

Financial Health Assessment (FHA)

Financial issues and lack of understanding financial concepts may create barriers for clients entering the workforce. Many employers require a credit checks as part of the employment screening process. The Financial Health Assessment (FHA) is a tool used to gauge a client's understanding of their current financial situation while creating opportunities to provide counseling and guidance centered around financial literacy as it relates to informed choice in reaching a client's individual employment goal and improving their overall quality of life. The FHA asks questions related to whether the client has a current budget, has accessed their credit report, understands their credit score, or whether they're behind on bills among other questions relevant to the client's financial capabilities. The goal of the FHA is to help Vocational Rehabilitation counselors, their clients, and other service providers understand the client's current financial situation to assist with goal-setting and helping the client to improve their financial well-being.

Many individuals who are eligible for Pre-Employment Transition Services (Pre-ETS), are getting ready to enter the workforce for the first time through receiving secondary education or other vocational training to prepare for employment. While some may have little to no credit history, this is a vital time to approach the conversation about finances to ensure that they understand their rights and responsibilities regarding credit, developing and following a budget, and having a savings strategy for the future. This provides the client an opportunity to become educated on these concepts earlier in the VR counseling process and may allow them to achieve higher earnings and work toward self-sufficiency much sooner than they may have otherwise had the opportunity to do.

Financial Health Assessments can also help the client understand their earning potential and assist them with identifying a career pathway that will not only help them achieve higher earnings and work toward self-sufficiency, but will also help the VR agency increase positive outcomes in the Common Performance Measures. WIOA requires VR agencies to report credentials and skills earned, long-term employment outcomes, and median wages of clients. (FHA) can assist VR Counselors in setting clients up in career pathways that lead to training and credentials, help increase the agency's ability to meet their target measures, and prepare clients for understanding how to manage their income as a lifelong skill.

The WISA's role in helping a client develop an FHA is to not just complete the assessment but to help the client access community supports and strategies that will help them achieve the goals outlined in the FHA. For example, resources that may help them improve their budgeting skills or information on how to access and read a credit report. The FHA expands on the existing work incentives counseling services to focus even more on a client's earnings goals to support the client's decision to transition from benefits to work.

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Procedure Code: A3023 to AWARE

Description: Work with the VR customer at the time of the initial meeting to complete the FHA. Completion of the FHA at the initial intake will help the WISA better understand the client's earnings goals, and to tailor the work incentives services provided to meet the client's individual needs. An example may be helping the client establish eligibility for an Achieving a Better Life Experience (ABLE) account if the client is on a needs-based benefit and expresses a desire to save more money for future expenses as a goal on their FHA. Based on the goals of the FHA, the WISA will make recommendations to the VR counselor for appropriate follow-up work incentives services and community supports.

Fee: \$150.00

Documentation: A copy of the completed FHA signed by the client must be submitted to the VR counselor with the invoice. Further, the WISA should submit in writing a follow-up plan to address the needs in the FHA, such as recommendations for additional work incentives services and recommendations for other community supports, such as credit counseling services in the local community and through online resources such as Money Smart. Resources should also include local agencies that may provide assistance with free tax preparation and the earned income tax credit.

**Only vendors who have completed required Community Financial Empowerment and financial literacy training from the Consumer Financial Protection Bureau (CFPB) and Your Money, your goals will be eligible to receive payment for a completed FHA. Individuals who have completed this training will be indicated on the Work Incentives Specialist Advocate (WISA) roster. For a current copy of the roster, contact Michael Klinger, Work Incentives Specialist, at Michael.klinger@dars.virginia.gov.