

## ECOSYSTEM NEWS

Financial insecurity is pervasive and often prevents nonprofit organizations from fully and effectively serving their communities. That is why the Clinic created the Financial Security Ecosystem, a three-pronged strategy that includes capacity building for nonprofit practitioners and leaders at select organizations, access to a full-time, expert Financial Coach, and data and research supports to leverage lessons learned on the ground for policy change—all powered through Change Machine. In 2018 The Financial Clinic concluded the first national Financial Security Ecosystem: *FinancialWorks*.

### FinancialWorks

In 2016, The Financial Clinic and UnidosUS partnered to create FinancialWorks, a national Financial Security Ecosystem that sought to build financial security for the working poor across the country. With generous support from The Prudential Foundation, FinancialWorks enabled UnidosUS affiliates to address the financial security barriers of their customers through a combination of 'light-touch' financial coaching and referrals to expert financial coaches. Here are the results of the initiative:

- ✔ **Built financial security** for over **9,400 customers**
- ✔ **Partnered** with **15 organizations** across **9 states**
- ✔ **Reached 74,097 customers**
- ✔ Customers **completed 4,600 Financial Security Actions**
- ✔ **Improved the budget and savings** of **2,754 customers**
- ✔ **Built the assets** of **1,423 customers**

*"Most of the individuals that attend workshops are low income families that live paycheck to paycheck and sometimes share with us that they do not have any financial goals [and] that sometimes they do not have enough money to pay their rent. This is when we introduce them to FinancialWorks. We tell them that they can receive free counseling from a financial coach. [...] Overall, they are impressed with the program as they do not expect to receive that much help for free."*

— La Maestra Community Health Centers

### Dear Friends:

In our recently released National Policy Agenda, we declare our belief that "the fullest expression of the Clinic's vision for a financially secure nation is seeing the impact of our efforts expand beyond the 'individual customers.'" This excerpt reflects 2018 in a nutshell: out of individual ideas are collective action, and out of collective action, a roadmap on how to accomplish our vision for the future.

A defining theme of 2018 was that we continued to build on the incredible momentum of previous years in pursuit of our mission and vision. There are too many examples to note fully, but two stand out:

From the expansion of FinancialWorks to launching WorkBOOST National and CommunityBOOST, to our newest ecosystem, SectorBOOST, the Clinic and our partners are **doubling down on the Financial Security Ecosystem model**. The Clinic's holistic model for building financial security at all levels took profound strides toward scaling this approach across the country.

#### The power of our vision, in its myriad forms:

2018 saw the Clinic's Refund529 legislation formally implemented by the Department of Taxation and Finance. In the first year alone, more than \$1 million was placed into education savings accounts, by New Yorkers statewide, at tax time. Last year the Clinic also launched ChangeMatters; a research series aimed at leveraging Change Machine's customer data, more than a decade of experience in providing expert one-on-one financial coaching, and our customer's own expertise to solve some of the most formative issues facing working poor Americans.

These accomplishments remind me that the challenges which lie ahead can be tackled by committing ourselves, not just to service, but to building the financial security of working people nationwide, and a dedication to removing the systemic barriers to financial mobility created by political and social institutions. Together, and for each other, we renew our fundamental belief that a better future will exist for all, and that the Clinic has much to contribute in service of this vision.

With my deep gratitude—

Mae



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Creators of Change Machine

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 The Financial Clinic  
Creators of **Change Machine**

# FROM MISSION TO VISION

Scale and Impact in  
**2018**



## SCALING IMPACT

In 2018, The Financial Clinic redoubled its efforts to scale financial security strategies through partnerships, research and policy solutions, and—of course—Change Machine. This year, the Clinic concluded two Financial Security Ecosystems and launched two more, saw the outcomes of our first policy win (Refund529), and laid the groundwork for a more adaptable, sophisticated, and systems-changing version of Change Machine that will launch in 2019. This report outlines the highlights.

CUSTOMERS SERVED DIRECTLY BY THE CLINIC  
**56,964**

FINANCIAL SECURITY OUTCOMES ACHIEVED  
**9,476**

TOTAL CASH VALUE RETURNED TO CUSTOMERS  
**\$89,426,210**

**3,182** PRACTITIONERS TRAINED TO PROVIDE FINANCIAL COACHING SERVICES

ORGANIZATIONS TRAINED TO SUSTAINABLY EMBED FINANCIAL SECURITY STRATEGIES  
**495**

**17** SECTORS ENGAGED IN AN EMBEDDED APPROACH TO BUILDING FINANCIAL SECURITY

## ChangeMatters

ChangeMatters is a series of research briefs that use data collected from Change Machine and customer stories to find solutions to the most pressing problems facing low- to moderate- income Americans. Released quarterly, the goal of ChangeMatters is to affect systems-level change that takes into account the complex economic landscape our customers navigate daily.

The first issue brief, along with an announcement piece is available now on The Financial Clinic's website. Be on the lookout for the next issue brief coming Spring 2019.

## CHANGE MACHINE

Change Machine, the Clinic's cloud-based financial coaching platform used by over 1,500 practitioners in 42 states and territories, saw 42% growth in 2018. In addition to enabling practitioners to learn financial coaching practices, gain access to the requisite tools and resources to effectively coach customers, and support and be supported by their fellow practitioners, Change Machine aggregates the data of over 50,000 customers and surfaces actionable insights to produce lasting Change.

TOTAL CUSTOMERS SERVED  
**41,880**

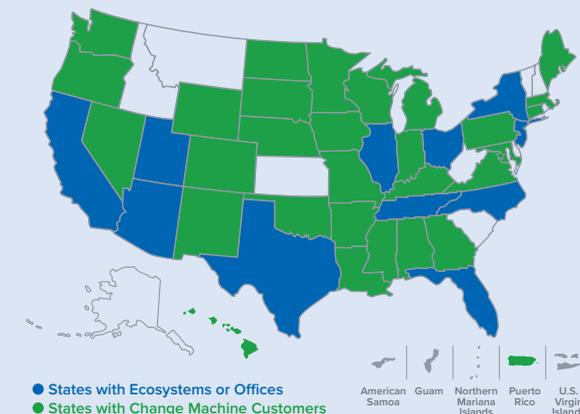
TOTAL NUMBER OF PRACTITIONERS USING CHANGE MACHINE TO BUILD FINANCIAL SECURITY  
**1,831**

TOTAL VALUE RETURNED TO CUSTOMERS  
**\$24,639,245**

**12,347** NEW CUSTOMERS IN 2018

GROWTH IN NEW CUSTOMERS SINCE 2017  
**42%**

CHANGE MACHINE CUSTOMER AND ECOSYSTEM MAP

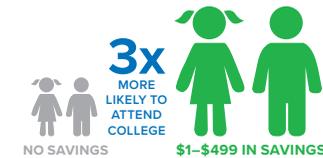


## Right Time, Right Place, Right Product the Clinic Scores a Policy Win for New Yorkers

**Refund529**  
[www.thefinancialclinic.org/refund529](http://www.thefinancialclinic.org/refund529)

The 2018 tax season was the first time that Refund529, a new law that allows New York State tax filers to direct a portion of their annual state refund into a 529 college savings account, went into effect.

A 529 account is an investment account specifically designed to help people save money for future educational expenses for themselves, their children, or other relatives and friends. Funds from an account can be used at any school, in any state, to cover expenses including tuition, room and board, books and fees.



According to a paper published in the Children and Youth Services Review, children with between \$1 and \$499 in a college savings

account are three times more likely to go to college, and four times more likely to graduate college. The Refund529 initiative aims to increase the chances of future financial stability for customers by providing the next generation with incentives and support to achieve higher education, and to encourage wealth building at tax time as many low- to moderate- income tax filers use their refunds to pay past debts and miss the opportunity to use tax time to build wealth.



During the first year of implementation, **New Yorkers made over 1,600 deposits using Refund529, which resulted in over one million dollars saved**

towards future educational expenses. Emboldened by this success, the Clinic is not looking towards expanding the reach of this program in New York and replicating the success in other areas of the country.

## THANKS TO OUR SUPPORTERS

- Bank of America
- Bank of New York Mellon
- The David and Katherine Moore Family Foundation
- The Hyde and Watson Foundation
- Internal Revenue Service
- Ira W. DeCamp Foundation
- JPMorgan Chase
- Metlife Foundation
- NYC Department of Consumer Affairs, Office of Financial Empowerment
- The Pinkerton Foundation
- The Prudential Foundation
- RiseBoro Community Partnership
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- TD Charitable Foundation
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