

The Financial Opportunity Center Network



The Issue

More than half a million Kansas City area residents live in households considered low-income, struggling every day with financial insecurity. Four out of five of these households include children. It is a common misperception that low-income people do not work, but of the low-income families with children in the Kansas City area, more than 7 out of 10 has someone in the household who is employed. This means that many families have one or more adults in the workforce and still face financial hardship. The latest economic downturn was particularly hard on low- to moderate-income households and low-wage workers – many who lack the skills that would allow them to transition or move into the high demand jobs of the current economy, such as STEM careers. Currently, low-wage workers are typically employed in industries such as food services, retail, and personal care services.

Low-wage workers struggle with irregular schedules, job insecurity and minimal benefits, making it difficult to progress on a career path or accumulate assets. Many low-income families do not have emergency savings to fall back on. This is especially true for modest-income households. In our metropolitan area, more than one in three (35 percent) are considered “liquid asset poor,” meaning they do not have sufficient liquid resources to subsist at the poverty level for three months without income.

The Approach

For families walking the tightrope of financial insecurity, setting goals for achieving income growth and savings can seem out of reach. The Financial Opportunity Center (FOC) model is a proven approach to help low-income families move from being spenders to strategic borrowers, and on to becoming savers and investors. Quite simply, the result is to strengthen that family’s trajectory for generations.

The centers combine workforce training and placement, financial coaching and access to public and private benefits into a one-stop model that increases both organizational efficiency, as well as positive client outcomes. This means that FOC sites focus on building sustained relationships, not just episodic services, such as emergency assistance once per year. FOCs take a long-term approach to helping people achieve their financial goals, focusing on three primary results: increasing net income, increasing net worth and improving credit. Central to this practice is a focus on building both long- and short-term financial assets and connecting clients to safe and affordable financial products. The principals of “coaching” are infused throughout each of the integrated services, focusing on goals and aspirations of the people seeking help. Evidence accumulated over the past ten-plus years of practice indicates that integrated service delivery increases positive outcomes career placement and retention, as well as financial capability.

In effect, the centers offer a version of long-term financial planning that more affluent individuals frequently access or utilize and tailor it to the needs of low- and moderate-income families.

Our FOC sites must set minimum outcome projections in the three key program areas described below. In the past 18 months, nearly 500 people have received integrated services at our four FOC locations. Research has demonstrated that FOC clients who take advantage of these combined services are 50 percent more likely to obtain a well-paying job, and their long-term job retention nearly doubles.

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Families receive individual attention and guidance from a case manager who provides:

- » Employment placement and career improvement
- » Financial education and coaching
- » Access to public and private benefits and income supports

Focus on Results

United Way and LISC require all sites to set performance measure projections and track outcomes.

Kansas City FOC participants have achieved the following outcomes:

- » 385 people participated in financial coaching
- » 117 increased their credit score
- » 83 increased their net worth
- » 424 participated in workforce coaching and placement services
- » 228 were placed in jobs, with an average starting wage of \$13.17 an hour

Our Partners

United Way is working in partnership with the Greater Kansas City Local Initiatives Support Corporation (LISC) to build a network of Financial Opportunity Centers. Nationally, LISC began to develop a network of communities with Financial Opportunity Centers in 2004. Today there are 90 centers serving clients in 31 cities across the United States. Our region will connect to and benefit from learning across this national network. LISC and United Way of Greater Kansas City formed a partnership in 2013 to increase the capacity of public, private and corporate and non-profit partners to increase the economic security of families across the metropolitan area.



Four organizations currently host Financial Opportunity Centers:

- » Community Services League
- » Guadalupe Centers, Inc.
- » Rockhurst University, in partnership with Catholic Charities of Kansas City-St. Joseph and Full Employment Council
- » Women's Employment Network

An application process is currently underway to add two to four additional sites to the network in the next 18 months. At least one site is expected to be located in Kansas.