Impact Guidance Letter: Asset Development

Objective: Increase the number of individuals and families building assets.

2030 target: Ensure an additional 300,000 individuals live above 200% of the federal poverty level by 2030

Counties served: Atlantic, Burlington, Camden, Cape May, Cumberland, Delaware, Montgomery, and Philadelphia

Results-based accountability “story behind the curve” (background): In hard-to-reach and underserved communities there is a generational and high concentration of poverty resulting from limited or no financial and social capital to link to valuable/timely resources, which inhibit growth, sustained self-sufficiency, and asset development. According to research there are six core asset building approaches to increase an individual’s and family’s financial stability over time:

1. Financial education: Free financial education curricula can help families make informed money management decisions.
2. Getting banked: Bank accounts enable families to reduce reliance on check-cashers and other high-cost “fringe” financial services.
3. Borrowing/debt management: Families often need assistance to establish a positive credit history, repair their credit, and get out of debt.
4. Individual development accounts (IDAs): Assets for Independence (AFI) provides grants for matched savings accounts, which can be used to acquire lifelong assets.
5. Public benefits: Low-income families are eligible for federal and state benefit programs that can extend the reach of their income.
6. Tax credits: Low-income families can access thousands of dollars in tax credits. Without the tenants of the six core asset building approaches individuals and families living in poverty are unable to acquire assets or improve their financial prospects over generations.

United Way’s work to date: To learn more about United Way’s work to date in asset building, visit https://www.unitedforimpact.org/our-work-to-date/
What works to turn the curve: Increasing self-reliance among individuals and families requires working alongside them to create structures that help meet immediate needs, secure stable/viable employment, and build a stronger asset base. In order to increase a person’s living over 200% of the federal poverty guideline and move toward long-term, sustained economic self-sufficiency, the following resources and skills are identified:

Jobs
Individuals can acquire a job in the region, maintain employment, or create their own business(es) locally. Their jobs produce enough income to meet at least a basic family budget, and they advance in careers and income over time.

Income supports
Individuals have access to benefits that offset/address the costs of basic and/or immediate needs in an effort to maintain employment, housing and/or safety, including food, clothing, shelter, transportation, childcare and utility assistance.

Job training
Job seekers have the basic life skills, attitudes, behaviors, workplace skills, communication (language), and reliability to succeed in jobs in their region. Job seekers have the education or training credentials, and math and technology skills they need to start on a career ladder in their region.

Building assets
Individuals or families set financial goals, regularly use appropriate and affordable financial products and services, improve credit record over time, and obtain essential goods and services at reasonable prices. Individuals and family members save, advance their education, buy homes, and acquire other assets that improve their financial prospects over generations; they care for and maintain those assets; and the value of family assets increases over time.
Required program components

1. Evidence of delivering Volunteer Income Tax Assistance (VITA) program services or partnering with an IRS-approved VITA provider
2. Evidence of delivering an accredited model for financial literacy counseling and coaching and/or partnering with a financial literacy agency that uses an accredited financial literacy model (e.g., Money Smart)
3. Evidence of successful community partnerships to provide effective financial stability programs and services
4. Evidence of results in working with hard-to-serve individuals (e.g., returning citizens, veterans, people living with disabilities) and families

Preferred program components

1. Partners with 2-1-1 (in NJ and/or PA) to maintain a current list of programs and services and promote 2-1-1 as a resource for individuals and families served, volunteers, donors and staff
2. Providers and partners have intentional partnership with other individual and family stability supports that increase the likelihood of success for job seekers to be successful, including:
   a. Currently delivering trauma-informed services
   b. History of volunteer management
   c. History of advocacy
   d. Two-generation approach: considering dependents and their caregivers in approach to service delivery
3. Evidence of ability to deliver benefit access services, or partnering with an agency that delivers benefit access services
   a. Evidence of successfully delivering Individual Development Accounts (IDAs) and Children Savings Accounts (CSAs) programming
4. Serve meaningful numbers of individuals and/or families living at or below 200% of the federal poverty level and/or communities/neighborhoods with high concentrations of poverty (eligible zip codes detailed in the objective applications).
Agency performance measures

How much?

- # of unduplicated individuals who received VITA tax filing services
- # of unduplicated EITC eligible tax filers who received VITA tax filing services
- # of unduplicated individuals who received financial counseling services
- # of unduplicated individuals whose household income was at or below 200% of the federal poverty level [of those who received financial counseling and/or VITA services]
- # of unduplicated individuals served who were unbanked

How well?

- # of unduplicated EITC tax filers who received financial counseling services
- # of unduplicated individuals who secured fair and affordable financial options and products [of those who received financial counseling services]
- # of unduplicated individuals who reduced their debt [of those who received financial counseling services]
- # of unduplicated individuals who reduced their debt by 25% [of those who received financial counseling services]
- # of people who increased their credit score [of those who received financial counseling services]
- # of unduplicated individuals who increased their credit score by 100 points [of those who received financial counseling services]
- # of unduplicated unbanked individuals who opened a bank account [of those who received financial counseling and/or VITA tax services]
- # of unduplicated individuals who opened a Children’s Savings Account (CSA) [of those who received financial counseling and/or VITA tax services]
- # of unduplicated individuals who opened an Individual Development Account (IDA) [of those who received financial counseling and/or VITA tax services]
- # of unduplicated VITA tax preparers trained
Is anyone better off?

- # of unduplicated individuals who increased their savings
- # of unduplicated individuals who increased their savings to reflect three months of household expenses
- Cumulative savings accrued by individuals who increased their savings
- # of unduplicated individuals who built assets
- # of unduplicated individuals who maintained the value of their assets
- # of unduplicated individuals whose household income increased above 200% of the federal poverty guideline [of those who received financial counseling and/or VITA tax services]

In partnership with others, United Way seeks to achieve the following objectives:

1. Connect non-receiving eligible individuals and families with benefit supports and resources.
2. Expand VITA to serve more EITC tax filers.
3. Provide VITA tax filers with financial literacy counseling and/or coaching.
4. Expand financial literacy counseling and coaching to increase credit scores, reduce debt, and connect individuals/families to fair mainstream financial products/services across the region.
5. Build individuals’ and families’ savings and net worth across the region.
6. Expand individual development account (IDA) and children’s savings account (CSA) programs to serve new individuals, families, and children.