



April 2014

The Power of Credit - A Needed Intervention

From the desk of AFN Director, Joe Antolin

Addressing after tax income and wages as components of asset building to address the wealth gap is getting increased attention. The solutions that can change the status quo range from integrating intentional credit building into human services and education, rethinking tax policy expenditures, raising the minimum wage, and philanthropic support to scale proven strategies.

This issue kicks-off with AFN's newly released **funders brief** and **webinar**, *The Power of Credit Building* providing impactful strategies to effectively turn around the reality that low to moderate income households too often pay a penalty. In fact, Housing, Education, Workforce, and Refugee Resettlement outcomes all suffer from burdens imposed by the reliance on credit scores to determine the cost and access to the rental unit, the loan, the job, or the opportunity to participate in the economy.

The Power of Credit Building shares high impact funding strategies that inform and guide grantmakers in helping shift non-profit agencies and services to integrate and harness the power of credit to directly improve the economic opportunities and desired outcomes for individuals, families, and microbusinesses.

AFN is pleased to continue providing funders with the latest information demonstrated to help improve the outcomes for low-income individuals and families. In May, AFN will release *Financial Coaching, An Asset Building Strategy* - what it is, why it works and the results we're seeing.

Also check the update below on the progress **AFN's Tax Policy Project** is making. Join the effort by understanding and helping to educate others about tax policy reform and the difference in wealth building for low and moderate income households reform represents.

Join AFN and as an active member partner partner with your peers to learn and help define future best practices to achieve greater impact!

Funding Strategies for Grantmakers

AFN's Latest Report Shares the Asset-Building Power of Credit

New Strategy Guide released from AFN and Citi Foundation



Credit building is the foundational step for moving people from poverty to prosperity, and an effective strategy for all grantmakers interested in supporting low-income families.

AFN and Citi Foundation latest funders' brief, *The Power of Credit Building; Strategies for Funders*, authored by Credit Builders Alliance, demonstrates successful credit building programs and shares examples on how to integrate credit building into funding strategies that will result in better outcomes and return on investment.

--- Learn more about these successful funding strategies: *The Power of Credit Building; Strategies for Funders*



The Power of Credit Building

Watch the recorded webinar! On April 23, 2014, AFN and Credit Builders Alliance shared their grantmaking recommendations in their latest brief, funded by Citi Foundation. Funders interested in supporting low-income and underserved populations will benefit from learning how credit building is an important and effective asset-building strategy and the important impact credit plays on determining the well-being of families. Best practices were shared on how to increase your outcomes and improve your return on investment. To access the recorded webinar and materials, [please click here](#).

***Linking Service Delivery and Resources:
How a Baltimore Network is Building Pathways to Financial Stability***

Thursday, May 8, at 2:00 PM EST, join the Asset Funders Network, Maryland CASH Campaign (Creating Assets, Savings, and Hope), and the University of Maryland School of Social Work for a webinar to learn how a network of financial stability organizations in Baltimore is collaboratively improving the financial lives of residents by connecting through smart referrals and evidence-based training in the basics of financial social work.

Grantmakers will learn about the Financial Stability Pathway Project and hear results from a just released study demonstrating client improvements from these capacity building interventions. For more information and to register, [please click here](#).

REGISTER 

Building Assets Through the Tax Code: Proposals for Reform

Wednesday, May 21 at 2:00 EST, join the Asset Funders Network and co-hosts from across philanthropic networks for a grantmaker-only webinar that will explore ways to expand the financial security of low- and moderate-income families through reform of the U.S. tax code.

In the context of current national debates over the federal budget and deficit reduction, deliberations about ways to reform the tax code - including discussions about the cost and benefits of various tax expenditures - are underway in Congress. These discussions provide a unique window of opportunity for advocates to call for a more *inclusive, progressive, and equitable* tax code - one that provides fair benefits to all U.S. households.

Sponsored by [Asset Funders Network](#) with co-sponsors: [EITC Funders Network](#); [Funders' Network for Smart Growth and Livable Communities](#); [Grantmakers Concerned with Immigrants and Refugees](#); [Grantmakers Income Security Taskforce](#); [Grantmakers for Children, Youth and Families](#); [Neighborhood Funders Group](#); [Philanthropy New York](#); and [Workforce Matters](#).

For more information and to register, [please click here](#).

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Financial Coaching

Wednesday, June 4 at 1-2pm EST, AFN with Dr. Michael Collins from the Center for Financial Security at the University of Wisconsin will share their findings on financial coaching as a promising strategy for helping people improve their financial lives.

Coaching is no longer reserved for sports teams. Today, people are turning to coaches to improve their health, their career and their finances. Just like a fitness coach holds their clients accountable for their diet and exercise, a finance coach holds their clients accountable to sound financial management, providing them the guidance, support and motivation needed to plan for and reach their financial goals.

This webinar will provide grantmakers with a framework for differentiating financial coaching from counseling or education interventions, outline promising strategies in this relatively new field, and provide recommendations for funders interested in future investments. For more information and to register, [please click here](#).

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**AFN Tax Policy Project -
Reform Update**

Six Tax Reforms to Increase Economic Security for All

This article by Heather McCulloch, Manager of the AFN Tax Policy Project, was published on the website, [Access to Financial Security for All](#).

Tax code reforms can create an America that lives up to its promise of opportunity for all. That's the message of AFN's [Tax Policy Project](#), a new national initiative calling for a more inclusive, progressive, and equitable tax code - one that provides fair benefits for all households.

Click here to [read the article](#).

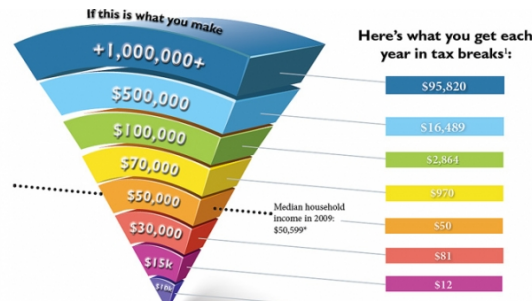
AFN Tax Policy Advisory Group Identifies Priorities and Next Steps

On March 5th, over 30 organizational members of the AFN Tax Policy Advisory Group (TPAG) met in Washington D.C. to refine policy priorities related to expanding asset-building opportunities, for lower-income households and households of color, through reform of the U.S. tax code.

The meeting was the culmination of a nine-month process, led by the AFN Tax Policy Project, resulting in shared principles, review and analysis of relevant research, assessment of policy opportunities, an agreed menu of shared policy priorities, and continuing education and engagement of funders and community and policy stakeholders.

The emerging policy agenda will be shared with AFN members in a webinar to be sponsored by the Asset Funders Network with cosponsors EITC Funders Network; Funders' Network for Smart Growth and Livable Communities; Grantmakers Concerned with Immigrants and Refugees; Grantmakers Income Security Taskforce; Grantmakers for Children, Youth & Families; Neighborhood Funders Group; Philanthropy New York, and Workforce Matters.

AFN is grateful for seed funding to support this initiative from the Annie E. Casey Foundation, the Ford Foundation, the Friedman Family Foundation, the Levi Strauss Foundation, the Marguerite Casey Foundation and the Walter & Elise Haas Fund. For more information on the Tax Policy Project, [click here](#).



NEWS FROM THE FIELD

Credit Plays Important Role in Determining Financial Security

The Game of Credit: A High Stakes Game that Perpetuates the Racial Wealth Gap

The Illinois Asset Building Group (IABG) presents: *The Game of Credit: A High Stakes Game that Perpetuates the Racial Wealth Gap*. The report finds a stark difference - well over 100 points in some cases - in credit scores and related access to opportunity in predominantly white versus predominantly minority communities in Illinois. Informed by feedback from community members and credit building experts across the state, IABG explores the challenges to building credit as well as program and policy solutions to reduce credit score disparities and the racial wealth gap.



Lending Institutions Providing Free Credit Building Tools to Consumers

CBS affiliate in Atlanta reports on how lending institutions not only provide their customers with checking account options but free credit building tools that will help rebuild consumers credit scores. [Click here to listen](#).



FIELD and Citi Foundation Release the First Brief in a Series on Credit

FIELD and the Citi Foundation released the first publication from the *Asset Building Through Credit*. The paper shares key experiences from the pilot and also identifies answers to key questions about the practice of delivering a secured card. Although the pilot tested the card with aspiring entrepreneurs, many of the issues and findings will apply to the practice of delivering a card to any low-income individual seeking to build credit.



A demonstration project working with five microenterprise programs to test the delivery of a secured card, combined with credit coaching, as a tool to help aspiring entrepreneurs build their credit and move toward their business goals.

- Download [Asset Building through Credit Pilot](#) from FIELD and the Citi Foundation
- [Click here](#) to listen to the previously recorded March 4, 2014 webinar.

Children's Savings Accounts

Maine - First State to Provide Universal College Savings to All Newborns

In March, the state of Maine became the first in the United States to make college savings for newborns universal and automatic, putting into practice research pioneered by Michael Sherraden and policy work by Margaret Clancy at the Brown School's Center for Social Development (CSD) at Washington University in St. Louis.

All Maine resident newborns will automatically receive a \$500 grant in a 529 college savings plan for postsecondary education.

Clancy and Sherraden released *Automatic Deposits for All at Birth: Maine's Harold Alfond College Challenge*, outlining Maine's new universal strategy and describing the benefits of universal child development accounts. Gregory Powell, chairman of the Harold Alfond Foundation, said, "We've come to realize that providing the opportunity to receive the [College Challenge] grant isn't enough. We need to make sure that all Maine babies actually receive the grant."

To read the report, [click here](#).



New Publications Explore Facts about Savings for Children, Families and Communities of Color

CFED releases three new Fact Files which present up-to-date research on savings among various populations. CFED's Fact Files are a series of short briefs that provide basic data and analysis on the trends impacting households' ability to reach opportunity and financial stability.

All three of these publications focus on the importance of savings as a vehicle for families to start a business, purchase a home, go to college and create more secure economic futures for themselves and their families.

Saving Up, Moving Up? Children, Savings & Opportunity highlights new research on the link between a child's opportunities and his or her family's assets.

All Families Can Save for the Future highlights initiatives and research that have demonstrated that over time, low-income working families can accumulate wealth.

The Racial Wealth Gap is Growing highlights the disturbing trend of wealth inequality between white households and households of color in the United States.



Asset-Building and Financial Security Policy Updates

Harnessing Assets to Build an Economic Mobility System: Reimagining the American Welfare System

The *University of Kansas School of Social Welfare* and the *Assets and Education Initiative* examine the present economic mobility in America and argues that the bifurcated system offering consumption-based welfare (TANF, Food Stamps, Earned Income Tax Credit) to low income families while reserving asset based welfare (Mortgage Interest Tax Deduction, Tax Breaks, IRAs etc) for higher income families bars poor families from being able to harness the social mobility that comes with the accumulation of assets.

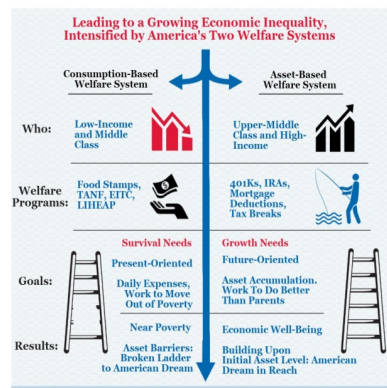
The report advocates for the creation of Economic Mobility Accounts, tax advantaged savings accounts that would help Americans of all income levels save and accrue assets over their lifetime. To download the report, [click here](#).

Illinois Moves Closer to Auto IRA Enrollment for Workers

The Illinois Secure Choice Program (SB2758), aimed to give millions of private-sector Illinois workers the opportunity to save their own money for retirement by expanding access to employment-based retirement savings, passed out of the Illinois Senate Executive Committee last month.

More than 2.5 million private-sector workers in Illinois do not have access to a retirement savings plan through their employer, according to a [report from the Woodstock Institute](#). The report found lack of access is most pervasive for low-wage workers, of whom 60 percent lack access.

Under SB2758, employers will automatically enroll workers without access to an employment-based retirement savings plan into the Illinois Secure Choice Savings Program. Workers can opt out of the Program, but those who participate will be able to build savings in an Individual Retirement Account (IRA) through automatic payroll deduction. An identical bill will be considered by the Illinois House of Representatives.



Minimum Wage Policy: It's About Poverty, Not Jobs

When a parent working full time in a minimum wage job is living below the poverty line, the scarcity of funds makes asset building daunting. AFN believes in economic opportunity and financial security - full time work should lift a worker and their family over the poverty line, enabling them to build credit and assets that will afford them financial security. Low wages institutionalize the gender income and wealth gap. Working women deserve a better opportunity.

The following studies and news articles take a close look at this issue and its impact on American families:

The Significance of the Minimum Wage for Women and Families

The New York Times contributor Laura D'Andrea, professor at the Haas School of Business at the University of California, Berkeley, and former head of the Council of Economic Advisors, focuses her piece on the impact of the minimum wage on women and **how increasing the minimum wage to \$10.10 could lift 900,000 people out of poverty**. [Click here to read more.](#)

The National Women's Law Center pulled together a fact sheet of 10 reasons why raising the minimum wage is a women's issue. Passing the Fair Minimum Wage Act would help close the wage gap and result in a raise for more than 15 million working women. [Click here for the fact sheet.](#)

Women are 76% of Workers in the 10 Largest Low-Wage Jobs and Suffer a 10% Wage Gap

Women are three-quarters of workers in the 10 largest occupations that typically pay \$10.10 per hour or less ("the 10 largest low-wage jobs"). These jobs have dominated women's job growth in the recovery. Women of color in the low wage workforce is more than twice as high as their representation in the overall workforce. And even in these low-wage occupations, women working full time make 10 percent less than men. [Click here to read more.](#)

Facts and Figures on the Minimum Wage in Each State

United States Department of Labor, Wage and Hour Division provides the latest information on minimum wage rates and laws per state. [To see minimum wage laws by state, click here.](#)

Maryland, the Latest State to Boost its Minimum Wage

The state legislature on Monday, April 7, approved a bill that raises the wage floor from \$7.25 to \$10.10 by 2018, and Gov. Martin O'Malley is expected to sign it into law.

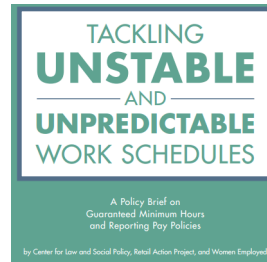
The hike in hourly wages will be made gradually -- edging up to \$8 an hour on Jan. 1, 2015 and \$8.25 on July 1, 2015. After that, it goes up in 50 cent increments in 2016 and 2017, and hits

\$10.10 on July 1, 2018. The move makes Maryland the second state, following Connecticut, to match the proposal in Congress to raise the federal minimum wage to \$10.10.

Unstable Work Schedules Hurt Economy, Communities, and Families

Imagine if your work schedule changed from week to week or even from day to day. Imagine being scheduled to work 40 hours one week and 15 hours the next, with no warning of these fluctuations. Imagine paying for your children's daycare, only to have your manager send you home without pay, claiming there aren't enough customers for you to work your shift. For many lower-wage workers, it doesn't take much imagination at all to conjure up these scenarios.

A **new report** by the Center for Law and Social Policy (CLASP), Retail Action Project (RAP), and Women Employed reveals that unstable and unpredictable work schedules have severe implications for hourly-wage workers, as well as businesses and consumer spending. The report highlights two policy approaches that would lift up the economy and give workers a boost so that they can cover the basics.



([Click here](#) to read more of this article by [Liz Ben-Ishai](#) featured on CLASP's website)

Funder Convenings

Senior Manager Financial Capability, NeighborWorks America (NWA) Washington, DC

NeighborWorks America (NWA) currently has an opening for a Senior Manager of Financial Capability. Located in Washington, DC, this full time position plays a leadership role in guiding the organization's efforts to increase capacity and impact for financial capability programs and services for the non-profits that make up the NWA network and the people living in those communities. For a full description of this career opportunity, please [click here](#).

Operations Director \$tand By Me Delaware

Work with the Program Director to build \$tand By Me into a statewide program capable of reaching scale and achieving sustainability. Oversee training, development, and implementation of field operations statewide for \$tand By Me. Recommend, develop, and implement innovations and strategies to strengthen performance and outcomes over time. Interested candidates should send their inquiries and resumes to Mary Dupont, Director of Financial Empowerment at the DE Dept of Health and Social Services. [Click here to contact](#).

Financial Security for All

The **Asset Funders Network** (AFN) is a membership organization of national, regional and community-based foundations and grantmakers strategic about using philanthropy to promote economic opportunity and financial security for all Americans. AFN works to increase the capacity of its members to effectively promote economic opportunity and financial security by supporting efforts that help low and moderate income individuals build and protect assets.

Newsletter Submissions

Does your organization have asset-building news or event information to share in the next AFN newsletter? Please send your event or submission to: juliemorris@assetfunders.org. All materials undergo a review process.

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