

Attachment A LOI Cover Page

Contact Information

Organization Name: St. Vincent de Paul Society of Lane County, Inc.

Mailing Address: PO Box 24608

City/State: Eugene, OR

Zip: 97402

Contact Name: Anne M. Williams

Title: Housing Programs Director

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Organizational Information

Mission Statement: We assist the poor and those in need of consolation, seeking out and utilizing every resource. Being mindful of the sanctity and dignity of all, any charitable work that advances those goals is within the mission of St.Vincent de Paul.

No. of Employees: 330

FTE: 280

No. of Volunteers (annually)/ Volunteer Hours (annually) 4.449/ 23,598

Name of Executive Director: Terrence R. McDonald

Name of Board President: Louise "Molly" Westling Term Ending Date: Sept. 2011

Number of members on Board of Directors: 15

Total Agency Budget : \$16,516.221 Net Income

Fiscal Year End: Sept. 2010

Geographic Service : Lane County, Oregon

Unduplicated Lane County Residents Served Last Year: More than 84,5000 for all program areas

Has your organization been previously funded by UWLC? No Yes, Year(s) 1995-2010

Proposed Service(s): Name of Proposed Services: Lane County Financial Literacy and Individual Development Account Program

1. Mission We assist the poor and those in need of consolation, seeking out and utilizing every resource. Being mindful of the sanctity and dignity of all, any charitable work that advances those goals is within the mission of St. Vincent de Paul (SVDP).

2. Goal Alignment SVDP proposes to provide strong **financial literacy** instruction grounded in household budgeting, support and coaching; and household enrollment in an **Individual Development Account** (IDA) Program, a state and federally funded program that offers 3-1 match for savings targeted to specific goals. This project aligns with both of UWLC's Income goals:

A) **By 2020 an increase in the % of households between 100-200% of FPL that can pay their bills for two months or more after losing their main source of income:** Financial literacy encourages savings and prudent spending. If more families had money in their savings accounts and were making better financial decisions, they would be more likely to have the funds to pay their bills after losing their job or other source of income. EITC refunds can give families a substantial lump sum that can be dedicated to savings.

B) **By 2020 an increase in the % of households over 200% of the FPL:** IDA funds can be dedicated to receiving a post-secondary education or starting a small business. Individuals with a technical or college degree are more likely to earn higher incomes. Owning a business puts individuals in charge of their financial future and opens the door to earning much more than minimum wage.

3. Funding Strategy Addressed and Proposed Strategic/Preventive Services Poverty is much more complex than simply not having enough money. Poverty is often characterized by *hopelessness* manifested in both the absence of goals and *lack of knowledge and skills needed* to actualize a goal.

To attack this problem and help households make real strides towards stability, SVDP has operated a Financial Literacy program since 2008 and IDA program since 2002. Participants improve their financial literacy through taking classes, and benefit from the encouragement of coaches and the support of their peer group. Building assets through IDAs is a powerful national poverty alleviation strategy. IDA programs seek to create economic self-sufficiency through savings and investment paired with financial education. This national movement views the accumulation of assets as the key to the improvement of the economic condition of poor households. In an IDA program, individuals save no less than \$25 each month in a special savings account to purchase an asset. Commonly, eligible assets are home ownership, post-secondary education or small business start-up. In Oregon, two additional asset categories are home rehabilitation and repair and specialized adaptive equipment, technology, or training related to employability. Participants must attend financial literacy classes and access approved training related to their chosen savings goal. Pairing financial education, supportive household budgeting and a savings incentive program can truly break the cycle of poverty for participating households.

In 2008, SVDP hired a full-time IDA program manager and expanded beyond the Eugene/Springfield program to offer free financial literacy classes and IDAs in three rural communities: Florence, Oakridge, and Cottage Grove. With United Way support, the program will be offered in two additional rural communities, Veneta and Junction City, and expanded in Oakridge, which lacks resources to provide local funds for the program.

To ensure success, financial education must address a multitude of issues facing very low-income households. In four 2 1/2 hour sessions, participants look at decision making, values, consumerism, tracking spending, wants vs. needs, setting SMART (specific, measurable, achievable, results-oriented, trackable) goals, overcoming barriers, record keeping, developing a spending plan, credit reports and scores, avoiding scams, and ways to save on utilities. Individuals' literacy levels are sometimes an issue. The curriculum "Finding Paths to Prosperity," an activity-based, interactive approach, has been designed to reach individuals with limited literacy skills.

SVDP's Financial Literacy and IDA program currently offers classes, IDA matched savings program, and a monthly savings club opportunity to households in Eugene/Springfield, Florence, Cottage Grove, and Oakridge. Most Eugene/Springfield residents are referred to O.U.R. Federal Credit Union's free financial literacy educational program, "LifeLine." Nevertheless, Eugene/Springfield residents in SVDP's transitional housing programs (i.e., Connections for families at risk of homelessness, LIFT for individuals living independently following treatment, and Vet LIFT for veterans who have been homeless) are offered "Finding Paths to Prosperity" as a financial literacy option because it can be tailored to the needs of the individuals.

In the three rural communities, monthly savings clubs have been offered to provide peer support for ongoing savings, to strategize ways to overcome barriers for reaching goals, and to continue to gain knowledge about topics related to financial management. Currently, Florence has a group of four to six regular participants, Oakridge has a group of three to five individuals, and Cottage Grove will be starting a group this month.

To qualify for an IDA in Oregon, a household must meet income and net worth guidelines (for federal funds- income level of 200% of FPL and \$10,000 net worth cap, excluding the value of a home and a car; for state funds-income level of 80% average median income for the county and \$20,000 net worth cap, excluding the value of a home and a car). The IDA participant, upon completion of the savings goal, uses the savings plus matching funds, worth three times the savings amount, for the targeted goal.

The targeted community outcome is more self-sufficient households, specifically households who can pay their bills for 2 months or more after losing their main source of income and households who will earn more than 200% of FPL with the help of increased knowledge to make better choices. These households will realize this goal through education, home ownership, creation or expansion of a business, home rehabilitation/repair or specialized equipment, technology and training. Education, business, and specialized training have obvious potential to help households achieve economic stability; home ownership or home rehabilitation/repair help create or maintain a significant asset base.

With an overall annual program budget of \$41,020, St. Vincent de Paul requests United Way support of \$8,520 per year. This money will be used for personnel, mileage, and materials to increase the number of households accessing financial literacy classes and IDAs in Oakridge and to open up access to classes and IDAs in Junction City and Veneta. The outcome will be to increase the number graduating from the financial literacy classes, from 36 per year, to 60 per year program-wide. (This represents approximately 20 new participants in Oakridge, Veneta and Junction City.) Savings clubs will increase from 2 active clubs to 4 active clubs. IDAs will be limited by the amount of match money available.

4. Need and Target Population Our proposed program addresses UWLC's Community Impact Model Strategic Action Area of Income. Households at 200% of the federal poverty level or below often live paycheck-to-paycheck, juggling car repairs, rent, insurance and other basic needs. One small disaster can send a household into crisis. Accruing multiple debts and a history of late payments is common. Often households cannot 'save for a rainy day', and more often than not, do not budget. Statistically, the average median income of Lane County residents is lower than the state average. Oregon's median income is \$50,169 compared to between \$31,235 and \$40,456 in the communities currently accessing IDAs through St. Vincent de Paul. Many households are living on the edge. For example, there are currently 321 foreclosures, 598 pre-foreclosures, 321 bankruptcies, and 407 tax liens in Florence alone. With the current economic down turn, jobs are scarce, especially in rural areas, and unemployment rates are high. Learning to budget and save for emergencies is crucial for survival in this environment. The Financial Literacy and IDA program provides vital education and support to help households develop a habit of saving as well as the opportunity to translate those savings into education for employability, business, home ownership or other eligible goals.

St. Vincent de Paul's program will focus on several populations for financial literacy and IDAs. These include: rural residents, persons of color, single parents, persons with disabilities, persons living in affordable or subsidized housing, and college students relying on student loans. Over the years, there have been 26 graduates from SVDP's IDA program, ten of whom graduated in 2009. There are presently 23 active participants, 16 of whom enrolled in 2009. In all of 2009, 23 new participants opened up IDA accounts (i.e., six for homeownership, thirteen for education, four for home rehab). Over half were rural residents and over half were in single parent households. 36 individuals, including 3 in Oakridge, 14 in Florence, 9 in Cottage Grove, and 10 in Eugene, completed the "Finding Paths to Prosperity" course, impacting not only those individuals but also their families. Fourteen individuals completed the "Home Care & Repair" course, required for a home rehab IDA and thirteen rural residents completed homeownership training in their own communities. These households have taken concrete steps to achieve stability and self-sufficiency.

5. Collaboration/Innovation: Community partners are crucial as a referral base and a source of expertise in all communities where SVDP offers financial literacy training and IDAs. We work with HACSA, NEDCO and eDev referring individuals to each other for training and enrollment as needed. The financial literacy classes benefit from the expertise of local utility company staff that share information about ways to save money by saving energy. Representatives from local financial institutions share information related to financial management (e.g. improving credit, paying down debts, avoiding identity theft). Financial literacy classes are filled with referrals from numerous partners including Habitat for Humanity, Community Sharing, Family Resource Center, Family Relief Nursery, South Lane School District, Head Start, Department of Human Services (Cottage Grove); Florence Area Coordinating Council members, Habitat for Humanity, Head Start, Siuslaw School District, Three Rivers Casino (Florence); Family Resource Center, City of Oakridge, Oakridge School District (Oakridge). In addition, Oregon First Community Credit Union, Boys & Girls Club and SVDP are considering offering a monthly savings club for youth in Florence. Conversations have begun with Sterling Savings to provide support regarding financial management for elderly widows. Initial contacts have been made with the 21st Century Grant program in the schools to provide joint referrals to parents interested in financial literacy support. In Oakridge, SVDP will be working with the Family Resource Center coordinator to increase the number of residents participating in financial literacy classes and the savings club. In Cottage Grove, conversations have begun with Northwest Community Credit Union, which has a presence in the high school, to encourage students to apply for IDAs.

Other entities have invested in our program. Additional sources of funding for the overall program throughout Lane County include \$2,500 from rural partners, \$3,000 from SVDP transitional housing programs, \$9,000 from CASA of Oregon, the fiduciary organization holding the match money which distributes support funds (20% of match) to agencies as participants graduate, \$5,000 from Woodard Family Foundation, \$6,000 from SVDP, and \$7,000 from Key Bank. \$19,000 of these funds are committed, \$5,500 are pending, and \$8,000 are still to be requested. More than ten local businesses and organizations provide rent-free space for the program.

The innovation of this program lies in its idealistic yet imminently practical approach to solving poverty, one household at a time. Families are given hope, tools, and a realistic approach to improve their lives.

With United Way funding, SVDP will expand its Financial Literacy and IDA program in Oakridge, and open the program to Junction City and Veneta residents, providing crucial tools to help families strategically boost themselves above poverty.

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