

Continuous Improvement for Strong Project Administration

This document presents ideas and suggestions for AFI Projects at all stages of implementation to consider in order to close out their grants successfully. Successful closeout means that AFI Projects have met their project goals—and the goals of their IDA participants—during their five-year AFI Project grant period. Most of the suggestions offered here are drawn from the experience of AFI Projects in recent years.

Consider Changes to Project Design

AFI Projects have much flexibility in adjusting the design of their projects as they develop expertise and knowledge about how best to serve their participants. When projects identify changes that will improve their ability to meet their overall goals, they may take steps to make those changes. The Office of Community Services (OCS) is interested in ensuring that AFI Projects remain focused on their overall outcomes. AFI Program staff understand that may mean making adjustments to their project design during the implementation period.

AFI Projects sometimes begin with multiyear project designs that are simply not feasible. After a new grantee has begun the real work in the community, it may become clear that the proposed design will not achieve the stated outcomes within the project period. If that happens to you, realize that there is no need to be stuck with an unproductive program design. Make it better. Modify it!

If you propose to make changes to your AFI Project, be sure to consult with OCS first. You will need written approval for major changes. For programmatic changes, such as reallocating the number of slots for each asset goal, OCS will provide the approval. For more significant adjustments, such as budget or staff changes, OCS will coordinate with the Office of Grants Management to provide approval. Of course, official written requests for major changes must be addressed to OGM. Please do not hesitate to communicate with OCS whenever you have identified ways to improve your AFI Project design and implementation.

Following are brief discussions of a few areas in which grantees may wish to make adjustments and the general guidelines they need to remember. Again, please consult with OCS and OGM before finalizing changes in project design.

Examine Deposit and Savings Requirements

There are very few restrictions on participant savings and deposits in their IDAs. The program requires that participants open and maintain IDA accounts and make regular deposits in keeping with their Savings Plan Agreement. AFI also stipulates that participants may not withdraw savings from their account in the first six months following their initial deposit.

Your agency may impose additional deposit and savings rules beyond those required by the AFI Program. Take the time to assess any additional policies imposed by your agency. Consider the degree to which they enable participants to complete their savings on time and with sufficient total funds to purchase their targeted asset. Are they helpful to the participant? Are they necessary for meeting your program goals? Research and review other options. Talk with other AFI Project managers. Check to see that any additional policies reflect best practice with regard to the behavior, experience, and needs of your particular target market. For example, agencies that work with diverse or changing target markets often find that having less restrictive policies and customizing IDA savings timelines to each applicant as part of case management can have successful results.

Encourage Lump-Sum Deposits: EITC, Child Credit, and More

AFI Projects are encouraged to help participants redeem and deposit refundable tax credits, including the Federal, State and local Earned Income Tax Credit; the Child Tax Credit; and other income tax returns. If your agency does not currently help participants learn about and use these refundable tax credits, partner with organizations that do.

Consider Participants' Credit Histories

Many agencies report that they wish they had known participants' credit histories early in their savings period, especially for homeownership savers. Access to capital depends not only on having savings for a down payment, but also on having a history of timely repayment of debt and a low debt-to-income ratio. It also requires a good "credit score" and stable employment. AFI Projects have also found that many participants have, in effect, no credit history. Creating a credit history or repairing a poor credit history takes time—something AFI Projects can often accommodate if they have the information early.

Help participants get credit reports right away as part of enrollment and use information from the reports to help the participants set their savings goals, establish budgets, and address debt reduction or credit repair if necessary.

Target and Time Recruitment

AFI Projects are better suited for some individuals and families than others. As your agency designs and starts up its project, it should develop an outreach strategy that will target people who will be ready and able to benefit from it.

Throughout implementation, but particularly in later stages, keep closeout in mind when recruiting participants. After a year or so of implementation, or even earlier if warranted, step back and review your progress. Assess what has worked and what has not. Identify which community partners have been most effective at referring successful participants. Reflect on

strategies that bring in participants with a high capacity to save (e.g., working with real estate agents or high school guidance counselors) or with access to lump-sum deposits such as EITC (e.g., partnering with tax preparation clinics). Also, concentrate on community partners whose programs provide case management assistance. Consider whether some kind of preenrollment preparation (e.g., resolving family issues, stabilizing or improving employment) would be in the long-term best interest of applicants and improve your program efficiency once participants are enrolled.

Enroll Participants Early

It is important to enroll participants early in the project so they will have the maximum amount of time to save and purchase their asset. While AFI Project managers may realize the major time commitment necessary to recruit and enroll participants, they are often stunned by the additional effort required to maintain participant motivation, encourage regular savings, and assist them in purchasing their assets.

Consider planning outreach, recruitment, and training so that participants will have at least 12 months at the end of the project solely for arranging their asset purchase.

Set Savings and Asset Purchase Deadlines Well Ahead of the Project End Date

AFI Project managers are learning that the asset-purchase process is time consuming. It can take some participants several months—even a year—from the time they have successfully achieved their savings goal to when they complete their asset purchase. It can be useful to give participants clear time frames and deadlines for each step of the program. This will help them stay on track for saving and making their asset purchase. Some agencies request that participants complete their savings by the last year and expect them to make their asset purchases well before the end of the grant period. Other agencies individualize time frames. Time frames should also reflect the realities of local communities, such as the availability of affordable housing and additional purchase assistance or the business climate.

If your agency sets these kinds of deadlines, it is best to put them in writing and communicate them often: in participant savings agreements, in newsletters, in savings statements, in special postcard mailings, and so forth. Some agencies ask savers to establish new savings agreements in the final year that spell out any additional timing requirements or expectations.

Develop Individual Action Plans

A number of AFI Projects are finding that individual action plans or asset plans are useful to help savers define time frames for meeting program training requirements, completing their savings, and carrying out the asset-purchase process. Such plans include short-term and

intermediary benchmarks for savings, credit repair, or other actions participants need to take to position themselves for a smooth asset purchase at the end of their savings period. They also help project managers to see how well participants are progressing and where there may be difficulties that can be resolved early on.

If you implement this strategy, make sure the individual action plans include concrete steps for the savers; small, intermediary milestones; and a realistic time line for accomplishing the entire plan.

Revisit Training Design

Most AFI Projects develop their initial training designs to maximize participant commitment over a number of years. For example, a common strategy is to require participants to complete financial education as a prerequisite to opening an IDA account. Another strategy is to hold training opportunities as monthly classes or homebuyer clubs that participants need to attend for a number of months.

In the later stages of the project period, it may be important to make adjustments to the training strategy. Here are some suggestions for adjusting the training requirements so participants will complete the training more quickly:

- Shorten training schedules.
- Provide training sessions more frequently and adjust the schedule so participants will be better able to attend. Add weekend and weeknight classes, if possible.
- Repeat training for long-term savers. This strategy can help motivate slow savers.
- Expand training options by including a larger network of training partners, distance learning options, and so forth.
- Set priorities for training expectations so that they do not penalize busy participants for missing “extra” sessions, such as monthly homebuyer clubs.

Increase Case Management Services

Another good strategy for ensuring that participants finish their savings plans and purchase an asset is simply to give them more intensive assistance.

Suggestions for providing more case management:

- Start case management as soon as possible, especially if your project requires participants to complete financial education before saving in their individual development accounts.
- Create benchmarks for case management. Establish follow-up calls every 10 to 14 days to maintain regular contact with participants in the final months. Send reminders with

- specific dates through e-mail, postcards, inserts in monthly mailings, and so forth.
- Schedule one-on-one sessions with participants during the final year, particularly during the final months of the project.
- Create staff incentives so experienced case managers will be available, especially during the vital final months of the program.

Provide Special Assistance to Participants with Homeownership Goals

As housing prices continue to rise in almost every community across the United States, it is becoming more difficult for some AFI Project participants to qualify for home loans and afford homes even with their IDA savings. Here are some additional strategies to help homeownership participants:

- Partner with a housing counseling agency certified to provide first-time homebuyer assistance. These agencies have resources and expertise to help low- and moderate-income families buy a first home.
- Work with diverse community partners to leverage additional housing resources. Important community partners include affordable housing developers, down payment assistance programs, and low-rate mortgage programs.
- Develop a recruitment timeline that sets priorities for enrolling homebuyer participants early in your project and sets a final date for homebuyer enrollment.
- Consider gaining more time for potential homeowners by reassigning them to other AFI Projects, if you are operating more than one. (See Information Memorandum 2004-03, for details on how to reassign participants among concurrent AFI Projects.)

In the end, the most productive strategy in some cases may be to help your participants focus on different savings goals to ensure they get the full benefit of their IDA during the required time frame. If homeownership does not seem feasible, redirect participant savings to business startup, vocational training, or postsecondary education so that IDA match funds are expended within the project period. Help them plan for home purchase at a later time. A change of asset goals should be proposed sooner rather than later, perhaps even at enrollment if a participant seems unlikely to be able to resolve barriers to home purchase in the allotted time.

Fast-Track Program Design

Many AFI Projects have successfully modified their project designs. A number of them have changed their strategies or adapted components to support participants who are able to accomplish their savings goals in a shorter amount of time—a fast track.

Some strategies for helping fast-track savers:

- Identify and enroll participants who are able to save quickly.
- Eliminate or reduce presaving requirements.
- Allow participants to open their IDAs before completing the financial education training.
- Speed up the training schedule, providing more frequent group training.
- Enroll participants who are already in the asset-purchase process (e.g., people who are already working with first-time homebuyer programs, enrollees in educational or training institutions, or clients of microenterprise programs).
- Encourage participants to contribute to their IDAs through direct deposit or automatic fund transfers.
- Increase or eliminate monthly savings limits.
- Allow lump sum deposits as long as the total deposits do not exceed earned income during the savings period.

Note that a fast-track design might be inconsistent with some of your original project objectives and therefore must be considered carefully. You may, for example, need to rethink your target population. Here are some pros and cons to consider:

Fast-Track Design Pros:

- Offers a design to facilitate recruitment and enrollment in final years.
- Helps ensure full use of match and operating funds available to the project.
- Offers IDA match, financial education, and asset-specific training to more participants.

Fast-Track Design Cons:

- Targets participants who are already close to being self-sufficient. This approach may be counter to the purpose of AFI Projects—that is, to help low-income families become self-sufficient.
- May encourage participants to compromise their real asset goals to save for secondary goals that require less savings or shorter purchase periods.
- Compresses the time period, which may not help participants develop long-term savings behavior.
- May require more frequent and flexible training offerings, which may stretch project staff too thin.

AFI Program staff are continually seeking out and disseminating more information on effective practices developed by AFI grantees. Look for announcements on the AFI Asset-Building Web site (<http://www.acf.hhs.gov/assetbuilding>) or in notices to the AFI ListServ.