

FAMILIES FOR FINANCE

A FINANCIAL EMPOWERMENT PROGRAM
FOR SHELTER GUESTS

An Evaluation of Program Design and Pilot Program Execution

Author: Dr. Brittany Lewis, Principal Investigator

Contributing Authors: Olivia Wilks, Madonna Morris, Yue Zhang,
Arundhathi Pattathil Sasikumar and Dr. Shana Riddick



Center for Urban and
Regional Affairs | **cura**

UNIVERSITY OF MINNESOTA

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Overview

1. Introduction and Background
2. Methods
3. Key Findings
4. Recommendations



Introduction

A group of researchers, including CURA and Research in Action; shelter leaders; Hennepin County leaders and the Pohlad Foundation coalesced to form the Family Financial Empowerment Collaborative (FFEC) to co-develop an alternative to the self-pay model.

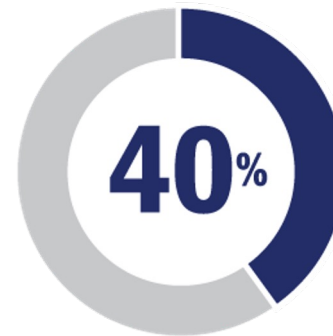
They were paying two, three thousand dollars a month for the shelter, but was taking more money than that from me. If they woulda just let us save that money for one month, we woulda been outta there the first month.

– (Black, male, 28)

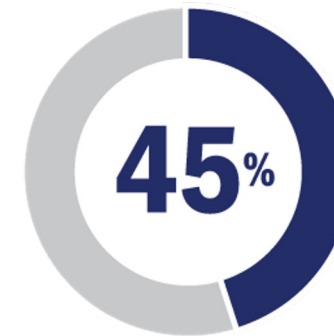
BACKGROUND

Homelessness in MN

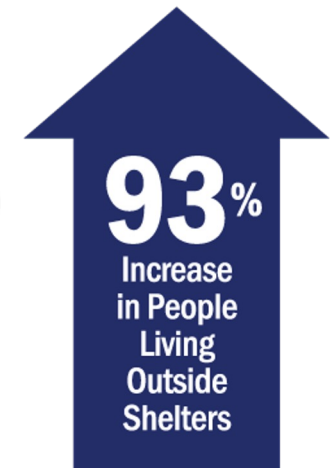
- From 2007 to 2018 there was a national decline in homelessness of 15 percent, including 38 states that observed a reduction to the number of people experiencing homelessness.
- The homeless population has continuously increased in Minnesota over the past three decades and reached a peak in 2018



Live in
Hennepin County

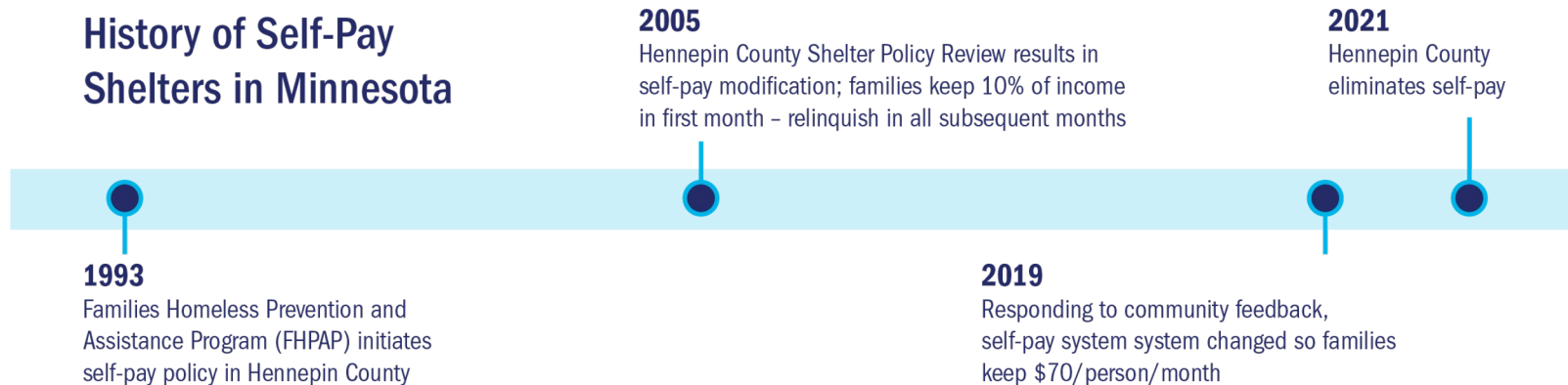


Waitlisted for
Subsidized Housing

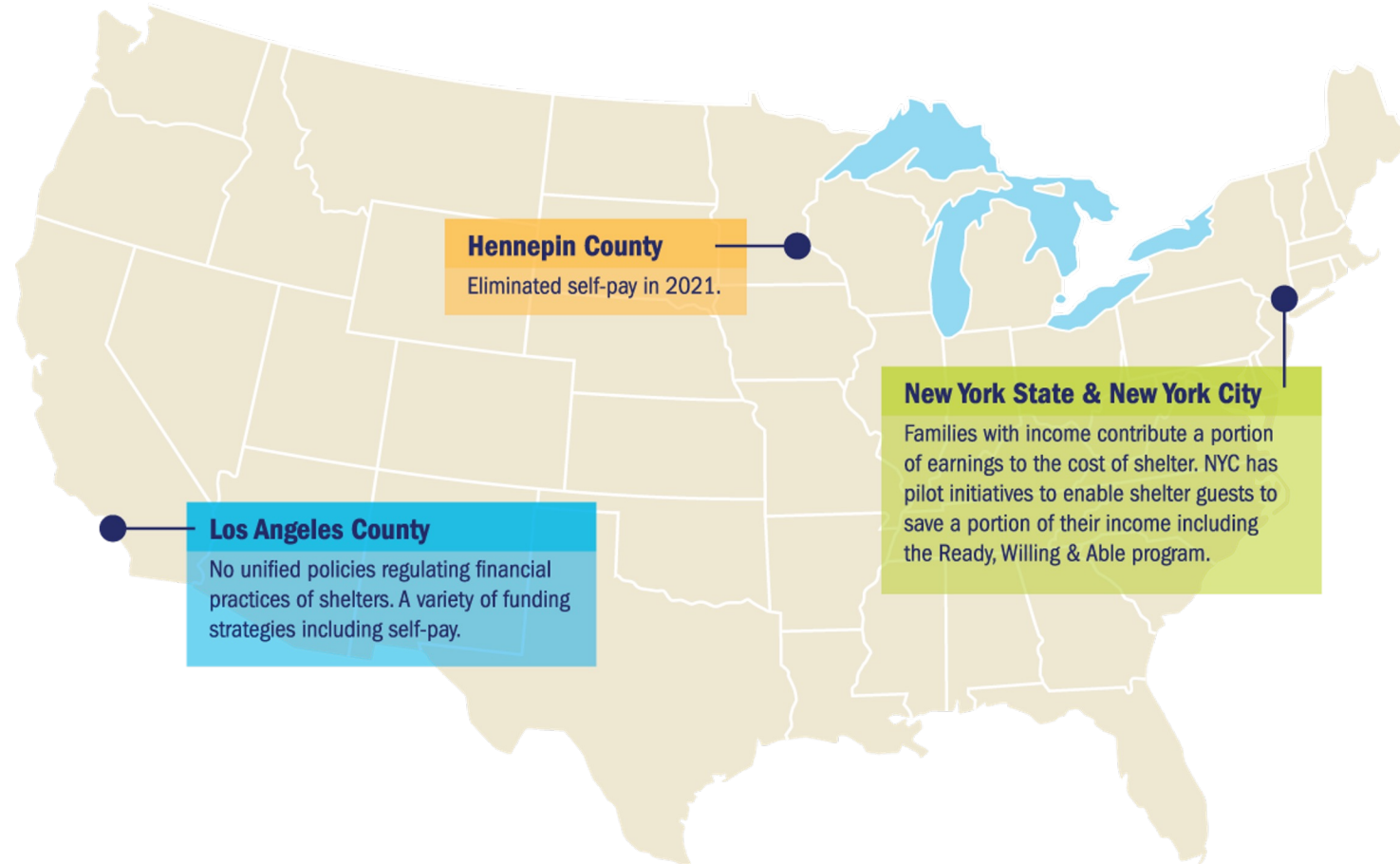


History of Self Pay

State and local officials sought a number of policy solutions to address the needs of a growing homeless population, including requiring shelter guests to pay a portion of their shelter stay.



National Examples of Self Pay



METHODS

Participatory Action Research

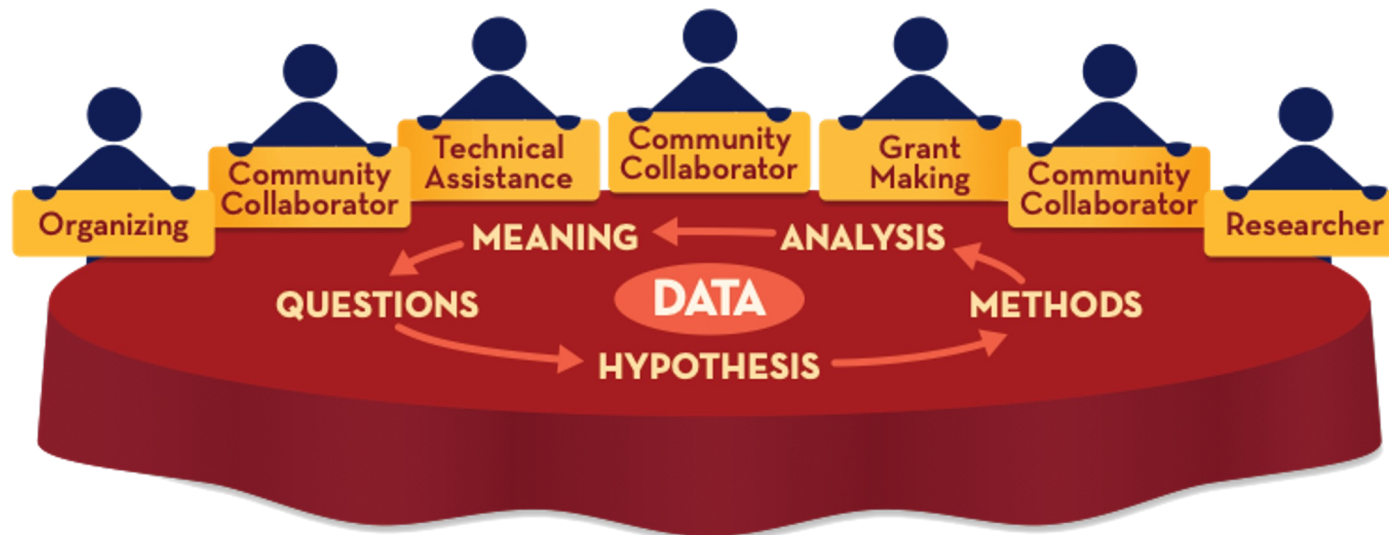
CURA utilized a participatory action research (PAR) approach informed by Research in Action to develop an alternative financial empowerment model to the self-pay strategies employed in Hennepin County.

Key to the PAR approach is researchers and participants working together to develop a shared understanding of a problem and co-creating solutions.



Participatory Action Research

In this case, CURA worked with nine current, returning, or former People Serving People (PSP) shelter guests to initiate the Family Financial Empowerment Collaborative (FFEC) Action Committee.



FFEC Action Committee Sessions

Between August 10, 2020 and October 26, 2020, CURA and PSP facilitated five sessions with the FFEC action committee

FFEC Action Committee Sessions

SESSION 1

- Define shared values and goals
- Discuss key tenets and values of action research
- Learn about participatory evaluation process
- Facilitate collective understanding of important concepts

SESSION 2

- Discuss core project goals
- Learn about the Family Financial Empowerment Collaborative (FFEC) and its goal of exploring alternatives to self-pay in Hennepin County
- Review self-pay policies and programs around the country

SESSION 3

- Identify features to embed in financial empowerment program
- Learn about history of self-pay policy in Hennepin County shelters
- Discuss residents' experiences with self-pay policies in shelter

SESSION 4

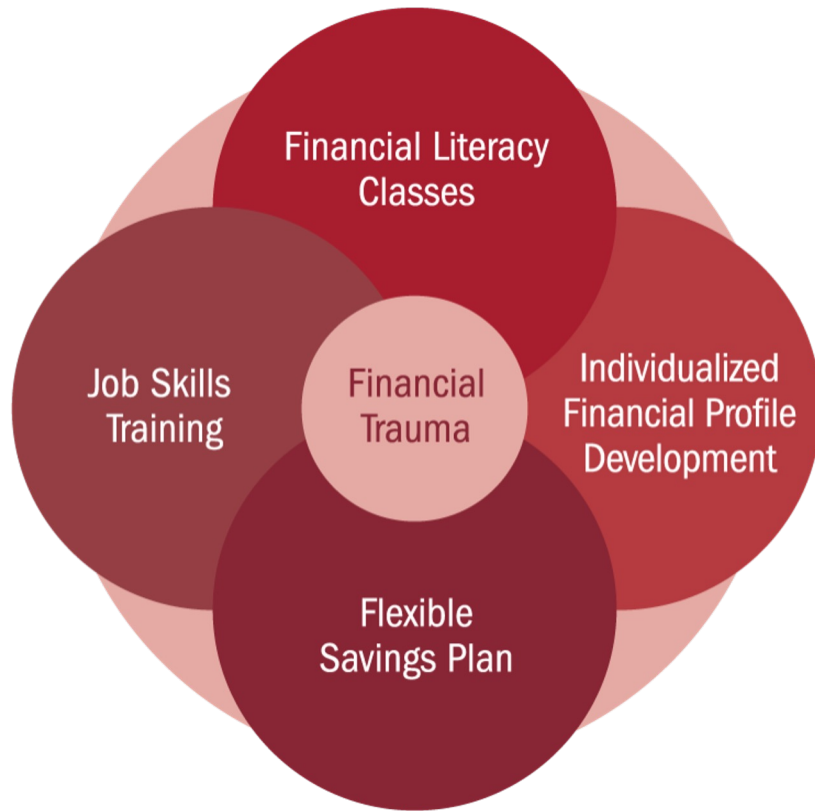
- Discuss tiered shelter models
- Discuss empowerment programs (educational, social, financial, and economic)
- Review financial literacy programs

SESSION 5

- Develop initial design of financial empowerment program
- Identify the characteristics, responsibilities, and required experience of the financial empowerment partner to be contracted with



Families for Finance (FFF) Program Design



Families for Finance Program Design

Provide protection in a financial emergency and support long-term financial stability.

Identify the current situation and the appropriate financial plan for individuals.

Provide financial knowledge and skills to confront short-term and long-term financial issues.

Families for Finance (FFF) Program Key Features



15-Day Grace Period

The action committee felt that a grace period was an important feature of the FFF model to allow program participants to eliminate the immediate pressure on families entering shelter. Furthermore, the action committee suggested that this gave families time to better understand the FFF program and make an informed decision about whether to participate.



Mentorship/Accountability Partnership

The program coordinator reaches out to program participants who could potentially serve as accountability partners for each other. The accountability partners will hold each other accountable in this program, supporting and encouraging each other.



Financial Literacy Classes

The financial literacy classes were designed to be conducted in a group setting, but were also adapted to a 1:1 model to accommodate for COVID-19. Prior to the financial literacy classes each participant engaged in an intake session. Then financial literacy classes included 1) Financial Empowerment, 2) Savings and Budgeting, 3) Credit and Debit, and 4) Banks



Savings Accounts

While not a part of the program initially envisioned by the FFEC Action Committee, PSP realized early in pilot implementation that supporting participants to set up savings accounts as a component of class was a straightforward strategy for improving participant savings and reducing fear or apprehension about applying for an account.

Families for Finance (FFF) Program Objectives

Financially empower families in shelter

- Reduce financial trauma that families experience
- Address cultural attitudes toward wealth and relationship with money
- Enable families to have control of their personal financial goals, responsibilities, decisions, strategies, and future

Improve financial literacy

- Increase knowledge and ability to handle personal/family finances
- Enable families to improve financial outcomes through appropriate tools and financial plans

Facilitate long-term success and stability

- Realize housing stability and/or home ownership
- Stay financially healthy, wealthy, and wise
- Create generational wealth

Key Evaluation Questions Identified by the FFEC Action Committee

Pre- and Post-Program Evaluation Procedures and Activities: Using several strategies including observations, surveys, interviews, and monetary incentives, the CURA team kept careful record of participant profiles, services provided, and notable experiences or outcomes.

Appropriateness

- How do program activities address and relieve financial trauma?
- How does the program engage cultural attitudes toward money?

Effectiveness

- To what extent does the program help families obtain knowledge and ability to handle personal/family finance?
- To what extent does the program help families approach housing stability?
- To what extent does the program help families obtain financial health through money management (i.e., savings, budgeting, and investment)?

Efficiency

- To what extent do resources (i.e., program coordinator(s), program administrator, and program budget) lead to expected output and outcomes?

KEY FINDINGS

Effective FFF Program Elements: Consider Replicating



Financial Trauma



Lived Experience



**Communal Healing
and Peer Accountability**



**Individualized Programming,
Family Choice, and Flexibility**

Financial Trauma

A key insight was the realization that individuals must understand how they psychologically associate with money before improving financial literacy. The group began to describe one's relationship to money; a relationship that is established at a young age, often through cultural values and family experiences, as financial trauma.

As a Native American, I, my family is extended on past grandparents and great grandparents so um there is a responsibility with that money, that I have to stretch each dollar, each penny and each dollar, so how do I do that and how do I look toward the future so that I don't have to work so hard any more?

— Action Committee Member

Lived Experience

Participants discussed the importance of ensuring that the individual delivering the financial empowerment program had lived experience, both to support building connections with participants, but also to infuse storytelling and real-world examples into the curriculum.

“If we had more people who’d been through homelessness and everything, working on, I mean like successful people and like role models, working on families working with families individually, I think it’d be real good. And I think it should be some type of policy where we look for those type of people that been through it, that’ve been through the homelessness, have a better outlook and a better understanding.”

— Action Committee Member

Communal Healing & Peer Accountability

Entering shelter can be isolating and traumatizing.

Intentionally build connections and support networks through this financial empowerment program. The action committee discussed the value of building accountability by pairing shelter guests with one another in order to attain individualized goals and to facilitate opportunities for communal healing while in shelter.



Communal Healing and Peer Accountability

Individualized Programming, Family Choice, and Flexibility

The action committee expressed early and often the need for an effective program to adapt and respond to the specific needs of families as they maneuver the crisis of entering shelter.

“We should be looking at families individually to see exactly what they need.”

— Action Committee Member

“Everyone has different issues within themselves and so one person might feel like mental health is good for them, the next person might feel like financial is where they’re lacking and so its best for them, so it depends on the individual.”

— Action Committee Member

Model Execution Results

Participation



PSP reached out to 54 families: 25 enrolled, 15 completed, 12 surveyed | Days to complete the program: **74 Average** | **67 Median**

Outcomes

18
savings accounts
opened

\$24,420.24
matched
funds

0
families returned
to shelter at PSP

81%
families moved
to stable housing

Appropriateness

- How do program activities address and relieve financial trauma?
- How does the program engage cultural attitudes toward money?
- 83% rated the program “to a great extent” successful at addressing financial traumas

That was something that I feel wasn't really talked about. I think financial trauma is way bigger than people understand. I think if you just give somebody money with a little bit of information they will continue the habits they had....Even before that I realized that was something that exists and I've been trying to work on. So I did find that interesting that that was brought up.”
— FFF Participant (Haitian, Female, 32)

Effectiveness

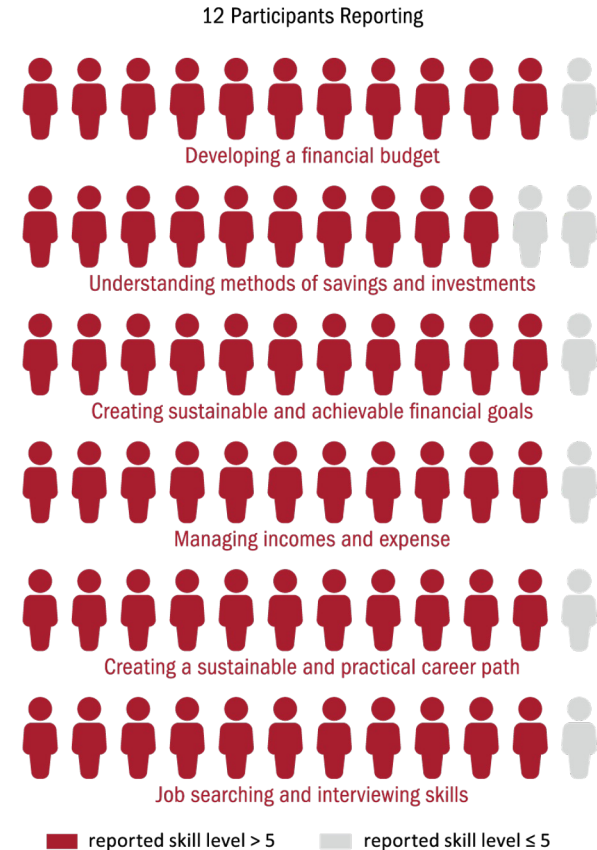
- To what extent does the program help families obtain knowledge and ability to handle personal/family finance?
- To what extent does the program help families approach housing stability?
- To what extent does the program help families obtain financial health through money management (i.e., savings, budgeting, and investment)?

“I did save up a lot of money working towards my goal to buy a tiny house.”
— FFF Participant (Black, Female, 33)

“Having this safety net makes me feel more comfortable in worse-case scenarios.”
— FFF Participant (Haitian, Female, 32)

Effectiveness

Eighty-three (83) percent of participants responded that the FFF program was successful “to a great extent” and 17 percent suggested that the program was “somewhat” successful at this goal.



Efficiency

To what extent do resources (i.e., program coordinator(s), program administrator, and program budget) lead to expected output and outcomes?

- 83% rated the program “to a great extent” successful in providing services based on needs
- 17% rated the program “somewhat” successful in providing services based on needs

“She shared a little bit about her personal life and her personal financial trouble so that helped to know that I wasn’t alone.”
— FFF Participant, (White, Female, 41)

Efficiency

- 92% rated the program “to a great extent” successful in selecting staff who are caring and patient
- 8% rated the program “somewhat” successful in selecting staff who are caring and patient
- 75% found the grace period helpful

“It helped me because I felt alone out here. Having someone coach and guide me touched me in a way. Someone was here that went through this same situation.”
— FFF Participant (Black, Female, 26)

Challenges: COVID-19

- Access to necessary technology as well as action committee members balancing participation and maneuvering the responsibilities of having children at home as a result of the pandemic. The pandemic significantly limited the number of participants in the program because of the moratorium on evictions, which significantly decreased the number of families in shelter.
- Cohort model that was no longer possible because of social distancing guidelines.



Challenges: Identifying a Qualified External Partner

- A crucial aspect of the Families for Finance program was to identify the right financial partner to deliver the financial literacy classes to the participants.
- The Building Health and Wealth Network (the Network) out of Drexel University was selected as the qualified financial partner based upon their expertise as a trauma-informed healing-centered financial literacy program working in traditionally under-resourced communities. The Network offered training and ongoing coaching to PSP staff.



Challenges: Elimination of Self-Pay Policy & Staff Capacity

- Three months into the FFF pilot, the Hennepin County Board voted unanimously to eliminate the self-pay policy.
- Like many social service agencies during the pandemic, capacity for all FFEC collaborative partners was stretched thin. In particular, the program coordinator trained specifically to administer the FFF program left PSP after the pilot

Self-pay got removed which is phenomenal and wonderful for the community, but that meant that that really big incentive to participate looks different for families.”
— Director of Family Supports at PSP

RECOMMENDATIONS

FFF Program Recommendations

Recruitment Strategies

Participants shared that the driving reasons for engaging with the FFF program were to:

- Improve financial literacy in order to improve financial stability.
- Seek opportunities to improve financial stability for their children.
- Take advantage of the opportunity for a savings match.

Based on these stated motivating factors, PSP could tailor recruitment materials to align with those core incentives.

Improved Accessibility

Based on information gathered from participants, PSP could consider the following program modifications to improve engagement and retention:

- Offer FFF classes outside of standard working hours
- Integrate childcare supports into the FFF program to accommodate parenting shelter guests.
- Support collaboration across programming to ensure participants can participate in multiple programs during their shelter stay.



Program Content Modification

- More In-Depth Programming
- Strategies to Address Unease
- Services or Programming after Exiting Shelter
- Accountability Partnership/
Mentorship Program
- Benefits Counseling
- Housing-Related Support
- Educational or Job-Related Support



Limited Self-Pay Literature

In seeking information on self-pay policies and programs to inform the FFF program development, CURA discovered there was limited scholarly literature on this phenomenon.

We see value in further exploring and understanding how self-pay shelter policies are implemented in the U.S.



Family-Driven Program Design

Our program design process was informed by the Equity in Action model³ developed by Research in Action⁴, an action research, community engagement, and racial equity consulting firm. The design of the FFF program was driven by impacted families through the FFEC Action Committee. By fostering an environment in which families with lived experience could design and develop a program for families in shelter, we believe the FFF model resonates more closely with the needs of families than it otherwise would have.

We encourage other entities seeking to develop effective programming to empower impacted individuals, families, and communities to drive the process.



Agility and Responsiveness to Program Participants

After the completion of the FFF pilot, PSP staff have modified the program to be more accessible to families by offering all program elements in an “a la carte” manner.

We believe programs working with families experiencing hardship should replicate this prioritization of flexibility and continuous effort to eliminate participation barriers.



Matched Savings

We recommend that other programs seeking to address poverty and/or to support housing stability consider implementing matched savings programs. PSP provided matching savings to families during and after the pilot was completed, the table below represents the impact this program element has had on families between November 2021 and December 2022.

November 2021-December 2022 Outcomes

24

savings accounts
opened

6

families reaching the
max. match (\$3000)

\$10,125

savings startup
funds

\$41,874

matched
funds

Gap in Field Expertise Related to Financial Trauma

The design of the FFF program revealed that 1) traditional financial literacy programs do not address financial trauma despite its stated importance as a prerequisite to seeking financial empowerment and 2) there is a gap in the professional sector to lead and train in the field of financial trauma and empowerment.

We recommend that:

Financial trauma be embedded into financial literacy courses, particularly those aimed at communities of color facing systematic economic disempowerment, and

The human services sector should invest in professional development related to financial trauma because of its potential role in fostering sustainable economic stability.



Impact of Benefits Cliff

In order to eliminate this barrier for families, we recommend that all local counties and social service providers build upon the momentum of the passage of Minnesota Family Investment Program six-month budgeting periods, Medical Assistance continuous eligibility for minor enrollees, and Housing Support Income modifications and seek additional opportunities to mitigate the impact of the benefits cliff.



QUESTIONS?