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 standout:

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

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
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

495

ORGANIZATIONS TRAINED TO SUSTAINABLY EMBRACE FINANCIAL SECURITY STRATEGIES

17

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 the fellow practitioners, Change Machine aggregates the data of over 50,000 customers and surfaces actionable insights to produce lasting Change.

CHANGE MACHINE CUSTOMER AND ECOSYSTEM MAP

States with Ecosystems or Offices
States with Change Machine Customers

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
The Robin Hood Foundation
Rockefeller Philanthropy Advisors
Single Stop USA
TD Charitable Foundation
Wachs Family Foundation

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To make a tax-deductible donation to The Financial Clinic, visit thefinancialclinic.org/donatenow

Right Time, Right Place, Right Product

The Clinic Scores a Policy Win for New Yorkers

Refund529

(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 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.

No Savings
$1–$499 in Savings
$500–$2,000 in Savings
$2,000–$4,999 in Savings
$5,000–$10,000 in Savings
$10,000–$24,999 in Savings
$25,000–$49,999 in Savings
$50,000–$99,999 in Savings
$100,000–$249,999 in Savings
$250,000–$499,999 in Savings
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$100,000–$249,999 in Savings
$250,000–$499,999 in Savings
$500,000–$999,999 in Savings

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.