

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 4 ▶ **Is the impact worth it?**

How workforce development organizations have justified the investment given the rewards

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 look closely at what organizations can expect for their investment in these supports.

Participants' financial insecurity can often hinder many workforce development organizations from fully accomplishing their education and employment-focused objectives. Yet, the question remains whether embedding efforts that give organizations the expertise, support, or resources to fully address their customers' financial insecurity justify an organization's staff and administrative resources. As workforce organizations begin or continue this work, they may wonder what the impact is on their programs, the populations they serve, and the organization itself.

The Clinic has created the financial security ecosystem or "ecosystem," a holistic partnership approach that builds financial security for the working poor at scale and accelerates sector-specific missions and outcomes.

In WorkBOOST NYC, the Clinic was proud to partner with eight high-performing workforce development organizations in New York City to better measure and deepen our understanding of the full value of integration efforts:

Cohort 1 (2016)

Madison Strategies Group
Opportunities for a Better Tomorrow
Phipps Neighborhoods
Stanley Isaacs Neighborhood Center

Cohort 2 (2017)

CAMBA
Seedco
Comprehensive Development, Inc.
Year Up

PROBLEM

By adopting this approach, WorkBOOST NYC partners learned new strategies to help address some typical issues for job seekers and new hires:

- On her first day, Linda’s new employer wanted to set her up with direct deposit, but she didn’t have a bank account.
- Marco’s skills and experience were a perfect fit for several jobs he applied for, but the process never moved past his credit report.
- Cynthia had just started to get comfortable at her new job, but all of a sudden she started getting a lot of calls from creditors for old credit cards she hadn’t used in a long time.

SOLUTION

The WorkBOOST NYC ecosystem approach, a two-pronged integration strategy, training staff to sustainably integrate financial security strategies into their existing services, while providing co-location access to expert financial coaching.

EMBEDDING + **CO-LOCATION**

WORKBOOST NYC EVIDENCE TO DATE: WHAT HAS BEEN THE IMPACT?

Jobseekers achieved greater financial security

WorkBOOST NYC workforce development partners have improved workforce outcomes for participants receiving financial coaching:

- Placement rates increased up to 9%.
- Weekly income increased up to \$34.43.
- The percentage of individuals who achieved outcomes after two meetings doubled.
- 80% of jobseekers set financial goals—a proven driver in future financial success.

In the April 2017 CSW survey of the Workforce Benchmarking Network and the Clinic’s WorkBOOST NYC sites who provide financial security services to over 75% of their participants, 40% of workforce organizations whose participants engaged in financial security activities had better:

- Placement
- Full-Time Employment; and
- Retention Outcomes

“We serve ages 16-24, they come from diverse backgrounds, most of them are low-income. Many of them do not have any exposure to financial products, they don’t have any savings, they don’t know how to distinguish between a bank and a predatory financial lender...With us, they learn how to pull their own credit, how to look at their credit scores and see where the glitch is, they learn about financial products.”

—Yanni Deconescu, Director of Strategic Initiatives, **Opportunities for a Better Tomorrow**

Workforce development partners began to make financial security strategies sustainable

- 37% of the cohort successfully raised money for financial security activities.
- 62% of the cohort revised or created marketing materials that showcased their financial security work.
- 2 partners changed their job descriptions and staff training to include financial security services.

“WorkBOOST NYC created a new staff culture at Career Network: Healthcare. All of our staff are much more comfortable providing light-touch coaching to young people. Everyone has financial goals, I have my own goal of saving for a house...”

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–Monique De La Oz, Senior Director of Learning and Career Development, **Phipps Neighborhoods**

Staff at the partner organizations saw improved financial security

- 91% now auto deduct to savings, a 36% increase from the start of the program.
- 55% are very confident that they will reach financial goal (20% increase).
- 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 who helped staff organize and review their debts (45%), and started or increased contributions to retirement savings (46%).

Staff say:

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“I am able to save more money than in the past.”

“I am now more informed when tackling financial challenges with my customers.”

“I have made significant improvement to my credit score.”

“Significantly reduced credit card debt.”

“Started paying an old debt to my university so they can confer my bachelor’s degree.”

“In one case, there was a woman who was out of work for a number of months—she had worked a good job for a number of years and was kind of lost, and she was ignoring her bills, her credit score was going down, and it was affecting her confidence because she was overwhelmed. She was at risk of losing her apartment, and she didn’t want to talk about the financial piece because it was a stressor for her. But we talked about it in such a way that she was able to take concrete actions to get back in touch with some debtors and set up payment plans. Her credit score actually went up in a very short period of time, and very soon after, she got an interview and landed a job, and six months later was making more money than she was making before. My conclusion from that is that there’s a certain amount of confidence building from the tangible financial progress that allowed her to stay in the game.”

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–Alex Holt, Director of Programs, **Madison Strategies Group**

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JPMORGAN CHASE & CO.

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**