

Lessons Learned from the NeighborWorks® Financial Capability Learning Lab

Funded by JPMorgan Chase



Financial Capability and NeighborWorks America

From its inception, NeighborWorks America has focused on building strong, resilient communities through the creation of affordable housing and the development of knowledgeable and prepared homebuyers and renters. As such, positively influencing households' financial situations has long been an integral part of NeighborWorks' community development strategy.

For over a decade, NeighborWorks America has broadened and deepened its efforts around increasing personal financial health – creating a set of strategies and tools that support financial capability service delivery in the context of housing. These include training courses, evaluation tools, and promising practices resources for the field, as well as grants and technical assistance to NeighborWorks organizations to build their service delivery capacity.

The National Industry Standards for Home Ownership Education and Counseling defines financial capability as the capacity, based on knowledge, skills, and access, to manage financial resources prudently and effectively.” NeighborWorks takes a multi-faceted approach that includes education, counseling, coaching and access to financial products and services. This combined approach encourages long-term shifts in attitudes and behaviors, raises awareness about financial resources, and helps people make healthy financial decisions to reach their goals.

Financial Capability Learning Lab

With generous funding from JPMorgan Chase, NeighborWorks America developed the Financial Capability Learning Lab to provide six NeighborWorks organizations with the opportunity to test and launch new strategies to address critical marketplace needs and move the field forward. The primary goals of the Learning Lab were to strengthen the capacity of selected organizations to deliver financial capability services and identify scalable solutions for the financial capability field. NeighborWorks America's role was to provide the space, structure, and support over one year for se-

Learning Lab Organizations

1. AHC Inc. | Mid-Atlantic Region
2. Champlain Housing Trust (CHT) | Burlington, Vermont
3. Coastal Enterprises Inc. (CEI) | Maine
4. The Neighborhood Developers (TND)/CONNECT | Chelsea, Massachusetts
5. NeighborWorks Western Pennsylvania (NWWPA) | Pittsburgh
6. Origin SC | South Carolina

The NeighborWorks America Financial Capability Learning Lab was generously funded by JPMorgan Chase.



lected NeighborWorks organizations to innovate and increase their capacity to deliver financial capability services. Resources included:

- Operating grants for program implementation;
- Tailored technical assistance, coaching and accountability from an experienced program consultant on program design, implementation and promising practices;
- Evaluation assistance on Success Measures financial capability tools to learn from the project and track client outcomes;
- Virtual peer learning opportunities to raise awareness of common strengths and struggles related to service delivery; and
- Technical training from subject matter experts on project themes, such as engagement, retention and partnerships.

Learning Lab Themes and Trends

From the outset, the Learning Lab aimed to bridge knowledge gaps and solve challenges related to service delivery that are common in the financial capability field. The organizations in the Learning Lab explored four distinct themes, each with a corresponding set of strategies:

1. **Customer engagement:** How to identify a target audience and engage them in services
2. **Service integration:** How to seamlessly incorporate financial capability into existing housing and community development services
3. **Customer retention:** How to keep customers in programs long enough to achieve outcomes and improve financial lives.
4. **Safe and affordable financial products:** How to form collaborations with the financial services industry to ensure that customers have access to safe and affordable products.

Theme 1: Customer engagement

Customer engagement involves clearly identifying and understanding the target audience for services, and then aligning outreach and service delivery strategies with the audience's needs and preferences. Recognizing the needs of a target audience can inform service design and delivery. In turn, programs that are well targeted and responsive to the audience will better resonate with them and increase audience participation. In the Learning Lab, organizations investigated ways to get to know their audience, conduct outreach and meet people where they are to deepen customer engagement.

Customer engagement begins with **getting to know the target audience** by analyzing existing customer data sets or conducting new demographic and psychographic research via focus groups or surveys. However, before conducting target audience research, organizations need to consider how information will be gathered and where (and when) to access the audience, as the approach can affect what information an organization gets from whom. To better understand the target audience, an organization first needs to understand how to access this target audience in order to use target audience research tools. If an organization, for example, wishes to serve working

families but holds a focus group in the middle of the day during a workweek, the organization is likely to miss working families. Instead, more seniors and people who are home for the day may show up. Additionally, some research tools (focus groups, surveys, etc.) may not work well in some communities.

AHC Inc., for example, planned to replicate its existing Baltimore financial capability program in Arlington. To identify customer needs and inform program design, AHC conducted comprehensive customer research. AHC used focus groups and surveys in Baltimore and Arlington with existing and potential affordable housing residents. The organization then performed a comparative demographic analysis between the respondents from the customer research and its own property management database and Success Measures Data System. The goal of the analysis was to see if the population providing input was representative of the overall resident population in the properties targeted for financial capability services.

These comparative analyses yielded important insights for the existing and new programs. At one of AHC's properties in Baltimore, the focus groups had a much higher share of older adults and persons with disabilities than is represented in the larger community. AHC used this information to better serve its residents on fixed incomes and adjust its outreach strategies to connect to more families with earned incomes.

AHC Inc. also learned of the cultural differences between the populations in Baltimore and Arlington. These broad-based findings resulted in adjusting the design and implementation of the original program to fit the needs of the target audience in Arlington. In addition to focus groups in Arlington, AHC employed surveys, but found that the surveys included more African American households when compared to the demographic data from its property management database, which indicated a high proportion of Latinx households. Staff were also surprised by the large number of seniors living in family housing at one of the Arlington properties. Armed with that information, AHC developed a grassroots approach to get input from a broader audience in Arlington. Staff built rapport with residents, community managers and the community at large. They identified community advocates to provide input and help promote AHC's programs and services.

In some cases, getting to know the audience leads to deeper analysis or reaching a specific or unintended segment of the audience. In Burlington, Vermont, Champlain Housing Trust (CHT), aimed to expand its financial capability services to its shared equity homeowners. One of the largest and oldest community land trusts in the country, CHT has an ongoing relationship with the 615 homeowners in its portfolio. Well-versed with the needs and challenges of its owners, CHT reviewed its portfolio and segmented homeowners into four groups based on length of tenure and different needs and priorities. Next, CHT prepared different outreach messages that were tailored to each segment. As a result of making its messages more appealing to different audiences, CHT increased both enrollment and engagement in its program.

After implementing its Conversations About Money Program, CHT discovered that a large portion of participants were highly educated women. One way that CHT used that information was to create classes specifically geared toward women. To that end, the classes were mostly taught by women, incorporated peer learning and community building and emphasized topics

that were important to women, such as food budgets, home maintenance and making the most of the new year.

Coastal Enterprises Inc. (CEI) intended to bring financial capability services to working families in resident-owned manufactured housing communities in Maine, but consistently struggled to connect with them despite targeted outreach, evening meetings and incentives. Instead, the majority of clients who engaged with CEI's program were older than 55 or on fixed incomes. While customers with very low incomes were not the intended audience, CEI is building these relationships to develop trust in the resident-owned communities. At the same time, CEI continues to try to reach more working families directly.

With a clear understanding of the target audience, organizations can **develop compelling outreach messaging and use appropriate marketing channels** to facilitate customer engagement. The Neighborhood Developers (TND) in Chelsea, Massachusetts, understands that immigrant families with low incomes are busy with their jobs and families. TND also knows that successful programs build in components that are convenient and meaningful to the target audience. TND's value proposition included convenience and meaning for busy families, featuring short Saturday sessions and free credit reports. These valuable items were threaded through outreach and in-service offerings.

Once messaging is developed, organizations need to consider how best to get the message delivered to the target audience. In rural South Carolina, Origin SC had success reaching, engaging and retaining its target audience through social media. AHC organized fellowship and family gatherings to help promote participation. CEI found that taking part in community activities and events in the resident-owned communities was an important outreach tool. In addition, CEI worked with a community champion at each of its eight communities to help customers engage with the program.

Target audience awareness also allows organizations to adjust service delivery to **meet people where they are** to boost engagement. Often, this process involves trial and error, as knowledge about the target audience builds over time and is an ongoing process. It may mean delivering services offsite where people live, work or are accessing other services.

TND focused on delivering financial capability services to established groups of customers at partner sites who provided multiweek hospitality skills and English as a second language (ESL) training. Meanwhile, CEI provided services onsite to people in their homes, which proved to be essential in building trust in disenfranchised communities that lack online accessibility.

Theme 2: Service integration

Service integration is when programs or services are intentionally connected to benefit customers and organizations. Needs are met holistically, ensuring that customers can flow easily between services maximizing impact. Choosing to integrate financial capability services with another program depends on the needs and interests of the target audience. In the Learning Lab, organizations explored a variety of integration strategies with existing housing and community development services as displayed in the table on page 5.

Organizations	Integrated Programs or Services	Details
TND and AHC	Workforce development	<p>To improve customer flow, TND focused on partnerships with organizations where participants who could benefit from financial capability services were enrolled in ongoing programs. One such partnership was with the region's Workforce Board, which offered a multiweek hospitality skills training program. As participants were nearing graduation from the workforce program, TND provided financial education to 74 participants across six training cohorts and offered coaching sessions on days and times that matched the hospitality field's working shifts.</p> <p>Based on the feedback gathered from residents who were interested in higher paying jobs, AHC improved its referral process to workforce development programs in Baltimore and Arlington. In Baltimore, AHC added a job coach to screen customers and connect them to the most appropriate partnering workforce services.</p>
AHC	Eviction prevention	<p>Based on individual work with residents and feedback from surveys and focus groups, AHC created a suite of programs to meet residents' needs and interests. Their "Housing Stability" program integrated financial capability with being a good neighbor, eviction prevention and resource connection.</p>
AHC	Resident services	<p>In Baltimore, AHC's partnerships with resident service teams played a key role in connecting residents to financial capability services through referrals, discussion forums, and community events.</p>
CEI	Technical assistance provider	<p>CEI's partnership with Cooperative Development Institute, which has acted as a technical assistance provider for the resident-owned communities, provided an entryway into those communities as a trusted advisor.</p>
NWWPA	Employer	<p>NWWPA capitalized on the requirement that national service program members attend specific trainings. The organization worked with partners to integrate financial wellness training customized for millennials into local and national service programs, such as AmeriCorps.</p>

Theme 3: Customer retention

It is an accomplishment to get customers into a financial capability program. It is another feat to keep customers engaged in the program long enough to achieve positive financial outcomes. Retaining customers is about how an organization structures its program and how program staff interact with customers. In the Learning Lab, organizations experimented with different strategies to improve customer retention.

In terms of structure, **mapping customer flow and adjusting touch points** to be more efficient and client-centered is critical to ensure a positive experience that keeps customers engaged. By taking part in activities to better understand customer flow and matching customers to services, TND developed deeper relationships with customers and referring partners, created a more structured program approach, tightened the links across integrated services, and developed clear and descriptive customer-facing program materials. AHC mapped its customer process and flow to update protocols, enable program scale and sustainability, improve workflow and customize the approaches for Baltimore and Arlington.

Being client-centered includes program structure and delivery. It means that understanding the target audience is an ongoing process of learning about and adjusting to their needs and preferences. TND regularly gathers input from customers. In the Learning Lab, TND viewed the information through a client-centered lens and made a number of changes that strengthened its program. Those changes included shortening its coaching program with a clear graduation, revamping marketing materials, embedding services at partner sites, and offering services based on customers' schedules.

Offering services at times that are responsive to and convenient for the target audience is part of being client-centered. To appeal to busy customers enrolled in workforce training, TND piloted Saturday sessions, called Coffee with Coaches, to test informal group coaching sessions. Furthermore, to accommodate their schedules and offer a complementary service, TND extended office hours on Wednesday evenings to help with resume preparation. In Arlington, AHC Inc. altered the days and times for services to the mornings and evenings when residents were home.

Being client-centered also includes **meeting people where they are over the course of service delivery**. CEI and TND met customers where they were for initial engagement – at their homes or at partner sites, respectively. To retain customers, both organizations continued to deliver services at those sites through the duration of the program.

Another piece of being client-centered is **rethinking customer flow** from a business perspective. TND positioned financial education as an entry-level service for its more structured and impactful coaching program. Origin SC repurposed its Teachable online learning modules as advertising for its financial education and coaching services. Both reimagined what the “hook” could be to entice customers into higher impact services.

The final part of being client-centered is **building trust** and providing personalized attention through a coaching approach. Financial coaching is about partnering with customers in an ongoing relationship that is creative, goal- and action-oriented, and driven by the customer to reach financial goals. Such a relational approach is key to building customer trust and retention.

Based on deep knowledge of its target audience and fresh customer research, CHT was able to provide tailored and trusted support to its shared equity homeowners. During the customer research phase, CHT categorized its owners into four categories by tenure (up to two years, three to seven years, eight to 15 years, and more than 15 years), with significantly different needs. The organization created four sets of marketing materials to appeal to the different audiences and was able to enroll more students than anticipated into its HomeOwner University, a financial capability series designed to help shared equity homeowners keep up with home repairs and manage finances. The formal program included a financial wellness assessment, happy home and home maintenance surveys, three coaching sessions, two group sessions (in person or via webinar), and an action plan. Homeowners who completed all of those benchmarks by the midpoint of the program received a \$100 incentive. Forty-three homeowners participated in the program (exceeding the goal of 30), and 41 received the incentive. Participants said they want to stay engaged because they value the information they've received.

To get buy-in from residents, CEI was keenly aware that it needed to take on the role of coach and trusted advisor. CEI's initial partnership with the Cooperative Development Institute (CDI), which had worked with residents before, helped build trust early in the process. CDI essentially "vouched" for CEI and helped the organization secure time on resident-owned community board agendas. Historically, CEI delivered financial capability services at its office. However, to better connect with customers in resident-owned communities – customers who were tight-knit and lacked online access – they chose to deliver services at people's homes and participate in community activities. This built trust and relationships, as well as long-term success.

Theme 4: Safe and affordable financial products

Access to safe and affordable financial products is a critical ingredient for financial well-being. In order to facilitate such access, organizations usually must partner with the financial services industry. Customers need access to a range of financial products and services to build credit, accumulate savings, and manage their money. What an organization chooses to focus on largely depends on the needs of the target audience and the availability of local resources. In the Learning Lab, organizations formed various collaborations with the financial services industry to increase access to safe and affordable financial products for their target audiences. Organizations offered credit-building products, money-management tools and matched savings programs.

Without a positive credit score, access to high-quality credit and other opportunities, such as housing and jobs, may be unavailable. To help customers overcome the barriers of a low credit score or no credit history, organizations can offer **credit-building products**. For example, TND partnered with a local credit union to offer credit builder loans and secured credit cards. At CHT, coaches help customers sort through the half dozen credit-building products available from local financial institutions to find the product that best meets their needs. And AHC set up a connection between its rent management software and Experian to report on-time rent payments on the credit report and to help build a positive credit history.

Customers also need **tools to help them manage their money**, pay bills and make purchases. These tools include checking accounts and other financial products. In Baltimore, AHC introduced free online bill-pay software to help residents pay their rent on time and avoid money-order fees. For residents who need a free money-management tool (when used as coached), AHC offers a prepaid debit card through a partnership. AHC also distributes financial incentives for program participation on the card.

Saving money is an important buffer for financial stability. To help build savings, organizations can offer savings products and support. One type of product is a **matched savings program**, which provides financial incentives for people to save for specific goals. CHT and CEI were selected to offer a custom-designed matched savings program to complement their Learning Lab Strategies.

To be achievable for residents with low incomes and who face high levels of financial insecurity, CEI designed a six-month matched savings program at a rate of 2:1 for \$10 per month. Successful savers are then eligible for a 3:1 match for the next six months at the same requirement of \$10 per month. CHT created its 12-month matched savings program for shared equity homeowners. The match rate for the first six months is 1:1, and 2:1 for the remaining six months. Customers can save between \$15 and \$50 per month.

Matched savings programs provide financial incentives for people to save for specific goals. In essence, matched savings programs reward customers for healthy financial behaviors and support long-term financial capability. Studies show that participants in matched savings programs are able to both save money and achieve goals. Saving is integral to financial and housing stability in the short and long term. Encouraging and incentivizing immediate savings can serve as an important stepping stone to help families achieve longer-term financial asset goals. The matched savings programs at CHT and CEI amplified the results of their financial capability programs.

Lessons Learned

Across the themes of the Learning Lab emerged a set of seven key takeaways. These lessons translate into actionable items to design and deliver effective financial capability programs in any context.

1. **Tailor your approach to the target audience.** Organizations first need to understand the target audience, and then they need to align services with the target audience to achieve impact and scale. Service delivery is more effective and productive when it addresses the challenges customers are facing, accommodates customers' busy lives, honors cultural values and offers practical solutions. Understanding and aligning start with identifying who an organization wants to serve and why, and enters an ongoing process that requires regular feedback with customers. Organizations build trust by deeply understanding the target audience, meeting them where they are and nurturing relationships over time.
2. **Pay attention to branding.** Although branding might not be talked about often among nonprofits, it is essential that financial capability programs embrace a customer-focused approach from outreach to service delivery. Program marketing needs to speak to the target audience in words and photos. Successful marketing begins with a strong value proposition – an understanding and promise to customers that what is communicated and will be delivered to them is useful, meaningful and accessible. Aligning marketing materials and service delivery to the value proposition are critical for attracting and keeping customers.
3. **Meet people where they are.** This is how to engage and retain customers. People are busy, with limited time and resources. And personal finance, while important, might be a topic that is easy to avoid. Going to where people live, work and access services and connecting financial topics in those contexts builds trust, adds convenience and increases relevancy.

4. **Map your customer flow.** Mapping yields important insights that can be applied to new protocols and program parameters. Considering how customers move through a program, analyzing pain points and streamlining processes can increase effectiveness, efficiency, scale and sustainability. Once a clear customer flow is established, organizations can create collateral materials to provide a seamless experience.
5. **Be data-driven.** Harnessing data helps organizations know what is working and what is not. Data can be used throughout the design and implementation process. Data helps organizations understand their target audience, assess the effectiveness of specific interventions and measure the overall success of a program. In order to harvest the right information, organizations must design thoughtful research tools and approaches and engage in critical analyses.
6. **Develop customer-centric partnerships.** Partnerships begin by understanding what each partner has to gain and what outcomes could be achieved together. Relationships with partners may range from transactional with narrow goals and interactions, to aligned with some shared goals and coordinated programs, to collaborative with joint projects and mutual accountability. Regardless, partnerships need to be forged in the interests of customers.
7. **Find the right financial products with the right incentives.** Helping customers access strategic financial products can have dramatic results. Along with coaching, financial products have the potential to boost customers' financial stability and well-being. In fact, customers struggle when they do not have access to safe and affordable products to manage their money, build credit, store their savings or borrow funds when needed. Organizations play a critical role in helping customers navigate and access financial products that are safe, affordable and meet their needs.

Promising Practices

Related to the lessons learned are a series of promising practices.

Understanding the target audience

Using customized tools and approaches to assess target audience needs and preferences. Examples include the focus groups, surveys, and third-party data analysis AHC used to better understand its residents in Baltimore and Arlington.

Branding

Developing a strong value proposition from the lens of the customer. At TND, getting clear on the value proposition enabled the organization to develop more aligned partnerships with overlapping customers and better match customers and services, resulting in more effective and efficient service delivery. NWWPA focused on a value proposition geared toward its national service and fellowship program partners, to reach the young professionals within those programs targeted for services.

Crafting new marketing materials that communicate value and relevance clearly to the target audience. Many of the Learning Lab organizations revamped their outreach materials, including TND, Origin SC, CEI and AHC.

Meeting customers where they are

Getting out of the office and going to the target audience. CEI delivered services at residents' homes, and TND delivered services at partner sites that offered ongoing, complementary training programs.

Thinking through how financial capability connects to and integrates with outside programs and services in a coherent way. NWWPA capitalized on the requirement that national service program members attend specific trainings and worked with partners to integrate financial wellness training customized for millennials into local and national service programs, such as AmeriCorps. TND collaborated with local partners to improve customer flow between them, develop a more structured coaching approach, and simplify customer-facing materials.

Mapping customer flow

Developing scripts for staff. After mapping customer flow, TND created a more structured approach for customers and developed customer-centered language to explain their process from entry point to graduation. To make the initial connection and manage expectations with customers, TND crafted an onboarding script for all coaches to use with new customers.

Rewriting policies and procedures. Following customer mapping exercises, Origin SC and AHC. developed new policies and procedures to align with their new processes and ensure consistent service delivery.

Being data-driven

Using tools and systematic approaches to measure program success. As with all Learning Lab organizations, TND administered pre- and post-program surveys to track positive financial outcomes. Data showed 36 percent more customers following a spending plan, 30percent more feeling financially secure, and 37 percent more having three months of emergency savings after receiving coaching services. Average credit improvement was 27 points, and average debt reduction was \$7,385. TND views the data as evidence that its modified approach is working and that coaches were able to help customers refine their goals and actions plans in a realistically and financially sound manner.

Developing customer-centric partnerships

Being intentional about partnerships and how they serve customer needs. When AHC searched for workforce development partners in Arlington, the organization completed a community scan of key partners to see who offered evening or weekend classes in English and Spanish on key topics and created a new staff position to cultivate strategic partnerships. AHC now works more intentionally with partners to serve residents' needs.

Finding appropriate financial products

Understanding the financial needs of the target audience and being flexible to find products that can meet those needs. To help customers use online banking, save money from money-order fees and pay rent on time, AHC's community managers helped enroll 250 residents in a free online portal to pay rent. AHC also partnered with a bank to offer onsite sessions on online banking and other relevant topics. The Rent Café tool and accompanying education acted as a springboard for talking about financial capability and longer-term financial goals. Seventy-four percent of the families that took up coaching in Arlington achieved positive financial outcomes in terms of increased savings, reduced debt, increased income or improved credit score.

Organizational Profiles

<p>AHC Inc. Baltimore, Maryland, and Arlington, Virginia</p>	<p>AHC Inc. is an affordable housing developer in the mid-Atlantic region. In Baltimore, AHC had a well-established social services program with a strong financial capability component for its rental housing. Through the Learning Lab, AHC expanded financial capability services to other rental housing sites in Arlington. Simultaneously, AHC strengthened its financial capability services at both sites.</p>
<p>Champlain Housing Trust (CHT) Burlington, Vermont</p>	<p>CHT is one the oldest community land trusts in the country. Through the Learning Lab, CHT developed new services for existing customers who were shared equity homeowners. The program solved an organizational problem of deferred maintenance due to financial issues and was highly compelling to the owners. To complement its financial capability program for shared equity homeowners, CHT offered a matched savings program.</p>
<p>Coastal Enterprises Inc. (CEI) Maine</p>	<p>CEI is a comprehensive economic development organization serving rural Maine. Through the Learning Lab, CEI developed a new onsite financial capability program for families of resident-owned, manufactured housing communities. As a complement to the program, CEI offered a matched savings program.</p>
<p>The Neighborhood Developers (TND) Chelsea, Massachusetts</p>	<p>TND is a lead agency for CONNECT, a collaborative of five agencies working to improve the financial mobility of low-income families. Through the Learning Lab, TND significantly strengthened its existing financial coaching program. By becoming more client-centered in its process, offerings and language, developing a more structured process with a clear ending, and improving service integration, TND was able to serve more customers and achieve deeper outcomes.</p>
<p>NeighborWorks Western Pennsylvania (NWWPA) Pittsburgh, Pennsylvania</p>	<p>A 50-year-old NeighborWorks organization, NWWPA's new technology tools focus on homeownership and financial empowerment services. Through the Learning Lab, NWWPA took a deep dive into understanding its target audience of millennials, and then customized its curriculum and outreach strategies to fit the needs and preferences of the target audience.</p>
<p>Origin SC South Carolina</p>	<p>Since 1888, Origin SC has remained a leading nonprofit organization offering human services throughout South Carolina. Through the Learning Lab, Origin SC improved its outreach efforts through online campaigns and the ability to evaluate the program's success. As a result, Origin SC is better positioned to reach and serve families in rural South Carolina.</p>

Implications

The themes organizations explored in the Learning Lab and the lessons they learned offer some important implications for the broader financial capability field.

- **There is significant space between innovating and getting to scale.** Innovation is about exploring and going deep over a period of time before going broad. Learning takes time, effort and attention. When interventions are ready to scale, they will be successful having been thoroughly vetted. The Learning Lab offered a unique, structured opportunity for organizations to stop and reflect, to imagine and test, to founder and retool. As a result, all of the Learning Lab organizations improved or expanded on their financial capability programs. This translates to improving the financial lives of more low- and moderate-income families and doing it better. The organizations have deeply strengthened their understanding of their target audiences and their delivery of services. It's important to remember the importance of time and structure when approaching program improvement.
- **Addressing customers' pain points and improving service delivery require concrete changes.** Changes need to be informed by understanding the target audience and current customer flow. Organizations must invest time and effort in getting to know who they want to serve and how best to serve them. Mapping customer flow unveils misalignment and inefficiencies, allowing organizations to adjust to be more customer-friendly. Concrete changes that benefit the customer ensure that customers are getting the services that best meet their needs. In some cases, these changes mean getting customers in the door and keeping them in the program. For TND, it meant graduating some customers who had already achieved their goals, so that the program could make room for new customers who could benefit from the services it offers.
- **Financial capability services complement most other community services.** Pairing financial capability services with other services is powerful and can amplify benefits. Having a strong financial capability program is an asset to connect with other community partners that offer complementary services. Such services include workforce development, ESL, employment, benefits screening and resident services. The most effective programs are intentionally integrated with a shared vision, aligned services, clear referral structures and mutual accountability.
- **Financial education and coaching alone are not enough.** Access to safe and affordable financial products and services and the removal of structural barriers are essential ingredients to financial well-being. It is hard to get ahead if someone's cash flow is routinely negative due to low income or high expenses or if someone lacks a bank account or a credit score. Financial capability programs also provide access to safe and affordable financial products and mitigate some of the structural barriers, such as by providing access to employment or affordable housing, thus amplifying positive financial outcomes. These elements, collectively, improve financial lives.

- **More support for the field is needed.** Without a doubt, the Learning Lab helped fill in some of the knowledge gaps and mitigated some of the challenges experienced in the financial capability field. There is more to build upon and learn to ensure that more families can achieve long-term financial security. While conducting more Learning Labs likely would foster innovation, the field needs a range of financial and technical support to grow and move forward. Helpful technical support would include skills, program design and content training, technical assistance for iterative program design, promising practices, and tool development.

A common theme from the organizations in the Learning Lab was that the structured one-on-one support from an experienced program consultant was one of the most helpful resources. This support allowed organizations to think about their individual challenges and opportunities. The field needs more space, time and support to innovate and iterate before striving for scale.

The Learning Lab proved that programs need to clearly communicate content in ways that speak directly to their customers. Given how important it is to take a tailored approach, it would benefit the field to invest in some specific tools. These tools include target audience research of common populations (e.g., immigrant households, re-entry persons, families receiving public assistance, etc.) and the development of tailored outreach materials and approaches based on that research. General financial capability content exists, but organizations on the ground must tailor it to be relevant to their target audiences. Through the Learning Lab, for example, AHC developed a worksheet on how to replicate financial capability programs in senior housing from outreach to service delivery based on its experiences.

In Conclusion

Providing relevant financial capability services to renters and owners is an important call to action for NeighborWorks America and NeighborWorks organizations. The Learning Lab demonstrated the power of the space and structure for organizations to innovate and iterate on what really works in their communities to engage and retain customers in services that increase financial health.

The NeighborWorks organizations in the Learning Lab were able to better serve a range of populations, including multifamily rental housing residents, shared equity homeowners, resident-owned manufactured home community residents, immigrant families, millennials and rural families. Over the course of the Learning Lab, NeighborWorks organizations got to know their target audience in great detail, adjusted their approaches to align with the audience's needs and preferences, and deepened the impact in the community.

The Learning Lab affirmed the importance of exploring the major themes and bridged some important knowledge gaps that have persisted in the field. In order to be effective, financial capability programs need to consider these four interrelated themes and lessons when designing or redesigning:

CUSTOMER ENGAGEMENT	SERVICE INTEGRATION	CUSTOMER RETENTION	SAFE AND AFFORDABLE FINANCIAL PRODUCTS
<ul style="list-style-type: none">• Get to know the target audience• Develop compelling outreach/brand• Meet people where they are• Tailor approach• Be data-driven• Be customer-centered	<ul style="list-style-type: none">• Develop customer-centric partnerships• Find complementary community services	<ul style="list-style-type: none">• Map and adjust customer flow• Offer services that are convenient and responsive• Continue to meet people where they are• Build trust	<ul style="list-style-type: none">• Include credit building products• Offer tools for money management• Offer savings products and support• Include incentives

To build on preliminary positive impacts, further promising practices, and foster innovation and replication, NeighborWorks America intends to target future investment in tools for the field that support the findings from the Learning Lab. These include:

- Training for financial coaches and financial capability program managers on the themes from the Learning Lab; and
- Development of tailored outreach and content tools for common target audiences.

NeighborWorks America is committed to moving the field forward.

The mission of NeighborWorks® America, a congressionally funded, nonpartisan national nonprofit, is to enable every community to be a place of opportunity for its residents. Since its founding in 1978, NeighborWorks America, along with its network of nearly 250 community development organizations, has created opportunities across the country for over four million people to live in affordable homes, improve their lives and strengthen their communities. Services delivered by NeighborWorks organizations include below-market-rate houses and apartments, guidance for home purchase, foreclosure intervention and financial coaching that builds financial health. In turn, NeighborWorks America provides a powerful support structure to its network to successfully carry out the work and amplify the reach by building technical skills through training, technical assistance, leadership development, organizational assessments and supplementing financial resources through operating grants and capital investments.

For more information and resources related to NeighborWorks America's financial capability work, please visit NeighborWorks.org/Financial-Security



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Learning Lab Topic Brief: Customer Outreach and Engagement

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About this brief

This brief focuses on four customer-centric strategies to strengthen customer outreach and engagement in financial capability programs to increase impact in communities. The promising practices in this brief are based on findings from the NeighborWorks America Financial Capability Learning Lab, generously funded by JPMorgan Chase. The Learning Lab provided six NeighborWorks organizations with the opportunity to test new strategies to strengthen their financial capability services.

Customer outreach and engagement and why they matter

Customer outreach and engagement involve identifying a target audience, making efforts to reach that audience and enrolling them in financial capability services that meet their needs. Although it may seem simple, many financial capability programs struggle with connecting to customers and getting them into services. Being customer-centric by getting to know the target audience, customizing the program's outreach messages and strategies, and tailoring service delivery offerings for the audience helps increase audience participation.

Key practices to enhance customer outreach and engagement

There are four interconnected strategies that strengthen customer outreach and engagement and, in turn, impact in financial capability programs (as displayed in the graphic). At the center



of the strategies is a customer-centric approach, which puts the customer first and at the core of all programs and services.

Clearly identifying and understanding the target audience for financial capability services is the foundation of a successful outreach and engagement strategy. Effective financial capability programs align all aspects of the program – messaging, marketing channels, program design, and service

delivery strategies – to the needs and preferences of the audience. Proper alignment ensures outreach messages reach the target audience, increase program appeal and reduce participation barriers.

1. Get to know your audience.

There are two major categories of information that build understanding of a target audience: demographic and psychographic. Existing customer data sets may provide demographic data, or demographic data may be available from other sources on community employment, education and income. Psychographic information on people’s beliefs, values and habits could be collected through focus groups or surveys.

	Examples
Demographics	Socioeconomic information, such as employment, education, income and household size
Psychographics	Information related to customers’ personalities, values, opinions, attitudes, interests and lifestyles

Planning for new target audience research includes considering how information will be gathered and which research tool (surveys, focus groups or interviews) would work best for that particular audience. An important consideration for in-person research is where and when to access the target audience based on that audience’s availability. For example, if the target audience is working families, focus groups in the middle of the day during a workweek would likely miss those families.

Key questions to discuss with staff

- Who is your target audience for your financial capability program, and how much do you know about them?
- Do you or a partner already serve the target audience? If so, what existing customer data sets do you know about and have access to? Would they allow you to convene a portion of the target audience for in-person research?
- What new customer research is needed?

Key questions to discuss with other organizations

- Which target audiences are colleagues serving?
- What methods are colleagues using to research their target audiences?

Research approach from AHC
<p>AHC learned about the specific and most pressing needs of the target audience through:</p> <ol style="list-style-type: none"> 1. An assessment of demographic data from its internal property management database; 2. Several focus groups at family properties in both Baltimore and Arlington; and 3. A short survey of residents that asked about their interests, families and working life.

2. Tailor your message.

Successful outreach messages begin with a strong value proposition. A value proposition is an understanding and promise to customers that services are useful, meaningful and accessible. It aligns marketing materials and service delivery, which are critical for attracting and keeping customers.

Compelling messages address a felt or urgent need or solve a problem for the target audience, such as helping alleviate stress or providing more time with family. The messages make it clear how the service will help, instead of focusing on the service itself (e.g., how to budget). Below is a sample message that appeals to felt need.

Do you struggle to pay your bills? Is financial stress weighing you down? What if you could get your finances in order and reduce your financial stress in six months or less? If you are ready for less stress, call a financial coach today to find financial peace sooner than you imagined.

3. Focus your marketing approach.

Organizations need to determine how to get their compelling message delivered to the target audience. Depending on who the target audience is and where they are, this could mean using social media, hosting informal gatherings, participating in community events or working with community champions or trusted advisers. Whichever methods are chosen, written procedures or protocols help ensure that consistent follow up is performed for all customer leads.

4. Go to your audience.

Delivering services offsite where people live, work or are accessing other services boosts initial customer engagement by making it easy for people to participate.

To increase customer engagement, organizations may consider delivering financial capability services at partner sites who provide ongoing workforce development programs, English as a Second Language (ESL) training, or other services. When programs or services are intentionally connected to benefit customers and organizations, customer needs can be met holistically and customers can flow easily between services, boosting engagement and maximizing impact. Choosing to integrate financial capability services with another program depends on the needs and interest of the target audience and available programs and services internally or externally.

Key questions to discuss with staff

- Where does the target audience live, work or access other services?
- What services do you offer internally that complement the financial capability program?
- What services are provided by partners that could enhance or connect to the financial capability program?

Key questions to discuss with other organizations

- How are colleagues integrating financial capability programs with other programs and services internally or externally?



Everybody has financial stress regardless of the size of your income.

- Financial education helps raise happiness and lowers overall stress levels.
- Financial wellness is designed to help you learn how to stretch your financial dollars.

Case Studies of Learning Lab Organizations

AHC Inc.

Baltimore, Maryland, and Arlington, Virginia

AHC Inc. is an affordable housing developer in the mid-Atlantic region. In Baltimore, AHC had a well-established social services program with a strong financial capability component for its rental housing. Through the Learning Lab, AHC expanded financial capability services to other rental housing sites in Arlington. Simultaneously, AHC strengthened its financial capability services at both sites.

How they got to know their audience

AHC used focus groups and surveys in Baltimore and Arlington with existing and potential affordable housing residents. The organization then performed a comparative demographic analysis between the respondents from the customer research and its own property management database and Success Measures Data System. The goal of the analysis was to see if the population providing input was representative of the overall resident population in the properties targeted for financial capability services. At one of AHC's properties in Baltimore, the focus group had a much higher share of older adults and persons with disabilities than is represented in the larger community. AHC used this information to better serve its residents on fixed incomes and adjust its outreach strategies to connect to more families with earned incomes. AHC Inc. also learned of the cultural differences between the populations in Baltimore and Arlington. These broad-based findings resulted in adjusting the design and implementation of the original program to fit the needs of the target audience in Arlington.

How they tailored their message

Based on what they learned from an initial program survey and focus groups in Arlington, AHC branded flyers and notices in Arlington to include pictures of staff and AHC's logo. All flyers were posted in Spanish and English.

How they focused their marketing approach

AHC organized fellowship and family gatherings to help promote participation and identified community advocates to provide input and help promote AHC's programs and services.

How they went to their audience

In Baltimore, AHC's resident services team had strong bonds with residents through community events and were allies in connecting residents to AHC's financial capability program.

Coastal Enterprises Inc.

Maine

Coastal Enterprises Inc. (CEI) is a comprehensive economic development organization serving rural Maine. Through the Learning Lab, CEI developed a new, onsite financial capability program for families of resident-owned, manufactured housing communities. As a complement to the program, CEI offered a matched savings program.

How they got to know their audience

CEI intended to bring financial capability services to working families in resident-owned communities. Through targeted outreach, participating in evening meetings and offering incentives, the majority of customers who engaged with CEI's program were older than 55 and on fixed incomes. While customers with very low incomes were not the intended audience, CEI is building these relationships to develop trust in the resident-owned communities. At the same time, CEI continues to try and reach more working families directly.

How they tailored their message

CEI created a shared Facebook forum for residents to interact online. They also developed targeted flyers and a brochure for residents.

How they focused their marketing approach

CEI found that taking part in community activities and events in the resident-owned communities was an important outreach tool. In addition, CEI worked with a community champion at each of its eight communities and partnered with existing organizations to help customers engage with the program.

How they went to their audience

CEI provided services onsite to people in their homes, which proved to be essential in building trust in disenfranchised communities that lack online accessibility.

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For more information and resources related to NeighborWorks America's financial capability work, please visit [NeighborWorks.org/Financial-Security](https://www.NeighborWorks.org/Financial-Security)



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Lessons Learned from the NeighborWorks® Financial Capability Learning Lab

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Learning Lab Topic Brief: Customer Retention

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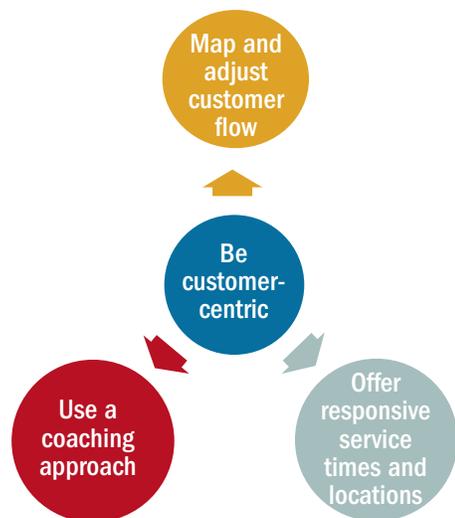
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About this brief

This brief spotlights three strategies to strengthen customer retention to keep more customers in financial capability programs long enough to achieve positive financial outcomes. The promising practices showcased in the brief are based on lessons from the NeighborWorks America Financial Capability Learning Lab, generously funded by JPMorgan Chase. The Learning Lab provided six NeighborWorks organizations with the opportunity to test new strategies to strengthen their capacity to deliver financial capability services.

What matters about customer retention

Increasing customer retention improves outcomes by ensuring that customers receive enough service to achieve positive results. Financial capability programs need not be long to have impact. Data show a statistically significant improvement in customer outcomes in financial coaching programs if they attend three or more sessions. According to the Asset Funders Network's Financial Coaching Census 2019, financial coaches have indicated that retaining customers has been a pressing issue for them for the past five years. One of the key lessons from the Learning Lab was how important being customer-centric to the target audience was to keep customers coming back over the course of service delivery.



Key practices to improve customer retention

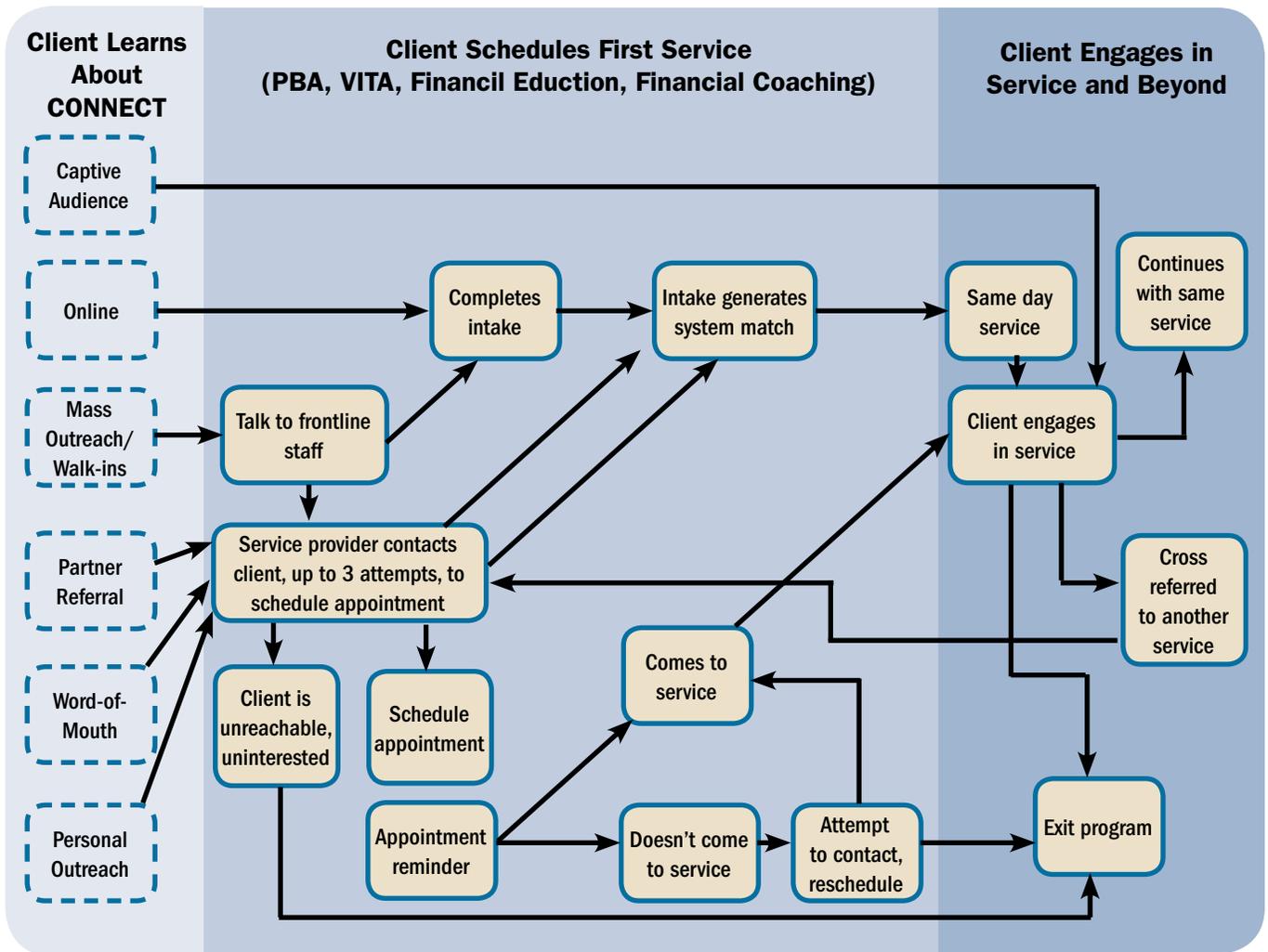
There are three interrelated strategies, all anchored in a customer-centered approach, that boost customer retention and impact. The key to customer retention is being customer-centric throughout the financial capability program's design and delivery. Being customer-centric means committing to an ongoing process to learning about the target audience and adjusting to that audience's needs and preferences accordingly.

1. Map and adjust customer flow.

Customer flow is about the customer's journey through a financial capability program based on how it is structured.

Mapping customer flow allows organizations to analyze how easily customers move through the program. It helps identify pain points, bottle necks and redundancies. Mapping enables organizations to think through what the “hooks” are to entice customers to stay in the financial capability program and achieve positive financial outcomes. Based on the analysis, organizations can adjust touch points with customers to be more efficient and customer-centric. Often this process involves experimentation (as is shown in a map below from The Neighborhood Developers, a NeighborWorks network organization in Chelsea, Massachusetts), regular feedback from customers and iteration to align the customer flow with the target audience needs. Once a clear customer flow is established, organizations can develop internal program protocols and customer-facing collateral materials to provide a seamless experience for the customers.

The Neighborhood Developers’ map of customer flow and planned adjustments



Considering how customers move through a program can increase its effectiveness, efficiency, scale and sustainability. Streamlining customer flow can yield tighter links across integrated services and deepen relations with customers and partners, both of which bolster customer retention. When

¹ Study commissioned of eviction prevention practices in 2014 to capture best practices for the field.

taking part in activities to better understand customer flow through a customer-centered lens, organizations need to pay particular attention to the start, middle and end of the financial capability program as outlined below.

Program Start

- What does enrollment look like?
- How are customer goals established?
- How is the customer's current situation assessed?

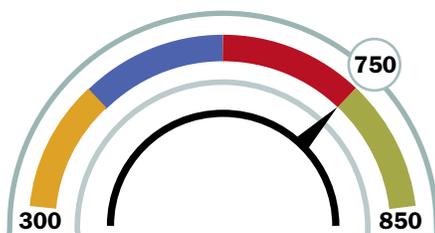
Program Participation

- What does service delivery look like?
- What are the touch points and program process?
- What are the measureable program milestones and how is progress measured?

Program End

- How is graduation defined?
- How is closure celebrated?
- What outcomes are measured and how?

Sample of TND's marketing for a Saturday offering to appeal to busy customers



Come to an informal session to have coffee with one of our financial coaches. While we are here, you will get your credit checked and learn you need to **understand** and **build** credit.

Key questions to discuss with staff

- Do you have an internal customer flow plan for the financial capability program? Is it up to date? Does it include all touch points and follow-up moments?
- How do you share progress with customers? Do you show progress with customers during sessions and/or send them messages about progress in between sessions?
- Does your program have a clear end point? Does your program use a set timeframe (e.g., one year), set number of sessions (e.g., six coaching sessions) and/or set outcomes (e.g., goal attainment or \$500 in saving)?

2. Offer responsive service times and locations.

Offering services at times and locations that are convenient for customers keeps them involved in a financial capability program. Convenience reduces the hassle factor, a psychological barrier that deters customers from remaining in the program. In order to be responsive to the target audience with service delivery, organizations *first* must understand the audience's schedules, lifestyles and locations. Appealing to the audience might require service offerings on evenings, weekends or other times when customers can regularly attend (as displayed in TND's marketing piece). Meeting busy people physically where they are – where they live, work or are accessing other services like workforce training – makes it easy for them to participate on an ongoing basis.

Key questions to discuss with staff

- How do you know your services are convenient for customers?
- What do you know about the reasons clients drop out of your financial capability program?

3. Use a coaching approach.

A coaching approach builds relationships with customers, increasing both the chances that they will stay in a financial capability program and achieve positive financial outcomes. By providing personalized attention and customer-centered support, financial coaching motivates and retains customers. Such a relational approach is key to building trust and lasting connections with customers.

Organizations can integrate a coaching approach into their financial capability programs in several ways:

- Developing a formal ongoing, stand-alone support program.
- Integrating the coaching framework into an existing program or activity, such as resident services.
- Applying coaching skills and techniques into an existing program or activity, such as a multi-week financial education training.

Organizations can help customers understand the ongoing nature of coaching by setting expectations early on. As shown below, one organization in the Learning Lab developed an onboarding script to clearly communicate the structure of their program and manage customer expectations at the outset.

TND's new coaching customer onboarding script

Script for New Coaching Clients (use language like this to make a connection)

I'm (coach's name), a financial coach. Since you've come to this appointment, there's obviously something in your life that's bringing you here. What attracted you to come in? What about your finances or your financial situation brought you in the door? A lot of us don't want to talk about finances because it may seem that there is no solution. There are all sorts of situations, dealing with debt, too many expenses, buying a house, fixing credit that bring people here.

Part of being a financial coach is to help people figure it out. What we generally do here at connect is, over 3 sessions we do a budget, a financial assessment, what expenses you have, can you pay your bills at different times instead of on the first of every month. If it's okay with you, we'll start with that.

Some times people, this is longer term, people will say "I need to get a better job", I need to go back to school to get a better job, then we figure out your goals.

Just like a soccer match, the coach is sitting on the sideline. Who's doing the hard work? You do the hard work but together we look at your options. For example, do you buy your coffee out? Many people can save hundreds of dollars by choosing to make coffee at home or getting it at work. This is just an example of things we can discuss to help you save money for what matters most.

Part of our commitment to you and to our funders is to reassess progress every 6 months, which includes a free credit check (a soft pull) and a quick financial assessment. As you get to certain goals, we celebrate with you and we have a graduation ceremony for the people who reached their goals.

Key questions to discuss with staff

- How are you integrating coaching in your financial capability program?
- What coaching tools and techniques do you use with customers and what impact do they have?
- Which coaching protocols do you have in place to support your approach?

Case Studies of Learning Lab Organizations

Champlain Housing Trust

Burlington, Vermont

Champlain Housing Trust (CHT) is one of the oldest and largest community land trusts in the country. Through the Learning Lab, CHT developed new services for existing customers who were shared equity homeowners. The program solved an organizational problem of deferred maintenance due to financial issues and was highly compelling to the owners. To complement its financial capability program for shared equity homeowners, CHT offered a matched savings program.

How they mapped and adjusted customer flow

One of CHT's objectives was to better understand which methods (one-on-one coaching, group sessions in person or virtually, and online self-study) of financial capability training provide the knowledge and skills that lead to homeowners' financial stability. CHT hypothesized that a significant driver to influence homeowner' priorities and needs was their length of ownership. They divided homeowners into segments by tenure and tailored their outreach strategies and programming to appeal to each segment. CHT previously tried an iteration of its financial capability program focused on home maintenance and financial stability with owners who were behind on their mortgages, but they learned that people in crisis were not a good fit for a preventive program. After this learning, they targeted owners who might be struggling with finances or upkeep, but were not yet in crisis.

How they offered responsive service times and locations

Being in close contact with their owners, CHT designed a program that appealed to its audience, with flexible options. Group sessions were available in person or through webinars or all-day events with multiple offerings, known as HomeOwner Universities. In general, both the webinars and HomeOwner Universities were popular. After one quarter of low webinar turnout and an email survey, CHT adjusted the webinar time, which resulted in increased participation.

How they used a coaching approach

Based on deep knowledge of its target audience and fresh customer research, CHT was able to provide tailored and trusted support to its shared equity homeowners. CHT's program included a financial wellness assessment, happy home and home maintenance surveys, three coaching sessions, two group sessions (in person or by webinar) and an action plan. Homeowners who completed all of those benchmarks by the midpoint received a \$100 incentive. The retention rate for the program was 95 percent. Participants said they want to stay engaged beyond the program because they value the information they received.

The Neighborhood Developers

Chelsea, Massachusetts

The Neighborhood Developers (TND) is a lead agency for CONNECT, a collaborative of five agencies working to improve the financial mobility of low-income families. Through the Learning Lab, TND significantly strengthened its existing financial coaching program. By becoming more customer-centered in its process, offerings and language, developing a more structured process with a clear ending and improving service integration, TND was able to serve more customers and achieve deeper outcomes.

How they mapped and adjusted customer flow

By taking part in activities to better understand customer flow and matching customers to services, TND developed deeper relationships with customers and referring partners, tightened the links across integrated services and developed clear and descriptive customer-facing program materials. TND also positioned financial education as a “hook” and an entry-level service for its more structured and impactful coaching program.

How they offered responsive service times and locations

To appeal to busy customers enrolled in workforce training at partner sites, TND piloted Saturday sessions, called Coffee with Coaches, to test informal group coaching sessions. Furthermore, to accommodate customers’ schedules and offer a complementary service, TND extended office hours to help with resume preparation.

How they used a coaching approach

TND created a more structured approach to their coaching work and better integrated complementary services (financial education, tax assistance, benefits screening and financial product enrollment). TND clarified customer goals and developed clear, descriptive and customer-facing language to explain the coaching process from entry point to graduation. For the first time since program inception, TND was able to graduate customers who had gone through coaching programs.

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