

REGIONAL BRIEF:

THE CAROLINAS

Financial Capability Services in the time of COVID



AUTHORS

Hallie Lienhardt

Assistant Director, Center for Financial Security, University of Wisconsin-Madison

J. Michael Collins

Faculty Director, Center for Financial Security, University of Wisconsin-Madison

Molly Gallagher

Project Assistant, Center for Financial Security, University of Wisconsin-Madison

EDITORS

Karen Murrell

Project Manager, Asset Funders Network (AFN)

Jennifer Farland

Communications Strategist, Asset Funders Network (AFN)

Annika Little

Managing Director, Asset Funders Network (AFN)

Velvet Bryant

The Carolinas Regional Program Officer, Asset Funders Network (AFN)

CASE STUDY ORGANIZATIONS

Services and Advocacy for GLBT Elders (SAGE)

David Vincent, Chief Program Officer

Warm Springs Community Action Team

Leah Guliasi, IDA Program Manager and Artisans' Co-op Project Manager

United Way of Southeast Louisiana

Chiquita Lattimore, Vice President of Financial Capability

Financial Health Pathways

Lourdes G. Zuniga, Executive Director

SPONSORS

JPMORGAN CHASE & CO.



The views and opinions presented in this brief are those of the author and AFN and do not necessarily constitute those of the funders.

Copyright © 2022 by Asset Funders Network. All rights reserved. This brief or any portion thereof may not be reproduced or used in any manner whatsoever without the express written permission of the publisher, except for the use of brief quotations in a review.

REGIONAL BRIEF

THE CAROLINAS Financial Capability and Asset Building Services in the time of COVID: Focus Group and Survey Findings

BACKGROUND & METHODS

The COVID-19 pandemic has had a profound impact on families and communities, forcing many services to transition from in-person to online activities. This rapid shift expanded the limits of how technology can reach a broader range of people, but also raised important questions about access and equity. The Asset Funders Network (AFN) and the University of Wisconsin-Madison Center for Financial Security (CFS) set out to better understand the transition to remote services among financial capability and asset building (FCAB) programs during this critical time through a series of regional focus groups and a nationally distributed survey, which focused in on six states or regions across the nation. FCAB programs include services such as financial education, counseling, coaching, emergency assistance, benefits navigation, housing supports, workforce development, and related services.

Input was collected from a focus group of seven financial service providers based in North and South Carolina, and region-specific data was analyzed from the national survey. This brief synthesizes findings from the focus group and North and South Carolina survey data to share what strategies have succeeded, recognize challenges, and build recommendations that best represent the context of financial services in North and South Carolina.

CENTRAL FINDINGS

- Organizations in the Carolinas have been flexible and innovative in the ways they connect with clients.
- Some organizations find that the shift to virtual services has allowed them to reach more people. However, the digital divide continues to be an issue for many populations.
- Organizations discontinued some services, while increasing capacity of others, an intentional pivot taken to meet the needs faced by clients in the moment.
- Virtual services may not have the same impact as in-person services as practitioners found it harder to engage clients and develop relationships.

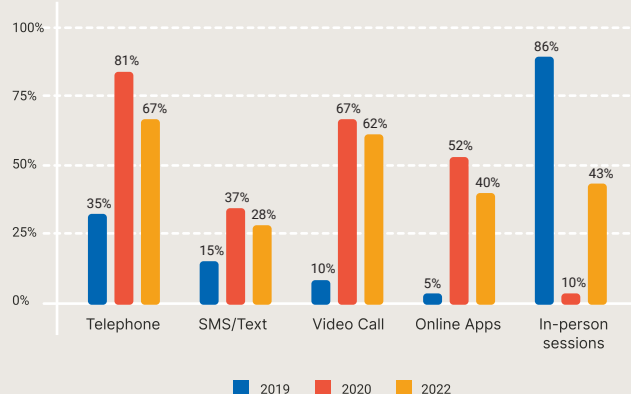


KEY FINDINGS: SUCCESSFUL STRATEGIES

Providing flexible, straight forward, and easy to access financial capability services has been crucial during the COVID-19 pandemic. Financial service practitioners in the Carolinas discussed how they have adapted services so clients can participate through whatever mode they are most comfortable, including over the phone, in-person, or on a virtual platform. One practitioner discussed how they continued to meet with groups of people in the parking lot of their organization because they felt it maintained an important community aspect in their service. Another practitioner said their organization invited clients to use their learning lab, where clients could borrow devices and receive technology assistance. More than three-quarters of Carolina-based respondents said that before the pandemic they primarily engaged with clients in person. Around half of providers continued to see at least some of their clients in person, but shifted the majority of their services to video call, text, or phone services. Going forward, most practitioners expect to continue using phone and video call as their primary means to engage with clients (Figure 1).

Many Carolina-based organizations found that by providing virtual services they can reach a larger population, because it removes transportation and childcare barriers and has the potential to be more accessible for non-English speakers and individuals with disabilities. Certain virtual platforms are able to offer language translation and have developed additional features that support visual and language accessibility for clients who are blind or Deaf/Hard of Hearing.

Figure 1. At least one-quarter of clients served by mode



Source: FCAB Providers Survey 2022



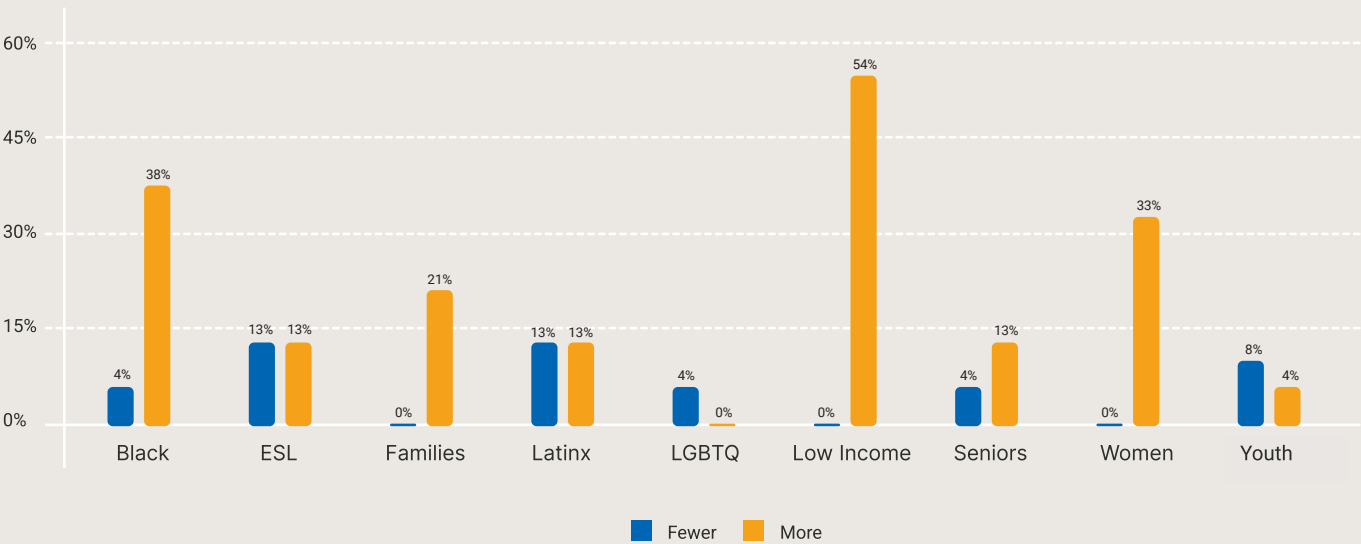
Most Carolina-based survey respondents sometimes, often, or always agree that their financial capability and asset building programs have become more inclusive and equitable since the COVID-19 pandemic, with several saying that they saw more women and more Black and low-income clients (Figure 2). Further, most survey respondents reported they sometimes, often, or always agree that their organization has a greater focus on reducing barriers to financial capability and asset building programs for people of color than it did two years ago.

Several practitioners found ways to make virtual services more accessible and welcoming for their clients. Clients have the option to call into sessions if they do not have the expertise to use video platforms or do not feel comfortable on camera. One practitioner noted the importance of the chat function in virtual platforms, which helps those who feel intimidated in face-to-face settings and gave opportunities to participate to those who would normally not say anything. Over time, both service

providers and their clients have grown accustomed to using virtual platforms and have been able to find what works best for them.

Practitioners discussed innovative ways they channeled funds during the pandemic to address the specific needs that their clients have at the time. One focus group participant discussed providing funds to help people wipe out their overdue bills with internet providers so they could take advantage of the free Wi-Fi programs offered by companies, which was a stipulation of some programs. Other practitioners discussed their aim to broaden their scope and geographic reach by collaborating with other organizations. Another organization focused on increasing access to safe and affordable bank accounts and other financial services. Practitioners also noted that when they are on a call with clients, more family members are able to engage with the service than with in-person sessions. Virtual sessions took on a multigenerational approach, especially when children and youth were at home during school lockdowns.

Figure 2. How have the demographics of your clients/consumers changed since the pandemic?



Source: FCAB Providers Survey 2022

KEY FINDINGS: CHALLENGES

The shift to virtual services during the pandemic has created several challenges for Carolina-based providers and their clients, particularly in how the shift has exacerbated the digital divide.

Practitioners discussed several barriers to using virtual platforms, such as clients being uncomfortable using technology and not having broadband or a device. Even people who had technology access and knowledge became disengaged with services because they experienced “Zoom fatigue.”

There were certain services that organizations discovered that did not effectively transition to virtual platforms. As practitioners noted, some services rely on in-person connections, such as all-day boot camps, entrepreneur labs, and fairs and festivals. Practitioners noted that food is an essential part of building community, so services

that previously provided meals were not as successful over virtual platforms. Services that focus on long-term goals and overall financial stability saw a drop-off because clients prioritized short-term financial support that was needed during the pandemic. One practitioner discussed how their organization used other incentives to attract clients to virtual sessions, such as gift cards.

Overall, practitioners found that access to safe and reliable banking continues to be a barrier for many historically underserved communities.

One practitioner commented on the lack of access to banking in rural parts of the state, while another discussed the challenges experienced by non-native English speakers finding reliable information in their native language. Organizations have found ways to support unbanked families as they navigate their finances and receive economic impact payments during the pandemic.



CONSIDERATIONS & RECOMMENDATIONS

- Organizations have had to discontinue some programs, while increasing capacity of other programs. Receiving unrestricted, flexible funding would allow organizations to proactively pivot to focus on urgent needs.
- Organizations are looking for ways to build their technological capacity. Funding towards creating apps, discovering new platforms, and finding new ways to engage would help people who have challenges with technology. Increase strategic alignment among funders to reduce administrative burden of grants and support capacity building of nonprofits led by people of color. Funders need to have open conversations with nonprofit leaders about their funding needs and work together to create long-term solutions for those needs.
- Increase strategic alignment among funders to reduce administrative burden of grants and support capacity building of nonprofits led by people of color. Funders need to have open conversations with nonprofit leaders about their funding needs and work together to create long-term solutions for those needs.
- Aligned partnerships among organizations can reduce duplication of efforts and expand programmatic referrals and services for clients.
- Demand for financial capability and asset building programs from individuals and households who had not previously relied on such programs increased during the pandemic. Sustaining regional ecosystems to support the financial wellbeing of entrepreneurs of color, clients, and service providers is important.
- Organizations seeking to align their mission and commitment to racial equity intentionally engage people with lived experience in program design, implementation, assessment, and scale. New and existing partnerships can consider practice and policy solutions to address the root causes of financial insecurity by highlighting the intersectionality of asset-building strategies.

To learn more about FCAB services during the COVID-19 pandemic in other regions, please check out these related [AFN regional briefs](#).

