Smart Growth Innovation Program for Credit Counseling Agencies

Share Out Webinar

December 11, 2018
Welcome

Pamela Chan
Project Director, Human Insights
Housekeeping

- This webinar is **being recorded** and will be shared within one week.
- All webinar attendees are **muted** to ensure sound quality.
- **Share comments** or **ask questions** at any time by **raising your hand** to be unmuted or typing the question into the text box on the control panel.
  
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Today’s Agenda

✓ Today’s Speakers
✓ Project Overview
✓ What We Learned Through Discovery
✓ What We Developed Through Design
✓ Your Insights
✓ Human-Centered Design
✓ Closing & Our Next Steps
Today’s Speakers and Team Members

Spectra Myers
Senior Manager of Applied Research

Richard Reeve
Director of Financial Education

Joel Doelger
Director of Community Relations & Housing Counseling

Lynette Baker
Director of Outreach and Marketing

Sarah Brown
Associate Executive Director

Pamela Chan
Project Director, Human Insights

Jennifer Ward
Director of Counseling

Alden Napier
Executive Director

Chad Rieflin
Director of Programs and Grants

Jonathan Stansell
Program Development & Homebuyer Program Director

Lynette Baker
Director of Outreach and Marketing

Jamie Lutton
Senior Manager, Community Development

Emma Polson
Research Associate

@ProsperityNow
prosperitynow.org
Smart Growth is an innovation program created to help agencies enhance client outcomes and advance the industry.
POLL: How have you been involved in Smart Growth? Select all that apply.

A. Worked with Prosperity Now on a human insights project
B. Used the human insights tools for a project
C. Participated in past webinars or coffee breaks
D. This is my first time being involved
What We Learned

The Discovery Phase

Spectra Myers
Senior Manager of Applied Research

Lynette Baker
Director of Outreach and Marketing

Joel Doelger
Director of Community Relations & Housing Counseling

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INITIAL CHALLENGE QUESTION

How might we help consumers identify warning signs of troublesome debt before it’s too late?
Breaking down the challenge questions

- What is troublesome debt?
- Who is affected?
- What are the “warning signs” of troublesome debt?
- When is “too late”? 
We started our process by drafting personas that modeled clients that could have been reached sooner.

This gave us the basis for identifying the consumer experiences behind the challenge.

<table>
<thead>
<tr>
<th>Nine Combined Personas</th>
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Example of a draft persona.

Abigail is newly divorced and challenged with the effect of having one income and added expenses. Additionally, she was laid off for eight months. She has a 12 year old son who attends a local charter school. She struggles to find the resources to support her son's school activities such as school trips. She feels torn that she has to make decisions between paying for utilities or her son's activities. She is constantly trying to juggle all of the pressures of life and money management just adds to the frustration. She was thinking about getting help, and after winning a contest offered by CCCSR she finally decided to set up an appointment to seek help with her significant credit card debt.
Interviewing clients to understand the challenge

- Interviewed 15 clients in Rochester and Asheville

- Interview objectives:
  - Their definition of what makes debt unmanageable and what, if any, warning signs they recalled
  - What led to their recognition of a challenge and their decision to ask for help from a credit counseling agency
  - If their story could be categorized into one of the persona groups

- Visualized each client’s journey through a mapping activity and then debriefing as a team
Key Takeaways

1. Most community members experience pain earlier, but they don't necessarily connect that to seeking help
   ▪ However, there are some community members whose debt experience is sudden and/or may not be able to act earlier

2. Many community members experience cycles of debt

3. Depending on credit and balances not going down are states many consumers recognize but do not act on
Deciding where to intervene

- Through client interviews we came up with this idea of the “Debt Slope” as a tool to identify when reaching these clients sooner would look like.

- Two challenge refinement options:
  1. How might we encourage people to reach out when they are depending on credit or debt to pay for common expenses?
  2. How might we encourage people to reach out when their balances aren’t going down?
Revising the Challenge

- We went through three major revisions of the Challenge:

  1. How might we help consumers identify warning signs of troublesome debt before it’s too late?

  2. How might we help people contact credit counseling agencies before their payments are not reducing their overall debt?

  3. How might we encourage people to reach out for credit counseling when their debt balances aren’t going down?
OUR FINAL REVISED CHALLENGE QUESTION

How might we encourage people to reach out for credit counseling when their debt balances aren’t going down?
PROJECT CHALLENGE
How might we encourage people to reach out for credit counseling when their debt balances aren’t going down?

In credit counseling, people often call when they are deeply in trouble with debt. They may have debt in collections, missing minimum payments or face eviction, closed lines of credit or utilities shut off. At this point, credit counselors have few options to leverage and support clients.

A better time for people to call into credit counseling is when they are making payments, but those payments are not substantially bringing down their balances. This might be because they are only making minimum payments or their payment plan is structured so that payments cover interest (but not the principal) for a long time frame. Or, they have been carrying a lot of debt or note their debt just hasn’t gone down.
Any questions?
POLL: How far along do you think the credit counseling industry is in addressing this challenge?

A. Largely addressed
B. Partially addressed
C. Slightly addressed
D. Not at all addressed

What have you seen that tries to address this challenge?
What We Developed

The Design Phase

Richard Reeve
Director of Financial Education

Jonathan Stansell
Program Development & Homebuyer Program Director
Diagnosing Client Barriers

After reviewing client interviews, we identified five client barriers to focus our next phase on:

1. Dismissing credit counseling agencies as an option with a misunderstanding
2. Didn’t know credit counseling was an option in the world
3. Lacking knowledge to identify when their debt was problematic
4. The situation was not painful enough
5. Felt a sense of pride/shame and preferred self-reliance
What We Developed

- We brainstormed potential solutions to each barrier
- This led to the creation of three distinct draft concepts.
PROJECT CONCEPT
Is there a debt monster creeping up on you?

WHAT

An initiative to encourage people with problem debt to reach out for credit counseling when they are unable to reduce their debt.

HOW

1. A message that encourages people to better understand their debt.

2. A fun, non-judgmental web-based quiz that helps people identify their debt monster and directs them to clear, easy next steps.

3. A message distribution strategy.
Core Message

Is there a debt monster creeping up on you?

Shine a light on your debt monster at [URL.ORG].

@ProsperityNow
prosperitynow.org
Web-Based Quiz

Shine a light on **your** debt monster.

Debt monsters come in all shapes and sizes. Some are friendly and some are scary. Join the [insert #] of people who have taken this five question quiz to identify their monster.
1. Not including major purchases like a home or car, has the size of your debt monster changed over the last year? (Slide the button on the scale).

- I’m too scared to look! (i.e., I’m not sure if the size of my debt has changed)
- It’s become much smaller
- It’s become a little smaller
- I’ve seen no change
- It’s become a little bigger
- It’s become much bigger

Next Question

1 of 5 answered 🐸 🐸 🐸 🐸
You've got a yellow monster!

About this Monster
Yellow monsters creep up on you when you least expect it. Even though it feels like your debt isn't something to be concerned about, this monster can do more harm than you might think.

What to Do Next
Don’t miss a chance to vanquish your monster through lower interest rates and better payment strategies. Defeat your monster with support from a credit counselor. Call or email [credit counseling agency] today at 1-800-####-#### or name@agency.org.

Ann’s Yellow Monster
Hear how Ann came to recognize her debt monster and act early to get back in control

Call Now
Email Now
Gathering feedback on the concept

- We gathered feedback on our concept from clients, counselors, creditors, and other nonprofit partners.
Key Takeaways

- Overall response to the message was positive
- The monster theme is lighthearted and non-threatening
- Having a short quiz was well-received as clear and concise
- All groups noted a concern for how it would reach potential clients
  - Important to establish trust and legitimacy
Any questions?
Your Insights on Advertising
POLL: How developed is your agency’s advertising capabilities?

A. Not at all developed
B. Slightly developed
C. Somewhat developed
D. Very developed
POLL: What types of channels does your agency regularly use to reach consumers? (select all that apply)

A. Digital advertising including paid social media

B. Print advertising (e.g., Newspaper, magazine, direct mail)

C. Broadcast advertising (e.g., TV and radio)

D. Outdoor advertising (e.g., billboards and bus shelters)

E. Referrals, word-of-mouth and outreach through agency channels

Other? Share in the comments box
POLL: Approximately how much do you think your agency spends on advertising per year?

A. $0 to $1,000 a year
B. $1,000 to $5,000 a year
C. $5,000 to $10,000 a year
D. $10,000 to $50,000 a year
E. Over $50,000 a year
Human-Centered Design Reflections

Sarah Brown
Associate
Executive Director
Human-Centered Process Reflection
“For every complex problem there is an answer that is clear, simple,... and wrong.”

H.L. Mencken
Next Steps

- Hear your feedback

- Testing plan
  - Message testing
    - Qualitative message testing
    - Quantitative message testing
  - Website prototyping and user tests
  - Mini pilots

- Next steps for Smart Growth Community
  - Sharing out results of message testing next year
  - Offering additional human insights training opportunities
Thank You!