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## View from the Street: Partnerships and Collaboration

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One avenue of our collaboration has been a program called Financial Coaching at Family Services of Greater Houston. In aggregate we have run the program since 2007 – Josh from 2007 until the end of 2010, and Richard since that time. Financial Coaching and the more traditional Financial Education have been a part of a suite of economic programs at Family Houston, which has included a car loan program for working parents with poor credit, a (healthy) alternative to a payday loan product, and employment services. Financial Coaching and Education are also part of a larger community collaborative, United Way THRIVE, which is a coalition of 20 organizations focused on family financial stability in everything from job training to a full-service credit union and tax preparation services.

Financial Coaching is financial education personalized and stretched out over six months to a year or longer. It is a best practice program that helps clients set a budget, reduce debt, save for their goals, and accomplish amazing things like homeownership or launching a small business. Also, because every decision and every relationship in life can have a financial component, Financial Coaching has the potential to touch on aspects of counseling, case management, family reunification, and many other elements of family function/dysfunction. It is one of the most comprehensive and impactful programs either one of us has come across in over 17 years of management.

### **Financial Coaching Then**

(Josh): For years, Family Houston clients had come to the agency with financial challenges, as is typical with human services, but starting around 2005-2006, the challenges were growing worse – payday lending was on the rise, real and hourly wages had been stagnant for a long period of time, and costs were accelerating for housing, medical care, and other basic needs. In 2006, Family Houston began integrating Financial Education into its Case Management program, but quickly realized that a session or two on budgeting was not going to help a client family with \$50,000 of “bad” debt. Education had its place, but something more robust was needed. The agency found a model called Financial Coaching, which had been successful in Chicago. This approach – deep, long-term financial work with families to help them not only solve their

current problems but also work toward their dreams, conceptually fit what the agency was seeking. As an aside, nearly all of these dreams involved the same two endgames: buying a house and sending their children to college.

Timed with and supported by the start of the United Way THRIVE, Family Houston launched the first known Financial Coaching program in Houston. However, as the program launched in 2007, it faced a classic problem of attracting clients to a new program, and one that required talking about and disclosing what – for many people – is very sensitive information. The agency knew there was potential for incredible demand because of the clients coming into the agency and because of the economic conditions mentioned earlier. However, even counting on organic program growth and incentivizing intra-agency referrals from the agency's other programs; the Financial Coaches were still working at less than half of capacity. There is some research that demonstrates the difficulty of using existing clients as referral sources for new programs (Anderson, 2004), but Josh believed that with more than 20,000 clients across Family Houston, the numbers would have been more than sufficient to grow the program. While this underperformance is typical of many start-up programs, it was not acceptable to program management. At that level the program may not have been able to justify moving forward.

The next step was to market services to the communities, through events, interest groups, visiting apartment complexes, and marketing directly to other concentrations of potential clients. Flyers were printed and distributed, staff attended large group meetings and made presentations and general announcements, among other common nonprofit marketing strategies. This was as ineffective as relying on internal referrals – money, as we all know, is more difficult to talk about than sex or any other subject, and the amount of fear, shame, and other negative emotions resulted in very little demonstrated demand for service.

### **Lesson Learned - Know the Target Market**

What the team realized they needed was an intermediary who could bridge the gap between potential clients and the program – someone who could vouch for the program while helping the potential client to feel comfortable with the process. Concurrently, Family Houston started to receive a trickle of referrals from nonprofit partners and their staff. When these clients showed up, they often said something to the effect of, “Alice (the Case Manager at the agency of origin) told me to come here and said that you can help me and I can trust you.” It turned out the primary target

market wasn't the community— it was nonprofit agencies and their staff. In other words, Financial Coaching was selling to the wrong audience. In Houston, there are 68 United Way affiliate agencies (nonprofits that receive money and technical assistance from United Way), approximately 200 total social service providers, and an estimated 9,000 total nonprofits (many of these are churches, hospitals, etc.).

Josh decided that this was going to be the next year of his work, running through two fiscal years. He went and met on-site with more than 60 distinct organizations and pitched to them why dual-enrollment in both agencies was good for that agency. For example, a domestic violence partner was struggling to get their clients into good aftercare situations. Their clients had the courage to leave abusive situations, which disrupted their entire life, including their credit score. Now they looked very poor on paper even though in reality they were very responsible and even courageous. This was holding them back, and holding the agency back from taking on new clients with limited spaces. So the handshake agreement around dual-enrollment was that Financial Coaching would help their clients improve their credit. Once evidence of this began to manifest, more referrals started coming in. Research has demonstrated that a shared vision for client success is one of the critical success factors in making a partnership work (Wildridge et al, 2004).

## **Results**

For the first funding year, the grant metrics were 1,000 clients in Financial Education and 100 in Financial Coaching. The program ended up with over 1,100 in Financial Education and 98 in Coaching. By the end of the second year, each of the metrics had increased by at least 50% to approximately 150 Coaching clients and 1,700 Education clients. Of the original partners targeted, about 20 were incredible partners that the agency would go on to work with over time and 15 additional partners regularly sent clients. However, Josh learned the hard way that if the program ever stopped looking for new partnerships, there would be an intake drop-off approximately three months later. Cultivating partnerships is an ongoing process – every program wants to get to a point where word-of-mouth is sufficient for marketing, but while it is a great method, it can't be the only one.

## **Financial Coaching Now**

(Richard): Over the past eight years the Financial Coaching program at Family Houston has continued to grow and evolve to meet the needs of

the Houston community. This growth has been due to many factors: agency support, local and national trainings to develop staff expertise, and funding; however, there have been challenges as well. When the agency began their program in 2007, they were the only Financial Coaching program in Houston, and then one of a small handful of agencies that offered services and collaborated with programs that had a straightforward financial program for clients who needed assistance with things such as home ownership or credit building to acquire a car or business loan. Throughout time, many of the original collaborating partners who were referring clients to Family Houston for the Financial Coaching program, started adding financial coaching services at their own agency and many of these partners started to collaborate and refer internally.

To remain effective and at capacity, it has been vital for Family Houston to continue to collaborate with partners. To do this, Richard and his staff have continued to be successful by engaging community partners in new ways. They have continued to go to large community networking meetings and community presentations from other organizations. In addition to these activities, there are three lessons they have learned over time, which have helped them engage community partners more effectively and has had a positive impact in the number of referrals and quality of the partnerships.

### **Meet and Greet**

First, Family Houston has found success following up with the organizations we meet and invite them to come and visit with us. Inviting other organizations to come and talk with us has been a great way to build relationships and finds unique and purposeful ways to collaborate. By doing this, the agency has been able to communicate with Family Houston staff and together they have been able to customize Financial Education presentations and group Financial Coaching series with several non-profit organizations and for-profit businesses. In addition, the team is able to learn and connect with individual people at the collaborating partner agency. Having a specific contact person to connect with and work through has made collaboration much easier and more beneficial.

### **Show, Don't Tell**

Throughout the last eight years, Family Houston has also started to ask to come and speak during team and staff meetings for a number of agencies. This has been a very beneficial strategy for Richard and his team in getting information out about a program. Instead of attending the team meeting and telling agency staff what they do, they attend the meetings

and use the time to show the partner how they do it. Personal Finance is a topic that everyone is working on and each client, staff or stakeholder the program has worked with has a financial goal, from paying down debt, saving for a vacation or working on credit in order to get a good interest rate on a car loan. Family Houston knows that agency staff have financial goals and by showing them “how” they work with people, the agency staff is able to feel how the service works and better understands the value and impact of Financial Coaching. This is supported by research that demonstrates the link between perceived benefits for each partner and the efficacy of the partnership (Sowa, 2009).

### **Make the Right Ask**

The other thing Richard and his team have learned to do when we presenting at team meetings is to ask directly and specifically for client referrals. They have found many organizations present generally about their services and assume everyone knows how to, and will, refer clients to their program. During “the ask” for referrals it is important to let the agency staff know how simple it is to get the clients engaged in Financial Coaching. Secondly, when we ask for client referrals we have learned to ask the agency staff to think of one or two clients they have met with over the past week who would benefit from financial coaching and give them a call to let them know about the program. When they have asked agency staff to go through their entire case load and think of everyone who may benefit from financial coaching, they have found many of them will not refer one person. This is due to the extra effort and work the staff has of reviewing of all of their clients and determining how they may respond to the opportunity of financial coaching. The behavioral economic concept of choice paralysis is present here where if you overload someone with the burden of options, they will choose none.

When a client who is referred from one of the collaborating partners they end the first session by asking the individual to let their case manager know how their financial coaching appointment went and the value they found in the meeting. This is intentional and they have learned that if a case manager goes through the process of referring to your organization two times, and they receive two positive reviews about the service, they will become a “super referrer” to your program.

### **Results**

Last year (FY 2015), Family Houston’s Financial Coaching program provided Financial Coaching to 988 clients and Financial Education for a little over 6,100 clients in the Houston area. They do not have the

capacity or expertise to provide every person with the services needed. However, by partnering and collaborating with organizations they have been able to grow and serve more people in our community with the current funding and staff capacity.

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