FEC Public Outcome Definitions and Calculations

Outcome Documentation and Verification

As a public service, Financial Empowerment Centers must hold themselves to the highest standards of accountability. A key way the FEC does this is by requiring that all FEC outcomes are documented and verified. The official or client-signed documentation must be uploaded or recorded in FECBOT as part of the client's record and should be readily accessible in cases of a formal audit. The local FEC management team should develop verification protocols to confirm that all outcomes claimed can be substantiated. Documentation can include scanned paper documents, electronic communications, mobile screenshots, or a declaration signed by the client.

BANKING OUTCOMES

Outcome

Open a safe and affordable banking account

Definition

A client opens a safe and affordable account.

Philosophy

Banking access is critical to individual and community financial security.

Outcome Achievement

- The outcome is achieved once per account opened by and for the client.
- Up to two outcomes can be achieved per session, one for savings and one for checking and up to three outcomes over the course of the client's FEC engagement.
- A safe and affordable account is determined by each local FEC management team, following guidance from CFE Fund and the Bank On National Account Standards.
- Transaction and savings accounts are eligible.
- All clients are eligible to achieve this outcome regardless of their initial or current banking status.

Calculation

This outcome is achieved every time a counselor indicates, "Yes" to the question "Did client achieve this?" for a maximum of 3 outcomes.

Eligible Documentation

- Statement of account with client's name & account terms and conditions; OR
- Official confirmation of account opening from financial institution; OR
- Declaration signed by client

Open a Safe and Affordable Account Banking Account—Example Scenarios

Scenario	Relevant Data Field(s)	Session 1	Session 2	Total Outcomes Achieved
A	• Has opened new safe and affordable checking account? • Has opened new safe and affordable savings account?	No No	Yes Yes	2 outcomes are achieved. The client is eligible for one additional outcome at a later date if a third account is opened.
B	• Has opened new safe and affordable checking account? • Has opened new safe and affordable savings account?	No No	No No	0 – Client did not open any new accounts.

Outcome

Use banking account actively

Definition

A client begins using a banking account in two or more of the following ways and maintains active use of the account over the course of multiple sessions.

- Eligible Account Uses:
  - Making debit transactions
  - Using direct deposit
  - Making deposits (any non-ACH (check or cash) deposit
  - Using online or automatic bill pay
  - Making withdrawals (ATM, teller withdrawal, transfer to another account)
  - Using bank issued money order or cashier's check
  - Making peer-to-peer transactions (inflow and outflow)

Philosophy

Fostering active use of the banking account furthers a client's ability to manage finances.

Outcome Achievement

- Can be achieved once over the course of the client's FEC engagement.
- Clients are eligible for the outcome who have never used the account or have only used it in one of the listed ways.
- The outcome is achieved when the client uses an account in two or more ways, for at least two follow-up sessions. The sessions do not need to be consecutive, and the ways the client used the account do not need to be the same.

- Initial Session: To determine eligibility and set a baseline for the outcome counselors should ask whether the client has used their account(s) in the listed ways in the last month. If they already are using their account(s) in two or more ways, they are ineligible for achieving this outcome.
- 2+ Follow-up Sessions: Counselors should ask whether the client has used their account in the listed ways since the most recent session. If the client has used the account in two or more of the listed ways, they will achieve only one outcome, regardless of the number of new account uses registered.
- Only clients who attend three or more sessions can achieve this outcome.

Calculation

If counselor answers, "No" to "Is the client actively using their banking account(s)?" when the initial intake of banking account uses is taken, then answers "Yes" to that assessment question (regardless of number of uses registered) in two subsequent sessions.

Eligible Documentation

Documentation from financial institution demonstrating:

- debit transactions
- direct deposit
- deposits (any non-ACH (check or cash) deposit
- online or automatic bill pay
- withdrawals (ATM, teller withdrawal, transfer to another account)
- bank issued money order or cashier's check
- peer-to-peer transactions (inflow and outflow); OR

- Merchant receipt or proof of payment demonstrating one of the above payment methods; OR
- Screen shot of financial institution app demonstrating one of the above uses; OR
- Declaration signed by client

Use Banking Account Actively—Example Scenarios

Scenario	***Relevant Data Field(s)***	**Session 1**	**Session 2**	**Session 3**	**Session 4**	**Total Outcomes Achieved**
A	Is the client actively using their banking account(s)?	Yes – client says they have done two or more of listed uses in the past month	N/A	N/A	N/A	0 - Ineligible

B	Is the client actively using their banking account(s)?	No – Client only made a withdrawal in the past month (1 use)	Yes – client says they've made a withdrawal and a deposit since last session (2 uses)	No – Client only made a withdrawal (1 use)	Yes – Client says they've made a debit transaction, made a withdrawal and received a direct deposit (3 uses)	1 outcome achieved (no additional outcomes possible)
C	Is the client actively using their banking account(s)?	No – Client doesn't have account	No – Client just opened up account, but plans to set up direct deposit (0 uses since last session)	Yes – Client received a direct deposit, made a withdrawal, and made a debit transaction (3 uses)	Yes – Client received a direct deposit and made a deposit (2 uses)	1 outcome achieved (no additional outcomes possible)

CREDIT OUTCOMES

Outcome

Establish a credit score.

Definition

A client, who originally had no credit score, now has a credit score.

Philosophy

Credit history and score are key indicators of a person's financial life and used by a diverse range of actors to make decisions about a person's access to financial and non-financial opportunities.

Outcome Achievement

- This outcome can be achieved once over the course of the client's FEC engagement.
- Clients are eligible if they have a '0' credit score: are unscored (9003 or 9002 code) or are credit invisible (no record found) on the Experian credit report that is pulled into FECBOT.
- The outcome is achieved when the credit report score changes to being between 300 and 850.
- Only clients who attend two or more sessions can achieve this outcome.

Calculation

Comparing client's baseline credit score, '0' to most recent score in 300-850 range.

Eligible Documentation

Two or more Experian credit reports in FECBOT demonstrating change in status.

Establish a credit score—Example Scenarios

Scenario	*Relevant Data Field(s)*	Session 1	Session 2	Total Outcomes Achieved
A	Current FICO Credit Score	0	300 – 850 range	1 outcome achieved (no additional outcomes possible, client will now work towards increasing their credit score)
B	Current FICO Credit Score	0	0	0 - Client remains unscored/credit invisible

Outcome

Increase credit score by at least 35 points.

Definition

A client's credit score increases by at least 35 points.

Philosophy

Higher credit scores allow for better terms and conditions for a range of services and cheaper ways to borrow money***.***

Outcome Achievement

- This outcome can be achieved multiple times per session and over the course of a client's FEC engagement (e.g. 70 points counts as two outcomes).
- Clients with score between 300 and 850 are eligible for this outcome.
- Only clients who attend two or more sessions can achieve this outcome.

Calculation

- This outcome is calculated by comparing a client's baseline credit score value to their most recent.
- The baseline credit score is updated every time the outcome is achieved (the new baseline is the new score that is 35+ points higher than the old baseline). The baseline can also be updated if the client's credit score decreases (e.g. they only have to increase it 35 points from the more recent, lower value).

Eligible Documentation

Two or more Experian credit reports in FECBOT demonstrating change in score.

Increase credit score by at least 35 points—Example Scenarios

Scenario	Relevant Data Field(s)	Session 1	Session 2	Session 3	Session 4	Session 5	Total Outcomes Achieved
A	Current FICO Credit Score	550	550	600			1 outcome achieved
B	Current FICO Credit Score	520	510 – baseline reset to lower value	550 – 1 outcome, positive increase of 40 points	555 – no outcome, baseline remains 550,	600 – 1 outcome achieved, positive increase of 50 points, baseline is updated to 600	2 outcomes achieved
C	Current FICO Credit Score	620	635	640	700 – 2 outcomes, positive increase of 80 points, baseline is updated to 700		2 outcomes achieved
D	Current FICO Score	600	550 – baseline reset to lower value	570			0 – client would need to increase to 585+ in future session to achieve 1 outcome)

DEBT OUTCOMES

Outcome

Decrease non-mortgage debt by at least 10%

Definition

A client's non-mortgage debt decreases by at least 10%.

Philosophy

Although some debt represents a productive investment in assets, reducing non-mortgage debt can make resources available for saving or spending to improve quality of life; it can also lead to a higher credit score.

Outcome Achievement

- This outcome can be achieved only once per session, if the total non-mortgage debt is reduced by 10% or more.
- This outcome can be achieved multiple times over a client's FEC engagement.
- Clients whose credit reports show debt, and those who report other debt, are eligible for this outcome.
- Only clients who attend two or more sessions can achieve this outcome.

Calculation

- The outcome is calculated by comparing a client's baseline total non-mortgage debt value (sum of client's revolving balance and non-mortgage installment balance reported on the credit report in FECBOT plus "other debt" reported by the client and manually entered into FECBOT), to their most recent total value.
- The baseline value is updated every time the outcome is achieved (new baseline is the lower value that is less than or equal to 90% of the previous baseline) or when the total debt value increases.
- Only one outcome can be achieved in each session even if the total amount of non-mortgage debt reduced is greater than 10% (e.g. a 100% decrease in non-mortgage debt in one session is only one outcome).

Eligible Documentation

- Credit pull demonstrating debt reduction; OR
- Letter from creditor or debt collector demonstrating debt reduction; OR
- Declaration signed by client.

Decrease non-mortgage debt by at least 10%--Example Scenarios

Scenario	Relevant Data Field(s)	Session 1	Session 2	Session 3	Session 4	Session 5	Total Outcomes Achieved
A	• Credit Report Non-Mortgage Debt: • Other Debt: • Total Nonmortgage Debt:	$5,000 $0 $5,000	$4,700 $0 $4,700	$4,225 $0 $4,225			1 outcome achieved, reduction of 15.5%

B	• Credit Report Non-Mortgage Debt: • Other Debt: Total Nonmortgage Debt:	$9,000 $1,200 $10,200	$9,500 $1,200 $10,700 *baseline updated to higher value	$9,300 $0 $9,300			1 outcome achieved, reduction of 13.1%
C	• Credit Report Non-Mortgage Debt: • Other Debt: Total Nonmortgage Debt:	$500 $0 $500	$250 – 1 outcome achieved (50 % reduction), baseline reset to lower value	$200 – 1 outcome achieved (20% reduction), baseline reset to lower value	$5,000 – baseline reset to higher value	$4,800	2 outcomes achieved, would need to decrease by another $300 to claim 3rd outcome

Outcome
Reduce the number of delinquent accounts.

Definition
A client has at least one fewer delinquent (past due) account on their credit report.

Philosophy
On time bill payment is the most important part of the credit score algorithm.

Outcome Achievement

- This outcome can be achieved multiple times per session (once per account brought current) and over a client's engagement.
- Only clients with delinquent accounts are eligible.
- Only clients who attend two or more sessions can achieve this outcome.

Calculation

- This outcome is calculated by comparing a client's baseline number of delinquent accounts reported on their credit report in FECBOT to their most recent value.
- The baseline value is updated every time the credit report is pulled if the number of delinquent accounts is higher.

Eligible Documentation
Two or more Experian credit reports pulled directly into FECBOT demonstrating reduction in delinquent accounts.

Reduce the number of delinquent accounts—Example Scenarios

Scenario	Relevant Data Field(s)	Session 1	Session 2	Session 3	Session 4	Total Outcomes Achieved
A	Number of Delinquent Accounts	5 accounts	5 accounts	3 accounts– 2 outcomes achieved, baseline updated to 3	4 accounts, baseline updated to 4	2 outcomes achieved
B	Number of Delinquent Accounts	0	0	1	0 – 1 outcome achieved	1 outcome achieved

SAVINGS OUTCOMES

Outcome

Increase amount set aside for the future.

Definition

A client increases their total monetary savings by an amount equal to at least one week's worth of their income.

Philosophy

Small amounts of savings can mitigate income volatility and unexpected expenses, which can lead to financial instability.

Outcome Achievement

- This outcome can be achieved once per session, and multiple times over a client's FEC engagement.
- To achieve this outcome, counselors must enter all income sources and current savings (not being used in the coming month) in FECBOT's Money Tracker. These values must be updated in the Money Tracker every session where savings is discussed.
- All clients are eligible for this outcome.
- Only clients who attend two or more sessions can achieve this outcome.

Calculation

- This outcome is calculated by comparing a client's "Current Amount of Total Savings" value (sum of savings types) to their baseline.
- The baseline is set when they first complete both the income and savings sections of the Money Tracker, and updated every time the outcome is achieved, their income increases or decreases, or their baseline savings decreases.

- The client's monthly income (post-tax) recorded at a *prior* session is used to calculate the increase in savings required to achieve the outcome (changes to income recorded at the current session would not impact an outcome that could be otherwise achieved).
- One week's worth of income is calculated by taking the sum of all income listed on the Money Tracker and multiplying the monthly amount by 24%.

Eligible Documentation

- Statement of account with client's name (if a formal location); OR
- Financial institution-based account balance information; OR
- Letter signed by entity or individual holding funds; OR
- Declaration signed by client.

Set aside at least one week's worth of income for the future—Example Scenarios

Scenario	Relevant Data Field(s)	Session 1	Session 2	Session 3	Session 4	Total Outcomes Achieved
A	Current Amount of Total Savings	$1,000	$1,000	$1,500	$1,500	1 outcome achieved in Session 3 (based on most recent monthly income as reported at Session 2)
	Monthly Income	$2,000	$2,000	$2,500	$2,500	
	Baseline	(2,000 X .24) + 1,000 = $1,480	$1,480	$1,480	$2,100	
B	Current Amount of Total Savings	$500	$0	$150	$2,000	1 outcome achieved in Session 4 despite more than 5x increase
	Monthly Income	$1,500	$1,500	$1,500	$1,500	
	Baseline	(1500 X .24) + 500 = $860	$860	$360	$360	

Outcome

Adopt new savings behaviors.

Definition

A client reports using any one or more of several research-based savings behaviors or strategies over multiple sessions.

Philosophy

Adoption of positive behaviors (aka strategies) may be more indicative of long-term financial stability than a snapshot of savings balances.

Behavior	Examples (counselors may use other examples as well)
Spend Less	Reduce Spending: buy less expensive things Avoid Spending: don't buy things you want Follow a budget or rules about how much to spend or save
Set Aside Bigger Amounts of Money	Set aside change or a percent of each purchase Set aside windfalls or spikes in income
Make More Money to Set Aside	Sell something you own and set aside the money Earn more (work more hours, take another job) and set aside the money Move money to higher interest accounts
Set Aside Money More Frequently	Make more deposits Get reminders to move money into savings from an app or a person
Convert Cash to Assets So it Can't be Spent	Pay in advance or buy in bulk Buy something to sell later Lend money to someone who will pay it back later Increase withholding to get a bigger tax return
Mentally Separate Spending Money from Money Set Aside for the Future	Keep funds in one place but tell yourself that certain amounts are for spending versus saving
Physically Separate Spending Money from Money Set Aside for the Future	Put cash at home in different places for spending versus saving (envelopes, jars etc.) Use separate checking and savings accounts Use multiple savings accounts for different goals or timeframes
Set Aside Money Automatically	Use direct deposit Split direct deposit or tax refund into savings and checking Use automatic transfers into savings Use an app that automatically moves money into savings
Note: Opening a bank account is critical to savings and could be considered a 10th good savings behavior. It is not included here because opening a banking account is a separate outcome.	

Savings Behaviors

Outcome Achievement

- This outcome can be achieved only once per session, regardless of how many behaviors were adopted at that session, but multiple times over a client's FEC engagement if they continue to adopt more behaviors.
- Clients are eligible for this outcome if there is at least one behavior which they were not using when their initial intake of savings behaviors was completed.
- To achieve this outcome, counselors must discuss all eight savings strategies during the initial savings session, and enter whether the client used any of the behaviors in the last month. At

each follow-up session, counselors should ask whether the client has started any of previously unused strategies and enter their responses.

- Only clients who attend three or more sessions can achieve this outcome.

Calculation

The outcome is achieved when: (a) Client was not currently engaged in a given savings behavior when their initial intake of savings behaviors was completed "No"; (b) Client started the behavior while in counseling "Yes"; and (c) The new behavior is recorded "Yes" at any two subsequent (not necessarily consecutive) counseling sessions.

Eligible Documentation

To demonstrate that a behavior has been adopted at least two forms of documentation must be provided (one per occurrence)

- Credible documentation demonstrating behavior; OR
- Declaration signed by client

Adopt new savings behaviors—Example Scenario

Scenario	Relevant Data Field(s)	Session 1	Session 2	Session 3	Session 4	Total Outcomes Achieved
A	1. Spend Less 2. Set aside bigger amounts of money 3. Make more money to set aside 4. Set aside money for frequently 5. Convert cash to assets so it can't be spent 6. Mentally separate spending-money from money to set aside for the future 7. Physically separate spending-money from money set aside for the future 8. Set aside money automatically 9. Other	1. No 2. No 3. No 4. No 5. No 6. No 7. Yes 8. Yes 9. No *Because they are already "physically separating" and "setting aside money automatically" these two are ineligible to count towards future outcomes	1. Yes 2. Yes 3. No 4. No 5. No 6. Yes. 7. Yes 8. Yes 9. No	1. Yes 2. No 3. No 4. No 5. No 6. Yes 7. Yes 8. Yes 9. No *1 outcome achieved, two new behaviors adopted (Spending Less & Mentally separating)	1. Yes 2. Yes 3. No 4. No 5. No 6. Yes 7. Yes 8. No 9. No *1 outcome achieved, 1 new behavior adopted (set aside bigger amounts of money)	2 outcomes achieved

LEGACY PLANNING OUTCOMES

Outcome

Prepare for legacy planning.

Definition

A client completes any two research-backed counseling activities which increase their readiness to take actions that protect and/or transfer assets in the event of their incapacitation or demise.

Philosophy

Identifying assets and beginning to understand legacy planning options prepares clients to take action to protect and/or transfer assets in the event of their incapacitation or demise.

Outcome Achievement

- All clients are eligible for this outcome.
- This outcome can be achieved multiple times in one FEC session.
- This outcome can be achieved multiple times over the course of a client's FEC engagement.

Calculation

- This outcome is achieved every time a client achieves any two of the following activities:
    - Create list of assets
    - Estimate legacy planning expenses
    - Complete Trust&Will.com Preparation Document
    - Review life insurance policies
    - Review other insurance plans (disability, accident, home, etc.)
    - Review property title
    - Review vehicle title
    - Organize and safely store executed legacy planning materials
- Each counseling activity can be achieved multiple times, but only once per session.
- Achievements do not need to occur in the same session to count towards the outcome.

Eligible Documentation

- Client signs Client Outcome Declaration form.
- Counselors may ***not*** upload any documents related to achieving this outcome into the FEC database.

Scenario	Relevant Data Field(s)	Session 1	Session 2	Session 3	Total Outcomes Achieved
A	• Create list of assets • Review life insurance policies	No No	Yes Yes	No No	1 outcome is achieved in Session 2. The client is eligible for additional outcomes at a later date once 2 additional counseling activities are achieved.

B	• Create list of assets • Review life insurance policies	No No	Yes No	No No	0 – Client needs to achieve 1 additional counseling activity to achieve an outcome.
C	• Create list of assets • Review life insurance policies	No No	Yes No	No Yes	1 outcome is achieved in Session 3. The client is eligible for additional outcomes at a later date once 2 additional counseling activities are achieved.

Outcome

Protect an asset.

Definition

A client creates formal documentation of asset ownership and/or asset transfer instructions.

Philosophy

Formally documented asset ownership and transfer instructions prevent the client's assets (including their self-determination concerning their health and finances) from being lost or diminished in the event of their incapacitation or demise. Taking formal action to protect an asset in the event of a client's incapacitation supports the client's wishes and facilitates the transfer of assets to subsequent generations.

Outcome Achievement

- This outcome can be achieved multiple times in one FEC session.
- This outcome can be achieved multiple times over the course of a client's FEC engagement.
- All clients are eligible for this outcome.

Calculation

- This outcome is achieved every time a client achieves any of the following counseling activities:
  - Add beneficiaries to bank account(s)
  - Add beneficiaries to retirement/investment account(s)
  - Add beneficiaries to insurance policies
  - Update property title
  - Update vehicle title
  - Execute Last Will & Testament
  - Execute HIPAA Authorization
  - Execute Power of Attorney
  - Execute Living Will
- Each counseling activity can be achieved multiple times over the course of a client's FEC engagement but only once per session. Multiple outcomes can be achieved each session – one per each counseling activity achieved.

Eligible Documentation

- Declaration signed by client via Client Outcome Declaration Form.
- Counselors may ***not*** upload into the FEC database any documents related to achieving this outcome.

Scenario	Relevant Data Field(s)	Session 1	Session 2	Session 3	Total Outcomes Achieved
A	• Add beneficiaries to bank account(s)	No	Yes	Yes	**2** - one outcome in Session 2 and another in Session 3. The client is eligible for additional outcomes if the counseling activity is achieved again in a future session.
B	• Execute Last Will & Testament • Execute HIPAA Authorization • Execute Power of Attorney • Execute Living Will	No No No No	Yes Yes Yes Yes	No No No No	**4** outcomes are achieved in session 2. The client is eligible for additional outcomes if any of the counseling activities are achieved again in a future session.