Why Should Workforce Development Programs Consider “Taking on” Financial Security as Part of Their Services?

1. By simultaneously uncovering and taking pro-active steps to resolve customers’ financial insecurity issues, programs can achieve greater workforce outcomes:

   - **Financial Security Action**  
     - Downloading Credit Report  
     - Consistent Savings  
     - Resolving Judgments to Prevent Wage Garnishment  

   - **Workforce Outcome**  
     - Increased Job Placement  
     - Emergency Preparedness and Higher Retention Rates  
     - Higher Retention Rates

   - **43% more companies ran credit checks in 2013 on some or all potential hires, up 25% in less than a decade.**  
     - Source: Society for Human Resource Management

2. Demonstrated Results in Career Advancement Programs*

   In 2008, the New York City’s Department of Small Business Services (“SBS”), the agency responsible for the City’s adult workforce services, hired The Financial Clinic (the Clinic) to design and embed program elements that would improve financial security for low-wage earners. Targeting its Advance at Work program, the Clinic created and calibrated a set of financial security milestones designed to promote customers’ career advancement, assisting the career coaches with training and technical assistance.

   Customers who worked with a career coach but did not work on financial security secured, on average, nine more hours of employment each week, and earned an additional $173 each week. However, when the career coach incorporated financial security-building strategies into their work, average hours worked and average income increased significantly. As noted in the table below, participants who achieved one financial security milestone secured, on average, 10 more hours of employment each week, while those who achieved two milestones worked 12 more hours. Participants who achieved three financial security milestones secured, on average, 15 more hours of employment each week, and earned an additional $219 each week – a 67 percent increase in hours worked and 27 percent increase in earnings.

   **Number of Financial Security Milestones Achieved**

<table>
<thead>
<tr>
<th>Number of Financial Security Milestones Achieved</th>
<th>Additional Hours Worked</th>
<th>Percent Change</th>
<th>Additional Income Earned</th>
<th>Percent Change</th>
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<tr>
<td>0</td>
<td>9</td>
<td>-</td>
<td>$173</td>
<td>-</td>
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<tr>
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<td>10</td>
<td>11%</td>
<td>$172 ($172)</td>
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<td>33%</td>
<td>$224 ($224)</td>
<td>29%</td>
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<td>67%</td>
<td>$219 ($219)</td>
<td>27%</td>
</tr>
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3. Financial Security Milestones’ Impact on Workforce Development Outcomes*

   “As a result of The Financial Clinic’s training, we have added financial and asset building outcomes to our performance measures in order to capture the value and impact of our efforts to help participants achieve financial security.”

   – Kimberly Ostrowski, former Program Manager at NYC Department of Small Business Services
The Clinic’s training has created measurable impact – in less than two years, career coaches from three programs have:

1. Downloaded over 1,100 credit reports,
2. Opened over 380 bank accounts,
3. Helped 326 customers sign up for direct deposit, and
4. Signed up over 270 customers for automatic savings.


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