>42</sup>

Recently, six Massachusetts CAAs piloted Super VITA Sites, programs that combine free tax preparation with other financial and support services. People seeking tax assistance at Super VITA Sites can also choose from a variety of other services, including:

- › Applying for public benefit services, such as the Supplemental Nutrition Assistance Program (SNAP), Medicaid and fuel assistance.
- › Assessment of needs and introduction to other services, such as job training or English as a Second Language (ESL).
- › Opening a bank account.
- › Using direct deposit to save a portion of their tax refund.
- › Purchasing a savings bond.
- › Checking their credit score and receiving a free credit report.
- › Taking advantage of debt counseling and consolidation plan assistance.
- › Enrolling in financial education programs.
- › Signing up for individual development accounts.
- › Learning about 529 college savings accounts.

For more information about MASSCAP: [www.masscap.org](http://www.masscap.org)

For more information about VITA sites: <http://www.irs.gov/Individuals/Free-Tax-Return-Preparation-for-You-by-Volunteers>

## HOUSING AGENCIES

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In cities large and small, low- and moderate-income families are finding it difficult or impossible to afford market rent prices. Throughout the U.S., housing agencies provide assistance such as project-based housing and rental vouchers that help millions of families afford housing. While housing agencies provide a measure of relief from the current housing affordability crisis, funding for these programs fails to meet demand. As a result, only about a quarter of Americans eligible for rental assistance actually receive it.<sup>44</sup> When families are paying 30% — or often much more — of their income toward rent, many cannot afford to save. Savings and other assets are essential to sustain families in case of emergency expenses, and more importantly, assets can be a key ingredient for achieving self-sufficiency through homeownership and other means. Housing assistance agencies are well positioned to assist families with asset building because they have long-term relationships with low-income families. Valuable in a time of overwhelming demand for affordable housing, asset-building services can help families achieve financial stability and eventually become less reliant on housing subsidies.

There are many avenues by which housing agencies can bring asset building to their clients, such as through referrals to local financial education programs and individual development accounts. One way that many housing agencies are currently engaged with asset building is through the federally funded Family Self-Sufficiency program.

### **Family Self-Sufficiency Program**

The Family Self-Sufficiency (FSS) program provides a unique asset-building opportunity for recipients of federal housing assistance. FSS is a voluntary program run by the Department of Housing and Urban Development for recipients of Housing Choice Vouchers (HCVs, formerly Section 8) and public housing residents served by participating housing agencies. Both HCV and public housing tenants pay a fixed percentage of their household income in rent. Under FSS, when household income increases, the additional rent the family would have owed is automatically diverted into an interest-bearing escrow account. There is no limit to how much families can save, as long as they remain enrolled in FSS and eligible for HCV or public housing. After five years, participants who have completed their self-sufficiency goals can withdraw their escrow funds for unrestricted use. Research shows that FSS encourages employment and increased earnings; FSS completers have higher income than those who either do not participate in the program or do not complete it.<sup>45-47</sup> Further, FSS graduates save an average of \$5,300 during their time in the program.<sup>48</sup>

FSS has tremendous potential for helping low-income residents of subsidized housing to build assets, increase their earnings and make progress toward financial security. But despite its well-conceived design and documented success in limited geographies, FSS has been underutilized by housing agencies around the country, and implementation has been variable. Thought leaders in both the housing and asset-development fields have argued for many years that the program would benefit from an “asset-building” perspective, which would encourage participants to leverage their savings to continue building assets.

For more information: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/)

“We have seen firsthand how asset limits in welfare and other public benefit programs contribute to a well-documented ‘poverty trap’ that makes it difficult for families to build sufficient savings and assets to escape poverty. A similar ‘poverty trap’ exists for families who live in subsidized housing, where the income-based rent structure discourages some from increasing their earnings. Integrating asset building into subsidized housing is fundamentally about providing residents with meaningful, high-impact opportunities to build financial capabilities and assets as a pathway out of poverty. Our broader vision is to integrate asset-building services into the very fabric of housing assistance. We believe that families want to work and get ahead. By providing an integrated set of financial workshops, financial coaching sessions and access to opportunities, Compass empowers families to build financial capabilities and assets as a pathway out of poverty.”

*Sherry Riva, Founder and Executive Director, Compass Working Capital*

### Compass Family Self-Sufficiency Program

In 2010, Compass Working Capital became the first nonprofit organization in the country to add an asset-building approach to the FSS program, which they call the Compass FSS Program. Compass runs this unique program through innovative partnerships with housing authorities in Boston, Lynn and Cambridge, Mass. By incorporating competencies drawn from the asset-building field, the Compass FSS model integrates financial coaching, financial education, and other asset-building strategies into the traditional FSS model. The goal is to help clients reach benchmark targets in five core areas: income and employment, credit and debt, savings, utilization of high-quality financial services, and asset development. Initial outcomes from a program evaluation are promising, with a majority of enrolled families experiencing substantial earnings gains, debt reductions, credit score increases and asset growth.<sup>49,50</sup> These positive outcomes have come even as the program has expanded enrollment to cover a much larger share of the eligible population than typical FSS programs. At its partner sites, Compass has implemented an innovative approach to participant recruitment that is on track to enroll approximately one-quarter of nonelderly, nondisabled households in the FSS program. By contrast, only about 5% of nonelderly, nondisabled households nationwide are enrolled in an FSS program, according to Sherry Riva, founder and executive director of Compass Working Capital. The Compass FSS program has attracted local and national attention as an innovative public-private partnership that is helping families in subsidized housing build assets, reduce their reliance on public assistance and become financially stable.

For more information: <http://compassworkingcapital.org/fss-program.php>

## WORKFORCE DEVELOPMENT CENTERS

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Workforce development centers (WDCs) provide a range of services to help people build skills, locate job opportunities, earn adequate income and advance in the labor market. Yet even workers who have succeeded in all of these areas may desire assistance with budgeting and planning for retirement. In addition, these workers still face vulnerability in the case of job loss, medical emergencies or unanticipated expenses. To meet these and other long-term financial needs, WDCs can connect clients to asset-building opportunities. Methods can be as simple as making pamphlets about local asset-development programs available or encouraging staff to refer clients to local programs. Other options include partnering with asset-building agencies to co-locate services within WDCs and other workforce development centers, or even incorporating asset-related services into workforce programming. For instance, because WDCs already provide economic services to low-income individuals, the addition of free tax-preparation services can be a natural fit. Tax credits and deductions reduce people's tax liability and even generate income for some lower-income filers, yet many people are unaware of the tax credits and deductions available to them. WDCs can play a key role in making sure all workers receive the tax-based benefits to which they are entitled.

### Racine County Workforce Development Center VITA Site

Racine County Workforce Development Center (RCWDC) in Racine, Wis., partnered with Racine Kenosha Community Action Agency (RKCAA) to offer free tax preparation at the WDC four evenings a week during tax season. Part of the IRS VITA program, free tax preparation is available to those who earn up to \$53,000. RCWDC is accessible by bus from all parts of Racine County, and appointments are scheduled around clients' needs and the bus schedule. In addition to tax preparation, a Healthcare Navigator is available on-site to help clients understand the Affordable Care Act and enroll in health insurance through the Health Insurance Marketplace. RCWDC promotes the VITA site by informing clients directly and making announcements in job search workshops, unemployment insurance orientation sessions, and even on a weekly local radio show called "Work Search Monday." Additionally, RCWDC's business services team notifies local businesses in the region, some of which include the VITA flyer with their payroll checks. By hosting the VITA site, RCWDC creates ease of access for their clients and exposes other community members to their workforce development services. In 2014, RKCAA helped 917 individuals to file 517 tax returns and brought more than a million dollars in returns back to the community.<sup>51</sup>

For more information on Racine WDC: [www.wdc.racineco.com](http://www.wdc.racineco.com)

For more information on RKCAA's VITA program: [www.rkcaa.org/VITA/VITAInfo.htm](http://www.rkcaa.org/VITA/VITAInfo.htm)



“The partnership that formed several years ago has been beneficial for both organizations. More importantly, the partnership has provided access to high-quality, no-cost tax-preparation services to members of the Racine community, allowing taxpayers to file their taxes with confidence and receive all of their tax return.”

*Mark E. Mundl, Strategic Coordinator, Racine County Workforce Development Center*

“Our partnership with the Racine County Workforce Development Center is successful because their staff understand the needs of our clients and go out of their way to make the experience pleasant, positive and enjoyable. Our tax preparers are comfortable at this location and this translates to their being able to make the clients feel comfortable. On any given day you could hear both the tax preparer and the taxpayer chatting and laughing, regardless if they were due a refund or owed a tax. Clients first worked with the tax preparer and then met with a quality reviewer and walked out thanking us and vowing to come back next year. When asked how they were referred to the VITA program, the highest number of clients responded that they found out about VITA from a friend, relative or co-worker who had a positive experience.”

*Sue Walter, VITA Program Coordinator, Racine Kenosha Community Action Agency, Inc.*

## WAYS TO TAKE ACTION

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Integrating asset-building opportunities into service offerings enables human service agencies to help families and communities move toward longer-term economic sustainability. Asset-building strategies are successfully adopted in a range of organizations, including community health centers, community action agencies, housing agencies and workforce development centers. Program integration takes a variety of forms depending on agency mission, resources and strategic goals, including:

- › **Staff Education** Educating human services staff about the asset-building framework enables them to take a more comprehensive approach to their work, leads them to identify asset-development opportunities in the community and beyond, and enables them to open conversations and make written materials about building economic security and upward mobility available to clients. This is a low resource commitment that improves access to knowledge and resources.
- › **Resource Development and Sharing** Agencies that are ready to make a commitment to asset development can work with external organizations to offer their asset-building services on-site and share information about opportunities among staffs from multiple organizations. This medium resource commitment requires some coordination and provision of space. This is a way for organizations to acknowledge the importance of focused asset development for the target population without expending new resources or developing new internal expertise.
- › **Institutionalizing Asset Building** Integrating asset-related opportunities into the menu of services and the practices of the staff/client interactions institutionalizes asset building as core to the way service is delivered. This is a higher resource commitment, as it requires cross-staff training, more formalized external coordination or partnerships with organizations, and may lead to opportunities to access new funding resources. Institutionalized asset building may strengthen an agency through greater diversification of funding sources.

## KEY RESOURCES

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The Institute on Assets and Social Policy conducted a case study of one multi-partnership model for integrating asset building into human service provision.

<http://IASP.edu/Connect>

The Corporation for Enterprise Development (CFED) offers a range of resources to help service providers integrate asset building into their practice.

[http://cfed.org/programs/integrating\\_asset\\_building](http://cfed.org/programs/integrating_asset_building)

