

INVESTMENT CONNECTION

Community Development Investment and Lending Partnership

Organization Background

Name Of Organization

Presbyterian Homes & Family Services, Inc. DBA HumanKind

Mission Statement

HumanKind's mission is to strengthen individuals, families and communities through care, counseling and education

Overview Of Organization

HumanKind has invested in building the well-being of individuals, families and communities in many different ways since our founding in 1903. Started as an orphanage by Presbyterians in Eastern Virginia, thousands of children grew up on our Lynchburg campus. HumanKind now works to strengthen communities across Virginia by helping individuals reach their full potential. We provide wraparound services in Economic Opportunity, Early Childhood Development, Mental & Behavioral Health, Developmental Disabilities and Youth & Family Services. Within these focus areas we operate over 20 programs that serve over 11,000 individuals annually. We have offices in Lynchburg, Richmond and Roanoke, as well as group and sponsored homes throughout the state. Our work is supported through government funding, private foundations, corporations, 400 volunteers and over 1,000 annual donors. We prioritize contact and accountability with our supporters, managing our work conscientiously and providing detailed and accurate reporting. HumanKind's Ways to Work (WtW) program began in Lynchburg in 1999, expanded to Richmond in 2012, and to Roanoke in 2020. HumanKind is currently in the process of growing the program's impact by creating a CDFI, or Community Development Financial Institution. This CDFI will facilitate fair-interest loans directly, providing economic opportunity to low-income individuals in Richmond who face challenges accessing typical lending markets.

Website

www.humankind.org

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Proposal Information

Proposal**Title**

Ways to Work Character-based Vehicle Loans Launch Fresh Starts

Support**Request**

Investment/Grant

Requested Dollar**Amount**

25000

Please list other Significant Partners in the Proposal

In order to best reach and serve our clients, the Ways to Work program partners with numerous businesses and members of the community including car dealerships, mechanics, insurance providers, banks, social services organization, workforce agencies, and other non-profit organizations. Collaboration and referral partners include over twenty non-profit and business partners. Volunteers on the loan committee and financial literacy class instructors represent many of these organizations and donate over 350 hours each year, aiding the Ways to Work program in maximizing financial efficiency. Ways to Work also works with a number of funding partners, which in 2020 have included the below: City of Lynchburg Dominion Energy Food Lion Feeds Charitable Foundation Jessie Ball duPont Fund Kroger Community Rewards Pacific Life Foundation The Campbell Foundation Truist Bank United Way of Central Virginia Wells Fargo Foundation Woodforest National Bank

Proposal**Description**

Many low- to moderate-income families in the Greater Lynchburg Area are struggling to get to work and improve their financial well-being because they do not own a vehicle and are locked out of conventional lending markets because of poor or no credit. In a recent Community Health Needs Assessment, one-quarter of participants cited transportation as a service that is hard to get in the Lynchburg Area. In addition, based on the FDIC National Survey, 18.7% of U.S. households were underbanked in 2017 while an average of 30% of individuals living in low-income areas do not have a credit score (Data Point: Credit Invisibles). Ways to Work (WtW) provides fair-interest vehicle loans and financial literacy education to working individuals with challenging credit histories. Clients are engaged in the program for 2-3 years, over which time they receive ongoing case management to help them overcome obstacles and build strong financial habits. As a result of the program, individuals build their credit, gain better employment, provide better opportunities to their children, utilize less public assistance, and improve their long-term financial stability. Individuals are referred to the Ways to Work program by other human services organizations, departments of social services, local employers, as well as friends and family. In the WtW program, clients work both one-on-one with their loan coordinator as well as attend a mandatory group financial education class and supplemental financial education workshops. HumanKind processes loan

applications, approves loan requests, and originates all loans. The loans are currently funded by a bank and guaranteed by HumanKind, but they will soon be funded by HumanKind through our emerging CDFI. Below are two stories from clients of how the WTW program positively affected them: "With Ways to Work I have been able to move up in my job. I am now a sales manager, but I had to turn down that job previously because I didn't have my own car. My daughter was also able to participate in Girls on the Run." ~ Victoria "Since I have been in this program I have been able to finish college and get a degree in criminal justice. I have been able to take my daughter to cheerleading practice and other places we need to go. I really appreciate everything Ways to Work has done for me in the two years I have been with them. It means a lot to my daughter and I." ~ Elicia

Issues Addressed (check all that apply)

Asset Building / Financial Access, Capability and Empowerment, Workforce Development / Economic Development

Geographic Impact

City-wide

State

Virginia

Virginia Counties

Amherst, Appomattox, Bedford, Bedford City, Botetourt, Campbell, Lynchburg, Roanoke City

Population Served

Ways to Work serves low- to moderate-income individuals who have poor or no credit and therefore cannot receive a fair-interest vehicle loan through traditional means. Each year, about 80% of clients are female and 75% are black, making black women the largest single demographic served. Individuals are served primarily in the Greater Lynchburg Area, but as of October 2020 the program has expanded to Roanoke, VA, where 12% of the workforce does not own a vehicle.

Population Income by Area Median Income (AMI) and other identifiers (percentage of Free and Reduced Lunch for youth or designated "Disaster Area" or designated "Distressed or Underserved"

Having an income at or below 80% of the AMI is a requirement for program qualification. Most individuals served have incomes well below this threshold. In 2019, 95% of clients were at or below 50% of area median income (defined as very low-income), with 73% of clients actually at or below 30% of area median income (defined as extremely low-income).

Anticipated Outcomes/Impact

An annual survey of Ways to Work participants demonstrates the strong positive impact of the program. At the end of 2019, loan recipients reported the following: 82% increased their income 73% improved their credit score 81% reduced their need for public assistance 96% were better able to get themselves or their children to school activities

and/or medical appointments Since its establishment in Lynchburg in 1999, the WtW program has approved 1,700 vehicle loans totaling over \$6.2 million. An average of 100 vehicle loans with an average individual value of \$7,200 are approved annually. All loans are managed by HumanKind Loan Coordinators throughout their 24- to 36-month duration. 95% of loans are successfully completed. The estimated economic impact through reduction of need for TANF and SNAP benefits by WtW clients is \$800,000 in savings annually. HumanKind expects these strong results to continue in 2021. COVID-19 IMPACT Between 30-40% of Ways to Work loan clients lost wages or their jobs because of COVID-19. HumanKind has been providing these individuals with expanded support so that they can maintain their housing, feed themselves and their families, and pay their bills. As clients reach out for help, they received a number of levels of support. First, some of their immediate needs are addressed through donations of groceries and gas gift cards, a toiletries care package, and bill payment assistance. Next, clients are assisted in applying for all available benefits, including SNAP and unemployment. In cases where individuals have lost work, HumanKind provides workforce coaching to locate new employment. As a result of the intensive support provided to existing Ways to Work loan clients, the loan success rate has stayed above 95%, despite the increased economic hardships.

Describe evaluation methods used to measure success

Output data collected includes total unduplicated clients served, number of loans approved, number of financial literacy classes, and seventeen other metrics. These serve to measure the volume of clients being helped and programming being provided. Client demographic data is collected to ensure that the program is continuing to help the population segments that are most in need. Data collected includes race, gender, household income, age, zip code, and education level. Long-term client success is measured primarily through loan completion rates as well as through nine data points collected through an annual loan recipient survey. The survey measures the percentage of clients whose credit scores have improved, whose income has increased, who have reduced their need for public assistance, and other relevant metrics.

Project Time Frame - Is your request for an existing or new program

Existing Program

Other Supporting Documentation

File

Download

N/A