

Income Strategy

Definitions:

Result-(or outcome or goal) is a population condition of well-being for children, adults, families and communities, stated in plain language

Indicator-(or benchmark) is a measure that helps quantify the achievement of a result

Strategy-is a coherent collection of actions that has a reasonable chance of improving results

Performance Measure-is a universal measure of how well a program, agency or service system is working. The most important performance measures tell us whether program customers are better off. There are three types of performance measures:

1. Quadrant 1 (Q1) - performance measure that answers the question “How much did we do?”
2. Quadrant 2 (Q2) - performance measure that answers the question “How well did we do it?”
3. Quadrant 3 & 4 (Q3 & Q4) – performance measure that answers the question “Is anyone better off?”

To determine if clients are better off, programs measure changes in four categories: Skills/Knowledge, Attitude/Opinion, Behavior, and Circumstance.

INCOME

RESULT: REDUCE DOMESTIC IMPEDIMENTS TO EDUCATION CREATED BY POVERTY

Headline Indicator: Percent of Families in north central Florida who are at or above 200% of poverty

Result 1: Individuals/families in poverty have access to a safety net of ongoing and transitional food, shelter, and other income/work supports

Indicator 1: Percent of families earning 200% of poverty or less (Census data)¹

Indicator 2: Total EITC returns (IRS VITA data)

Indicator 3: Average EITC return (IRS VITA data)

Indicator 4: Days in transitional housing (data source)

Indicator 5: Meals served to low income families (data source)

Indicator 6: Percent of youth eligible for free and reduced school lunch (School Board data)

Indicator 7: Number/percent of residents accessing community services who are eligible for them (data source)

¹This measure was chosen because a family at 100% of poverty or less will qualify for all public benefits even though many public benefits have income eligibility above 100% of poverty.

Income Strategy

Strategy 1.1: Maximize use of tax credits for low-income working individuals/families²

Program Performance Measures:

1. *Number of clients who file their income taxes through a Volunteer Income Tax Assistance (VITA) site (Q1) (IRS VITA data)*
2. *Number who claim Earned Income Tax Credit (EITC) (Q1)*
3. *Number who claim Child Tax Credit through VITA (CTC) (Q1)*
4. *Average return per client (Q1)*
5. *Average household income of clients who file their taxes through VITA (Q1)*
6. *Percent of tax preparers who complete the IRS certified tax preparation program (Q2)*
7. *Number/percent of individuals/families who split their refund between checking and savings (Q3/Q4)*
8. *Total amount of federal refund (Q3)*

Result 2: Individuals/families build financial stability

Strategy 2.1: Low income families increase financial management knowledge and skills⁴

Program Performance Measures:

1. *Number of individuals/families who are participating in a financial literacy program (Q1)*
2. *Percent of staff who have credentials to teach financial literacy (Q2)*
3. *Number/percent of families who maintain their budget as defined by paying all household/utility bills on time for three consecutive months (Q3/Q4)*
4. *Number/percent of individuals/families who report that they reduced their debt (Q3/Q4)*
5. *Number/percent of individuals/families who receive their credit report with score and develop a plan to improve their score (Q3/Q4)*
6. *Number/percent of individuals/families who open an account at a bank, credit union, or other mainstream financial institution (Q3/Q4)*
7. *Number/percent of individuals/families who obtain an asset using an IDA (Q3/Q4)*
8. *Number/percent who are receiving financial coaching meet their personal financial goals at exit (Q3/Q4)*
9. *Number/percent of families who change on their attitude/behavior about financial literacy/skills (Q3/Q4)*

² Tax credits such as Earned Income Tax Credit — is seen as a potentially powerful tool in helping low-income workers move toward economic self-sufficiency because it puts money directly into the pockets of low-wage workers and provides a direct incentive to work (Next Step Economic Self Sufficiency Ventura County, CA WIB p29). Thus, federal and state “work supports”— such as the Earned Income Tax Credit (EITC), child care, Food Stamps, health insurance, Temporary Assistance for Needy Families (TANF), and child support — have become increasingly important in the national effort to encourage and support employment and to help low earning families make ends meet. The availability of such benefits makes it more possible for a parent to enter a job, to retain employment, and to better provide for family needs (Making Ends Meet: Six programs that help working families and employers—Center for Law and Social Policy, p1). Note: Tax credits are a Public Benefit that fall under Strategy 1.3. The reason this strategy is standalone is because UWNCF directly helps clients with tax credits.

³ The report done for The Brookings Institution and Harvard University state that paycheck to paycheck living with no financial margin of safety increases the risk of missing scheduled payments such as credit cards, rent, etc. thus damaging credit history and increasing debt burden. When these households need short-term loans for emergencies, they get roped into predatory lending practices (Bringing Unbanked Households into the Banking System, p4). Savings are especially critical for low- and moderate-income families who often have no assets or access to credit and thus have difficulty remaining financially stable during fluctuations in income such as those precipitated by illness, job loss, divorce or other events.

Income Strategy

Result 3: Obtain stable and affordable housing⁵

Indicator 1: Percent of low-income working individuals/families who spend more than 40% of their income on housing (rental/homeownership) (data source)

Strategy 3.1: Connect low-income working individuals/families with transitional and supportive housing to decrease homelessness

Program Performance Measures:

1. *Number of individuals/families who are homeless or in emergency housing (Q1)*
2. *Number of seniors on waiting lists for subsidized housing (Q1)*
3. *Number/percent of adults and children living in transitional housing (Q1)*
4. *Percent of trained staff who provide case management to help qualify families to obtain affordable housing (Q2)*
5. *Number/percent of individuals/families who have improved their housing situation to permanent housing (rental/homeownership) (Q3/Q4)*
6. *Number/percent of individuals/families that retain their permanent housing situation for at least 1 year (Q3/Q4)*

Strategy 3.2: Low-income individuals/families obtain and maintain affordable housing

Program Performance Measures:

1. *Number of individuals/families who obtain affordable housing (rent/ownership) (Q1)*
2. *Percent of trained staff who provide case management to help qualify families to obtain affordable housing (Q2)*
3. *Number/percent of individuals/families that rent affordable housing (Q3/Q4)*
4. *Number/percent of individuals/families that purchase an affordable home (Q3/Q4)*
5. *Number of low-income individuals/families who may lose their permanent housing (Q1)*
6. *Number/percent of individuals/families that mediate imminent evictions and foreclosure (Q3/Q4)*
7. *Number/percent of individuals/families that gain or sustain a financial asset (Q3/Q4)*
8. *Number of seniors living in subsidized housing (Q1)*

⁴ Workforce development approaches through training and education are not enough to address the complex financial challenges facing today's low- and moderate income individuals and families. Approaches to improve financial management and literacy, manage debt, and improve credit worthiness can be used as a multifaceted strategy to address complex financial challenges. National research conducted for the America Saves Campaign highlight lack of knowledge as one of the primary barriers to saving. Providing low-income working families with targeted financial education, appropriate financial products, and easy, low cost opportunities to save, combined with strategy and approaches to reduce their debt and expenses, will help them to build a financial foundation that lends itself to savings and asset accumulation.

⁵ According to a study done by Child & Family Policy Institute of California conducted across five counties in California, fourteen barriers were found to employment. Housing instability constitutes a significant barrier for employment (Addressing barriers on the path to self-sufficiency, CFPIC Policy Brief, p2). Stable and affordable housing is a key variable to self-sufficiency and is considered an asset. The concept of asset building as a strategy to move families beyond poverty was first introduced in the early 1990s, when Dr. Michael Sherraden published his seminal book, *Assets and the Poor: A New American Welfare Policy*. Owning (or not owning) assets has a tremendous impact on low income, working poor families, but also on society as a whole. Affordable Housing is defined by UWNCF as 40% or less of total household gross income.