

# Integrating Financial Capability Services into State Temporary Assistance for Needy Families (TANF) Agencies

Financial capability is the capacity—based on knowledge, skills, and access—to manage financial resources effectively. Financial capability services include financial education, financial coaching, financial counseling, credit counseling, credit building, access to safe and affordable financial products, free tax preparation help, access to federal and state benefits, incentivized savings programs, and asset ownership programs.<sup>1</sup> Integration refers to incorporating financial capability services directly into existing services that are being provided, rather than creating a standalone program.

*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.

Temporary Assistance for Needy Families (TANF) is a federally funded program administered by the Office of Family Assistance (OFA) that is designed to help needy families achieve self-sufficiency through cash assistance and services to promote job preparation, work, and marriage. States receive TANF block grants to support the needs of households in their community. States administering supportive programs, such as TANF, can integrate financial capability services to improve households' financial lives and help them meet their financial goals. By providing access to financial capability services in combination with TANF services, organizations can help households become more financially stable and better cope with economic challenges—such as job losses or unexpected large expenses. Financial capability services may reduce dependence on TANF and similar services in the future.

This brief is a companion resource to *Building Financial Capability: A Planning Guide for Integrated Services* (also known as the Guide) and provides real-world examples of financial capability integration efforts. The brief shares lessons and approaches for how state TANF agencies can integrate financial capability services into TANF and other emergency assistance services. The brief highlights the experiences of four state TANF agencies: Delaware, Hawaii, Oregon, and Washington. It is organized into four sections: centering the client voice in financial capability service design and delivery, making the case to staff, identifying integration points in the client journey, and using data to evaluate service delivery.

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<sup>1</sup> United States Department of Health & Human Services. "About Financial Capability Services," *Office of Community Services*, March 29, 2016, <https://www.acf.hhs.gov/ocs/resource/financial-capability-services>.



## Centering the Client Voice

Information on clients' financial lives and needs should be used to identify which financial capability services clients would find most helpful and how those services should be delivered. State TANF agencies may have a good sense of the financial lives and goals of clients from administrative data and case managers' interactions with clients. This perspective, however, may not be the full picture. State TANF agencies can learn more about clients' financial lives, such as financial behaviors, challenges, and strengths, through interviews or focus groups.

### Lessons from the Field

To begin exploring opportunities for integration, Oregon collected information about the financial challenges and opportunities of households through client interviews. These interviews revealed that clients did not find the content of group financial education classes to be relevant. Clients were taught budgeting skills by developing a hypothetical individual's budget, rather than developing a personalized budget. Clients also shared that it can be difficult and anxiety-inducing to disclose personal financial details in group settings. With this information, Oregon decided they will train case managers so they feel more comfortable discussing financial topics with clients in their one-on-one engagements with clients. Oregon also formed a relationship with Catholic Charities of Oregon, which can offer in-depth financial coaching sessions to clients.

Interviews with clients in Hawaii revealed that top financial concerns are credit, debt, and budgeting. Hawaii is integrating individual budgeting conversations between case managers and clients, as well as a referral to credit counseling agencies to support clients with these concerns. Clients also described that, while Hawaii offers many services and referrals, clients 'have to know what to ask' to access additional services. Hawaii is exploring adding more financial questions to the [Online Work Readiness Assessment](#) to provide a structure for initiating financial conversations between case managers and clients so the responsibility doesn't rest solely on the client.

## Making the Case to Staff

Staff buy-in is critical for financial capability service integration. TANF case managers may feel that they do not have time for financial conversations with clients or that having them is not their role. They also may not be comfortable having financial conversations with clients. State TANF agencies can work to engage staff so that fully integrated financial capability services do not feel like an add-on to staff, but a seamless part of TANF service delivery. Two ways to secure buy-in are to (1) connect financial capability service delivery to workforce development outcomes to help staff make the connection to

### TOOL 1: How Your Clients Manage Now

Tool 1 from the Guide gives a structure for gathering and distinguishing information about households' financial lives. Appendix B from the Guide gives sample questions organizations can ask households to complete their assessment.

### TOOL: Key Stakeholder Support

The work to integrate financial capability services will need support from multiple stakeholders, including staff. The Key Stakeholder Support tool in the Guide's Cross-Cutting section can help organizations think through each audience's priorities and perspectives.



their work and (2) provide tools, resources, or access to financial capability services so that case managers can feel supported, prepared, and comfortable.

### Lessons from the Field

Delaware worked to partner with \$tand By Me—Delaware’s state-wide coalition of free financial coaching providers—to offer financial coaching services to TANF recipients. \$tand By Me placed coaches in offices with TANF staff, which increased staff’s comfort referring clients to coaching and encouraged TANF staff to participate in coaching themselves. TANF staff know what to expect from coaching and are more comfortable encouraging clients to participate.

Conversations with case managers in Hawaii revealed that they felt their role focused primarily on TANF compliance, and that financial capability service provision was out of that scope. Hawaii is exploring piloting individual financial conversations between case managers and clients with one TANF unit to develop case manager champions who can advocate for financial capability work at other units.

Washington has encouraged a culture of innovation through the Systems to Family Stability Policy Academy, an OFA effort to change how state TANF agencies support households. To build buy-in, local Community Services Offices were invited to develop pilot proposals focused on helping families achieve and sustain self-sufficiency. To deepen understanding and enthusiasm for financial capability service integration, Washington brought together a group of case managers and supervisors to discuss clients’ current financial lives, what financial stability would look like for clients, and the financial capability services that would help clients achieve stability.

## Identifying Integration Points in the Client Journey

To meet people where they are, financial capability services are best delivered at a moment that is relevant to clients’ financial lives. As described by several cohort members, TANF applicants may be in crisis and their top priority may be securing TANF cash assistance. This may not be the best moment for financial capability service delivery.

For TANF recipients, financial capability services may be better received after using the services and TANF for some time or when they become employed and have income beyond TANF cash assistance. Clients may be more open to participating in financial capability services when they feel more financially stable.

### TOOL 8: Current Program Workflow

Tool 8 can help organizations understand the client’s experience through their programming, as well as identify gaps and opportunities to offer financial capability services.

### Lessons from the Field

Oregon chose to focus its integration efforts on the JOBS Plus Program, in which TANF recipients receive support to build a resume, apply for jobs, and secure employment. They are exploring integrating individual budgeting or financial coaching sessions into at least three points in the client journey—at JOBS Plus enrollment, at employment, and at transition out of the program. At each of these points, TANF clients’ financial lives change, providing a natural entry into financial conversations. At enrollment, JOBS Plus participants discuss career and educational goals—case managers can facilitate a conversation around future income requirements or covering educational



expenses. Employment is a natural point for a budgeting conversation, as the participant will start bringing home a paycheck. During the transition out of the program, case managers can support participants to budget for life after they stop receiving TANF.

Delaware is focused on a subset of the TANF population: clients in the employment and training program. In addition to job readiness support and soft skills development during training, TANF recipients will attend a mandatory financial coaching orientation session with \$tand By Me. After the orientation, TANF recipients may choose to participate in individual financial coaching sessions. A key point for \$tand By Me was that coaching should be optional—chosen by clients if desired after the mandatory orientation—to preserve the nature of the coaching relationship, which is client-driven and coach-supported.

## Using Data to Evaluate Service Delivery

When integrating financial capability services, it is important to define programmatic success by setting client financial capability outcomes, such as establishing financial goals or creating a budget, early in the planning process. State TANF agencies that are new to financial capability integration may want to choose a few financial capability outcomes they can measure well, rather than many outcomes. This will improve data quality and reduce the data tracking burden placed on staff.

### **TOOL 2: Outcomes That Matter**

Tool 2 can help organizations clearly and specifically document what successful financial capability integration would look like upfront. Appendix C in the Guide provides a list of sample financial capability outcomes.

State TANF agencies can leverage the collected data to help determine what about their financial capability service provision is working well and to identify any necessary adjustments to their integration efforts.

### **Lessons from the Field**

Washington took a very thoughtful and deliberate approach to prioritizing outcomes to measure. State-level staff developed a potential list of outcomes and continued the conversation with case managers for their input and suggestions. Washington is in the process of completing a review of current data tracking mechanisms and indicators to determine the best way to incorporate financial capability outcomes without overburdening staff with administrative tasks.

As Delaware's financial coaching orientation session is mandatory for TANF recipients, capturing attendance is critical to monitor compliance. Delaware knew it would take a year to make changes to its data collection methods and processes, but it chose to start tracking attendance using a paper system so as not to delay implementation of services. Delaware will also leverage its partnership with \$tand By Me to assess the integration efforts. \$tand By Me will collect data on TANF recipients who choose to attend coaching sessions. This process will allow Delaware to gather more in-depth data about its integration approach, such as the number of clients who follow-up with a coach, how often clients attend coaching sessions, and the financial outcomes achieved. This data will enable Delaware to show the extent to which their intended objectives were achieved.

## About This Brief



The primary audience for this brief is state agencies that administer TANF. The secondary audiences are Office of Family Assistance staff and community-based organizations that partner with or are contracted by state TANF agencies to provide direct services to TANF recipients. 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.

Delaware, Hawaii, Oregon, and Washington received technical assistance from Prosperity Now as they planned to integrate financial capability services. Brief summaries of their work are below.

The **State of Delaware's** TANF program is administered through a joint effort of the **Division of Social Services (DSS), Department of Labor, and the Department of Transportation Office**. Both the State and the TANF client have responsibilities that are captured in a Contract of Mutual Responsibility: The State to provide positive incentives for the family to become self-sufficient, and the family to accept responsibility to become self-sufficient and self-supporting. Delaware aims to include financial capability activities in this contract to ensure they are institutionalized and incorporated into its current state-wide proprietary data system. In consultation with \$tand By Me, Delaware determined that attendance at an orientation to \$tand By Me's coaching services would be the best activity to include in the contract. TANF recipients engaged in employment and training programs attend this orientation as part of their regular schedule of training workshops. Afterward, they may sign up for in-person or phone coaching sessions.

The **Employment and Training Program Office of the State of Hawaii's Department of Human Services** administers the state's TANF work program, First-To-Work. The Department is implementing *'Ohana Nui' (extended or large family)*, which is the State's strategy to deliver human services using a family-centric approach and is an adaptation of the national two generational approach. To better implement this approach, Hawaii engaged in a planning process to integrate financial capability services into First-To-Work. Hawaii sought to better understand the financial lives of clients through client and staff interviews. Ultimately, Hawaii decided to integrate financial education, individual budgeting conversations between case managers and clients, and referrals to credit counseling.

The **Office of Self-Sufficiency of the State of Oregon's Department of Human Services** administers the state's TANF work program, JOBS. Oregon focused its integration efforts on the JOBS Plus program because clients in that program are beginning to earn an income and there are many opportunities to help clients navigate their changing financial lives. After conducting client and frontline staff interviews and focus groups, Oregon decided to partner with Catholic Charities of Oregon to connect its clients to financial education, coaching, and counseling. Oregon is also planning to train frontline staff to have budgeting conversations with clients.

The **Community Service Division of the State of Washington's Department of Social and Health Services** administers the state's TANF program and serves over 16,000 individuals throughout the state. Washington's mission is to reduce the number of individuals and families living in poverty (below 200 percent of the federal poverty level) by 50 percent by 2025 in a way that eliminates disparities. In line with this mission, the Community Service Division planned to integrate financial capability services into its TANF program. After reviewing administrative data, information from previous interviews with clients, and having conversations with frontline staff, Washington decided to connect clients to financial education, financial coaching, and credit counseling.

