

I. CHESTER COUNTY COMMUNITY FOUNDATION
GRANT PROPOSAL SUMMARY SHEET

Date 7/8/24

Contact Information

Organization Name: Open Hearth, Inc.
Address: 701 S. Main Street, Phoenixville, PA 19460
Phone: 610-792-9282, x202
Website: www.openhearthisc.org
Year Incorporated: 1991
FEIN: 23-2652023

ED/CEO Name: Kelly Raggazino
ED/CEO E-mail: kraggazino@openhearthisc.org
Board Chair Name: Edwin Santiago
Board Chair Approval (check here):
Primary Contact Name: Kelly Raggazino
Primary Contact E-mail: see above

Organization Information:

Field/s of Interest: Human Services

Mission: Open Hearth, Inc., a leader in resource coordination and community building efforts, provides innovative programs to support and empower people to end the cycle of homelessness, acquire affordable housing, a means of transportation, workforce opportunities, and achieve financial stability.

Geographic Area Served: All of Chester County and portions of western Montgomery County along the Chester County border. Ninety-nine percent of our clients are Chester County residents.

Describe Population Served & Annual Number of People Served: We serve the most vulnerable members of the community including those who are experiencing homelessness or facing eviction, those who are looking to improve their financial stability, as well as those with a serious and persistent mental health diagnosis or other disability. Our clients come from diverse racial and ethnic backgrounds and over 98 percent earn less than 80 percent of the median family income. Our programs served 1,208 unduplicated households in 2023.

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|---|--|
| Annual Budget \$2,991,595 | 19.2 # of Full-Time Equivalent Paid Staff |
| 78% of budget for program expenses | 10 # of Board Volunteers |
| 13% of budget for administrative expenses | 17 # of Active Non-Board Volunteers |
| 9% of budget for fundraising expenses | 105 # of Volunteer Hours (not including board) |
| <i>100% total</i> | |

Top 3-5 funding sources: Chester County Dept. of Community Development; Community Care Behavioral Health; Chester County Dept. of Human Services; United Way of Chester County; United Way of Greater Philadelphia & Southern New Jersey

Is this grant proposal for: Capacity Building ___ or General Operating **X**

Grant Amount Requested from the Community Foundation: \$6,000

Proposal Summary: Open Hearth is requesting general operating funds that will be utilized to expand the capacity of the Family Savings Partner Program (FSP). FSP supports low- and middle-income individuals and families as they plan for their financial futures. FSP provides a match of a participant's savings to be used toward the purchase of a car, post-secondary education, or a first home. If funded by CCCF, Open Hearth will utilize grant funding for matching funds for those saving to purchase a car. ***There continues to be an unprecedented demand for the car savings goal with 20 applicants on the waiting list.***

II. CHESTER COUNTY COMMUNITY FOUNDATION GRANT PROPOSAL NARRATIVE

1. Nonprofit's history, goals, key achievements & distinctiveness

Open Hearth, Inc. was originally formed in 1989 as a local grassroots committee to assure equal housing opportunities. We were incorporated as a nonprofit organization in 1991. We believe our greatest strengths are staying abreast of emerging issues and best practices and then developing programs and effective partnerships to meet the needs of the community we serve. Because of this, we have expanded our services to include asset development, financial education and coaching, transportation solutions, and robust resource coordination. Our time of greatest growth occurred between June 2021 and September of 2022 with our contract to administer the disbursement of over \$7 million in direct rent and utility relief to Chester County residents affected by Covid-19 via the Emergency Rental Assistance Program.

Open Hearth has always taken a strong leadership position in the community regarding housing, quality of life and financial stability. We have been an active participant and collaborator in the Chester County Partnership to End Homelessness since its inception. In 2018 our CEO was asked to chair the Partnership's governance board, with her term ending in December of 2022 (she still serves on the board). She is also a member of the Phoenixville Hospital Human Needs Network and serves on the Phoenixville Council on Affordable Housing. Additionally, other Open Hearth staff serve on multiple community advisory boards and committees.

As a component of our focus on community building, Open Hearth has facilitated the Phoenixville Area Resource Network (PARN) for 18 years. PARN includes a monthly networking meeting for staff from local social service agencies, as well as a listserv that updates over 350 nonprofit staff with community announcements between meetings. Additionally, in partnership with the Phoenixville Area Community Foundation, we have published six editions, and distributed over 260,000 copies, of *The Help Book—A Health and Human Services Guide*.

2. Funding request

Description of key initiatives

Open Hearth is committed to ending homelessness and financial instability through prevention and education. Our programs are offered on a continuum—from preventing homelessness to homeownership opportunities. Staff guide and support program participants as they move towards greater financial stability and self-sufficiency. Programs include—

Housing—Homelessness prevention • Permanent housing subsidies • Security deposit loans, basic critical furnishings • Temporary stays in motels while waiting for permanent housing

Financial Management—Personal financial education workshops • Budgeting, social service referrals, and goal setting • Ongoing financial coaching • Matched savings for an emergency fund, a first home, higher education, or car

Transportation—\$3,000 in matching funds for the purchase of a car

Community Building— Phoenixville Area Resource Network • x

Specific needs & issues to be addressed

Open Hearth is requesting funding for our Family Savings Partner Program (FSP), the only county-wide asset development program available to individuals and families without having to be previously enrolled in an organization's programs. We designed FSP to support low- and middle-income individuals and families as they plan for their financial futures. FSP provides a match of a participant's savings to be used toward the purchase of a car, post-secondary education, or a first home. ***If funded by CCCF, Open Hearth will utilize grant funding for matching funds for those saving to purchase a car.***

The United Way of Greater Philadelphia and Southern New Jersey and the United Way of Chester County fund the match for Open Hearth's home buying and education goals as well as some of the administrative costs. We fundraise separately for the matching funds for the car purchase goal.

To qualify for the Family Savings Partner Program (FSP), applicants must earn less than 400 percent of the poverty guidelines and must provide proof of all income for their household.

Open Hearth partners with 20 nonprofits as referral sources for FSP applicants, with a focus on organizations that serve marginalized populations, including our current partners Habitat for Humanity of Chester County and Community Volunteers in Medicine. We also have agreements with three financial institutions that provide fee-free savings accounts to program participants.

Participants with the goal of purchasing a car save \$1,000 within 12 months and participate in personal financial education workshops hosted by Open Hearth that are related to their savings goal. Workshop topics include credit repair, budgeting, debt reduction, purchasing a car (from financing to the buying process), and the basics of retirement planning and saving. ***As households save for their asset, program staff provide essential support through personalized financial education, social service referrals, connections to resources, and encouragement, especially if the saver faces financial/personal challenges.***

Once a participant completes all program requirements, they receive a matching grant of \$3,000 that is paid directly to the seller of the vehicle that the participant has chosen.

While the match dollars are important, the lasting impact is far greater than the funds received. For many, this will be the first significant asset they own. Michael Sherraden, in his book *Assets and the Poor—A New American Welfare Policy*, writes: "Assets alter the reception of information. To put it plainly, when assets are present, people begin to think in terms of assets..."

Why it is important to fund this now

The unprecedented interest in the car savings goal has created a waiting list of 20 applicants. Funding from CCCF would allow us to enroll additional savers and get closer to clearing the waiting list.

There are several issues that impact the demand for participation in FSP. Public transportation in the suburban and rural areas of Chester County has long been recognized as woefully inadequate. A local needs assessment, *Compass: Chester County's Call to Action*, notes that "transportation emerged consistently as the number one need in the County. Isolated by the lack of transportation in the communities where they live, individuals in the lower socioeconomic sector find their housing choices, employment opportunities, educational and healthcare options restricted by their lack of mobility." In its conclusion, the study indicated ***the lack of transportation in Chester County "...sets in motion a cycle which conspires to isolate [those in need] from the very opportunities which would enable them to break out and explore new horizons."*** The Community Charge that resulted from this study stated, "Access to services is as important as the services themselves."

Additionally, over the last few years, prices have skyrocketed making the purchase of a reliable source of transportation even further out of reach for many Chester County residents. Transportation costs, as well as the cost of almost all goods and services, have risen steeply with pandemic-related supply chain issues as well as stubbornly high inflation. The steep increase in car prices has created a much greater demand for the assistance that Open Hearth's Family Savings Partner program (FSP) provides. FSP offers families and

individuals the financial knowledge and funds to recalibrate their current financial trajectory, mediating some of the financial effects from inflation and the pandemic.

How impact & results will be demonstrated

Since the inception of the Family Savings Partner program (FSP) in 2001, 255 graduates have saved over \$550,000 and purchased over \$17.4 million in assets. This past program year, 53 new participants enrolled and opened up savings accounts with one of our partner banks. Twenty-two savers reached their savings goals and purchased a car (6) or first home (9) or paid for college tuition (17). In the next year we aim to enroll 40 new participants and graduate 40 savers.

We measure the success of FSP by tracking the number of savings accounts opened, savings accrued in those accounts, and eventual acquisition of the chosen asset.

At enrollment, program participants, working with a program coordinator, will develop a personalized budget. This meeting also includes a credit review, instructions on opening their savings account, and determining their savings plan in order to reach their goal. Program participants will have increased their financial literacy and, shortly after this meeting, will have established a savings account.

Midterm impacts include an increase in liquid assets in the form of savings, and increased household stability.

All program graduates improve their financial stability, while some, once they gain reliable transportation, are able to access better employment options or medical care, leading to a better quality of life for everyone in their household. All the while, the program encourages prudent future savings, financial management and participation in the local economy. Savers in the program acquire the financial education and matching funds that move them toward greater financial stability as well as upward mobility.

Sharing a story of one of our savers is another way of showing impact –

*Tania came to Open Hearth as a single mother of a two- year-old daughter and six-year-old son, who knew reliable transportation was the key to improving her family's future. She wanted to return to school so she could increase her income and improve her job stability as a nurse. Another challenge Tania faced was depending on public transportation for frequent trips to Children's Hospital of Philadelphia to address her daughter's medical condition.

Through her participation in the Family Savings Partner program, Tania saved \$1,000 and participated in financial education, including a workshop on the car buying process. When she reached her savings goal, she received a match of her savings and was able to purchase a new-to-her car. She wrote, *"I cannot express how grateful I am for this program!! I have now secured reliable transportation for my children to get around safely. This car has also given me the opportunity to go back to school. Thank you so, so much!!"*

* name has been changed