

# HUD Moving to Work Expansion Training

Asset Building Cohort –  
Designing and Researching an Opt-Out Savings Account Initiative  
February 8, 2023



# Welcome!



- Introduction from PD&R and MTW
  - Anne Fletcher (PD&R) and Alison Christensen (MTW)
- Introduction to the MEF and Abt team
  - Larry Buron (Abt), Sam Elkin (MEF) and Stephen Nunez (MEF)

# Overview



- Background
- Selection Notice requirements for implementing and researching the opt-out savings programs
  - Follow-up on questions from last session
- Recommendations for implementing your Opt-Out Savings Program

# Background

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# Opt-Out Savings



The opt-out savings programs can help participants feel more in control of – and less controlled by – their finances.

## Dimensions of Financial Wellbeing

	Present	Future
Security	Control over day-to-day finances	Capacity to handle an unexpected expense
Freedom of choice	Financial freedom to make choices to enjoy life	On track toward financial goals

*Adapted from graphic in [CFPB 2015, p. 19](#)*

# Opt-Out Savings (cont.)



## **Common uses of funds by participants in similar programs:**

- Current bills, necessities, and debts
- Building emergency savings
- Education
- Big purchase or special expense

Both the savings themselves and the knowledge that the savings exist can benefit participants.

- Dignity
- Hopefulness about the future
- Sense of stability and security

# Selection Notice requirements for implementing & researching the opt-out savings programs

# Selection Notice Requirements



- PHAs save money on behalf of selected households
  - Save at least \$10 per month for at least 24 consecutive months
  - Participants have access to funds when balance reaches \$120
  - BUT: Participants must have a bank account to receive the funds
- Must provide opportunity for households to opt-out
- Minimum of 25 households and no more than half of households
  - No contract of participation required
  - All households eligible, including those headed by elderly or disabled persons



# Research Considerations



- From an evaluation perspective, the more participants the better
  - PHAs can choose what to do in cases of participants opting out and/or not completing requirements to claim funds within a certain period.
- Wait for assistance from evaluation team to select and enroll participants using a scientific method.
  - Participate in randomized selection if necessary for evaluation.

# Enrollment for an Opt-Out Savings Program



- Research team considering 2 options:
  1. No informed consent needed before random assignment:
    - Evaluator randomly assigns households using PHA admin data & informs PHA which are in program
    - PHAs begin outreach to program households
  2. Informed consent needed before random assignment:
    - Study and program enrollment happen together
    - PHA staff may administer the informed consent and a short questionnaire during enrollment

# Questions & Discussion

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# Recommendations for implementing your Opt-Out Savings Program:

## Outreach & Engagement

# Branding your Program



- Frame as savings to alleviate financial hardship/stress
  - “For a rainy day”
- Inclusive messaging
  - “*Everyone* needs a rainy-day fund”

# Creating Active Awareness



- Informational materials like account statements
- Integrate discussion of program into existing points of contact
  - Ex. Income recertifications
- Include higher-touch program components
  - Ex. Financial coaching or financial counseling

# Why Participants Might Opt-Out



**“Is free money just too good to be true?”**

**“There must be a catch.”**

**“They wouldn’t just give away something for nothing.”**

# Building Trust



- Leverage participants' social networks
- Learn from participants about their needs and hopes for the program
- Integrate higher-touch components
- Be transparent with participants



# Questions & Discussion

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# Recommendations for implementing your Opt-Out Savings Program:

## Creating an Effective Strategy for Connecting Households with Banks

# Hesitance about Bank Accounts



- Cost
- Access
- Negative history with banks
- Transparency
- Convenience
- Comfort

# Consider Cultural Context



- Immigrant communities:
  - Access to services in preferred language in-person and when using online services
  - Misconceptions about ability to access financial institutions
  - Desire for specific financial products like remittance services to send money to family abroad.
- For religious reasons, some selected households may not be willing to hold bank accounts that earn interest and will need other options.
  - Specialized financial institutions offer non-interest bearing bank accounts compliant with Islamic law

# Connecting Households with Banks



- **Understand** unique needs and priorities of your participants
- **Identify** banks that meet those needs
  - Community banks or credit unions
  - Accounts specifically marketed as safe and low-cost, like Bank On certified accounts
- Focus marketing to participants on **immediate, tangible benefits**

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# Upcoming Asset Building Cohort Onboarding Webinars



Rent Reporting for Credit Building Options Basics	February 15, 2023	2:30 - 4:30 PM EST
The MTW Supplement to the PHA Plan and the Public Process	February 22, 2023	2:30 - 4:30 PM EST
The MTW Supplement – Tips for Success	March 15, 2023	2:30 - 4:30 PM EDT
HUD – 50058 MTW Expansion Form Changes	April 5, 2023	2:30 - 4:30 PM EDT
Office Hours	April 26, 2023	2:30 - 4:30 PM EDT

# Thank you!