Financial Empowerment in a Thriving Community Development Network:

Ideas and inspiration from a descriptive assessment of NACEDA members’ financial empowerment and asset building activities
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Introduction

PNC has a long history of strengthening and enriching the communities in which it operates. The organization understands the value of providing knowledge and skills to help people take control of their finances and improve their quality of life. PNC’s commitment to financial education makes it an ideal partner for NACEDA as it explores financial empowerment. In particular, PNC’s individual development account (IDA), school bank initiative, Volunteer Income Tax Assistance program, first-time homebuyers education initiative and other personal finance programs are consistent with the work of NACEDA’s members. These overlapping areas of focus have enriched NACEDA’s body of knowledge and furthered its work in financial empowerment and asset building.

Who NACEDA is

As a national alliance of community development associations, NACEDA currently has 43 association members in 26 states, touching over 3,500 community organizations around the country. Despite this nationwide reach, the delivery of financial empowerment programs and resources varies widely among state and regional community development associations. Some organizations have made it integral to their region-wide community strategy and are quite effective. Others participate in efforts of other organizations in their geographic area, but only on the periphery. And still other members are currently searching for opportunities to become engaged in financial empowerment, but lack the expertise or resources.

NACEDA’s 43 member associations do not regularly communicate formally with each other on best practices and programmatic variety regarding financial empowerment. They do not formally share resources to capitalize on peer successes and challenges. NACEDA, as their association, should play a role to fill that gap. This report is an effort to begin playing that role.

The purpose of this report is to improve the efficiency and consistency of the delivery of financial empowerment services and programs among state and regional community and economic development associations. In order to accomplish this, NACEDA has created a member-by-member descriptive assessment that comprehensively captures the work of the state and regional housing and community development associations in NACEDA’s membership.

Executive Summary

Founded in 2007, The National Alliance of Community Economic Development Associations (NACEDA) is an umbrella organization for 43 state and regional associations for community and economic development in 28 states and the District of Columbia. NACEDA’s members are stewards and advocates for nonprofit community development organizations serving over 3,500 low and moderate-income neighborhoods in the United States.

One way in which NACEDA’s network serves these neighborhoods is through the provision of financial empowerment and asset building programs and services. NACEDA defines financial empowerment and asset building as strategies that help low and moderate-income individuals and families stabilize their finances and prepare for their financial future. This report provides descriptive assessments of the financial empowerment and asset building strategies, resources, definitions, metrics, programs, needs, and challenges of each of the 18 participating NACEDA members.
All 18 NACEDA members surveyed were involved with financial empowerment in some form. The most involved members are the five who are actively organizing a financial empowerment program or are directly supporting their member’s activities with funding or services. At the middle of the spectrum of involvement are seven members who have indirect involvement in helping their members carry out financial empowerment programs, but the bulk of the work is done by their members. And there are six NACEDA member associations that are exploring financial empowerment strategies and programs.

In our survey of members, concern about funding for financial empowerment programs was widespread. This was the biggest limitation and impediment mentioned by members when asked about their organization’s future work in the financial empowerment space. Following funding, the next biggest limitation mentioned was expertise in financial empowerment. Most members did not have a staff member with financial empowerment experience and only a few had a staff member dedicated full-time to financial empowerment.

Each organization that was surveyed had some connection to financial empowerment and asset building. A trend toward more involvement in the financial empowerment space was clear in the group of members surveyed. Even among those NACEDA members who were indirectly involved or exploring financial empowerment, most saw an opportunity to expand their work in financial empowerment. All NACEDA member associations surveyed had their own members working in this area.

**Trends from interviews with executive directors were:**

*The vast majority of NACEDA members surveyed see a continuing need for financial empowerment in their communities.*

- There is agreement on the broad definition of financial empowerment across the NACEDA members who were surveyed.

- Local organizations provide a significant number of services without the support of NACEDA member associations, either going through other entities or proceeding without support.

- Municipalities and local government play a significant role in implementation of the programs, primarily by referring individuals.

- Existing funding comes predominantly from the Federal government and to a lesser extent from philanthropy.

- Measurement standards, when used, differed widely among the members surveyed.
Introduction

Definition of Financial Empowerment, Asset Building and Associated Terms

NACEDA engaged a steering committee of experts during the early planning stages of this member assessment to develop a starting point for defining financial empowerment and asset building. The steering committee acknowledged that no single definition of financial empowerment is considered the standard. The term is often defined differently depending on who is using it. With that in mind, NACEDA and the steering committee used this project to gain a sense of the consistency within NACEDA’s membership on their definitions of financial empowerment. NACEDA also sought to understand the extent to which each organization’s definitions align with NACEDA’s, which draws from the definitions used by the Corporation for Enterprise Development (CFED).

NACEDA’s definition of financial empowerment and asset building:

Financial empowerment and asset building are strategies to help families with low and moderate incomes stabilize their finances, prepare for their financial future, budget soundly, improve creditworthiness, build assets, and reduce debt.

Strategies and Programs

Additionally, NACEDA and the steering committee worked to identify possible financial empowerment and asset building strategies and programs that might be in use by NACEDA’s members. These strategies and programs are listed below along with their definitions. These terms will be referred to throughout the report and are listed here comprehensively for reference.

The programs listed below the strategies are the extension of a strategy that is reaching and impacting clients and customers. These programs are the visible manifestation of an organization’s financial empowerment work that clients and customers interact with on a day-to-day basis. The programs here are listed under a specific strategy to which they are related, but in most cases a particular program could be listed under multiple strategies.

Identified Strategies’ and Programs’ Definitions

Community based strategies – Offers a community-centric solution to a range of financial related issues that enhances community based assets. The community is self-defined; it could be as small as a neighborhood or as large as a region. This strategy is typically organic and bottom up, driven by a local nonprofit or neighborhood association. Examples are LISC’s Financial Opportunity Centers or the Center for Working Families model.

Municipal based strategies – The local government serves as a point of contact to connect individuals with financial empowerment and asset building providers. Financial empowerment is fully integrated with government services to offer financial empowerment as a public service. The model relies heavily on the regular interaction municipal government has with potential clients and customers. It is a top-down approach driven by the government, as opposed to the bottom-up, organic nature of a community based strategy. An example is Cities for Financial Empowerment, promoted by the Bloomberg Foundation.

Coalition activity – This strategy utilizes a network of organizations and individuals to improve the contextual and environmental factors (such as public policy and technical assistance provision) enhancing or impeding the provision of effective financial empowerment and asset building programs. An example is the Asset Building Coalition of Texas, contemporarily known as RAISE Texas.
**Service integration** – This accessible, client centered approach pairs traditional bricks and mortar development with social services to provide seamless integration of financial empowerment services. In this model, the development organization either provides these services directly on-site or through a referral to another organization that can meet the clients’ needs. This model provides a one-stop shop for a client’s financial empowerment needs. An example is HUD’s Choice Neighborhoods where housing is the anchor for a suite of services such as volunteer income tax assistance (VITA) sites, providing free tax preparation along with individual development accounts (IDA’s) and financial coaching.

**Housing counseling model** – This strategy relies on an individual’s home as an investment and/or a platform on which to build a life. Individuals are provided with assistance in finding an affordable rental home or preparing for homeownership in order to create an asset to build wealth.

**Program examples:**
- **Down payment assistance** - Helping individuals to accumulate the necessary funds for a home down payment through a matching program or some other system.
- **Debt consolidation** - Assisting individuals with restructuring their debts into a manageable monthly payment or lowering their borrowing costs.
- **Credit builder loans** - Offering loans to individuals with nonexistent or poor credit so they are able to build a consistent payment history, thereby creating or improving their credit profile.
- **Foreclosure mitigation and prevention** - Providing services to homeowners to help them retain their homes.

**Strategies to encourage saving** – Programs under this strategy rely on the assumption that clients can be enticed to save money, often by providing incentives (sometimes financial) for meeting pre-determined goals and outcomes. Examples are individual development accounts (IDAs) and children’s savings programs.

**Program examples:**
- **Matched savings accounts** - Incentivizing individual saving by offering matching contributions to a designated account for every deposit made by a program participant; usually as part of a savings goal (education, homeownership, etc.).
- **Elderly savings** - Helping the elderly create and build savings accounts to provide them with an independent reserve of money for unforeseen financial circumstances.
- **Retirement savings** - Providing individuals access to a retirement program so they are able to proactively save for their retirement. Examples are 401(k)s, 403(b)s, IRAs, and the MyRA program from the Treasury Department.
- **College saving plans** - Facilitating saving for an individual’s or their children’s future college expenses. These programs can range from 529 plans to Kindergarten to College programs.
- **Children’s savings** - Instilling a lifelong habit of saving in children by facilitating the creation of accounts and building of savings. The most effective programs have been introduced in schools; typically through partnerships with institutions.
- **Prize link** - A savings account that pays a portion of its interest into a larger fund that is raffled off periodically to users of the accounts. These accounts are targeted at low income individuals. Research has shown that individuals using these accounts save at a higher rate than in a typical savings account.
**Affordable financial products** – Competitive market strategies that provide financial products that would otherwise be unattainable or undesirable for certain populations. Examples include short-term emergency loans at below-market cost, and special mortgage rates for veterans, first-time homebuyers, or other specific populations.

**Program examples:**
- **No fee/low fee checking/savings accounts** - Low cost or free checking accounts to individuals who would otherwise be unbanked due to the costs associated with a checking/savings account. These accounts may be available through mainstream financial institutions.
- **Second chance checking** - Checking accounts offered to individuals who have been denied or would be denied a checking account due to a history of bad credit. This product may also be available through mainstream financial institutions.
- **Emergency loans** - Providing an alternative to predatory payday and car title lenders for individuals in need of short-term cash.
- **Emergency savings** - Facilitating the creation of savings accounts for individuals without a financial safety net.
- **Affordable car loans** - Car loans made at reasonable and potentially below market interest rates.
- **Subsidized health benefits (to include insurance)** - Providing discounted health benefits or insurance to individuals who are unable to obtain it through a job or other means.
- **Financial aid for higher education** - Financing made available to individuals to attain an educational goal.
- **Insurance** - Offering insurance to the uninsured, whether it is car, rental, property, or life insurance, so they are insulated from unforeseen financial events.

**Starting a small business** – Providing technical assistance, training, and/or funding to individuals who desire to start a small business. A component of this training is managing a business’ finances. This is distinct from managing personal finances, which small business owners can often overlook.

**Human asset strategies** – Strategies that help build societal and legal prerequisites to building wealth such as criminal information record repair, immigration status, or getting a driver’s license. While none of the assets have defined monetary value, each can be critical to building financial assets. This distinction was derived from the National Association for Latino Community and Asset Builders’ (NALCAB) definition of asset building, which calls these non-financial assets “tangible assets.” A NALCAB staff member participated in the steering committee that advised this report.

**Program examples:**
- **Criminal offender record information (CORI) repair** - Working with individuals to fix or improve their criminal history so they are more able to gain employment, and secure a place to live.
- **Certifications** - Helping individuals obtain certifications that can lead to employment or better employment prospects. Examples include GEDs, technical certifications, and workforce investment programs.
- **Higher education** - Facilitating the completion of college degrees and other educational achievements.
- **Driver’s license** - Assisting individuals in obtaining a driver’s license as an enabler for future employment.
- **Rental home access** - Aiding individuals in gaining access to housing so they are able to focus on employment.
- **Legal immigration status** - Helping individuals achieve legal work status.
- **Credit repair** - Helping individuals repair their credit in order to find employment or secure loans.
Descriptive Assessment of Each Member’s Activities in Financial Empowerment

Associations Directly Carrying Out Strategies or Programs to Serve Constituents and Clients
District of Columbia:

Coalition for Nonprofit Housing & Economic Development

**Organization Mission:** The Coalition for Nonprofit Housing & Economic Development (CNHED) leads nonprofit community development organizations in ensuring that residents with low and moderate incomes have housing and economic opportunities in neighborhoods throughout the District of Columbia.

**Definitions:** CNHED also calls financial empowerment and asset building "economic opportunity." It believes there is more to financial empowerment than just finances; it's about creating multiple, accessible ways for local residents and small businesses to gain economic security and opportunity.

**Program Description:** CNHED provides financial empowerment and asset building to local residents alongside its members while also helping its members with their own programs. It has two financial empowerment related programs. The Small Business Policy Project (SBPP) identified system-level impediments to small and micro business within the District in order to help them operate more efficiently and is currently facilitating implementation. CNHED has a program to support small business technical assistance (SBTA) providers. Additionally, CNHED has a Resident Services Working Group that provides members with a platform to share best practices around services that support families, including financial empowerment services.

**Strategies:** Under the SBPP, CNHED is advancing the implementation of the 60+ recommendations to improve the system so that local residents starting or operating an existing small business can be successful. The strategies are in five focus areas:

- **Expand and improve services for small business**
- **Give a greater voice to small business**
- **Improve access to information and communication for small business**
- **Increase financial resources for small business**
- **Expand economic opportunity for small business**

CNHED has also organized a network of previously-siloed SBTA providers under into a working group as well as a working group to increase collaboration among community lenders to increase capital to support viable small businesses and economic development projects.

**Programs:** The SBPP is enacting programs under each of the five focus areas, such as: Biz2Credit, an online lending or credit-matching resource for startup and small businesses; creating a website for SBTA providers to share information and resources; matching smaller businesses with larger companies to participate in large development projects and grow; and create new financing tools for small business, including purchase of their buildings. CNHED’s SBTA Working Group is informing the network of providers and small businesses about available resources; establishing standardized metrics on the quality of TA performance; and improving providers’ capacity through a series of best practice convenings.

**Implementation:** CNHED co-convenes the SBPP with the District’s Department of Small and Local Business Development; the SBPP is guided by a 20-member steering committee comprised of public, private and nonprofit DC small- and micro-business stakeholders. The SBTA Working Group includes a network of TA providers for emerging and existing small businesses in DC. Community lenders include local CDFIs, local credit unions, micro-lenders and small business bankers.

**Staff and Expertise:** CNHED has one staff member dedicated to economic development who provides expertise for its program along with its executive director. CNHED has also invested in external expertise for its efforts.

**Funding:** Financial empowerment under its SBPP is funded completely by Citi Community Development while other aspects are funded by a combination of banks and philanthropy.

**Standards and Data Collection:** CNHED does not subscribe to outside standards for its SBPP because it has developed the program on its own. Success corresponds to how many and to what extent the recommendations have been implemented. Some strategies have specific indicators; the Biz2Credit tracks number of jobs created, number and dollar amount of loans, etc.

**Future:** CNHED sees its role in this work growing in the future. Implementation and retooling of the recommendations will take substantial time. Furthermore, CNHED is building out a program that draws clear connections between affordable housing, resident services and economic opportunity.
**Organization Mission:** The Indiana Association for Community Economic Development (IACED) supports a network of 220 organizations that build vital communities and resilient families. It advocates for public policies and assists the network in developing comprehensive solutions that engage local leadership to generate private and public investment.

**Definitions:** IACED also refers to financial empowerment and asset building as “assets and opportunities.” This concept of financial empowerment follows the Corporation for Enterprise Development idea of “keep it, earn it, grow it.” IACED defines financial empowerment and asset building as helping people get on the ladder of opportunity. It further defines asset building through the seven domains of health: financial, environmental, intellectual, emotional, social, physical, and spiritual. These domains serve to ensure the whole person is being helped instead of focusing only on finances.

**Program Description:** IACED and its members provide financial empowerment and asset building services. It is also building a network to support its members in the financial empowerment space. In the future IACED is planning to provide intermediary funding and technical assistance. IACED’s mission for its financial empowerment programs is to build resilient families who build communities.

**Strategies:** IACED is using the following strategy to directly serve customers and clients:
- **Coalition activity with CFED**

IACED is supporting its members who are using the following strategies to serve customers and clients:
- **Community based strategies**
- **Housing counseling**
- **Strategies to encourage savings**

**Programs:** IACED is supporting its members who are conducting the following programs to serve customers and clients:
- **Down payment assistance**
- **Starting a small business**

**Implementation:** IACED works with nonprofits (such as the United Way) and banks to carry out its programs.

**Staff and Expertise:** IACED is working to build expertise through National Community Reinvestment Coalition and NACEDA, as well as on-the-job training. IACED is also building expertise using technical experts from organizations such as the Corporation for Enterprise Development, NeighborWorks America, Local Initiatives Support Corporation, and the Sagamore Institute in Indianapolis.

**Funding:** IACED’s funding for its financial empowerment work comes exclusively from foundations. In particular, the Central Indiana Community Foundation is a primary contributor.

**Standards and Data Collection:** IACED does not subscribe to a particular model or external standard for their work since its work is unique to its constituency in the state of Indiana. IACED is working to create Indiana’s housing counseling standard as part of its own standards development. IACED tracks individuals savings levels, the number of businesses started, and jobs created.

**Future:** IACED sees financial empowerment and asset building as a future area of work for its organization since financial empowerment is a core part of its mission and this work is bridging a gap for its organization. IACED’s financial empowerment work may be changing in the future as its role continues to develop. To continue development of its programs, IACED needs additional funding for research, support for travel, and learning opportunities.
Financial Empowerment in a Thriving Community Development Network

**Metropolitan Consortium of Community Developers**

**Organization Mission:** The Metropolitan Consortium of Community Developers (MCCD) is an association of 51 members through which community developers strive to advance their shared mission: “To work collectively to build strong stable communities by leveraging resources for the development of people and places.”

**Definitions:** MCCD also calls financial empowerment “credit building” and defines it similarly to NACEDA. It further defines asset building as ways for low income people to grow assets, build savings, buy a house, and manage a small business. MCCD and a number of its members provide financial empowerment services to the community.

**Program Mission and Description:** MCCD’s financial empowerment program’s mission falls within the organization’s overall mission. In addition to its role as an advocate on behalf of its 50 members, MCCD has two direct service programs: a small business technical assistance and loan program, and a credit builder loan program.

**Strategies:** MCCD is using the following strategies to directly serve customers and clients:
- Community based strategies
- Municipal based strategies
- County based strategies
- Member partnership strategies

**Programs:** MCCD is enacting the following programs to directly serve customers and clients:
- Starting or expanding a small business

MCCD is supporting its members who are conducting the following programs to serve customers and clients:
- Down payment assistance
- Financial Literacy
- Homeownership Counseling

**Customers and Clients:** MCCD’s financial empowerment programs focus on individuals primarily based on their income. Its programs tend to serve people of color, though they are not specifically targeted.

**Implementation:** MCCD works with 48 cities in the metro area as well as through referrals to carry out its program.

**Staff and Expertise:** MCCD has staff specifically dedicated to financial empowerment. In total, it has seven staff members with financial empowerment expertise. MCCD provides one-on-one financial empowerment services. To assess the impact of its asset building services, MCCD has contracted with an outside research entity to evaluate its loan program.

**Funding:** MCCD funds its programs through its general budget for program operating expenses. It receives loan capital for its loan programs from banks and government entities.

**Standards and Data Collection:** MCCD adheres to Community Development Financial Institutions standards through the U.S. Treasury for its work, which governs service delivery and data collection. To demonstrate client achievement MCCD tracks changes in client credit scores, establishment of a credit score, jobs created by new businesses, revenue generated by a business, the number of employees a business creates, and employee salaries. It also tracks whether an individual is banked or unbanked, and whether they use alternative financial services. MCCD uses DownHome Loan Manager (a loan tracking system for community lenders) to manage its clients.

**Future:** MCCD sees financial empowerment as a future area of work for its organization because there continues to be growing demand for credit building programs. Demand for the credit building services is eclipsing MCCD’s current staff capacity. Additionally, finding new employees with the level of expertise MCCD expects for providing direct small business technical assistance and loan packaging has somewhat slowed the growth of the geographic expansion it undertook three years ago. However, since 2011 MCCD has expanded its Open to Business program from the city of Minneapolis to 48 cities in four metro counties, with two more having just approved the program for 2015. The biggest challenge faced by its small business lending program is securing sufficient capital to lend. The recent and dramatic growth of lending activities has diminished the available capital. However, requests are pending with local banks for additional capital. MCCD does not see its role in this work changing in the future.
Organization Mission: The Housing Network of Rhode Island (HNRI) provides a forum for communication and resource-sharing among 20 nonprofit housing developers and others who support their goals. It identifies resources and creates delivery systems to build the organizational and technical capacity of nonprofits, promotes policies and programs that facilitate the development and preservation of affordable housing by nonprofits, and increases public awareness of nonprofit housing corporations as important tools in addressing Rhode Island’s housing and community economic development needs.

Definitions: HNRI defines financial empowerment and asset building as NACEDA defines it.

Program description: HNRI itself provides financial empowerment services alongside its members. One of its programs, the Homeownership Connection, works with member community development corporations to “[provide] Rhode Islanders with the tools and support to achieve, maintain and sustain homeownership [...] and] help our neighbors navigate the path to homeownership by preparing them for the responsible purchase and financing of a home through HUD certified homebuyer education classes offered by our members across the state.” HNRI directly serves individuals and focuses its efforts on individuals based on their income.

Strategies: HNRI is using the following strategies to directly serve customers and clients:
- Municipal based strategies
- Housing counseling models
- Coalition activity with Rhode Island Housing, the United Way, FDIC, and the State Attorney General’s office

HNRI is supporting its members who are using the following strategies to serve customers and clients:
- Municipal based strategies
- Housing counseling models
- Coalition activity
- Small dollar loans
- Credit repair

Staff and Expertise: HNRI has a staff member who has expertise in financial empowerment. This staff member has built and maintained their expertise through HUD and NeighborWorks conferences, NeighborWorks certifications, and on the job training. They continue to augment their current knowledge with HUD and NeighborWorks publications.

Funding: Its primary source of funding for its financial empowerment programs is the Federal Government, followed by the State of Rhode Island, and small portions from foundations and banks.

Standards and Data Collection: HNRI subscribes to HUD standards through NeighborWorks America for its financial empowerment work. These standards provide guidance on service delivery, data collection, outputs, and outcomes. HNRI tracks the number of hours of training individuals complete for HUD. All other data is collected and tracked by its members. Some of HNRI’s members use Home Counselor Online through Fannie Mae. Home Counselor Online brings “housing professionals together to help consumers prepare for, apply for, and receive home loans – as well as provide the post purchase support necessary to remain successful homeowners.”

Future: HNRI continues to see financial empowerment and asset building programs as future areas of work for their association because of the need in the community to help individuals achieve home ownership. HNRI’s work within financial empowerment and asset building may change in the future but the changes are currently unclear. HNRI’s strength is its collective expertise and its efficient execution of its program, but available fundraising and resources are limiting.
Organization Mission: Through its network of 70 members and partner organizations, the South Carolina Association of Community Economic Development (SCACED) strives to improve the quality of life for low wealth families and communities by advancing the community economic development industry in South Carolina. SCACED achieves this through capacity building and attracting public-private investment to local community economic development organizations, as well as influencing the public policy process in South Carolina.

Definitions: SCACED defines financial empowerment and asset building in the same way as NACEDA. SCACED provides intermediary funding and services to its members who then interact with constituents to provide financial empowerment services locally. The mission of this work is to help individuals build assets to ensure their financial stability; ideally for generations.

Strategies: SCACED is supporting its members who are using the following strategies to serve customers and clients:
- Community based strategies
- Housing counseling
- Strategies to encourage saving

Programs: SCACED is supporting its members who are conducting the following programs to serve customers and clients:
- Matched savings accounts
- Down payment assistance
- Starting a small business
- Criminal offender record information repair
- Higher education assistance
- Rental home access

Customers and Clients: SCACED and its members focus their efforts on individuals primarily based upon individual income and ethnicity. It also focuses its efforts on youth as way to begin engaging the wider community.

Implementation: SCACED works with other non-profits as well as developers, service providers, constituency based CDC’s, place based CDC’s, and its members to carry out its program.

Staff and Expertise: SCACED has staff that have had prior financial empowerment experience or have gained financial empowerment expertise through training or on-the-job experience. Additionally, its staff has built experience through the Corporation for Enterprise Development’s conferences and publications. SCACED has invested in the external expertise of consultants, purchasing expertise from outside organizations, and utilizing technical experts. Sources of this external expertise include the Corporation for Enterprise Development and in-state resources.

Funding: The vast majority of SCACED’s funding for its financial empowerment work comes from the U.S. Department of Health and Human Service’s Office of Community Services. A small portion of its funding comes from the United Way.

Standards and Data Collection: SCACED subscribes to the standards and guidelines of Assets for Independence, which is administered by the Office of Community Services as well as specific guidelines required for individual development accounts. SCACED has also created its own individual development account standards as needed.

SCACED provides an opportunity for individuals and communities to amass or derive an income that gives them options for employment or business opportunities. Metrics SCACED uses to show its clients are making progress toward the desired outcomes are: the number of homes purchased, businesses created, and individuals returning to education. SCACED uses the Success Measures data system in one community to evaluate its programs, though the system has not been adopted widely due to its cost.

Future: Financial empowerment will continue to be a part of SCACED’s work in the future. The majority of its members are already providing financial empowerment services. The 10-15% of SCACED members that are not providing financial empowerment services are looking to expand into it. Currently, SCACED’s limitations are financial and administrative support. In order for its programs to work better SCACED needs local financial institutions that will cooperate with its members to institute programs. Additionally, it is necessary for financial institutions to cooperate with members to provide information on the account holder to the member nonprofit. It is also critical that the organizations have expertise in providing financial empowerment in the local area where it is needed.
Descriptive Assessment of Each Member’s Activities in Financial Empowerment

Associations Carrying Out Strategies or Programs Indirectly Through Their Members
Connecticut Housing Coalition Organization Mission

**Organization Mission:** The Connecticut Housing Coalition (CHC) works with its 220 members to expand housing opportunity and to increase the quantity and quality of affordable housing available to people with low and moderate incomes in Connecticut through advocacy, education and collaboration.

**Definition:** CHC also defines financial empowerment as encompassing credit building and financial independence. Regarding the definition of asset building, CHC sees buying a home as obsolete. It sees having equity in something that an individual is able to fall back on as necessary, whether that is liquid savings or some other asset. CHC does not see home ownership as the only source for this financial backstop. CHC’s members are providing financial empowerment services. CHC’s members’ financial empowerment work falls within the organization’s overall mission of expanding housing opportunities for Connecticut residents.

**Strategies:** CHC is supporting its members who are using the following strategies to serve customers and clients:
- Community based strategies
- Municipal based strategies
- Coalition activity with the Connecticut Publicly Assisted Housing Resident Network, a local CAP agency, and the United Way

**Programs:** CHC is supporting its members who are conducting the following programs to serve customers and clients:
- Down payment assistance
- Rental home access

**Staff and Expertise:** CHC has one staff member dedicated to financial empowerment who has built and maintained their expertise by attending conferences. CHC has invested in financial empowerment expertise from consultants, technical experts, and by purchasing expertise from organizations such as NeighborWorks America.

**Future:** CHC sees financial empowerment as a future area of work. It will continue to focus on improving individuals’ credit history, criminal history, and employment prospects as a means of enabling them to build assets and find housing.
Organization Mission: Housing Action Illinois’ (HAI) mission, along with its 165 members, is to increase and preserve the supply of decent, affordable, accessible housing in Illinois for low and moderate income households.

Definitions: HAI also refers to financial empowerment as financial literacy and financial coaching. It further defines financial empowerment as access to products that lead to financial goals. HAI’s members provide financial empowerment services and HAI provides intermediary funding and services to support its members.

Program Mission: The mission of HAI’s financial empowerment work is to provide financial empowerment services so that its members have the capacity to provide services to their communities.

Strategies: HAI is supporting its members who are using the following strategies to serve customers and clients:
- Community based strategies
- Housing counseling
- Coalition activity with community colleges, local municipalities, and churches
- Small dollar loans

Programs: HAI is supporting its members who are conducting the following programs to serve customers and clients:
- Down payment assistance
- Criminal offender record information repair
- Rental home access

Implementation: HAI works with financial institutions, credit unions, and banks to carry out its work. In particular it uses a Federal Home Loan Bank of Chicago program to provide down payment assistance to low and moderate income residents. It also works with nonprofit developers, service providers, and CDCs.

Staff and Expertise: HAI has two staff members with financial empowerment expertise. HAI staff have built and maintained their financial empowerment expertise through the conferences of the Corporation for Enterprise Development, the National Community Reinvestment Coalition, and HAI’s own conferences. Additionally, HAI’s staff bolsters their knowledge through online publications, webinars sponsored by a variety of government and private peers, and through peer networks. HAI has also invested in external expertise through NeighborWorks America and the National Council of La Raza.

Funding: HAI’s funding comes primarily from state government and banks. Some of their funders are: the Illinois Finance Authority, a national foreclosure fund, JPMorgan Chase, PNC, State Farm, US Bank, First Midwest Bank, and BMO Harris.

Standards and Data Collection: HAI recognizes national industry standards for home ownership and counseling. These standards guide its training and service delivery.

Some of the metrics HAI uses to show success are: the number of trainings it conducts, the number of participants, whether individuals say they will use training in their day-to-day lives, the dollar value of homes in productive use, and the value of homes prevented from going into foreclosure. HAI plans to collect additional participant data in the future.

Future: HAI sees its financial empowerment work continuing in the future because there will be a continuing community need and its members can’t provide the necessary capacity without HAI’s help in addressing the problems from the foreclosure crisis (such as helping boomerang buyers purchase homes again). HAI sees its work shifting from focusing on loss mitigation in foreclosure to financial empowerment so it can broaden its focus after the housing crisis.

HAI’s current work is limited by funding. This is due in part because there is foreclosure fatigue from funders. HAI sees financial empowerment as the “next big thing” but funders want to know what it means and how to implement it effectively. To do its work better HAI needs resources and expertise. It needs better information about what is the right model for its organization to use for financial empowerment as well as defining in-depth what that model means for its organizations, clients, and funders. HAI also needs standards and methods for effectively training its people on those standards.
Community Economic Development Association of Michigan

Organization Mission: The Community Economic Development Association of Michigan (CEDAM) enhances the effectiveness and capacity of its 250 members by providing a statewide voice and forum for community building and community-based economic development. It synthesizes and shares information, enabling its members to resolve local challenges.

Definitions: In addition to NACEDA’s definition of financial empowerment CEDAM also defines financial empowerment as encouraging saving. It sees asset building as largely the same as financial empowerment because it views building assets as intertwined with financial education. CEDAM facilitates the provision of financial empowerment to the community through its members. It does this by providing intermediary funding and services.

Program Mission and Description: It has two financial empowerment programs: Michigan Economic Impact Coalition (MEIC) and Michigan Communities for Financial Empowerment (MCFE). MEIC “unites individuals, organizations and local initiatives committed to supporting tax credit and asset building opportunities for Michigan families through improved access to free, quality, income tax preparation assistance.” The mission of MEIC is to: “empower Michigan residents to achieve financial stability and prosperity through a culture of economic opportunity and the use of free tax preparation, advocacy, education, and collaboration through strategic partnerships.” MCFE “is a network for local leaders working to institutionalize the integration of financial empowerment with the delivery of core public services.”

Strategies: CEDAM is supporting its members who are using the following strategies to serve customers and clients:
- Community based strategies
- Municipal based strategies
- Coalition activity with CFED, NCRC, the Charles Stewart Mott foundation

Programs: CEDAM is supporting its members who are conducting the following programs to serve customers and clients:
- Financial aid for higher education
- Down payment assistance

Implementation: It works indirectly with local governments, nonprofit service providers, constituency based CDC’s, and its association’s members to carry out its programs.

Staff and Expertise: CEDAM has two staff dedicated to financial empowerment. They have gained expertise and maintained their knowledge in financial empowerment through conferences such as the National Federation of Community Development Credit Union’s conferences and the Corporation for Enterprise Development’s conferences. CEDAM’s financial empowerment staff also use various networking meetings to interact with their peers and maintain financial empowerment knowledge.

Funding: Funding for CEDAM’s financial empowerment work comes exclusively from foundations. Its funders are the Charles Stewart Mott foundation and the W.K. Kellogg foundation.

Standards and Data Collection: CEDAM subscribes to the standards and models of the Charles Stewart Mott foundation and Bloomberg Philanthropies in its financial empowerment work. Specifically, it uses Bloomberg Philanthropies’ training standards.

To show client achievement of its financial empowerment goals CEDAM tracks the number of tax returns filed, the number of payday loans used, whether an individual has a bank account, and the amount of an individual’s savings.

To manage its client data and information CEDAM will be subscribing to Change Machine’s all-in-one financial coaching platform.

Future: CEDAM continues to see financial empowerment as part of its organization’s work because financial empowerment is a focus of its members. It does not see its role changing. The main limitation of CEDAM’s financial empowerment programs is securing ongoing funding. One area that would help to provide additional support to CEDAM members would be to have additional, timely training from the IRS. This has been difficult since IRS budgets have been cut.

2 http://meic.cedam.info
3 http://mcfe.cedam.info
Organization Mission: The Housing and Community Development Network of New Jersey’s (HCDNNJ) mission is to enhance the ability of its 150 members to create and preserve long-term affordable housing and build strong communities in New Jersey through: networking and support services, capacity building and resource development, education, and public policy advocacy.

Definitions: HCDNNJ also refers to financial empowerment as housing counseling and financial education, and defines financial empowerment as NACEDA defines it. HCDNNJ’s members provide financial empowerment services to the community and HCDNNJ provides intermediary funding and services for its members for housing counseling.

Programs: HCDNNJ is supporting its members who are conducting the following programs to serve customers and clients:
- Criminal offender record information repair
- Emergency loans
- Debt consolidation
- Down payment assistance
- Starting a small business
- Educational certifications

Staff and Expertise: HCDNNJ has three staff members with financial empowerment expertise. These staff members have built and maintained their expertise through certifications for program implementation as well as previous training gained outside of HCDNNJ. HCDNNJ is looking to invest in external expertise in the future.

Future: HCDNNJ sees financial empowerment as an area of future work for its organization because there is interest in it from financial institutions and HCDNNJ members. HCDNNJ sees its role as helping and supporting its members with their financial empowerment work.
Ohio CDC Association

Organization Mission: The Ohio CDC Association (OCDCA) is a statewide membership organization of 230 Community Development Corporations that engages in capacity-building, advocacy and public policy development that fosters socially and economically healthy communities.

Definitions: OCDCA also refers to financial empowerment as financial education. Its members provide financial empowerment services and OCDCA supports them by providing intermediary funding, services, and resources. OCDCA has several programs that support its members. It has an individual development account (IDA) program, a financial education training program, and its Building Assets for Fathers and Families in Ohio program.

Program Mission and Description: Its individual development account (IDA) program helps "low to moderate income individuals and families to fulfill their American dream to either purchase a home for the first time, earn a post-secondary education/trade credential, or open a small business.”

Its financial education training program helps members teach financial management and planning to their clients so they can effectively manage their financial future.

Its Building Assets for Fathers and Families in Ohio program "encourages non-custodial parents engaged with the child support system to enroll in and complete a series of financial education sessions, with the goal of strengthening the parent’s ability to pay his or her child support, providing for his or her children, and taking an active role in parenthood.”

Strategies: OCDCA is supporting its members who are using the following strategies to serve customers and clients:
- Community based strategies
- Coalition activity
- Service integration
- Strategies to encourage saving
- Small dollar loans
- Credit repair

Programs: OCDCA is supporting its members who are conducting the following programs to serve customers and clients:
- Matched savings accounts
- Financial aid for higher education
- Down payment assistance
- College savings programs
- Starting a small business
- Children’s savings
- Higher education

Implementation: OCDCA works with the Federal and State Government and its members to carry out its financial empowerment work.

Staff and Expertise: It has one staff member dedicated to financial empowerment who has built and maintained their financial empowerment experience through Corporation for Enterprise Development conferences and Health and Human Services Office of Community Service conferences. OCDCA’s financial empowerment staff also uses Corporation for Enterprise Development, Office of Community Service, and Aspen Institute publications to maintain knowledge in the field. OCDCA has invested in external expertise through consultants and technical experts such as the Corporation for Enterprise Development and Policy Matters Ohio.

Funding: OCDCA’s primary funders for its financial empowerment work are the Federal and State government, with a smaller portion of its funding coming from banks. Some of its funders are: Health and Human Services Office of Community Services, the Ohio Housing Trust Fund, and area banks.

Standards and Expertise: To show achievement of its goals OCDCA tracks the number of people who receive and complete its financial education courses, individuals' savings rates, and a ratio of course dropouts to completions. It also tracks whether individuals have bank accounts and whether they use alternative financial services.

Future: OCDCA sees financial empowerment as a future area of work for its organization because it has bipartisan support and wide demand within the state. Its sees its work potentially changing by moving into children’s savings accounts and working on ways to connect financial education to community development. Its current limitations are funding and staff. Enabling staff to connect with like-minded organizations with similar programs will help OCDCA do its financial empowerment work better.
**Organization Mission:** The Community Development Council of Greater Memphis (CD Council) supports its 65 members in the revitalization of Memphis neighborhoods through public policy development and advocacy, organizational capacity building, and community education. It accomplishes this through: promoting comprehensive plan-based neighborhood revitalization, especially in the areas of physical, economic, and human capital development; empowering neighborhood-based organizations through a network of support and assistance; representing and advocating for the interests of its members and the neighborhoods they represent; securing resources and building partnerships to support the work of community development; and promoting public policies that will reduce the barriers to neighborhood revitalization and improve the quality of life for residents.

**Definitions:** CD Council also refers to financial empowerment as financial literacy. It defines financial empowerment and asset building in the same way as NACEDA. CD Council does not provide financial empowerment itself, but its members provide it through housing counseling. The mission of its financial empowerment work is to help individuals and families through its housing counseling program.

**Strategies:** CD Council is supporting its members who are using the following strategy to serve customers and clients:
- *Housing counseling*

**Programs:** CD Council is supporting its members who are conducting the following programs to serve customers and clients:
- *Rental home access*

**Future:** CD Council does not see financial empowerment as part of its future work as there is very little funding for its financial empowerment work.
Texas Association of Community Development Corporations

Organization Mission: The Texas Association of Community Development Corporations (TACDC) improves the lives of low and moderate-income Texans by strengthening the capacity of its 120 community development organization members as well as generating resources and relationships that enhance and sustain the community development industry in Texas.

Definitions: TACDC also refers to financial empowerment as financial capability, but defines financial empowerment or asset building the same as NACEDA. TACDC’s members provide financial empowerment services to the community. TACDC provides some intermediary funding and services, but there is a separate association in the state that deals primarily with financial empowerment and asset building.

Program Mission: The overall mission of the TACDC’s financial empowerment work is to reduce regulatory barriers to allow nonprofits to provide financial empowerment and education in their communities.

Strategies: TACDC is using the following strategies to directly serve customers and clients:
- Small dollar loans

TACDC is supporting its members who are using the following strategies to serve customers and clients:
- Small dollar loans

Programs: TACDC is enacting the following programs to directly serve customers and clients:
- Emergency loans

TACDC is supporting its members who are conducting the following programs to serve customers and clients:
- Emergency loans

Customers and Clients: The programs TACDC supports focus on serving all subsets of the population including individuals varying by age, ethnicity, geography, and disability status. It also works to provide housing for veterans, those with AIDS, and the homeless.

Implementation: TACDC works with the state government, nonprofit service providers, and organizations that may not be members of TACDC to carry out its financial empowerment work. It also works with credit unions. These service providers work with employers to offer emergency loans to employees. This loan provision eliminates the need for these employees to utilize payday lenders.

Staff and Expertise: It has invested in external expertise by purchasing expertise from other organizations and utilizing technical experts on a contract basis.

Funding: TACDC receives funding from federal, state, and local governments. It also receives funding from Citibank and Wells Fargo.

Future: In the future TACDC sees its role in financial empowerment as referring individuals to organizations that can provide the financial empowerment services they need. It also sees its work in financial empowerment growing in the future. At present TACDC does not see any limitations in its work, but additional funding would enable it to do its work better.
Associations Exploring Strategies or Programs in Financial Empowerment

Descriptive Assessment of Each Member’s Activities in Financial Empowerment
**California:**

**East Bay Housing Organizations**

**Organization Mission:** East Bay Housing Organizations (EBHO), with 350 members, brings together community members, public officials, nonprofit housing developers, service providers, planners, professionals, and advocates. Collectively, it is building a movement to ensure that everyone has a safe, healthy, and affordable place to call home.

**Definitions:** EBHO defines financial empowerment as NACEDA does, though it sees asset building as a subset of financial empowerment. EBHO’s members are providing financial empowerment services.

**Staff and Expertise:** EBHO has several staff members with limited financial empowerment expertise, though financial empowerment is not the focus of their work.

**Future:** EBHO does not see financial empowerment as a future area of work for its organization because affordable housing community development is what the organization does and is focused on.

**Massachusetts:**

**Massachusetts Association of Community Development Corporations**

**Organization Mission:** The Massachusetts Association of Community Development Corporations (MACDC) is an association of mission-driven community development organizations dedicated to working together with its 88 members and others to create places of opportunity where people of diverse incomes and backgrounds access housing that is affordable, benefit from economic opportunities, and fully participate in the civic life of their community. It achieves this by building and sustaining a high performing and adaptive community development sector that is supported by private and public investment and sound public policies.

**Definitions:** MACDC also refers to financial empowerment as asset development and family asset building. MACDC sees financial empowerment and asset building as a comingled space without fine distinctions. It further defines financial empowerment and asset building as foreclosure prevention, protection from predatory products, helping individuals separate small business and personal finances, and helping individuals qualify for the Earned Income Tax Credit. MACDC’s members provide financial empowerment services, but MACDC does not provide intermediary funding or services to its members. MACDC has helped to create another organization in Massachusetts that carries out financial empowerment work.

**Staff and Expertise:** MACDC has invested in external expertise by hiring instructors in the past.

**Future:** MACDC sees financial empowerment as a continuing issue in its community and will likely work on it, but currently there is another organization in Massachusetts that is taking a leading role in financial empowerment. MACDC will work to help this organization as a means of bringing financial empowerment to the community. It will also continue its work in policy and advocacy, offer workshops and trainings, networking across organization boards, referrals, and research member activities in this area.
Organization Mission: The Community Builders Network of Metro St. Louis (CBN) is an association of 27 community building nonprofits working to build vibrant neighborhoods where people of different incomes, races, and walks of life can access the opportunities and resources necessary for a good life. It believes that strong neighborhoods help to build a stronger and more competitive regional economy. CBN works towards these goals by: increasing the capacity of member organizations, developing a more supportive community building system, raising public awareness of the need and importance for community building.

Definitions: CBN also defines financial empowerment as household wealth building and financial capability. In defining financial empowerment CBN believes that pairing education with savings and asset building (investment in housing, education, small business, etc.) has stronger outcomes than doing any one independently. CBN defines asset building as financial education and household wealth working together to strengthen an individual’s financial life. CBN’s members provide financial empowerment services to the community.

Future: CBN sees financial empowerment and asset building as a possible future role for the organization. At this stage in the organization’s lifecycle it is just beginning to work on supporting a strong community development system so it has not moved into financial empowerment. With the many banking and credit union partners locally, CBN sees there is opportunity for financial empowerment to play a bigger role in community development. CBN is currently working with banks to improve financial education and create youth jobs, which can serve as a precursor to a role in financial empowerment. CBN sees there is a natural momentum toward financial empowerment and it is working towards building on that momentum. Another important step towards moving to an expanded role in financial empowerment is broadening CBN’s membership to include financial institutions. With a broadened membership CBN could more easily support financial empowerment initiatives.

CBN sees its role as a convener bringing organizations together on the issues, and identifying best practices and barriers to implementation. Convening partners in the banking and finance sector will be crucial to orienting and facilitating the process. Depending on member goals, CBN could take on different functions to support the delivery of financial empowerment programs.
Neighborhood Preservation Coalition of New York State

Organization Mission: The Neighborhood Preservation Coalition of New York State’s (NPCNYS) purpose is to unify the state’s community-based organizations along with its 170 members in order to build broad support for their neighborhood revitalization activities and to improve their effectiveness. Its goal is to build a statewide network of well-supported and effective community-based organizations that are creating positive change in each neighborhood struggling with disinvestment, poverty, and abandonment.

Definitions: In addition to NACEDA’s definition of financial empowerment NPCNYS adds that financial empowerment is comprised of strategies and tools to assist low and moderate income families. It views asset building as assisting individuals build wealth, credit, budget effectively, and further their education and employment. NPCNYS members provide financial empowerment services.

Strategies: NPCNYS is supporting its members who are using the following strategy to serve customers and clients:

- Housing Counseling

Programs: NPCNYS is supporting its members who are conducting the following programs to serve customers and clients:

- Foreclosure prevention
- Mortgage counseling
- First-time home buying

Staff and Expertise: It has invested in external expertise by sending staff to conferences on financial empowerment.

Standards: NPCNYS subscribes to the standards and models of NeighborWorks America, a New York City Model, and One Stop City Center. These standards provide guidance on training, service, delivery, and data collection and outputs and outcomes.

Future: NPCNYS does not see financial empowerment as a concentrated area of work in its future, except when interests, advocacy, and resources overlap with its membership.
Oregon Opportunity Network

Organization Mission: Oregon Opportunity Network’s (Oregon ON) mission is to support and strengthen its 175 members through advocacy, communications, peer learning, and best practices development.

Definitions: Oregon ON defines financial empowerment in the same way as NACEDA. Oregon ON’s members provide financial empowerment programs.

Future: Oregon ON sees financial empowerment as a future area of work for its organization, because more and more members are getting involved in financial empowerment as well as asking for financial empowerment services.

Pennsylvania: Philadelphia Association of Community Development Corporations

Organization Mission: The Philadelphia Association of Community Development Corporations (PACDC) is dedicated to advocacy, policy development and technical assistance for community development corporations and other organizations in their efforts to rebuild communities and revitalize neighborhoods. Through its policy and advocacy work, it strives to create a more supportive environment for community development activities and to enable its 100 members to more effectively meet the needs of lower income residents and advance neighborhood revitalization. In addition, it aims to build the capacity of CDCs through resource and information delivery, a sharing of ideas and practices among CDCs, technical assistance, and promotion of the community development industry.

Definitions: PACDC also refers to financial empowerment as financial literacy. Its members provide financial empowerment services. There is a separate housing counseling association in Philadelphia so PACDC generally does not work in the financial empowerment space.

Future: Currently PACDC collaborates with other organizations for financial empowerment, but doesn’t see that changing. If PACDC’s members want that to change then PACDC would accommodate it, but it doesn’t seem likely.
Summary

Summary Findings in Each Major Area for NACEDA Members Who Participated in the Report

Standards and Definitions
The vast majority of members agreed with NACEDA’s definition of financial empowerment and asset building. Specifically, the vast majority of members agreed with the definition of financial empowerment and asset building as:

Strategies to help families with low and moderate incomes stabilize their finances and prepare for their financial future. Education and awareness are two tools to help these individuals to budget soundly, improve creditworthiness, and reduce debt.

The basic and broad definition of financial empowerment and asset building used in this report was derived from the Corporation for Enterprise Development’s definition of financial empowerment with input from NACEDA’s financial empowerment steering committee.

Overall, the differences highlighted by members in the definitions of financial empowerment and asset building typically focused on the particular strategic and programmatic areas in which an organization was working. There was broad agreement on who was being helped: families with low and moderate incomes, what needed to be done: stabilize finances and prepare for their financial future, and how to achieve these goals: use education and awareness to help people manage their budgets, creditworthiness, and debt. The flavor of the work may have differed from member to member, but the underlying concepts remained the same.

The following word clouds highlight some of the differences that were highlighted in response to questions about members’ views on financial empowerment and asset building.

Do you have another name for financial empowerment?
Summary

How do you define financial empowerment?

How do you define asset building?
Strategies and Programs

Some NACEDA members are providing financial empowerment services or funding to their members in order to achieve their financial empowerment goals. Some NACEDA members consider financial empowerment work outside the scope of their organizations’ mission, while others saw the role of supporting their members’ financial empowerment work being filled by another organization. The remainder of NACEDA members surveyed had members of their own carrying out financial empowerment without support.

Strategies NACEDA members are **enacting** to directly serve customers and clients

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Number of members using a strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Based Strategies</td>
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<tr>
<td>Coalition Activity</td>
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<tr>
<td>Community Based Strategies</td>
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<tr>
<td>Small Dollar Loans or Lending</td>
<td>1</td>
</tr>
<tr>
<td>Housing Counseling Model</td>
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</tbody>
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Strategies NACEDA members are **supporting** to serve customers and clients

<table>
<thead>
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<tr>
<td>Small Dollar Loans or Lending</td>
<td>6</td>
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<tr>
<td>Strategies to Encourage Saving</td>
<td>4</td>
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<tr>
<td>Housing Counseling Model</td>
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<tr>
<td>Credit Repair</td>
<td>2</td>
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<tr>
<td>Service Integration</td>
<td>1</td>
</tr>
<tr>
<td>Municipal Based Strategies</td>
<td>0</td>
</tr>
</tbody>
</table>
Summary

Customers and Clients
Few of the members surveyed had segmented their target audiences in any significant way. In the cases where an organization was predominantly serving a particular demographic, age, or ethnic group the reason was typically coincidence rather than specifically seeking out one particular group. In all cases, members carried out inclusive strategies and programs that served those in need.

Implementation
As expected, local organizations provided the bulk of services to the clients. NACEDA member associations provided intermediary funding or technical services in support of their members. In a few cases members cited the existence of adjacent organizations that were taking the lead in providing financial empowerment services either to the community or to local members of NACEDA’s members. Predictably, those members that cited an adjacent organization’s work in financial empowerment tended to have little involvement in financial empowerment.

There were a significant number of services being provided by organizations without the support of NACEDA members. These organizations were either working with other entities or simply proceeding independent of the support of NACEDA members.

Strategies used independent of NACEDA members’ support
Municipalities and local government played a significant role in implementation of the programs. This role typically consisted of the local government serving as the connector of customers and clients to the organization with the resources to provide services. This referral system provided a critical link to the population at large that enabled the dissemination of services on a scale that would otherwise be difficult to reach.
**Staff and Expertise**
Following funding, the biggest limitation identified was expertise in financial empowerment. Most members did not have a staff member with financial empowerment experience and only a few had a staff member dedicated to financial empowerment.

**Percent of organizations with any staff expertise in financial empowerment or asset building**

- 0 staff: 53%
- 1 staff: 21%
- 2 or more staff: 26%

**Percent of organizations with a staff member dedicated to financial empowerment or asset building**

- No: 68%
- Yes: 32%

Organizations with conferences attended by members’ staff to build and maintain their expertise in financial empowerment

**Methods of staff education for financial empowerment**
- Conferences: 7
- Trainings (on the job): 6
- *Other: 5
- Publications/Research: 4
- Certifications: 1

*Other includes local sources, networking, webinars, and online sources

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**Financial Empowerment in a Thriving Community Development Network**
Summary

**Funding**
Concern about funding for financial empowerment programs was widespread. This was the biggest limitation and impediment mentioned by members queried about their organization’s future work in the financial empowerment space. Existing funding comes mostly from the federal government and to lesser extent from philanthropy.

**Organizations cited by members**
*as providing funding for financial empowerment and asset building*

- Charles Stewart Mott Foundation
- State Farm
- PNC
- W.K. Kellogg Foundation
- Citibank
- Ohio Housing Trust Fund
- Wells Fargo
- Central Indiana Community Foundation
- BMO Harris Bank
- First Midwest Bank
- US Bank
- JPMorgan Chase
- Illinois Finance Authority
- HHS Office of Community Services

**Standards and Data Collection**
The way each member defined outcomes, outputs, and activities differed widely. Typically there was little to no distinction in place between the activities (e.g. hours of training conducted), outcomes (e.g. number of individuals completing a course), and outputs (e.g. an improved credit score). The majority of organizations had some emphasis on metrics, which showed awareness of the importance of data in the achievement of goals. Most organizations lacked specific outcomes that would signify achievement of the members’ financial empowerment goals. Aligning measurable outcomes with a program’s mission was the clearest incentive for the organization to work in a concerted fashion towards its stated goals.

Most often the metrics used were governed by funders who required the tracking of certain metrics as a condition of funding. Few members surveyed had moved beyond these required metrics to create their own.

**Future**
Each organization surveyed had some connection to financial empowerment and asset building. Additionally, even among those NACEDA members who were the least involved in financial empowerment most saw an opportunity to expand their work in financial empowerment. This view was reinforced by the fact that all NACEDA members had their own members who were working in some area of financial empowerment.

The vast majority of NACEDA members see a continuing need for financial empowerment in their communities, provided the funding, capacity, and expertise becomes available.
METHODOLOGY

To gain first-hand insight into the views of NACEDA members about financial empowerment, it was necessary to conduct a phone survey of the organizations involved in financial empowerment. To guide these interviews, a survey instrument was created to elicit the specific information necessary to shed light on each of NACEDA member’s work in the financial empowerment realm.

Initial idea generation was done within NACEDA, then refined through a steering and asset building committee made up of financial empowerment subject matter experts from the National Association of Latino Community Asset Builders (NALCAB), the Corporation for Enterprise Development (CFED), the Charles Stewart Mott Foundation, Cities for Financial Empowerment Fund (CFE Fund) and the Community Economic Development Association of Michigan (CEDAM). This steering committee provided a critical sounding board for refinement of the survey instrument and later for the compilation of the survey results into a complete report.

During the creation of the survey instrument, areas of interest were identified within the field of financial empowerment and asset building. NACEDA saw an opportunity to illuminate these viewpoints and show where they overlapped. The broadly defined areas of interest where NACEDA focused its efforts were: standards and definitions, strategies and programs, customers and clients, organizational resources, evaluation, and needs. These areas provided a comprehensive picture of each organization’s work in the field of financial empowerment and asset building.

These areas of interest were then operationalized into a series of questions to elicit an understanding of each organization’s work in their respective areas. The instrument was then used to survey a selection of NACEDA members who had been identified as having some affiliation with or existing work in financial empowerment and asset building. A phone survey was conducted with each member’s executive director or, in a few cases, an individual designated to serve as a proxy.

Responses to questions were then recorded and compiled into a narrative detailing each organization’s work in financial empowerment and asset building. These narratives were then sent to the survey’s respondents for final verification of the information.
NACEDA and its members extend its deepest thanks to Ryan Hill. This report’s publication would not have been possible without the time, dedication, expertise and experience he provided from March-October 2014.