

Scale and Impact Report

TURNING PRACTICE INTO SYSTEMS CHANGE

11 years ago, The Financial Clinic was founded to fill the gap in services for the millions of Americans who have "too much" money to qualify for government supports, but are "too poor" to be considered self-sufficient.

The Clinic knows it can't serve everyone, so it advocates for the best policies, practices, and products to build financial security at scale.

The Clinic's mission is to ensure that hard-working people are able to make ends meet, and works toward its vision of a nation where everyone is financially secure.

THE PROBLEM

There are **46.5 million Americans** living in poverty.

Nearly 25% of them are supported by full-time workers and still can't afford basic needs.

THE SOLUTION

The Financial Clinic is building partnerships for financial health. The financial security ecosystem ("ecosystem") is a holistic service model that deploys a full spectrum of strategies that the Clinic has proven to work: **direct services, capacity building, and lasting change.**

Borrowing a popular metaphor from the high-tech world, "business ecosystems" leverage the power of **connections, collaborations, and continuous evolution** to create and capture new value, thus advancing not only our partners' unique missions, but the anti-poverty field as a whole. An ecosystem is flexible enough to be integrated into a variety of environments to ensure exponential scale, while also maximizing the most efficient use of resources that lends itself to sustainability and impact.

FIRST WIN: POLICY

FINANCIAL SECURITY AT EXPONENTIAL SCALE

The New York City Human Resources Agency (HRA) now requires that financial security strategies are a core requirement for programs serving domestic violence survivors. The city adopted the policy as a result of a partnership with the Clinic in which we

integrated financial security strategies and dramatically improved domestic violence shelter outcomes.

"The financial security work had an unexpected benefit of shifting our clients' perspectives. They come to us for crisis intervention and to meet their immediate needs, but this work ends up being the beginning of a hopeful future that's within their control; instead of just getting through the day, they start to say "I'm going to be okay."

— Tracey Thorne
Director of Administration
HRA Emergency & Intervention Services

Thousands of New York City survivors and their families have increased financial security as a result of the new policy—not because the Clinic served them directly—but because we influenced a **systemic change.**

Not only did the HRA overhaul their contract requirements, but they are also one of the few city governments that provided **over a million dollars**

in funding for full-time Economic Empowerment Specialists to be on staff at each of their organizations.

"Financial Independence can help free women from domestic violence."

— Viviana Hernandez
Case Manager
Center Against Domestic Violence

MILESTONES OF SUCCESS

\$38K

The providers have a cumulative Cash Value of **over \$38,000** during their time using Change Machine!

87%

of the providers rated the new financial security strategies as **essential** to service delivery moving forward.

13

leaders committed to embedding financial security.

47

advocates are building financial security with survivors.

133

programs formed a community of practice.

SECOND WIN: PRACTICE

FINANCIAL COACHING WORKS

"Financial Education Program Evaluation Support Services Study," led by the Urban Institute and supported by the Consumer Financial Protection Bureau, shows for the **first** time that financial coaching, once viewed as an emerging field, can make a **measurable** difference in people's financial well-being by helping them take financial control of their lives.

The results of this study have influenced the Practice of Financial Coaching, making it a credible intervention and putting it on the map as a viable social service, while also setting performance standards for other programs and practitioners.

A landmark national study conclusively demonstrates the Clinic's coaching model and programs help low- and moderate-income people **move toward achieving their financial goals.**

TREATMENT RESULTS

With our proven financial coaching model, customers continue to see the same results as the treatment group in the Random Control Trial.

PROGRESS towards improving household financial security

\$1,721 in more savings

Higher **"very confident"** levels to achieve financial goals

33 POINT credit score increase

\$1,009 in reduced debt

ONE-ON-ONE FINANCIAL COACHING MODEL

NATIONALLY EVALUATED

GOLD STANDARD

THIRD WIN: PRODUCT

#REFUND529

Allows New Yorkers to contribute a portion of their refund directly into a 529 college savings account.

In November 2016, Governor Andrew Cuomo signed "#Refund529" into law—creating an unprecedented opportunity for savings at scale—by allowing New Yorkers to contribute a portion of their refund directly into a 529 college savings account.

Since 2014, when the Clinic leveraged its on-the-ground free tax preparation experience and formed a coalition with Citizens' Committee for Children and six nonprofits, we've worked tirelessly to make #Refund529 a reality. If research shows that as little as \$1 in a designated child savings account increases a child's likelihood to graduate from college three-fold, imagine what 7 million filers who receive refunds each year can do with an average refund amount of \$1,093!

"Our vision comes vividly to life when we see our influence grow above and beyond the individual customers."

— Mae Waton Grote
Founder and CEO, The Financial Clinic

#REFUND529 WILL EMPOWER 500,000 SAVERS OVER THE NEXT 10 YEARS!

IMPACT PREDICTED WITH #REFUND529

200x

AS MANY SAVERS

THE CLINIC EMPOWERED **2,500 SAVERS** OVER THE PAST 10 YEARS.

NEXT UP: CHANGE MACHINE

DATA, ADVOCACY, AND POLICY CHANGE

The Clinic leverages data gathered in Change Machine to identify obstacles, investigate solutions, challenge assumptions, partner with stakeholders at all levels to create systemic change.

CHANGE MACHINE PRACTITIONERS SERVED **13,964 CUSTOMERS** IN THE FIRST YEAR, AND THIS IS JUST THE BEGINNING.

Change Machine scales financial coaching



7 YEARS

The amount of time it took Clinic coaches to reach **10,000 customers.**

1 YEAR

The amount of time it took Change Machine practitioners to reach **10,000 customers.**

EXPANDING OUR SCALE AND IMPACT ACROSS THE NATION.

Designed by practitioners for practitioners, Change Machine is an all-inclusive solution that arms organizations with tools to implement financial security strategies into their programs. It powers our ecosystem partnerships, collects the data, and provides true exponential scale and sustainable impact.

This is just the beginning of what we hope to accomplish. With our financial security ecosystem model launching nationally, and Change Machine expanding our reach and capabilities, we are looking forward to all the exciting progress that lies ahead of us.

Join us as we advance towards the next big win!

