



Moving Families *toward a Brighter Future*

Presented to:

Driving Toward Success Convening

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The Ways to Work Approach

- Focused financial education for all applicants
 - ✓ “just-in-time” financial education class
 - ✓ household budgeting
 - ✓ reviewing/repairing credit report and score
- Low interest, character-informed loan with real-world expectations for repayment
- The car serves the family and the program
- Case management services maximize success with the loan

The Ways to Work Loans

- Loan values up to \$6,000 – flat 8% interest rate
- Loans carry 24-30 month repayment terms
- Typical monthly payments of \$150 to \$220
- Borrowers save \$750 to \$3,000 in interest alone vs. their alternatives (Buy Here, Pay Here Lots)

Current Scale

- Currently has 53 offices in 23 states in operation
- 12 new / expanded offices in development, 3 new states
- Originated \$9.6M in new loans to 2,500 families during the past two years (2009-2010)
- Provided ~4,400 complete financial education experiences in 2010
- Current 24-month repayment rate is ~90%

History of WtW Evaluation

- Self-generated outputs, implied outcomes
- Self-generated outcomes not randomized
- Third-party outcomes, +/-5% confidence interval
- Third-party longitudinal credit score outcomes
- Third-party outcomes plus quasi-experimental impacts, initial ROI calculations

Key Challenges to Good Evaluation

- Lack of internal expertise
- Dispersed program data (now overcome)
- Demographic challenges of client base
- Expense levels for good execution
- Audience expectation for frequency of renewal

Ways to Work 2011 Evaluation Design

Program Evaluation

- Borrower survey
- Local site survey
- Community-level data
- Interviews

Track progress towards goals and refine approach

Credit Impact Study

- Quasi-experimental
- Propensity score analysis
- Comparison of Ways to Work borrowers with non-borrowers

Separates program impact from environmental factors

Return on Investment

- Monetize the benefits of the Ways to Work program for partners and participants
- Compare benefits against investments and extrapolate over time

Exhibits value of program

Impressive Results

(2006 & 2009 Program Evaluations)

- Borrowers averaged a **41%** increase in income
- **90%** reported car helped them maintain/advance in employment
- **50%** accessed education or job training with the car
- **87%** of (former) government cash assistance clients continued to be self-sufficient after paying off loan
- Credit scores improved during *and* after program participation, improvement continues in subsequent years
- More than two-thirds of clients “get banked” by traditional financial institutions within 36 months



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