CSW
Corporation for a Skilled Workforce
Good Jobs. Thriving Communities.

THE FINANCIAL CLINIC℠
Creators of Change Machine

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?

Integrating financial security services into workforce development programs can achieve more impact without requiring significantly extra cost and time. Corporation for a Skilled Workforce (CSW) and The Financial Clinic (the Clinic) have partnered to analyze the impacts of financial security services on workforce development programs, with results released in four upcoming issue briefs.

Corporation for a Skilled Workforce is a national nonprofit organization that partners with government, business, and community leaders nationwide to develop good jobs and the skilled workers to fill them.

The Financial Clinic builds working poor families' and individuals' financial security by addressing their immediate financial challenges and helping them set long-term goals to achieve financial mobility.

MORE ISN'T EXTRA WHEN

Programs that have integrated financial security strategies into their core services have higher rates of achieving workforce outcomes than programs that did not offer financial services. In other words, *more* may not be *extra* when programs achieve greater impact:

Workforce Outcomes	Financial literacy/counseling **offered** to most or all	Financial literacy/counseling **not offered** consistently
Program completers' job placement	**76%**	**69%**
Full-time employment	**76%**	**58%**
Jobs with health benefits	**48%**	**23%**
Job retention at 6 months	**68%**	**56%**

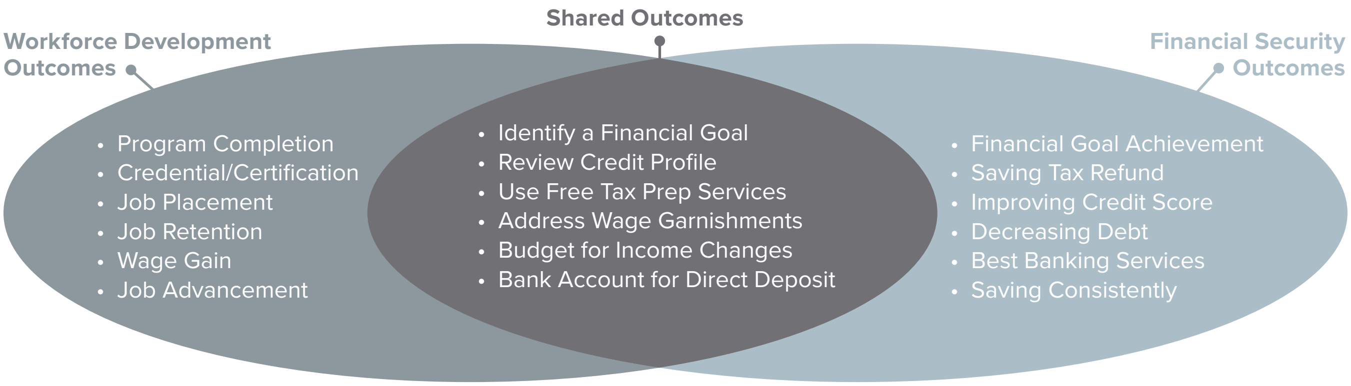
This research is tied to the national Workforce Benchmarking Network.

The partnership between The Financial Clinic and Corporation for a Skilled Workforce that led to the creation of this report series was made possible by a generous grant from MetLife Foundation.

SOLUTION

Embedding financial security building strategies into workforce development programs can help reduce the frequency and degree of these hardships.

Shared Outcomes That Boost Financial Security and Improve Career Mobility



PROBLEM

Workforce development program participants typically face significant financial challenges. For example:

7%

of all U.S. employees suffer from "wage garnishments"

Cynthia had just started to get comfortable at her new job, but all of a sudden she was getting a lot of calls from creditors for old credit cards she hadn't used in a long time.

ONLY 11 STATES

have laws banning the use of credit scores to screen applicants

Marco's skills and experience were a perfect fit for several jobs he applied for, but the process never moved past his credit report.

82%

of U.S workers received paychecks through direct deposit

On her first day, Linda's new employer wanted to set her up with direct deposit, but she didn't have a bank account.

WorkBOOST NYC, The Financial Clinic's first financial security ecosystem, is a holistic partnership approach that embeds financial security strategies into workforce development organizations to significantly improve both financial security and workforce outcomes. WorkBOOST NYC's eight workforce development partners have improved workforce outcomes for participants receiving financial coaching:

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

"WorkBOOST NYC created a new staff culture at [Phipps]. 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..."

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

WorkBOOST NYC was made possible by a generous grant from JPMorgan Chase & Co. Additional support for WorkBOOST NYC was provided by Tiger Foundation, the Ira DeCamp Foundation, the Altman Foundation and Robin Hood Foundation.

When Is More Not Extra?

Effective Strategies for Financial Security

ISSUE BRIEF 1 ▸ **Why should we integrate?**

How workforce development organizations have made the case for integrating financial security practices

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.

CSW is a national 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 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**

Many workforce development programs have already begun to implement financial education tools and curricula. Taking these efforts a few steps further to support job seekers toward *specific actions* can be a low-cost investment with potentially large payoffs. Incorporating financial security strategies into workforce development programs contributes to more effective outcomes at every stage of a job seeker's journey. Workforce development participants can gain financial skills and knowledge to not only find employment, but to retain jobs long-term. More impact can be realized by integrating some basic, low-cost financial security practices into existing programming. In other words, *more* may not be *extra*.

Programs that have integrated financial security strategies into their core services have higher rates of achieving workforce outcomes than programs that did not offer financial services. To illustrate that efficacy, the table below shows results from CSW's most recent national Benchmarking survey.[1]

Workforce Outcomes	Financial literacy/counseling **offered** to most or all	Financial literacy/counseling **not offered** consistently
Program completers' job placement	**76%**	**69%**
Full-time employment	**76%**	**58%**
Jobs with health benefits	**48%**	**23%**
Job retention at 6 months	**68%**	**56%**

*CSW National Benchmarking Survey Results (January 2016 report). Seventy-three out of 259 total workforce development programs reported that they provided financial literacy training or counseling services for most or all participants.

Leading workforce development programs have a strong history of providing financial security services to their program participants, and our research builds on other existing research that also points to a connection between these services and improved workforce outcomes. For example, a study titled "First Steps on the Road to Financial Well-Being," conducted by the Economic Mobility Corporation, suggests that people who participated in Financial Opportunity Center (FOC) programs demonstrated greater employment stability than members of a comparison group.[2] By incorporating time and resources toward addressing credit, debt, and banking issues, workforce development programs can improve program completion, job placement, and job retention rates—putting participants in a better position to get better job offers and advance on a career path.[3]

Workforce development program participants typically face significant financial challenges. For example, workforce development program participants who received financial coaching from users of the Clinic's Change Machine:[4]

- Had an average credit score of 589, a "Poor" credit rating per MyFICO[5], the consumer division of FICO.
- Nearly half (45%) were either "credit invisible" or "credit unscorable," meaning they do not have a credit history with a nationwide credit reporting company or their file has insufficient recent credit history,[6] respectively.
- Had a median debt of $1,010 and $0 in savings.[7]

In many instances, participants found themselves in what seems like an impossible situation: unemployed, facing debt with mounting interest, and having no savings nor credit to get by as they sought employment and attempted to better their situation. Such financial challenges can significantly hamper an individual's ability to find and retain employment.

Why Integrate?

Financial insecurity can be a barrier to program completion and job placement:	**Poor credit can disqualify a person from obtaining a job because employers may use credit reports as a way to screen job applicants.** As of February 2017, only 11 states have laws banning the use of credit scores to screen applicants. Even in these states, enforcement is difficult to carry out in practice, and there is limited public awareness of the right to be employed without a credit check. Laws on credit checks are undermined by significant exemptions.[8] For example, if a prospective employee handles cash or goods, he or she could still be required to show a credit history.
	Lack of emergency savings for financial emergencies may mean less time is available for job searching and skill development. According to the Pew Charitable Trusts, 60% of United States households experienced at least one financial shock during a 12-month period. Additionally, one in three American families do not have any savings, and nearly half of all Americans would struggle to come up with $400 dollars to cover an emergency.[9] For job seekers, a car breaking down, a high utility bill, or a surprise medical issue can quickly sidetrack energy and attention away from skill building and job searching.
Financial insecurity can be a barrier to job retention:	**Participants may have unaddressed wage garnishments.** According to the ADP Research Institute, approximately 7% of all U.S. employees undergo "wage garnishment." A wage garnishment is a deduction from an employee's monetary compensation due to debt owed to another party, and it may continue until the employee's debt is paid off. Unaddressed wage garnishments not only reduce pay—they also diminish the value of staying employed, especially if the wage garnishment is a surprise.[10]
	Participants without a bank account may have difficulty receiving paychecks from employers. Seven percent of Change Machine participants (reflecting the same 7% according to the 2015 FDIC's National Survey of Unbanked and Underbanked Households) do not have a bank account; however in 2016, 82% of U.S. workers received paychecks through direct deposit.[11]
	Lack of financial security leads to greater stress, lower productivity, and higher rates of absenteeism. The Consumer Financial Protection Bureau reports that 70% of American workers say financial strain is their most common cause of stress. Across workers of all generations, 24% admit their personal finances have been a source of distraction while at work. Of these workers, 39% spend at least three hours each week at work either thinking about or dealing with financial problems.[12]

These facts and figures highlight the significant potential impact of financial insecurity on employment outcomes. Embedding financial security building strategies into workforce development programs can help reduce the frequency and degree of these hardships.

Next Issue Brief: "How can you do it?" *How workforce development organizations actually integrate financial security practices*

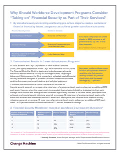
ACKNOWLEDGEMENTS

The partnership between The Financial Clinic and Corporation for a Skilled Workforce that led to the creation of this report series was made possible by a generous grant from MetLife Foundation.

MetLife Foundation

RESOURCES

See below for additional resources related to financial security and workforce development program work.



https://thefinancialclinic.org/wp-content/uploads/2016/12/CM-workforce-14.pdf

https://thefinancialclinic.org/wp-content/uploads/2015/04/scaling-financial-development.pdf

ENDNOTES

[1] The most recent national Workforce Benchmarking Network survey collected aggregate data on demographics, services and outcomes from 259 workforce development programs operated primarily by community based organizations. See http://skilledwork.org/wp-content/uploads/2016/05/A2A-update-full-report-FINALMay102016.pdf.

[2] The study reports, "The percent of FOC participants who were employed year-round increased by 21-percentage points from the year before program entry to the second year after. This change was significantly greater than that found among comparison group members." Economic Mobility Corporation, First Steps on the Road to Financial Well-Being, September 2016, available at http://economicmobilitycorp.org/uploads/16024%20First%20Steps_R5-REPORT-web.pdf.

[3] The network of Financial Opportunity Centers—coordinated through Local Initiatives Support Corporation (LISC)—offers integrated services consisting of employment and career counseling, one-on-one financial coaching, and access to low-cost products to build credit, savings and assets.

[4] The Financial Clinic's online financial coaching platform that collects data related to each participant's financial behavior and outcomes.

[5] Understanding FICO Scores. FICO, 2017, www.myfico.com/downloads/files/myfico_uyfs_booklet.pdf.

[6] Definitions of "Credit Invisible" and "Credit Unscorable" by Consumer Financial Protection Bureau. "Who are the credit invisibles?: How to help people with limited credit histories". December, 2016 https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201612_cfpb_credit_invisible_policy_report.pdf.

[7] Change Machine customers who are participants in workforce development programs served since January 1, 2016.

[8] Traub, Amy, and Sean Mcelwee. "Bad Credit Shouldn't Block Employment ." Demos , Feb. 2016.

[9] The Pew Charitable Trusts, The Role of Emergency Savings in Family Financial Security: How Do Families Cope with Financial Shocks? (Brief—October 2015).

[10] "ADP Garnishment Report." ADP Garnishment Report - ProPublica, www.propublica.org/documents/item/1301187-adp-garnishment-report.html. Accessed 2017.

[11] Nacha.org. (2017). New NACHA Survey Shows Adoption and Awareness of Direct Deposit via ACH Continues to Build | NACHA. [online] Available at: https://www.nacha.org/news/new-nacha-survey-shows-adoption-and-awareness-direct-deposit-ach-continues-build.

[12] "Financial Wellness at Work." Consumer Financial Protection Bureau. August 2014. Web.

When Is More Not Extra?

Effective Strategies for Financial Security

ISSUE BRIEF 2 ▸ How can you do it?

How workforce development organizations actually integrate financial security practices

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 delve into how organizations can determine the range of financial security practices that other peers have adopted and emerging best practices.

In April 2017, the Clinic and Corporation for a Skilled Workforce conducted a special survey of programs in CSW's Benchmarking dataset offering some kind of financial services to most participants. The majority of responding organizations said they used career coaches or dedicated staff members to tackle financial security issues with customers. Some organizations also utilized external partnerships including local banks, other social service providers, and individual volunteers to offer financial security services.

What Are Integration Options?

Co-location

Several services (e.g. financial education workshops, free tax preparation services) across different partners offered at a single location. Participants often select the supports they are interested in. This method leverages foot traffic to improve efficiency and convenience. This approach may require a single coordinating person or support to manage schedules and services. Existing scope of supports may shift with different partners.

Bundled Services

Programs bundle and sequence services rather than offering just one component, or leaving it up to participants to seek out additional services. It is a framework put in place to decide the strongest connection between supports. Participants commit to participating in all services offered in the bundled approach.

Financial Security Ecosystem

In an ecosystem, financial security strategies become part of workforce development programming. In the first step of a two-pronged approach, financial security is embedded into the existing activities workforce development organizations already perform. Then financial coaching is offered to the participants with intractable financial insecurity. An experienced financial coach is also a key player in building the capacity of the organization. For example, they often teach frontline staff how to coach participants rather than "case manage" them, thus sustaining the ecosystem.

WHAT DOES INTEGRATION LOOK LIKE PRIOR TO JOB PLACEMENT?

In the early stages of workforce development programming, participants and career counselors can work together to address existing financial problems and set the job seeker up for success upon job placement.

To understand different financial security services and approaches, we reviewed a sample of organizations surveyed by CSW and the Clinic in April 2017. Fifty percent of this sample reported that they had provided financial security services for 10 years or more. These organizations varied widely in the ways they executed their financial security services, but these are the most common types of financial security strategies that workforce development programs have integrated in order to maximize workforce outcomes:

ANNE has recently graduated from high school and enrolled part-time in community college; she lives with her mother and two younger brothers. She is looking for a job to help pay for her student expenses. She is a good candidate for a few clerical positions, but she is "credit invisible," never having applied for a credit card before. She is unsure of how a job might affect her mother's eligibility for food stamps, subsidized-housing eligibility, or her family's tax refund when her mother files next year. Anne knows that her job will allow her to contribute to the household expenses, and will allow her to save for next year's transition to a four-year college, but she wants to be sure she is not harming her family's net financial situation in the process.

- **Identify financial goals:** Participants can identify meaningful financial goals by selecting the financial milestones that are most important to them. Goals are a powerful motivating force, regardless of a person's income or employment status. By contextualizing a job and its benefits as a means to achieve their financial goals, a participant is more likely to focus on what's needed to succeed in all phases of their workforce program, such as program completion, job placement, and retention.
- **Review credit reports:** Using free online tools, programs can pull credit reports to help participants learn how to evaluate their credit score and debts. By understanding the information on their credit report, a job seeker is empowered to take control over their financial situation. Reviewing credit reports can also expose identity theft and other unknown debts and loans.

JOŚE felt his ongoing job search was becoming futile. He grew more optimistic when he was referred to a nonprofit for their four-day job readiness and placement program. On the third day, a job developer ran his credit report—a standard protocol once the program had assessed the volume of participants with debt or credit barriers to employment—and discovered his identity had been stolen. José called the fraud department of a large store he had previously shopped, and he found that someone had transferred his account to another person's address in Florida and made nearly $7,500 in fraudulent charges. These charges were later disputed, and José opened a new account to prevent future fraud. José was better equipped to job search after his credit fraud issues were resolved, and he could search with the peace of mind that poor credit would not prevent a prospective employer from hiring him.

- **Manage debt:** A staff member or coach can work with a participant to calculate and organize his or her debts. These activities inform a participant of how their debts will impact their future earnings and budgets, which, in turn, motivates them to achieve repayment. Credit reports typically reveal all of an individual's debts. There are many free debt-management resources online, such as calculators and spreadsheets, intended to help job seekers create and manage a debt repayment schedule. Furthermore, reviewing debts can flag the possibility of wage garnishments.
- **Budget development:** Participant counseling helps them create a financial plan that regularly allocates assets towards expenses, savings, and debt repayment, to ensure that they better their finances consistently over time. Similar to debt management tools, there are many free and helpful resources online, such as spreadsheets and "financial technology" applications, that can be used to create a budget. Budgeting activities help a participant achieve program completion and navigate lengthy time periods during which they are unemployed. Budgeting also helps a participant anticipate their new financial reality after they have found a job, and to be realistic about where higher wages or new sources of income will need to be directed in addition to meeting basic needs (e.g., addressing debts that have accrued while unemployed).
- **Understand financial transaction costs and open accounts:** Financial transaction costs include costs related to opening, maintaining, and withdrawing from financial products, such as bank accounts. A participant can receive counseling on how to open a bank account and why opening one is necessary, which can in turn reduce needless costs and encourage better saving habits. Banking tip sheets, like those on the Clinic's Change Machine, can help participants avoid fees. Staff can help participants navigate the processes required to open an account and become "credit visible."

WHAT DOES INTEGRATION LOOK LIKE AFTER EMPLOYMENT?

Many job seekers think that a job offer leads to a certain path of financial security; however, a job offer alone is not a guarantee. There are challenges within the first few months on a job that can be especially daunting for low-income workers, and being able to navigate these challenges is critical to their long-term success. Previous financial insecurities may now lead to significant costs that must be addressed quickly—whether it is a dormant debt that can now be collected through paycheck garnishment, or the impact of new income on continued eligibility for public benefits, such as subsidized housing or child care.

Some strategies for strengthening a participant's financial security after employment are described below:

- **Leverage and manage work supports:** As job seekers obtain employment, they may find themselves eligible for new tax credits, such as the Earned Income Credit or the Child Tax Credit. At the same time, they may also lose opportunities to access benefits programs, such as the Supplemental Nutrition Assistance Program (SNAP). Being aware of these eligibility changes will help participants more wisely budget, spend, and save. In Anne's story, for example, staff can provide state-specific benefits information to help her better understand the ways in which her new employment might impact her family's benefits and net income.
- **Continue Budgeting:** As discussed in the "Prior to Job Placement" section, participants should continue to execute a financial plan after job placement. Free online financial services tools can help individuals budget long-term and will automatically update when linked to financial accounts. Stronger budgeting skills and these types of tools help job seekers prepare for different budget stages as their income increases and their benefits decrease.

- **Establish and improve credit score:** Upon achieving job placement, individuals may receive access to credit and other new financial products. It is critical that they leverage this time to strengthen their credit and make sound financial decisions. In José's example, frontline staff provided information that equipped José to build his score up post-identity theft and protect himself from future theft.
- **Consistently save:** Savings refers to any income that is not spent. Saving should be viewed as an activity, rather than an amount, and consistent saving propels job seekers toward achieving their financial goals. Furthermore, accumulating savings can provide an emergency "cushion," and lessens the impact of possible future income dips caused by unanticipated events such as unemployment, an accident that incurs high medical expenses, or other financial emergencies.

Next Issue Brief: "What about roadblocks?" *How workforce development organizations have overcome challenges of integration*

ACKNOWLEDGEMENTS

The partnership between The Financial Clinic and Corporation for a Skilled Workforce that led to the creation of this report series was made possible by a generous grant from MetLife Foundation.

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**

CSW Corporation for a Skilled Workforce
Good Jobs. Thriving Communities.

THE FINANCIAL CLINIC℠ Creators of Change Machine

When Is More Not Extra?

Effective Strategies for Financial Security

ISSUE BRIEF 3 ▸ **What about roadblocks?**

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.

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.[1] 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."

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.

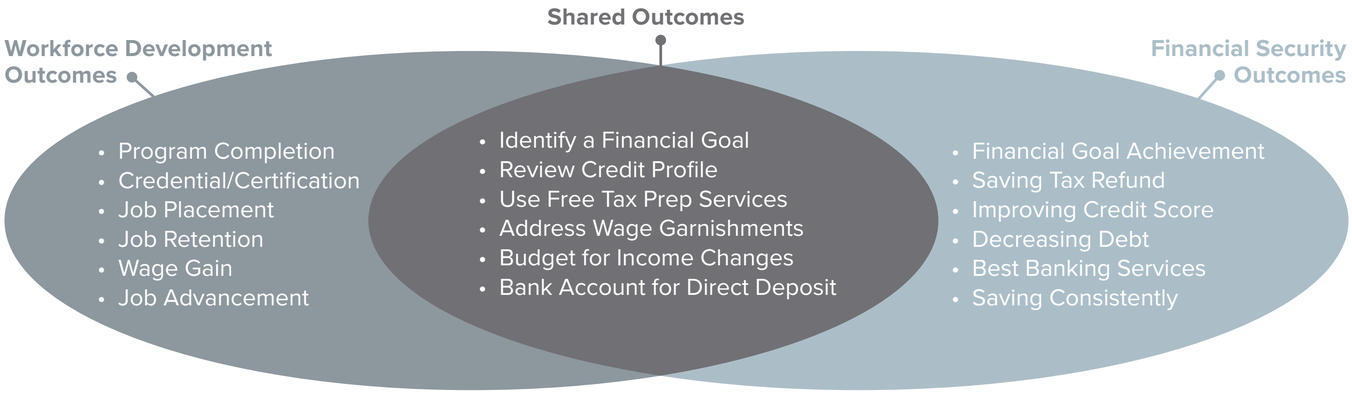
For most direct service organizations, financial security data collection for individual participants requires an additional effort, one that is not necessarily aligned with the immediate "result" goals of the organization and frontline staff. New work procedures or data fields may need to be put in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

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

The partnership between The Financial Clinic and Corporation for a Skilled Workforce that led to the creation of this report series was made possible by a generous grant from MetLife Foundation.

WorkBOOST NYC was made possible by a generous grant from JPMorgan Chase & Co. Additional support for WorkBOOST NYC was provided by Tiger Foundation, the Ira DeCamp Foundation, the Altman Foundation and Robin Hood Foundation.

MetLife Foundation

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**

ENDNOTES

[1] ChexSystems is a consumer reporting agenda under the Fair Credit Reporting Act that reports consumer information on closed checking and savings accounts.

CSW Corporation for a Skilled Workforce
Good Jobs. Thriving Communities.

THE FINANCIAL CLINIC℠ Creators of Change Machine

When Is More Not Extra?

Effective Strategies for Financial Security

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)	Cohort 2 (2017)
Madison Strategies Group	CAMBA
Opportunities for a Better Tomorrow	Seedco
Phipps Neighborhoods	Comprehensive Development, Inc.
Stanley Isaacs Neighborhood Center	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…"*
>
> –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:**
>
> *"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."*
>
> –Alex Holt, Director of Programs, **Madison Strategies Group**

ACKNOWLEDGEMENTS

The partnership between The Financial Clinic and Corporation for a Skilled Workforce that led to the creation of this report series was made possible by a generous grant from MetLife Foundation.

WorkBOOST NYC was made possible by a generous grant from JPMorgan Chase & Co. Additional support for WorkBOOST NYC was provided by Tiger Foundation, the Ira DeCamp Foundation, the Altman Foundation and Robin Hood Foundation.

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**