



2018 Financial Empowerment Center Planning Grant Request for Proposals– 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.

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 August 20, 2018 (11:59 p.m. in your time zone). Once proposals are submitted, the CFE Fund anticipates conducting a series of follow-up phone calls and notifying successful applicants by early September.

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 financial counseling 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 October 2018, 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 \$150,000 in the first year; and a 1:2 match of \$100,000 in the second year. A partner's match requirement totals \$350,000 in order to access the CFE Fund's matching grant of \$250,000. Partners are encouraged to raise more than this amount. The match funds should be secured during the planning phase.

Does the source of the funds matter?

Match funds can only include cash contributions (which includes new dollars secured or existing dollars allocated for the program). An example of existing dollars is allocating either the full amount or a portion of a current employee's salary to FEC work; or repurposing open staff lines for the FEC work. The CFE Fund also encourages partners to identify in-kind contributions (use of facilities, services, equipment, etc.), but notes that these are not eligible for match fund grant requirements.

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. The CFE Fund anticipates that the key contact person 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?

Only those selected as a planning partner will be eligible to apply for the implementation phase. In addition, grantees selected as implementation partners should be launching a Financial Empowerment Center at the start of the implementation phase.