

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 workers paid low-wages 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—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 approach developed by The Annie E. Casey Foundation, LISC's Financial Opportunity Center®¹ model involves delivering an integrated set of three core services: **employment services, financial education and coaching, and access to income supports**. First, community-based organizations operating the FOC model help connect people to jobs and training opportunities. Second, they provide financial coaching to address budgeting, banking, debt, and credit issues that can both drain families of resources and keep them from obtaining and sustaining employment. Third, to provide greater stability to families as they search for work or maintain employment, FOCs facilitate access to the income supports—public benefits as well as privately-offered benefits that may be available in the community—that individuals are entitled to but don't always receive. The program's theory of change is that these three braided components of coaching will enhance each other and promote greater outcomes than each alone.

LISC supports a Financial Opportunity Center® network that began in Chicago in 2004 and has grown to **over 100 Centers in 46 cities and 14 rural communities** today. Across the country, a wide spectrum of local nonprofits—workforce agencies, faith-based organizations, Community Action Agencies, multi-service providers, housing counseling groups, returning citizens programs, and community colleges—have incorporated the FOC model into their programming. As the nation's largest community development intermediary, LISC provides seed funding, ongoing technical assistance, program and product innovations, and peer learning opportunities to the FOC network.

¹ Financial Opportunity Center® is a registered trademark of, and proprietary to, LISC.

LISC continues to learn from the FOC 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 15 years of FOC 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. Data from the FOC network indicates that clients² receiving bundled services are **more likely to improve their net income, net worth, and credit score**. An internal evaluation of over 18,000 FOC clients over a three-year period demonstrated that clients who received all three services experienced a strong increase in the probability of job placement as well as an increase in hourly wage³.

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

² For consistency, this paper uses the term “client” to refer to individuals receiving coaching and other services at the Financial Opportunity Center® sites; however, LISC recognizes that different FOC partners may use varying alternative terms, such as “participant,” “customer,” or “member,” to describe the individuals they serve.

³ *The Power of Integrated Services* by Francisca Winston and David M. Greenberg, LISC Research & Evaluation

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:

- *FOC orientation.* The orientation introduces participants to the three core services and gives staff an opportunity to explain the integrated approach and communicate expectations—specifically, that the purpose of the Financial Opportunity Center® model 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.
- *Early introduction to financial coaching.* The first meeting with the financial coach should occur early enough to record the client’s baseline financial information (budget, balance sheet, credit report, vision/goals, all documented in a common FOC data system, described in further detail below) yet *after* a client has gone through the orientation and feels ready to make the commitment to FOC services 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, video chat, or text (as needed and according to the client’s communication preferences). Successful FOC sites move from transactional client relationships to ongoing, long-term engagement with coaches.
- From the very beginning of the client engagement, successful FOC sites are thinking about and working to immediately help *improve a person’s monthly cash flow*. Often what prompts neighborhood residents to visit the agencies operating LISC’s FOC model is an imbalance in net income—be it income that is too low (or nonexistent if the individual is unemployed) or expenses that are too high, or both. Short-term victories in moving monthly cash flow from negative to positive are critical to client engagement in the process.

Commitment to Data & Outcomes

Successful Financial Opportunity Center® sites are distinguished by a commitment to data tracking, monitoring, and continuous program improvement. All FOC partners use a customized data system, the Salesforce Family Financial Tracking™ (FFT)—a template built on Salesforce that LISC developed with and for FOC partners. LISC and the FOC sites 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 FOC operations. If an FOC site appears short of their anticipated goals 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 disconnect in the client flow and division of staff responsibilities, such that staff are not updating clients' budgets in FFT after a job placement or receipt of benefits (i.e. are the clients achieving outcomes that simply aren't being documented)? Was the baseline financial information collected in the first place? Is there a need for technical troubleshooting or a refresher training on the data 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 FOC sites 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 self-assessment worksheets and summary dashboards, 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.

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 understanding 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 FOCs 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 FOC 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 them accountable for making progress toward the desired goals. (Coaches across the profession have found 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 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.

Leadership & Staff Buy-in

The Financial Opportunity Center® model presents a new way of doing business for many nonprofit and social service organizations. Effective FOC sites are led by managers, directors, and chief executives who view their organization *as* a Financial Opportunity Center, rather than

viewing the FOC as a standalone or “siloe” 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 FOC model and how these changes will positively impact their clients and the organization.

Professional Development & Peer Networking

Staff capacity building is critical to sustainability and continuous improvement. When the Financial Opportunity Center® site launches, frontline staff and managers all participate in a client flow planning retreat, followed by training on the FFT 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 FOC 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 Connect; 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 has also found it valuable to facilitate strong Financial Opportunity Center® peer networks. 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 FOC 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 most recently, federal assistance related to COVID-19 health and economic impacts.

Long-term Relationships with Clients

Successful Financial Opportunity Center® sites 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 the FOC model is 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 FOCs.

Prospective partners often ask what type of community-based organization is best suited to operate the model. The first FOC sites in Chicago were workforce development-focused agencies, and over 15 years since, LISC has found that the workforce “platform” is typically

conducive to the successful implementation of the model. However, the most essential building block for FOC model 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 FOC offerings, FOCs focus 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 culture and expectation of sustained engagement through their framing of the FOC services and the client flow, and through the trust and client rapport that the coaches build.

Clients’ individual needs will differ, as well as change over time. Clients 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 confidence and acquire the tools to manage these day-to-day issues independently, and may only need to check in with the FOC coaches occasionally, as new goals arise—for example, if a client wants to pursue homeownership, higher education, the next step on their career ladder, or retirement savings. Examples of 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™.

Growing and Learning from the Financial Opportunity Center® Network

Through nearly 15 years of experience launching, expanding, and providing technical assistance for FOCs, we at LISC have learned what works from the experts on the ground—the organizations operating this model. We are encouraged by the number of requests we get from community based organizations and intermediaries—both within and outside of [LISC’s geographic footprint](#)—looking to deploy the FOC model or similar integrated services approaches 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 FOC model and comparable integrated services strategies will impact more individuals working to achieve financial health for themselves and their families, thereby improving the overall strength of the neighborhoods and communities in which they live.