



## Improving Financial Stability by Building the Capacity of the Local Community

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**D**uring the Great Recession, Nevada ranked worst in the nation in bankruptcies, delinquent mortgage loans and unemployment.<sup>1</sup> In the summer of 2008, the United Way of Northern Nevada and the Sierra (UWNNS) convened local leaders to take a look at community conditions and gain consensus on strategies that could make a positive difference. Key concerns included a need for increased financial education and better awareness of resources such as financial counseling and low-cost bank products. Participants expressed hope that collaborative community efforts to bring additional resources to the region would help individuals and families gain financial stability and

improve the regional economy. The convening led to the formation of a collaborative, later named the Financial Stability Partnership of Northern Nevada (FSPNN).

At the same time, state and local collaborative groups supporting asset building and financial education had been operating across the country for a number of years. Many offered financial education and Individual Development Account (IDA) programs and had already made successful inroads in state policy affecting asset development. But FSPNN's approach to improving financial stability in Northern Nevada was unique in several respects. This collaborative focused on three activities: building the capacity of local community organizations with a "train



the trainer” approach; developing a network of supporters and encouraging the adoption of community-wide asset building strategies; and engaging financial institutions from the beginning, both as financial support and in leadership roles.

Diverse stakeholders came together to contribute financial, logistical, and informational resources to the initiative. For instance, UWNNS provided infrastructure to the collaborative by hosting meetings and trainings, and providing staff support and coordinating communications. Charles Schwab Bank, already invested in building the capacity of local nonprofits in the Reno area, offered financing and technical support to continue training efforts through nonprofit roundtables.

### **Moving the Collaborative Forward**

Steady funding allowed FSPNN to bring in a consultant in 2009 to help guide the collaborative’s future development. After conducting a community-wide survey to identify financial education and client development service providers, the FSPNN’s steering committee drafted its first strategic plan, and circulated it among the community leaders who had attended the original convening. Soon committees formed to support and implement the strategic plan, which included expansion of free income tax preparation in connection with the IRS’s VITA program and special financial education events in the schools. The network grew with the help of a LISTSERV and periodic meetings where committee work was reported on and resources shared. In its 2009 session, the Nevada Legislature passed SB317 which mandated, with funding, financial education for all high school seniors. The FSPNN partnered with the school district and helped identify funding and financial education best practices needed for the teachers to develop the curriculum for Washoe County. The FSPNN also found funding to pay for the train-the-trainer session needed by the school teachers to integrate financial education into their classroom work, which was then made available to all school districts in the state.

Late in 2010, the FSPNN launched a practitioner education strategy that dramatically expanded financial education throughout the region. Instead of setting up de novo financial education programs to provide workshops directly to the consumer, the FSPNN elected to train nonprofit staff and social workers on how to integrate financial education into their existing client development processes. Community development and human services nonprofits such as affordable housing agencies, domestic violence shelters and drug rehab programs received information on asset-building resources and financial education curricula, with each agency choosing how to integrate the resource information into its existing operations. Many adapted their services to include additional

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workshops, financial counseling and support groups to help their clients achieve greater financial stability.

This practitioner development approach was further enhanced in 2011 with the introduction of Asset Building Learning Clusters. Community organizations interested in strengthening their capacity to provide financial education and asset-building programs could apply to work with a consultant to improve their client development processes and institutionalize asset-building in their programming. That year, UWNNS made a significant investment in three nonprofits, and Charles Schwab Bank funded a learning cluster that helped five agencies grow in capacity to provide these programs. In addition, the UWNNS provided a data collection system that helped all eight of agencies track the progress of 80 individuals who were working with these agencies to improve their financial stability. Recently, seven more agencies were selected to participate in a new learning cluster for 2012-13.

The results have been gratifying. These Reno-based nonprofits have enhanced their counseling to include financial education, goal-setting and coaching. Partnerships with local consumer credit counseling agencies have been forged and additional workshops and counseling are being provided at the sites of the nonprofits. Additional trainings have been offered to social workers and nonprofit staff, further building awareness in the community of the importance of financial education.

The FSPNN quarterly meetings for “Learn and Share” are regularly attended by 20 or more nonprofit organiza-

tions and joined by for profit and government representatives. FSPNN’s website is up and running and fundraising efforts have expanded. The VITA/tax preparation committee exceeded its prior year results with a 15% increase in tax returns (over 2,900) bringing \$1.1 million in earned income tax credits, child care tax credits and education tax credits into the region. The Advocacy committee is gearing up for the 2013 legislative session, and the Nevada Assets and Opportunity Summit and Advocacy Day, held in March was very successful, attended by over 150 people. The momentum that has driven the FSPNN to date should help with the planned expansion of the initiative to the rural areas of Northern Nevada to better support those nonprofits that want to include financial education in their programs.

### Lessons Learned

There’s a lot to learn from the experience of the FSPNN. Many communities attempt to rally support for asset building and financial education by forming coalitions, but lose momentum and ultimately fail. The FSPNN circumvented common pitfalls by engaging the entire community in the effort, paying attention to building the capacity of the network and nonprofit service providers and focusing on coordination as the way to serve the community. The region also benefitted from the strong commitment of the United Way of Northern Nevada and the Sierra to provide the coalition’s infrastructure for meetings, trainings and communication. The leadership of the financial institutions was and continues to be a critical influence on the ongoing success of the Partnership, providing funding and volunteers for the effort.

Securing enough funding for regular staffing of the collaborative is still a challenge, as it is for other such efforts. However, the volunteer spirit of the FSPNN network members combined with the committed investment of the United Way and participating financial institutions have provided a solid base for growth and sustainability. **CI**

# Endnotes

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- 4 Michele Lerner, "Real estate investors are impacting traditional buyers," HSH Financial News Blog, March 8, 2013; Morgan Brennan, "Wall Street Institutions Behind Home Price Surges in Markets Like Phoenix," *Forbes*, March 18, 2013.
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- 2 Ludwig, Terry, "Pay for Success: Building on 25 Years of Experience with the Low Income Housing Tax Credit," *Community Development Investment Review*, Federal Reserve Bank of San Francisco, Vol. 9, Issue 1, 2013.

## Putting Housing Program Delivery into High Gear

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- 2 These properties had financing from the Department of Agriculture's Rural Housing Service rather than HUD, but most of the same issues applied.
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- 1 <http://scorecard.assetsandopportunity.org/2012/state/nv> taken from the CFED website 8-23-12.