

Solutions for Progress and The Benefit Bank: A Community-Based Approach to Individual Self- Sufficiency

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Summary

To assist low- and moderate-income individuals in an era of rising housing, food, energy and healthcare costs, federal, state and local governments provide billions of dollars in public assistance. Unfortunately, those in need are often unaware of their eligibility status or the availability of benefits, unfamiliar with the application process, or unable to access the Internet to claim benefits. In addition, many individuals face discrimination and barriers in claiming benefits that they are eligible for. Nationally, over \$55 billion in tax credits and other public funds goes unclaimed by eligible individuals every year. In Pennsylvania alone, about \$1.5 billion of public funds goes unused. If claimed, the additional income provided through federal tax credits, home energy assistance, Medicaid coverage and other means-tested public assistance programs could significantly improve the

quality of life for our nation's poorest families.

Recognizing these barriers, Solutions for Progress (SFP), a Philadelphia-based public policy technology firm, developed The Benefit Bank®, a social innovation that has dramatically expanded access to benefits. The Benefit Bank is a licensed software program that provides universal access to a broad range of public assistance benefits. It was launched in January 2002 in Philadelphia as a pilot program identifying what individuals needed and connecting them to available benefits. In 2005, the current version of TBB was released. The software is now available throughout Pennsylvania and in eight other states.

The latest version of TBB allows individuals to determine their eligibility and apply for federal and state tax rebates, healthcare subsidies, food and energy assistance, and higher education loans. Individuals may access a single application, free of charge, either online or at a partnering nonprofit organization in their state. Partnering nonprofits, which have traditionally included food pantries, community and faith-based organizations, homeless shelters and job training programs, actively promote the service to potential clients, state legislators and funders to ensure that all who are eligible for available benefits receive them.

Introduction: Carla's Story

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Carla, a 42-year-old seminary student working at a community resource center in central Ohio, came into The Ohio Benefit Bank headquarters during the 2008 tax season. Hoping to find tax preparation assistance, she found much more. Having recently become the caregiver for her three great-nephews, Carla was feeling financially overwhelmed. When she walked into The Ohio Benefit Bank, she said, "It became personal. I didn't feel like a victim; the environment was loving and supportive." An Ohio Benefit Bank counselor provided Carla with information about important programs she might be able to access to help her retain employment and provide for her family, including child care assistance, food assistance, and the Home Energy Assistance Program (HEAP).

Carla headed to her County Department of Job and Family Services agency. Carla noted, "It was refreshing walking into the [agency] with some of the preliminaries out of the way and with a clear direction as to the next steps." She successfully applied for benefits and began receiving needed support to put food on the table, cover monthly expenses and care for her nephews. She also is applying to HEAP to help with increased energy costs for the winter. "The [Ohio] Benefit Bank provided Carla with the tools she needed to navigate the assistance process on her own," her Benefit Bank counselor observed. "The two

key ingredients were documentation and communication."

With graduation from seminary school on the horizon, Carla says she is "well along the path of becoming self-sufficient. I have been called to serve and will continue to do my ministry work and the best job I can raising three boys" (Ohio Association of Second Harvest Foodbanks 2008).

The Problem: Unclaimed Benefits

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Like Carla, many low- and moderate-income individuals do not receive the help they need because they are unaware that they qualify for benefits programs. Additionally, current methods of applying for and processing benefits claims prevent many eligible individuals from accessing public assistance funds. Systemic barriers also affect community organizations committed to helping these individuals claim their benefits and government agencies that desire more efficient processes of determining eligibility. Nationally, over \$55 billion in tax credits and other public funds goes unclaimed by eligible individuals every year (see Table 1).

Table 1: Total unclaimed state and federal public assistance funds by eligible individuals, November 2009

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	Public Assistance Funds Available to Eligible In		
	Pell Grants	Low Income Subsidy	Food Stamps
Eligibles not receiving benefits (m)	2.0	2.6	17.5
Unclaimed benefits	\$4,877,348,550	\$2,583,289,689	\$24,896,932
	Total new state funds: \$5,791,780,983		

Source: Solutions for Progress.

Individuals applying for benefits are at a vulnerable point in their lives. They may be experiencing stress at the loss of a job or home, or control of their finances. There is a certain stigma associated with applying for public assistance that may prevent many individuals from visiting a benefits counselor or a welfare office to determine their eligibility status. Additionally, many benefits counselors are available only during regular work hours, but missing work may be problematic, especially for unskilled workers who experience chronic job insecurity.

Community organizations committed to helping low- and moderate-income individuals claim benefits also cite a

number of barriers to accessing programs. Though benefits counselors are made aware of basic criteria for receiving public assistance, it is sometimes difficult to determine which assets count towards an individual's eligibility (e.g., whether the income of a co-habitant should be included in income estimates). Individuals on the borders of eligibility often end up leaving without applying, which can decrease their motivation to apply for public assistance in the future. Community organizations also report difficulty determining eligibility and completing the lengthy application process during a single visit. Many clients are unable to return for follow-up. Finally, government agencies experience inefficiencies with the application and claims processes.

The Solution: The Benefit Bank

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The Benefit Bank (TBB) removes these barriers and makes it easier for eligible individuals, community-based nonprofit organizations and government entities to claim benefits. Using technology and applied economic, political science and business theories, Solutions for Progress (SFP) simplified the eligibility screening and applications processes. TBB is Internet-based software that links eligible individuals with a broad range of work supports and public assistance. It is unique in that it provides a central location where individuals can access a wide

range of work support services that they need to stay employed and provide for their families, while empowering those in greatest need to move toward economic security. It breaks down barriers to critical services and applications by using simple and comprehensible questions. These benefits help the nation's poorest individuals feed their families, retain their jobs, and also spend these benefits in their communities, which boosts local and state economies by creating jobs, increasing income and generating taxes.

Because the service is online, TBB removes the stigma associated with applying for benefits in person. Additionally, because integrating multiple benefits silos into a single point of access allows users to claim their maximum financial return, the time spent applying is seen as less of a burden. If users need personal assistance, they can get the help of a trained counselor. TBB promotes empowerment by helping low- and moderate-income individuals and families file their tax returns while simultaneously assessing their eligibility for a range of public benefits such as tax credits and work supports they need to be economically secure.

How SFP and TBB Work: Teamwork

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Part of the innovation of TBB is the collaborative work among creative individuals from different backgrounds.

Employees at SFP work in teams on TBB in an open-air environment to promote discussion and creativity. First, the Research and Policy team looks at each state to determine the amount of unclaimed benefits. This team also investigates work support and tax regulations at federal and state levels, administrative policies, and applications, and serves as a resource on these issues for the rest of the organization. The Content and Analysis team works closely with the Research and Policy team in analyzing the costs and benefits to determine whether a specific public assistance program will be a valuable addition to TBB for a specific state. For instance, in certain states, more individuals may need help in receiving benefits through the federal Women, Infants, and Children program than through other programs, such as energy assistance, allowing TBB to target their resources and assistance. The Software and Engineering team is responsible for building the website and programming TBB, as well as maintenance and support. The Content and Analysis team edits all on-screen and instructional materials, making sure that the software is effective and user-friendly. The Customer and Marketing team is responsible for communications with nonprofit organization that host TBB and help community members in accessing multiple public benefits using TBB.

Employees are always pushing boundaries and searching for new ideas to keep the company competitive, using technology as leverage. They meet regularly to prepare

for the future through scenario planning, which can help the company think strategically and realistically in adapting to future trends and events (Solutions for Progress 2010).

How SFP and TBB Work: Partnerships

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In order for TBB to be implemented in a state, SFP requires a leadership organization to take on responsibility for both civic engagement and outreach. This affiliate represents TBB for the entire state or region and is also in charge of raising the funds necessary to keep TBB up and running locally. By being intimately involved with both SFP as a consultant and with the various sites that use TBB, the affiliates become both investors and stakeholders.

SFP uses seven criteria to assess whether an organization will make a good partner.

1. *Recruiting TBB sites:* Does the affiliate have the widespread ability to recruit sites from all over the state in order to reach the greatest number of low- and moderate-income individuals?
2. *Training TBB counselors and sites:* Does the affiliate have the time and resources available to recruit and train counselors on how to use TBB?
3. *Publicizing outreach and access:* Can the affiliate reach a variety of organizations and individuals?

4. *Securing and managing multiple funding streams:* Does the affiliate have a secure funding stream or a plan in place to establish funding to support TBB?
5. *Collaborating with governments and other stakeholders:* Can the affiliate establish strong relationships with local, state and federal governments in order to ensure the support and longevity of TBB within the state?
6. *Measuring and reporting results:* Is the affiliate able to evaluate usage as well as people served, and the economic impact of TBB over time? Changes to modules as well as regulatory changes are suggested through the continuous evaluation process.
7. *Strategic planning:* Does the affiliate have a plan to recruit for and fund TBB? This criterion is also measured based on how well SFP is able to work with the partner.

Through the Customer and Marketing team, SFP communicates and enters into a contract with an affiliate acting as a leadership organization. The leadership organization is responsible for building a network of additional organizations within the state or region that are committed to utilizing TBB to serve their community and to developing a strong network of dedicated volunteers to improve access to available public benefits and tax refunds. The affiliate employs SFP to run and maintain TBB; provides financial, political and human capital to

support the program; and notifies TBB of any additional services that are needed.

The affiliate makes public and private partnerships to bring together many different organizations to serve diverse groups, such as students, families, women and faith-based groups. Partner organizations have led to an increased awareness among community members of the value of work supports and social services available to them. Partnerships among the public sector, churches and other nonprofit organizations have helped build trust with people who are then able to tap into resources to support their families.

For example, in Ohio, the Ohio Association of Second Harvest Food banks (OASHF) is the largest SFP affiliate. OASHF established partnerships with six other state and two federal agencies within Ohio, and has transformed the way state government and local agencies manage poverty, while collectively increasing Ohio's ability to meet the needs of its communities. The organizations comprise both public and private agencies, including faith-based organizations and other nonprofit organizations in all 88 Ohio counties.

As shown in Table 2, TBB is available throughout Pennsylvania and in eight other states across the country (The Benefit Bank 2010).

Table 2: The Benefit Bank and associated affiliates by

state

State	Statewide Affiliate/Lead Nonprofit Organization
Arkansas	The Benefit Bank of Arkansas
Florida	United Way of North Central Florida
Indiana	Purdue Extension
Kansas	Cerebral Palsy Research Foundation
Maine (in progress)	Maine Community Action Association
Michigan	Michigan Association of United Ways
Mississippi (in progress)	Children's Defense Fund—Southern Regional Office
North Carolina	MDC, Inc. / Connectinc.
Ohio	Ohio Association of Second Harvest Food Banks
Pennsylvania	Western PA: United Cerebral Palsy of Pittsburgh; Southeastern PA: SFP
South Carolina	South Carolina Office of Rural Health
Texas (in progress)	Texas Health Institute

How TBB Is Innovative

How TBB Is Innovative

First, TBB provides a simple and comprehensive solution to an existing problem. The integration of multiple benefits silos into a single point of access eliminates many of the barriers that applicants and state affiliates most

commonly cite, particularly inconvenience and time off from work. The product is also more user-friendly than others on the market. Competing benefits eligibility services are limited in the scope of benefits offered and usually operate on antiquated computing systems, such as the Legacy computing system used by many state governments. Utilizing outdated technology decreases both the effectiveness and efficiency of benefits access programs. TBB, on the other hand, allows users to check their eligibility, either online independently or at an affiliate site, and apply for a range of benefits at their convenience, as applications can be saved and completed at a later time. The product is also tailored to the specific needs of its clients. The programmers at SFP identify benefits offered exclusively within a region or state, such as Ohio's Golden Buckeye Program.

Second, TBB is scalable. It is the only benefits service that operates at a statewide level, at a fraction of the cost offered by for-profit and even nonprofit competitors, who generally offer services within municipalities or counties. Ultimately, the model for statewide partnership, which requires the full cooperation and commitment of affiliates to ensure funding and government support, could be applied at the national level.

Third, TBB is sustainable. The product allows governments to increase the efficiency with which they provide services by concentrating access to existing benefits programs. Additionally, TBB operates as part of a

larger strategic plan through the Work Supports Initiative (WSI). The WSI brings together federal and philanthropic funding by supporting partnerships with existing nonprofit organizations. Perhaps most importantly, TBB can be expanded without new legislation, regulation or appropriations, and is provided to sponsoring sites and users free of charge.

Measuring Success

Measuring Success

An important indicator of sustainability is demonstrated success. The success of TBB is measured by the total number of clients served and benefits secured. In 2008, 14,584 tax returns were filed through TBB, providing an average of \$3,200 in additional income to each user for a total of \$15,373,599 in refunds. Additionally, TBB provided eligible users with an average Earned Income Tax Credit of \$1,394. The average sum of benefits provided to eligible households in Arkansas and Ohio, for example, was \$16,392 and \$18,492, respectively. Thus, for a family of four making 133 percent of the Federal Poverty Level (\$29,327), use of TBB could raise gross yearly income by more than 60 percent.

Increased personal income generated by using TBB also creates significant multiplier effects in the form of new economic activity. Ben Bernanke, the Federal Reserve Chairman, has stated that "there is good evidence that

cash that goes to low- and moderate-income people is more likely to be spent in the near term" ("Cash to Low Income People" 2008). Thus, public assistance dollars not only put food on the table, but provide jobs and income to grocers, farmers and producers who supply food. When these store employees, farmers and producers spend this income, additional jobs, wages and tax revenues are generated. Multiplier effects are observable in Ohio, where it has been demonstrated that benefits provided through The Ohio Benefit Bank generated over \$25 million in new economic activity.

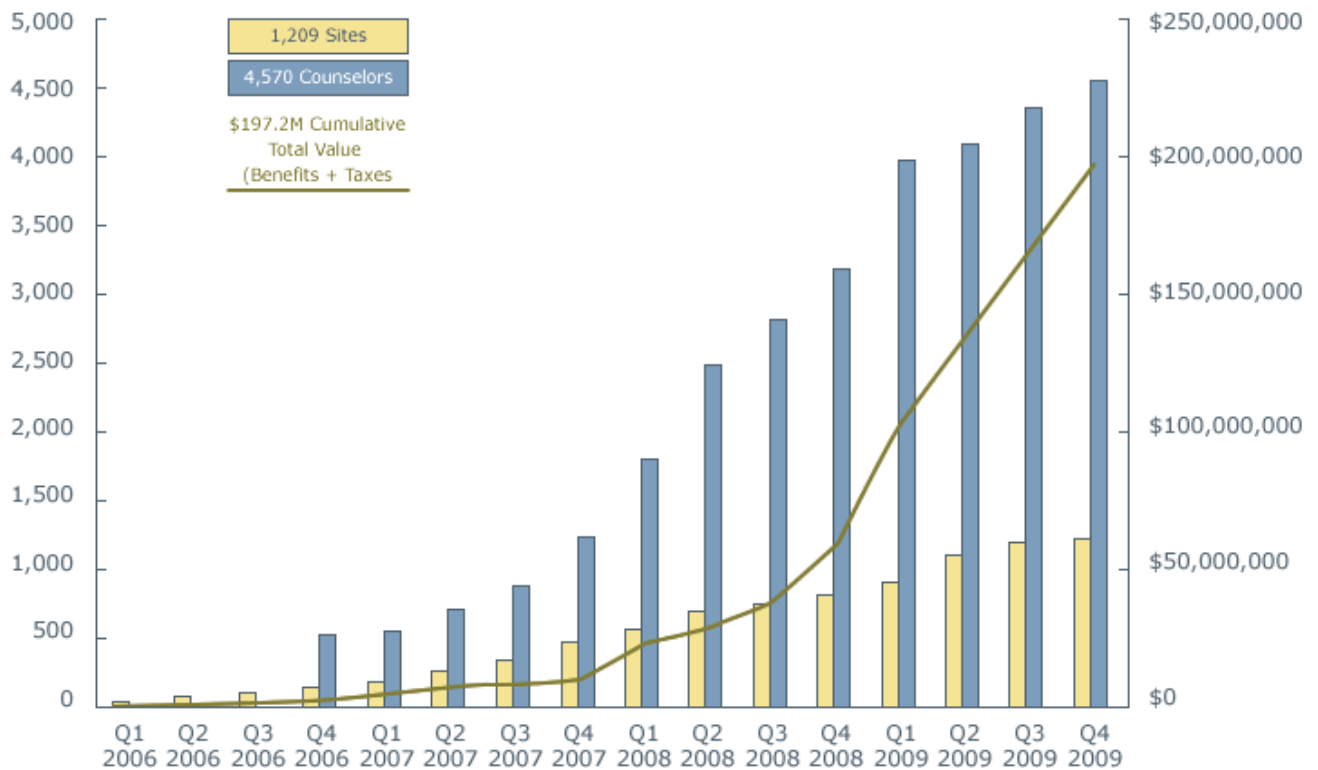
Ultimately, the amount of benefits secured is a function of the number of counselors and sites using the service. Since its introduction in 2006, The Ohio Benefit Bank has grown to include over 1,200 sites and over 4,500 counselors throughout the state, providing over \$200,000,000 in benefits to more than 95,000 state residents. Nationally, over 115 new sites began using TBB in the last two months of 2009 alone (Ohio University's Voinovich School of Leadership and Public Affairs 2009). For an overview of programs and the Ohio model's success, see Table 3 and Figure 1.

Table 3: The Ohio Benefit Bank medical assistance, tax assistance, food assistance, and community supports programs

Benefit Bank			
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Source: Ohio Association of Second Harvest Foodbanks (2008).

Figure 1: Success of the Ohio Model, 2006–2009



Source: Solutions for Progress

Return on Investment

Return on Investment

The success of TBB can also be measured by its social return on investment. Start-up costs for statewide affiliates, who provide the service free of charge to participating sites, are approximately \$500,000 to \$1 million, which includes the cost of building the technology and the annual service fees covering help-desk availability and system updates. Offering states a potential return of nearly \$75 million per year in public assistance and new

economic activity, TBB can be said to have a return on investment of 7,500 percent.

The *Economic Impact of Ohio's Benefit Bank on the State Economy* report (Ohio University's Voinovich School of Leadership and Public Affairs 2009) outlined the economic and social impacts of implementing TBB in Ohio. Three criteria were used to measure social impacts: direct impacts (e.g., jobs, income and wages created), indirect impacts (e.g., businesses reinvesting in state's economy), and induced impacts (e.g., newly hired employees' ability to spend part of earnings within the state). Economic impacts were also categorized in three groupings: employment impacts (i.e., part-time and full-time jobs created), income impacts (i.e., wages, profits, rents, dividends, interest and capital gains generated), and tax impacts (i.e., state and local sales, income, property, social insurance and corporate profit). These data were based on client information gathered between 2006 and 2008, and are only approximate. Table 4 illustrates these returns.

Table 4: Estimated economic impact of food assistance, tax credits, medical assistance and stimulus payments potentially accessed by Ohio Benefit Bank clients

Impacts	2006	2007	2008 (through October 31)	Total

Benefits	\$1,281,620	\$6,937,057	\$30,179,003	\$38,3
Income impact	\$912,065	\$4,583,881	\$19,668,344	\$25,10
Tax impact	\$97,383	\$466,655	\$1,974,547	\$2,53
Employment impact	21	109	453	Not calcul

^aEmployment impacts occur only in the year the benefits were utilized and cannot be summed across years.

Source: Ohio University's Voinovich School of Leadership and Public Affairs (2009).

Business Model

Business Model

The core elements of the TBB business model are similar to the criteria used to identify affiliates. *Public-private partnerships* are used to create longer-term sustainability of the project or program. *Maximization of federal, state and local funding* (private funds and state General Revenue Funds) aids in drawing down reimbursement. *Community engagement through national service programs* refers to how TBB draws on AmeriCorps*VISTA as Community Trainers to train Ohio Benefit Bank counselors on the software. *Integration of policy reform and technology* has aligned recertification for Medicaid periods to 12 months from 6 months to avoid lapses in coverage, and self-serve online services have been developed for clients to access at their

convenience. *Evaluation and assessment through ongoing data collection and analysis* results in, for example, the *Economic Impact of Ohio's Benefit Bank on the State Economy: Technical Report* (Ohio University's Voinovich School of Leadership and Public Affairs 2009).

To maintain high returns on their investment, SFP ensures that committed statewide affiliates assume complete responsibility for securing a mix of public and private funding. SFP believes that sole reliance on either form of funding is unsustainable. Further, public investment in anti-poverty strategies in general, and TBB in particular, enables TBB to build a legacy of use within a state. (Specific details of the business model employed by SFP are proprietary and are not discussed here.)

Competition

Competition

SFP is not the only company to offer web-based benefits applications. But SFP is the only agency to offer *free*, comprehensive benefit screening, for both state and federal programs. Other systems, such as One-e-App, produced by The Center to Promote HealthCare Access, *EarnBenefits Online*, produced by Seedco, and *RealBenefits*, produced by TriHelix, Inc., are very limited in various aspects (Solutions for Progress 2009). Unlike TBB, which incorporates a statewide implementation strategy, TBB's competitors are available only in certain

counties within states, and charge each location a fee to use the application. Some competitors also charge clients a separate screening fee for each benefit program. Furthermore, these companies do not consistently offer the same benefits in each region or site, nor have they developed the multitude of programs that TBB offers (Solutions for Progress 2009). Lastly, although all of these companies are able to screen for benefits and programs online, many are unable to electronically submit applications, and none of the other companies offer tax filing.

Learning from Failures

Learning from Failures

As every innovator knows, failure is an important part of learning. The innovative people at SFP are no exception. SFP executives and employees draw upon lessons from past projects to formulate ideas for the future. They recognize that solving one aspect of a problem may bring to light others, or may create an entirely new (and often unpredictable) problem. Employees at SFP have learned to monitor such effects by "following the client," a kind of evaluation process that monitors the results of enacting a proposed solution.

SFP has also learned from the failures of others. TBB was specifically designed to avoid many of the challenges associated with competing products, including antiquated

computing systems, limited scale, high costs and limited user access.

Future Challenges

Future Challenges

While TBB represents a superior product in many ways, SFP faces a number of challenges to heightened uptake and national success. Currently, it is not possible for users to test their eligibility and apply for programs that do not have electronic filing processes. The addition of new programs to TBB's cache, including federal public housing and Federal Emergency Management Agency benefits, is integral to the service's continued success. SFP will have to continue to wait for paper applications, which are still in use by a number of government programs, to be converted to electronic text before it can expand the number of benefits to which it provides access.

Second, it may prove challenging to maintain the efficiency of TBB as the product expands nationally. For TBB to run on a national platform, SFP would need to find an appropriate national nonprofit organization. In addition, an expanded product would require SFP to hire additional personnel, a significant cost that is already providing challenges to the organization's bottom line. An increase in the number of staff would also increase the price to users of TBB. Increased staff is necessary when there are new states, which creates new revenue. Therefore

increased staff increases the value of the service while increasing profit and potentially decreasing cost. SFP is developing new team organizations and a Continuous Quality Improvement program that will help teams plan to work smarter and more efficiently. SFP is also working on a new and more advanced platform for TBB than is currently in use by several states. The transition from the old platform to the new platform may require taking down TBB websites, or alternatively SFP may need to create separate teams to run the two platforms simultaneously. Either way, the transition will involve difficult choices in committing resources and staff to find the right mix of sites. In addition, SFP experiences difficulties with affiliates fully committing to maximizing the number of users for TBB. Unreliable affiliates contribute to a waste of resources, energy and time for SFP. Researchers need to find a way to target states with desirable characteristics and identify probable affiliates that will maintain stable annual contracts, so that SFP can secure stable funding for expansion and growth while reducing wasteful spending. SFP also needs to improve on marketing and increase knowledge of TBB among its potential client base.

Finally, though expansion of TBB may not require new legislation or regulation, it will require a substantial amount of private and public funding. If TBB provides benefits to half of all eligible individuals, which is a high assumption to begin with, over \$25 billion in funds will

need to be raised. It may be difficult for statewide nonprofits to generate the required start-up costs, even though TBB is substantially less expensive than market competitors.

Recommendations

Recommendations

SFP may want to strive for stronger political relationships by contracting with affiliates who may have stronger public partnerships, such as with state government agencies, in order to gain more support from states.

Affiliates with stronger political support may be able work more closely with government agencies, which can facilitate discussions about issues important to TBB—for example, transitioning from paper to electronic applications.

SFP needs to improve the way TBB is marketed so that its name is recognized. New marketing strategies should include using more advertising outlets (media and print sources). Reaching out to organizations like public health departments and health clinics will increase TBB usage by bringing services to the uninsured and poor individuals, who are most likely to be in need of tax credits, work benefits, and better access to food and energy assistance. In the current recession, more people need to take advantage of the benefits that they are eligible for in order to survive and feed their families. TBB provides an

access point where individuals can apply for the benefits they are eligible for, at no charge and with no difficulty. Making it easier to apply for benefits improves the quality of life for low- and moderate-income individuals while stimulating local economies through greater investment. Highlighting the state of the economy, and TBB's past successes, such as The Ohio Benefit Bank, will give SFP leverage during negotiations or talks with potential affiliates. Furthermore, the company's track record of success increases the likelihood that clients will receive a good return when they invest in TBB.

Melanie Powell, Jalia Tucker, and Elizabeth Kim are all second-year MPH graduate students at Drexel University School of Public Health, concentrating in Health Management and Policy.

Melanie's professional interests include addressing and eliminating health disparities through policy, ensuring that clinical care is provided according to a biopsychosocial model that takes into account social as well as biological determinants of health, and creating systems that encourage continuous, quality health care for patients. She plans to matriculate as part of the entering class of 2010 at the University of Maryland School of Medicine.

Jalia's current interests are in chronic disease management and health education. She is currently

working alongside Dr. Lisa Bowleg in the Drexel School of Public Health on a qualitative research study of African American lesbian and bisexual women and the influence that a sense of community has on psychosocial health.

Elizabeth's work involves advocacy as well as assisting patients in obtaining emergency medical assistance through her involvement with Community Legal Services. Her current project is an operational assessment and process evaluation of the women's health program at the Chinatown Clinic of Philadelphia. She plans to matriculate as part of the entering class of 2010 at the University of Miami Miller School of Medicine.

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