

Planning for Good

Using Your Financial Planning Expertise to Help Your Community



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**FOUNDATION FOR
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Introduction

Financial planning is in great demand as more people are recognizing that creating and following a plan can be a road map to financial well-being regardless of income level. In recent years there has been an increase in financial planning services and products for low- and moderate-income communities. Low cost or hourly planning, web based services and peer led “money circles” are becoming more popular as people seek to increase their financial knowledge and take charge of their money. Still, there are many people for whom high quality, ethical financial planning is out of reach. Pro bono financial planning is designed to meet the needs of people who would not otherwise be able to afford the service.



This document is designed to help you determine the best way to offer pro bono planning services to the communities you wish to serve.

1 Why Volunteer?

1.1 Benefits of Volunteering

Aside from contributing to a specific cause, investing your time and talents in volunteer activities benefits not only the organization, its constituents and the financial planning profession but your personal and professional development. One of the greatest rewards of volunteering can be the satisfaction of doing the work itself. Additional benefits to volunteering include:

- Exploring new interests and developing new skills – veteran and new planners alike can use volunteering to explore new professional opportunities like public speaking or program development.
- Networking opportunities and new relationships – most community based organizations garner support from people across several professional disciplines.
- Credit toward the three year Certified Financial Planning Board of Standards (CFP®) experience requirement when the volunteer engagement is supervised by a CFP® Certificant.
- Personal satisfaction and FUN! – Using your expertise to help others is personally gratifying and when you have the right fit (organization and clients) it really is fun.
- Realizing the basic financial knowledge that you take for granted is information that is extremely helpful and can have life-changing impact on others.
- Meeting other like-minded financial planning volunteers that share your passion to help others.



If you have new financial planning support staff (planners or administrative support) encourage them to volunteer at a local community based organization to build their skills, reputation and confidence!

2 Self-Evaluation

Knowing what you want in a volunteer experience is the first step in creating a positive engagement. Is there a current effort that you want to participate in or an unmet need you want to fill? If you already have an organization in mind, interview the key personnel to understand fully what the organization is trying to accomplish and the skills or resources you will need to meet their objectives. Think of yourself as a “consultant” to the organization and explore their desired outcome, what they are seeking in a volunteer relationship and the support you can expect. In short, use your planning skills to do an analysis of the organization’s needs, the resources available, and the steps necessary to collaborate effectively.

2.1 Examine Your Skills

Your planning expertise is just one aspect of the volunteer engagement. Your ability to relate to the client population, speak to their level of understanding and address their specific concerns is paramount to a successful relationship with the organizations serving underserved communities. Volunteers frequently collaborate with CBO staff members, board members, clients and, in some cases, funding sources. Do a personal assessment of the skills you have and the skills you need to be an effective volunteer. List examples of specific skills, this could include ability to address certain size audiences, your area of expertise, your presentation style, the fact that you are bilingual, your ability to role play, engaging a large or small audience, humorous approach, flexibility to handle changes that the CBO requests. For example: You come to speak to a group of 5 and now have 50 attendees, or 50 becomes 5. Can you adapt.

3 Questions to Consider:

- Are you looking to build on existing skills or learn new ones?
- What do you want to gain from your volunteer engagement? Experience? Networking contacts?
- Considering your professional and personal obligations, what is a realistic estimate of your availability?

Planning for clients with limited resources can be different than traditional planning in that you may have to help clients choose between competing financial necessities and prioritize their spending according to the basic necessities of food, water and shelter. Your advice has to take into account some factors that you may not fully understand. Building good relationships with the CBO staff and more experienced volunteers will help you build your knowledge base in areas that are unfamiliar to you. The bottom line is that you don’t have to know it all; you just have to care enough to use your expertise to help the client.

2.2 Determine Your Desired Outcomes

What are you seeking in a volunteer experience? Do you want to teach workshops, prepare training materials, lead small group sessions or provide one-on-one planning? What will be a “successful”

engagement in your opinion? Would you prefer to work as part of a team or are you more comfortable with a solo relationship between you and the organization or client?

Some agencies have a volunteer application which helps them determine if the volunteer is a good fit. You can create an “application” to guide your conversation with the prospect agencies and design your ideal volunteer engagement.

2.3 Availability

How much time do you plan to spend on volunteer efforts? It is safe to say that in most underserved communities the need for pro bono planning is greater than the resources available. Determine how volunteering will fit into your current lifestyle and schedule. How many hours would you like to spend per week, month or year? You may decide to participate in several community events or work with a specific number of clients over a predetermined period of time. Be direct with the organization to clarify expectations. Be sure to define short term and long term volunteer engagements. Each CBO may define these differently. Remember once you agree to the engagement, your assigned volunteer time should be in concrete. Many CBO clients have been offered hope in the past by well intended volunteers that did not follow through. Your continuity in your commitment to volunteer will speak volumes and gain you the trust of the clients. In addition to your availability, you will want to determine your accessibility as it relates to individual clients. Do you want clients to contact you directly with follow up questions or only through the organization? If you are going to follow up with a face to face meeting with an individual, the question of where you should meet is an important one to discuss with the organization. Meeting at the organization or in a neutral location is often recommended.



Visit an organization that you are interested in working with to find out what types of volunteer opportunities exist. If there are none, consider working with the staff to build a financial planning volunteer program.

3 Understanding Community Based Organizations

Community Based Organizations (CBOs) exist to serve a public purpose. Most CBOs struggle to address increasingly complex client needs whether they are social, cultural, environmental, or economic. CBOs serve their community/constituency with tight resources and the staff are often overworked and underpaid. Benefits may be limited and operations are generally underfunded while projects may be funded adequately. Many, if not most of the staff are themselves living with limited financial resources, minimal or no benefits, and in many cases, severe financial distress. Many feel ill-equipped to offer financial information and, until very recently, have received little or no financial education prior to “teaching” their clients. Financial Planning volunteers are generally used in place of staff to extend capacity and to provide expertise and professional resources for the board, staff and clients. You should

discuss the idea of including the CBO staff to attend all general financial education sessions that are being given to the CBO's clients. The CBO staff represents the ultimate multiplier and can serve as a conduit of information as well as a screener of a client's financial needs and concerns. Improving their financial education will have a natural trickle effect on their clients. Giving them the resources to know where to turn can have a long term impact.

3.1 The Typical Client

Although many CBO clients are motivated toward financial improvement, clients typically have limited financial resources and their ability to manage/improve their financial situation can be impacted by the following factors:

- **Cash Flow:** Clients may be living "paycheck-to-paycheck" and could find creating and adhering to a budget or spending plan difficult. Even when they have the best intentions, saving for the future is difficult when making it through the current month is at question. Negative cash flow leads to the need to prioritize bill payment. Try to build in small success markers into all budgeting or spending plans.
- **Knowledge of Basic Financial Topics:** Knowledge of banking, use of credit, and investing may be limited or they may have had a bad experience with a financial institution. Sometimes these bad experiences are from lack of understanding of fees or of how to post money flowing in and out of their account. Some clients may not be in the position to act on the financial advice right away and their enthusiasm may wane.
- **Culture:** Strong relationships and networks with family and friends can complicate their financial decision making. Intra-family financial responsibilities wreak havoc on already limited financial resources. With some CBOs you may find an inter-generational impact. Sometimes the cultural impact can be positive because of a co-op approach for working towards shared goals.
- **Public Assistance:** There are asset limits for recipients of food stamps, Medicaid, Supplemental Social Security or other public assistance programs and it is important to be aware the impact financial planning can have on eligibility.

3.2 Financial Capability Programs

The landscape of financial education has expanded as many organizations are employing a wider range of programs designed to increase *financial capability* of their clients. "Financial capability" efforts include education to increase financial knowledge, providing access to appropriate products and services and direct support (planning, coaching or counseling) to create sustainable behavior change. One of the most recent trends in financial education for low-income communities is the "financial coaching" model which offers one-on-one or group support clients in making long-term behavior change. While coaching programs differ from one agency to the next, coaching differs from traditional financial planning in that the "coach" follows the client's stated goal rather than a defined plan created by the planner. Let's look at some of the distinctions between Financial Planning and Financial Coaching.

Financial Planners usually provide short-term financial management advice for specific issues related to basic budgeting, tax planning, asset allocation, risk management, retirement and/or estate planning. Organizations may need volunteer financial planners to develop and facilitate financial education workshops; or *provide advice* to clients during major life events.

Financial Coaches generally offer long-term support as clients identify specific financial goals and take steps to achieve the stated goal. Coaches are often an accountability partner and may provide resources and referrals but usually *do not offer financial advice*.

Financial planners can serve as volunteers in any or all of the aspects of financial capability initiatives. Knowing how you want to impact the overall mission can help you determine where and how to use your skills to increase the financial well-being of the community you serve.

4 Community Connections – Creating a CBO Agreement

Creating a volunteer engagement is very similar to the six-step financial planning engagement put forth by the CFP® Board. Knowing what time and talent you have to offer is a good start, and then you are ready to make the connection.

4.1 Exploration/Agreement

Consider the needs of your local community and your interests and reach out to the appropriate staff person:

- Learn about the agency’s mission and programs.
- Gather information about how the volunteer effort will integrate or support new or existing programs.
- Determine if you can provide the kind of help they need or want. Do their needs fit with your skills, interests, style, and availability?
- Visit the organization to gain insight into the daily operations and gather information about the ability of the staff to offer assistance if you need them for questions or issues that arise while you are onsite.
- Reach an agreement – if they do not provide a volunteer application, use the sample volunteer profile at the end of this manual. If you determine that you are not the right fit for the agency’s need consider referring them to a colleague, if appropriate.

4.2 Gathering Data

Similar to the work financial planners do with traditional clients, gathering the information you need to be effective as a volunteer can create a clearly defined and structured engagement.

- **Understand fully what the organization is trying to accomplish.** Most programs are created in response to client outcomes the organization has defined to align with their mission, or as a response to a specific grant.
- **Collect and analyze information about the organization and their constituency.** This is necessary whether you are helping to design a program, delivering workshop materials or working with individual clients. Types of information may include:
 - 1) the *full scope of services* the agency provides
 - 2) *demographic information* about the clients, and
 - 3) *additional resources/services* the clients are eligible to receive.
- **Identify the resources you will need to meet their objectives.** Professional referrals for complicated situations can be challenging for community based organizations. Your professional network may provide a welcome solution to an ongoing barrier.

4.3 Planning the Work

Create a plan for your volunteer engagement. Be specific and model good project planning. Even with a plan most volunteers find that remaining flexible is important, particularly in new programs. In some situations, despite all best efforts, clients fail to participate fully in the pro bono engagement. Accepting this fact in the beginning can help you avoid frustration and help you focus on collaborating with the organization to create an effective program.

CBOs consistently find marketing and outreach to yield erratic results with some activities drawing large numbers and others that are sparsely attended. Good planning can offer solutions to most of these challenges.

- Develop the goals for the engagement
- Create measurable benchmarks
 - X number of seminars
 - Y number of clients for individual planning
 - Z number of volunteer hours during a specified period of time
- Create an evaluation process for the clients and the CBO

4.4 Implementing & Monitoring

Implement your strategy and monitor the engagement over time. Consider the following:

- Is the volunteer effort a good experience for you, the CBO and the clients?
- Should your level of activity increase or decrease?

Course correct as necessary - is there an activity that is working exceptionally well or one that is not serving the clients specific needs? Address this issue with the appropriate staff person and redirect your efforts to have the greatest impact.

4.5 Sustain & Evaluate

Some volunteer engagements are ongoing and still others are specific to a grant or project. This should be taken into account at the planning stages and evaluated at pre-determined intervals to determine if goals have been achieved. If the volunteer engagement is achieving the intended outcomes consider taking steps to “institutionalize” activities that work and document activities and challenges. Some successful ongoing programs are:

- ✓ monthly financial planning workshops
- ✓ community-wide Financial Planning Day
- ✓ Individual planning sessions and quarterly review

At a pre-determined interval determine the next steps for the engagement. Some notable options are to:

- continue the existing level of activity;
- increase the level or type of engagement based on your interests or availability; and
- decrease to an “as needed” arrangement if you find that the client response is erratic or not meeting the expectations of the program design.
- change or terminate engagement.

4.6 What Next? Continue/Build Capacity/Terminate

Based on original agreement, revisit the objectives of the engagement and determine:

- Is it a good fit for BOTH parties? Are the CBO and Clients responding to services?
- Are there barriers to continuing such as funding for the project, client “no shows” as a result of childcare or transportation needs, meeting logistics (food, supplies, etc.)?

If the program is effective and your time is limited or your interests have changed, consider offering capacity building for the staff members (i.e. offering your expertise to the staff to help them increase their ability to address the basic financial concerns of the clients). Factor in staff turnover and plan for periodic training sessions to create a “baseline” financial knowledge from which to build or expand the program. If you decide to continue, create a new time- and objective-bound agreement.

5 Finding Volunteer Opportunities

If you are ready to volunteer and don’t know where to start, contacting professional organizations and CBOs directly is an excellent way to get started.

5.1 Professional Associations

Some professional associations actively promote pro bono activities and offer support and materials to help you start your volunteer experience. For example, the Financial Planning Association (FPA®) and the National Association of Personal Financial Advisors (NAPFA) have an extensive pro bono effort that includes ongoing and one-time events. You can also find tools and training to help you get started at the Foundation for Financial Planning web site.

5.2 Community Based Organizations

Some areas have Community Foundations that can provide connections to organizations near you. Larger intermediaries often can connect you with organizations in your area that focus on specific financial needs such as housing, credit or debt management, or asset building programs. Idealist.org, the United Way or Habitat for Humanity are also great organizations to start with if you do not have a specific agency in mind.

6 Volunteer Training

As a planner you may have extensive training and experience in the highly technical process of comprehensive planning yet feel uncertain in your ability to address the needs and concerns of people with limited financial resources. There are several ways to ensure your ability to meet the planning needs of lower income clients.

6.1 Financial Education

Most of the situations you will encounter will be basic budgeting, credit or debt management and basic estate planning (advanced healthcare directives and guardianship arrangements). Simply brushing up on these basics will help you prepare for most volunteer engagements. There are a host of free financial education materials to prepare you for the types of questions you are likely to receive working in lower income communities. The [Foundation for Financial Planning](#) has free tools available under its *Helpful Information for Consumers* tab. The [National Endowment for Financial Education](#) is an excellent source for all levels of financial education as well as [workshop kits](#) for specific situations or populations.

6.2 Pro Bono Training Programs

The Foundation for Financial Planning's [Pro Bono Financial Planning Volunteer Training](#) is a free, 50-minute online module that helps financial planners understand the basics of how to provide pro bono service to underserved members of the community. Members of the FPA® also have access to an online training to help you prepare for your volunteer engagements. Completion of this web-based program is required for FPA® sponsored pro bono activities. You will receive one hour of continuing education (CE) credit by the Certified Financial Planner Board of Standards (CFP Board) after viewing the training in its entirety and passing a self-assessment.

6.3 Organization/Project Specific Training

Some organizations offer volunteer training for their organizations or projects. Most notably the [Internal Revenue Service \(IRS\) Volunteer Income Tax Assistance \(VITA\)](#) program offers mandatory training for volunteer tax preparers.

7 Conclusion

In recent years, financial planners had difficulty explaining the importance of planning for low-income communities because financial planning was viewed as a service for the wealthy and that people in poverty “didn’t have enough money to plan.” The focus was often limited to budgeting and credit/debt management. Today, many CBOs are providing financial education, counseling and coaching as part of their service delivery. And, as organizations are realizing that there is a financial component to every aspect of a client’s life and they are seeking qualified professionals to provide this service. We know that sound financial planning can change lives and offering pro bono services is an opportunity to use your expertise to help individuals, groups and organizations.

8 Special Thanks

This volunteer manual is the result of our project *Community Based Organization Financial Planning Training* funded by the Foundation for Financial Planning. In collaboration with the United Way of the Bay Area’s (UWBA) SparkPoint Centers our project assisted the CBOs in developing ongoing relationships with local FPA® volunteer planners and, as a result, have provided their staff and their clients with access to competent, ethical volunteer financial planners. These new relationships have resulted in opportunities for new and veteran financial planners to work with a diverse population of low-income clients. Sage Financial Solutions, Inc. would like to thank UWBA SparkPoint for their work on this project as well as the Foundation for Financial Planning for generously funding the grant that made this work possible.

Appendix:

Foundation for Financial Planning – Mission Statement

The [Foundation for Financial Planning](#) is a 501(c)3 charitable organization with the mission of helping people take control of their financial lives by connecting the financial planning community with people in need.

- We believe that financial planning matters.
- It allows people to make better financial decisions.
- However, not everyone has access when they need it.
- Since 1995, the Foundation for Financial Planning has provided more than \$5 million in grants to successfully connect financial planners with members of underserved communities to provide pro-bono financial advice.
- This connection creates a win-win situation where financial planners have an opportunity to give back using their professional skills, and people in need are better positioned to make sound financial decisions.
- Our grants are awarded to support the underserved, which includes military members, veterans, victims of disasters, low- to moderate-income families and many others.

Author Bio

Saundra Davis, MSFP is a financial coach and educator with a passion for teaching people to use their financial resources in a way that is congruent with their values and their heart's desire. Saundra is an advocate of living mindfully and teaches individuals, communities, and the staff of non-profit organizations how to identify, understand and work within their personal money beliefs to become their own financial expert.

Saundra is an inspiring and insightful public speaker and teacher and is sought-after for national conferences on all aspects of financial capability practices. She is active in the Financial Planning Association of San Francisco Chapter Pro Bono Committee and has served on the Pro Bono National Advisory Committee the Diversity Task Force. In October 2010, Saundra was awarded the Heart of Financial Planning award and in 2011 she was named the Foundation for Financial Planning Pro Bono Planner of the Year Runner Up. Both awards recognized her volunteer work with community-based organizations and the hundreds of hours of pro bono financial coaching for low and moderate income clients she has provided over the years. A veteran of the U.S. Navy, Saundra volunteers to teach money management class for local navy reserve units to help sailors avoid the many predatory practices targeted at military personnel.

Saundra holds B.S. in Management and an M.S. in Financial Planning from Golden Gate University (GGU). She is an adjunct professor in the GGU and the University of California at Berkeley Personal Financial Planning programs. She has also served on the University of California at Berkeley Financial Planning Program Advisory Committee.



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