Elements of a Successful Financial Opportunity Center

A job is not enough. That's the reality facing the tens of thousands of unemployed neighborhood residents and low-wage workers who visit their local community-based organizations to seek help with employment, emergency food and utility assistance, or a brighter future for their families. Even among those who *are* employed, many families struggle with monthly expenses that exceed their income ("negative monthly cash flow")—an uphill financial battle that, without room to build a savings cushion, grows more unsustainable if a car breaks down, a family member become ill, or an employer cuts even a few weeks' hours from full-time to part-time. And low-income families who lack emergency savings or a favorable credit score often turn to the few alternative options that are available to them and easily accessible in their neighborhoods: payday lenders, check-cashing services, high-interest auto lots, rent-to-own stores, and the like. In many markets, utilities and cell phone providers also require up-front deposits, in the absence of good credit, to establish service. These deposits, fees, and high interest charges of alternative financial providers take a significant bite out of monthly cash flow.

Based on the Center for Working Families model developed by The Annie E. Casey Foundation, Financial Opportunity Centers provide an integrated or "bundled" set of three core services: **employment services, financial education and coaching, and access to income supports**. The Local Initiatives Support Corporation (LISC) supports a Financial Opportunity Center network that began in Chicago in 2004 and has grown to **over 70 Centers in 30 cities** today. Across the country, a wide spectrum of neighborhood-based nonprofits—workforce agencies, faith-based organizations, Community Action Agencies, multi-service providers, housing counseling groups, prisoner re-entry programs, and community colleges—have incorporated the Financial Opportunity Center model into their programming. As the nation's largest community development intermediary, LISC provides seed funding and ongoing technical assistance to the growing network of Financial Opportunity Centers.

The immediate aim of the centers is to help clients increase monthly net income, which can be achieved several different ways: access to income-boosting benefits like SNAP, utility assistance, or children's health insurance; a job retained over the long-term, for those who are unemployed (or a better job for clients whose wages or hours are not sufficient to meet monthly expenses); and credit-building. For many working families, the cycle of negative monthly net income creates a sense of futility around finances and work. When monthly cash flow moves from negative to positive, career advancement becomes part of a larger picture of financial stability, and Financial Opportunity Center clients feel encouraged and empowered to address credit, savings, and longer-term career planning. In this way, the core services build upon each other.

LISC continues to learn from the Financial Opportunity Center practitioners, as well as our own network management experience, academic research on financial stability, and best practices from colleagues throughout the field. Based on the lessons of the past eight years of Financial Opportunity Center work, this paper intends to summarize a few of the key elements that LISC has found are crucial to successfully operating the model—and changing the financial trajectory of low-income families.

Integrated Service Delivery & Seamless Client Flow

The basis of the Financial Opportunity Center model is intentional integration of the three core services: employment assistance, financial coaching, and access to public benefits. Early analysis of data from the Financial Opportunity Center network indicates that clients receiving bundled services are **more likely to improve their net income, net worth, and credit score**.

The Financial Opportunity Center is not a standalone program, but rather an approach overlaid onto an organization's existing programs, staffing structure, and client base. But how does an organization make this happen? To operationalize the principles of integrated service delivery, Financial Opportunity Centers design a **client flow** that outlines how individuals move through the set of services and determines which staff are responsible for various client meetings and service milestones. While the exact pathways may vary by agency, some of the best practices of a good client flow include:

- *Financial Opportunity Center orientation*. The orientation introduces participants to the three core services and also gives staff an opportunity to explain the integrated approach and communicate expectations—specifically, that the purpose of the Financial Opportunity Center is not to provide one-time services, but rather to commit to working with clients over the long term to define and achieve their financial goals.

- *At least one one-on-one meeting with financial coach*. The first meeting with the financial coach should occur early enough to record the client's financial baseline (through a comprehensive tool called the Combined Financial Assessment, or CFA), yet *after* a client has gone through the orientation and feels ready to make the commitment to the Financial Opportunity Center and the financial and career coaching.

- *Ongoing communication between client and coaches*, both through in-person coaching sessions and follow-up communication by phone, e-mail, or text (as needed and according to the client's communication preferences.)

Practitioner's Tip

"Enforce your flow. We have reasoning to our service flow and we rarely make exceptions. The reason being that if we truly believe that all of the services are important to long-term stability then we should stand behind that by ensuring the flow is adhered to. It may mean that there are clients that are not interested in our services, but sometimes we have to come to terms with the fact that we are not the right fit for someone at that stage and that clarity up front respects the client and the staff who work in our programs."

~Center for Changing Lives, Chicago; Center for Working Families since 2006

Commitment to Data & Outcomes

Successful Financial Opportunity Centers are distinguished by a commitment to data tracking, monitoring, and continuous program improvement. All Financial Opportunity Centers use Social Solutions' Family Financial Tracking-Efforts to Outcomes (FFT-ETO) system—a template that LISC developed for FOCs. LISC and the Centers have learned that this work must be both client-focused and data-focused. Effective performance management involves taking a comprehensive and nuanced view of outcomes—understanding *what* the numbers show, but also *how* to use that data to inform and improve Center operations. If a Financial Opportunity Center is lagging on a particular outcome, managers and staff use that number as a jumping-off point to investigate and solve the root issue. For example, if net income increases seem low relative to job placement and benefits access numbers, is it due to a hitch in the client flow and division of staff responsibilities, such that staff are not updating clients' budgets in ETO after a job placement or receipt of benefits? Was the baseline data collected through an initial CFA in the first place? Is there a need for technical troubleshooting or a refresher training on the system? Or are most of the placements in low-wage jobs that have little impact on clients' net income—a factor that may highlight the need for a future strategic conversation on identifying quality local employers or enhancing skills training.

Successful Financial Opportunity Centers use their performance management data to inform them whether day-to-day operations actually align with the client flow. In addition, supplemental performance management tools, such as a self-assessment worksheet, allow the program manager and staff to detect potential hiccups in the process, and determine whether adjustments need to be made in either the design or implementation of the client flow.

Practitioner's Tip

"Our envisioning of the Financial Opportunity Center as a transformational framework for enhancing agency programs and services, and not just a standalone program, has helped to solidify staff, unify our agency message and provide better services to all clients. This means that all employment and financial staff who work within different programs and who are funded under different funding streams plus the one central coordinator of services are united under the same framework to achieve collective impact. And this feels great!"

~Community Action Duluth; Financial Opportunity Center since 2011

Leadership & Staff Buy-in

The Financial Opportunity Center model presents a new way of doing business for most organizations. Effective Centers are led by managers, directors, and chief executives who view their organization *as* a Financial Opportunity Center, rather than viewing the Center as a standalone or "siloed" program within the organization. Management and executive leadership should identify with the model, its central tenets of bundling and coaching, and its transformative potential for family financial stability outcomes. Frontline staff must also understand and embrace how their work may change under the Financial Opportunity Center model and how these changes will positively impact their clients and the organization.

From the very beginning of the client engagement, successful FOCs are thinking about and working to immediately help improve a person's monthly cash flow. The reason people come to the CBOs implementing the model is because they are cash deficient in some way, be it income too low or expenses too high, or often both. Short term victories in changing the cash flow are critical to client engagement in the process. The organizational culture shift to the Financial Opportunity Center model gets staff, managers, and top leaders working together as a team, all toward the shared goal of helping clients move to positive monthly net income, and ultimately to financial stability.

The Coaching Approach

"Coaching" has gained momentum as an innovative and effective strategy for delivering financial and employment services. Unlike traditional counseling and case management, coaching begins with the mindset that all individuals are already "creative, resourceful, and whole"—and that clients have the ability to draw on this resourcefulness to set short- and long-term goals and take steps along the path to achieve those goals. At first glance, the intensive, client-centered coaching approach can undoubtedly seem like a luxury when frontline staff are facing a large caseload of clients who may feel stressed or discouraged by their economic situation—or who are struggling with an urgent need for employment, and even food and shelter. But LISC and the Centers have learned that coaching fundamentally changes the service provider-client dynamic in a way that empowers the client *and* can mitigate anxiety and burnout for the coach.

Coaching allows the center to assist the client to work on goals that are important to them—not a set of one-size-fits-all directives from a traditional case manager. The responsibility and accountability rest with the client; a coach can provide encouragement, point a client in the direction of information, and act as a sounding board. The coach can also ask a client for permission to (non-judgmentally) hold him or her accountable for making progress toward the desired goals. (Coaches often find that an accountability partner is helpful for keeping individuals on track with their goals. Some clients identify a supportive friend or relative for this role; others prefer to keep their personal relationships separate

Stronger Together: The Indianapolis Center for Working Families Network

The first Centers for Working Families (the local name for Financial Opportunity Centers) opened in Indianapolis in 2007. Since then, the network has expanded to nine Centers. The community-based organizations built on their longstanding history of cooperation and collaboration to form a robust CWF network that has implemented and honed several key best practices:

- Regular meetings of CWF program directors/site managers.
- Bi-monthly or quarterly "peer roundtables" where CWF staff meet with their colleagues across the network (separate peer group meetings for employment coaches, financial coaches, etc.) to discuss challenges and share learnings specific to their area of practice. Several financial coaches also formed a study group for the AFCPE Accredited Financial Counselor exams.
- Common branding and marketing materials.
- Common benchmarks and reporting protocols.
- A commitment to mutual accountability for the network—and a sense of pride in what the Centers for Working Families, both individually and as a network, accomplish.
- Network-wide staff positions, including a job developer, an Efforts to Outcomes (ETO) support specialist, and a bilingual financial coach that is based at one CWF but spends time rotating between other CWFs with Spanish-speaking clients.

from their coaching work and rely instead on the coach for accountability check-ins.) Above all, the client and the coach are *partners* in working toward the client's financial and career goals.

Professional Development & Peer Networking

Staff capacity building is critical to sustainability and continuous improvement. When the Financial Opportunity Center launches, frontline staff and managers all participate in a client flow planning retreat, followed by training on the FFT-ETO data management system), and coaching training. Cross-training—for example, employment specialists participating in financial coach training—can also be helpful, in order to enhance each team member's understanding of what types of issues their counterparts are addressing with shared Financial Opportunity Center clients. Many Center staff have sought out supplementary outside trainings and certifications, such as Certified Workforce Development Professional (National Association of Workforce Development Professionals); Accredited Financial Counselor (Association for Financial Counseling, Planning, and Education); financial coach "train-the-trainer" through CNM Workforce Training Center; and NeighborWorks Training Institute certificates. This professional development contributes positively to staff retention, which in turn strengthens the institutional knowledge and collective expertise of the team.

LISC also found it valuable to facilitate strong Financial Opportunity Center peer networks, often with active involvement of local United Ways. These communities of practice provide opportunities for learning and collaboration on common issues like branding, marketing, fundraising, and employer engagement. LISC coordinates communication across the national network through annual conferences of Center leadership, as well as periodic webinars and practitioner calls that give managers and line staff the opportunity to share successful strategies and hear from technical experts on specialized topics like student loans, medical debt, and the Affordable Care Act.

Long-term Relationships with Clients

Successful Financial Opportunity Centers are attuned to the importance of working with clients over the long term. The key here is to make sure that the FOC services are relevant to the client at various stages of life—whether they are unemployed or working. Because Financial Opportunity Centers are inherently relationship-based rather than transactional, coaches strive to build a lasting connection where clients feel comfortable returning to the organization as their financial goals evolve throughout the years. The frequency and intensity of engagement is client-driven. This is not to say that clients are entirely responsible for keeping in contact with financial and employment coaches; on the contrary, clear and comprehensive follow-up protocols are a best practice among staff at successful Centers.

Prospective partners often ask what type of community-based organization is best suited to operate the model. The first Financial Opportunity Centers in Chicago were workforce development-focused agencies, and over the past eight years, LISC has found that the workforce "platform" is typically conducive to the successful implementation of the model. The building block for Financial Opportunity Center success is an organizational culture that prioritizes ongoing engagement and a mutual commitment to helping clients meet their financial stability goals over the course of several years. While one-time "transactional" services (like free tax preparation or emergency assistance) are important and can be woven into the menu of Financial Opportunity Center offerings, the focus is on building a substantive relationship with clients. Workforce agencies' setup tends to encourage this type of long-term engagement; clients come in with the expectation that a training program or job search will require participation over a period of several weeks or even months. But any organization can create this through their framing of the Financial Opportunity services and the client flow, and through the trust and client rapport of its coaches.

Clients' individual needs will differ, as well as change over time. Participants may meet frequently with their coaches in the first six to 12 months, as they address more short-term and urgent needs like job readiness, and building credit. As the clients gain employment, money management skills, and confidence, they gradually build the resources to manage these day-to-day issues independently, and may only need to check in with the Financial Opportunity Center occasionally, as new goals pique their

Retention Focus

Financial Opportunity Centers employ a variety of tactics to emphasize the importance of job retention. For example, Cincinnati Works staff use every method available—phone, e-mail, text messaging, even Facebook messaging between members' pages and the Cincinnati Works organization page—for follow up, according to the communication preferences that their members indicate at orientation. Mary Rigg Neighborhood Center in Indianapolis discovered that offering to meet recently-employed clients offsite—for example, at a coffee shop close to their work or home—helped boost responsiveness to follow-up efforts, since clients from other neighborhoods found this option more convenient than making a trip to Mary Rigg's offices.

Cincinnati Works and Southwest Housing Solutions in Detroit found it useful for their coaches to use a "Call before you quit!" mantra that encourages clients to talk through their frustrations with an employment specialist instead of making an impulse decision to quit their jobs; they also use variations on the saying "One Year, One Job," to emphasize the importance of building a stable work history.

At the Cara Program's Quad Communities CWF in Chicago, participants are eligible for incentives (like transit passes) at 90 days of employment. Before the first day of employment, participants also sign an agreement to contact Cara's employment specialist once per week by phone during the first month of the job and once per month in person during the first year on the job. Staff are trained to ask participants probing, open-ended questions to help draw out—and solve preemptively—potential problems at work (and to avoid one-word, generic responses, like "How's everything going at work?" "Good." or "Any problems?" "No.") Cara staff use a "red/yellow/green" system to help "triage" more intensive outreach to those who are at highest risk for job loss.

interest—for example, if a client wants to pursue homeownership, higher education, the next step on their career ladder; or retirement savings. Strategies that FOCs employ to engage clients after they begin work include inviting them back, as featured "alumni" speakers, to celebrate their success, share their strategies, and peer-mentor with members of the organization's job club; or offering financial products, such as LISC Twin Accounts.

Financial Opportunity Centers and The Working Families Success Network

LISC is working in collaboration with United Way Worldwide and MDC, to broaden the reach of the Working Families Success Network—which includes our national network of Financial Opportunity Centers. Through nearly 10 years of experience provide program management for FOCs, we at LISC have learned both what to do and what not to do from the experts on the ground—the organizations operating these centers. We have also been encouraged by the number of requests we get from community based organizations and intermediaries looking to replicate FOCs in their communities. We hope that this document serves as a resource to make program implementation within reach for your organization. By sharing what we know, we hope that the WFSN strategy will impact more individuals working to achieve a level of financial health for themselves and their families, thereby improving the overall health of the neighborhoods and communities in which they live.