

COMMUNITY ACTION AGENCIES AND FINANCIAL CAPABILITY INTEGRATION

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 standalone program.

Community Action Agencies (CAAs) are local organizations whose purpose is to reduce the causes of poverty in the low-income communities they serve. There are more than 1,000 CAAs across all 50 states and the District of Columbia.¹ CAAs provide a wide range of programs and services, creating many opportunities to build clients' financial capability through the integration of financial capability services rather than create an additional standalone program. Developing an integration plan also offers an opportunity for CAA leadership and staff to learn more about all the programs they provide and leverage existing internal resources to better serve clients.

[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.

This practice brief shares lessons and strategies from three CAAs that are integrating financial capability services into social service programs.² The brief is organized into three sections: selecting financial capability services, deciding who will provide the selected financial capability services, and identifying the right points in time to integrate financial capability services.

Selecting Financial Capability Services

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.³ To decide which financial capability services to offer clients in specific programs, CAAs can assess the financial needs of clients already enrolled in existing programs.

TOOL 3: Theory of Change

By completing Tool 3, an organization creates a summary of their strategy for addressing clients' challenges through financial capability services to lead to improved client outcomes.

¹ National Association for State Community Services Programs. *Community Services Block Grant Annual Report 2016*. Available at http://www.nascsp.org/data/files/csbg_publications/annual_reports/2016/2016%20annual%20report_final_01%2017%2017_full.pdf.

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

³ 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>.



CAAs conduct a Community Needs Assessment (CNA) every three years, which provides a comprehensive view of needs in the community each CAA serves. Assessing the financial needs of clients in a specific program is a more focused assessment process that provides an agency with information needed to identify the most relevant service(s) to integrate into the selected program. For example, financial needs assessments can shed light on clients' need for income supports, challenges with credit and debt, and/or access to and use of financial products and services.

Baltimore City Community Action Partnership (BCCAP) conducted financial needs assessments through surveys and interviews with clients. They learned that clients across their programs are most commonly seeking to supplement a fixed income. Clients understood that financial matters were important, but the assessment found that clients did not have a strong understanding of key issues including credit, debt, and banking services. Based on these findings, BCCAP decided to provide access to financial education and other supportive services, such as financial coaching or counseling, to help clients improve their credit scores, address credit issues, and develop skills to manage finances.

Through surveys, interviews, and conversations with staff, Community Action Partnership of Orange County (CAPOC) learned that clients had credit and debt issues and wanted to learn more about managing bank accounts, making asset purchases, and paying for higher education. To address these needs, CAPOC developed a three-part plan: tailor financial education classes to align with participant needs assessments, facilitate access to financial institutions so clients can open accounts, and provide one-on-one credit support to overcome credit and debt issues.

Enrichment Services Program (ESP) used a combination of surveys and focus groups and learned that parents in ESP's early childhood programs often experience income volatility and struggle to save toward home and vehicle purchases. Clients shared that they felt comfortable managing their finances but needed additional income in order to reach their savings goals. Many clients were unbanked because they struggled to meet minimum deposit requirements for bank accounts. Being unbanked led clients to use prepaid cards and pay additional fees for check-cashing services. Considering these needs, ESP developed a plan to provide financial education, access to safe and affordable financial products, free tax preparation, and one-on-one coaching to clients to support skill building and goal setting.

All three organizations learned that clients have limited experience with financial goal setting because addressing immediate needs has taken priority over setting goals for the future. To address both immediate needs and goal-setting, the organizations prioritized integrating one-on-one support, such as financial coaching.

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

ESP decided on a combination of the DIY and referral approaches. ESP developed a plan to build staff capacity to provide tailored financial education workshops and financial coaching to parents with children in the early childhood programs. In order to provide strong referrals for clients to free tax preparation at the local Goodwill, ESP identified a member of their staff and a direct point of contact at Goodwill and created a plan for regular communication. ESP also developed a new set of procedures to make appointments at Goodwill for their clients, and ESP case managers will be expected to follow up with clients after the referral is made to determine whether the client attended the appointment. Additionally, ESP identified financial institutions in the community to which they can refer clients who could benefit from safe and affordable financial products.

BCCAP also decided to combine the referral and DIY approaches. BCCAP developed an individual financial assessment to be used with clients during the intake process. A variety of referrals can be made depending on each client's current financial needs. Referral options include an internal referral to BCCAP's financial education workshops, as well as external referrals to financial coaching. As BCCAP develops more referral relationships in their community, they can add more opportunities for their clients. Formal referral plans between BCCAP and their partners will ensure that BCCAP can refer clients to specific contacts within organizations and receive feedback from those organizations regarding the outcomes of those referrals. BCCAP also developed a plan to update their list of community resources with additional financial capability providers to more readily provide clients with relevant and up-to-date information about local resources.

TOOL 9: The Referral Plan

Tool 9 serves as a questionnaire to assess how to screen clients in the target program(s) to ensure they are ready for the referral, prepare them for the referred service/program, connect them to the service/program, and support them after the referral has been made. The compiled information details how referrals will be made and the exact client pathway from the originating program to the referred program/service.

CAPOC combined the partnership and DIY approaches in order to better tailor the financial education classes in their Healthy Marriage and Families Program and focus on goal-setting exercises. CAPOC partnered with local organizations that provided financial education trainers to conduct classes for Healthy Marriage and Families Program participants. In order to tailor the classes to participants' needs, CAPOC created a financial needs assessment for participants and reviewed the assessment results their financial education partners. Additionally, CAPOC developed a plan to explore how to partner with local organizations to provide clients with one-on-one credit counseling and how to facilitate access to banks and credit unions at CAPOC centers.

Identifying Integration Points in Service Delivery

Examining program workflows can help CAAs understand how clients interact with the selected program and identify when financial conversations might already arise, providing an opportunity to connect clients to additional resources.



CAPOC already had financial education classes in their Healthy Marriage and Families Program that they chose to improve by focusing on the most relevant topics identified in participant assessments. Thus, the assessments had to be completed at a point in the workflow before the financial education classes, which are offered immediately after participants complete a series of Healthy Relationships workshops. Organizations with programs that already include financial capability services can assess how the workflow is functioning and whether they want to keep the existing the workflow or make adjustments.

TOOL 8: Current Program Workflow

Organizations use Tool 8 to understand clients' experience of the program and identify opportunities to offer financial capability services.

ESP developed a plan to integrate financial capability services at several points in their early childhood programs. When parents attend their first enrollment meeting, family service workers will ask them about their financial goals. During monthly group parent meetings, family service workers share information about upcoming financial education workshops and other financial capability services, such as free tax preparation, credit counseling, and safe and affordable financial products. In regular one-on-one meetings, family service workers will assess clients' progress toward self-sufficiency, remind them about financial education workshops, coach them on their financial challenges, and offer referrals if additional support is needed. Because of the approximately 9-month program cycle and multiple touchpoints with the family service workers throughout, ESP can engage clients in multiple conversations about financial capability.

BCCAP provides clients with emergency services, case management, food and nutrition services, and financial education workshops at their five centers. They also frequently provide financial and nutrition workshops at other organizations throughout Baltimore (e.g., churches, schools, youth programs, etc.). After analyzing the program workflow of multiple programs, BCCAP decided that the intake processes of their existing programs offer the greatest opportunity to improve clients' financial capability. Since clients in crisis typically visit BCCAP centers once annually for 90 minutes, BCCAP developed a plan to leverage the intake process to make internal and external referrals to additional services. BCCAP prioritized intake as the point at which to make these referrals so that every client can be connected to one or more financial capability services that address their needs. BCCAP also developed a plan for integrating financial education and coaching into their case management program by making it a required component of the case management sessions.



About this Brief

The audience for this brief is Community Action Agencies 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 November 2016 to June 2017. This practice brief was produced by Prosperity Now (formerly the Corporation for Enterprise Development) 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.

Baltimore City Community Action Partnership (BCCAP) provides services to families in the City of Baltimore, Maryland. They developed a financial capability needs assessment in order to make referrals during client intake. These referrals include BCCAP's *Your Money, Your Goals*⁴ financial education workshops, as well as external referrals to financial coaching services. BCCAP expressed interest in continuing to develop formal referral plans with other local organizations that can provide public benefits and safe and affordable financial products to clients.

Community Action Partnership of Orange County (CAPOC) provides services to families in Orange County, California. They integrated financial capability services into their Healthy Marriage and Family Program for youth and adults. CAPOC tailored their existing financial education classes, conducted by local partner organizations, to address participant assessment results. In addition, CAPOC developed a plan to identify financial institutions that can connect clients to safe and affordable financial products, as well as organizations that can provide clients with credit counseling services.

Enrichment Services Program (ESP) provides services to families across nine counties in the Chattahoochee Valley region of Georgia and Alabama. They decided to integrate services into their early childhood programs and developed a plan to provide financial workshops and one-on-one support to parents. Additionally, they developed a plan to refer parents to safe and affordable financial products, free tax preparation services, and financial counseling.

⁴ Developed by the Consumer Financial Protection Bureau, *Your Money, Your Goals* is a set of financial empowerment materials for organizations that help people meet their financial goals by increasing their knowledge, skills, and resources. For more information, go to <https://www.consumerfinance.gov/educational-resources/your-money-your-goals/>.

