

# Financial Stability Strategy

## Request for Proposal

United Way of the Dutchess-Orange Region (UWDOR) issues this Request for Proposal as a part of our commitment to achieve the goal of improving the condition of our neighbors affected by poverty and limited resources. UWDOR targets our income investment on strategies that support the financial stability of neighbors who are unable to fulfill their potential. We aim to improve outcomes for our neighbors living in Dutchess and Orange counties by supporting individuals and families on their path to financial stability.

The goals outlined in this RFP represent a multi-faceted plan developed in partnership with community leaders including government, businesses, nonprofits, medical practitioners, educators, students, parents and the larger community. Through this RFP process, UWDOR seeks partnerships with nonprofit organizations during the time period **of July 2018 to June 2019**. Our intention is to invest sufficient funding to achieve significant results. United Way's Community Fund is divided into two funding categories:

- **For previously funded programs**, please indicate the amount you are requesting (maximum request of \$50,000).
- **For programs not previously funded**, United Way has allotted funding in increments up to \$10,000 for these requests. Please indicate your request here (maximum of \$10,000). *If your program is selected for funding, you may be eligible for additional funding next year. This is contingent that your organization remains in good standing with regards to all United Way contract requirements. Future additional funding is not guaranteed.*

### Key Dates

Activity	Date
RFP Released	January 29, 2018
Questions & Answers	Please submit questions to: <a href="mailto:ci-inbox@uwdor.org">ci-inbox@uwdor.org</a> Responses will be issued within 48 business hours
Technical Guidance "How to Apply"	10:00 am on February 14, 2018
Application Due Date	5:00 pm on March 9, 2018
Award Notifications by	June 30, 2018

**Core Funding Criteria**

In partnership with our community, United Way utilizes a cohesive strategy to address the needs of children, families and individuals with limited financial resources in Dutchess and Orange Counties. This RFP is designed to establish a foundation for financial stability of our neighbors and, in some cases, may involve pilot initiatives that will be expanded upon with future funding. UWDOR is seeking to support partners who share our commitment to the following:

- A commitment to **community-level outcomes** focused on demographics and geographic locations with the greatest need;
- A commitment to cross-agency and cross-community **collaboration** in developing effective strategies; and
- A commitment to strategies that demonstrate success using **evidence-based or evidence-informed models**.

**Community-Level Outcomes**

United Way and our partners identified goals and aligned outcomes to direct our work. Together, we identified and are working toward key indicators of success. We hold ourselves and our partners accountable to achieving success by using concrete metrics, based on local, state and federal data, to measure our progress:

Annual Goals	Community-Level Outcomes
Improve access to resources to overcome short-term crisis. (Crisis Intervention)	Increase access to financial and educational tools and resources.
Improve the financial position of individuals and families across our region.	Decrease the number of low-income individuals.

**Collaboration**

Strong collaboration among all partners is necessary for our community to realize outcomes that will demonstrate lasting and meaningful change for our region’s low-income individuals and families. Nonprofit partners are strongly encouraged to incorporate collaborative opportunities into their proposal.

**\* Programs that rely on ANY PARTNER to accomplish stated goals (school district, nonprofit organizations, etc.) are required to provide letters of commitment that demonstrate support from the outside organization.**

## **Evidence-Based or Evidence-Informed Models**

United Way is committed to changing our community in a positive and meaningful way. In order to do so, we seek to partner with programs that are evidence-based or evidence-informed, meaning they have been proven successful in the past.

*From the Child Welfare Information Gateway:*

**Evidence-based practices** are approaches to prevention or treatment that are validated by some form of documented scientific evidence. This includes findings established through controlled clinical studies, but other methods of establishing evidence are also valid.

**Evidence-based programs** use a defined curriculum or set of services that, when implemented with fidelity as a whole, has been validated by some form of scientific evidence.

**Evidence-informed practices** use the best available research and practice knowledge to guide program design and implementation. This informed practice allows for innovation while incorporating the lessons learned from the existing research literature.<sup>1</sup> For your convenience, the evaluation tool has been outlined below:

## **Application Evaluation Scoring Rubric**

Applications will be evaluated based upon the following criterion:

- Program Design (50 Points)
  - Application should demonstrate the ability to achieve identified community-level outcomes;
  - Application should demonstrate evidence of active collaboration;
  - Application should demonstrate identification and implementation of evidence based/informed models.
- Justification of Need (20 Points) – Application should demonstrate - through data - the need for this program and value added to our community.
- Organizational Infrastructure (30 Points) – Application must demonstrate that the organization has the capacity to implement program design and collaboration.

*\* Organizations that are collaborating will not be considered for funding without letters of support. Collaboration is highly encouraged.*

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<sup>1</sup> Evidence-Based Practice Definitions and Glossaries. (n.d.). Retrieved January 08, 2018, from <https://www.childwelfare.gov/topics/management/practice-improvement/evidence/ebp/definitions/>

## Our Community’s Challenge

Across the State of New York, more than one million people live in poverty. Here in the Dutchess-Orange Region, that accounts for more than 70,000 of our neighbors. The US Census estimates that approximately 12% of individuals in our region are living below the poverty level, struggling to make ends meet each day.<sup>2</sup>

In 2016, United Way of New York State published the [“ALICE” report](#) to convey the realities of those who are employed but are still struggling to make ends meet. The report captures the data of individuals that are “Asset Limited, Income Constrained, Employed”, or simply put, “ALICE.” The results are staggering: In addition to the number of individuals residing in poverty, an additional 30% of residents across our counties do not earn sufficient income to afford their basic necessities.<sup>3</sup> The percentage of individuals who are unable to meet their basic needs average 40% across all NYS counties, but the rates, determined by locality, range between 12% and 78% across our region.

	% Poverty	% ALICE	% that cannot meet basic needs
City of Middletown	<b>18%</b>	<b>38%</b>	<b>56%</b>
City of Newburgh	<b>34%</b>	<b>34%</b>	<b>68%</b>
City of Poughkeepsie	<b>22%</b>	<b>42%</b>	<b>64%</b>

Low-to-moderate income individuals and families face multiple economic and societal barriers that prevent them from achieving financial stability and economic independence. Living paycheck-to-paycheck, these families are subject to economic crisis, which prohibits them from being prepared for an emergency situation. Saving to advance their education, purchase a home, or even secure reliable transportation is not easily feasible. Many families face challenges to afford childcare, rent, groceries or utilities.

Over time, these financial hurdles prove to be detrimental to one’s financial state. Furthermore, studies have shown that those in poverty are likelier to struggle with physical and mental health problems. By moving out of poverty, people live longer, healthier lives. According to a 2016 study on the mortality gap between the wealthy and low-income:

<sup>2</sup> US Census 2010-14 results are from rolling American Community Survey

<sup>3</sup> “ALICE: Asset Limited Income Constrained Employed; Study of financial hardship. New York State United Way. [UnitedWayALICE.org/NewYork](http://UnitedWayALICE.org/NewYork)

"Over roughly the last 15 years, life expectancy increased by 2.34 years for men and 2.91 years for women who are among the top 5 percent of income earners in America, but by just 0.32 and 0.04 years for men and women in the bottom 5 percent of the income tables."<sup>4</sup>

According to the World Health Organization, "The poor [sic] are more vulnerable to chronic diseases because of material deprivation and psychosocial stress, higher levels of risk behavior, unhealthy living conditions and limited access to good-quality health care." Compared to moderate income individuals, individuals living in poverty show dramatic increases in mental and physical ailments: 95.5% more are diagnosed with depression, 55% more are diagnosed with asthma and 22% more struggle with obesity.<sup>5</sup> Studies show family income is an indicator for wealth. By helping individuals thrive now, we can decrease intergenerational poverty and ensure that children grow up to be financially secure.

The removal of crisis is the first step in achieving financial stability. For example, the Housing First model shows food-insecure children have a harder time learning.<sup>6</sup> In the ALICE report, several factors were taken into consideration to determine the ALICE Threshold: "the average level of income that a household needs to afford the basics defined by the Household Survival Budget for each county in New York." Two adults working to support two young children need to earn a combined annual income of \$73,212 to cover groceries, rent, utilities and childcare in NYS. In this case, computer skills, basic money management, budgeting classes and the development of self-efficacy help shape a pathway to self-sufficiency.

### **Our Community's Opportunity**

In partnership with our community, United Way has identified three broad categories to address obstacles to financial independence and mobility. UWDOR seeks to support partners with coordinated supports and services as well as quality education and training. Through a multi-tiered approach, it is our goal to create a strong network that will support individuals and families to transition from reoccurring financial crises to securing financial independence.

#### **Step I: Alleviating Crisis**

UWDOR seeks partners to help ensure that individuals in Dutchess and Orange counties have access to resources to stabilize their daily lives and overcome short-term crises. Before we can address the significant challenges our neighbors face, we must first ensure that families can fulfill their basic needs, which includes securing food, clothing and safe housing. Without safe

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<sup>4</sup> Dizikes, P. (2016, April 11). New study shows rich, poor have huge mortality gap in U.S. Retrieved January 08, 2018, from <http://news.mit.edu/2016/study-rich-poor-huge-mortality-gap-us-0411>

<sup>5</sup> "Chronic Health Problems Among US Adults, by Poverty Status – 2011". Gallup-Healthways Well-Being Index. Jan. 2 – Dec., 2011.

<sup>6</sup> Food for Thought: How Food Insecurity Affects a Child's Education. (2015, August 24). Retrieved January 09, 2018, from <http://www.aypf.org/comprehensive-community-solutions-for-youth-success/food-for-thought-how-food-insecurity-affects-a-childs-education/>

and secure housing and regular food access, improving financial stability would remain impossible.

**Goal:** Improve access to resources to overcome short-term financial crisis.

**Indicator:** Support individuals and families with the education and tools to develop financial stability.

**Note:** In concerns to basic needs funding for crisis intervention, organizations who receive funding from United Way may distribute up to 10% of funds to administrative costs. 90% must be directly funneled into the crisis intervention program.

### **Step II: Building Independence**

To support individuals and families in achieving financial independence, UWDOR seeks to partner with nonprofit organizations to provide individualized case management to stabilize their living conditions, allowing them to earn a steady income that covers their basic necessities. Skills taught may include fundamental financial literacy, basic computer navigation, budgeting and money management. The more knowledge individuals and families possess regarding management of fiscal resources, the likelier they are to save and therefore gain assets and ultimately improve their financial health and wellbeing. Furthermore, obtaining a job that pays a living wage is a key component to financial stability. Without a steady flow of income, families cannot put food on the table, let alone plan for the future or achieve financial security.

**Goal:** Improve the financial position of individuals and families across our region.

**Indicator:** Demonstration of improved financial practices to reduce debt, financial goal-setting, communication increase within household and expense tracking.

### **Step III: Increasing Assets**

Considered one of the most effective anti-poverty programs in the United States, the Earned Income Tax Credit Program (EITC) can provide even basic necessity families and individuals eligible for the credit up to \$6,318 of additional earnings for taxpayers.<sup>7</sup> This is money that families can use to pay down debt, save for unplanned needs, pay for education or put food on the table for their family. Often, taxpayers are unaware of EITC or are limited by the costs associated with paying a professional to prepare their taxes.

Through the Creating Assets, Savings and Hope Program (CA\$H), United Way seeks to connect low-to-moderate income individuals and families with opportunities to increase annual income through tax programs such as EITC and applicable Child Tax Credits, while also providing

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<sup>7</sup> 2017 EITC Income Limits, Maximum Credit Amounts and Tax Law Updates. (n.d.). Retrieved January 09, 2018, from <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/eitc-income-limits-maximum-credit-amounts>

referrals to existing financial literacy opportunities, education programs, home energy savings programs and supportive community services. These families save an average of \$200 in tax preparation fees while gaining access to important services and resources.

**Goal:** Increase annual earnings of individuals and families and seniors in our region.

**Indicator:** Demonstration of improved financial practices through utilization of free tax preparation and filing of tax return.

### **Selection Process**

All applications will be reviewed by members of the United Way Community Impact Committee and supporting Councils. Additionally, community leaders have been invited to work as evaluators to ensure a diverse representation of our community serving to further this crucial process. Applications will be scored based on the set criteria (see page 3). The Community Impact Committee reserves the right to take previous granting history into consideration and to request additional information during this process.