



City of Dallas

Financial Empowerment Centers: Pilot Planning Update

Workforce, Education and Equity

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Presentation Overview



- Purpose
- Background/History
- About Financial Empowerment Centers
- The Dallas FEC “Network”
- Proposed Solicitation
- Proposed Evaluation and Impact
- Program Timeline
- Next Steps



Purpose



- Provide an overview of Financial Empowerment Centers planning and implementation strategy
- Highlight partnership opportunities, leveraging opportunities, and potential impact
- Solicit input from Workforce, Education and Equity Committee members on planned strategy and procurement



Background/History



2018

- Initiated work with Cities for Financial Empowerment (CFE) around CityStart and financial empowerment “boot camp”
- Hosted “boot camp” with CFE, local nonprofits, financial institutions and others
- City Council Adopted Resilient Dallas Strategy

2019

- Realignment of OCC social services program team and intake process
- Research and review of best practices models



Background/History



2020

- Program development for Financial Navigators partnership with CFE in response to pandemic
- Expanded client assistance programs (rent, mortgage, utility assistance, Drivers of Poverty, etc.)

2021

- FY 21 Approved Budget Allocation - \$1.25M (FEC and client assistance)
- Launch of CFE Financial Navigators program (February 2021)



What are Financial Empowerment Centers?



- Financial Empowerment Centers enable clients to access a variety of services and resources designed to facilitate sustained financial stability for low-to-moderate income clients
- Best Practices Models agree:
 - Financial coaching/case management is the core service
 - “Bundled” services are critical



Need for Financial Empowerment



- 380% growth in student loan debt volume and growth in delinquencies between 2003 and 2017
- 30% of borrowers have sub-prime credit, impacting access to credit
- 65% of renters spend 30% or more of income on housing
- \$10,000 decrease in inflation adjusted income in Dallas County from 1999 to 2015
- 27% of working-age adults lack health insurance safety net
- 13% of Texas renters had “no confidence” in their ability to pay their next month’s rent according to data from Week 19 of the Census Household Pulse Survey (November 11-23)
- Note: It is likely that the current situation is worse than the above data reflects given the impacts of the COVID-19 pandemic

* Unless otherwise noted, data from *2018 Dallas Economic Opportunity Assessment* developed by Communities Foundation of Texas and Center for Public Policy Priorities and is for Dallas County



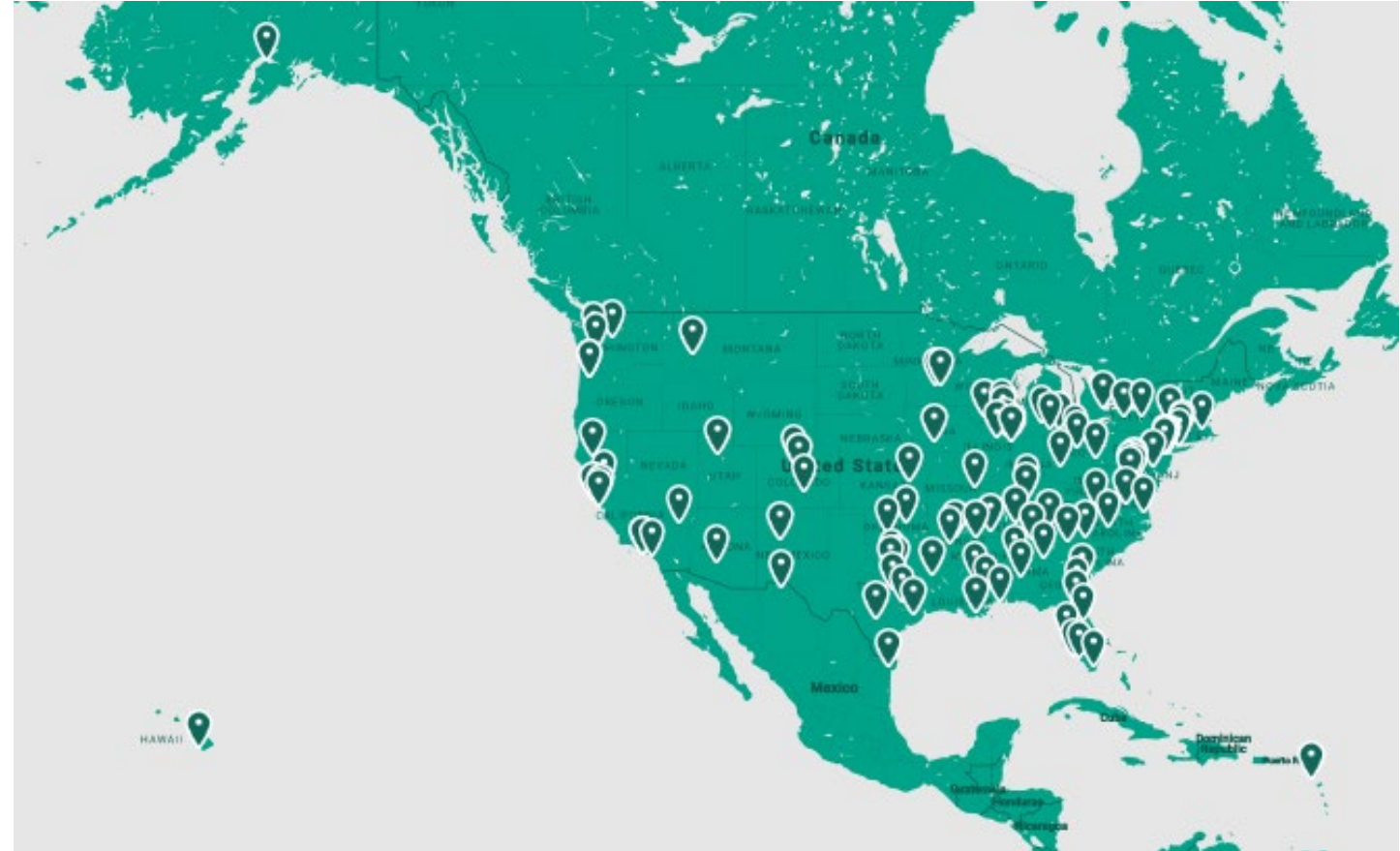
Where are Financial Empowerment Centers?



Map of CFE program partner sites across the country.

Texas cities with financial empowerment centers include:

- Austin, Texas
- Houston, Texas
- San Antonio, Texas



Best Practice Program Models



Cities for Financial Empowerment (CFE) Fund (municipal)

The CFE Fund provides funding and focused technical assistance to municipalities. CFE is a respected national thought leader in financial empowerment programming, particularly municipal financial empowerment approaches.



ASSET BUILDING

Weathering financial shocks and setbacks while saving for the future is a critical step toward financial security.



BANKING ACCESS

Accessing a safe, affordable account is key to joining the financial mainstream and keeping earnings secure by saving.



CONSUMER FINANCIAL PROTECTION

Cities have unique, powerful opportunities to protect residents and their assets from predatory practices.



FINANCIAL EDUCATION AND COUNSELING

Professional financial counseling and coaching can tangibly improve household financial stability, especially when integrated into social services.

<https://cfefund.org/approach/>

Working Families Success (WFS) Model (nonprofit)

The Working Families success model provides a framework for nonprofits to deliver key services and financial support to low-income families. The framework relies on a bundling of three critical services integrated within an organizations existing programs. Locally, Communities Foundation of Texas administers this model through the Working Families Success Network of North Texas.

WFS THREE CORE SERVICES

EMPLOYMENT SERVICES

Skill assessment, job training, certification programs, job search/placement assistance and retention support

INCOME SUPPORT

Benefit screening/application assistance, temporary financial assistance, housing assistance, tax prep and food/clothing support

FINANCIAL COACHING

Financial education, counseling, access to financial services, support on improving credit and savings/asset building programs

<https://www.cftexas.org/community-impact/economic-security/working-families-success-model>



Consulting Experts



Staff has been meeting with partners and experts to solicit feedback on program development, including:

- Behind Every Door
- Communities Foundation of Texas
- Child Poverty Action Lab
- Cities for Financial Empowerment
- Dallas Foundation
- Dallas Housing Authority
- Dallas ISD
- Foundation Communities
- Salvation Army
- United Way of Metropolitan Dallas
- Texas Women's Foundation
- Internal Partners: Office of Economic Development, Office of Equity and Inclusion (Resilience and WCIA)



The Dallas FEC “Network”



- Proposed approach:
 - The Dallas Financial Empowerment Centers Network
 - “Hybrid” of CFE municipal model and WFS nonprofits model
 - City provide funding, oversight and support to nonprofits administering WFS-aligned programming, while aligning the work with CFE-recommended municipal financial empowerment center program components
- Develop a “network” model among funded partners to support referrals, information sharing and resource access leveraging the strengths of individual organizations



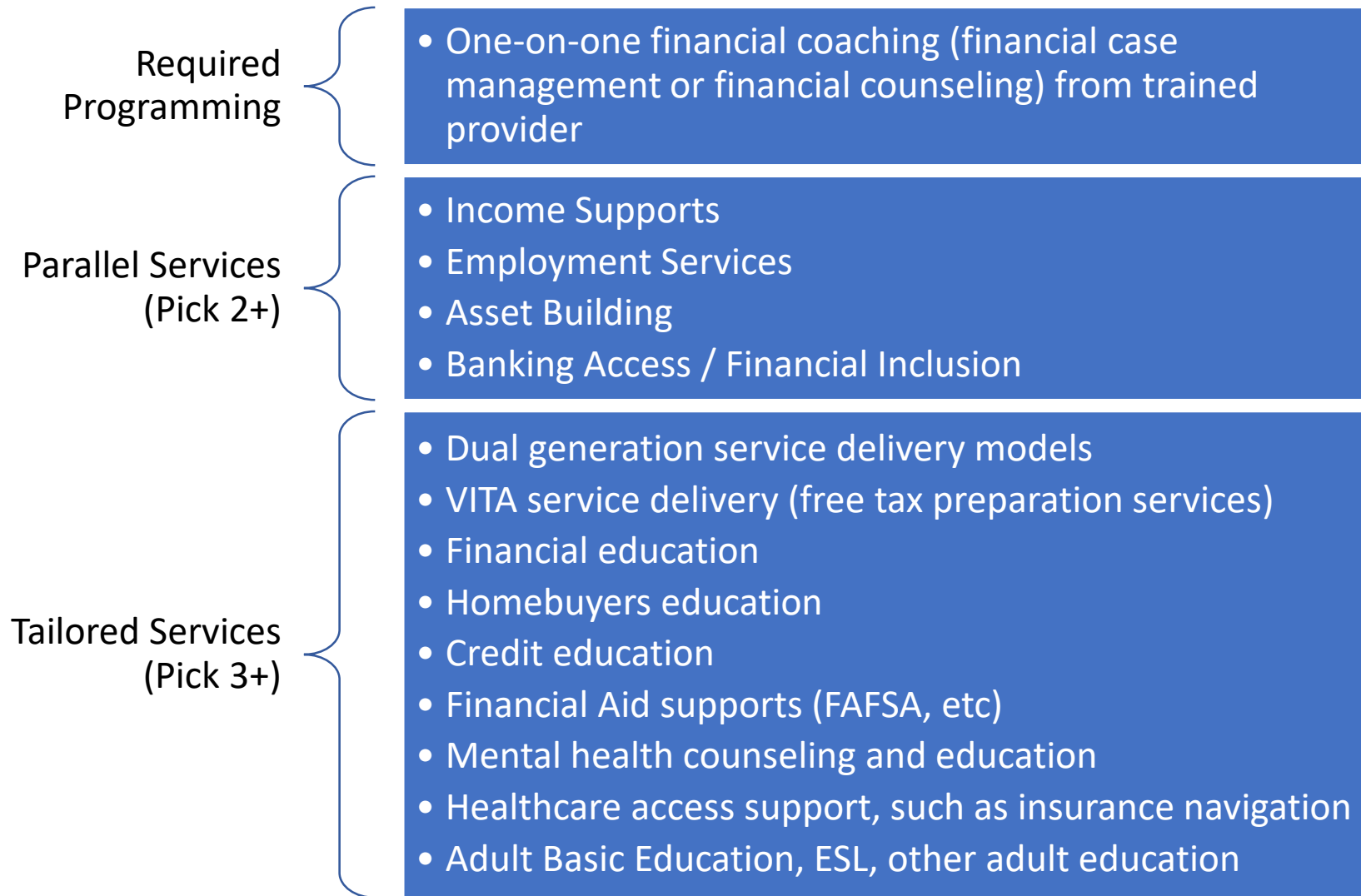
The Dallas FEC “Network” – Cont’d.



- Integrated delivery of financial empowerment and health/education/training/employment services anchored in one-on-one financial coaching for all ages and across multi-generation households
 - **Leverage** funds to catalyze existing projects
 - **Embed** financial empowerment coaching and resources into existing service delivery
 - **Align** “bundled” services in City facilities, such as community centers
- Annual assessment around service prioritization with insight from internal and external advisors and experts
- Continued collaboration with local and national leaders in financial empowerment centers programming



Dallas FEC “Menu” for FEC Pilot Partners



Proposed Solicitation



- Funding Available (approved in the FY21)
 - Approx. \$750k for FEC pilot implementation partners
 - Approx. \$500k for client assistance provider partners
- Evaluation criteria to consider programming and service delivery, organizational capacity, evaluation plan, and community connectedness and representation
- Award amounts for pilot partners determined based upon panel scoring, level of request, and number of submissions
- Awards of up to \$50k for client assistance provider partners to work with funded FEC pilot implementation partners and/or local FEC programs
- Collaborative applications strongly encouraged



Proposed Solicitation Targets



| | |
|--|--|
| Target Communities (Concentrated Poverty) | Cedar Crest Highland Hills Pleasant Grove South Dallas / Fair Park South Oak Cliff / Red Bird West Dallas |
| Target Populations (Drivers of Poverty) | <ul style="list-style-type: none">• Low-to-moderate income individuals and individuals living in poverty• Individuals with transportation challenges• Families with children living in poverty• Individuals with limited educational attainment• Individuals with Limited English Proficiency• Youth at increased risk of teen pregnancy• Single Woman Heads of Households with children• Individuals at risk of homelessness/loss of housing/eviction and/or served through rental assistance programs |
| Program Evaluation | Shared set of metrics (best practices and aligned with metrics already reported to and tracked by local philanthropic organizations) |



Proposed Evaluation and Impact



COLLECTIVE ANNUAL GOAL: 1,000 clients receive coaching services

| <u>METRICS REQUIRED BY ALL</u> | |
|---|--|
| Clients accessing one-on-one coaching | Clients who accessed financial coaching and show improvement |
| <u>METRICS REQUIRED DEPENDING ON PARALLEL/TAILORED SERVICES ADMINISTERED</u> | |
| Increased savings by clients (Asset Building) | Hourly Wage of Participants (Employment) |
| Improved credit scores by clients (Asset Building) | Client accessing/enrolling in benefits (Income supports) |
| Reduced non-mortgage debt by clients (Asset Building) | Clients who become banked (Banking Access/Financial Inclusion) |
| Clients who access VITA services (Income supports) | |



Program Timeline – Year 1 Pilot



| Month | Activity |
|-------------------------|--|
| October – December 2020 | <ul style="list-style-type: none">- Community feedback and pilot planning |
| January 2021 | <ul style="list-style-type: none">- Presentation to WEE Committee – 1/11/2021 |
| February 2021 | <ul style="list-style-type: none">- Launch solicitation for FEC pilot implementation partners and client assistance provider partners – 2/4/2021- Launch CFE Financial Navigators project |
| March 2021 | <ul style="list-style-type: none">- Review of proposals for FEC pilot implementation partners and client assistance provider partners- Contract negotiations with selected FEC pilot program partners and client assistance providers |
| April 2021 | <ul style="list-style-type: none">- Council authorization of contracts- Program implementation begins |
| June 2021 | <ul style="list-style-type: none">- Plan update for Year 2 FEC Programming through budget process |
| August 2021 | <ul style="list-style-type: none">- FEC Quarterly Update to WEE |
| April 2022 | <ul style="list-style-type: none">- Review of pilot year programming and goals |



Next Steps



- Feedback from WEE Committee members
- Release solicitation to identify FEC pilot partners and client assistance providers





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