**April Fiduciary Organization (FO) Meeting**

April 20, 2023- Northwest Wine Studies Center, 215 Doaks Ferry Rd NW, Salem, OR 97304

Present:

* NP: Luke, Randy, Derrick, Amy, Jane
* IRCO: Nasmah Faeq,
* Mercy Corps NW: Modesta Ongweso
* NI: Jeff Belzer,
* Portland Housing Center: Kimberly Swopes, Laura Bower
* DevNW: Stephany Guzman, Jeremy Doucette-Hardy
* NAYA: Cecelia Lente, SuSun Fisher,
* Warm Springs: Mystina McCormack, Mallory Smith
* CASA: Britney King, Rebekah Bassett,
* NWU: Sami Stephenson, Jennifer Leveque
* MESO: Nancy Meija
* Habitat Oregon: Gina Valencia
* PY+: Frank Boothby

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| **Time** | **Agenda Topic** | **Who** | **Time** |
| 9:30am | Coffee and set-up | NP |  |
| 10am | Welcome, Agenda Review - Today is really centered around lots of interaction and discussions  NP Staff transitions update- Holly, Karie, Erica, Chad at OHCS | Luke | 15min |
| 10:15am | Ice breaker activity | Randy | 20min |
| 10:35am | Behavioral Economics - **GOAL VISIBILITY, and PERCEIVED PROGRESS**   * Strategies: * Roadmap, visual * Connected client with resources/solution in the community or within their organization * Options, support * Email Newsletter; making it more customized for certain communities (some communities don’t read emails) * Help Desk/Computer access at the office * Offer emergency savings; * One-on-one relationships; coaching * Orientations, over-communicating, opportunities to ask questions * Wrap around services * Statements to see how much match earned? Percentage? = Portal shows percentage * Download statements from OT and email them * Non-custodial is a challenge because they only where they are at wen they check in (90 day), not much personalized contact * When do we move them into exiting phase? * Monthly check-in with every client * OT reports that track progress, prompts IDA specialists to contact savers; encourage conversations (CASA) * Goal based interventions challenging for housing savers; expensive and/or small housing stock * Checklist, structured communication, roadmap is provided to each saver (MCNW) * 1:1 meetings, emergency savings (WSCAT) * Listen to stories, ask questions, emergency savings withdrawal * Change goals and timelines when necessary * SMS services? (Texting) challenging to set up. | Luke | 20min |
| 10:55am | Small group discussion-  How does your program track progress towards a saver’s goal?   * + How often do you reach out to savers to check-in?   + What would positive goal-based interventions look like for the IDA Program?   + If savers are not meeting their goal or are experiencing life stressors, what is your approach to working with them? | All- NP staff join small groups | 30min |
| 11:25am | Report-out | Luke | 25min |
| 11:50am | Prompt Small Group Peer learning breakout question about a challenge your program has faced | Amy | 10min |
| Noon | Lunch |  |  |
| 1pm | Share about successes or growth you’ve noticed in your program this last year. Consider sharing something from your IDA Work Plan  IDA website share | Derrick  5-6 min each FO | 75 min |
| 2:15pm | Break |  | 15 min |
| 2:30m | Small group peer learning: Bring a challenge you or your program have faced that you would like to brainstorm with other FOs. (We will break into 4-5 small groups for brainstorming/discussion. One small group will be FOs piloting stand-alone emergency savings IDAs.) | Amy | 35 min |
| 3:05pm | Debrief- full group | Amy | 20 min |
| 3:25pm | Stretch break | Jane | 5min |
| 3:30pm | NP updates- slides   * Randy: a look ahead to the summer special session * Jane: PFR update, Over the next 2 years, all FOs will have a PFR, but some asks will come to all FOs every year * Jane: SOP last minute addition: Bank reconciliation Q3 * Jane: Grant close-out: Extensions will be needed for 2018 and earlier * Luke: Funding look ahead. Not planning to infuse extra funding this program year * Luke: Maintain a 75% allocation goal by Feb 1 * Luke: Change in Exit Letter cc to Luke * Luke: Questions on new SOPs or the survey I sent out? * Luke: Work Plan Meetings * Luke: Hand out emergency savings FAQ | NP | 30 min |
| 4pm | Finish- move to Happy Hour space- celebrate Holly’s impact on the IDA as she transitions away from NP |  |  |

**Behavioral Economics**

Can anyone tell me what behavioral economics is?

Behavioral economics combines elements of economics and psychology to understand how and why people behave the way they do in the real world. So in decisions about spending or saving money, humans are usually following psychological pathways that might not be in their best long-term interest. Let’s think about health, not money to start. How many of you have eaten no sugar in the last week? How many of you got at least 8 hours of sleep last night? How many of you exercised for 30 minutes every day last week? Seemingly easy habits that are good for you are hard to keep.

So with money, the same is true. And when you have less of it, the consequences are bigger and there are usually more decisions being made. Some common behavioral economics principles are: people will usually choose whatever brings the most short-term benefit over incremental progress toward a long-term goal.

OK, so I’m going to give you some scenarios to answer.

* One group of customers were given a punch card at a coffee shop where you buy 10 cups of coffee, and get one for free. Another group was given a punch card where they needed to buy 12 cups to get one free, but 2 were already punched. Who completed the punch card faster?
  + Researchers found that as customers got closer to the free cup, they bought coffee more frequently, and those that needed 12 punches but started with 2 free punches, completed the punch card faster than those with the traditional 10-punch card.
* You are waiting for a set at a restaurant. One option is to wait in a long line that moves slowly. The other option is to give them your phone number and wait for a text. Which group is more likely to continue waiting?
  + People were waiting in a long queue were more likely to continue waiting when the queue took the form of a line that moved as some people were being served, rather than a take-a-number-and-wait queue.
* Two groups of people were given 400 lines of text to proofread. The first group received 20 pages of 20 lines each; the second group received 40 pages of 10 lines each. Which group was more likely to finish the task?
  + Members of the second group that had more pages, found themselves flipping through pages faster, had a greater perception of progress, and were hence more likely to finish the task.

**So what does this have to do with IDAs?**

There are 2 principles that I want to bring here to prompt a discussion today.

**GOAL VISIBILITY and PERCEIVED PROGRESS**

* + - When people are in the middle of a goal-oriented task, they work harder towards accomplishing the goal when it is in sight. Consequently, reminding people of their goal or making the goal more salient or visual increases motivation.
    - People tend to put in more effort at the very beginning and as they get closer to reaching their goal. This is true even if they simply feel closer to finishing, even though the number of steps have not changed.
    - People in a goal-oriented task are more motivated to accomplish the task when they receive feedback about the progress they have made. Their motivation is driven not only by actual levels of progress, but also by their perception of progress.

Has anyone competed in a race? Were you more motivated to run or swim faster when you could see the end? Competitive swimmers swim faster on laps in which they face the end point of the race, and slower when they are swimming away from the endpoint.

One of the primary actions we can take as we understand people’s behavior are nudges. A nudge is a simple intervention, that increases the likelihood of someone doing what you are trying to help them do.

Small group discussion-

First each person answer this question- **how does your program track progress towards a saver’s goal?**

* + How often do you reach out to savers to check-in?
  + What would positive goal-based interventions look like for the IDA Program?
  + If savers are not meeting their goal or are experiencing life stressors, what is your approach to working with them?

Get into groups of 4-5 people that are not coworkers.

We’ll ask each group to share a few of the main themes that came up in your discussions.

Small groups- with NP staff

Share-out

Follow-up: Does anyone send messages focused on the amount of match that has been earned rather than the savings amount they have?

Does anyone message progress as a percentage toward the goal? Under the goal visibility principle, once someone is over 50% of the way there, it’s more motivating to hear the percentage of the total goal they’ve reached.

One of the principles I learned from behavioral economics is that if our goal is behavior change, we can’t make rules mandating those behaviors. If we do that, someone who knows how and is able to follow rules will do it to get what they need. So if you have a rule tied to a desired behavior change, you are actually working against that person actually making behavior change, they’re just following rules. We hold the incentive. CASH. I believe that the nudges we build in should be linked to the benefit that someone is working towards earning.

example, automatic deposits into your IDA. You can’t mandate this, because first, it’s not something that’s required, and doing so would present a barrier and could actually financially harm people that are struggling with cash flow. BUT, you can say: A lot of IDA savers find it helpful to set up a monthly transfer into their IDA, which helps them work toward their goal without having to remember to make their deposit every month. And you can ask them- Is this something you want help setting up?

Do you need support identifying an OT report that helps track progress towards a goal? Some Fos identified a desire to have better reports for this.

NP updates- slides

* Randy: a look ahead to the summer special session
* Jane: PFR update, Over the next 2 years, all FOs will have a PFR, but some asks will come to all FOs every year
* Jane: SOP last minute addition: Bank reconciliation Q3
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* Luke: Work Plan Meetings
* Luke: Hand out emergency savings FAQ

This is the first time we’ve had any definition in SOP about what is in a savings plan agreement, so I appreciate people sending them to me for review and feedback. As I’m looking at Savings Plan Agreements, I’m coming across really more questions than answers in seeing how differently FOs approach certain pieces of these agreements. I’ve heard you all thinking critically about being more clear about what it is that you can exit someone from the IDA for, and balancing that with a goal of reducing overly complex rules and punitive approaches.

At NP, we are constantly trying to think about the equity impacts of IDA practices and policies. I hear you all thinking about that also. With that lens in mind, I have been giving pretty direct feedback to those that have submitted savings plan agreements, and this is not something we at NP have historically asked to look at. But one of our roles in this work is to assess IDA policies and practices, and Initiative-wide, to think about how to be more equity-centered.

I have noticed one theme in SPAs, which I want to raise up for the whole FO body- which is maybe just the beginning of this conversation that I’m happy to have with each of you as it applies to your program. What I want to note is statements about exiting savers for unauthorized withdrawals. IDAs did previously have this statute language, but there was a change in 2020 along with allowing matched emergency withdrawals. I don’t think this change in statute got noticed or much attention back then.

Previous statute: (b) The account holder must reimburse the account for the amount withdrawn under this subsection within 12 months after the date of the withdrawal. Failure of an account holder to make a timely reimbursement to the account is grounds for removing the account holder from the individual development account program. Until the reimbursement has been made in full, an account holder may not withdraw any matching deposits or accrued interest on matching deposits from the account. (3) If an account holder withdraws moneys from an individual development account for other than an approved purpose, the fiduciary organization may remove the account holder from the program.]

This got cut from statute. So there is no longer statutory grounds for exiting someone simply for making an unauthorized withdrawal. The reason someone needs to have an “authorization” for a withdrawal is because they are custodial accounts- it's what the bank requires. The saver’s money is their money, we don’t ever want a saver understanding that they money they saved isn’t still theirs if they need it. The current statute for IDAs says that what they have in their savings is what you base the matching funds off of. Consider an example,

* a saver has $1,800 saved, and due to financial pressures, withdraws all but $600 from the account. You wouldn’t exit them for withdrawing that money, even if it was unauthorized, you just wouldn’t match it. Now, they only have $600 in their savings, and you match that if they have completed their requirements and need a matched emergency withdrawal.

If they have no money left in their account, you could exit them for not making progress towards their goal as agreed upon in their savings plan agreement.

2 things to reiterate:

* The basis for exiting a saver for simply making an unmatched withdrawal is no longer in statute
* Consider how you are communicating what a saver should do if they need to withdraw some or all of their IDA Savings for personal financial needs. Consider changing the framing from “you can be exited for making an unauthorized withdrawal” to something that explains what you expect them to do in a case where they need their money:

Example SPA language:

Because most IDA Savings accounts are custodial, the Bank will require savers to bring an authorization letter from the Provider to withdraw IDA savings. Savers who need to access their IDA savings for personal financial needs should notify the FO to request that authorization letter, and discuss any effects on their IDA savings plan or availability of matching money.

Savers who have completed all program requirements may be eligible to receive matching funds to help cover a financial emergency and remain in the IDA.