

FINANCIAL CAPABILITY INTEGRATION IN RURAL COMMUNITIES

Financial Capability Integration

Financial capability is the capacity—based on knowledge, skills, and access—to manage financial resources effectively. Integration refers to incorporating financial capability discussions, resources, and tools directly into existing services, rather than creating a stand-alone program. This brief shares lessons learned from four organizations serving rural communities and is organized into three sections: selecting financial capability services, deciding who will provide services, and identifying the right points in time to integrate financial capability services.

Building Financial Capability: A Planning Guide for Integrated Services (the Guide) provides a series of tools to walk organizations through the key decision points for planning to integrate financial capability services into existing programs. Tools from the Guide are highlighted throughout this brief.

Selecting Financial Capability Services in Rural Communities

Financial capability services include financial education, financial coaching, financial counseling, credit counseling, credit building, access to safe and affordable financial products, free tax preparation assistance, access to federal and state benefits, incentivized savings programs, and asset ownership programs.¹ Each service addresses a different aspect of financial capability and can be tailored to the needs of clients. Integrating financial capability services into the existing programs where clients are already receiving services can help organizations serving rural communities address challenges that their communities may experience, such as limited transportation.

Assessing clients' current financial capability and staff capacity are key steps in selecting and integrating financial capability services. Interviewing and surveying clients and staff can help organizations better understand the financial strengths and needs of clients and the capacity of staff to provide financial capability services. Little Dixie Community Action Agency (Little Dixie) and Brighton Center both assessed staff and clients' needs and capacity when they began their integration planning.²

Little Dixie worked with their Head Start program and began by interviewing parents to gather information about their unique financial challenges. They learned that many parents were interested in developing emergency savings and struggling with debt and credit issues. To meet parents' desire to learn more about financial topics, Little Dixie developed a plan to host financial workshops

¹ United States Department of Health & Human Services. *About Financial Capability Services*. Washington, DC: Department of Health & Human Services, 2016. Available at: <https://www.acf.hhs.gov/ocs/resource/financial-capability-services>.

² For more information about these organizations, see the "About This Brief" section at the end of the brief.



at parent meetings and to refer clients to their homeownership center, which offers a broad range of services, including credit counseling, foreclosure counseling, and debt management. Little Dixie also surveyed Head Start staff to assess their comfort with financial services and learned that many staff did not feel equipped to address clients' financial needs. To increase staff capacity, they trained staff in budgeting and planned a train-the-trainer workshop on credit.

Brighton Center sought to increase engagement with financial capability services through internal and external partnerships. As a large social service organization with many programs, Brighton Center identified an opportunity to connect their financial capability services and their Career Connections (CC) workforce development program. The financial capability services personnel spoke with staff at CC about clients' needs and developed a plan to distribute a survey to clients. Brighton Center found that clients at CC were interested in building their financial skills through participation in workshops.

Brighton Center also built a relationship with Northern Kentucky University (NKU) to offer financial capability services to students. Brighton Center conducted a series of interviews with students at NKU to learn more about their financial needs. Brighton Center staff learned that many students were taking out loans to pay for their education, but they were unaware of repayment options and how these loans might impact their credit. Students at NKU were also interested in building their financial skills through participation in workshops.

Brighton Center identified NKU and CC as potential partners by conducting a scan of service providers in their rural service area. These partnerships allowed Brighton Center to offer financial capability services with trusted partners in rural communities where they had previously struggled with client engagement.

Garrett County Community Action Committee (GCCAC) and Allegany County Human Resources Development Commission (HRDC) partnered to form a coalition designed to better address financial capability needs in their community. The coalition mobilized county- and state-based stakeholders, such as financial institutions and community colleges, to develop a plan for eliminating gaps in services and increasing the number of families served. The two organizations identified a set of shared outcomes (e.g., clients will reduce debt) which captured the broader impact of financial capability services delivered by coalition members on the overall financial health of their communities.

TOOL 5: Inventory of Community Service Providers and TOOL 6: Assessment of Community Service Providers

Tool 5 provides a structure for identifying financial capability service providers through a community scan. Tool 6 serves as a questionnaire to assess the capacity of those service providers to provide financial capability services and determine how those services meet the needs of different populations. These tools could also be used to identify other kinds of local service providers.

With information on local service providers, organizations can identify opportunities for partnerships and referral relationships, make connections, avoid duplication, and identify gaps.



Deciding Who Will Provide the Selected Financial Capability Services

Organizations seeking to integrate financial capability services into existing programs have options regarding how to approach delivering those services. These approaches are:

- **Refer:** Finding organizations that provide financial capability services and setting up a process for referring clients to those services
- **Partner:** Developing partnerships with other organizations to deliver financial capability services in one convenient location or with a shared brand
- **Do-it-Yourself (DIY):** Building the internal capacity to deliver financial capability services

Organizations can choose a single approach or a combination of the three approaches. Brighton Center moved from a DIY approach to a partnership approach. Brighton Center had faced challenges with client engagement in rural areas. While financial capability staff traveled to communities to offer services, they were not able to spend enough time in these rural communities to build strong relationships. Similarly, Brighton Center tried to provide financial coaching via phone sessions, but enrollment and engagement in the program was limited. Brighton Center learned that rapport could be built with clients by partnering with existing service providers in these communities, including one of their own programs.

Little Dixie decided to use a combination of the DIY and referral approaches. They chose the DIY approach for financial goal-setting with Head Start parents, to capitalize on the strong relationships that staff already had with parents. Little Dixie opted for a referral approach to connect parents to additional financial services that addressed specific needs.

GCCAC and HRDC opted for a partnership approach because of their remote locations. Both organizations have large, mountainous service areas, and they seek to help more families receive financial capability services without extra travel. To achieve this, GCCAC and HRDC decided to lead a coalition that will build partnerships with stakeholders to further expand the reach and strength of services offered.

Identifying Integration Points in Service Delivery

Regardless of the integration approach, a key element of success is determining how to integrate financial capability services within an organization's existing program workflow.

Little Dixie selected several points in the Head Start program to integrate financial capability services. First, when parents enter the program, Head Start staff help parents set financial goals. Staff then offer financial workshops at parent meetings so that information on broad financial topics can be shared widely. After the workshops, Head Start staff follow up with individual clients to discuss workshop content and connect clients to additional resources or the homeownership center.

TOOL 8: Current Program Workflow

Tool 8 can help organizations understand the client's experience through their programming and identify opportunity points to offer financial capability services.



Brighton Center offers financial education workshops when CC clients are exploring different careers and applying for tuition assistance. Since finances are an integral part of these conversations, these workshops feel relevant to clients. The integration points are different at NKU, where Brighton Center connects students to financial capability services throughout their time on campus. Brighton Center developed a plan to offer workshops on student loans and to integrate a financial education curriculum into a required course.

About This Brief

The audience for this brief is organizations in rural communities that are interested in integrating financial capability services into their programs. This brief is a companion resource for the Guide, intended to provide real-world examples of financial capability integration efforts. The examples in this brief are gathered from technical assistance provided from September 2016 to March 2017. This practice brief was produced by the Corporation for Enterprise Development (CFED) under contract to the Office of Community Services in the Administration for Children and Families, a division of the United States Department of Health and Human Services.

Each of the organizations that received technical assistance worked on and achieved different goals. Brief summaries of their work are provided below.

Little Dixie Community Action Agency provides services to families in three counties in rural Oklahoma and integrated financial capability services into their Head Start program. Little Dixie Community Action Agency was part of the federal Rural Integration Models for Parents and Children to Thrive (Rural IMPACT)³ initiative, which provides federal leadership and community-level resources to address rural child poverty.

Brighton Center provides services to families in urban and rural areas of Kentucky. Brighton Center partnered with Northern Kentucky University learn about their students' needs and developed a plan to offer workshops on student loans. Additionally, Brighton Center developed an internal partnership between their financial capability services and their Career Connections workforce development program to offers financial education workshops when Career Connections clients are exploring different careers and applying for tuition assistance.

Garrett County Community Action Committee & Allegany County Human Resources Development Commission worked together to establish a joint financial literacy coalition between two counties in western Maryland. This coalition will pool available resources and partners to ensure that families have access to financial education services and use joint metrics to assess the effectiveness of the coalition. Garrett County Community Action Committee and Allegany County Human Resources Development Commission were part of the Rural IMPACT initiative.

³ United States Department of Health & Human Services. *Implementation of the Federal Rural IMPACT Demonstration*. Washington, DC: Department of Health & Human Services, 2016. Available at: <https://aspe.hhs.gov/sites/default/files/pdf/224826/ImplementationFederalRuralIMPACT.pdf>

