



Economic Inclusion: New Pathways to Financial Stability

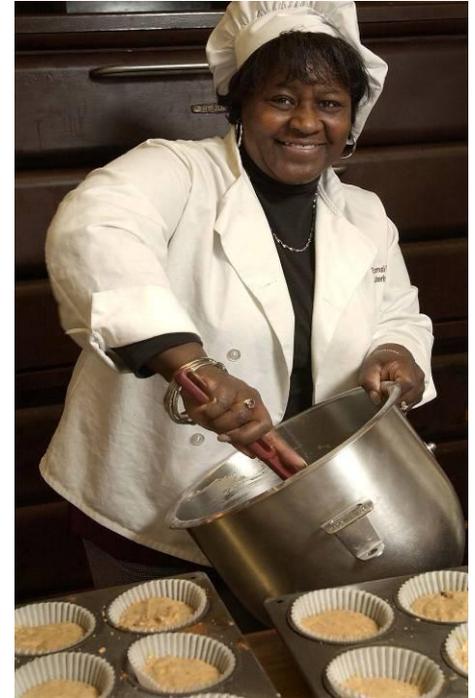
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Jones Family in Baltimore, MD	Before	Workforce Development	Access to Benefits	Accessing Affordable Financial Services
Income				
Wage	\$ 19,008	\$ 25,344	\$ 25,344	\$ 25,344
Child Support	\$ 2,436	\$ 2,436	\$ 2,436	\$ 2,436
Interest Income from Savings (avg. \$1500 at 1.5%)	-	-	-	23
Total Income	\$21,444	\$ 27,780	\$ 27,780	\$ 27,803
Expenses				
Housing/Utilities	\$ 8,808	\$ 8,808	\$ 7,603	\$ 7,603
Child Care	\$ 8,988	\$ 8,988	\$ 5,842	\$ 5,842
Food	\$ 4,752	\$ 4,752	\$ 4,752	\$ 4,752
Transportation	\$ 3,444	\$ 3,444	\$ 3,444	\$ 3,444
Health Care	\$ 3,108	\$ 3,108	\$ 1,942	\$ 1,942
Miscellaneous	\$ 2,880	\$ 2,880	\$ 2,880	\$ 2,880
Total Household Expenses	\$31,980	\$ 31,980	\$ 26,463	\$ 26,463
Check-cashing	\$ 380	\$ 507	\$ 507	60
Furniture Finance Charges (valued at \$2000)	\$ 1,809	\$ 1,809	\$ 1,809	\$ 70
Emergency Loans (or pay-day)	\$ 596	\$ 596	\$ 596	\$ 85
Total Finance Charges	\$ 2,785	\$ 2,912	\$ 2,912	\$ 215
Earned Income Tax Credit (federal)			\$ (518)	\$ (518)
Child Care Tax Credit			\$ (960)	\$ (960)
Child Tax Credit			\$ (2,000)	\$ (2,000)
Total Expenses	\$ 34,765	\$ 34,892	\$ 25,897	\$ 23,200
Net Income	\$ (13,321)	\$ (7,112)	\$ 1,883	\$ 4,602

Family Financial Stability

- Sufficient family income
- Transferable job skills
- Manageable expenses
- Smart debt
- Post-secondary education plan
- Opportunity for retirement @ 65



Outcomes

- Net income**
 - All income- all expenses (monthly)
- Credit report/score improvement**
- Net worth- positive changes**
 - Assets - Liabilities
- Employment placement & retention**
 - 3, 6, 12 & 24 month
- Career/wage advancement**
- Debt reduction**
- Budget implementation**



Integrated Service Delivery

□ 3 Sets of services

- Employment placement & career advancement
- Financial counseling & coaching
- Income supports

□ Purposeful integration

- Job placement includes budgets, balance sheets, credit reports, benefits screening,



Findings

❑ Positive cash flow matters most

- Improves long term client engagement
- Improves job retention and personal investment in addressing finances

❑ One service alone not sufficient

- Employment programs cannot raise income enough
- Small changes to line items cannot decrease expenses enough

❑ Credit scores matter to daily living expenses & can deliver big cash flow changes



Findings

- ❑ Composite outcomes are more complex to track, but lead to improvements in program service delivery
- ❑ Service integration only happens with a clear client flow plan and structure is known to all staff



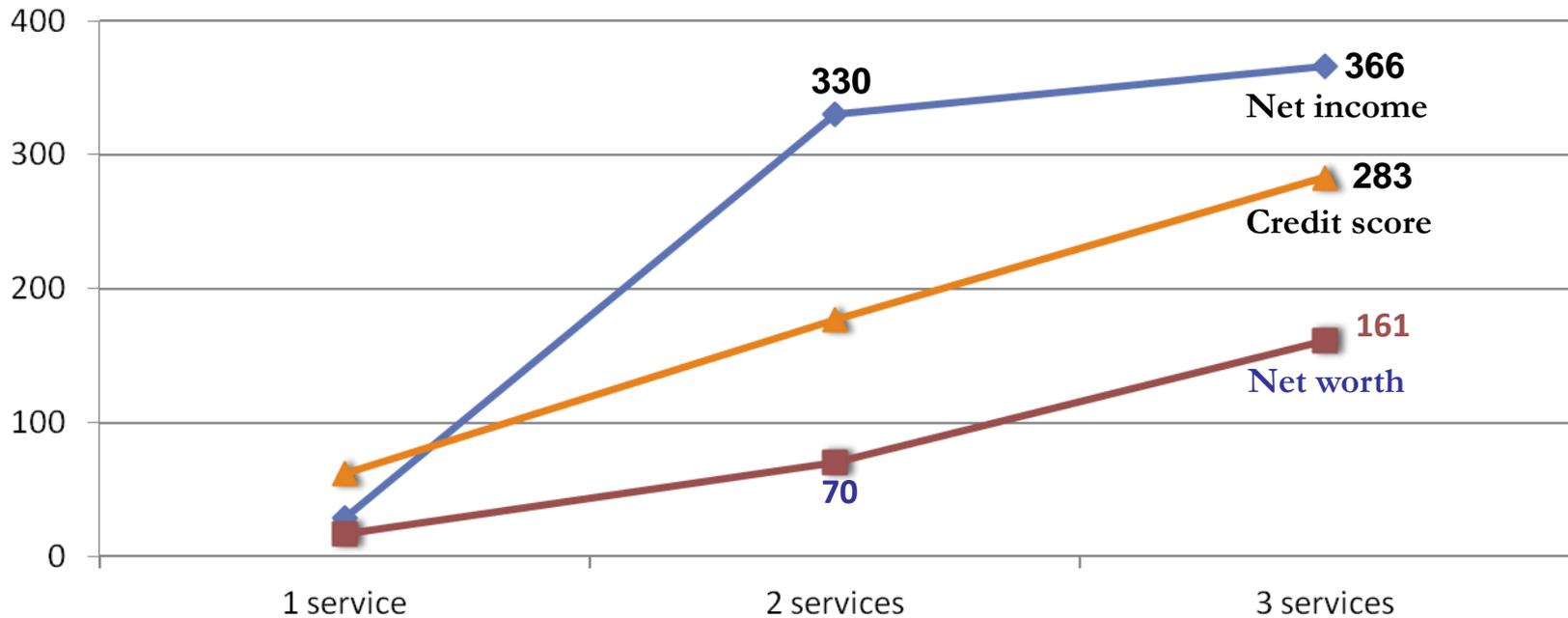
Abt Analysis

- ❑ 40% of clients improved their credit score
- ❑ Over past two years- the debt accumulated for living expenses went down and debt accumulated for asset expenses went up
- ❑ “*Bundlers*” are 3 to 4x’s more likely to achieve a major economic outcome than non-bundlers



Three services better than one

Number of clients with improvements in past 12 months



Clients engaged on two or more services are:

- 4 times more likely to improve credit scores
- 14 times more likely to improve net income
- 11 times more likely to improve net worth

LISC Data

- ❑ 74% addressing their budgets improved monthly cash flow
- ❑ 60% addressing their credit score improved it
- ❑ 44 % w/ 2 balance sheets have an increase in net worth
- ❑ 44 % of the people who return more than once to the financial counselor have at least one major outcome

