



# RAISE

Texas Summit 2023



## Insights from the 2023 RAISE Texas Summit

### ASSET BUILDING TOPICS

- ▶▶ Barriers to Financial Services
- ▶▶ Predatory Loan Products and Alternatives
- ▶▶ Guaranteed Income Programs
- ▶▶ Addressing Municipal Fines & Fees
- ▶▶ Creating Effective Feedback Loops
- ▶▶ Addressing Energy Poverty
- ▶▶ Credit Building Initiatives
- ▶▶ Connecting Texans with Digital Equity
- ▶▶ Spotlight on CRA Changes & New Federal Dollars for Asset Building

On March 2 and 3, 2023, RAISE Texas and the Federal Reserve Bank of Dallas hosted the 2023 RAISE Texas Summit, focusing on **“Connect to Effect: Building an Equitable Financial Ecosystem for Texans.”** The summit also celebrated the 15th anniversary of RAISE Texas. These two days brought together 193 community stakeholders and leaders from 113 organizations, including nonprofits, financial institutions, funders, and local, state, and federal agencies. [Here is an overview of what we learned:](#)

#### Digital equity is crucial for financial health.

▶▶ **Seven million Texans across three million households do not have access to high-speed internet.** In addition to connecting Texans to vast online resources, digital access is crucial for low- to moderate-income (LMI) Texans to secure and maintain financial stability. Internet access helps households with schoolwork, job searches, medical care, and more.

For previously incarcerated populations, digital access allows easier fulfillment of employment search and application requirements. Currently, the federal Affordable Connectivity Program lacks the strong community partners needed to bring digital resources to all communities.

Dallas-area residents are benefiting from the work of the CARDBoard Project, which connects residents to the internet, devices, and digital skills training, along with other resources. Additionally, organizations such as Next Century Cities are raising awareness of the negative financial impacts on households without broadband internet access.

#### To change policies, we must change our narratives.

▶▶ It is important for organizations to use data to tell their story and build consensus toward their mission. A compelling narrative can facilitate policy changes needed to create an equitable financial ecosystem.

To craft this narrative, an organization should actively think about its communication strategy, the stereotypes that its messages may reinforce, and whether the language focuses on strengths and aspirations or deficits and failures. As a narrative is built, the center of it should be: Why are we doing this?

#### Innovative financial services can foster asset building.

▶▶ By helping people become financially stable and progress to wealth building, we can foster an equitable financial ecosystem. One important element of building wealth is connecting people and communities to financial resources. These resources must include assistance navigating a financial crisis, financial coaching and counseling, and financial products supporting asset building. To build wealth, clients need access to credit building products, affordable loans, and small business assistance. One example of innovation in financial services is “fee-free” banking offered by Amplify Credit Union based in Austin.



## KEY TAKEAWAYS CONTINUED

### Effective feedback loops strengthen services.

- ▶ Creating effective feedback loops and practicing high-quality listening are two elements in building more equitable client relationships. Obtaining such feedback is crucial for organizations because it helps identify gaps or issues in offered services, recognizes previous bad experiences clients have had with services, and ultimately advances equity. Gathering feedback should not be a punitive exercise, rather it should focus on clearly, ethically, and effectively understanding the needs of the population your organization serves.

### Federal funding is available to support asset building work.

- ▶ Different federal policies and programs—including the Community Reinvestment Act (CRA), the Small Business Administration (SBA), and the Low Income Home Energy Assistance Program (LIHEAP)—can offer small business owners, nonprofits, and consumers a range of resources and financial assistance for asset building. The SBA can offer prospective small business owners access to capital and technical training. LIHEAP will combat energy poverty by offering LMI households assistance with their heating and cooling costs. One noteworthy anticipated CRA change is an emphasis on “persistent poverty counties” in relation to community development activities.

### Energy poverty can be effectively addressed for LMI Texans.

- ▶ Energy poverty is real and can keep LMI families from gaining a foothold toward asset building. Energy poverty is when a household has to spend a large amount of their income to cover monthly heating and cooling costs, leaving them lacking the financial means to adequately handle other essential living expenses. It can also manifest itself when an individual’s home is not energy efficient, causing excessive or abnormal utility costs that eat up their disposable income. Federal funding is available to help LMI Texans address both situations. For the 2023 fiscal year, the LIHEAP program has \$245.7 million for utility assistance and \$8.8 million for home weatherization readiness in Texas. Additionally, there are new rebate programs for appliances and tax credits for solar panels.

### The Texas economy will experience slow growth in 2023.

- ▶ LMI households received the benefit of government stimulus checks during the pandemic recession, but those same households have been hit hard by the current effects of inflation: large price hikes in food and other essential commodities with wages that are not keeping pace.

The Federal Reserve Bank of Dallas forecasts a 1.4% growth in jobs for Texans during 2023. While unemployment was relatively low during 2022, it is now increasing for both Hispanic and Black Texans. Although loan delinquencies increased in 2022, the increased level remains low, even for low-income communities. A trend that will continue for Texas in 2023 is the in-migration of workers and companies. All in all it is forecast that the Texas economy will experience slow growth in 2023.



## ATTENDANCE BY THE NUMBERS

# 208

Total registered

# 193

Individuals attended

# 113

Organizations represented



## OPPORTUNITIES & CHALLENGES SHARED BY PRACTITIONERS

### Opportunity: Guaranteed Income Programs

Guaranteed Income (GI) programs are a way to help LMI families psychologically and financially. Those eligible for GI programs see the ability to spend more time with their families as a benefit (versus time that would have to be spent away from home to earn the income represented by the GI payment). Because the use of the payment is unrestricted, it allows recipients to self-direct their own lives. Good data tracking in GI pilot programs is needed to engage potential stakeholders. We also have the opportunity to learn from pilot programs in several Texas cities.

### Challenge: Texas Legislature

A low-rent housing shortage has made finding affordable housing even more difficult for LMI families. The Texas Legislature is trying to improve the situation by encouraging an increase in housing construction and fighting community resistance to multi-family housing projects.

Practitioners also expressed concern about rolling back COVID assistance programs along with a reduction in SNAP benefits. Some felt this could lead to evictions and other hardships for low-income households. How can these issues be effectively addressed with the Texas Legislature?

### Challenge: Predatory Lending

Predatory lending continues to be a challenge for consumers and for nonprofits and communities. Consumers facing a financial crisis may not be aware of the many affordable alternatives available in Texas, including online and statewide options. Because many seniors are outliving their savings, they are having difficulty navigating finances and are getting caught in a cycle of payday loans. Veterans and seniors are often targets for high interest rate auto loans. How can we provide more immediate and practical assistance? Would a predatory loan assistance hotline be effective and feasible? Can we combat predatory establishments in targeted communities by increasing access within those communities to credit unions and banks that offer accessible small-dollar loan products? For an extensive list of organizations offering better loan options in Texas, visit [raisetexas.org/services/loans/](https://raisetexas.org/services/loans/).

## PARTICIPANT FEEDBACK

“

*It was well organized! Great sessions, workshops, Connect to Effect table discussions, and food.*

”

“

*Great mix of substantive topics; I enjoyed attending the AFN breakfast and hearing from the speakers on guaranteed income; I enjoyed the update from the Fed; I also really enjoyed seeing the local talent (poet, violinist) as a break from the substantive topics; overall, the best Summit I've attended so far.*

”

“

*Each session was relevant and meaningful to the work and the conference theme.*

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## HIGHLIGHTED BEST PRACTICES

- ▶▶ Using strategic casemaking to motivate people and organizations to address economic inequalities.
- ▶▶ Bringing together community partners to ensure digital equity for all Texans.
- ▶▶ Focusing on communication strategies that implement strengths-based language.
- ▶▶ Helping LMI Texans build assets through connection to financial resources, including financial coaching and counseling.
- ▶▶ Listening to and receiving feedback from those in your organization serves to identify gaps, issues, and areas of growth.
- ▶▶ Creating program models that use individually tailored suites of services to help form the foundation for solid asset building, including:
  - Access to fee-free banking
  - Support for starting small businesses
  - Affordable housing and homeownership programs
  - Energy assistance programs
  - Programs that eliminate municipal fines & fees

## CHALLENGES WE ARE FACING

- ▶▶ Opposition to the expansion of programs that remove punitive fees and fines that target LMI Texans and perpetuate systemic inequity. Expansion has proved difficult because of the revenue these fees and fines bring in for cities that rely on these funds to fill budget gaps. For some jurisdictions fines and fees account for up to 20% of their revenue.
- ▶▶ Predatory loan companies that continue to target LMI communities.
- ▶▶ Continued policies and structures that perpetuate institutional racism and prevent equitable economic mobility.
- ▶▶ Misinformation and misleading narratives about financial and social policies limit the ability of organizations to change policies that uphold an inequitable financial economic ecosystem. Such misinformation includes false or negative beliefs about equity-focused legislation and education, including lessons about systemic and individual racism.

## GOING FORWARD

Dr. Tiffany Manuel charged us to rethink how we tell the story of our organization's mission. We don't want to reinforce negative stereotypes through our messaging. Focusing on deficit-based narratives is not going to get us to a solution.

### IMPACT MOMENT

At the end of her presentation on Digital Equity, Francella Ochillo reminded us to take the ideas and lessons we learned with us beyond the conference room. Rather than leave the change up to others, she implored us to challenge ourselves to foster equity and take on the work needed to change our current world.

### STAY CONNECTED

Make sure you are signed up for our email list and watch our events page ([raisetexas.org/events/](https://raisetexas.org/events/)) for professional development opportunities, webinars and upcoming convenings.

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