

What is Asset Building?

April 25, 2013, 3:30 pm EDT
and
April 29, 2013, 3:30 pm EDT

Asset Building Policy Network (ABPN)

Housekeeping

All participants are muted for recording purposes; presentation will be available by May 15, 2013 on www.assetbuildingpolicynetwork.org

How to Ask a Question: Instructions
In the meeting client, click the Q&A pane;
Type your question in the Q&A text box;
Click Send.

Our Speakers and Moderator

- ❑ Jeff Gilbreath, Executive Director, Hawaiian Community Assets
- ❑ Luis Granados, Executive Director, Mission Economic Development Agency
- ❑ Courtnee Biscardi, Vice President of Programs & Operations, Urban League of Broward County
- ❑ And moderator: Kim Pate, Chief External Relations Officer, CFED

Session Objectives

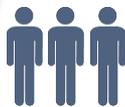
Learn about...

- ❑ The Asset Building Policy Network (ABPN)
- ❑ Assets as a way to build financial stability for communities of color
- ❑ Asset-building tools and resources for programs and clients
- ❑ Proven ways to integrate asset-building strategies in programs through case studies and examples

About the Asset Building Policy Network (ABPN)

- ❑ Center for American Progress
- ❑ CFED
- ❑ Citi Community Development
- ❑ The Leadership Conference on Civil and Human Rights
- ❑ National Association for Latino Community Asset Builders
- ❑ National Coalition for Asian Pacific American Community Development
- ❑ National Council of La Raza
- ❑ National Urban League
- ❑ PolicyLink

The ABPN, supported by Citi, is a coalition of national civil rights, financial services, community and economic development, and consumer advocacy organizations focused on building assets in communities of color and for LMI individuals.



1) coordinating **savings and asset building** policy and advocacy efforts; 2) developing a **shared communications** agenda and strategy; and 3) building the **capacity of ABPN members and their affiliates** to better promote savings and asset building.

The Racial Income & Wealth Gap

- ❑ White families earn about \$2 for every \$1 that black and Hispanic families earn.
- ❑ White families are about 6 times as wealthy as nonwhite families.
- ❑ Typical black household had just \$5,677 in wealth (assets minus debts) in 2009; typical Hispanic household had \$6,325 in wealth; and typical white household had \$113,149.
- ❑ Plummeting house values principal cause of this erosion in household wealth, with Hispanics and blacks hit hardest.
- ❑ Hispanic families lost 44 % of their wealth between 2007 and 2010 and black families lost 31 %. White families, by comparison, lost 11 % of their wealth.

Why Assets?

- ❑ **Income alone does not create financial stability.**
- ❑ **Moves families beyond “paycheck to paycheck”**
 - Creates a financial buffer to weather emergencies
 - Enhances the well-being and life chances of children
 - Is linked to lower rates of divorce and domestic violence

“With income we get by, but with financial assets we get ahead.”

--Ray Boshara, New America Foundation

“Few people have ever spent their way out of poverty. Those who escape do so through saving and investing for the long-term...”

“Income may feed people’s stomachs, but assets change their heads.”

*--Michael Sherraden, Center for Social Development,
Washington University*

Assets, Defined...

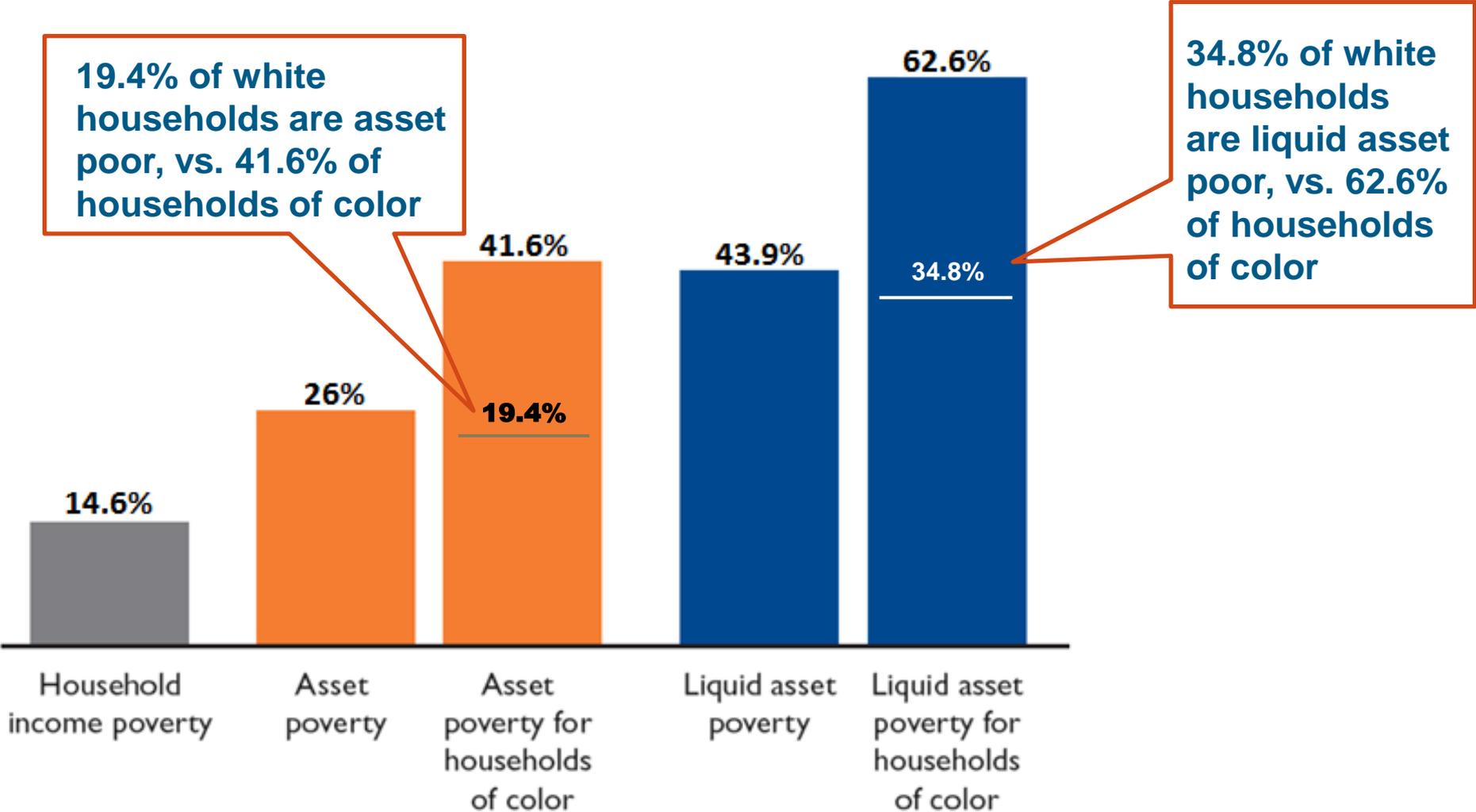
- Traditionally:
 - Bank accounts
 - Savings
 - Real estate
 - Businesses
 - Education
 - Investments
 - Other property
- But also...
 - Good credit
 - Emergency savings
 - Citizenship

The Power of Assets

- ❑ **Assets & economic mobility:** Children of parents with savings are significantly more likely to climb up the income ladder – especially for low-income individuals and families.¹
- ❑ **Lack of assets can impact child development.** By age 3, large gaps can be seen in the vocabularies of children in families receiving public assistance compared to their counterparts in wealthier families
- ❑ **Assets & college success.** Asset ownership is associated with increased aspirations and higher rates of college attendance and completion.³

¹ Cooper and Luengo-Prado, 2010; ² Cunha and Heckman, 2007, and Hart and Risley, 1995; ³ Elliott, 2010

Rising Asset Poverty, Diminishing Financial Security



Examples of Asset-Building Strategies

- ❑ Financial education
- ❑ Accessing federal and state benefits
- ❑ Tax credits and filing assistance
- ❑ Getting families banked
- ❑ Encouraging “rainy day” savings
- ❑ Managing credit and debt
- ❑ Matched savings (Individual Development Accounts, aka IDAs), e.g. Renter IDAs
- ❑ Children’s Savings Accounts

Asset Policy Opportunities

- ❑ A time like no other in the history of the U.S. asset building field
- ❑ Important policy opportunities at the local, state and federal levels
- ❑ ABPN Policy Priorities promote economic security:
 - Expand access to and delivery of safe and affordable financial products and services.
 - Promote financial capability and basic protections for consumers.
 - Expand access to credit, capital, and technical assistance resources for small businesses.
 - Incentivize and expand savings opportunities.
- ❑ Get connected:
 - Join the Asset Building Policy Network (ABPN), www.assetbuildingpolicynetwork.org

Jeff Gilbreath

Hawaiian Community Assets

<http://nyti.ms/15SaoyH><http://nyti.ms/15SaoyH>



Renters MATCH Savings Accounts

For Houseless Individuals & Families



- ❑ 5:1 match on savings up to \$500 for rent, deposits, and utilities
- ❑ Required HUD-approved group financial education and individualized counseling
- ❑ Open bank account or Trust account held at shelter
- ❑ Submit copies of bank statements showing no withdrawals

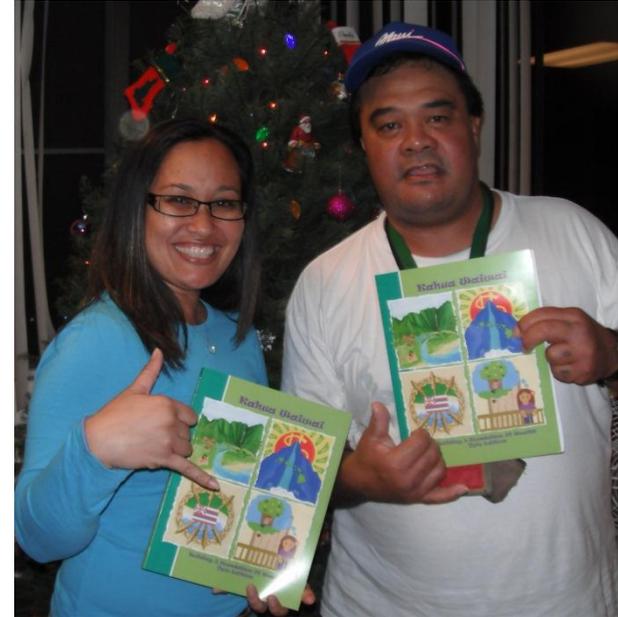
Why?

- ❑ 60% Native Hawaiian unemployment rate at shelters served
- ❑ \$11k average annual income for employed individuals
- ❑ \$3,000 average first month's rent and deposit in Hawaii

Success Story – Renters MATCH

Ted Kamoku

- ❑ Criminal history, denied housing due to his record
- ❑ Medical issues, on social security income only
- ❑ Taught shelter residents
- ❑ Paid 12 months rent in-advance
- ❑ Leveraged Steadfast Rental Housing subsidy



Attendance and learning in HCA workshops plays a big role today in my achievement to making my goals happen - building my financial stability, knowing my needs and wants, positive decision making, knowing the possibilities, and setting my mind on aspects I want done. Knowing the bad decisions of the past and present is a big step for me in correcting my future.

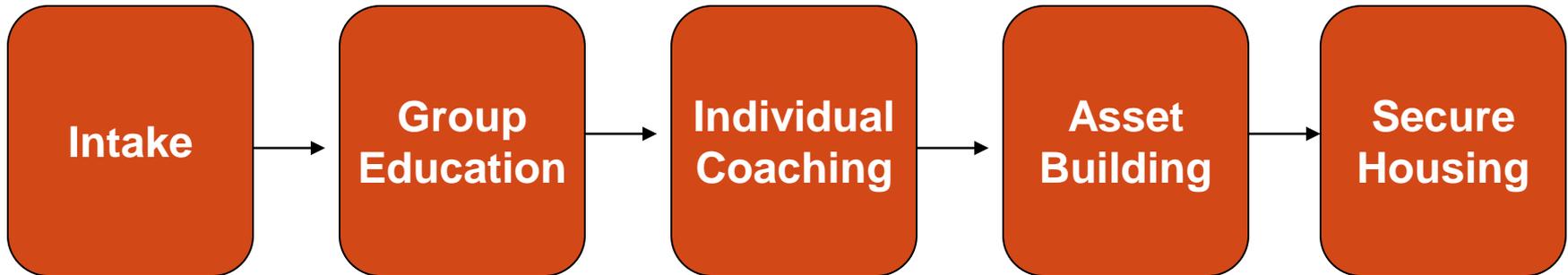
My wants and needs are very much in control. I control my problems and make better decisions. Attending the workshops and counseling built character in me. Now I understand and know what I want!! I don't know much about the Financial World, but I'm eager to understand, learn, read, and get more involved. I can't master it, but I'm very close to making the impossible, possible. What I got out of this? A solid concrete foundation built around me.

Process – Product Development



- ❑ Rising homelessness, no financial education programs in transitional shelters
- ❑ Assessment of shelter resident needs
- ❑ Identified strategies for financial success
- ❑ Investment from State Office of Hawaiian Affairs
- ❑ Experience in homebuyer and youth IDAs and community lending

Process – Ted's Success



- ❑ Intake form, demographic survey, copies of financial documents
- ❑ 4 hours of Group Education – Spending/Savings Plans, Credit, Rental Housing
- ❑ Credit Report Review, Savings Plan, Financial Assessment, and Action Plan
- ❑ Referral to appropriate Asset Building products and services
- ❑ Submit copies of monthly bank statements showing no withdrawals
- ❑ Certificate and Letter of Support

Results – Renters MATCH Savings Accounts

# of Participants Enrolled	# of Graduates	Amount Saved	Amount Leveraged	Match Funds Deployed	Secured Rental Housing
11	7	\$4,416	\$19,724	\$17,500	7

- 18 household members secured rental housing with Renters MATCH
- 138% Return on Investment

$$\text{ROI} = [(\text{Amount Leveraged} + \text{Amount Saved}) / \text{Match Funds Deployed}]$$

On Ramps to Asset Building

Need. Broaden asset building strategies to meet extremely and historically underserved individuals and families where they stand

Approach. Place-based financial education, shared responsibility, proper incentives, developed by and for community stakeholders

Innovation. Make it FUN, “its about managing bank accounts”, place-based financial education, tax preparation clinics, community revenue generating projects

http://www.hawaiiancommunity.net/info/130101_Annual_Shelter_Project_Report_HCA.pdf

**Luis Granados,
Mission Economic Development
Agency**



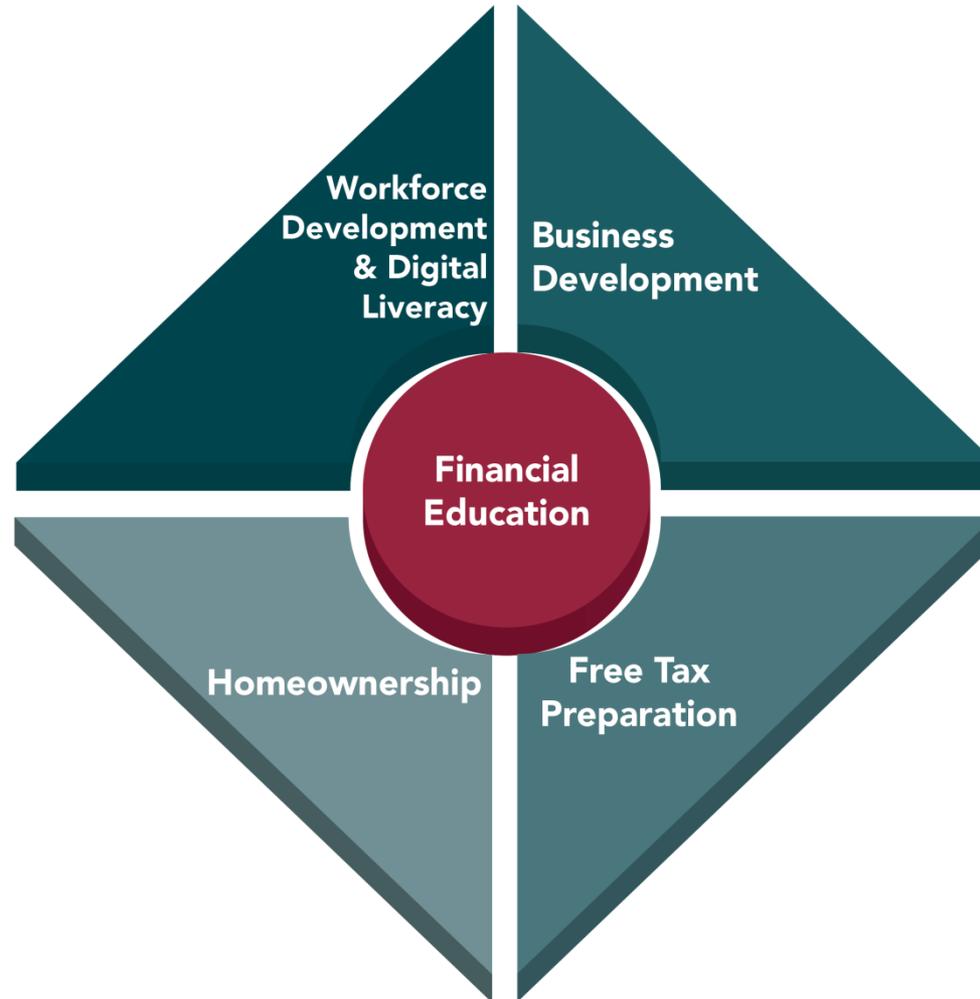
The Need

- ❑ Strong Distrust of Mainstream Financial Institutions
- ❑ Highest Concentration of Check-Cashing and Pay Day Lending Establishments in California
- ❑ First-Time Homeownership Largely Inaccessible
- ❑ IDAs and Other Investment Opportunity Not Easily Being Accessed by Spanish-Speakers
- ❑ Limited Continuum of Asset Development Services, Weak Asset Development Infrastructure
- ❑ Most Community Groups are Tenants, Many on Month-to-Month Leases
- ❑ Small Business Development As Key Opportunity for Asset Development

Asset Development Model



Core Direct Service Programs



How do we measure Family Economic Success?



Credit Score
650+
Debt to income
ratio 40% or
lower
3-6 months
savings



Jobs Created
Businesses
expanded
Income increased



Placed in
employment
Retained in
employment
Income increased



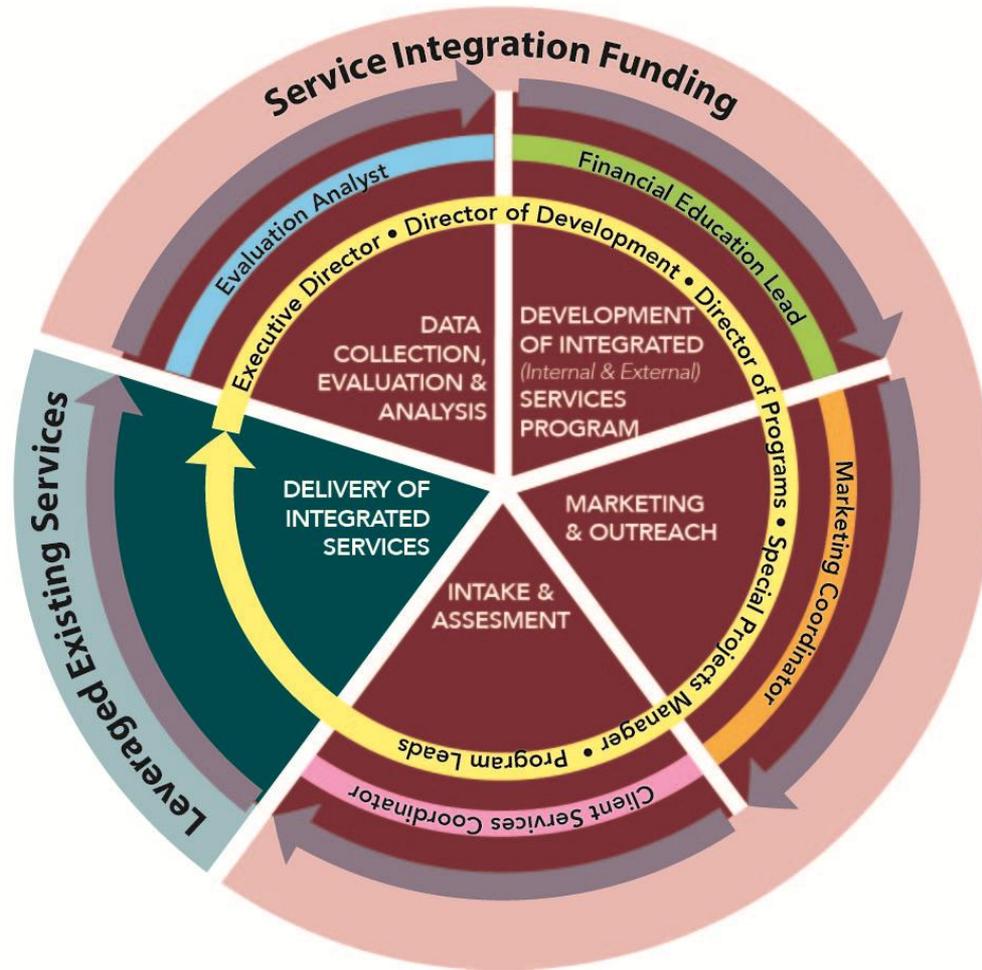
Homes
Purchased
Foreclosures
Prevented
Stable, Affordable
Housing



\$ Returned to Tax
Payers
Public Benefits
Received



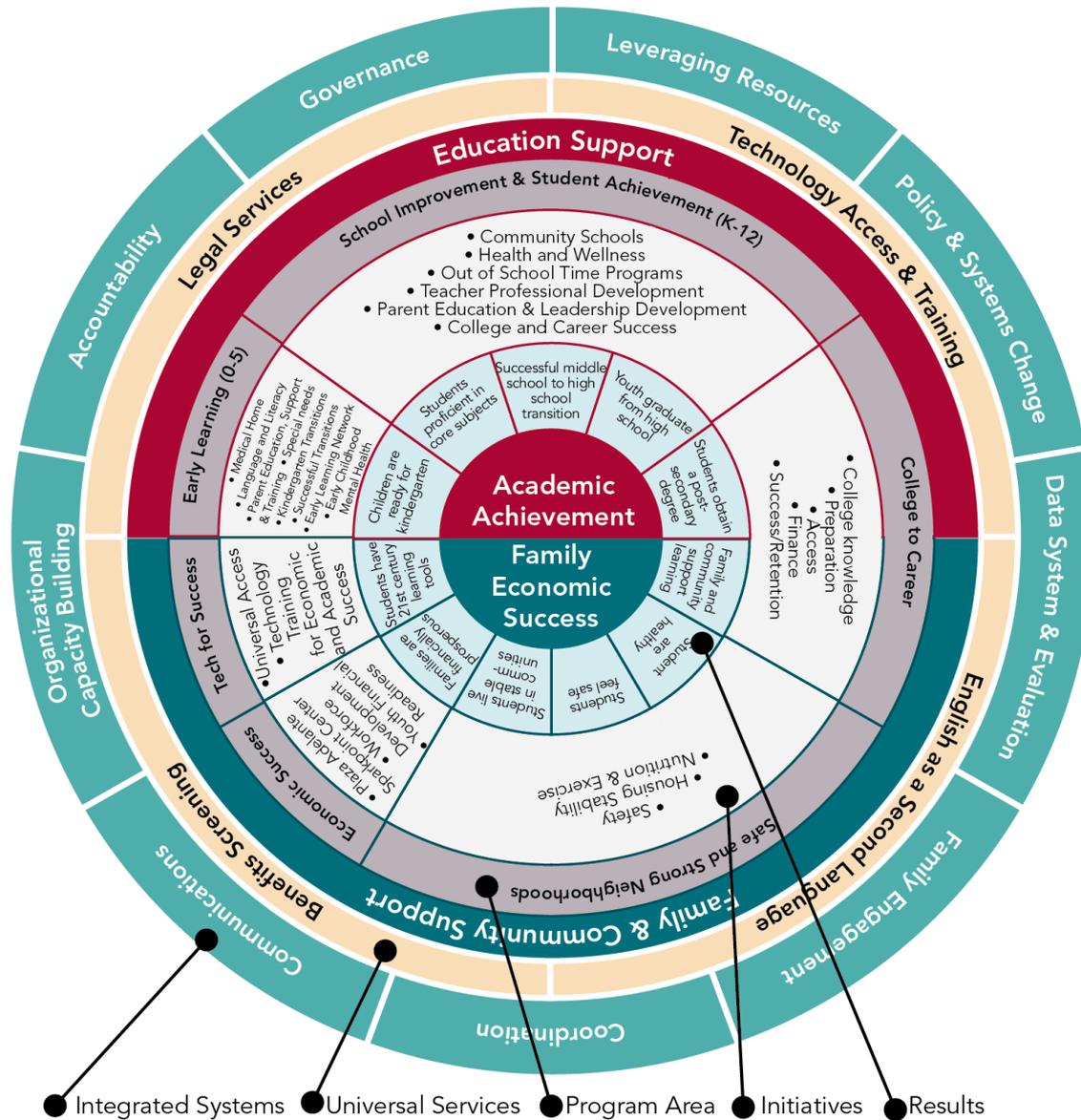
Internal Service Integration



External Service Integration



MPN “Wheel of Promise”



Client Success: Zenaida – Merlin's Catering

- ❑ Zenaida, an immigrant from El Salvador, began working with MEDA in 2011
- ❑ She completed our six core business training classes, where she learned the basics of starting a business through development of a business plan
- ❑ At the same time, she took advantage of other MEDA services, including:
 - filing her taxes for free through our VITA program;
 - attended computer classes to learn how to market her business online;
 - attended MEDA's First Time Homebuyer workshop; and
 - established a credit history through access of a secured credit card.
- ❑ Zenaida has formally registered Merlin's Catering Service as a business. Her food is available through private contracts, and at food festivals throughout San Francisco.

**Courtnee Biscardi,
Urban League of Broward County**



**Urban League of
Broward County**

Aligning Services to Strengthen Results

- Consider the asset building programs that your agency offers and how they can work together to create maximum impact.
 - Center for Working Families
 - Housing
 - Individual Development Accounts
 - Ways to Work
 - Free Tax Preparation/VITA

Process Mapping

- Create a pathway for success to demonstrate accessibility
 - Result: Helps your agency see how it's services are interconnected

- Make the path visual and confirm understanding with participants
 - Helps participants see that asset building is accessible and there is a path to get there

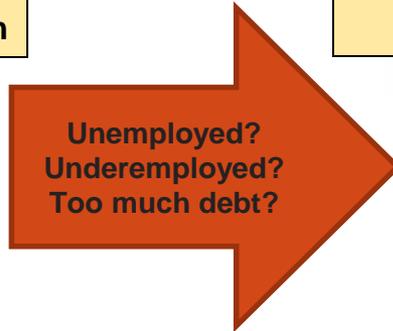
Process Maps and Models

Integration of Program Models

ULBC Housing Client



Housing Counseling and Education Program



Center for Working Families Program



- Potential Homeowner?
- Facing Foreclosure?
- Wrongfully Foreclosed?
- Victim of Loan Modification Scam?

Pre-Purchase Counseling and Education:

- 1st Time Homebuyer Education Workshop
- 1-on-1 pre-purchasing counseling

Foreclosure Counseling & Education:

- One-on-one foreclosure counseling
- Independent Foreclosure Review (IFR)
- Loan Modification Application Assistance
- Mortgage Payment Assistance (HHF)
- Mortgage Delinquency Workshop

General Services:

- Budget and credit counseling
- Debt management

Employment Support

- Career Workshops,
- Resume Writing,
- Job Development

Income/Work Support

- Access to public benefits

Financial/Asset Building

- Financial Literacy
- Supporting Programs: IDA (up to 8:1 match savings for homeownership, post-secondary education or small business establishment) , Ways to Work, Bank ON

Outcomes Achieved:

1st time homeowners with affordable mortgage rate

Foreclosure Prevention (loan modified, short sale, deed in-lieu, etc.)

Obtained and Retained Employment

Established and increased savings

Improved credit report and score

Process Maps and Models

Integration of Program Models Cont.

ULBC CWF Client



Center for Working Families Program



1st Time Home Buyer?
Facing Foreclosure?
Wrongfully Foreclosed?
Victim of Loan Scam?

Housing Counseling and Education Program



Outcomes Achieved:
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General Services:

- Budget and credit counseling
- Debt management

- Unemployed?
- Underemployed?
- Interested in pursuing post-secondary education, establishing a small business or purchasing 1st home?

Coaching

- ❑ What is it and how do you use it in an asset building model?
- ❑ How is this different from a case management model?
- ❑ Can everyone be coached?

Using Coaching to Create Buy-In

- ❑ Have participants affirm their commitment
- ❑ Hold participants accountable while offering support
- ❑ Position desired programs /incentives at the end of the process
- ❑ Know when to turn coaching on and off and when to make a referral

Questions and Answers

Contact Information

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- ❑ Courtnee Biscardi, cbiscardi@ulbcfl.org
- ❑ Kim Pate, kim@cfed.org

Thanks for your participation!

- ❑ Thanks also to the ABPN members who helped in the design, delivery and marketing of the webinar.
- ❑ Special thanks to Citi for its support of the ABPN and the webinar.
- ❑ Stay tuned for more ABPN asset-building webinars to come!
- ❑ For more information about how to implement these strategies or to learn more about asset-building in general visit the ABPN website, www.assetbuildingpolicynetwork.org