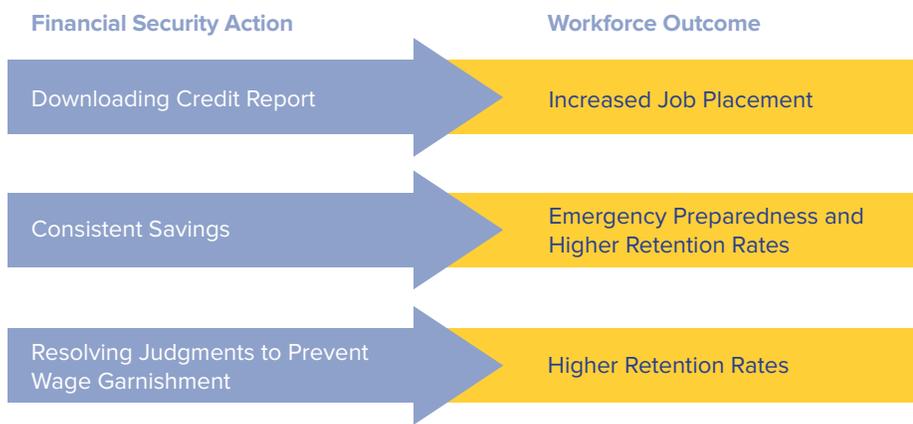


Why Should Workforce Development Programs Consider “Taking on” Financial Security as Part of Their Services?

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



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.

Low-wage workers whose career coaches incorporated financial coaching into their service delivery worked 67 percent more hours and increased earnings by 27 percent.*

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.

3 Financial Security Milestones’ Impact on Workforce Development Outcomes*

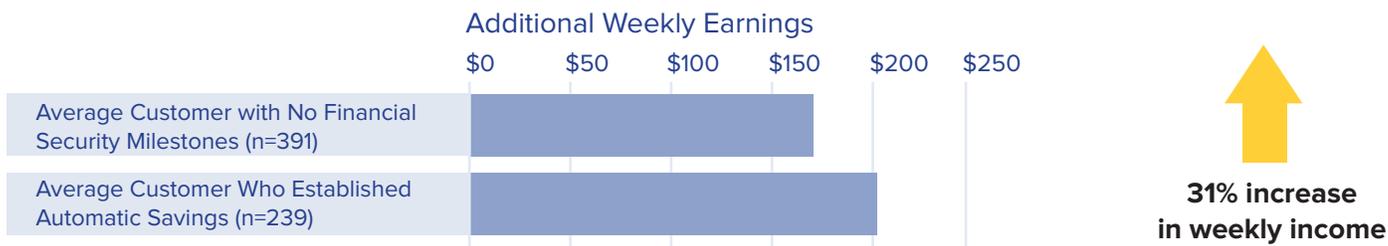
Number of Financial Security Milestones Achieved	Additional Hours Worked	Percent Change	Additional Income Earned	Percent Change
0	9	-	\$173	-
1	10	11%	\$172	(1%)
2	12	33%	\$224	29%
3	15	67%	\$219	27%

“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

4 Consistent Savings is a Tool for High Impact Job Advancement*

Low-wage workers whose career coaches assisted them in establishing automatic savings demonstrated a **31 percent higher** weekly increase in income than those who did not receive any financial coaching services.



5 Access to Low-Cost, Mainstream Banking Facilitates Job Success*

Job seekers whose career coaches helped them to open low-cost bank accounts had a **33 percent higher** increase in their work hours than those who did not receive any financial coaching services.



6 Workforce Development and Financial Security*

	The Clinic's Theory of Change	What Career Coaches Can Do Using Change-Machine.org
Employment Readiness	A weak credit history is a barrier to employment as more employers use credit reports as a screening test.	Download and review credit report.
Job Acquisition	Becoming "banked" and maximizing financial services supports the career advancement process.	Sign up for direct deposit, with a new bank account if necessary.
Career Goal Setting	Financial goals can be a critical impetus to retention in low-wage survival jobs as they give purpose and context to long-term career planning.	Set action-driven, passionately-held financial goals.
Systematic Change	Asset-building pushes workforce development services from poverty alleviation to financial mobility.	Establish consistent savings through an auto-deduct feature.

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**.

* Rebecca Smith, Mae Watson Grote and Karina Ron. *Scaling Financial Development - Improving Outcomes and Influencing Impact*. February 2011. The Financial Clinic.

Visit <https://change-machine.org/signup> to try *Change Machine* FREE for 30 days!