



**What Works Cities
Economic Mobility Initiative
DETROIT**

Detroit: Helping Affordable Housing Residents Achieve Financial Stability

In Detroit, 35.7% of residents live below the federal poverty line and one in five rental households face eviction annually. Detroit's new Financial Empowerment Center (FEC) has services that can help these residents better manage their finances and avoid the negative, downward spiral that eviction can trigger. To support residents' awareness and access to these new services, BIT and the City's Housing and Revitalization Department partnered with Detroit's FEC (run by Wayne Metro Community Action Agency) and property owner Cinnaire to develop and implement a pilot program that better connects residents of buildings in Cinnaire's portfolio with the FEC's free financial stability services. As part of the What Works Cities (WWC) Economic Mobility Initiative, the Behavioral Insights Team (BIT) supported and evaluated this program. This memo summarizes our high-level findings and recommended next steps.

Issue Motivation

Many cities across the U.S. struggle with a growing affordable housing shortage that is driving high rates of housing insecurity for low-income residents. These challenges are exacerbated by underlying issues of poverty and chronic underemployment. Residential stability allows people to invest in their social relationships, communities, health, and education – while instability can lead to stress, job loss, and even low rates of civic engagement. While the City of Detroit has many programs to help support residents to access affordable housing, financial stability is a critical enabler to ensure that those in housing can stay there. Financial instability can lead to catastrophic, lasting consequences, such as eviction, for residents.

The City of Detroit aims to improve the financial wellbeing of these vulnerable low-income residents. The City's Housing and Revitalization Department (HRD) is developing a portfolio of programs and partner services to help support low-income residents. However, they have limited outreach mechanisms to reach residents of affordable housing – many of whom have limited trust in government and social services.



Our Approach

As part of the WWC Economic Mobility Initiative, the City of Detroit wanted to focus on increasing access to services to promote housing and financial stability. In collaboration with HRD and the Wayne Metropolitan Community Action Agency (Wayne Metro), BIT supported the development of a pilot program to connect residents of affordable housing units with the FEC's free financial counseling services. This pilot focused on Cinnaire's affordable housing properties, because of the high number of units within their Detroit portfolio and their enthusiasm about improving resident stability from their Asset Management team. The pilot program had three primary components: 1) improved outreach and accessibility, 2) FEC financial counseling, and 3) financial incentives to promote savings. The pilot ran from April 2020 through September 2021.

COVID-19 Modifications

Our pilot changed substantially in response to the COVID-19 pandemic. Due to COVID-19, we eliminated roughly a third of our planned outreach, including all in-person elements such as hosting information sessions on-site. We also did not move forward with adding the role of a "building liaison," originally meant to help coordinate services within the buildings themselves. Outreach was therefore limited to flyers and minimal outreach within the buildings. We also did not host FEC counseling sessions on-site, but instead offered them over Zoom or over the phone.

Evaluation Methodology

This pilot was evaluated using a formative evaluation to understand the needs of residents, the success of the outreach efforts, and the usefulness of pilot programming for residents. The evaluation aimed to answer the following research questions:

- 1 Did direct outreach work to increase FEC attendance? Why or why not?
- 2 For residents who attended the FEC, what was their experience?
- 3 How did the FEC help the residents achieve their financial goals?
- 4 What do affordable housing residents need from support services, like the FEC, to support housing stability? How has this changed as a result of COVID-19?

Our primary data for this evaluation was collected in October 2021 by Congress of Communities, which conducted ten interviews with residents of the Rivercrest housing. These interviews included residents ranging in age from late 20s to early 60s. They also had varying tenure in the building (ranging from less than six months to more than ten years). For the residents we interviewed, three were actively seeking employment, and seven were on some sort of fixed income (Social Security, Supplemental Security Income [SSI], Disability, etc.).

Findings

Overall, there was very low attendance and outreach was not successful as implemented.

- * **Only two residents total responded to the outreach efforts for the FEC.** Over the course of the 12-month pilot, only two residents came to the FEC as a result of learning about the programs from the flyers.
- * **Residents were still relatively unaware of the FEC services.** While residents recalled the physical flyers themselves, they could not easily recall the services offered by the FEC or Wayne Metro.
- * **Low attendance limited our ability to evaluate the savings incentives.** Due to low attendance, we were unable to evaluate how the FEC supported and helped residents' financial goals.

Nevertheless, flyers were still likely the best communication channel, based on resident feedback. Residents may also be open to other channels.

- * **Flyers are the default outreach method – and residents feel they are effective at communicating information within the building.** Residents shared that the property management company generally communicates important information to them via flyers and felt it both effective and expected. They recommended this method continue to be used moving forward.
- * **About half of the interviewed residents remembered the pilot flyers specifically.** Residents recalled seeing the flyers in the mailroom and a few distinctly remembered the green of the FEC; however, they did not share any feedback on if they would think about utilizing the service based on these flyers.
- * **“Word of Mouth” may also be an effective channel for recruitment. Residents are also open to receiving text messages about services.** Many residents highlight that word of mouth would probably be the best way to reach new potential clients in addition to flyers and text messages.
- * **All interviewed residents felt having the counseling offered at the building would make it easier to attend.** More than half the residents interviewed did not have access to a car and mentioned that having it at the building itself would make it much easier to attend.

Residents may have felt a disconnect between their goals and the advertised FEC services which may have contributed to the low uptake above and beyond the low attendance resulting from the pandemic.

- * **Interviewed residents didn't feel like they were struggling financially or with rent.** When asked about their current financial challenges, most residents said they were able to cover their basic needs (rent, cable, groceries) and all named rent as a priority.
- * **Many residents shared a common goal of moving out of low-income housing and were looking for housing navigation support services.** We heard from most residents that they had a goal to move out of low-income housing into a place of their own. They also wanted a place where they could provide housing stability for their extended family members who may be struggling. Residents were particularly interested in support around Section 8 programs and avenues to better their housing situations.
- * **Residents were most interested in FEC services focused on credit.** Interviewers shared about the services that the FEC could offer to residents and several residents identified that “credit support” services would be useful for them.

Scaling Opportunities & Recommendations

While this pilot did not yield a substantial increase in new FEC clients, it did result in several new ideas to continue to refine and test FEC services. In this recommendations section, we outline three key areas we hope HRD and Wayne Metro will continue to pilot and evaluate to meet residents' financial needs, including **1)** relaunching pilot on-site services, **2)** refining messaging and strategy and **3)** exploring partnerships and parallel service offerings to support resident goals.



Relaunch Pilot On-Site Services

Implement and evaluate on-site services

Due to COVID-19, many of the more intensive and on-site elements of the planned pilot were not implemented. The partners should aim to execute on-site supports such as in-person tabling, in-person workshops, and on-site counseling sessions when safe to do so. From our interviews with residents, across the board, we heard that residents thought offering services on-site would make it easier to attend, given that many did not have access to a car and were hesitant to take public transit with COVID-19 risk. Additionally, they felt like having someone to promote these services in the building would be useful. We recommend implementing these services and continuing to evaluate their uptake and effectiveness by measuring the number of residents who are signing up for these services and collecting more regular resident feedback.



Refine Outreach Messaging and Strategy

Add framing for offerings as goal enablers rather than services

In our follow-up interviews, we asked residents about their goals for the financial future. They didn't feel like the counseling services as described on the flyer would be useful to them, but they likely were not making the direct connection between the services that were offered (i.e., improve credit) and how they could support their goals (i.e., access to a mortgage). We recommend reframing these services on the flyer to be more goal-focused rather than just a description of the offering to help more residents feel like it would apply to their needs and goals. Additionally, we recommend piloting these flyers with residents to ensure they feel like the FEC services are compelling and accessible.



Refine Outreach Messaging and Strategy

Continue current outreach methods In addition to expanding outreach for non-crisis residents

The FEC's promotion and outreach methods for residents in crisis or significant financial strain may be working well given both of these residents who responded to FEC outreach reached the FEC and were able to access help. However, we cannot conclude this with certainty from such a small sample. We recommend continuing with current channels and methods to reach these folks in addition to exploring new methods to reach residents who are not in crisis.



Refine Outreach Messaging and Strategy

Re-consider incentives, such as peer referrals

Several residents mentioned "word of mouth" to be helpful to promote the services. We recommend considering a carefully designed incentives scheme to help improve that outreach. We recognize that FEC has been hesitant to use incentives to promote the service given that residents may not meaningfully engage and only attend for the cash, based on their prior experience. However, we hypothesize that by working with residents who have attended the FEC and found their services useful as "peer ambassadors," offering a small incentive for their referrals could be a good way to boost word of mouth promotion for the service.



Explore Partnerships and Parallel Service Offerings

Integrate additional housing services

In our follow-up interviews, many residents mentioned a goal of moving out of their current housing situation into a new, "better" place.

Some residents mentioned specifically accessing support around Section 8 vouchers or down payment assistance. We recognize that Wayne Metro has homeownership services available to FEC clients. We would recommend user testing Wayne Metro's current offering and exploring what types of additional offerings would make sense to offer either via HRD or at the FEC, such as financial support for low-income residents to make down payments.



Explore Partnerships and Parallel Service Offerings

Investigate savings limits, and help residents find tools to build savings

In a few of our interviews, residents discussed how they didn't feel there was an incentive to save and that the savings limits imposed by their housing situation were limiting their ability to save. We were unsure what saving limits residents were referring to, but we think even if it does exist, it would be helpful to provide more information and dispel any misinformation that may exist. In addition, we know that there are program "cliffs" that exist at income/asset cut-offs for low-income residents, so we'd also encourage the FEC to explore and promote what methods they have to help residents while balancing their benefits access. Finally, we think it is important for the FEC to emphasize that they do not share residents' financial information with other benefit programs.

About this Initiative

The [What Works Cities' Economic Mobility Initiative](#) is a program that aims to help nine participating cities identify, pilot, and measure the success of local strategies designed to accelerate economic mobility for their residents. Through the expertise of the What Works Cities' network of [local government leaders](#) and the support of Bloomberg Philanthropies, the Bill & Melinda Gates Foundation, and Ballmer Group, this initiative puts data and evidence at the center of local government decision-making. The Initiative launched in April 2019, with an 18-month timeline, but was extended to 30 months as a result of COVID-19. In each city, a project was selected in collaboration with the city leaders that met the following five criteria: evidence base, mayoral priority, scalability, feasibility, and stewarding taxpayer resources.

Launched in 2015, [What Works Cities' Economic Mobility Initiative](#) helps local governments use data and evidence to tackle their most pressing challenges and improve residents' lives. Learn more at [www.whatworkscities.org](#).

City Partners

This project has been supported by the City of Detroit's Housing and Revitalization Department (HRD), Wayne Metropolitan Community Action Agency (Wayne Metro), a non-profit that runs the City's Financial Empowerment Center (FEC), and Cinnare. Additionally, the Congress of Communities has been instrumental in collecting resident feedback on potential programming, and Continental Management and Elite Management supported resident communication.

