



As Vehicles for Change, Coalitions Can Have Great Impact

FAQs About Building Effective Coalitions

As Prosperity Now's [Scorecard data](#) shows, there are wide disparities between rich and poor in the U.S. More than half of the country lives in financial uncertainty without savings or other resources to withstand an economic downturn. Community-based coalitions, along with their partners and allies, can be a powerful tool in addressing such challenges, creating social change and collective impact that helps communities thrive and succeed.

Prosperity Now partners with 93 state and local coalitions and networks to drive change throughout the country. Over the past several years, we have worked with many coalitions in the Prosperity Now [Community](#) to strengthen their organizational capacity, help with strategy development, build advocacy skills and mobilize partners to achieve policy or systems change. You can read about our past coalition building efforts [here](#) and [here](#).

In 2018 and 2019, through generous funding from Wells Fargo, Prosperity Now worked with five regional coalitions in Hawaii, Washington, Wisconsin, Illinois and Georgia to strengthen asset building coalitions that build pathways to financial stability in their communities. Over this time, we've heard many questions from the Prosperity Now Community about starting, operating and reviving coalitions. This paper reflects some of those frequently asked questions, highlighting promising practices on coalition building and development.

FAQ #1

What exactly is a coalition?

A coalition is a structured collaboration among a group of organizations to bring broader attention and action to a large goal that affects many stakeholders. The coalitions in Prosperity Now's Community often work together to:

- Expand *service delivery* to reach more people, and to result in better client outcomes.
- Share voices and stories of affected populations to *advocate* for stronger policies, programs and services.
- *Build* connections locally, and *share* learnings and best practices to inform and inspire each other's work.

A coalition is often more effective than a single organization in achieving social change or collective impact as they can leverage greater resources, draw on the expertise of partner organizations, harness the power of supporters and speak with a unified voice to promote change. Some of the most successful coalitions are those that value inclusivity, diversity and are reflective of the community on whose behalf they work.

FAQ #2

Coalition building can be intimidating, where do you start?

Thinking about when and how to initiate a coalition can be tricky but getting started generally comes down to need and opportunity. Often, an endemic need in a community forces action. While a single organization may be constrained by its resources or capacity, a coalition of partners working toward a single goal, are able to leverage their collective resources and capacity to push for change. The example below shows how three organizations in Hawai'i came together to address a community need:

Building Partnerships with Those Most Impacted by the Housing Crisis in Hawai'i

In Hawai'i, there is a significant need to engage households most impacted by a housing affordability crisis. These populations include people experiencing homelessness, people who are unstably housed, young people, Native Hawaiians, Pacific Islanders, families covered by the Compact of Free Associations and rural residents--all of whom historically have not had a seat at the table to discuss their housing needs or to highlight the solutions that exist in their own communities and cultures.

Hawaiian Community Assets (HCA), Hawai'i Appleseed Center for Law and Economic Justice, and the Hawai'i Alliance for Community-Based Economic Development (HACBED) have partnered to start initial planning for a statewide, multi-sector coalition to increase housing affordability for Hawaiian households earning \$75,000 annually or less. The work will take place in 3 phases: planning, development, and implementation. Together, the planning team has identified initial values, actions and objectives to establish the foundation for a future Hawai'i Housing Affordability Coalition:

VALUES

- Openness to creative solutions.
- Willingness to embrace diverse perspectives, and step outside an organization's own personal interests.
- Willingness to partner with those most impacted so that they drive the solutions.

GOALS

- Produce homes that are affordable for households earning \$75,000 a year or less.
- Ensure that residents feel at home in a safe place.
- Encourage creative solutions that build on the knowledge of those most impacted by it.
- Promote community choice and control by highlighting the voices of impacted communities.
- Build new political will for change.

ACTIVITIES

- Create a learning community to share knowledge, best practices, and to build shared capacity.
- Collectively advocate for affordable housing policies.
- Incubate and accelerate creative community solutions.

This effort is a result of increased investment and support in housing affordability in Hawai'i, led by Prosperity Now, as well as the San Francisco Federal Reserve Bank, Corporation for National and Community Service, Kresge Foundation, Aloha United Way, Hawai'i Community Foundation, Bank of Hawai'i Foundation, Local Initiative Support Corporation, Kosasa Foundation, Kamehameha Schools, and the Rural Community Assistance Corporation.

In addition to community need and timing, sometimes the right opportunity presents itself through other avenues such as a change in political leadership or landscape. This is particularly true for coalitions interested in advocating for policy or programmatic change to create better outcomes in their communities. Take for example, the Wisconsin Indian Business Alliance (WIBA), a coalition made up of four Native Community Development Financial Institutions (CDFIs) working to expand economic development in Wisconsin's Native American country.

New Political Landscape Offers Wisconsin Coalition a Chance to Strengthen Financial Opportunity in Native Communities

Native country in Wisconsin brings considerable income into the state economy but sees relatively little in return investment that would help strengthen economic opportunity and financial stability in its Native communities. Native CDFIs in the state fill this gap by raising and providing access to capital, building the business management skills of Native small businesses, creating jobs and offering other tools and resources. By working as a coalition, WIBA leverages resources from multiple partner organizations to raise capital, coordinate financial education services and to have a unified voice in demanding change.

Over the last few years, the Wisconsin legislature has been primarily conservative-leaning with little interest in supporting Native communities. In 2019, the state elected a new Democratic governor, changing the political landscape. This presented an important opportunity to WIBA to put their needs in front of the governor. As a result, over the past few months, WIBA has started building relationships with the governor and other policymakers, educating them on issues that impact Native country and advocating for policy changes that would bring economic opportunity and financial empowerment to Wisconsin's Native country.

FAQ #3

What kind of impact can a coalition have?

Coalitions can be a powerful tool, helping achieve a collective vision by coordinating and expanding service delivery, scaling up best practices to ensure better outcomes for low-income clients and communities and amplifying key messages on policy advocacy. Take for example the Newark Asset Building Coalition (NABC) which coordinated multiple partners to expand financial empowerment services across the city to the most underserved communities:

Newark Coalition Expands Financial Empowerment Services

Newark has been long plagued by poverty, joblessness, violence, blighted neighborhoods and failing schools. More than a quarter of the city's households live below the federal poverty line and more than half do not have the ability to cover necessities for more than three months if faced with a financial crisis like a job loss or medical bills. Additionally, unemployment in Newark is significantly higher than the national average.

Research shows that financial capability, savings and wealth-building programs (such as home-ownership) can help individuals build financial independence and stability. The Volunteer Income Tax Assistance (VITA) program is one such program, helping put more money into the pockets of low-income filers.

To address economic decline in Newark, and with support from the Prudential Foundation and Citi Community Development, NABC was formed by the United Way of Essex and West Hudson, along with other city-based partners. A key goal of NABC was to expand financial empowerment services to all Newark residents. To do this, NABC expanded the number of VITA programs in Newark, offering free tax help to people in some of the most underserved communities in the city. In 2018, NABC's VITA counselors successfully filed almost 8,400 returns, collecting almost \$13 million in federal tax refunds and nearly \$3 million in state refunds. Filers earned close to \$6 million in Earned Income Tax Credits. And clients who visited the Newark Free-Tax-Prep sites saved \$1.5 million in tax-preparation fees. In Newark, VITA has successfully allowed program recipients to maximize their tax credits, avoid unnecessary fees and increase their financial stability while simultaneously funneling money into the local economy.

While NABC started off with the goal of service expansion, they also see an important role for advocacy which will provide long-term solutions in building regional financial wealth. NABC is currently advocating to bring financial empowerment tools such as the BankOn program to Newark, helping to connect consumers to safe and affordable bank accounts.

There are many coalitions that combine service delivery with advocacy. From 2014 to 2017, Prosperity Now worked with seven coalitions who balanced service provision and advocacy. (See more on Prosperity Now's past financial inclusion work with coalitions [here](#).) Some of policy wins realized by those coalitions included:

- » Securing new funds or preserving existing funds for public benefit programs.
- » Protecting consumers from predatory lending practices.
- » Securing funds for a statewide transportation program, ensuring that low-income individuals have the means to go to work.
- » Expanding access to a state-based savings program.
- » Securing funds for a revolving loan fund to make capital accessible to Native entrepreneurs.

The case study below shows how an Illinois coalition came together to shape policy decisions that impact low-income communities in the state, creating critical pathways to financial empowerment and stability:

Illinois Coalition Advocates for Policy Change, Creating Pathways to Economic Stability

According to Scorecard data, Illinois families are ill-prepared to handle a financial emergency. Three in 10 households in Illinois do not have enough resources to put food on the table, pay their rent and cover their car payment if they experienced a loss of income. Additionally, income inequality in Illinois remains high, with a preponderance of low-wages jobs and stagnating wages, especially for low-wage earners. Low-wage work is a financial strain for families, many of whom may be unable to meet their basic needs or find they are one small emergency away from falling into poverty.

To address this, the Illinois Asset Building Group (IABG) developed a policy agenda that advocates for policy solutions that will close the racial wealth divide, expand savings opportunities, and protect Illinoisans from predatory financial practices. In 2019, the coalition and its partners advocated for policy solutions that included:

- Strengthening consumer protections by capping interest rates on auto title loans.
- Expanding access to college through children's savings accounts.
- Reforming debt collection practices as well as fines and fees that disproportionately impact low-income communities and communities of color.
- Expanding access to safe and affordable financial products and technology so that consumers can manage their own financial futures.

By passing such legislation, or building momentum and support for such solutions, IABG and their partners expand access to the tools families need to build their financially secure futures.

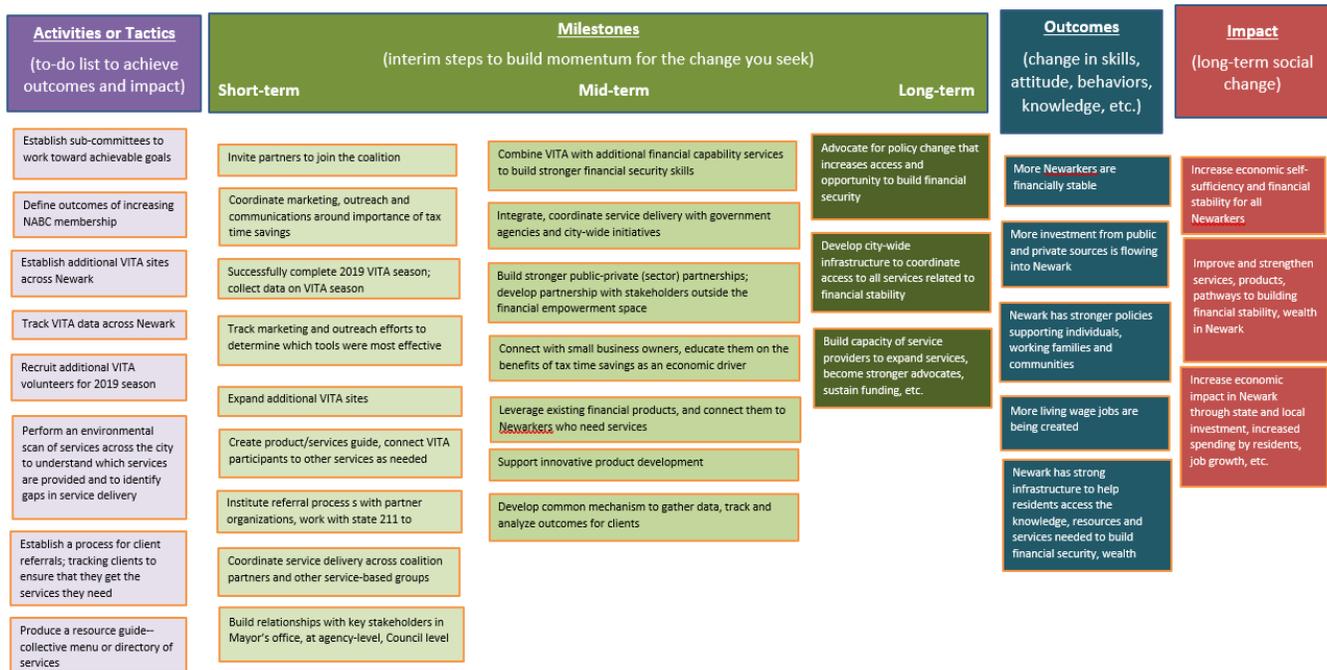
FAQ #4

Can coalitions be impactful when there are so many organizations and competing priorities at the table?

The goal of an effective coalition is to collectively work towards a big picture change that all partners agree on--one way to think about this is: what can your coalition collectively do that coalition partners cannot do on their own? Coalescing around a shared goal, and developing a shared vision to achieve that goal, is what a coalition is all about.

Over the past few years, Prosperity Now has helped guide coalitions in Nevada, Idaho and Newark, NJ toward identifying their big picture change and helping them develop a shared vision for how to achieve that goal. To do this, Prosperity Now recommends using a theory of change which provides a roadmap to get you from where you currently are to achieving your big picture change. A theory of change requires participants to be clear on long-term goals, identify measurable indicators of success and formulate specific actions to achieve goals. A theory of change also requires you to articulate your underlying assumptions which can be tested and measured, allowing for course correction as needed. An abbreviated example of NABC's theory of change is highlighted below.

Newark Asset Building Coalition, Example of a Theory of Change



Additionally, coalitions can be a strong voice or champion for under-represented communities, often including communities of color. Take Hawai'i or Wisconsin for example, both coalitions were created to address the needs of Native communities. Similarly, the state-based Georgia Watch coalition is embarking on an effort to develop a comprehensive understanding of the systemic and institutional barriers perpetuating generational poverty and racial inequity in Georgia. Throughout 2019, Georgia Watch and its partners will study the impact of structural racism on wealth building in Georgia's communities of color, with a focus on Southwest Atlanta. This research will culminate in a policy report that will be a tool to help broaden, motivate and guide the coalition's ongoing work to break down systemic barriers to equity.

FAQ #5

Is there an effective model for building a coalition?

There isn't a "one size fits all" model for coalition building. Coalitions come in all shapes and sizes—they can be long-term or short-term, multi-issue or single-issue, local, statewide, or even national. Coalition models depend on what you are trying to achieve. For example, is your coalition trying to generate economic opportunity, shape policy decisions, expand service delivery or leverage shared resources? As you can see from the above case studies, NABC was formed to expand financial empowerment services to low-income Newarkers. IABG focused on how effective policy advocacy can result in better client outcomes. WIBA came together to leverage the limited capacity and funding of four regional native CDFIs. By working under the WIBA umbrella, these native CDFIs are collectively able to share knowledge—including statewide collective alliance production and impact data among stakeholders and funders, impactful technical assistance, development resources and access to affordable loan products. Collectively, the work of WIBA is resulting in building a strong, diverse and vibrant economy for Wisconsin's Native American communities and for tribal members statewide.

Similar to the WIBA model, there are a few cross-state coalitions in the Midwest and deep south that have also come together to collectively be a voice for unique needs and collective funding context in a region. In the Midwest, leaders from Indiana, Illinois, Michigan, and Ohio have formed a loose cross-state coalition to host a biennial Midwest Asset Building Conference. These state leaders bring together representation from their respective memberships to share ideas, make peer connections and learn from some of the leading minds in the asset building and financial empowerment fields. In the deep south, the Southern Regional Asset Building Coalition (SRABC) is a partnership of four state-level asset-building coalitions from Alabama, Florida, Louisiana, and Mississippi. The coalition's mission is to:

- » Highlight common challenges in the region.
- » Facilitate the dissemination of information related to asset building.
- » Exchange promising practices and ideas.
- » Facilitate the coordination of partnerships across the four states.

By leveraging mutual interests and resources, SRABC seeks to remove the structural barriers to asset building and wealth creation for low-income communities across the South.

Knowing what your coalition wants to achieve is an important first step, and will help determine how you structure your coalition, recruit partners, develop your strategy etc. A helpful resource on building a coalition, including some key questions to ask can be found [here](#).

FAQ #6

How do coalitions accomplish their goals?

An important insight about coalition building is that it is necessary to have a backbone organization to guide the coalition's vision and strategy while coordinating coalition efforts. Coalition partners all have their own jobs in their own organizations. Expecting that a coalition will organically come together to produce social change or improve client outcomes is short-sighted. An effective coalition needs to have an anchoring organization and staff to foster the cross-partner communications, alignment and collaboration required to achieve their goals. Codifying these decisions in a charter or through a memorandum of understanding can provide clarity of purpose and roles while also ensuring accountability.

Furthermore, it is important for the backbone organization to be inclusive, fostering a participatory process that allows all stakeholders have equal say in achieving goals. The Minneapolis-based Minnesota Asset Building Coalition did this by doing a driving tour around the state to hear from all statewide partners about community needs. Washington's Statewide Poverty Action Network (Poverty Action) similarly does several listening sessions each year to understand community needs. Both coalitions develop their policy agendas based on this feedback, representing all voices from their communities.

Effective coalitions use a variety of strategies to accomplish their goals. A theory of change provides not only a roadmap but also allows coalitions to evaluate their progress and make course corrections if their assumptions are not being met. In other words, effective coalitions need to be nimble enough to change their strategies and tactics if their current course of action is not producing the expected results. Take for example, Poverty Action which advocates for equitable policy reform and consumer protections by using a range of strategies and tactics:

Strategies and Tactics to Advocate for Equitable Policy Reform in Washington State

Poverty Action fights against the root causes of poverty, advocating for policy reform that creates more opportunity for low-income communities and communities of color. To develop their **policy agenda**, Poverty Action starts with hosting a listening session to better understand community need and to ensure that policy solutions are aligned with those needs. The coalition then organizes and engages community members to advocate for issues that impact their lives. During Martin Luther King Jr. weekend each year, Poverty Action hosts a lobby day that:

- Trains community members on basic advocacy skills.
- Shares the voices and stories of community members impacted by policy decisions.
- Educates policymakers and other stakeholders (such as the media) on their issues.

In 2018, nearly 300 people from across the state joined Poverty Action to advocate for a slate of policy changes that would bring opportunity and increased financial stability to many of Washington's low income and communities of color. You can read more about Poverty Action's successful lobby day [here](#).

In addition to the lobby day, Poverty Action employed other strategies to influence policymakers, such as relationship building, offering testimony, sharing constituent stories, drafting editorials, making advocacy phone calls and sending emails from constituents. These multi-pronged strategies led to several advocacy wins including one that raised the asset limits for the state's Temporary Assistance for Needy Families (TANF) program, allowing low-income Washingtonians to retain up to \$6,000 in savings and have vehicle valued at \$10,000 without losing benefits eligibility.

Another effective advocacy strategy is using townhalls and community roundtables to educate policymakers about issues and to share constituent stories on the impact of policy change.

Strategies and Tactics to Advocate for Equitable Policy Reform in Georgia and Nationally

In 2019, the Georgia Watch-led Georgia Financial Protection Coalition (GFPC) is hosting townhalls and roundtables across the state to build grassroots support for car title pawn legislation that will protect low income people from the debt trap of unaffordable, predatory, high-interest loans. During the community roundtables, the coalition will work with important stakeholders (including direct service providers and advocacy groups) and key policymakers to finalize the language of the car title pawn legislation and identify strategic community outreach opportunities. The roundtables will enable the coalition to obtain early support for the legislation, building momentum leading up to the legislative session.

Additionally, coalitions can serve as strong state voices on federal policy. For instance, in May 2019, GFPC members signed on to a state-specific letter to the Consumer Financial Protection Bureau regarding the Bureau's proposal to repeal important protections within the 2017 Final Rule governing payday, vehicle title and certain high-cost installment loans. Public comment periods provide a strategic opportunity for coalition members to collectively uplift the voices and interests of their communities at the national level.

FAQ #7

How do coalitions stay relevant?

Coalitions need to constantly grow and evolve to stay relevant. Coalitions that emerged to address a community need often wonder what their future holds once that community need has been met. Other coalitions find that if they have been around for a while, they can get bogged down by bureaucracy, narrow thinking and/or unengaged partners.

As coalitions evolve over the long-term, they need to refresh their structure and operations to be effective. What worked for a single-issue coalition might not work for one with a broader agenda. What worked for a coalition 20 years ago is unlikely to be effective today. All coalitions and their structures require revisiting from time to time. Taking time to think about challenges, and addressing them, can add a much-needed boost of fresh ideas and energies transforming the coalition's efficacy. Take for example the case study from IABG below:

Re-thinking Coalition Structures in Illinois to Better Align with Changed Priorities

IABG, a project of Heartland Alliance, was formed in the early 2000s to expand access to the tools that low-income families need to become financially secure. Like many long-term coalitions where participation naturally waxes and wanes over time, coalition participation and engagement has dwindled in recent years.

IABG recognized this as an opportunity to re-think the way the coalition is structured to strengthen coalition engagement, build a strong network of financial justice advocates, and continue to evolve their policy agenda to address a growing racial wealth divide in the state. IABG is now considering a new coalition structure that will:

- Revamp its Steering Committee
- Provide guidance on IABG's policy agenda and campaigns
- Work to advance IABG's goals through sub-committees
- Build an engaged financial empowerment field across the state through advocacy trainings, technical assistance, and networking opportunities.

Another way to stay relevant is to stay focused on community need. If community needs are not being met by a coalition or being ignored by coalition partners who consider themselves experts on the issue, then support and engagement in coalition efforts will wane. Collective action is more powerful when all stakeholders are being heard and are invested in seeing change.

FAQ #8

How do you motivate coalition partners to stay engaged in coalition efforts?

When organizations come together to work as a coalition, they are committing to be part of an effort that is larger and more impactful than just what their organization can achieve. Effective coalitions use each partner organizations' strengths to contribute to the overall relevance and success of a coalition.

However, coalition partners have their own jobs in organizations with their own organizational priorities. Their day-to-day responsibilities can affect how much time and energy a coalition member can devote to coalition efforts. Additionally, coalition activity often ebbs and flows, affecting member interest and engagement. Don't let this discourage you, there are many ways to motivate coalitions partners to stay engaged, including:

- » **Focus on community need**—Keeping the goals of the coalition focused on the most pressing needs and opportunities in a community can be very meaningful. This will ensure that partners and other stakeholders will show up engaged and ready to take action.
- » **Build momentum through incremental change**—Effective coalitions understand that meaningful change takes time. A coalition may not be able to achieve its stated goal overnight but can build momentum towards achieving that goal by realizing small changes over time. Seeing these incremental changes and understanding how these small changes can add up to a significant policy or systems change can help coalition members stay engaged over the long term.
- » **Celebrate successes and victories**—Maintaining morale and helping coalition partners see how they are playing a vital role in addressing community need is essential. Too often, coalitions focus on challenges and next steps without pausing to appreciate their accomplishments. Celebrating successes—even the small, incremental ones—gives coalition partners a sense of accomplishment and boosts morale while allowing partners to reflect on how to build upon those successes.
- » **Persevere through challenges**—Coalition building is messy. It takes time and effort and is often hindered by challenges and even an occasional failure. The important thing is to learn from these challenges and keep moving forward. A strong theory of change can help you evaluate your progress, allowing you to re-think your assumptions and strategy to overcome hiccups as they arise. If at first you don't succeed, try, try again, is an apt adage for coalition building!

- » **Build partner capacity by sharing training, resources and best practices**—A frequent value-add to coalitions is their ability to leverage resources to benefit a wider audience. Effective coalitions build their partners' capacity, knowledge and skills by offering trainings, technical assistance, and information sharing. Some coalitions have been known to provide skill building and technical assistance around issues including leadership development, organizational development, program development and community engagement. Improving the skills and expertise of all coalition members only makes a coalition stronger, motivating partners to be in it for the long haul.

FAQ #9

How do coalitions secure and sustain the resources they need over the long-term?

Coalitions are powerful. They offer the potential for greater outreach, have range of tactical strengths, offer diverse perspectives on an issue and can have great credibility with decision-makers. Additionally, coalitions leverage collective power to create system or policy change.

Despite this, coalition funding—and sustaining that funding over time—can be challenging for many nonprofits. Through the generosity of funders like Wells Fargo, Prosperity Now has been able to work with community-based coalitions over the past several years, building their skills and capacities to be more effective. Other funders, including the Northwest Area Foundation, Prudential, the Annie E. Casey Foundation, J.P. Morgan Chase and others have similarly supported coalition-building efforts at the state and local levels. Other sources of funding for coalitions include:

- » Philanthropic organizations
- » Community foundations
- » Federal funding sources (information on federal grants for coalitions can be found [here](#))
- » State or municipal funding, when it aligns with a community need and state or city investment
- » Resources from all coalition partners (this can be in the form of a dues-paying arrangement, or in-kind by volunteering staff time, communications support, issue expertise, training resources, etc.)
- » Corporate sector, including financial institutions

Fundraising opportunities in the community in which the coalition operates can also be an alternative way to raise money. Some popular fundraising strategies include charity galas, auctions, raffles, 5K runs/walks, golf tournaments and other events. Fundraisers also allow coalitions to generate publicity and educate the public about your issue.

When thinking about fundraising, it's important to connect back to your theory of change.

Showing how your coalition can make an impact in your community can help ensure continued funding. The framework below details the questions coalitions should be answering when thinking about their fundraising appeals:

- » What gaps does this coalition fill—what can the coalition collectively achieve that an individual organization by itself cannot?
- » Why me—why should your audience care about what your coalition is doing (e.g., meeting a community need)?
- » Why now—why is this issue important right now? The Prosperity Now [Scorecard](#) can help you highlight the need in your community.
- » What for—what is the impact of the funding? This is where client stories can be particularly compelling.
- » Who says—the messenger is as important as the message. Use trustworthy, credible and compelling stakeholders to carry out your message.

Conclusion

Coalitions are tremendous agents of change—virtually every carefully crafted coalition can have an impact. **Just remember, a coalition effort may fail, then partially succeed, then falter, and so on, sometimes taking two steps back for every step forward. But mutual trust built up over time, and a clear goal, can pave the way for greater and more sustained efforts in the future.**

Furthermore, coalitions that include partners with different interests and perspectives can extend their reach to bring together a broad range of stakeholders that have different assets, missions, perspectives, constituencies, relationships and strategies to work collaboratively toward a common goal. Join Prosperity Now's [Community](#) and our 93 community champions across the country who work to build financial security and collective impact at the state or local level.

The Wells Fargo logo, consisting of the words "WELLS" and "FARGO" stacked vertically in white, uppercase letters on a red square background.

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