

# When Is More Not Extra?

## Effective Strategies for Financial Security

Executive Summary

Why should we integrate?

How can you do it?

▶ **What about roadblocks?**

Is the impact worth it?

### ISSUE BRIEF 3 ▶ **What about roadblocks?**

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#### *How workforce development organizations have overcome challenges of integration*

Through a four-part Issue Brief series, Corporation for a Skilled Workforce (CSW) and The Financial Clinic (the Clinic) have partnered to better understand the impacts of financial security services on workforce development programs. Each Issue Brief explores a distinct theme on why and how integrating financial security services into workforce development programs can achieve more impact without requiring significantly extra cost and time. In this Issue Brief, we identify the challenges of embedding and recommend solutions to address them.

Workforce development professionals often have heavy caseloads and limited time as they work to meet an increasing demand for services. Meanwhile, the organization faces challenges of its own, often including insufficient funding and staffing resources. Organizations wanting to embed financial security services within their workforce programming may find that there are limited tools to support an integrated approach, and they may not know the best types of data for tracking participant financial security progress.

How can workforce development organizations incorporate financial security practices despite these constraints? In this third brief, we discuss common challenges faced by workforce development organizations as they integrate financial security building strategies into their programs, followed by recommendations to boost their likelihood for success and sustainability.

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## CHALLENGE #1: STAFF BANDWIDTH

Many program directors and managers already feel they lack adequate staff time to focus on new activities, and that incorporating financial security services into their programs would require significant additional labor. Management may be concerned about pushback from staff who are resistant to adding financial services work on top of their already-heavy caseloads. Moreover, some staff members at workforce development programs may be under financial stress themselves, so adding to their work might further exacerbate the overall “bandwidth” pressure they cope with in their personal lives. It is important to remain mindful of how integration impacts not only workforce development organizations, but also the livelihoods of staff members who drive their success.

## Recommendations

High-level management can mitigate this challenge by implementing financial security activities that are simple and straightforward, and by providing adequate resources to help staff carry out their new responsibilities. Staff can be trained to perform basic financial security activities that are relatively low-effort. For example, a career coach at a workforce development program can determine that a job seeker is unbanked after running a report from ChexSystems.<sup>1</sup> The coach can simply refer the job seeker to a local credit union, where they can apply for a “Second Chance” program, allowing the job seeker to open a low-cost bank account.

**A second example:** A program whose graduates struggle with staying employed because they didn’t anticipate new job-related expenses like transportation or child care would do well to focus on budgeting and access to work supports. Most critically, financial security activities should expressly support a program’s mission. For example, a workforce program that works with job seekers who also have disabilities will want to understand how the Social Security Administration allows beneficiaries access to jobs without risking eligibility.

In addition, by training staff on financial security concepts and tools, organization management can support staff’s own personal and professional growth. Staff can learn how to address their own financial insecurities, strategically enroll in employee benefits, and better understand how their job fits within the context of their individual financial goals. For example, after completion of WorkBOOST NYC—a financial security ecosystem with eight workforce development partners—staff’s financial security training, 64% of frontline staff checked their credit score, 55% built or adjusted their personal budget, 9% switched to or enrolled in a better or more suitable health insurance plan, 27% met with a financial coach, 45% organized and reviewed their debts, and 46% started or increased contributions to retirement savings. Furthermore, learning about financial security services can enhance an employee’s professional development.

**Grant Associates, a workforce development organization, utilized The Financial Clinic’s capacity building services to integrate financial security strategies into their programs. The organization noted:**

*“The Clinic worked closely with Grant’s leadership team to create an onboarding process for new employees, and update job descriptions for existing and new staff. These efforts helped the programs easily embed financial security within the service delivery model, instead of making it feel like an additional task. They helped us train the frontline staff so that they feel comfortable delivering financial coaching services, and helped managers develop a review process to effectively monitor and document the work. The programmatic changes can be done seamlessly since we are now comfortable knowing we have the resources and support to effectively serve the populations we work with.”*

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## CHALLENGE #2: LACK OF INTEGRATION TOOLS AND PROCESSES FOR USING THEM

Workforce programs often use forms or tools like job readiness checklists to support their work processes and participants’ job preparation efforts. Yet, few ready and off-the-shelf tools also help to support financial security activities.

## Recommendations

Where possible, organizations should strive to integrate their workforce readiness and financial security tools. Financial security tip sheets and worksheets can cover helpful topics ranging from understanding credit scores to setting financial goals. These financial security activities can be easily incorporated into existing tools to reflect the organization's new efforts to strategically build a participant's financial security—as part of helping them be more “work ready.”

**Madison Strategies Group**, a workforce development and job readiness program in NYC, notes that integrating financial security services into their workforce development programs accomplishes progress on multiple fronts:

*“Financial security topics—rather than delivered separately from core workforce programming—can be directly integrated into a candidate’s skill development and job search activity. For example, the process of checking credit reports can be used for a series of objectives. While learning key financial security information about credit, candidates also practice computer skills, learn details of how to navigate online applications, and submit information electronically, and schedule follow-up actions based on their credit report. These same skills are transferable, and are often crucial skills in navigating the employment process from application to interview to hire.”*

**Seedco**, a national nonprofit that innovates solutions in the area of economic development, while also running workforce development programs, notes:

*“[We] incorporated financial security exercises and case studies into the pre-employment training component of our Youth Advancing in the Workplace training. These activities are designed to help job seekers understand some of the financial challenges that can accompany full-time employment (i.e. wage garnishment, check cashing fees, etc.). These group sessions complement one-on-one financial coaching sessions delivered both pre- and post-job placement.”*

## CHALLENGE #3: NO SHARED OUTCOMES AND DATA COLLECTION

A shared, consistent data collection framework not only helps monitor progress toward participant and program goals, but can also help guide program design. One of the most challenging aspects of integrating workforce development and financial security services is that the financial security field is relatively new and there is no broad consensus on what a program's financial security outcomes can and should be. Furthermore, workforce development programs vary in the population they serve, industry specialization, type and duration of services, and funder needs, ultimately causing large variations in workforce-related outcomes.

For most direct service organizations, financial security data collection for individual participants requires an additional effort, one that is not necessarily aligned with the immediate “result” goals of the organization and frontline staff. New work procedures or data fields may need to be put in place, along with new reports to analyze progress.

## Recommendations

For successful integration of workforce and financial activities, financial security outcomes should be applicable to a wide scope of programs. These outcomes can be easily implemented and documented, consistent with the program's mission, and tailored to support pre-existing workforce development program outcomes. The most impactful outcomes will serve a dual purpose: improving financial security and boosting career mobility.

According to a 2017 CSW special survey of the Workforce Benchmarking Network and the Clinic's WorkBOOST NYC sites, these are the most common outcomes among the programs who provide financial security services to over 75% of their participants:

### Shared Outcomes That Boost Financial Security and Improve Career Mobility



In the case of organizations with advanced data analysis capabilities and strong collection processes, current systems may be able to accommodate the additional collection and analysis that may come with integration. If they cannot, platforms can be purchased off-the-shelf that support not only integration of services but of data as well. Change Machine is an example of a data integration platform that will track both financial security services and workforce development data.

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## CHALLENGE #4: SUSTAINABILITY

The ultimate challenge for directors, program leaders, and organization executives is program sustainability. To ensure that the challenges programs have overcome in integrating financial security do not reoccur, leaders must focus on sustainability and fundraising. Unfortunately, their development and marketing staff may not have expertise in fundraising for financial security related work or be an expert in financial security themselves, making it difficult to communicate the value of the newly integrated services.

## Recommendations

To overcome the challenge of sustainability for integration, there must be organizational leadership buy-in for the newly integrated financial security components. Leadership must value the connection between their organization's mission, vision, and goals, and their program participants' financial security.

Beyond leadership, managing staff executing the new financial security work need to have a real-time evaluation process for future program success. Teams must be able to come together in collaborative forums, review incremental results, assess progress and challenges towards achieving them, adjust strategies, and decide if adjustments have led to improvements. With leadership buy-in and managing staff implementing a structure to successfully iterate the program using financial security results data in marketing, outreach, and fundraising proposals, can provide a significant boost to organizations. This boost will allow them to demonstrate the value of financial security strategies to potential funders and future partners.

**Per Scholas** works to create opportunity for people in overlooked communities to build better lives for themselves and their families through careers in technology. To enhance the achievement of their mission, Per Scholas believes that building participants' financial security will help them to find better jobs and to retain those jobs.

*In 2013, Per Scholas' New York office leadership committed to embedding financial security building work into their IT workforce training curriculum and the daily responsibilities of their career coaches. Through this process, leadership at Per Scholas implemented rigorous data collection of financial security issues and began to see the extensive need for their students to access full-time professional financial coaching services. As a result, they were able to leverage their data findings and stories from participants to enhance fundraising efforts and hire two full-time financial coaches; one in their Bronx office and one in their Brooklyn office.*

**Next Issue Brief: "Is the impact worth it?"** *How workforce development organizations have justified the investment given the rewards*

## ACKNOWLEDGEMENTS

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Corporation for a Skilled Workforce is a nonprofit organization that partners with government, business, and community leaders nationwide to develop good jobs and the skilled workers to fill them. Specifically, CSW's Workforce Benchmarking Network initiative collects data from community-based organizations around the country that provide workforce development services, to understand the outcomes of programs that offer different types of services or serve various populations. The current Benchmarking dataset includes information from 259 programs; additional Benchmarking activities include strengthening workforce programs' use of data for continuous improvement, sharing a framework of effective practices (called the "Success Drivers"), and helping funders work toward shared outcome measures. **For more info, see <http://benchmarking.skilledwork.org>**

The Financial Clinic has demonstrated a "gold standard" model for building financial security for working poor families. A high-performing organization with a focus on results, the Clinic has put over \$70 million back in the pockets of more than 47,000 customers, supported more than 420 organizations in 38 states and districts embed financial security actions into their program models, and successfully launched several policy campaigns in support of working poor families. **For more info, visit [thefinancialclinic.org](http://thefinancialclinic.org)**

## ENDNOTES

<sup>1</sup> ChexSystems is a consumer reporting agenda under the Fair Credit Reporting Act that reports consumer information on closed checking and savings accounts.