



## Financial Empowerment Center Planning Grant and Affiliates Network – Frequently Asked Questions

### ***Program***

#### **There are already organizations in my community that provide credit counseling or financial education—how does the Financial Empowerment Center (FEC) differ?**

The Financial Empowerment Center initiative provides free, professional, one-on-one financial counseling as a public service overseen by local government. The model is based on the following core characteristics: (1) free one-on-one financial counseling from trained professionals; (2) a partnership, typically between a local government and nonprofit providers; (3) systemic collection and tracking of data, including across defined client outcomes; (4) integration within a range of local government and nonprofit service delivery systems; and (5) focus on sustaining the initiative as a free public service.

#### **Where can I learn more about the FEC model and previous replication?**

The CFE Fund recently released a [comprehensive evaluation](#) that documents replication success across five different American cities (Denver, Lansing, Nashville, Philadelphia and San Antonio). Additionally, interested applicants can review [a brief overview of the FEC model](#).

#### **Do the FECs provide financial counseling or coaching?**

The Financial Empowerment Center model focuses on a financial counseling and coaching blend. Financial counselors work individually with clients on a mix of goal setting and light case management in a direct service provision role, and have both a deep technical knowledge of financial issues and the ability to advise people on their financial and personal goals.

#### **Is there evidence of the FEC model's impact?**

The CFE Fund's [recent FEC evaluation](#) demonstrated that the model worked in a variety of city contexts. Critical, well-replicated features of the model included programmatic emphasis on public-private partnerships, building rapport and prioritizing the clients' goals, encouraging return sessions, and professionalism through data-driven management and professional training. The evaluation draws on data from close to 22,000 clients across five cities. Overall, FEC clients reduced their debt by \$22.5 million, increased their savings by \$2.7 million, and nearly a quarter of unscored clients working on credit issues succeeded in establishing a credit score. They achieved these successes despite the fact that clients' average annual incomes were only about \$21,000.

While FEC clients began counseling with an average of nearly \$29,000 in debt -- more than half with credit card accounts, 40% with utility debt, and 38% with student loans -- over a third of clients who tried to reduce their debt succeeded, with total debt reduction at \$22.5 million. In addition, FEC clients



were much more likely than average US residents to have no savings, yet overall, almost a third of clients working to increase their savings succeeded, averaging \$1,634 and totaling \$2.7 million.

**Can grantees make changes to the model as needed?**

While there will be grantee-specific aspects of the initiative, the core tenets of the model cannot be changed, including the use of a client database designed and maintained centrally by the CFE Fund. Grantees will have flexibility in selecting integration partnerships, which are typically unique to their local political priorities, existing programs, and resident needs.

***Applicant/Eligibility***

**Can nonprofit organizations apply for this grant?**

The CFE Fund will only accept applications from local government entities (city or county). However, nonprofits can work closely with selected local governments during the planning phase and should encourage their local government partners to apply.

In addition, please note that nonprofit organizations located in cities or counties that are not applying for a FEC grant may nonetheless apply to join the CFE Fund’s Affiliates Network if they are offering free, individualized financial counseling in connection with their local government (see more below and [apply here](#)).

**How does the CFE Fund define local government for this grant?**

Local government is a city or county government agency – such a Mayor’s office, City Manager’s office, County Executive office, or city/county service agencies.

Note that a local government must represent a population of at least 75,000 people to be eligible for this grant opportunity, although local government-connected nonprofits from smaller locations are still eligible to apply for the Affiliates Network.

**If the county is the applicant, must all the cities in the county participate?**

No, not all cities in a grantee county must participate in the FEC initiative for a county to be eligible for this grant. A county can propose to offer FEC financial counseling in one or more cities in the county, based on its service delivery operations.

**When will the CFE Fund make final decisions and notify applicants?**

The deadline to submit an application is September 14, 2017. Once proposals are submitted, the CFE Fund anticipates conducting a series of follow-up phone calls and notifying successful applicants by November.



## ***Planning Grant***

### **What happens during the FEC planning phase?**

The engagement will involve an in-person kick-off meeting; a comprehensive landscape analysis to assess the local government's capacity and resources; a series of planning discussions to determine implementation steps; and one CFE Fund site visit (timing to be jointly determined). During this planning phase, grantees will be responsible for ensuring that the key deliverables, outlined below, are met.

### **What are the key deliverables for this planning grant phase?**

Key deliverables include: securing funding for the required match grant; identifying the key implementation partners, including the nonprofit provider(s); creating and receiving approval for a counselor training plan; and finalizing a comprehensive implementation plan.

### **What can the \$20,000 planning grant funds be spent toward?**

The CFE Fund is open to several proposed approaches to using grant dollars during this planning phase. We anticipate funding to be used for staffing, research, and stakeholder engagements, as some examples. Once selected, the CFE Fund will work with grantees to finalize grant budgets.

### **When will the grant begin?**

The CFE Fund anticipates that the grant start date will be November 2017, with the grant term running for six months to a year, depending upon local success.

### **How will the CFE Fund disburse grant funds?**

Funding during this planning phase will occur in stages, with a percentage of grant dollars provided up front. Upon successful completion of the deliverables, the remaining funds will be distributed. The CFE Fund will disburse funds to the local government grantee, or a fiscal agent designated by the grantee.

### **How does the match requirement work and when will it need to be secured?**

Planning partners who are successful at aligning strategic partners, including raising match funding, will be invited to apply for the CFE Fund's Implementation grant. CFE Fund support to implementation partners will include: a 1:1 match of up to \$150,000 in the first year; and a 1:2 match of up to \$100,000 in the second year. The match funds should be secured during the planning phase.

### **Does the source of the funds matter?**

The CFE Fund is flexible about the source of the match funding, and match dollars need not be new dollars. In-kind contributions will not be applicable as match funds.

### **What are the role and responsibilities of city staff members assigned to this initiative?**

The CFE Fund expects each grantee will identify a city staff member to serve as the key contact person. The city contact will support this grant by dedicating staff time to work on planning for the FEC launch; promoting the work through relevant outreach efforts; attending learning community events; and



working with local and national stakeholders to design and launch a local FEC program. During implementation, there is typically a dedicated city staff member as well as a nonprofit program manager overseeing distinct components of the initiative.

**Who can apply to join the implementation phase?**

To be eligible to be an implementation partner, a grantee must be part of the planning phase cohort. Grantees selected as implementation partners should be launching a Financial Empowerment Center at the start of the implementation phase.

***Affiliate Network***

**How does an Affiliate differ from a FEC grantee?**

Local governments or nonprofit organizations located in cities or counties that are not applying for a FEC grant may [apply to join the CFE Fund’s Affiliates Network](#) if they are nonetheless offering free, individualized financial counseling as part of, or in connection with, local government. These services are not necessarily specific replications of the full FEC model.

**What type of connection does the program need to have with the government?**

An Affiliate partner is any entity that is integrating free, one-on-one financial counseling and coaching within a government service or program. Government programs could include a range of social or financial stability programs, including workforce development, housing, utility/heat assistance, childcare, emergency assistance, etc.

**Does the counseling program have to be free of charge?**

Yes, Affiliate partner’s financial counseling or coaching program must be free of charge for the entire client engagement timeframe.

**Our nonprofit provides financial counseling/coaching in multiple cities—do we need to apply separately for each?**

Organizations with multi-city programs can submit one application, listing the locations where the services are offered. Organizations should list only the program services that meet the Affiliates Network eligibility requirements.

**What is the time commitment for joining the Affiliate Network?**

The Affiliates Network is an opportunity for government-connected financial counseling and coaching service providers to participate in a learning community with FEC government partners from around the country. The CFE Fund anticipates minimal time commitment, with key activities ranging from voluntary participation in in-person learning community network activities, sharing of high-level data, and sharing



of best practices. The CFE Fund will invite Affiliate Partners to join an annual, in-person gathering, as well as participate in remote learning community activities such as webinars and conference calls.

**What types of shared data points are you expecting and how will they be used?**

The CFE Fund anticipates collecting high-level aggregate data from Affiliate Network partners, such as number of clients served and sessions held, dollars of debt reduced and savings increased. This data may be featured on CFE Fund communications channels, and will include appropriate sources.