



Community Credit Building Initiative Planning Guide:

Learnings from Boston Builds Credit



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Introduction

Boston is the first city in the country to deploy credit building as a primary strategy to spur financial resiliency and economic mobility among residents at the population level. Over 200,000 Boston residents have limited or no credit history, or a poor credit score.¹ Without a prime score, these residents pay higher interest and fees on financial products, including insurance and car loans. This further perpetuates a widening racial wealth gap—in Boston white families have an average net worth of \$247,500 while African American families have an average net worth of \$8.² Compelled to find new ways to counteract such structural inequities, Boston Builds Credit (BBC) launched in 2017, when three lead agencies—Mayor Martin J. Walsh’s Office of Financial Empowerment (OFE), United Way of Massachusetts Bay and Merrimack Valley (United Way), and the Boston Office of the Local Initiatives Support Corporation (LISC Boston)—came together to foster a citywide culture that embraces credit building. These agencies planned to build capacity within their community to support an estimated 25,000 individuals (5% of Boston’s population!) to attain a prime credit score—defined as a 660—by the year 2025.

BBC leaders spent two years prior to the launch hatching the plan, assembling support, and testing proof of concept. By the end of this period they had a feasibility study, a business plan, and dedicated staff who could push efforts forward. Now, BBC is scaling up proven strategies and introducing new programs that promote credit building by bringing resources and service coordination together on the ground citywide to help facilitate the following:

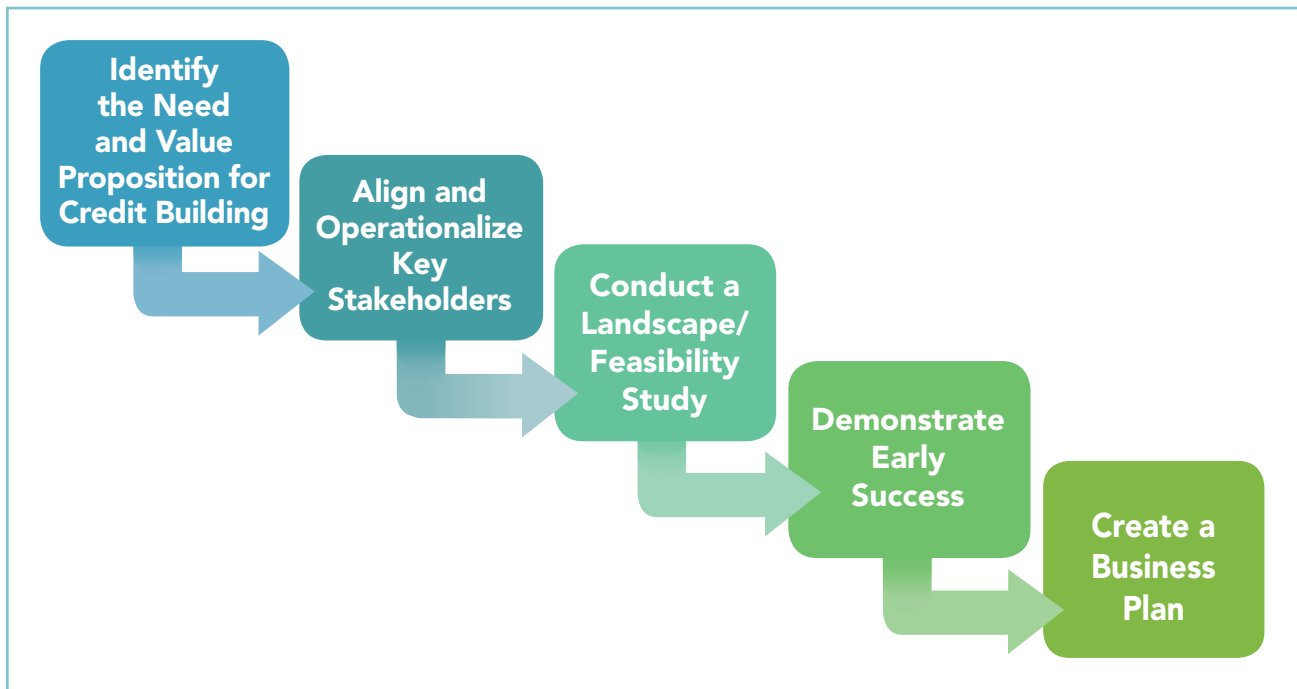
- A public education campaign about the opportunities available due to a good credit profile
- Systems and processes to train credit building specialists in the field
- A network of credit building resources with multiple points of access for individuals and small businesses
- Access to credit building starter products and strategies offered by financial institutions and nonprofits
- Technology necessary to scale and measure credit building adoption and success

As of the writing of this planning guide, BBC is still in the early stages of implementation. Yet the lead partners and community have drawn valuable lessons from their initial planning phase and have developed a model that is ripe for replication and adaptation in other municipalities. This planning guide documents Phase I—the pre-implementation steps that BBC took to catalyze momentum, convene stakeholders, and plan to implement its pioneering model. It is intended to inspire and guide other communities in undertaking similar efforts. The following pages provide anecdotal background information, lessons learned, and concrete tools and resources that can be adapted for different local contexts. This toolkit is limited to lessons learned from BBC’s initial planning stages. Phase II of the planning guide is forthcoming and will document and provide guidance around actualizing the plan.

¹ Credit invisible estimate from Community Credit Profile, Boston, MA, Consumer Financial Protection Bureau and subprime credit estimate from Credit Community (Federal Reserve Bank of New York) Equifax Credit Trends.

² Muñoz, Ana Patricia and Marlene Kim, et al. The Color of Wealth in Boston. Federal Reserve Bank of Boston. March 2015.⁵ Centers for Disease Control and Prevention. (2015, July 30). "53 million adults in the US live with a disability." Retrieved from <https://www.cdc.gov/media/releases/2015/p0730-us-disability.html>.

In the following sections we walk through the key steps that BBC leaders took to launch their initiative from a seedling idea to a network of programs unified behind one impactful metric: to help 25,000 people reach a 660 credit score within five years.




How To Use The Planning Guide

As you read through the planning guide, you will see that in each section we tell



THE BOSTON STORY to shed light on how the BBC team approached this work.

We then share  **LESSONS LEARNED**

and  **PUTTING IT INTO PRACTICE** tools and planning aids at the end of each section for applying these lessons to your community.

Sections are also accompanied by information on an estimated timeframe, cost, and resources to support your planning process. We urge you to pick and choose the sections, information and tools that seem relevant to your community! BBC is the first case study to shed light on how a citywide credit-focused initiative can develop and thrive. As more municipalities around the country replicate a similar approach, more lessons will be learned and best practices will emerge for others to further move the needle on building strong credit in communities across the country.

STEP ONE

Identify the Need and Value Proposition for Credit Building

EXPECTED TIMEFRAME: 1-3 months

ESTIMATED COST: Minimal to no cost

MAIN GOAL: Establish the need and importance of pursuing a centralized credit building strategy within your community.

PLANNING AIDS:

Planning Aid 1: Identify the Need and Value Proposition for Credit Building

Building Credit Strength Primer

A good credit history is crucial in today's economy. Far more than just a number, a good credit score is a prerequisite for everyday financial products and services such as low-interest credit cards or installment loans. Renting an apartment, paying for home insurance, signing up for utilities and even landing a job can also be affected by a person's credit history—or the absence of one. A good credit score also makes a difference in the ability to access affordable financial products necessary to build assets such as getting a college degree, buying a home, or starting and growing a small business. Having no or poor credit history inflates costs, makes it more difficult to save, and impedes

wealth creation. Credit building is a powerful strategy to help individuals, families, and small businesses take control of their financial lives and build wealth.

Focusing on credit building as a primary financial capability strategy to address other, often more urgent, presenting financial issues may not always seem like the logical starting point. Yet no or poor credit is almost always a driver of those issues. Understanding and articulating how a good credit profile can change the trajectory of an individual's, a family's or a small business's circumstances is critical to improving almost any consumer and community-level economic indicators. Yet, centering credit does not have to come at the cost of neglecting to address other barriers. Situating your credit building initiative within a larger network of supportive services is critical to the success of clients and the overall initiative.



THE BOSTON STORY

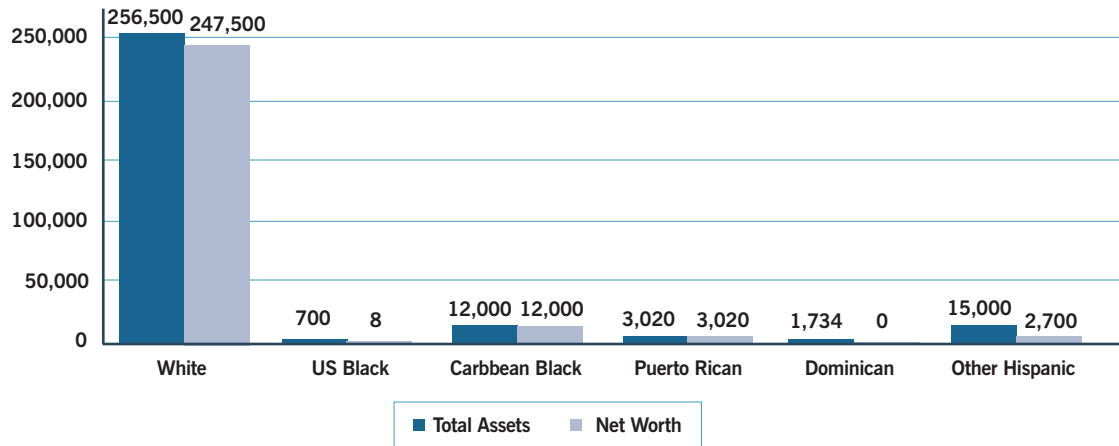
In 2015 the Federal Reserve Bank of Boston released a report on “The Color of Wealth in Boston.” This report highlighted deep-rooted disparities for Bostonians in wealth by race, ethnicity and/or country of origin. For example, the report found that while white households on average have a net worth of \$247,000, no other group comes remotely close to that level of wealth. In fact, the net worth of Blacks and Dominicans living in Boston is close to zero.³ A related report by the Federal Reserve published in 2018, further showed disparities in Boston by neighborhood. It found that Boston residents of low-income neighborhoods were more likely to have subprime scores and derogatory debt on their credit reports.⁴

³ Muñoz, Ana Patricia and Marlene Kim, et al. (March 2015). The Color of Wealth in Boston. Federal Reserve Bank of Boston.

⁴ Chaddha, Anmol. (June 2018) The Concentration of Financial Disadvantage: Debt Conditions and Credit Report Data in Massachusetts Cities and Boston Neighborhoods. Federal Reserve Bank of Boston. Issue Brief: 2018-2

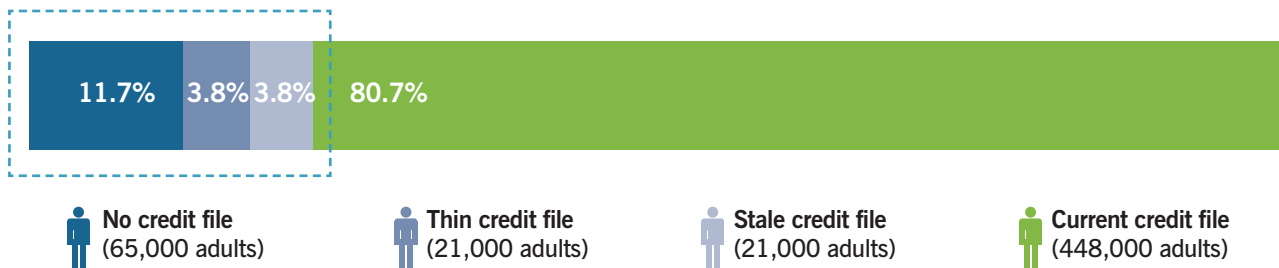
THE RACIAL WEALTH GAP IN BOSTON

Munoz, Ana Patricia and Marlene Kim, et al. (March 2015).



These data on the stark inequities experienced by people of color in Boston was eye-opening to the City's leaders. Furthermore, that same year, the Consumer Financial Protection Bureau released its first Credit Invisibles report, revealing that no or poor credit is particularly problematic for residents of lower income and minority communities. According to the CFPB report, these individuals are significantly more likely to be credit invisible or to have an unscored record than their higher income and white counterparts respectively. CFPB's analysis suggests that the differences across racial and ethnic groups materialize early in the adult lives of these consumers and persist thereafter.⁵ In addition to the estimated 107,000 consumers with invisible credit history or no credit score, another 136,000 individuals are estimated to have poor credit scores in Boston.⁶

ADULTS IN BOSTON LIKELY TO HAVE LIMITED ACCESS TO CREDIT



While, credit scoring models do not include any information about an individual's race, ethnicity, or what neighborhood they live in, historical and structural discrimination in access to safe, affordable credit have created barriers to socioeconomic mobility and opportunity.⁷ These only worsen the financial inequalities that over 200,000 Bostonians—most profoundly those of color and/or with low-incomes—must overcome.

⁵ CFPB Credit Invisibles. Forty five percent of low-income consumers are either credit invisible or unscored, and black and Hispanic consumers are also almost twice as likely to have limited credit records compared to white consumers.

⁶ Credit invisible estimate from Community Credit Profile, Boston, MA, Consumer Financial Protection Bureau and subprime credit estimate from Credit Community (Federal Reserve Bank of New York) Equifax Credit Trends.

⁷ Fellowes, Matt. Credit Scores, Reports, and Getting Ahead in America. The Brookings Institution. May 2006.

BOX 1: CREDIT BUILDING DEFINED

What is Credit Building?

Credit building is the opening and successful management of financial products over time. More than credit education or remediation, credit building requires the existence of at least one positive trade line, such as an installment loan or credit card, on an individual's traditional credit report. To build credit, that trade line must be both open and active, meaning the consumer or small business is both using credit regularly AND making all payments on time.

Lenders report both installment (car loans, student loans, mortgages, etc.) and revolving (credit cards or lines of credit) credit to the credit bureaus. In order to build credit, installment loans must carry a balance and require a monthly payment. While paying off debt is viewed positively, once paid in full, a loan is no longer active and will not continue to build credit. Revolving credit, on the other hand, offers an unlimited credit building solution as long as it is actively and judiciously used; at least once every six months and ideally monthly. An outstanding balance on the credit card is not required to build credit.

The number one rule in credit building is to make all payments on any credit account on time, every time. Improving one's credit score once established does require reducing current revolving debt loads (to no more than 30% of the credit limit) and paying off historical accounts in collections as necessary, however, addressing past credit problems alone does not constitute credit building.

While credit building does not happen overnight, it is an empowering process that can be employed by individuals or small businesses to address their financial circumstances relatively quickly. Credit building is the only way someone with no credit history or active trade lines can establish or reestablish a credit score. It is also often an effective and expeditious first step for those with poor credit who wish to boost their credit scores. In just six months, for example, on-time payments reported to the credit bureaus on an installment loan as small as \$100 can help an individual with a low credit score increase his or her score by an average of 35 points—and move an individual with no credit score to a prime credit score.⁸

⁸ Chenven, Sarah. The Power of Credit Building: Credit Building Strategies for Funders. Asset Funders Network, 2014.

LESSONS LEARNED

- **Identify the specific challenges faced by people and small businesses with no or poor credit histories.** This likely includes higher borrowing costs generally as well as reliance on predatory financial products to meet credit needs. In Boston, the challenges identified included sustained expense inequality, unsustainable cycles of debt, and limitations on asset building opportunities—often across generations.
- **Take advantage of existing data and resources to make a case for pursuing credit building as a locality-wide solution to economic and wealth disparities.** Credit building can be a powerful strategy to combat the deep rooted inequities that many anti-poverty programs seek to address.
- **Articulate how a good credit profile can change the trajectory of a resident's circumstances and impact their larger community.** Credit building is essential to financial resiliency, economic mobility, and sustained wealth creation. The impact of credit stress on individuals affects their personal situations as well as the condition of their communities.⁹ Conversely, more financially stable households contribute to and are a source of strength for their communities: not only do they boost the local economy by spending more, they do so by increasing the rates of homeownership, which leads to greater property tax income, and small business growth, which leads to more residents employed.¹⁰



⁹ Community Credit. Federal Reserve Bank of New York. <https://www.newyorkfed.org/data-and-statistics/data-visualization/community-credit-profiles/index.html#overview>

¹⁰ Elliott, Diana. Urban Wire Neighborhoods, Cities, and Metros: Financially insecure residents can cost cities millions. January 24, 2017. See <http://www.urban.org/urban-wire/financially-insecure-residents-can-cost-cities-millions>

BUILDING CREDIT STRENGTH PRIMER



Credit building is critical to financial resiliency, economic mobility, and sustained wealth creation. Financially stable households are a source of strength for their communities: they boost the local economy by spending more and by increasing the rates of homeownership, which leads to greater property tax income and small business growth, employing more residents.

Credit building is not just about increasing one's credit score, it's about leveraging a strong credit profile in order to achieve financial goals and dreams. Anyone can build credit with the right combination of credit **KNOWLEDGE**, **ACCESS** to financial products and positive ongoing credit **ACTIONS**.



First, people must have **KNOWLEDGE** about how the system works in order to establish and improve their credit profiles. A trained credit practitioner can help an individual or small business determine the sequencing of credit building steps. Those with little to no credit history may benefit from taking out a loan designed to build credit, resulting in a prime score within six months. Those with multiple lines of credit would likely do better to reduce outstanding debt or bring delinquent accounts current.



For those who have no credit history or score, **ACCESS** to safe and affordable credit products is essential to establishing those histories and scores. This may be one of the greatest challenges for those who are credit invisible, unscored and/or have low credit scores because, ironically, having no or a poor credit score often precludes such access.



Taking sound financial **ACTIONS** to sustain a good credit profile takes readiness, commitment, and most importantly, the ability to make on-time payments on open credit accounts. How people interact with credit may be shaped by what their parents or community modeled. Emotional triggers and/or circumstances outside of their control like loss of a job, divorce, or illness, and more can influence behavior.



PUTTING IT INTO PRACTICE

PLANNING AID 1

Identify the Need and Value Proposition for Credit Building

1 *Identify the Underlying Issue(s) that You Are Hoping to Address*

In Boston, there is an explicit acknowledgment that centuries of structural racism have produced extreme disparities in wealth accrual among families of color, and that credit-building is a targeted strategy to open up doors to asset building opportunities from which families of color have been historically excluded. For your locality the primary challenge might be the same or something more narrowly or broadly defined. Below we provide examples of issues (many of which are also highly interconnected) that may be present in your community. Choose which ones resonate most, or add your own.

What credit related issues do you hope to address in your community?

- ☐ Racial wealth gap
- ☐ Low homeownership rates
- ☐ High-debt burdens
- ☐ Predatory lending
- ☐ Banking deserts
- ☐ Other, please describe:

2 *Document Your Community's Credit Profiles*

Once you have identified the underlying issue that you are hoping to address, it is important to gather information about the credit profiles (or lack thereof!) of those whom you hope to serve and to make the link between how improved credit profiles will benefit them and the larger community as a whole.

2A Gather Data on Credit Trends

Using some of the sources listed below and others, specific to your community, make a case for pursuing a municipality-wide credit building strategy. Here are some suggested preliminary data points to collect (if possible):

- ✓ Number of residents in your locality
- ✓ Target populations that are typically underserved in your community
- ✓ Number/percentage of residents that fall in the following credit score risk tiers:
 - No score
 - Subprime credit score
 - Prime score
- ✓ Geographical differences in credit scores
- ✓ Demographic differences in credit scores
- ✓ Areas in which there are clusters of predatory lenders
- ✓ The cost of poor credit in your area (for example: the cost of a car loan in your locality by risk tier)

What other data sources do you know of that will help you make your case?

Go-To Credit Data Resources

- **Consumer Financial Protection Bureau:**
 - **"Building Credit at the Local Level,"**
<https://www.consumerfinance.gov/about-us/blog/building-credit-local-level/>
 - **"Data Point: Credit Invisibles."**
<https://www.consumerfinance.gov/data-research/research-reports/data-point-credit-invisibles/>
- **National Community Reinvestment Coalition: Banking Deserts in America**
<http://maps.ncrc.org/bankdeserts/index.html>
- **New York Federal Reserve:**
 - **Community Credit Data**
<https://www.newyorkfed.org/data-and-statistics/data-visualization/community-credit-profiles/>
 - **Household Debt and Credit**
<https://www.newyorkfed.org/microeconomics/hhdc/background.html>
 - **Center for Microeconomic Data**
<https://www.newyorkfed.org/microeconomics>
- **Prosperity Now's Scorecard**
<https://scorecard.prosperitynow.org/>

2B *Outline a Community Credit Profile*

Using the data you have identified, lay out what you know already about the credit profiles in your community.

What do credit profiles in my community look like?

No credit history/score

Poor credit history and score

Geographical differences

Demographic differences

What else do you know?

What else would you like to find out?

3 *Show How Credit Building Can Make a Difference*

You've identified the need, and have some preliminary data to tie it back to credit. Now is the time to articulate the need for a credit building initiative in your community. If you don't have detailed data on your area yet, use national trends to make the case. The Feasibility Section (Step 3) will help you delve into these questions further. You can use CBA's Credit Building Primer (page 11) as a start and then adapt and add in local information based on information you find using the sources above and others.

How can credit building help address the challenges identified above?

STEP TWO

Align and Operationalize Key Stakeholders

EXPECTED TIMEFRAME:

One to six months

ESTIMATED COST:

Minimal to no cost

MAIN GOAL: *Establish a core leadership team and vision that can drive the movement. Ensure meaningful co-creation with affected communities and buy-in from key partners.*

PLANNING AIDS:

Planning Aid 2: Align and Operationalize Key Stakeholders

Box 3: Embedding Human Centered Design

Appendix A: Key Partner Roles and Responsibilities

Appendix B: Community Credit Initiative One-Pager Template

Appendix C: BBC Two Pager

Appendix D: Sample Memorandum of Understanding

Appendix E: Sample Job Descriptions

Appendix F: List of BBC partners

If you have identified the need for, and begun to articulate the value proposition of credit building in your community, you may already have a clear picture of the key stakeholders ready to journey with you down this path. Assembling this core group of leaders, creating a shared vision together, and involving other key partners are critical to getting the initiative off the ground.



THE BOSTON STORY

Creating Boston Builds Credit wasn't the initial plan. The idea evolved because a group of three passionate community leaders with aligned visions and focuses of work came together to seek new ways to make a difference in their city.

1. The Core Leadership Team

Three key entities comprise BBC's core leadership team:

The Office of Financial Empowerment (OFE) was created by Mayor Martin Walsh in 2014 to link those seeking financial security and wealth generation with access to capital, financial education, and financial services. The OFE has been instrumental in bringing credit building resources to the City of Boston, embedding a light-touch credit review session within free tax preparation sites run by the Boston Tax Help Coalition, and making in-depth financial and credit building services available year-round

through their Roxbury Center for Financial Empowerment (RCFE). In 2015, the OFE also spearheaded an effort to test credit building as a resource for young adults, launching the Boston Youth Credit Building Initiative in partnership with Citi Community Development. Mayor Walsh's vision has led to Boston Builds Credit, which the partners intend as a national model.

The United Way of Massachusetts Bay and Merrimack Valley (United Way) has supported financial empowerment and asset building for over a decade, through direct service grants to community-based organizations and an array of capacity building initiatives. United Way supports a network of financial opportunity centers (FOCs) throughout Greater Boston that provide integrated financial coaching and employment services. In addition, United Way has launched the Working Families Network of Massachusetts, a statewide network that supports financial coaching and credit building. United Way has dedicated significant resources to the professionalization of the financial coaching field regionally. In July 2016, United Way was recognized as a "Center of Excellence" by United Way Worldwide for these efforts.

Finally, **Local Initiatives Support Corporation Boston** (LISC Boston) has been providing funding, financing, and technical assistance to spark community and economic development, and to increase access to high quality education, transportation, and other crucial resources throughout the city since 1981. Nationally, LISC is the country's largest non-profit financial intermediary. LISC was one of the early adopters of credit building, deploying the strategy in 2008 through its network of FOCs. LISC Boston's Resilient Communities/Resilient Families (RC/RF) initiative was a strategic place- and people-based approach to community development. RC/RF was anchored by community organizations in three Boston neighborhoods – Roxbury, Codman Square/Four Corners (Dorchester) and Mattapan – the three priority neighborhoods identified for the place-based strategy proposed for BBC.

Already partners on the ground, OFE, United Way, and LISC Boston initially conceived of BBC when they joined forces to design an audacious and bold social innovation proposal that would leverage their financial capability and credit building efforts as a centralizing tenet to augment financial inclusion outcomes across Boston. Although the group did not ultimately apply for the grant, their early planning efforts paved the way to the official formation of BBC. First organized as a planning committee, the three organizations became the core leadership team and driving force behind BBC. Together these lead partners bring experience, expertise, resources, and equally important, commitment to and conviction that, credit building is an important solution to addressing expense inequality and economic mobility in Boston. Luckily for Boston, these groups already had much of the key infrastructure in place to give BBC a jumpstart.

BOX 2 BBC CORE LEADERSHIP TEAM ROLES

- **OFE** brings name recognition, political capital, expertise and resources to BBC. The Mayor's support for and commitment to BBC has been critical for soliciting buy-in from other stakeholders. In addition OFE's existing financial empowerment programs—free tax preparation sites, Bank On and children's savings accounts—have provided place-based infrastructure and opportunities for cross sector collaboration. The Roxbury Financial Empowerment Center in particular has become a testing ground and main early implementation site for the BBC initiative. Equally compelling, Boston also employs over 16,000 individuals, many of whom could be potential participants of BBC programs.
- **United Way** plays a critical vision, program, resource and logistical role in BBC. Not only does it provide the umbrella infrastructure for all BBC efforts, having raised the funds to hire a dedicated full-time director of BBC and an AmeriCorps staff member, United Way funds local financial capability organizations around the city. Through its Financial Empowerment Learning Institute (FELI), United Way supports professional development opportunities and trainings to build the capacity of nonprofit staff to deliver high-quality financial coaching and education services, including, specifically, credit building.
- **LISC Boston** has offered highly reputable integrated financial capability services in BBC's three priority pilot neighborhoods for decades. LISC also has a small business initiative which is a key way to engage one of BBC's priority populations—entrepreneurs. Building on its community development and affordable housing track record, LISC also is leading efforts to support rent reporting in Boston.

2. Create a Shared Vision

While Boston is home to a host of reputable nonprofits that operate on a local and national level, a leader from United Way once reflected, “We’re all in the same lanes, but it doesn’t feel like we’re making a dent on inequality and the racial wealth gap.” In spite of decades-long experience trying to influence financial capability outcomes, representatives of the core leadership team recognized the need for broader collaboration and alignment to yield greater, collective impact on a population level. As a start at this, they sat down and drafted a shared vision. They intentionally created a vision that was broad, aspirational, yet seemingly achievable:

Every Boston resident has the skills and knowledge to effectively manage credit and achieve a prime credit score (660+).



While the BBC team is currently reworking this vision to encompass more of reasoning behind credit building such as goal achievement and wealth accumulation, this initial vision served a grounding statement to guide and focus their efforts and to bring others on board. With a clear statement, the team could delve into determining what it would take to accomplish the vision.

3. Engage Key Stakeholders

To build support for their vision, the core team identified a broad range of diverse stakeholders—community-based organizations, public agencies, philanthropic leaders, and private sector partners including financial institutions within the community—whose involvement would be pivotal for driving the initiative forward. Representatives from the core leadership team attended over fifty meetings with partners to share the goals of the initiative and garner commitment from high level staff. According to one person, “We wanted to appeal to everyone’s higher interest. We wanted everyone on board to show that this city could come together around one key measure that we would all track.” In addition, the BBC director reflected that in these meetings they tried to emphasize the interconnection of credit and residents’ goals:

“We need to band together to create a credit building culture in Boston that consistently connects residents to what they need to build and maintain good credit in order to achieve their goals.”

By honing their pitch to individual stakeholders, the leadership team was able to emphasize how joining the initiative would complement and enhance the impact of the organizations’ current programming and efforts, rather than strain them. These efforts were time consuming, but resulted in the buy-in from essential stakeholders needed to be successful. It’s important to note that once the initial relationship was established, the work didn’t stop. Cultivating and maintaining relationships with key stakeholders is a key ongoing component of the work.

LESSONS LEARNED

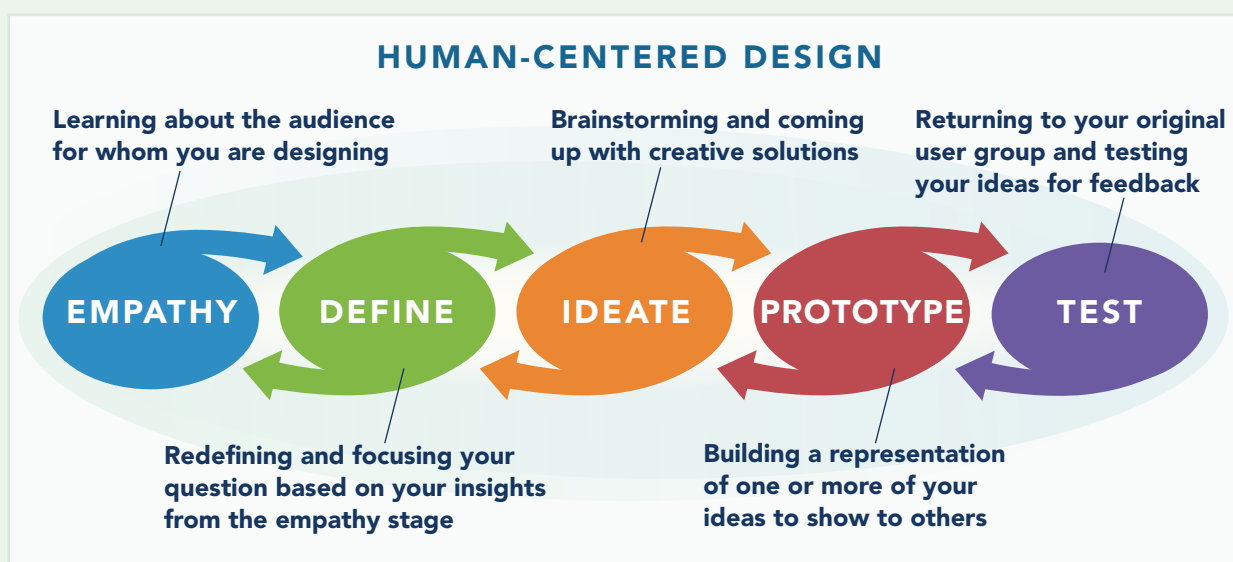
1. *Establishing the core leadership team*

- **Harness the existing infrastructure and strength of lead partners and delineate roles and responsibilities early in the process.** In Boston, each member of the core team brought unique capacity and ties to the community into the partnership. While each partner may fulfil multiple roles, at a minimum, you will want at least one partner that can serve as a public champion, one that offers a solid link to and representative of the communities you hope to serve, and one that can facilitate access to the resources you need to support initial and ongoing efforts. Most of all, partners should be passionate about the mission and vision of the initiative and willing to devote a considerable amount of time to seeing it to fruition. To make this sustainable, BBC leaders recommend integrating the goals of the initiative into individual organizational goals as well as each leader's performance goals. The BBC director reflected that having "lead partners work together to set explicit goals and milestones for their version of BBC early on in the process and then bake those goals into their own specific performance goals at their respective organizations did not happen right away in our case, but it would have been incredibly useful!"
- **Ensure that lead staff have the time (it will likely consume more time than expected), capacity, and shared approach to dedicate.** Since each lead organization devoted a substantial amount of time and resources to the initiative, delineating clear roles, responsibilities, and expectations was essential. The leads created MOUs that formalized their collaboration and laid out roles and responsibilities. Having senior leadership sign each MOU ensured that they were informed and fully bought in to their agency's participation in the initiative.
- **Create a fund development plan and start thinking about staffing as soon as possible.** Create a plan for which organizations will reach out to which specific funders and when. Having funds to execute the planning steps, and then dedicated funds for actual implementation is pivotal. The BBC team wasn't able to hire a program director to provide dedicated efforts to the initiative until after the business planning stage, but recommend having someone in place as soon as possible. It's important for this person to have management expertise since they will likely be coordinating and steering many complex components of the initiative. If this staff person is not trained on credit, make a plan for them to get training as soon as possible!
- **Center the voices of those with lived experience from the start.** Even though BBC was developed with a racial equity mindset, as the core team reflected on their pre-implementation planning process, they wished they had done more to incorporate those with lived experience in the planning and design process from the beginning. While the team conducted interviews and focus groups with the populations they hoped to serve to receive feedback and input (see Feasibility Study section below) this is different than partnering with community members to co-create a plan. See call Box 3 on Human Centered Design for more ideas about this.

BOX 3

EMBEDDING A HUMAN-CENTERED DESIGN APPROACH FROM THE START

Using a human-centered design (HCD) approach is a great way to incorporate the knowledge and wisdom of people with lived experience at every level of the initiative. IDEO.org, a nonprofit that designs products, services, and experiences to improve the lives of underserved communities, defines HCD as “a process that starts with the people you’re designing for and ends with new solutions that are tailor made to suit their needs.” It entails “building a deep empathy with the people you’re designing for; generating tons of ideas; building a bunch of prototypes; sharing what you’ve made with the people you’re designing for; and eventually putting your innovative new solution out in the world.” IDEO provides free tools, guides, and online courses that can be applied to your initiative at every stage of development.



Source: Aid For Aid Workers. “How to Make Your Projects More Human Centered.” From <http://www.aidforaidworkers.com/podcast/human-centered-design>

2. Creating a shared vision

- **Create an inspiring yet achievable vision.** The leaders in Boston already had an idea of who they hoped to serve through BBC based on existing research and experience in the field. In other communities, this step may require more research and/or it may be an iterative process as you learn more from your community during the feasibility study. Regardless of what level of data your community has access to, the core team found it important to develop a shared vision. This vision was particularly helpful for communicating about the initiative to community members and appealing to the mission of potential partners. In some cases, organizations might be well positioned to formulate a logic model to accompany their vision and/or theory of change.¹¹

¹¹ For more information on logic models and theories of change visit the Community Toolbox.

- **Allow for your vision to change over time.** The BBC team thought of the vision as iterative, and something that could evolve as the initiative developed over time. As with much of the planning process, it's important to have a strong foundation, but be flexible as you further hone the key tenets and scope of your initiative.
- **Deliberately frame your efforts as part of something larger.** In this toolkit we refer to BBC as an initiative. Yet, as BBC's visioning and planning has evolved, the team has begun framing their efforts as movement building, rather than just work that is packaged under one initiative. From their perspective, a movement harnesses grassroots community efforts to address systemic barriers and incite more comprehensive change. As you begin to talk about your work, the vision helps portray what you hope to accomplish, but how you frame your efforts can be telling of how you hope to get there. What will you call your efforts?

3. Engaging strategic implementation partners

- **Understand the motivation of potential partners.** BBC lead partners understood the value of customizing their engagement pitch for each stakeholder type in order to hook their interest and was able to articulate the concrete benefits and efficiencies that could be created through their engagement in the initiative.
- **Convene and meet with partners to promote engagement.** Bring multiple stakeholders together at once if feasible. While it's good to consolidate meetings, ensure that the environment and group composition allows for honest feedback. To confirm engagement, ensure that you are meeting with someone that has decision making authority at their organization. As you meet with stakeholders, discuss the idea, but also ask for input: How can the initiative help build upon their work? What would make their jobs easier?
- **Look to local and regional stakeholders for participation, but don't forget about national stakeholders.** Working with national stakeholders such as Credit Builders Alliance, Prosperity Now, Working Credit NFP, and even the credit bureaus directly, can help boost local efforts.

Integrating HCD into your initiative early on is a more efficient method of program design—you will learn quickly whether something resonates with the population you plan to serve and provides more potential to create out of the box and impactful solutions that meet a real community need. Ideas for implementing an HCD approach to your initial planning stages include but are by no means limited to:

- adding one or multiple community members to the core team
- hiring someone who has faced barriers to credit building as the Project Coordinator/Director
- investing in inclusion, diversity and racial equity training for core team members
- selecting researchers that use an equity lens and participatory approach for the feasibility study such as hosting focus groups and other informal information gathering sessions
- creating a community advisory committee with which to incubate and develop ideas

Resources for building your team's capacity to operationalize Human Centered Design

- **Center for Equity and Inclusion**
<http://ceipdx.org/>
- **IDEO.org's Design Kit**
<http://www.designkit.org/human-centered-design>
- **Leadership Learning Community's paper on "Developing a Racial Justice and Leadership Framework to Promote Racial Equity, Address Structural Racism, and Heal Racial and Ethnic Divisions in Communities"**
<http://leadershiplearning.org/system/files/Racial%20Equity%20and%20Leadership%20Scan.pdf>
- **Racial Equity Alliance's Racial Equity Toolkit: An Opportunity to Operationalize Equity**
https://www.racialequityalliance.org/wp-content/uploads/2015/10/GARE-Racial_Equity_Toolkit.pdf
- **Racial Equity Here Now**
<https://racialequityhere.org/>
- **Stanford's Design Thinking Bootcamp Bootleg**
<https://dschool.stanford.edu/resources/the-bootcamp-bootleg>
- **W.K. Kellogg Foundation's Racial Equity Resource Guide**
<http://www.racialequityresourceguide.org/>





PUTTING IT INTO PRACTICE

PLANNING AID 2

Align and Operationalize Key Stakeholders

1 *Establish the Core Leadership Team*

Who in your community is prepared and willing to lead a locality-wide credit building initiative?

	Public champion	Community based stakeholders	Philanthropic partner
Description	Support from and pulpit of senior elected official	Community organization lead(s) offering economic and/or community development in the form of: Community organizing Project management including performance management. Credit building and/or related subject matter expertise Capacity Building and Professional Development Cultural representation and expertise	Early funder/resource investor and willing to bring in others
BBC Lead	OFE	OFE United Way LISC	United Way
In your community			

2 Create a Shared Vision

Look back at the underlying issue you are seeking to address and your statement on how cred-it-building can make a difference (Planning Aid 1). Use these as a basis to create a vision for success with your core team. Think about:

- If you tackle your identified problem, how will things be different?
- What does success look like?
- Who will be impacted and how?

Example vision:

Every Boston resident has the skills and knowledge to effectively manage credit and achieve a prime credit score (660+) that can be leveraged to achieve their goals.

Your vision:

3 Identify Important Strategic Partners

Start with the obvious players needed to drive the movement forward. As your initiative develops, you can continually add stakeholders into the fold. Consider:

- Who isn't at the table right now but should be? This could include:
 - Clients, residents, and people with lived experience
 - Communities of color
 - Leaders in financial capability and credit building
 - Organizations with cultural expertise
 - Organizations offering supportive services
 - And, more!
- Who are the key partners of the leadership team already working with?
- Who in the community must be on-board to influence others?
- What organizations are already working together to serve the target populations?
- Who might be able to seed initial funding for the initiative?

Additionally, are you able to provide resources to make it more feasible for a partner or individual to join the initiative? Examples include stipends for community members to sit on advisory boards, or small grants to non-profit partners to compensate for their time.

Stakeholder/ Organization	Who will contact them?	What resources may make participation more feasible?	What is their connection to the work or other partners?

4 *Hone Your Pitch to Solicit Partner Buy-in*

You can use the sample one pager in Appendix B and review BBC’s two-pager (Appendix C) as a starting point for informational material that you can use to outreach about your initiative. As you have meetings with different partners it will be helpful to refine your pitch for different partners. You can group partners by category to make this easier, or craft a customized pitch for each.

Stakeholder	What motivates them/their work?	How might this initiative complement and further their work?	What’s your ask?
Ex: Community members, large employers, funders	Ex: resilient communities, productive employees, tangible outcomes	Ex: More access to resources for neighborhood/worker stability, includes other agencies they funded	Ex: Be part of our design team to give feedback along the way, let us pilot a credit-building strategy at your site, provide seed funding for the initiative

STEP THREE

Conduct a Feasibility Study

EXPECTED TIMEFRAME:

Three to nine months

ESTIMATED COST: \$25,000-\$65,000

MAIN GOALS: *Better understand the needs of residents, particularly priority/target populations, the range of available products, services, and partners, and identify responsive and feasible implementation options.*

PLANNING AIDS:

Planning Aid 3: Conduct a Feasibility Study

Box 4: Example Credit Building Products

Appendix G: Executive Summary of Feasibility Study

Appendix H: Sample Proposal Rating Rubric

Appendix I: Product Case Studies

Appendix J: Credit Building Product Analysis

Appendix K: Strategy Options by User Profile

While the core team understood the need for and the value of credit building, they were uncertain of the demand for it. The feasibility study provided more detailed information on the specific needs of diverse communities within Boston, opportunity for leveraging existing credit building efforts, and areas in which there are gaps. The feasibility study can be thought of as the background information needed to develop a comprehensive program model.



THE BOSTON STORY

In order to get a better sense of the market and possibilities for BBC, the core team released a request for proposals for an independent party to conduct a feasibility assessment and develop recommendations for moving towards implementation. The core team selected a research partner (see the rubric that BBC used to evaluate and choose a research partner in Appendix H). With a contract in place, the researchers set out to answer the following high-level questions:

- What are the needs and challenges of consumers with no or poor credit in Boston?
- What will it take to meet those needs?
- What are feasible pathways for implementing a coordinated effort to meet those needs?

The study, completed in 2016 by the Midas Collaborative, confirmed the need for credit building services and identified recommendations for implementation through consumer research throughout the city and in specific high-need neighborhoods like Roxbury. This research included individual interviews with residents and small business owners, discussions with providers of products and non-profit services, expert design sessions, and focus groups to test designs.

While the study substantiated the need for credit building for any Boston resident with no or poor credit history/score—broadly cutting across other demographics like income and race—it also confirmed priority populations to target for the proposed credit building initiative. The study highlighted that the lack of access to high quality, affordable financial products for those who are new to credit, who are low-moderate income, and who struggle to start and grow small businesses living in a high-cost city like Boston in particular, combined with poorly distributed income and assets, leads to higher borrowing costs and makes it harder to achieve economic mobility.

Specifically, the feasibility study authors homed in on:

- **Youth and Immigrants** who likely are credit invisible- meaning they have no record of credit usage- so must establish a credit history for the first time.
- **Small business owners** with low to moderate incomes, who must build up their personal credit in order to access credit to start or grow their business.
- **People with low-wage, hourly jobs**, the vast majority of whom are people of color, and generally don't have access to the same wealth building tools as higher paid employees. For these households access to credit (secured through a positive credit history) can provide a *buffer* for their budget that their wages do not.
- **Renters** with low incomes may have limited housing options and could be locked out of rental housing without a good credit history. *Building, improving, and/or maintaining* a positive credit history can support sustained housing stability.

The study also verified a rich network of community-based nonprofit service providers in Boston that were already (or interested in) working with these target populations to provide related financial coaching and asset building services. Interestingly, it also identified other parties—like government agencies, employers, landlords, financial institutions and dedicated online platforms—as potentially impactful and scalable distribution channels for helping Bostonians build credit.

Although the BBC lead agencies commissioned the feasibility study in large part because they were already committed, the study strengthened their resolve to intentionally move the needle on credit building as a strategy for increasing economic mobility and eliminating the racial wealth gap in Boston. Armed with a set of recommendations, the BBC team was ready to head into the business planning phase.

LESSONS LEARNED

1. Center the research entity on the scope of work at hand

- **Ensure that the researchers and feasibility study remains focused on credit.** It can be easy to get sidetracked by related issues outside the scope of the initiative (savings, budgeting, homeownership, etc.). While a credit building initiative relates to many other issues (which is why it's so important!) be sure to stay on track with the issue at hand. To ensure that the research remained focused, the BBC team found it important to provide initial training to the research entity on the fundamental concepts of credit building before they started their research. Ideally, a research entity would already have enough knowledge to guide their work, but would be removed enough from the field to provide an independent perspective.

2. Collect quantitative and qualitative data

- **Keep the research focused on the local community.** National research and trends are telling, but data specific to your community will be most useful for program design and for fundraising. Much of the national research is already at your fingertips (see Planning Aid 1); utilizing an independent researcher to collect and analyze qualitative and quantitative data from providers and potential participants is time better spent and will be more applicable for developing a sustainable program model.

- **Use the reach and trust of community organizations to recruit interview and focus group participants.** In Boston, the researchers conducted 16 interviews with consumers and small businesses identified through community partners (an affordable housing provider and the Roxbury Center for Financial Empowerment). These interviews attempted to better understand the individual's needs, opportunities and challenges related to credit building.
- **Organizing focus group by credit score profiles may be most telling.** According to Midas' research, the predominant characteristic that indicates the profile and practices of consumers is credit score – or lack thereof. This supersedes geographic and ethnic characteristics. Through focus groups, researchers aimed to identify trends in knowledge, access, actions among the different groups and credit building interventions that could help key target populations, including those in different credit score risk tiers. The Boston researchers held four focus groups:
 - Consumers with "good" credit scores
 - Consumers with no scores or a thin file
 - Consumers in need of "credit rebuilding" (with subprime scores)
 - Service providers at the Roxbury Center for Financial Empowerment (to learn more about the barriers of their clients)
- **Keep the interview and focus group questions focused enough to get meaningful information.** If you are using a human centered design process, you will consult stakeholders on an ongoing basis. With that in mind, the initial focus group and interview questions don't have to address everything. Hone in on questions that are focused enough to develop a better understanding of specific groups, but not too specialized that findings don't seem like they will resonate with a broader population. Specific questions tested in the BBC focus groups included:
 - **Goals:** What are your goals? How do your goals connect to credit?
 - **Barriers:** What are your biggest barriers to credit building?
 - **Campaign message:** What is the most important information that you would like to know about credit scores?
 - **Channels:** How do we reach you?
 - **Incentives:** What kinds of incentives would encourage people to build their credit score?

For larger sample sizes and more generalizable data, conduct a broad reaching survey. While the BBC feasibility study did not include surveys, this is another mechanism to consider for soliciting input. Surveys to different stakeholders—potential clients, current clients of financial capability programs, practitioners, employers, and others- can reach more people in less time than interviews and focus groups, assess specifics such as demand for a particular product or capacity to serve clients, and allow people to provide feedback in an anonymized way.

3. Identify promising products and delivery channels through a landscape analysis

When assessing potential product offerings, integration possibilities and ability to scale are key criteria. With the help of experts in the credit building field, researchers conducted a scan of promising starter credit building products and replicable models that could be integrated with existing services in Boston. Since leaders had the goal of reaching 25,000 residents with no, thin, or subprime credit, scalability of the product and its effectiveness in conjunction with other services and products were also considered. While the researchers found many promising products, those that were a good cultural fit, not a heavy lift for organizations/institutions add on, and could be implemented within an entity's existing infrastructure (not a completely new add-on) were deemed most feasible.

Key credit building products recommended included credit builder loans, secured cards, lending circles, and rent reporting. Below we provide descriptions of the products and in Appendix I we provide case studies of their use by nonprofits and credit unions across the country. Since the field is always innovating and evolving, we urge you to use this list as a sound starting point for further exploration of credit building products that may be a good fit for your community.



BOX 4 EXAMPLE CREDIT BUILDING PRODUCTS

- **Credit Builder Loans:** Small-dollar installment loans with terms ranging from six to 24 months. Rather than issuing the loan funds to the borrower, deposits are made into a locked savings account. As a result, credit builder loans are designed to doubly benefit borrowers by not only building credit but also by simultaneously establishing savings. Some providers have also added perks like matching the savings at maturity.
- **Secured Credit Cards:** A bank credit card backed by money that consumers deposit and keep in a bank account. That account serves as security for the card. If the consumer does not pay his or her bill, the deposit may be used to cover that debt. Used wisely, secured credit cards offer access to short-term, 30-day, interest-free loans when bills are paid off in full at the end of each month. They also offer a long-term credit building solution: open accounts in good standing will stay on a credit report indefinitely.
- **Lending Circles:** An informal way for family, friends and neighbors to help each other gain access to capital they otherwise could not get from traditional financial sources. Lending circles are rooted in the cultural traditions of many immigrant communities. One provider, San Francisco-based Mission Asset Fund (MAF) has formalized and scaled peer lending circles to help financially excluded communities become visible, active, and successful participants in the US financial mainstream by helping them build credit.

Working Credit NFP is a nonprofit that brings credit building services and products to workers in the form of an employee benefit. Their core product is an 18-month financial wellness program through which employees learn about the credit system and receive one-on-one credit building coaching. Workers can also access their CW3™ credit building and savings product. Working Credit uses employers as a distribution channel, partnering with large employers such as hospitals and other healthcare providers in the Boston area. It also implemented the Boston Youth Credit Building Initiative to serve OFE's young adult worker population, many of whom currently participate in government funded workforce development programs (learn more about that program in Step 4).

Bank On Coalitions across the country work to ensure that everyone has access to safe and affordable financial products and services. The coalitions typically consist of financial institutions that are willing to offer accounts that meet Bank On Standards, and financial capability practitioners and community groups that can provide the financial education and support to un- and underbanked individuals, and government agencies. The Cities for Financial Empowerment Fund provides national support to local Bank On coalitions. Bank On can be a great complimentary component of your credit building initiative or an important coalition to engage in your efforts if it already exists.

While initial partnership mapping is key for engaging and including key partners that can drive the initiative from the start, the landscape analysis is crucial for situating the initiative within a broader dynamic ecosystem. This process can also help you identify strengths and gaps in your community. It will serve as a more methodical process to further identify the stakeholders that can offer products and services, serve as distribution channels for those products and services, and provide outreach to increase public engagement.

If possible, leverage support from the credit bureaus for data collection, capacity building, and putting your initiative on the map! Over time, BBC leaders developed relationships with the three credit bureaus—TransUnion, Experian, and Equifax. Partnering with the credit bureaus may make sense and opens up opportunities for access to data and resources that can bolster your initiative. The credit bureaus can be great partners for conducting research and impact assessment on credit scores, providing resources including expertise, grants, and volunteer hours, and putting your initiative on the map—the credit bureaus can often offer public relations opportunities.

4. Develop recommendations

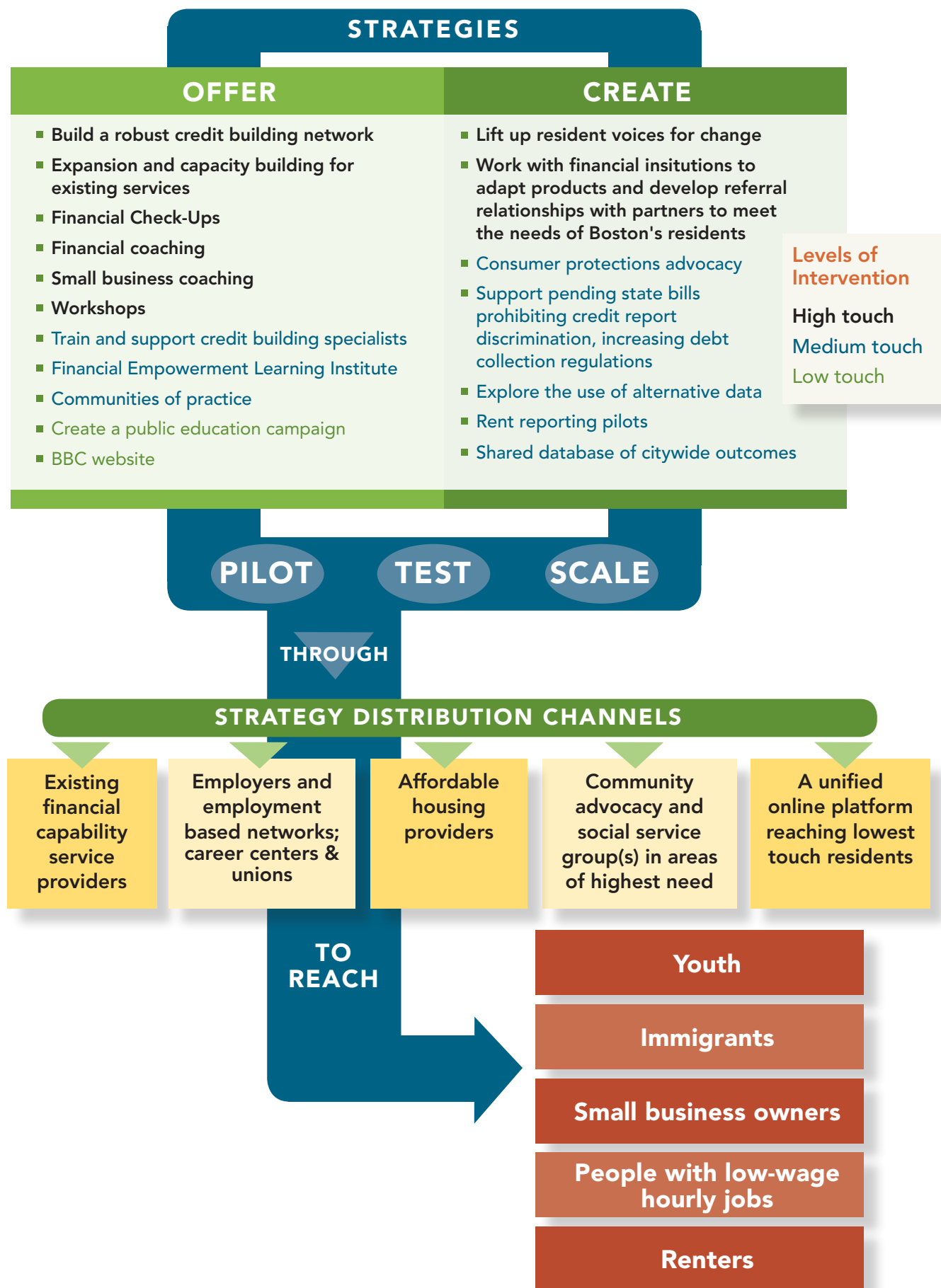
For Boston, pursuing a place-based strategy and a city wide strategy were both important. This has led to the development of a large scale initiative with a multitude of components. This may not be the right approach for every locality. Based on the landscape analysis, groups can pick one or the other based on their capacity, focus, and potential for reaching priority populations.

Regardless of the scope and scale of your initiative, create strategies, approaches, and distribution channels that meet people where they are. BBC has divided their work in two large categories: 1) Service Provision and Education; and 2) Systems Change. Service provision and education includes many of their direct to consumer or direct to practitioner strategies such as the financial check-ups, financial coaching, the Financial Empowerment Learning Institute and more. Systems change include efforts that will shift institutions and policy to be more inclusive such as working with banks and Fintech companies to offer affordable and accessible products, supporting policies that will better protect or provide opportunities to underserved consumers, and exploring the use of alternative data to reduce barriers to developing a credit profile. Box 5 provides an overview of BBC's four key strategies as laid out in their business plan. While BBC is still pursuing these strategies, their conceptualization of the work has shifted over time. Box 6 shows a different visualization of the BBC approach including the strategies, levels of intervention and distribution channels that BBC envisioned.



BOX 5 BBC RECOMMENDED STRATEGIES

1. **The public information campaign and BBC website** would serve as a low-touch way to reach a large number of residents to raise awareness about BBC, and to provide credit building educational messaging and rules of thumb that people could easily put to use. The researchers recommended a well-designed campaign, carried out by a broad array of city agencies, service providers, community groups, employers, financial institutions, corporate sponsors, and others that is integrated with other financial capability messaging and campaigns such as tax time savings. A website with centralized information about BBC services and products as well as online resources would serve a logistical and education purpose.
2. **Support for credit building services** that assist residents and micro-entrepreneurs to understand the marketplace, assess their credit profiles, and engage in first-time credit building as well as debt management, available both in the community, remotely by phone/Skype, and online. This includes program support and capacity building resources so that programs can serve more individuals through existing financial capability programming (see box on Boston Tax Help's Financial Check-Ups as an example of a program ripe for expansion and credit building integration), programs can add in credit building services to their offerings (see description of rent reporting as a way that housing providers can integrate credit building into their resident services), and support to ensure that all agencies are providing quality credit building services through training—primarily through United Way's Financial Empowerment Learning Institute. The recommendations highlighted that it's not just about expanding services or getting more agencies on board to provide credit building services, but it's about developing interventions that work for populations with different needs.
3. **Referrals to credit-building and high quality credit products** would focus on connecting consumers with thin files or no credit scores and with subprime credit scores to credit building opportunities, and would ideally be easily available and trackable online. The researchers recommended:
 - a. Working Credit NFP, as well as a local financial credit union.
 - b. Secured credit cards offered by a number of local financial institutions.
 - c. Rent reporting offered among interested local affordable housing providers.
4. **Support for public policy initiatives** to increase positive credit reporting and consumer protections for Boston residents while reducing financial predation of and discrimination against borrowers. Impacting individuals' scores program by program is not enough to counteract centuries of inequities. The BBC team placed emphasis on developing a strategy around systems change including advocating for stronger consumer protections and lifting up resident voices to influence change. These include support for pending state bills prohibiting credit report discrimination, increasing debt collection regulations, and piloting rent reporting strategies.





PUTTING IT INTO PRACTICE

PLANNING AID 3

Conduct a Feasibility Study

The feasibility study ideally takes a deep dive into four levels of information:

- 1) Local community credit profile data and trends;
- 2) Qualitative research on community credit needs and preferences
- 3) A landscape analysis of promising credit building products and services already being offered in the community
- 4) Analysis of resource/service gaps in the community that can be addressed (and prioritized) by the initiative

This information is pieced together to create a series of recommendations for implementing the initiative. Below, we provide guidance for each category of research as well as considerations for developing your own set of recommendations.

1 *Collect Qualitative and Quantitative Data*

1A *Quantitative Data*

Refer back to Planning Aid 1. What data do already have on credit in your community?
What would you like to know?

Data Point Wish List	Potential Sources
Ex: Renters with no or low credit scores	Large housing providers
Ex: Geographic differences in credit scores	Federal Reserve; one of the credit bureaus

Resources for Conducting Community Based Qualitative Research

- **IDEO Interview and Prototyping guides:**
<http://www.designkit.org/methods>
- **Guidelines for planning and conducting a focus group:**
<https://www.bc.edu/content/dam/files/offices/vpsa/pdf/assessment/focus.pdf>
<https://www.eiu.edu/ihec/Krueger-FocusGroupInterviews.pdf>
- **Community ToolBox's Chapter on "Conducting Needs Assessment Surveys"**
<https://ctb.ku.edu/en/table-of-contents/assessment/assessing-community-needs-and-resources/conducting-needs-assessment-surveys/main>; and
- **University of Wisconsin Extension's "Questionnaire Design: Asking questions with a purpose"**
<https://learningstore.uwex.edu/Assets/pdfs/G3658-02.pdf>

1B Qualitative Data

When it comes to qualitative data collection, first-hand accounts from consumers and practitioners can bridge the gap between research and reality and is critical to developing a program that reflects community needs. Below we document Boston's process for collecting qualitative data in their community. This can serve as a basis for the development of your own research design. In addition, it's important to note that qualitative research did not stop with the feasibility study. As BBC continues to develop and hone its strategies it is continually seeking feedback through interviews, surveys, and focus groups.

Considerations for conducting interviews and focus groups:

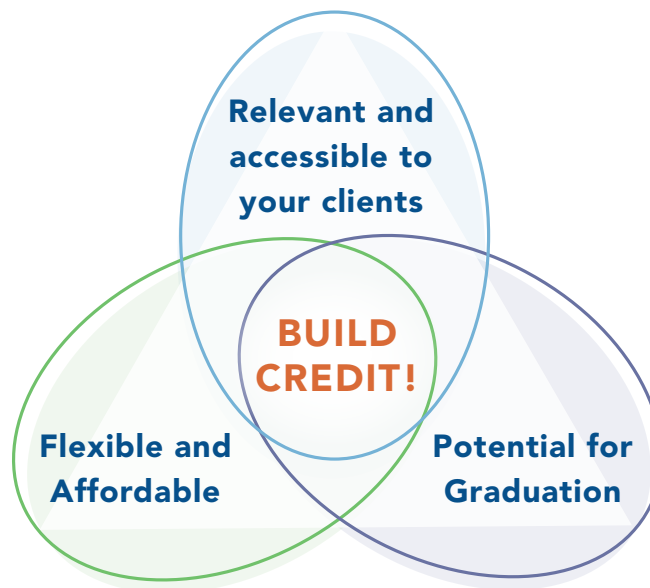
- What does the data tell you about potential target populations? How will you use this to determine the demographic make-up of your participants?
- What gaps in your research data do you hope to uncover?
- What partners in your community have trusted relationships with your target populations? How can they help you recruit participants?
- How will you make participants feel comfortable and compensated for their time? (Consider language, gender of facilitator, location of focus group, time that it's held, etc.). Can you offer an incentive, child care, and food? Can you send materials to participants ahead of time so they are clear on what is being asked of them?

- What will the focus of your session be? You can use these sessions to understand participant behaviors or to co-create and brainstorm with participants (or both!).
- Regardless of the focus, how can you design the focus group to be participatory rather than extractive? Consider using IDEO's Human Centered Design Toolkit tools on the ideation phase including their interview and prototyping guides.
- How will you document the feedback from your focus group? (A note taker, photo captures, visuals?)
- How will you close the loop with your focus group to share how their feedback was incorporated?

2 Identify Promising Products

Key Characteristics of Good Credit Building Products

Many credit building products are starter products: small dollar loans that last for a few months or a year, or secured credit cards with low rates and security deposit requirements. These products are often beneficial for those who are both new to credit or working to rebuild credit. They often have graduation features that let individuals transition into a more traditional credit product such as a mortgage or a no-fee, low-interest unsecured credit card, after they have used the starter product successfully. On the next page, we provide a matrix of questions to ask when reviewing and assessing potential products.



FINANCIAL INSTITUTION PRODUCT RESEARCH TEMPLATE

Financial Institution	Product Name	Product Type	Report to Credit Bureau?	Score impacted	Underwriting Criteria/Affordability	Loan Amount	Loan Term	Interest Rate	Fees	How to "Graduate"/ Customer Support	Associated Financial Education	Advertising/ Marketing
Example: My Community Credit Union	My First Credit Card	Secured, revolving	Yes- all three	Vantage 2.0+ FICO 4 +	Need to put \$150 down to secure the card	Up to \$150	No limit	0%	\$5 one-time fee for Credit Union membership	1 year of responsible use, graduate to unsecured credit card	Financial education classes at branches or online app	Described on website

3 Map the Universe of Opportunity

3A Start with Existing Services

First consider the organizations that are already bought in to credit building and will be a natural fit for the initiative. Some of these organizations may already be at the table. These organizations include those that provide:

- Financial education workshops
- Financial coaching
- Homeownership counseling
- Small business development
- Non-profit credit counseling agencies
- Microlending
- Individual Development Accounts (or other incentivized savings programs)
- Free tax preparation
- Student debt counseling

3B Think about Stakeholders Adjacent to Credit Building

These could be entities that are part of the mainstream financial sector, and those that can easily reach your target populations. When conducting the landscape analysis, community asset mapping, or stakeholder inventory (whatever you choose to call it!) consider the different roles that each stakeholder can play:

Capacity Builder can provide funding, training, data and other resources to support the overall initiative's efforts

Convener: has the capacity (space, coordination staff, relationships) to bring key stakeholders together to create buy-in, solicit feedback, and/or design and plan for implementation

Data Collector can access and/or analyze data to shape the direction of efforts and show impact

Distribution Channel: has natural touch points or ways of reaching and/or communicating with a target population

Financial Product Provider: already has the infrastructure to offer credit building financial products

Service Provider: already provides support services to the target population that may or may not be related to their credit

Subject Matter Expert: has relevant expertise, be it cultural, population specific, financial, etc., that can shape service and product design

MAPPING THE UNIVERSE OF OPPORTUNITY

Stakeholder Group	Potential Roles	Sample Organizations	In Your Community
Community-Based Organizations	Convener Data Collector Distribution Channel Financial Product Provider Service Provider Subject Matter Expert	United Way Financial Capability/ Asset Building Organizations Community Development Financial Institutions Free tax preparation agencies Social service organizations Population specific organizations Affordable Housing Providers	
Public Sector	Community based service provider Convener Data Collector Distribution Channel Subject Matter Expert	Workforce Development Office of Financial Empowerment Other City Agencies Housing Authorities State agencies	
Philanthropy	Capacity Builders Conveners	Foundations Banks Private donors United Way	
Community Members/Groups	Convener Distribution Channel Subject Matter Expert	Community members, people with lived experience Community coalitions Neighborhood groups	
Research and Academic Institutions	Data Collectors Subject Matter Expertise	Universities/Colleges Think Tanks Federal Reserve	
Networks, Coalitions, & Associations	Capacity Builders Conveners Distribution Channel Subject Matter Experts	Credit Builders Alliance Bank On Coalitions Cities for Financial Empowerment Cultural Associations (NALCAB, NCAPCD, etc.) CFPB	
Financial Institutions	Capacity Builders Data Collectors Distribution Channel Financial Product Providers Subject Matter Expertise	Credit Unions Banks Fintech companies Credit Bureaus & Reporting Agencies	
Private Sector (non-financial)	Capacity Builders Distribution Channel Subject Matter Expertise	Employers (large institutions, large employers of low- moderate wage workers, small business owners, etc.)	

4 *Identify Gaps in the Landscape*

Identifying the universe of opportunity can be an expansive exercise that allows you to think big and envision tenets of your initiative reaching people through diverse entities across your region. This process may uncover glaring gaps, or those gaps may be more subtle. Using the landscape analysis as well as feedback from qualitative data, consider:

- What do residents and members of priority populations identify as the biggest gaps? (Think back to your focus groups)
- Are there “financial capability deserts” (a lack of social service and/or financial product providers in specific geographical areas)? Do these areas overlay with low-income or priority population residents?
 - Checking accounts
 - Debt remediation products
 - Financial coaching
 - Financial education workshops
 - Free tax preparation
 - Homeownership counseling
 - Income advance loans
 - Lending circles
 - Matched savings
 - Rent reporting
 - Secured cards
 - Short-term installment loans
 - Small business loans
 - Student debt counseling
 - Other, describe:
- Are there gaps in certain types of services or products that are in demand?
- Are there instances in which the services, products, or infrastructure exist but aren’t accessible to your target populations (in terms of hours, location, eligibility criteria, etc.)?
- Are there instances in which the services, products, or infrastructure exist but the services are not being fully utilized by those that need them?
- Among existing financial capability providers, is there capacity to serve more community members? Are there professional development needs?
- Are there certain areas that need more funding than others?

5 Develop Recommendations

After collecting information throughout the feasibility study, it's time to translate your findings into a preliminary blueprint for action. The BBC feasibility study recommended key strategies for engaging residents in credit building, products that would fit best within the Boston context, distribution channels for disseminating these strategies, and tiers of interventions for meeting the different needs of specific populations. Page 33 has a diagram that charts BBC's multipronged strategy and below we provide guidance for developing your own. Appendix G has sample recommendations from the BBC study.

STRATEGIES FOR MEETING THE NEEDS OF SPECIFIC POPULATIONS

Populations	Best Fit Products and Services	Promising distribution channels	Gaps in addressing population needs	Level of effort needed for implementation
Example: New Immigrants	Ex: Credit Builder loans, lending circles, secured credit cards, Rent Reporting	Ex: Peer groups, social service agencies, housing providers	Ex: Language proficiency of providers, interest free products	Ex: High (with high impact)
Priority population #1				
Priority population #2				
Priority population #3				
Priority population #4				
Broader public				

Other considerations:

- Will you pursue a policy agenda related to credit building, financial regulation and consumer protection?
- What externally facing methods will you use to centralize the different components of the initiative?
 - A website?
 - The local 211?
 - Other?
- How will your team build its capacity to operationalize your recommendations in a business plan, address gaps in your community, and eventually execute your ideas? Think about:
 - Staffing
 - Timeline for creating a business plan
 - Frequency of meeting with partners
 - Aligning partner goals with initiative goals
 - Other?
- How will you continue to embrace elements of human-centered design and racial equity in your processes, continue learning as you implement, centering the ideas and feedback of those you plan to serve – particularly your priority populations?
 - How will you continue to prioritize racial equity within the leadership team?
 - How will you prioritize this through your work with partners?
 - How will you build in mechanisms that keep you accountable to residents?

STEP FOUR

Show Early Evidence of Success

EXPECTED TIMEFRAME: 6 months +

ESTIMATED COST: Depends on type of evaluation and research partner

MAIN GOALS: Celebrate incremental progress, build momentum, and prove what strategies and models will help you achieve your overall goal(s).

PLANNING AIDS:

Planning Aid 4: Show Early Evidence of Success

Evaluations can be helpful for assessing the viability and impact of new pilot programs or established programs that anecdotally seem to be working. Rigorous evaluations build an evidence base that your initiative's goals are achievable, and show that your community is already making significant progress towards them.

In the initial planning phase, your locality may have nothing to evaluate yet. Instead, spend these resources developing a solid evaluation plan. As in the Boston case, if you have established interventions or programs that already seem to be working, it may be helpful to conduct a more formal evaluation of the program(s) to prove your

case that credit building can make a difference. These initial wins can bring in more resources and/or merely build momentum to keep testing new strategies and replicating and expanding upon those that work.



THE BOSTON STORY

While Midas conducted the feasibility study, the core team felt that it was important to show early signs of success. Luckily, Boston is a city rife with researchers, and Boston had several existing credit-building interventions, that would be rolled in as key components of BBC, and were well-suited for evaluation. The Boston team worked with outside researchers to conduct studies aimed at demonstrating the impact of two different programs: The Boston Youth Credit Building Initiative and Boston Tax Help Coalition's Financial Check-Ups.

The Boston Youth Credit Building Initiative

The Boston Youth Credit Building Initiative (BYCBI) was developed by Boston's Office of Financial Empowerment and implemented by Working Credit NFP. It aims to build financial capability among low income young adults ages 18-28. The program entails a workshop that teaches participants how the credit reporting system works, a one-on-one financial coaching session on how to build or improve their credit history, and access to a secured loan and savings product that can be used to directly improve their credit score. The basic premise of the program is to act as an "early intervention" to boost financial



capability and develop good financial habits at a formative time when individuals are starting to become financially independent and build their credit history.

To examine the impact of Working Credit's BYCBI intervention, researchers from Northeastern University designed a randomized control trial during which out of 300 people, half participated in BYCBI as the treatment group and the other randomly selected half did not receive any services from Working Credit and served as the control group. Each group received a pre and post survey and a study participation incentive. Credit reports were pulled as a baseline, at six months, and a year. After six months (the latest evaluation result currently available) an analysis showed positive and statistically significant results regarding both credit use as well as loan payment history for the treatment group relative to the control group:

- **Credit history:** The share of individuals with no credit history fell by 11.3 percentage points for the treatment group versus only 4.0 percentage points for the control group.
- **Credit score:** The share of individuals with good credit scores increased by 6.7 percentage points in the treatment group versus a decline of 0.7 percentage points for the control group.
- **Delinquency:** The share of individuals not delinquent jumped by 13.3 percentage points for the treatment group versus a decrease of 0.8 percentage points for the control group.

This study highlighted the need for credit building education and opportunities for young adults in Boston, and provided the evidence that Working Credit's model is an impactful approach that could be expanded and offered to more young adults in Boston.

Boston Tax Help Coalition's Financial Check-Ups

The Office of Financial Empowerment's Boston Tax Help Coalition (BTHC) offers free tax preparation and filing in 15 neighborhoods at over 40 different locations in Boston. In 2017 they served 12,709 taxpayers and returned \$24 million in tax refunds. The Boston Tax Help Coalition stands out from other Volunteer Income Tax Assistance (VITA) programs by including a "Financial



Check-Up" (FCU) service with tax preparation services at eight sites. The FCU is a one-on-one meeting between a taxpayer and trained volunteer at the time of tax filing, during which the volunteer reviews the taxpayer's credit report, provides credit advising (e.g., to manage credit card debt or to build a FICO score), and offers service referrals (e.g., for housing assistance programs). These meetings are designed to be both effective and scalable: effective in leveraging tax refunds to enhance financial wellbeing, and scalable in reaching thousands of taxpayers a year, typically taking just fifteen to twenty minutes each.

FCU's were an existing program with a natural tie in to the BBC initiative. To understand the impact of FCUs on low-income tax payers, OFE designed and executed a randomized controlled trial at BTHC's largest tax site, Dorchester House. The trial randomly assigned taxpayers to either receive a FCU or receive a "control group" version of the service, which provided a free credit report without any accompanying credit advising or service referrals. Overall, 711 individuals consented to participate in the study. The findings showed that FCUs had statistically significant positive impacts on participants including reductions in installment and credit card debt and increases in FICO scores. The FCUs were proven to be an effective way of reaching historically disadvantaged groups, and BBC "priority groups," including: residents of public and subsidized housing; tax filers with dependents; women; and communities of color. For example, residents of public housing and Section 8 voucher-holders who carry substantial credit card debt pay down 23.1% more credit card debt in the FCU group than in the control group. The researchers also posited that the long-term impacts of the FCU are likely to be greater than the short-run impacts, as there is statistically significant evidence of FCU recipients taking steps that improve credit scores. These steps include, for example, an increase in loan applications among moderate-income individuals who did not previously have credit of any kind.

LESSONS LEARNED

- **Work with research partners to design a study that can show results within a short period of time.** Preliminary data from the two studies highlighted above were available for analysis within six months. This gave the core team powerful evidence to show what was already working well.
- **When contracting outside partners to deliver interventions, work with them on how to frame themselves as part of the larger initiative (not just one isolated intervention).** While the results from the initial BBC studies were promising, some of the success stories were not directly tied back to the broader BBC initiative. The core team wished they had done a better job of showing how these individually evaluated programs were components of a larger credit building initiative. In the future, this could include developing shared messaging among partners to frame the success of one program as tied to the success of the larger initiative, and explicitly adding language about co-branding in MOUs.
- **While RCT's are the gold standard for creating evidence of program impact, there are other ways to portray success.** RCTs done well typically produce rigorous and transferrable results. Yet, they can be expensive, involve coordination between multiple parties, and not all programs are a good fit since they involve creating a treatment and control group, so inherently the control is "deprived" of the intervention. Other ways of showing early success include (but aren't limited to) collecting individual client stories, program level data on outputs and outcomes, and writing program case studies.



PUTTING IT INTO PRACTICE

PLANNING AID 4

Show Early Evidence of Success

Here are some considerations for taking action to show early evidence of success:

- What research institutions can you partner with?
- What interventions will you evaluate?
 - What programs seem impactful?
 - What new programs seem promising?
 - What programs/partners may be conducive to the parameters of a randomized control trial?
 - What might be evaluated over a relatively short time frame (6 months to a year)?
- What other ways (besides a research study) can you share information about incremental success?
- How will you utilize and showcase your findings?

STEP FIVE

Business Planning

EXPECTED TIMEFRAME:

6 months +

ESTIMATED COST: *Depends on type of evaluation and research partner*

MAIN GOALS: *Celebrate incremental progress, build momentum, and prove what strategies and models will help you achieve your overall goal(s).*

PLANNING AIDS: *Planning Aid 5: Creating a Business Plan*

While the feasibility study provides the ingredients, the business plan concocts the recipe and offers step by step directions for preparing everything and combining them for fruitful results. The business plan can help localities hone in on where they will focus efforts, and start charting out the details of what it will take to see ideas through to implementation. While the business plan can serve as an implementation guide, it should also be treated as a living document that can evolve along with the initiative.



THE BOSTON STORY

Beyond programmatic recommendations, the feasibility study provided recommendations for structuring efforts moving forward including staffing suggestions, an estimated budget, and a three tiered evaluation plan. BBC was able to hire consultants to help with Phase Two—the business planning process. During this phase, the BBC team once again went out and met with dozens of potential community partners to solidify their commitment, role, and responsibilities. Through business planning, the BBC team sought to develop a road map to guide the implementation of the initiative, identify key outcomes that each partner would collect and identify a shared database or mechanism for collectively tracking data.



LESSONS LEARNED

- **Get comfortable with a non-linear, iterative process.** The BBC team learned quickly that business planning is not a straight forward process. With different partners at the table and a commitment to pursuing a collaborative process, developing goals and a plan that everyone agreed on took time. Be sure to create space for feedback loops and discussion during the business planning process.
- **Don't let the perfect be the enemy of the good.** At this point in your process you will have a lot of information to digest, but there will still be many unknowns. Allow your team to create a plan that everyone feels excited about and motivated to execute with the understanding that the plan will evolve over time. Your business plan is a living document.

- **Leverage the feasibility study to develop concrete goals and targets.** The feasibility study included a broad set of recommendations that seemed extraneous to the BBC team. Much of BBC's business planning involved breaking down the recommended strategies, assessing feasibility, prioritizing action, and then developing concrete goals for each priority. With clear goals, the team could then start creating action steps.

- **Create a clear timeline for accomplishing key tasks and reaching milestones.** For each "bucket of work" (see Box 7) the BBC team formed subgroups. The subgroup further honed in on creating measurable goals and time-based milestones so that they could be held accountable to progress.

- **Revisit your fund development plan (and staff up!).** As mentioned earlier, the BBC team wished they had been able to hire a dedicated staff member earlier in the process. Yet, the BBC Director and AmeriCorps member came on board after the business planning stage (see Appendix F for their job descriptions). Once on board, the director was a driving force holding people and subgroups on task, and strategizing about the big picture. During the business planning stage, it's important to continue fundraising for operational support, and for the implementation of the business plan. Additionally, once the business plan is complete, much of it can be pulled to use for funding proposals.

- **A centralized database, data compliance plan, and evaluation plan is essential to get in place from the start.** The BBC Business Plan identified a need for a centralized database that could capture key outcomes from each partner. The first database they used was accessible for grantees but not for other BBC partners. Currently, they are developing a database that can easily be used by all BBC participants. Since BBC is hoping to make all their creations open-source, this database will likely be available for future use by credit building initiatives in other localities. BBC leaders reflected that having the database, an evaluation plan, and a data sharing compliance plan would have been extremely helpful from the start. Needless to say, it's important to prioritize this in the business plan.

BOX 7 BBC'S BUCKETS OF WORK

As the business planning developed, and the Project Director began to wrap her head around the intricate network of efforts that are part of BBC, she created eight all-encompassing categories to help organize the work:

1. Management/Strategy
2. Service Provision
3. Community Engagement
4. Small Business
5. Safe Products
6. Employer Based Programs
7. Monitoring and Evaluation
8. Funders & Industry Partnerships
9. Policy



PUTTING IT INTO PRACTICE

PLANNING AID 5

Creating a Business Plan

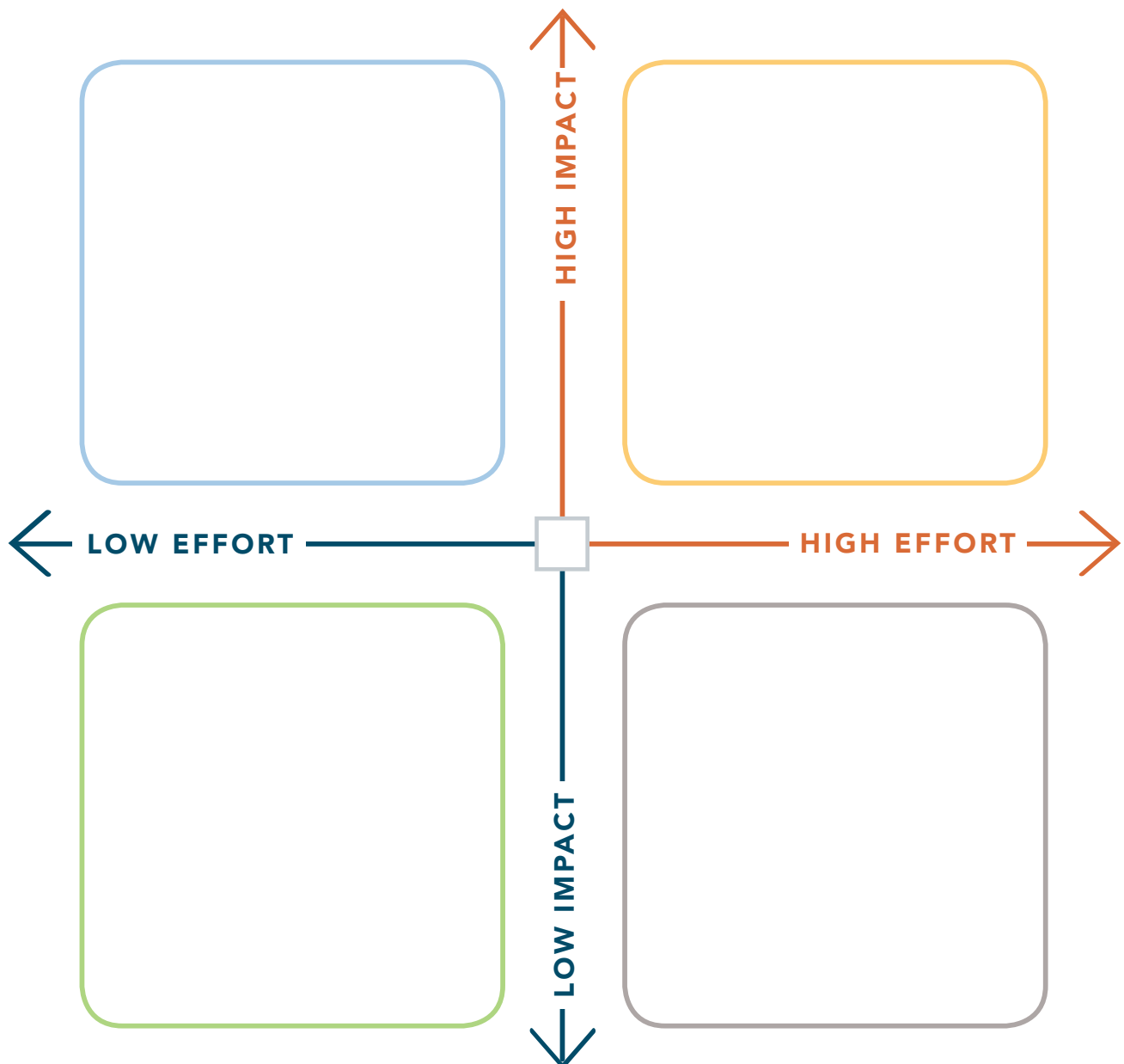
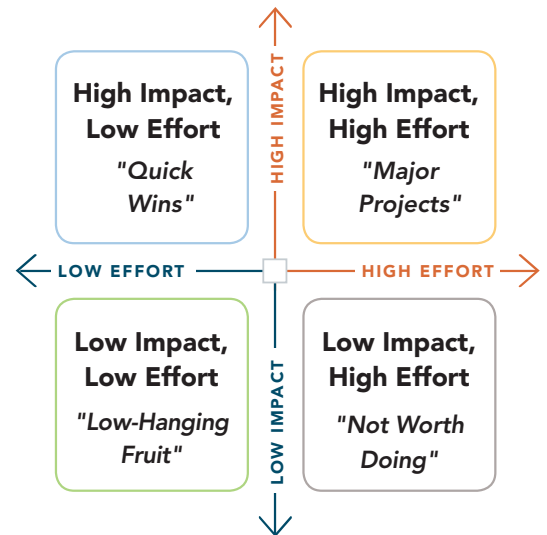
1 *Gather Your Team*

When developing the business plan, this is a good time to revisit elements of human centered design and racial equity, to ensure that your efforts continue centering those you want to reach and create systems that will keep your initiative accountable to those people moving forward. Consider:

- Will you use an outside consultant to guide your team through the business planning process?
 - If so, how will you select the consultant? Does this consultant have expertise in human centered design and racial equity?
- Who will be at the business planning table?
 - How can you continue to include partners, community members, and other stakeholders in a meaningful way in order to continue centering those you want to reach?

2 Prioritize Strategies to Include in Your Plan

Many nonprofits use the “matrix map” or an impact to effort framework to prioritize strategies. This involves plotting your strategies with of level of impact on one axis, and effort and/or resources needed for implementation on the other. This can help you think about which strategies you want to prioritize within your business plan and implementation timeline.



3 *Don't Recreate the Wheel! Review Example Business Plans*

Below is a link to BBC's Business plan and other business planning resources geared towards nonprofit initiatives. Start envisioning the structure of your business plan based on these examples.

What do you like and dislike about these examples?

LIKE (+)	DISLIKE (-)

Sample Nonprofit Business Plans and Resources:

- **BBC's Business Plan:**
https://unitedwaymassbay.org/wp-content/uploads/2018/10/Boston_Builds_Credit_Proposal.pdf
- **National Council of Nonprofits: Business Planning for Nonprofits:**
<https://www.councilofnonprofits.org/tools-resources/business-planning-nonprofits>
- **Donorbox.org: Nonprofit Business Plan Template**
https://docs.google.com/document/d/1osCLHpHqcBYk7hUb4c_36_96liOBEalPWz3Bwuota3Q/edit

4 *Make the Plan Your Own*

Using the BBC business plan as a template, below we provide an annotated outline of their business plan and some prompting questions and/or considerations for developing one of your own. Pick and choose which sections work for your community—not all of them will make sense to incorporate, as your credit building initiative may employ different strategies.

As mentioned above, since creating this business plan, BBC's strategies have shifted and wouldn't necessarily be categorized in the same way. This emphasizes the importance of creating a living business plan that can be tweaked, adapted, and updated over time.

BBC BUSINESS PLAN OUTLINE & GUIDING QUESTIONS

Prompting Questions/ Considerations	My Plan: Notes on what to include, add, and adapt
<p>Background and Purpose</p> <ul style="list-style-type: none"> ■ Use ideas developed in Step One: Identify the Need and Value Proposition and some of the credit building text from that section to make the case here. ■ Share your overall vision for the initiative. 	
<p>Methodology and Findings</p> <ul style="list-style-type: none"> ■ Describe the methodologies, findings, and recommendations from your feasibility study (Step 3). ■ Share evidence of success from existing programs and research (Step 4). ■ Articulate the overall structure and pillars of your citywide strategy. How will this structure build on existing efforts? How will it address gaps? 	
<p>The Plan: A Citywide Effort</p> <p>Take a deep dive into the different strategies, channels, and approaches you plan to take.</p> <ul style="list-style-type: none"> ■ How do each of these strategies contribute to your overall goals? ■ How do they work with each other? ■ How will you test and evaluate new strategies? ■ How might you expand existing strategies? ■ Turn your ideas into a tangible plan by adding measureable goals, milestones, and a timeline for each of your strategies. ■ Ensure that each strategy has a lead point person driving the efforts forward. 	

BBC BUSINESS PLAN OUTLINE & GUIDING QUESTIONS *cont'd*

Prompting Questions/ Considerations	My Plan: Notes on what to include, add, and adapt
<p>Effect Systems Change</p> <ul style="list-style-type: none"> ■ What system-wide changes can you pursue to address the systemic nature of credit and wealth disparities among different populations, specifically people of color? 	
<p>Track Outcomes and Evaluate Success</p> <ul style="list-style-type: none"> ■ How will you evaluate success at the client level, the program level, and a municipal-wide level? ■ What mechanisms will you use to track data from partners? Will this be required? ■ How are you building with an eye to learning from your work as you go? ■ How will you use data to improve efforts? ■ How will you share successes? 	
<p>Program Management</p> <ul style="list-style-type: none"> ■ Immediate and Additional Hires ■ Budget and Fundraising Plan ■ Implementation Timeline ■ Other operational considerations 	
<p>Ensure Sustainability of the Initiative</p> <ul style="list-style-type: none"> ■ How will you continue to fund the initiative? ■ What is the plan to scale the initiative and individual strategies within the initiative? ■ How often will you revisit your business plan? 	

5 *Share Your Plan with the World*

Ensure that your business plan won't just sit on a shelf and collect dust. Think about how you will share your plan to solicit more buy-in to the initiative, funding, and/or to raise awareness about your ongoing efforts!

How will you share your business plan with...

Partners:

Community members:

Funders:

Media:

Others?

Conclusion

BBC was developed with an eye toward creating a replicable model that could be implemented in other cities. The BBC team has worked hard over the past several years to coordinate efforts among a multitude of stakeholders, foster cross-program and cross-sector collaboration, and to raise awareness about the importance of credit as a pathway towards economic mobility. Together, the BBC team and their partners are building a collective movement that places the power of credit building in the hands of all Bostonians. They've learned lessons along the way, including the need to prioritize employing a racial justice and human-centered design approach from the beginning, ensuring that there is someone leading the charge, and creating distinct partner roles and avenues for engagement and accountability. Collectively, the lead partners have been national leaders in professionalizing the field of financial coaching, harnessing the opportunities that different programs and touchpoints (tax time, youth employment, small business development, etc.) bring to infuse credit-building support for low-income and underserved Bostonians, and rallying diverse stakeholders around a clear and ubiquitous success metric: the credit score.

Moving forward BBC is laying the groundwork for executing a sustainable model. As they pursue their eight buckets of work they will be piloting strategies, building an evidence base of what works, and sharing learnings and resources for other localities to use. This will involve (but is not limited to) developing a database that can be used by all participating agencies to show a collective impact, piloting rent reporting across the city, working with Fintech providers to develop a Boston Builds Credit Builder loans, and continuing to strengthen their network of practitioners through a credit building community of practice. Everything BBC does will be open source and modifiable for different contexts. The goal is to continue paving the way for other cities to implement credit building initiatives that will impact their residents for generations.

As BBC efforts progress and move towards full actualization of its business plan, a second implementation guide will capture its process and lessons learned. We hope that together, the two guides will provide enough insight and guidance to jumpstart effective community credit building initiatives in other localities.

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Boston Credit Building Initiative

Outline of Key Roles and Responsibilities

(created during initial planning stages)

1. Overall Project Goal

The goal of the Boston Credit Building Initiative (CBI) is to improve credit scores in the City of Boston at the population level.

2. Background

The Boston CBI is the first-ever, citywide effort to “move the needle” on credit scores at the population level in the United States. Currently, over 250,000 Boston residents are either unscored or have subprime credit scores and might benefit from high-quality, effective credit building or credit repair services. Research has shown that consumers with low- or no- credit will pay an average of \$200,000 more in interest and fees during their lifetimes and that poor credit is a key contributor to the growing racial wealth divide in our community.

Boston CBI is being developed and supported by the City of Boston Office of Financial Empowerment, United Way of Massachusetts Bay and Merrimack Valley (UW), Boston LISC and Citi Foundation (“the partners”) to identify strategies and solutions to this important social challenge. In 2016, the partners commissioned a feasibility study documenting the need for credit building services in Boston and identifying recommendations on how to implement the program citywide. A business plan is currently in development (anticipated completion March, 2017 that will be used to guide the implementation of the initiative.

3. Program Components

There will be four key program offerings for the Boston CBI:

- **A public information campaign:** Consumer education focused on building public understanding of credit score calculations and the importance of a good credit profile.
- **Credit coaching:** On-the-ground, accessible support for credit building services for residents and small business owners.
- **Credit building products:** Safe and affordable products focused on consumers with subprime credit scores, thin files or no credit scores.
- **Public policy:** Support for public policy initiatives to increase positive credit report and consumer protections for Boston residents

4. How can we help?

The Boston CBI will be piloted in 2017 in the Roxbury neighborhood of Boston, with plans to expand the initiative to additional neighborhoods in 2018 and beyond. A credit building hub for the pilot will be located at the Roxbury Center for Financial Empowerment (RCFE) operated by the City of Boston Office of Financial Empowerment. Additional community partners are invited to join the pilot with roles and responsibilities described below.

5. Roles and Responsibilities of Project Stakeholders

A. Community Partner Site Supervisor Responsibilities

- Participate in initial meeting with a CBI partner to discuss project.
- Send lead staff to two-day credit building “training of trainer” class in February, 2017.
- Offer one-hour credit building workshop and credit building services for their staff to be conducted by Working Credit.
- Consider offering credit building services (made available through Working Credit) as an employee benefit for their staff.
- Identify opportunities for integrating credit building services into the agency’s services, (i.e. job training, case management, financial education, housing services etc.)
- Participate in peer learning and information sharing at quarterly supervisor meetings.
- Report semi-annually to UW on key credit outcomes for the project.
- Provide timely feedback to CBI Project Manager on questions or problems with the project.

B. Credit Coach Responsibilities

- Attend two-day credit building “train the trainer” to be held on February 15-16, 2017.
- Co-facilitate one-hour credit building workshop with Working Credit trainer.
- Serve as credit building lead staff (ambassador) for the agency.
- Participate in quarterly credit coaching community of practice meetings.
- Provide credit coaching services for clients (to include credit pulls, credit improvement plans and access to appropriate credit building products).
- Refer eligible clients to the Roxbury Center for Financial Empowerment (memorandum of understanding to be developed between the two agencies).
- Enter client credit data into database and submit to UW on semi-annual basis.

C. Roxbury Center for Financial Empowerment/Mayor's Office for Financial Empowerment Responsibilities

1. Lead the implementation of the Roxbury credit building pilot.
2. Serve as a credit building "hub" for the Roxbury community with offerings that include credit building workshops, basic and advanced credit coaching, direct enrollment in credit building products and training opportunities for partner agency staff.
3. Develop MOUs with community partners that delineate roles and responsibilities related to available credit building services, as well as specific referral protocols.
4. In partnership with UW and Boston LISC, identify additional funding partners to support full project implementation plan.
5. In partnership with UW, provide oversight of business planning process currently scheduled for completion in March, 2017.
6. Participate in bi-monthly partner meetings.

D. UW Responsibilities

1. Overall responsibility for CBI project management.
2. Work with partners and community partner sites to develop overall approach and ensure that project goals are achievable and on track.
3. Develop and offer credit building professional development opportunities for community partner site staff.
4. In partnership with OFE and Boston LISC, identify additional funding partners to support full project implementation plan.
5. In partnership with OFE, provide oversight of business planning process currently scheduled for completion in March, 2017.
6. Retain and supervise project evaluator.
7. Participate in bi-monthly partner meetings.

E. Boston LISC Responsibilities

1. Lead responsibility for developing small business credit building strategy.
2. In partnership with OFE and UW, identify additional funding partners to support full project implementation plan.
3. Participate in bi-monthly partner meetings.

Join our Community Credit Building Initiative!

Did you know that

- Almost one in five Americans have unscorable credit histories or are “credit invisible”. (CFPB)
- Black and Hispanic consumers are almost twice as likely to have limited credit records. (CFPB)
- Low-income consumers are more likely to establish a credit history through non-loan items, such as collections and public records. (CFPB)
- People with low or no credit scores may pay \$200,000 more over their lifetime for financial products and services than those with good scores.¹

Credit Building is a proven way of increasing access, affordability, and options for:

- Financial products
- Insurance products
- Rental housing
- Asset building
- Utilities
- Employment
- Cell phone plans

What is credit building?

Establishing and maintaining **ACTIVE** paid **on-time** trade lines (installment or revolving) that are **reported** to the major credit bureaus

About our community credit building initiative:

Key partners include:

Join us!

- ✓ Give input and feedback to the design of the initiative and/or recruit clients and community members to do so
- ✓ Continue providing credit building services
- ✓ Add on a new credit building service/product to your offerings
- ✓ Pilot a credit-building program at your site
- ✓ Participate in consumer protection advocacy efforts
- ✓ Fund our efforts

Contact:

¹ Liz Weston, “Lifetime Cost of Bad Credit: \$201,712.” MSN Money, October 13, 2011, <http://money.msn.com/credit-rating/lifetime-costof-bad-credit-201712-dollars-weston.aspx?page=0>.

Boston Builds Credit

EMPOWERING 25,000 BOSTONIANS TO ACHIEVE A PRIME CREDIT SCORE BY 2025

WHY IS CREDIT IMPORTANT?

ACCESS | SAVINGS | STABILITY

A good credit history is crucial in today's economy. More than just a number, credit scores can make or break your ability to achieve your goals, from buying a cell phone to buying a home.

Having no or poor credit can make it impossible or costly to access credit cards, auto or small business loans, apartment rentals, jobs, mortgages, and more. Without access, it is harder to build assets and achieve financial stability. Even with access, subprime scores can result in high fees and interest rates that add tens of thousands of dollars in extra costs over a lifetime.

40% of Americans lack \$400 in savings, and when emergencies hit, without access to safe credit, many are forced to turn to high cost outlets like payday loan shops. Access to affordable credit can help individuals weather emergencies more smoothly, without falling into debt cycles.

For all these reasons, and more, a strong credit score is a critical component of financial health.

THE BOSTON CONTEXT

Over 200,000 Boston residents have limited or no credit history, or a poor credit score. The cost and instability that come with this worsen issues of income inequality and perpetuate the racial wealth gap. In Boston, this gap is particularly alarming - white families have an average net worth of \$247,000 while African American families have an average net worth of \$8. Moreover, residents of neighborhoods with high percentages of persons of color are more likely to have a subprime credit scores and debts in collection than residents of majority-white ones.

Though this structural inequity has many causes, credit building and the associated access, savings, and stability that good credit provides, can and must be a part of the solution.

Boston Builds Credit

EMPOWERING 25,000 BOSTONIANS TO ACHIEVE A PRIME CREDIT SCORE BY 2025

PROGRAM OVERVIEW

CREDIT BUILDING SERVICES | SYSTEMS CHANGE

Boston Builds Credit (BBC) is a citywide credit building initiative with a mission to combat Boston's income inequality and racial wealth gap by empowering residents to build credit. We work to increase access to safe credit building services and products and support consumer-focused systems change. BBC is a joint program of the United Way, City of Boston, and LISC Boston.

To strengthen the city's credit building ecosystem, BBC works with our 25+ community and employer partners to connect residents to credit building workshops, credit counseling sessions, and one-on-one financial coaching, and provide practitioners with ongoing training and support.

On the systems change side, BBC works with industry partners, funders, and policymakers to ensure continued investment in quality credit building programs, safe financial products, alternative data and fintech strategies, and consumer protections.

KEY STRATEGIES

- The Financial Check-Up
- Financial Coaching
- Small Business Coaching
- Rent Reporting & Alternative Data
- Public Information Campaign
- Safe Credit Building Products

LEAD PARTNERS



LEAD DONORS

ROXBURY PILOT MOU



Boston Builds Credit Roxbury Pilot Memorandum of Understanding Between Lead Partners and Community Partners

1. Overview

The purpose of this Memorandum of Understanding (MOU) is to establish a cooperative working relationship for partner agencies participating in Boston Builds Credit (BBC) and to define partner roles and responsibilities in achieving project goals. This MOU provides a framework for implementing a pilot project focused on credit building and credit score improvement for Roxbury residents in 2017.

BBC is the first-ever, citywide effort to “move the needle” on credit scores at the population level in the United States. Currently, over 250,000 Boston residents are either unscored or have subprime credit scores and could benefit from high-quality, effective credit building services. Research has shown that consumers with low- or no- credit will pay an average of \$200,000 more in interest and fees during their lifetimes and that poor credit is a key contributor to the growing racial wealth divide.

BBC is being developed and implemented by Mayor Martin J. Walsh’s Office of Financial Empowerment (“OFE”), United Way of Massachusetts Bay and Merrimack Valley (“UW”) and Local Initiatives Support Corporation (“LISC Boston” (collectively, the “Lead Partners”). A feasibility study, supported by the Lead Partners, documented the need for credit building services in Boston and identified recommendations for implementation citywide. A business plan is underway (anticipated, March 2017) and will guide implementation of the initiative.

Community-based organizations (hereafter, “Community Partners”) that collaborate with the Lead Partners by either providing credit coaching services directly or referrals to agencies that provide credit coaching services for Roxbury residents are central to the successful implementation of BBC. Their roles and responsibilities in this project are described in greater detail below.

Lead Partners and Community Partners together (hereafter, “Partners”) are committed to improving credit scores at the population level by supporting credit building strategies and credit coaching services, in order to help individuals and families reach financial wellbeing and achieve financial goals. This MOU will cover the period from April 15, 2017-June 30, 2018.

2. Goal of the Project and the MOU

Project Goal: The goal of BBC is to improve financial wellbeing in the City of Boston by increasing credit scores at the population level.

MOU Goal: To clarify BBC project goals and the Partners' roles and responsibilities in the Roxbury pilot project.

Vision Statement: Every resident has the skills and knowledge to effectively manage credit and to achieve a prime credit score (660+).

3. Roles and Responsibilities of Partners

A. Partner Roles and Responsibilities

1. Support the BBC's overarching goal to improve Boston residents' credit and the strategies and activities developed to achieve this objective.
2. Implement specific activities or tasks as defined in this MOU and Appendix A.

B. Lead Partner Roles and Responsibilities

Lead Partners assume overall responsibility for the project management of BBC. These responsibilities include:

1. Establish project goals and the related activities, programs, services and policies that will support these goals.
2. Oversee the development of the business plan for the BBC project, to include goals and priorities for the Roxbury pilot and for the full project in subsequent years.
3. Work with Community Partner agencies to develop a site specific approach based upon available resources.
4. Identify funders to provide the resources necessary to support the full project implementation plan.
5. Retain and supervise a Project Manager, subject to available funding, responsible for implementation of business plan goals and priorities subject to available funding.
6. Create and formalize peer support networks to connect Community Partner staff to resources for credit building.
7. Retain BBC project evaluator and supervise evaluation, subject to available funding, ensuring that Community Partner agencies understand and provide the necessary materials and information to complete the evaluation.

Specific Lead Partner responsibilities are described in detail below:

I. UW Responsibilities

1. Overall co-responsibility for BBC project management in partnership with the OFE.
2. Work with Lead Partners and Community Partners to develop overall approach and ensure that project goals are achievable and on track.
3. Develop and offer credit building professional development opportunities for Community Partner site staff.
4. Convene quarterly supervisor and staff community of practice meetings.
5. Work with Lead Partners to identify funders to support full project implementation plan.
6. In partnership with other Lead Partners, provide oversight of development of the business plan.
7. Lead responsibility to retain and supervise project evaluator.
8. Participate in monthly Lead Partner meetings.

II. OFE Responsibilities

1. Overall co-responsibility for BBC project management in partnership with the UW.
2. Lead the implementation of the Roxbury credit building pilot.
3. Serve as a credit building “hub” for the Roxbury community with offerings that include credit building workshops, basic and advanced credit coaching, direct enrollment in credit building products and training opportunities for community partner staff.
4. Work with Lead Partners to identify funders to support full project implementation plan.
5. In partnership with other Lead Partners, provide oversight of development of the business plan.
6. Participate in monthly Lead Partner meetings.

III. LISC Boston Responsibilities

1. Lead responsibility for developing small business credit building strategy.
2. Work with Lead Partners to identify funders to support full project implementation plan.

3. In partnership with other Lead Partners, provide oversight of development of the business plan.
4. Participate in monthly Lead Partner meetings.

C. Community Partner Roles and Responsibilities

Community partners support the goals and activities of the BBC. Community partners will:

1. Participate in a network of Boston-based community organizations that support credit building and promote the financial wellbeing of all Boston residents.
2. Collaborate with Community Partners by sharing information about credit building services provided by their organization and referring residents to credit building services provided at other Community Partner sites.
3. Make available credit building information and educational materials to interested residents.
4. Provide support for policy initiatives aimed at improving community credit and financial wellbeing. Ensure compliance with MA 201 CMR 17.00 related to safeguarding personal information contained in both paper and electronic records.
5. Implement specific activities or tasks as defined in Appendix A.

Specific Community Partner Staff Roles and Responsibilities are described below.

A. Community Partner Site Supervisor Responsibilities

- Participate in an initial meeting with a Lead Partner to discuss project.
- Identify opportunities for integrating credit building into services offered, such as job training, case management, financial education, housing, etc.
- Send lead staff person to credit building training provided through the Financial Empowerment Learning Institute.
- Participate in peer learning and information sharing at quarterly supervisor meetings.
- Additional responsibilities as defined in Appendix A to come.

B. Community Partner Lead Credit Coach Responsibilities

- Attend credit building training provided through the Financial Empowerment Learning Institute.
- Serve as credit building lead staff (ambassador) for the Community Partner.

- Participate in quarterly credit coaching community of practice meetings.
- Refer eligible individuals to the Roxbury Center for Financial Empowerment and other Community Partners for services unavailable at their site (for example, small business owners, complex credit issues) in keeping with the developed MOU.
- Additional responsibilities as defined in Appendix A to come.

C. Community Partner Credit Coach Responsibilities

- Provide credit coaching services for residents, including credit pulls, credit improvement plans and access to appropriate credit building products.
- Refer eligible individuals to the Roxbury Center for Financial Empowerment and other Community Partners for services unavailable at Community Partner site (for example, small business owners, complex credit issues) in keeping with the developed MOU.
- Additional responsibilities as defined in Appendix A to come

This MOU constitutes a statement of an intention on the part of the partners and it is not, nor is it evidence of, a grant, pledge, or other commitment. It creates no legal obligation on the part of the partners.

Signed by

Name: _____

Title: _____

Office of Financial Empowerment Mayor's
Office of Workforce Development

Name: _____

Title: _____

United Way of Massachusetts Bay and
Merrimack Valley

Name: _____

Title: _____

LISC Boston

Name: _____

Title: _____

Non profit partner 1

Name: _____

Title: _____

Non profit partner 2

Name: _____

Title: _____

Non profit partner 3

Appendix A – Site specific responsibilities – to be customized for each agency.

A. Credit Building Public Information Campaign Responsibilities

XYZ Community Partner will promote credit building strategies as part the BBC public information campaign, through the following activities:

1. Identify opportunities for distribution of information through public channels within the community served by the agency, such as health centers and other social service providers, radio broadcasts, transportation hubs, local businesses, and more.
2. Provide input into credit-building content and messaging for campaign and through specific channels.
3. Convene focus groups of community members to test messaging.
4. Develop and implement plan for public information campaign through selected channels with agreed upon content and messaging.

B. Resident Credit Building Responsibilities

XYZ Community Partners will promote credit-building strategies with residents, through the following activities:

1. Provide credit-building education materials to residents, made available for example as a resource list, as distributed flyers or brochures in client waiting areas, as online curriculum, or however the agency determines is the most effective method for client uptake.
2. With site supervisor, identify opportunities for the integration of credit building strategies into existing services such as job training and housing counseling.
3. With site supervisor, identify credit-building products and providers of credit building products that would best suit existing services and client base.
4. With site supervisor and with Lead Partners if necessary, plan and implement integration of credit building strategies and products into existing services.
5. Designate a credit building lead staff (credit ambassador) who will lead the credit building services provided by the agency, and participate in ongoing quarterly meetings for credit coaching community of practice.
6. Send credit ambassador and other staff to professional development opportunities in credit building strategies, in order to maintain and strengthen high quality credit building services provided to residents.
7. Ensure that staff refer residents to the credit ambassador for credit coaching if needed, and/or that staff and the credit ambassador refer residents to the

Roxbury Center for Financial Empowerment for services unavailable at the agency.

8. Encourage staff to engage in credit building strategies and model them to residents.

C. Credit Building Culture

The agency will promote a “credit-building culture” among staff through the following activities:

1. Provide credit-building education materials to internal staff, made available for example as a resource list, as distributed flyers or brochures in administration areas, as online curriculum, or however the agency determines is the most effective method for staff uptake.
2. Offer a one-hour credit-building financial education workshop, facilitated by Working Credit NFP, at the end of which staff are encouraged to sign up for coaching sessions with Working Credit or with the Roxbury Center for Financial Empowerment.
3. Designate and support a site supervisor to lead the credit-building initiative partnership, who will participate in initial and ongoing meetings with a Lead Partner and with peers at quarterly supervisor meetings.
4. Send site supervisor and other staff to professional development opportunities in credit building strategies.

D. Community Partner Site Supervisor Responsibilities

1. Participate in an initial meeting with a Lead Partner to discuss project.
2. Identify opportunities for integrating credit building into services offered, such as job training, case management, financial education, housing, etc.
3. Send lead staff person to credit building training provided through the Financial Empowerment Learning Institute.
4. Offer credit building opportunities to staff including a one-hour credit building workshop (optional program component).
5. Participate in peer learning and information sharing at quarterly supervisor meetings.
6. Report semi-annually to UW on key credit outcomes for the project.
7. Provide timely feedback to BBC Project Manager on questions or problems with the project.
8. Facilitate gathering of client data.
9. Developing strategies for maintaining contact with clients over time

E. Community Partner Lead Credit Coach Responsibilities

1. Attend credit building training provided through the Financial Empowerment Learning Institute.
2. Serve as credit building lead staff (ambassador) for the Community Partner.
3. Participate in quarterly credit coaching community of practice meetings.
4. Provide credit coaching services for residents, including credit pulls, credit improvement plans and access to appropriate credit building products.
5. Refer eligible individuals to the Roxbury Center for Financial Empowerment for services unavailable at the Community Partner site (for example, small business owners, complex credit issues) in keeping with the developed MOU.
6. Enter client credit data into database and submit to UW on semi-annual basis.

F. Community Partner Credit Coach Responsibilities

1. Provide credit coaching services for residents, including credit pulls, credit improvement plans and access to appropriate credit building products.
2. Refer eligible individuals to the Roxbury Center for Financial Empowerment for services unavailable at Community Partner site (for example, small business owners, complex credit issues) in keeping with the developed MOU.
3. Enter client credit data into database and submit to UW.

LIST OF PARTNERS

List and brief description of current partners – CBOs, Financial Institutions, Private/ Public Entities, etc.

Partner	Type
Allston Brighton Community Development Corporation	CBO
American Consumer Credit Counseling	Non-profit
Asian Community Development Corporation	CBO
Believe in Success	CBO
Boston Home Center	Government
Boston Housing Authority	Government
Boston Medical Center	Employer
Boston Public Schools	Government
Boston Tax Help Coalition	CBO
Casa Myrna Vasquez	CBO
Codman Square Neighborhood Development Corporation	CBO
Dorchester Bay Small Business Assistance Center	Small business
Dudley Street Neighborhood Initiative	CBO (Roxbury Pilot)
Heading Home	CBO
Impact Lending	Small business
Jamaica Plain Neighborhood Development Corporation	CBO
Jewish Vocational Service	CBO
Madison Park Development Corporation	CBO (Roxbury Pilot)
Neighborhood of Affordable Housing	CBI
Nuestra Comunidad	CBO (Roxbury Pilot)
Project Hope	CBO (Roxbury Pilot)
Roxbury Center for Financial Empowerment	CBO(Roxbury Pilot)
Street Cred	CBO (Roxbury Pilot)
Success Boston	Youth
The Center for Teen Empowerment	Youth
The Midas Collaborative	Non-profit
The Opportunity Youth Collaborative	Youth
United South End Settlement	CBO
Urban Edge	CBO (Roxbury Pilot)

SAMPLE JOB DESCRIPTIONS

Project Director - Boston Builds Credit

Position Description:

Boston Builds Credit (BBC) is a new initiative being implemented by Mayor Walsh's Office of Financial Empowerment (OFE), United Way of Massachusetts Bay and Merrimack Valley (United Way), LISC Boston (Lead Partners) and other community partners to assist Boston's 250,000 residents with low or no credit scores. BBC seeks a dynamic leader to be its Founding Director, with responsibility for overall management of this start-up citywide initiative. The Project Director will be responsible for overseeing five areas of the BBC program: (1) recruitment of potential supporters and collaborators, including community partners, financial services partners and funders; (2) implementation of credit building services for key constituencies beginning with a community-based roll-out in Roxbury; (3) a public information campaign designed to promote public awareness of the rules of credit building; (4) public policy initiatives to increase availability of credit building services/products and consumer protections for Boston residents, and (5) evaluation and research related to the project. The Project Director will report to United Way's Senior Director, Community Impact, working closely with the Lead Partners.

Duties include but are not limited to the following:

Management, Program Development, and Oversight

Plan and oversee the administration of the BBC through programs and activities that support the goals of the project and the Lead Partner's economic mobility vision:

- Implement objectives consistent with the organizational mission, goals and activities outlined in the BBC business plan.
- Oversee the implementation of the BBC pilot in Roxbury and subsequent expansion to other neighborhoods.
- Provide leadership and direction to program partners in the management of their designated responsibilities and desired outcomes.
- Recruit and orient staff and volunteers on program's objectives and activities.
- Supervise and manage staff hired for the project.
- Develop and implement strategies to promote participation and maximize positive credit building outcomes for residents.
- Design, review, and help finalize written materials for program and related activities.
- Develop capacity for reading credit reports and understanding/communicating all of the Lead Partners' financial capability programs.
- Maintain overall responsibility for data collection and analysis using a shared database provided by United Way.

- Travel to program sites and events within Boston to provide encouragement, technical assistance, and other support as needed.
- Implement program compliance internally and with program partners.
- Oversee distribution and management of materials across participating organizations.
- Develop and monitor contracts with vendors and consultants hired to support the project.
- Coordinate and monitor performance for any grant awards issued to community partners in the project.
- Identify new activities and opportunities, including recruitment of new partners, identification of new strategies for promoting credit building and cross-promotion of Lead Partner programs.

Communication and Reporting Responsibilities

Ability to articulate the mission, objectives, and activities of BBC and the Lead Partners. Responsible for program reporting, including internal and external reporting, data management, and record keeping:

- Organize and staff regular Lead Partner meetings that will provide oversight of the project's goals performance and future direction.
- Prepare updates on BBC sites, partner and client activity for Lead Partners and funders.
- Develop and implement social media strategy and other marketing campaigns.
- Prepare timely reports on compliance, performance, demographics, budgets and program record keeping for Lead Partners and funders.
- Facilitate the implementation and reporting of client information and outcomes by participating organizations.
- Ensure confidential maintenance of client information.
- Oversee and maintain shared database to capture client-level credit and related financial information.
- Facilitate analysis of program data using both internal staff and external evaluation.
- Coordinate external evaluation of the project, working closely with an evaluation consultant.
- Assist with content creation and management of BBC website, as needed.
- Other projects and initiatives, as needed.

Qualifications Required:

- Degree from four year college; graduate degree or demonstrated experience in program implementation, handling multiple priorities, and/or working for a nonprofit or community based organization.

- Ability to work independently in fast paced environment
- Strong communication and analytical skills and sense of humor. Bilingual skills desired.
- Familiarity with database management and program evaluation.
- Boston residency preferred.
- Ability to work evenings and weekends from time to time, if needed.

Work Environment:

No unusual physical requirements.

Timeframe:

Seeking full-time staffer to start as soon as possible. Two-year grant-funded position with possibility of extending the assignment contingent upon availability of funds.

* * *

To apply, please send resume and cover letter to Nicole Nash at Nnash@supportunitedway.org



**AmeriCorps Member
Service Opportunity
Full-Time Position
1700 hours in 10 months**

United Way of Massachusetts Bay and Merrimack Valley and Local Initiatives Support Corporation are seeking a full-time AmeriCorps member to serve as a Community Assessment Specialist. The candidate will ideally begin service on October 1, 2017 and serve a minimum of 1700 hours through the end of his/her term on July 31, 2018. The exact start and end date is confirmed by the Member Agreement of Participation.

ORGANIZATION BACKGROUNDS

UWMB was built on the belief that together we can accomplish more than any individual or organization can alone. We help residents of our local communities – many of them economically disadvantaged – to connect with the resources and support they need to reach their full potential. UWMB is uniquely qualified to take on this challenge. No other single organization has the scope, expertise, and influence to bring together hundreds of human service agencies, government, businesses, private foundations and dedicated volunteers around a common vision of creating maximum impact and achieving long-lasting results.

Local Initiatives Support Corporation (LISC) is dedicated to helping community residents transform distressed neighborhoods into healthy and sustainable communities of choice and opportunity – good places to work, do business and raise children. LISC combines corporate, government and philanthropic resources to help community-based organizations revitalize underserved neighborhoods. This strategy extends to the LISC AmeriCorps program where we support placing AmeriCorps Members with local non-profit partners. Members assist in efforts to revitalize underserved neighborhoods across America and create vibrant places for people to live, work, and play.

AMERICORPS MEMBER ACTIVITIES AND RESPONSIBILITIES

The member selected to serve in this capacity will be responsible for:

- Conducting research that supports the development of Boston Builds Credit, a citywide credit building initiative:
 - o Conduct consumer/resident research (i.e. focus groups, consumer

surveys and literature reviews) to better understand the needs, opportunities and challenges related to credit building in the City of Boston. Emphasis will be on consumer research centered in Roxbury, Dorchester and Mattapan neighborhoods.

- o Research effective models for conducting public information campaigns, with an emphasis on credit building, asset building and financial literacy. Help shape this campaign and ensure that the messaging and framing of information reflect how community members learn, understand, share, and act.
- o Work with project evaluation team to assess data associated with credit scores and credit building to determine effective strategies for helping Boston residents to improve credit scores.
- Conducting community outreach:
 - o Meet with community based organizations and other non-profit organizations to assess their interest in and capacity to promote credit building for their members/clients;
 - o Conduct interviews with credit unions, CDFIs and other providers of credit building products to identify opportunities to develop strategic partnerships that promote the responsible use of credit;

MEMBER SIGNATURE: _____

LISC PD APPROVAL: srapp approved

V. YR23 2017- 2018

- o Identify opportunities for promoting credit building services to City of Boston employees and for embedding credit building goals into city programming;
- o Meet with other stakeholders who might help to build support for the goals of the credit building initiative.

AMERICORPS MEMBER PERFORMANCE

Members will be provided with goal(s) at the onset of the service assignment based on the activities and responsibilities noted above. Members will track goal attainment monthly through an online system (training provided). Members will also discuss professional performance in the form of a mid-term and final performance appraisal.

CAREER DEVELOPMENT AND SERVICE REQUIREMENTS

Members will perform day to day service at 51 Sleeper Street, Boston MA and serve a minimum of 40 hours per week. Normal service hours are Monday – Friday from 8:30 am – 5:00 pm with 30 minutes for lunch per day. There will be opportunities to serve evenings and weekends.

Members are expected to attend and participate in all LISC AmeriCorps sponsored activities including but not limited to:

- Attending a local onboarding session coordinated by LISC and an onsite orientation to our organization;
- Attending a national leadership conference tentatively scheduled for March 2018;
- Attending all locally sponsored monthly meetings;
- Participating in nationally sponsored webinars;
- Actively participating in at least two locally identified and team coordinated service projects (one for Dr. Martin Luther King, Jr. Day of Service and one for National AmeriCorps Week); and,
- Engaging in any other LISC events as determined by the local LISC office.

This is an AmeriCorps position. LISC and United Way of Massachusetts Bay and Merrimack Valley will not allow the member to engage in activities that are considered prohibited under the terms of the grant while serving as a LISC AmeriCorps member.

DESIRED SKILLS

- Desire and ability to work with a diverse group of people, particularly those living in low-income distressed neighborhoods
- Ability to work independently and in a team environment
- Computer skills
- Good written and oral communication skills
- Ability to work a flexible schedule (some night and weekends may be required)

PROGRAM ELIGIBILITY REQUIREMENTS

To be eligible to participate as a LISC AmeriCorps member the candidate must meet all eligibility requirements to serve as a National Service participant including but not limited to:

- Be eligible to earn 100% of a full-time education award
- Be eligible to perform a term of national service
- Possess a high school degree, GED certificate or agree to achieve GED during the term of service
- Be at least 17 years of age (note there is no upper age limit)
- Have unexpired proof of status as a US citizen or possess unexpired permanent resident status and be able to provide documentation as determined by CNCS

- Be available to serve for a full 10 month period of time
- Be able to complete at least 1700 hours of service within the 10 months of service as well as serve the full term of the service

NATIONAL SERVICE CRIMINAL HISTORY SEARCH REQUIREMENT

If a candidate has a criminal record, it does not necessarily make a candidate ineligible for service. Only candidates who are subject to registry on the National Sex Offender Public Website or have been convicted of murder may not participate as an AmeriCorps member. Only candidates being offered and then accepting the position must consent to a search of the National Sex Offender Public Website, a State Level Criminal History Search and an FBI search. Consent is provided via the LISC AmeriCorps application.

PROGRAM BENEFITS

Upon successful completion of the term of service, the member will be eligible for a \$5,815 education award to pay off existing, eligible student loans or return to school. Members are eligible to place existing student loans (loans must qualify and not in a state of default) into AmeriCorps forbearance. The position pays a total stipend of \$15,000. The stipend is taxable and paid in 20 equal checks twice a month from LISC. Direct deposit is highly encouraged. A health care benefit is available for the participant only (dependents are not eligible). For members with children under the age of 13, there is a child care subsidy benefit available which is dependent on the participant meeting all eligibility requirements (This benefit is administered by a contracted provider via the Corporation for National and Community Service).

HOW TO APPLY:

Gail Sokoloff at Gsokoloff@supportunitedway.org

We are committed to diversity and inclusion in the selection process.

This program is available to all, and we treat all persons without regard to race, color, religion, creed, gender, sexual orientation, gender identity, national origin, ancestry, citizenship status, age, marital status, veteran status, disability, genetic information, or any other characteristic or status protected by applicable federal, state or local law.



Boston Builds Credit Feasibility Study

EXECUTIVE SUMMARY

From September 2015 to March 2016, The Midas Collaborative conducted an assessment of the feasibility of developing a multi-faceted, multi-channel citywide credit building initiative with the goal of helping Boston residents to increase their credit scores. In Boston, an estimated 118,000 adults (18+) (23% of the population) have no credit scores and an estimated 136,000 of those adults scored (34% of the population) have subprime credit scores, which causes them to pay higher interest and fees on homes, autos, insurance, college financing and may result in discrimination in hiring. This study was commissioned by a funder collaborative interested in determining whether it would be viable to develop scalable, population-level strategies for helping Boston residents to improve their credit scores, which would in turn help them to become more financially secure.

Opening and successfully managing financial products are essential for consumers to build and maintain good credit histories. Credit-building programs come from evidence-informed programs that help individuals and small businesses take control of their financial lives and improve their credit scores. Effective credit building initiatives pair reporting on-time payments on financial products with relevant and timely credit education and support. Credit repair, the act of resolving errors and/or managing existing debt, is also included and/or integrated with credit building initiatives, and was included as the need was great and the opportunity for integration was promising.

As part of the feasibility study, the Midas team conducted extensive national and local research on credit dynamics and promising models for this initiative. Population research in Boston – interviews and focus groups conducted with the help of community-based organizations and city agencies - provided a deeper, qualitative approach to the understanding of the financial practices and barriers of prospective clients of the initiative. These include residents and business owners from the most affected neighborhoods and representative ethnic groups and credit profiles. Our micro business research indicated that credit practices and barriers mirror those of residents, as business credit is dependent on the profile of the individual business owner.

Based upon extensive national and local market research, we conclude that improving credit scores at the population level is a bold but attainable goal. Building upon a number of smaller programs and innovative pilots operating in other states, our model would represent the first large scale, integrated initiative in the country. Our research indicates that supporting one percent of the most in-need population (defined as unscored and subprime credit adults 18 years and older) to improve their credit scores translates into effective credit building services for 2500 residents. To ensure the success of the initiative, we recommend designing a credit building

initiative that would support up to 8500 Boston residents annually, with the projection that 25% of them would successfully engage in credit building services. Success would depend on extensive outreach during the program design process and engagement of product vendors and financial capability service providers. In addition, the collaboration and commitment of community-based and employer-based service providers and labor unions to design and provide opportunities for access to the initiative are critical. Some initial outreach in this regard was conducted as part of this study.

Based on primary research within the City of Boston and analysis of credit markets and dynamics nationally, we segmented the market into five credit user types: 1) Consumers with fair to good credit scores (>620 score) who are interested in maintaining their credit and/or improving their credit scores; 2) Consumers with subprime credit scores (<620 score) who could benefit from a credit rebuilding approach that includes coaching or counseling services; 3) Consumers with subprime credit scores (<620 score) who are in a state of credit crisis who could benefit from a credit repair approach that includes coaching or counseling services; 4) New immigrants with thin or no credit files who would benefit from general financial education about credit scores and an appropriate product; and 5) Young US-born with thin or no credit files who would benefit from general financial education about credit scores and an appropriate product

FOUR KEY OFFERINGS

We recommend the following four key strategies for supporting credit building citywide, which should be available in levels (low, medium, high) of intensity that match the needs of the three credit profiles described above:

- 1) A public information campaign and companion online resources focused on building consumer understanding of credit score calculations and the importance of a good credit profile to achieve financial goals. To maximize effectiveness, the credit building messaging should be just one component of a larger financial capability campaign.
- 2) Support for credit building services that assist residents and micro-entrepreneurs to understand the marketplace, assess their credit profiles, and engage in first-time credit building as well as credit repair, available both in the community, remotely by phone/Skype, and online. For example, Mayor Walsh's Office of Financial Empowerment operates a successful VITA tax program which has incorporated a light-touch asset building strategy called the Financial Check Up (FCU). Programs like this could be expanded to further promote credit building.
- 3) Referrals to credit-building and high quality credit products offered as part of the initiative and focused on consumers with thin files or no credit scores and with subprime credit scores, easily available and trackable online.
- 4) Support for public policy initiatives to increase positive credit reporting and consumer protections for Boston residents while reducing financial predation of and discrimination against borrowers. These include support for pending state bills prohibiting credit report discrimination, increasing debt collection regulations, and piloting rent reporting strategies. This must include an effective mechanism for engaging residents.

DISTRIBUTION CHANNELS

Credit building products and services could be offered through mission-driven community-based organizations throughout the City of Boston and employers and/or labor unions in key sectors of the local economy. Due to the concentration of poverty and a higher concentration of consumers with low- or no credit scores, strategies should be developed for more intensively offering these services in the neighborhoods of Roxbury, Dorchester, Mattapan and East Boston where high-cost alternative financial service vendors are concentrated.

We recommend offering this programming through the following distribution channels:

1. Existing financial capability service providers
(more subprime & invisibles serve approx. 2000)
2. Employment based networks; career centers & unions
(a mix of credit profiles serve approx. 35,000)
3. Publicly supported rental housing providers
(more subprime & invisibles serve approx. 80,000)
4. Community advocacy group(s) in areas of highest need
(more subprime & invisibles reach approx. 3,000)
5. A unified online platform reaching lowest touch residents
(mostly fair-prime credit, approx. 65,000)

The Midas team recommends initially developing several pilot projects to test the potential of credit building targeted to the user profiles identified above and marketed through one or more of the distribution channels outlined above. One such pilot is already in process through the youth credit building project jointly sponsored by the City of Boston and Citi Development. The Midas team recommends using distribution channels controlled by the project sponsors, such as United Way agency funding, Neighborhood Jobs Trust and the Boston Tax Coalition to test and refine the proposed credit building strategies. The next phase of research should also seek to identify other distribution channels to test their receptivity to promoting credit building and any costs associated with offering these services through these channels.

A priority should be to identify a partner from the public relations industry that would be willing to assist with the development of a media campaign on a pro bono basis. With an aggressive public awareness campaign that is well integrated with similar efforts to address financial security (tax time, home buying, policy advocacy, etc.), a broad “Boston-Saves” type message could resonate, attracting consumers from differing credit profiles and subgroups of Boston. The City of Boston could position itself as a champion of fighting inequality with such a campaign that delivers results, not just slogans (although a slogan would be helpful).

Conservatively estimating a 20% uptake rate among current financial capability clients (#1) and 5% among the rest (#2-5), the initiative could serve over 9,000 individuals with credit building products and services, ambitiously over the first year of full operations.

PRODUCTS

An array of credit building products are currently available in the marketplace that would address Offering #3 above. We recommend identifying three credit building product types:

- A) Small dollar credit-building loans offered by two national nonprofits; LISC and Working Credit NFP, as well as a local financial institution, Metro Credit Union. Contacts indicate their combined willingness to provide products in the volume as described.
- B) Secured credit cards offered by a number of local financial institutions.
- C) Rent reporting – a method of reporting on-time rental payments to credit agencies, shown to help subprime or unscored consumers to build credit rapidly. This could be offered among focused host organizations and/or more comprehensively through a public policy initiative.

KEY ROLES

Significant capacity building and training support would be needed to bring this initiative to scale and ensure that staff providing credit building services are adequately trained. An overall **project coordinator** is needed to develop project design, manage partners and vendors, collect data, lead the marketing campaign, provide development and fiscal services, and coordinate the evaluation.

We recommend that **staff training and support** be coordinated through the Financial Empowerment Learning Institute, an initiative of the United Way, which provides related services in financial coaching, credit building and financial education. Sponsors of the initiative should consider requiring agency staff to demonstrate competency by developing or recognizing appropriate certification.

EVALUATION

To determine whether the proposed credit building initiative is successful, a tiered evaluation should be developed which could encompass one or more of the following components;

1. Individual- and/or program-level applied research evaluation (snapshot credit data only; scores at intake and at a later point during or post program)
2. Individual- and/or program-level applied research evaluation (more qualitative and quantitative program outcome and process data, including skills/knowledge baseline, process for determining individual goals)
3. Macro-level community-level change over time (Work with Boston & NY Federal Reserve Banks to review data, including turnover rates from Boston sources)

Additional research is needed to determine how to structure an evaluation of this initiative.

Among the questions requiring further research are: 1) what is the best source for acquiring credit score information at the population level; 2) how will the initiative measure/know whether the proposed interventions are successful or effective; and 3) who would be best equipped to conduct the longitudinal data collection and analysis required to support an evaluation of this initiative.

In Phase 2, the consultants (in collaboration with the funders) should discuss with the Federal Reserve Bank of Boston and NYC and/or the Credit Bureaus the best approach for acquiring and supporting the data collection and evaluation needed for this initiative.

COST/BUDGET

Creating a citywide initiative is an ambitious project that will require significant financial investment and in-kind resources. The Midas team developed a preliminary budget projection for the proposed initiative based upon their knowledge of similar public aware campaigns and community-based programs. The Midas team estimates the cost of the initiative at \$125,000 in Year 1 for launch costs and \$580,000 yearly thereafter. In the next phase of research, the team will confirm these assumptions based upon actual cost quotes from potential sponsors, vendors and community based organizations. The budgeting process for the initiative should include discussions with potential providers of pro bono resources, such as local advertising and public relations firms, web designers, the T, billboard owners and others. In addition, the next phase of research should include outreach to potential funders to determine whether an initiative of this kind and scale will attract donor interest at the level envisioned in this study.

Rating Sheet

City of Boston Credit Building Initiative — Request for Proposals

Reviewer’s Name _____ Date _____

1. Relevant demonstrated organizational experience (25 Points) Score: _____

Criteria

- Respondent has experience providing the same or similar services. (ie. respondent has experience conducting feasibility studies and/or planning processes; respondent has experience evaluating or providing credit building services etc.)
- Greater weight given to experience in the past five years.

2. Relevant demonstrated qualifications of key staff to conduct study (25 Points)

Score: _____

Criteria

- Names and qualifications of all key staff to be dedicated to the project.
- Clear explanation of why the organization or organizations are positioned to undertake this work.
- Demonstrated experience conducting related work.
- Brief biographies of each team member with resumes included in the attachments.

3. Quality of approach to providing services (25 Points)

Score:_____

Criteria

- Clear explanation of how the research project will be designed and delivered (referencing the research questions and framework provided in the RFP).
- A primary point of contact is provided.
- Process is clear for ensuring quality control of work.
- Information is provided that will help us understand how the respondent manages client relationships and applied research projects similar to the one proposed in this RFP.
- Work plan and timeline for all activities are provided.
- Respondent can demonstrates track record of meeting deadlines on similar consulting assignments.

4. Fee Structure and Budget (25 Points)

Score:_____

Criteria

- The budget includes sufficient detail to ascertain how cost estimates were calculated.
- The budget narrative includes the percent of time and salary to be dedicated by key personnel.
- Adequate staff hours are planned and budgeted to complete the scope of work
- A separate fee structure is provided for each of the two phases of work.
- The proposed budget is within the range provided in the RFP.
- Higher point value may be assigned to proposals that come in at lower cost at reviewer’s discretion (if it appears that this is a more cost effective provider).

Credit Building Products and Strategies

Case study: Secured Credit Card



The Provider: Capital One



The Product:

Capital One® Secured Mastercard®

Target Market:

Credit Rebuilders

Terms and Conditions:

- Loan Amount: \$200 - \$1,000
- Loan Term: Revolving
- Interest rate and fees: \$0 annual fee, 24.99% Variable APR
- Special application and/or underwriting requirements: Applicants must have a bank account (checking or savings)
- Flexibility etc. (payments, modifications, etc.): As long as the full amount is deposited within 80 days of approval, borrower may pay deposit in installments of \$20 or more, rather than all at once.
- Reports to: Experian, TransUnion, Equifax

Additional Information:

Making the minimum required security deposit—\$49, \$99, or \$200 (based on creditworthiness)—establishes an initial credit line of \$200. Plus, deposit more money before your account opens to get a higher credit line.

Borrowers can get access to a higher credit line after making their first 5 monthly payments on time with no additional deposit needed.

To Learn More:

Learn more about Capital One® Secured Mastercard® by visiting:

www.capitalone.com/credit-cards/secured-mastercard/

Credit Building Products and Strategies

Case study: Special Purpose Loan



The provider:

Latino Economic Development Center (LEDC). LEDC's mission is to drive the economic and social advancement of low- to moderate-income Latinos and other underserved communities in the D.C. and Baltimore Metropolitan Areas by equipping them with the skills and tools to achieve financial independence and become leaders in their communities.



The product:

Small Business Loans

Target Market:

Capable entrepreneurs of diverse backgrounds are often excluded from accessing business loans through the formal financial sector. Small business owners need a community lender that can help them access capital and create jobs.

LEDC offers loans to small businesses located in MD, DC and VA that do not have access to a bank or conventional financial institution.

Terms and Conditions:

- Loan Amount: \$5k to \$50k
- Loan Term: 12 to 60 months
- Interest rate and fees: interest from 7.5% to 14% closing fee 3% application fee \$50
- Special underwriting or application requirements: depending on the size of the loan and the applicant's credit score, documents are required such as:
 - Two years of personal and/or business tax returns.
 - Four months of bank statements, personal and business. Personal bank statements required, business required if the business currently has its own account;
 - Copy of applicable business licenses and permits;
 - Financial statements including cash flow and profit and loss statements, and balance sheets if available;
 - Lease agreement (if applicable);
 - Proof of identification

Credit Building Products and Strategies



Case study: Special Purpose Loan

- Other details:
 - LEDC has been able to work with business owners with credit scores as low as 550.
 - Loans up to \$10,000 are typically approved or denied approximately one week after all the application documents are received. Loans up to \$50,000 typically take three weeks after all the application documents are received.
 - LEDC takes a holistic approach to evaluating potential loan clients. We weigh many factors, such as the strength of the business, character references, availability of collateral, owner equity contribution, credit score, etc.
 - If an applicant owes back taxes to a State or the IRS or has not paid any court judgments or outstanding child support, he or she will not qualify for a loan.
- Reports to: Experian, TransUnion, Equifax, Dun & Bradstreet, and Experian Business

Additional Information:

LEDC's Small Business Development Department equips aspiring and established entrepreneurs with the skills and tools necessary to run and strengthen a small business.

Staff offer Spanish-language trainings on diverse topics ranging from how to start your own business to workshops related to business planning, financial management, incorporation, licensing and permitting, accounting, marketing, and social media.

The program connects entrepreneurs with a one-on-one small business coaching service on topics ranging from recordkeeping to marketing.

To learn more

Learn more about LEDC by visiting
www.ledcmetro.org

Credit Building Products and Strategies

Case study: Social Loan



The Provider:

Based in San Francisco, **MAF (Mission Asset Fund)** is a leader in the country in offering zero-interest social loans that help people build credit. Through its innovative Lending Circles program, MAF provides back-end loan origination, servicing, and technical support to over 50 nonprofit partners across the country who run the Lending Circles program in their own communities.



The Product:

Lending Circles

Lending Circles have long been an informal way for family, friends and neighbors – particularly in immigrant communities – to help each other gain access to capital they often cannot get from traditional financial sources.

Lending Circles provide zero-interest loans that help people build credit. Every participant starts by taking an online financial training class. Then, the six to twelve members meet in person to form the Lending Circle and collectively decide on the loan amount; for example, a group of 10 people might decide they each want a loan of \$1,000. Participants in the Lending Circle can have their own goals for the money, whether it's paying off debt, paying for tuition, or applying for citizenship.

Everyone in the Lending Circle makes the same monthly payment, ranging from \$50 to \$200, which MAF reports to the credit bureaus. The loan rotates monthly to a different participant: in the first month, one participant receives \$1,000, and each month another member receives the total sum until everyone has gotten a chance. The program is proven to help participants establish credit histories for the first time and increase low scores.

Target Market:

Credit invisibles and others seeking to build credit histories and achieve financial citizenship.

Terms and Conditions:

- Loan Amount: \$300-\$2,400
- Loan Term: 6-12 months
- Interest rate and fees: 0% interest, no fees to apply or join

Credit Building Products and Strategies

Case study: Social Loan



Terms and Conditions (cont.):

- Special application and/or underwriting requirements: fill out online application including checking account, proof of income, valid ID, and online survey and financial education to ensure loan affordability and participant's overall success
- Flexibility etc. (payments, modifications, etc.): loans may be restructured, paid back early, and used for a variety of financial goals
- Reports to: Experian, TransUnion, Equifax

Additional Information:

San Francisco State University's Cesar Chavez Institute (SFSUCCI) conducted a study of MAF's Lending Circles program in 2013. The final report, Building Credit for the Underbanked: Social Lending as a Tool for Credit Improvement, revealed that formalized peer lending circles demonstrably help financially excluded communities meet short term credit needs and build credit while also becoming visible, active, and successful participants in the U.S. financial mainstream:

On average, lending circle participants leverage the funds and support they receive to increase their credit scores by 168 points and to reduce their debt burdens by over \$1000.¹

In a companion study simultaneously conducted by SFSUCCI, Replicating Lending Circles: Lessons Learned from Five Bay Area Communities, the researchers found that the Lending Circles program has similar results with a wide range of communities and organizations. Specifically:

Those who participated in financial education increased their scores by an additional 27 points.²

To Learn More:

Learn more about MAF and Lending Circles by visiting:

missionassetfund.org

¹ <https://missionassetfund.org/wp-content/uploads/Eval-short-web-FINAL.pdf>. Note: in this study's case, the average credit score increase of 168 points averages both those who started without a credit score and went on to establish one as well as those who started with a score and saw a more incremental increase.

² <https://missionassetfund.org/wp-content/uploads/Repli-short-web-FINAL.pdf>

Credit Building Products and Strategies

Case study: Rent Reporting for Credit Building



The Provider:

CHN is a large-scale affordable housing developer and housing service provider that works with its partners to solve major housing challenges for low-income people and underserved communities. We partner with cities and organizations to deliver housing solutions for their constituents. We partner with utility companies, financial institutions, and public agencies to manage and deliver large-scale housing resources to the community. We partner with people—low-income individuals, families, seniors, the disabled and the homeless—to improve their housing stability.



We work throughout Ohio and surrounding states to preserve and expand affordable housing, build equitable communities, deepen housing affordability, and ultimately to provide a platform to break the cycle of intergenerational poverty.

Since 1981, CHN has developed over 5,000 homes, helped more than 2,300 low-income families to achieve home ownership, and made \$700 million in capital investments to improve the quality of housing for thousands of struggling families. Each year, CHN serves 30,000 families in affordable housing & home ownership, counseling & education, energy conservation & weatherization, and safety nets and supports. CHN's flagship program, Lease Purchase, allows low-income families to lease a home at an affordable rate with the opportunity to purchase after 15 years. Today, Lease Purchase is replicated across the nation as one of the most successful home ownership programs for low-income families.

The Product:

Rent Reporting for Credit Building

Target Market:

Residents with thin or poor credit histories involved in CHN's Family Success Program. CHN's Family Success Team's mission is to advocate the success of each resident by meeting them along their path through the Lease Purchase program, understanding their needs as families, and connecting them with training, education, and community resources to enhance their health, wealth, and employability. Residents that are within 5 years of being eligible to purchase their homes are automatically enrolled into the program.

Credit Building Products and Strategies

Case study: Rent Reporting for Credit Building



Program Overview:

CHN applied and became credentialed to report rental data directly to Experian RentBureau in early 2013. CHN residents can choose to opt-in to the rent reporting program.

- Reporting Relationship(s): CHN reports to Experian through Experian RentBureau. CHN is tracking and considering opportunities to report to other major credit bureaus.
- Outreach and Education: Rent reporting enrollment/opt-in is part of the lease renewal process for Family Success participants. CHN's Lease Purchase program residents are required to renew their lease every six months while participating in financial counseling. Incorporating the rent reporting opt-in into this required resident touch point was identified by CHN resident services and property management staff as an efficient and effective mechanism for achieving a high level of resident participation.

Additional Information:

CHN is expanding its financial counseling from its Family Success participants to the general population, starting when they sign their first lease. CHN encourages residents to deeply engage in the one-on-one financial coaching it offer, as well as a host of other asset building programs, in order to translate improved credit history, rental payment history, and financial capability. CHN closely monitors the progress of Family Success Program participants and creates responsive programming to meet the needs and help participants overcome financial barriers to purchasing their home and becoming financially self-sufficient.

To Learn More:

Learn more about CHN by visiting
www.chnhousingpartners.org

Credit Building Program Models

Case study: Through Partnership



The provider:

Guidewell Financial Solutions, a national, nonprofit agency offering credit, housing, bankruptcy and student loan counseling, debt management, and financial education.



The partner:

Justine PETERSEN, a nonprofit organization that works nationally to help consumers build their credit and pay down collections. It partners with other nonprofits like Guidewell Financial Solutions through its Credit Building Nations initiative to offer clients the Save2Build loan.

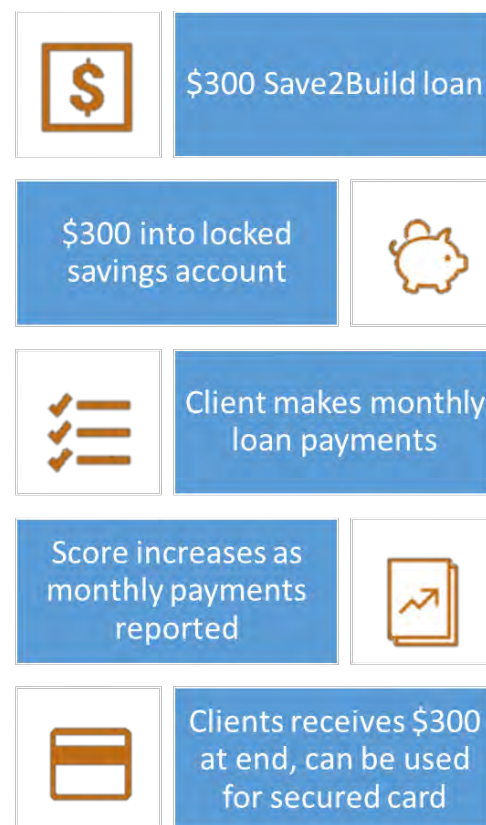


Overview:

Many not-for-profit organizations like Guidewell Financial Solutions are interested in providing credit building products to meet a clear need in the community for those with thin or invisible credit files and/or poor credit. However, these organizations may at the same time be constrained due to regulatory barriers, lack of lending or processing experience, and staffing resources.

Justine PETERSEN launched Credit Building Nation – a partnership model with other nonprofit organizations to expand credit building across the country – to address the lack of access to credit building products in other geographic markets.

Guidewell Financial Solutions joined Credit Building Nation in 2016 and since that time has really embraced the credit-building approach to financial capability counseling, while also integrating the Save2Build program (see diagram on right) into its ongoing operations.



Credit Building Program Models

Case study: Through Partnership



Why this approach?

Guidewell Financial Solutions recognizes the value of credit building and is able to incorporate tangible credit building strategies in to its array of services without significantly disrupting their core business model. Additionally, Guidewell does not have to send clients to a different institution for credit building loans. This contributes to a more seamless and holistic experience for clients.

What makes this model successful:

The combination of Guidewell's commitment to credit building as a financial capability strategy and **Justine PETERSEN's** strong track record and proven model make for an effective and efficient partnership.

To learn more:

Find out more about Justine PETERSEN's Credit Building Nation initiative by visiting:
www.creditbuildingnation.org

Find out more about Guidewell Financial Solutions by visiting:
www.guidewellfs.org

Credit Building Program Models

Case study: Offering products in-house



The provider:

The Kentucky Coalition Against Domestic Violence (KCADV) provides a strong, statewide voice on behalf of survivors and their children. KCADV administers \$9.5 million in state and federal funds to its 15 member programs, runs a Certification Program for all domestic violence program staff including 30 hours of classroom instruction, and operates an Economic Empowerment Program serving survivors across the state. KCADV also advocates on domestic violence-related issues at the state and federal levels, coordinates an annual conference with the Kentucky Association of Sexual Assault programs, and provides resources, training, and technical assistance to its member programs.



Overview:

A lack of financial stability is one of the biggest deterrents for women who are considering leaving an abusive relationship. Leaving the economic security of a home, income, and benefits is more than many survivors of domestic violence can fathom – especially if they have children. In 2002, KCADV's **Economic Empowerment Program** took root when the directors of KCADV's 15 member programs identified helping survivors become economically self-sufficient as a top priority.

Today KCADV offers two microloans. KCADV reports loan data through CBA to the credit bureaus:

- Secured microloan using Individual Development Account (IDA) match as security – report payments to build credit and if for some reason the borrower can't repay the loan, the match is used to collateralize the balance.
- Because not everyone wants or needs an IDA, KCADV also offers an unsecured microloan program, which started in 2013, that is between \$300 and \$500, paid back over 12 months at 0% interest.

Why this approach?

KCADV is a trail blazer in this arena and is one of the first CBA members to leverage its IDA program to help clients build credit with a lending product; the successes they have seen have been tremendous.

Historically, KCADV was primarily focused on safety planning, crisis management and legal advocacy for survivors across Kentucky. In 2004, KCADV started to recognize need for economic justice through coalition efforts, noting that the #1 reason that people stay with or go back to abusive situations -- is financial dependence

Today, economic justice is part of their program and advocates start working with clients as soon as they come into shelter by offering a menu of services (an idea suggested by a survivor) including IDAs, microloans, and emergency assistance to help folks take control of finances.

Credit Building Program Models

Case study: Offering products in-house



This approach started with an AFI grant for traditional IDAs but KCADV realized that one of the biggest needs for survivors in Kentucky is viable transportation. So they applied to the Allstate Foundation for a grant to start a Car IDA Program in 2009.

They then took that IDA programming to another level by adding microloans. At first, the unsecured loan program helped non-IDA savers also have access to credit building. KCADV then ultimately recognized the need for credit building and developed the first secured loan program to help IDA savers who were on the home ownership track build credit scores to a level necessary to qualify for a mortgage loan.

What makes this model successful?

- Microloans are an excellent asset for KCADV because they see credit building and the need for transportation as critical components to meet client needs – and can do both simultaneously!
- KCADV works with community partners to avoid duplication of services and leverage core competencies for financial capability.
- KCADV has built internal knowledge and skills in order to help clients make most informed decisions.
- Diversity in funding base is important – KCADV approached banks for startup money and keep it going by recycling repaid loans.
- KCADV tracks credit score increases and work with clients to leverage improvements – they have seen jumps as high as 100 points!

To learn more

Learn more about KCADV by visiting
www.kcadv.org

Credit Product Analysis and Prioritization

Strategy/Product	Delivery Mechanism	Ideal Credit Profile	Pros	Limitations	Priority Rank & Reason
# 1: Credit Builder Loans with appropriate companion coaching	Product: Credit Unions (Metro CU) and nondepository nonprofits Service: Coaching	<ul style="list-style-type: none"> ■ Invisibles ■ Thin File ■ Some low score (if not in crisis, and can make payments on time) 	<ul style="list-style-type: none"> ■ Scalable ■ Payments generally small ■ Safe for lender & client 	<ul style="list-style-type: none"> ■ Client ideally would be goal oriented ■ Loss leader products ■ If offered by a CU, client may have to be able to become a member (could be issue for some folks in ChexSystems) 	<ul style="list-style-type: none"> ■ Already exist in the community ■ Models for leveraging CU loans for different populations exist ■ Great product for motivated individuals with ability to make payments
#2: Secured Credit Cards with companion coaching	CUs & Banks Coaching thru FOCs, Working Credit for employers, Midas remotely	<ul style="list-style-type: none"> ■ Invisibles ■ Thin File ■ Low score 	<ul style="list-style-type: none"> ■ Scalable ■ Revolving is the best product for building credit ■ Could be a natural follow-on from credit builder loans 	<ul style="list-style-type: none"> ■ Must meet eligibility criteria ■ Fees/interest rates ■ Need deposit funds ■ Coaching required to ensure credit utilization ratios kept low 	<ul style="list-style-type: none"> ■ Already exist in the community ■ Great product for motivated individuals but more complex to manage
# 3: Rent Reporting	Responsible landlords, particularly those with publicly supported units	<ul style="list-style-type: none"> ■ Invisibles ■ Thin File ■ Low Score 	<ul style="list-style-type: none"> ■ Highest for scalability ■ No underwriting ■ No need to incur debt 	<ul style="list-style-type: none"> ■ Only for renters ■ May be heavy initial lift to get landlords on board. Credit bureaus are years away from developing systems 	<ul style="list-style-type: none"> ■ Great potential but not yet widely used—this happening at state level with Sen. Eldridge's bill & at national level through CBA
#4: LISC Twin Accts and/or Working Credit NFP CW-3	Financial opportunity centers Employers	<ul style="list-style-type: none"> ■ Invisibles ■ Thin File ■ Some low score 	<ul style="list-style-type: none"> ■ Good outcome data in models ■ Benefits for clients if matched ■ Expert credit building training for in place 	<ul style="list-style-type: none"> ■ Limited scale. Twin Accts ■ Working Credit: Need employers onboard for match ■ \$420/participant costs, high price to scale 	<ul style="list-style-type: none"> ■ Clear benefits with additional incentives ■ Great product for motivated individuals
#5: Micro-enterprise loans	Nonprofits/banks/CUs	<ul style="list-style-type: none"> ■ Thin File ■ Some low score 	<ul style="list-style-type: none"> ■ Somewhat scalable ■ Great way to build credit and achieve a specific goal 	<ul style="list-style-type: none"> ■ Limited purpose ■ Lots of work and credit building is often just an add-on ■ Banks have tight underwriting 	<ul style="list-style-type: none"> ■ These already exist in the community but challenge with scale and need buy in by creditor to commit to credit building component
#6: Lending Circles	Nonprofits serving immigrant communities from countries with a history of the approach	<ul style="list-style-type: none"> ■ Invisibles ■ Thin File ■ Low Score 	<ul style="list-style-type: none"> ■ Do not need loan capital ■ Back end services available (e.g. Mission Asset Fund) ■ Culturally competent and multi-purpose 	<ul style="list-style-type: none"> ■ Little evidence of scaling nationally ■ Outcome data on effectiveness limited ■ Lots of work and nonprofits need funding to sustain* 	<ul style="list-style-type: none"> ■ Focus groups reflect desire for this but skewed by connection to provider ■ Strong model but scalability is a challenge

Strategy Options by User Profile

What	Credit Crisis (low score)	Credit Rebuilding (low score)	New immigrant (invisible or thin file)	US-born young person (invisible or thin file)	Credit enhancement (fair to good score)
Campaign messages	<p>Get help with your debt. Avoid debt collection abuses, debt relief scams</p> <p>Get help. (UW 211 portal, referrals to public & private services via Midas coaches) Subject Matter Expert</p>	<p>5 Factors that contribute to credit scores</p> <p>Know your score</p>	<p>The importance of credit scores in the US</p> <p>5 Factors that contribute to credit scores</p> <p>Know your score</p>	<p>The importance of credit scores in the US</p> <p>5 Factors that contribute to credit scores</p> <p>Know your score</p>	<p>5 Factors that contribute to credit scores</p> <p>Leveraging your credit score for better terms</p> <p>Know your score</p>
Products	Debt consolidation loans	Rehabilitate delinquent accounts not yet in collections, debt consolidation loans that report to bureaus	Credit Builder loans, lending circles, secured credit cards, Rent Reporting	Credit builder loans, secured cards, Rent Reporting; co-signatory	Explore need for mix of product types
Services	Credit counseling, mentoring, public benefits screening, possible bankruptcy, legal assistance	Credit counseling and mentoring	Credit coaching. Language specific	Credit coaching, social media, texting, online resources	Online financial education, social media, credit coaching (including remote)
Services	Peer support groups	Peer support groups	Peer support groups	Peer support groups	Workshops on individual topics (e.g., homebuying)

KEY METRICS WITH RATIONALE

BBC will rely on the following framework, developed by Working Credit NFP in 2016 to assess the impact of its work-place based credit building program:

BBC Participant Financial Health	Results (n=7000)		
	After 6 Months of Counseling	After 12 Months of Counseling	After 18 Months of Counseling
<p>1) Change in # of participants with prime credit scores (at least 660)</p> <p>Rationale: BBC values all increases in credit score, but we recognize that it's only with a prime credit score that residents can access 1) good interest rates and terms on financial products and services, including mortgages, 2) better quality rental housing, and 3) the many jobs for which employers check credit.</p>	Increase from Baseline: 15%	Increase from Baseline: 20%	Increase from Baseline: 25%
<p>2) Change in # of participants who have access to at least \$500 in available credit at all times</p> <p>Rationale: BBC agrees that having emergency savings is important, but we also see that if and when the cost of an emergency exceeds the amount saved, residents have to be able to make up the difference - without borrowing from high-priced predatory lenders. Many Boston residents don't have credit cards, or have credit cards that are maxed out and can't be used. For both groups, BBC starts by sharing best practices in credit card use (e.g., keeping the amount of credit used below 30% at all times), and then encourages residents to maintain at least \$500 in available credit at any given time, so they can recover quickly and</p>	Increase from Baseline: 5%	Increase from Baseline: 15%	Increase from Baseline: 25%
<p>3) #/% of clients who improve their credit scores over time</p> <p>Rationale: This is an important metric, as it shows that the credit score is moving in the right direction.</p>	Increase from Baseline: 60%	Increase from Baseline: 65%	Increase from Baseline: 70%
<p>4) Change in # of participants enrolled in an automatic savings products</p> <p>Rationale: While good credit is important to financial health, it doesn't take the place of a cushion of savings, both for emergencies and for retirement. BBC will track whether the resident has established a practice of regular saving by enrolling in an automated savings product (e.g., a 401k, a 403b, or direct deposit from a checking account into a savings account).</p>	Increase from Baseline: TBD		

Inputs	Results (n=7000)
<p>5) # of residents who participate in a credit building workshop</p> <p>Rationale: One-hour credit building workshops will be offered at multiple locations throughout the city. These workshops will be the front-door for the initiative and will provide consumers with valuable and actionable information about why credit is important and actions needed to improve credit.</p>	7000
<p>6) # of residents who participate in one-on one financial and credit coaching</p> <p>Rationale: One-on-one financial and credit coaching is a client-driven approach that has been shown to help clients to improve credit scores. Credit coaching includes developing a credit building goal plan, reviewing the client's credit report, identifying and fixing errors in the credit report and helping the client to use or enroll in new credit products.</p>	5000
<p>7) # of Credit Building Action Plans Established</p> <p>Rationale: Creating a credit action plan helps clients to establish clear credit goals and stay on track toward those goals over time. The financial or credit coach can use this action plan to hold the client accountable for action steps taken between meetings and to assess whether the client is making progress toward both short- and long-term goals</p>	4750

SAMPLE TIMELINE

BOSTON BUILDS CREDIT IMPLEMENTATION PLAN - 2017-2020 – CITYWIDE EFFORT

[illegible]



PUTTING IT INTO PRACTICE

PLANNING AID 1

Identify the Need and Value Proposition for Credit Building

1 *Identify the Underlying Issue(s) that You Are Hoping to Address*

In Boston, there is an explicit acknowledgment that centuries of structural racism have produced extreme disparities in wealth accrual among families of color, and that credit-building is a targeted strategy to open up doors to asset building opportunities from which families of color have been historically excluded. For your locality the primary challenge might be the same or something more narrowly or broadly defined. Below we provide examples of issues (many of which are also highly interconnected) that may be present in your community. Choose which ones resonate most, or add your own.

What credit related issues do you hope to address in your community?

- ☐ Racial wealth gap
- ☐ Low homeownership rates
- ☐ High-debt burdens
- ☐ Predatory lending
- ☐ Banking deserts
- ☐ Other, please describe:

2 *Document Your Community's Credit Profiles*

Once you have identified the underlying issue that you are hoping to address, it is important to gather information about the credit profiles (or lack thereof!) of those whom you hope to serve and to make the link between how improved credit profiles will benefit them and the larger community as a whole.

2A Gather Data on Credit Trends

Using some of the sources listed below and others, specific to your community, make a case for pursuing a municipality-wide credit building strategy. Here are some suggested preliminary data points to collect (if possible):

- ✓ Number of residents in your locality
- ✓ Target populations that are typically underserved in your community
- ✓ Number/percentage of residents that fall in the following credit score risk tiers:
 - No score
 - Subprime credit score
 - Prime score
- ✓ Geographical differences in credit scores
- ✓ Demographic differences in credit scores
- ✓ Areas in which there are clusters of predatory lenders
- ✓ The cost of poor credit in your area (for example: the cost of a car loan in your locality by risk tier)

What other data sources do you know of that will help you make your case?

Go-To Credit Data Resources

- **Consumer Financial Protection Bureau:**
 - **"Building Credit at the Local Level,"**
<https://www.consumerfinance.gov/about-us/blog/building-credit-local-level/>
 - **"Data Point: Credit Invisibles."**
<https://www.consumerfinance.gov/data-research/research-reports/data-point-credit-invisibles/>
- **National Community Reinvestment Coalition: Banking Deserts in America**
<http://maps.ncrc.org/bankdeserts/index.html>
- **New York Federal Reserve:**
 - **Community Credit Data**
<https://www.newyorkfed.org/data-and-statistics/data-visualization/community-credit-profiles/>
 - **Household Debt and Credit**
<https://www.newyorkfed.org/microeconomics/hhdc/background.html>
 - **Center for Microeconomic Data**
<https://www.newyorkfed.org/microeconomics>
- **Prosperity Now's Scorecard**
<https://scorecard.prosperitynow.org/>

2B *Outline a Community Credit Profile*

Using the data you have identified, lay out what you know already about the credit profiles in your community.

What do credit profiles in my community look like?

No credit history/score

Poor credit history and score

Geographical differences

Demographic differences

What else do you know?

What else would you like to find out?

3 *Show How Credit Building Can Make a Difference*

You've identified the need, and have some preliminary data to tie it back to credit. Now is the time to articulate the need for a credit building initiative in your community. If you don't have detailed data on your area yet, use national trends to make the case. The Feasibility Section (Step 3) will help you delve into these questions further. You can use CBA's Credit Building Primer (page 11) as a start and then adapt and add in local information based on information you find using the sources above and others.

How can credit building help address the challenges identified above?



PUTTING IT INTO PRACTICE

PLANNING AID 2

Align and Operationalize Key Stakeholders

1 *Establish the Core Leadership Team*

Who in your community is prepared and willing to lead a locality-wide credit building initiative?

	Public champion	Community based stakeholders	Philanthropic partner
Description	Support from and pulpit of senior elected official	Community organization lead(s) offering economic and/or community development in the form of Community organizing Project management including performance management. Credit building and/or related subject matter expertise Capacity Building and Professional Development Cultural representation and expertise	Early funder/resource investor and willing to bring in others
BBC Lead	OFE	OFE United Way LISC	United Way
In your community			

2 Create a Shared Vision

Look back at the underlying issue you are seeking to address and your statement on how credit-building can make a difference (Tool 1). Use these as a basis to create a vision for success with your core team. Think about:

- If you tackle your identified problem, how will things be different?
- What does success look like?
- Who will be impacted and how?

Example vision:

Every Boston resident has the skills and knowledge to effectively manage credit and achieve a prime credit score (660+) that can be leveraged to achieve their goals.

Your vision:

3 Identify Important Strategic Partners

Start with the obvious players needed to drive the movement forward. As your initiative develops, you can continually add stakeholders into the fold. Consider:

- Who isn't at the table right now but should be? This could include:
 - Clients, residents, and people with lived experience
 - Communities of color
 - Leaders in financial capability and credit building
 - Organizations with cultural expertise
 - Organizations offering supportive services
 - And, more!
- Who are the key partners of the leadership team already working with?
- Who in the community must be on-board to influence others?
- What organizations are already working together to serve the target populations?
- Who might be able to seed initial funding for the initiative?

Additionally, are you able to provide resources to make it more feasible for a partner or individual to join the initiative? Examples include stipends for community members to sit on advisory boards, or small grants to non-profit partners to compensate their time.

Stakeholder/ Organization	Who will contact them?	What resources may make participation more feasible?	What is their connection to the work or other partners?

4 Hone Your Pitch to Solicit Partner Buy-in

You can use the sample one pager in Appendix 2 and review BBC's two-pager (Appendix 3) as a starting point for informational material that you can use to outreach about your initiative. As you have meetings with different partners it will be helpful to refine your pitch for different partners. You can group partners by category to make this easier, or craft a customized pitch for each.

Stakeholder	What motivates them/their work?	How might this initiative complement and further their work?	What's your ask?
Ex: Community members, large employers, funders	Ex: resilient communities, productive employees, tangible outcomes	Ex: More access to resources for neighborhood/worker stability, includes other agencies they funded	Ex: Be part of our design team to give feedback along the way, let us pilot a credit-building strategy at your site, provide seed funding for the initiative



PUTTING IT INTO PRACTICE

PLANNING AID 3

Conduct a Feasibility Study

The feasibility study ideally takes a deep dive into four levels of information:

- 1) Local community credit profile data and trends;
- 2) Qualitative research on community credit needs and preferences
- 3) A landscape analysis of promising credit building products and services already being offered in the community
- 4) Analysis of resource/service gaps in the community that can be addressed (and prioritized) by the initiative

This information is pieced together to create a series of recommendations for implementing the initiative. Below, we provide guidance for each category of research as well as considerations for developing your own set of recommendations.

1 *Collect Qualitative and Quantitative Data*

1A *Quantitative Data*

Refer back to Planning Aid 1. What data do already have on credit in your community?
What would you like to know?

Data Point Wish List	Potential Sources
Ex: Renters with no or low credit scores	Large housing providers
Ex: Geographic differences in credit scores	Federal Reserve; one of the credit bureaus

Resources for Conducting Community Based Qualitative Research

- **IDEO Interview and Prototyping guides:**
<http://www.designkit.org/methods>
- **Guidelines for planning and conducting a focus group:**
<https://www.bc.edu/content/dam/files/offices/vpsa/pdf/assessment/focus.pdf>
<https://www.eiu.edu/ihec/Krueger-FocusGroupInterviews.pdf>
- **Community ToolBox's Chapter on "Conducting Needs Assessment Surveys"**
<https://ctb.ku.edu/en/table-of-contents/assessment/assessing-community-needs-and-resources/conducting-needs-assessment-surveys/main;and>
- **University of Wisconsin Extension's "Questionnaire Design: Asking questions with a purpose"**
<https://learningstore.uwex.edu/Assets/pdfs/G3658-02.pdf>

1B Qualitative Data

When it comes to qualitative data collection, first-hand accounts from consumers and practitioners can bridge the gap between research and reality and is critical to developing a program that reflects community needs. Below we document Boston's process for collecting qualitative data in their community. This can serve as a basis for the development of your own research design. In addition, it's important to note that qualitative research did not stop with the feasibility study. As BBC continues to develop and hone its strategies it is continually seeking feedback through interviews, surveys, and focus groups.

Considerations for conducting interviews and focus groups:

- What does the data tell you about potential target populations? How will you use this to determine the demographic make-up of your participants?
- What gaps in your research data do you hope to uncover?
- What partners in your community have trusted relationships with your target populations? How can they help you recruit participants?
- How will you make participants feel comfortable and compensated for their time? (Consider language, gender of facilitator, location of focus group, time that it's held, etc.). Can you offer an incentive, child care, and food? Can you send materials to participants ahead of time so they are clear on what is being asked of them?

- What will the focus of your session be? You can use these sessions to understand participant behaviors or to co-create and brainstorm with participants (or both!).
- Regardless of the focus, how can you design the focus group to be participatory rather than extractive? Consider using IDEO's Human Centered Design Toolkit tools on the ideation phase including their interview and prototyping guides.
- How will you document the feedback from your focus group? (A note taker, photo captures, visuals?)
- How will you close the loop with your focus group to share how their feedback was incorporated?

2 Identify Promising Products

Key Characteristics of Good Credit Building Products

Many credit building products are starter products: small dollar loans that last for a few months or a year, or secured credit cards with low rates and security deposit requirements. These products are often beneficial for those who are both new to credit or working to rebuild credit. They often have graduation features that let individuals transition into a more traditional credit product such as a mortgage or a no-fee, low-interest unsecured credit card, after they have used the starter product successfully. On the next page we provide a matrix of questions to ask when reviewing and assessing potential products.



FINANCIAL INSTITUTION PRODUCT RESEARCH TEMPLATE

Financial Institution	Product Name	Product Type	Report to Credit Bureau?	Score impacted	Underwriting Criteria/Affordability	Loan Amount	Loan Term	Interest Rate	Fees	How to "Graduate"/ Customer Support	Associated Financial Education	Advertising/ Marketing
Example: My Community Credit Union	My First Credit Card	Secured, revolving	Yes- all three	Vantage 2.0+ FICO 4 +	Need to put \$150 down to secure the card	Up to \$150	No limit	0%	\$5 one-time fee for Credit Union membership	1 year of responsible use, graduate to unsecured credit card	Financial education classes at branches or online app	Described on website

3 Map the Universe of Opportunity

3A Start with Existing Services

First consider the organizations that are already bought in to credit building and will be a natural fit for the initiative. Some of these organizations may already be at the table. These organizations include those that provide:

- Financial education workshops
- Financial coaching
- Homeownership counseling
- Small business development
- Non-profit credit counseling agencies
- Microlending
- Individual Development Accounts (or other incentivized savings programs)
- Free tax preparation
- Student debt counseling

3B Think about Stakeholders Adjacent to Credit Building

These could be entities that are part of the mainstream financial sector, and those that can easily reach your target populations. When conducting the landscape analysis, community asset mapping, or stakeholder inventory (whatever you choose to call it!) consider the different roles that each stakeholder can play:

Capacity Builder can provide funding, training, data and other resources to support the overall initiatives efforts

Convener: has the capacity (space, coordination staff, relationships) to bring key stakeholders together to create buy-in, solicit feedback, and/or design and plan for implementation.

Data Collector can access and/or analyze data to shape the direction of efforts and show impact

Distribution Channel: has natural touch points or ways of reaching and/or communicating with a target population

Financial Product Provider: already has the infrastructure to offer credit building financial products

Service Provider: already provides support services to the target population that may or may not be related to their credit

Subject Matter Expert: has relevant expertise, be it cultural, population specific, financial, etc., that can shape service and product design

MAPPING THE UNIVERSE OF OPPORTUNITY

Stakeholder Group	Potential Roles	Sample Organizations	In Your Community
Community-Based Organizations	Convener Data Collector Distribution Channel Financial Product Provider Service Provider Subject Matter Expert	United Way Financial Capability/ Asset Building Organizations Community Development Financial Institutions Free tax preparation agencies Social service organizations Population specific organizations Affordable Housing Providers	
Public Sector	Community based service provider Convener Data Collector Distribution Channel Subject Matter Expert	Workforce Development Office of Financial Empowerment Other City Agencies Housing Authorities State agencies	
Philanthropy	Capacity Builders Conveners	Foundations Banks Private donors United Way	
Community Members/Groups	Convener Distribution Channel Subject Matter Expert	Community members, people with lived experience Community coalitions Neighborhood groups	
Research and Academic Institutions	Data Collectors Subject Matter Expertise	Universities/Colleges Think Tanks Federal Reserve	
Networks, Coalitions, & Associations	Capacity Builders Conveners Distribution Channel Subject Matter Experts	Credit Builders Alliance Bank On Coalitions Cities for Financial Empowerment Cultural Associations (NALCAB, NCAPCD, etc.) CFPB	
Financial Institutions	Capacity Builders Data Collectors Distribution Channel Financial Product Providers Subject Matter Expertise	Credit Unions Banks Fintech companies Credit Bureaus & Reporting Agencies	
Private Sector (non-financial)	Capacity Builders Distribution Channel Subject Matter Expertise	Employers (large institutions, large employers of low- moderate wage workers, small business owners, etc.)	

4 *Identify Gaps in the Landscape*

Identifying the universe of opportunity can be an expansive exercise that allows you to think big and envision tenets of your initiative reaching people through diverse entities across your region. This process may uncover glaring gaps, or those gaps may be more subtle. Using the landscape analysis as well as feedback from qualitative data, consider:

- What do residents and members of priority populations identify as the biggest gaps? (Think back to your focus groups)
- Are there “financial capability deserts” (a lack of social service and/or financial product providers in specific geographical areas)? Do these areas overlay with low-income or priority population residents?
 - Checking accounts
 - Debt remediation products
 - Financial coaching
 - Financial education workshops
 - Free tax preparation
 - Homeownership counseling
 - Income advance loans
 - Lending circles
 - Matched savings
 - Rent reporting
 - Secured cards
 - Short-term installment loans
 - Small business loans
 - Student debt counseling
 - Other, describe:
- Are there gaps in certain types of services or products that are in demand?
- Are there instances in which the services, products, or infrastructure exist but aren’t accessible to your target populations (in terms of hours, location, eligibility criteria, etc.)
- Are there instances in which the services, products, or infrastructure exist but the services are not being fully utilized by those that need them?
- Among existing financial capability providers, is there capacity to serve more community members? Are there professional development needs?
- Are there certain areas that need more funding than others?

5 Develop Recommendations

After collecting information throughout the feasibility study, it's time to translate your findings into a preliminary blueprint for action. The BBC feasibility study recommended key strategies for engaging residents in credit building, products that would fit best within the Boston context, distribution channels for disseminating these strategies, and tiers of interventions for meeting the different needs of specific populations. Below we provide a diagram that charts BBC's multipronged strategy and we provide guidance for developing your own. Appendix G has sample recommendations from the BBC study.

STRATEGIES FOR MEETING THE NEEDS OF SPECIFIC POPULATIONS

Populations	Best Fit Products and Services	Promising distribution channels	Gaps in addressing population needs	Level of effort needed for implementation
Example: New Immigrants	Ex: Credit Builder loans, lending circles, secured credit cards, Rent Reporting	Ex: Peer groups, social service agencies, housing providers	Ex: Language proficiency of providers, interest free products	Ex: High (with high impact)
Priority population #1				
Priority population #2				
Priority population #3				
Priority population #4				
Broader public				

Other considerations:

- Will you pursue a policy agenda related to credit building, financial regulation and consumer protection?
- What externally facing methods will you use to centralize the different components of the initiative?
 - A website?
 - The local 211?
 - Other?
- How will your team build its capacity to operationalize your recommendations in a business plan, address gaps in your community, and eventually execute your ideas? Think about:
 - Staffing
 - Timeline for creating a business plan
 - Frequency of meeting with partners
 - Aligning partner goals with initiative goals
 - Other?
- How will you continue to embrace elements of human-centered design and racial equity in your processes, continue learning as you implement, centering the ideas and feedback of those you plan to serve – particularly your priority populations?
 - How will you continue to prioritize racial equity within the leadership team?
 - How will you prioritize this through your work with partners?
 - How will you build in mechanisms that keep you accountable to residents?



PUTTING IT INTO PRACTICE

PLANNING AID 4

Show Early Evidence of Success

Here are some considerations for taking action to show early evidence of success:

- What research institutions can you partner with?
- What interventions will you evaluate?
 - What programs seem impactful?
 - What new programs seem promising?
 - What programs/partners may be conducive to the parameters of a randomized control trial?
 - What might be evaluated over a relatively short time frame (6 months to a year)
- What other ways (besides a research study) can you share information about incremental success?
- How will you utilize and showcase your findings?



PUTTING IT INTO PRACTICE

PLANNING AID 5

Creating a Business Plan

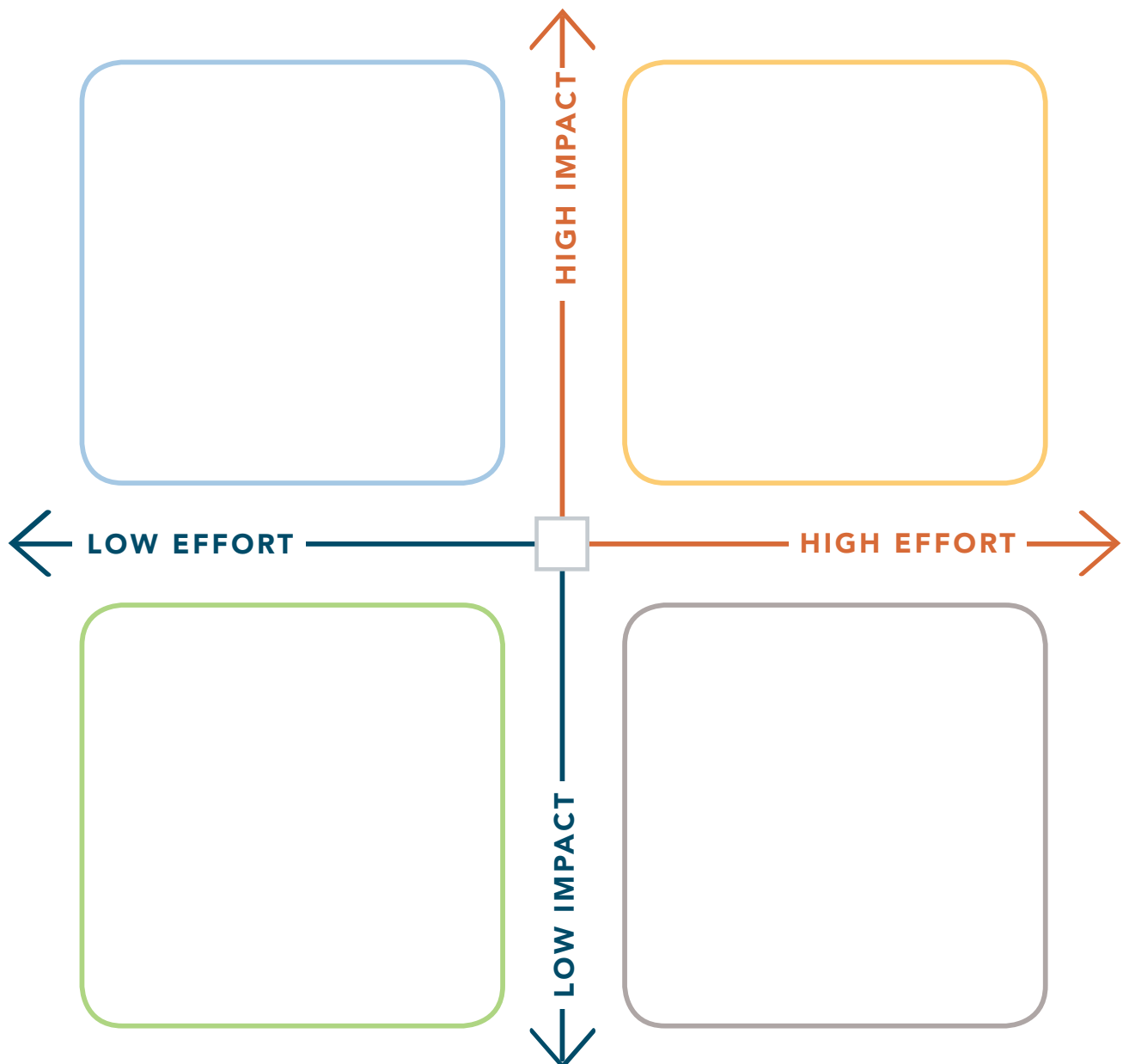
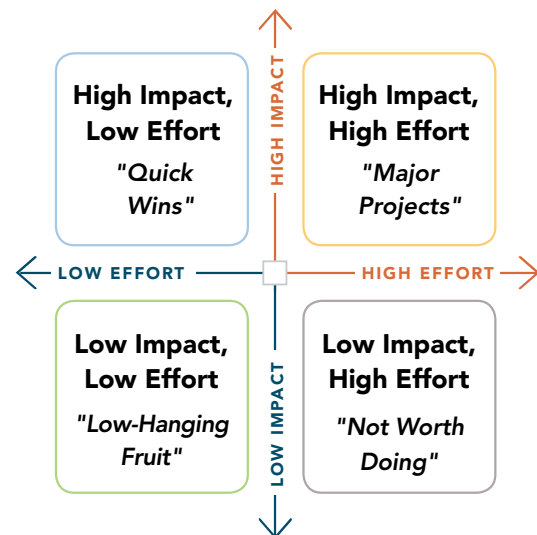
1 *Gather Your Team*

When developing the business plan, this is a good time to revisit elements of human centered design and racial equity, to ensure that your efforts continue centering those you want to reach and create systems that will keep your initiative accountable to those people moving forward. Consider:

- Will you use an outside consultant to guide your team through the business planning process?
 - If so, how will you select the consultant? Does this consultant have expertise in human centered design and racial equity?
- Who will be at the business planning table?
 - How can you continue to include partners, community members, and other stakeholders in a meaningful way in order to continue centering those you want to reach?

2 Prioritize Strategies to Include in Your Plan

Many nonprofits use the “matrix map” or an impact to effort framework to prioritize strategies. This involves plotting your strategies with of level of impact on one axis, and effort and/or resources needed for implementation on the other. This can help you think about which strategies you want to prioritize within your business plan and implementation timeline.



3 *Don't Recreate the Wheel! Review Example Business Plans*

Below is a link to BBC's Business plan and other business planning resources geared towards nonprofit initiatives. Start envisioning the structure of your business plan based on these examples.

What do you like and dislike about these examples?

LIKE (+)	DISLIKE (-)

Sample Nonprofit Business Plans and Resources:

- **BBC's Business Plan:**
https://unitedwaymassbay.org/wp-content/uploads/2018/10/Boston_Builds_Credit_Proposal.pdf
- **National Council of Nonprofits: Business Planning for Nonprofits:**
<https://www.councilofnonprofits.org/tools-resources/business-planning-nonprofits>
- **Donorbox.org: Nonprofit Business Plan Template**
https://docs.google.com/document/d/1osCLHpHqcBYk7hUb4c_36_96liOBEalPWz3Bwuota3Q/edit

4 *Make the Plan Your Own*

Using the BBC business plan as a template, below we provide an annotated outline of their business plan and some prompting questions and/or considerations for developing one of your own. Pick and choose which sections work for your community—not all of them will make sense to incorporate, as your credit building initiative may employ different strategies.

As mentioned above, since creating this business plan, BBC's strategies have shifted and wouldn't necessarily be categorized in the same way. This emphasizes the importance of creating a living business plan that can be tweaked, adapted, and updated over time.

BBC BUSINESS PLAN OUTLINE & GUIDING QUESTIONS

Prompting Questions/ Considerations	My Plan: Notes on what to include, add, and adapt
<p>Background and Purpose</p> <ul style="list-style-type: none"> ■ Use ideas developed in Step One: Identify the Need and Value Proposition and some of the credit building text from that section to make the case here. ■ Share your overall vision for the initiative. 	
<p>Methodology and Findings</p> <ul style="list-style-type: none"> ■ Describe the methodologies, findings, and recommendations from your feasibility study (Step 3). ■ Share evidence of success from existing programs and research (Step 4). ■ Articulate the overall structure and pillars of your citywide strategy. How will this structure build on existing efforts? How will it address gaps? 	
<p>The Plan: A Citywide Effort</p> <p>Take a deep dive into the different strategies, channels, and approaches you plan to take.</p> <ul style="list-style-type: none"> ■ How do each of these strategies contribute to your overall goals? ■ How do they work with each other? ■ How will you test and evaluate new strategies? ■ How might you expand existing strategies? ■ Turn your ideas into a tangible plan by adding measureable goals, milestones, and a timeline for each of your strategies. ■ Ensure that each strategy has a lead point person driving the efforts forward. 	

BBC BUSINESS PLAN OUTLINE & GUIDING QUESTIONS *cont'd*

Prompting Questions/ Considerations	My Plan: Notes on what to include, add, and adapt
<p>Effect Systems Change</p> <ul style="list-style-type: none"> ■ What system-wide changes can you pursue to address the systemic nature of credit and wealth disparities among different populations, specifically people of color? 	
<p>Track Outcomes and Evaluate Success</p> <ul style="list-style-type: none"> ■ How will you evaluate success at the client level, the program level, and a municipal-wide level? ■ What mechanisms will you use to track data from partners? Will this be required? ■ How are you building with an eye to learning from your work as you go? ■ How will you use data to improve efforts? ■ How will you share successes? 	
<p>Program Management</p> <ul style="list-style-type: none"> ■ Immediate and Additional Hires ■ Budget and Fundraising Plan ■ Implementation Timeline ■ Other operational considerations 	
<p>Ensure Sustainability of the Initiative</p> <ul style="list-style-type: none"> ■ How will you continue to fund the initiative? ■ What is the plan to scale the initiative and individual strategies within the initiative? ■ How often will you revisit your business plan? 	

5 *Share Your Plan with the World*

Ensure that your business plan won't just sit on a shelf and collect dust. Think about how you will share your plan to solicit more buy-in in the initiative, funding, and/or to raise awareness about your ongoing efforts!

How will you share your business plan with...

Partners:

Community members:

Funders:

Media:

Others?



**Boston
Builds
Credit**



Credit Builders
ALLIANCE