The Financial Clinic
Creators of **Change Machine**

Boosting Workforce Development

Improving Workforce Outcomes Through the Integration of Financial Security Strategies

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TABLE OF CONTENTS

1 **Executive Summary**
1 Summary of Key Findings
2 Making the Case to Employers
2 Acknowledgements
3 **Introduction**
4 Meeting Participants (and Programs) Where They Are
5 WorkBOOST NYC
7 **Data and Research Methods**
8 **The Impact of Financial Security Services**
9 Finding 1: Improved Financial Security Improves Participant Job Placement
10 Finding 2: Financial Security Services Improve Job Retention
11 **Key Success Drivers**
11 Success Driver 1: Embedding, Not Layering
12 Success Driver 2: Cultivate Investment
13 Success Driver 3: Embrace the Data
15 **Making the Case to Employers**
15 Where Have Practitioners Had Success in Making the Case to Employers?
16 The “Bottom-Line”: How Building Participants’ Financial Security Reduces Employers' Costs
17 **Conclusion**
19 **Endnotes**
20 **Appendix A**

EXECUTIVE SUMMARY

In 2016, The Financial Clinic ("the Clinic") launched its first Financial Security Ecosystem: WorkBOOST NYC. The goal of this unique collaboration was to support sector-leading workforce development organizations in New York City to embed financial security strategies into their existing service-delivery models. Borrowing a popular metaphor from the high-tech sector, "business ecosystems" leverage the power of connections, collaborations, and continuous evolution to create and capture new value. The Financial Security Ecosystem ("Ecosystem") is designed to advance not only the Clinic's vision and its partners' unique missions, but the anti-poverty field as a whole.

> *"Borrowing a popular metaphor from the high-tech sector, 'business ecosystems' leverage the power of connections, collaborations, and continuous evolution to create and capture new value."*

WorkBOOST NYC included a complete bundle of the Clinic's best practices and services and was designed to seamlessly combine with partners' existing programs through capacity building, direct service, and lasting change—all connected through the Clinic's cloud-based financial coaching platform, Change Machine. Combining customer-level financial data, workforce development outcome data, and qualitative insights from WorkBOOST NYC partners, this report demonstrates the positive impact of integrating financial security strategies into workforce development programs. In addition, it captures the key characteristics and high-impact practices that help providers of workforce services succeed at integrating financial security services. The Clinic is proud to contribute these results to the growing body of evidence demonstrating the value of financial security strategies to a broad range of workforce organizations.

Summary of Key Findings

The Clinic's analysis of WorkBOOST NYC data and interviews, as well as reflections on the program implementation experience of partners, identified five key takeaways:

CUSTOMER IMPACT

1. Setting Goals and Achieving Milestones

The Clinic believes that forward-thinking, asset-driven, and passionately-held financial goals are essential to motivate the kind of behavior change that enables individuals to build their financial security. Setting goals with a financial coach, or at a workshop, can provide customers with clarity of purpose, help them build confidence, and increase their feelings of self-efficacy. Working with a financial coach to identify goals and create a purpose-driven action plan, as well as tracking those milestones , also had a positive impact on individual coaching participants. In fact, every additional action completed by customers in one program increased their chances of job placement by more than 5 percent.

2. Financial Security Improves Retention

Improved financial security had a significant impact on a customer's likelihood of being retained in a job. For example, customers that received financial security strategies from frontline staff at Madison Strategies Group were 22 percent more likely to be retained after 90 days and 23 percent more likely to be retained after 180 days. For customers that received financial security strategies from frontline staff at Seedco, each additional meeting with a financial coach led to a 13 percent increase in their likelihood of being retained after 180 days.

ORGANIZATIONAL BEST PRACTICES

3. Embedding, Not Layering

WorkBOOST NYC confirms the insight that the Clinic outlined in its 2017 series of issue briefs with Corporation for a Skilled Workforce: The key to successfully delivering financial security content is to fully integrate the curriculum and delivery and referral processes of financial security services into an organization's existing services. It is critical that both frontline staff and organizational leadership view financial security building as an intuitive and seamless mechanism to enhance the organization's existing services, as opposed to extra, unrelated set of tasks.

4. Cultivate Investment

Multi-directional engagement is ideal and working at several levels of the organization concurrently builds momentum and engagement. Successful implementation requires the full commitment and participation of all relevant stakeholders in an organization.

5. Embrace the Data

Measurement and evaluation are key to program success. And while every participating organization came to WorkBOOST NYC with a different capacity in terms of data collection and management, a commitment to improving those capabilities within the Ecosystem is essential. In addition, flexibility and a willingness to leverage the full power of the data collection—to support the delivery and tracking of financial security services—resulted in better quality outcome metrics.

Making the Case to Employers

New employees with improved financial security are more likely to retain employment. This exciting result confirms what other research has suggested: Improved financial security reduces stress and distraction at work and empowers jobseekers to succeed both in the workplace and in other areas of their lives. Turnover is a major expense for employers and retaining the best talent can give any business an edge over the competition. These results bolster the case for financial security building and provide workforce development organizations with additional data to make this compelling case to partners in the private sector.

Acknowledgements

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CAMBA where you can

CAMBA's HomeBase, a homelessness prevention program, provides a variety of homelessness prevention tools to assist families and individuals experiencing a housing crisis and who are at imminent risk of entering the shelter system. "Forward Focus" is the workforce development program within the HomeBase program.

Madison Strategies Group

Madison Strategies Group (MSG) helps individuals reach their full potential and achieve economic mobility by developing and delivering innovative employment, education, and financial empowerment strategies. MSG does this by serving as a bridge between those that need short-term training and the businesses that need skilled workers.[1]

Seedco

Seedco designs and implements innovative programs and services for workers, families, and businesses. Seedco's Youth Advancing in the Workplace program supports struggling, young adults to retain jobs, achieve wage gains, or move along a career pathway.

INTRODUCTION

With unemployment at a near-historic low, it might be tempting to assume that workers' financial security has improved as employers are forced to compete for the best talent. However, even a decade after the financial crisis, many workers continue to face a variety of financial challenges.[2] While wages for many stagnate, Americans are managing record levels of consumer and student loan debt, struggling to save, and are everywhere facing pressure to keep up with the changing nature of work. Research suggests that this financial stress can make employees less engaged, miss work more often, and more likely to quit.[3]

Jobseekers and workers also face a number of complicated challenges in today's workplace that can make it even more difficult to succeed. Seven percent of U.S. employees suffer from wage garnishment only 11 states have laws banning the use of credit scores to screen job applicants; and, while 82 percent of workers receive paychecks through direct deposit, many low- to moderate-income individuals do not have bank accounts.[4] As a result, there is a growing interest among workforce organizations to integrate financial security services directly into the very fabric of their existing programs.

The Clinic has a history of supporting the workforce field in these efforts. In 2004, the Clinic's founder, Mae Watson Grote, published "Unrealized Gains," an environmental scan of workforce programs and an exploration of the case for embedding financial security. In 2008, the Clinic partnered with the New York City Department of Small Business Services, the agency responsible for coordinating adult workforce services, to design and embed financial security building into existing supports for new employees. In the 2011 report "Scaling Financial Development," the Clinic demonstrated that even basic financial security building strategies, like helping jobseekers pull their credit reports or open a bank account, correlate with both increased hours worked and weekly wages.[5]

In 2017 and with support from MetLife Foundation, the Clinic and The Corporation for a Skilled Workforce co-wrote a brief series, "When is More Not Extra," to better understand the impact of financial security strategies on workforce programs and the ways in which integrating financial security services into workforce programs can achieve greater impact without requiring significantly extra cost and time.

Driven by the belief that providing these additional services does not need to be a burdensome undertaking, the Clinic launched WorkBOOST NYC, its first Financial Security Ecosystem ("Ecosystem"), in May 2016.[6] The Ecosystem is a comprehensive partnership approach that builds financial security for low- to moderate-income individuals at scale and accelerates program improvement and outcomes. In an Ecosystem, Clinic staff work with leadership at partner organizations to plan where and how to integrate financial security strategies into existing workflows. Clinic staff also provide comprehensive wraparound supports to ensure successful integration into workforce programs.

Many of the leading workforce organizations in New York City have already begun to integrate financial security services into their programs with significant success. WorkBOOST NYC contributes additional evidence of the importance of this support for jobseekers, and the experiences of partner organizations confirm that financial security services improve mission outcomes. By strengthening the financial security of program participants, these organizations have improved job placement and increased retention, enabling participants to focus on their new jobs while improving confidence and lowering stress.

The purpose of this report is to highlight the impact that financial security strategies have on workforce development outcomes, as observed through the WorkBOOST NYC program. In addition, the Clinic identifies best practices for integrating financial security services into nonprofit organizations' existing programs.

The key findings presented here are not intended to be an exhaustive list of what the Clinic has gleaned from WorkBOOST NYC, but instead are the insights in which the Clinic has the most confidence and those that the Clinic believes will be most compelling and actionable. This paper also suggests a number of avenues for future research, including a deeper investigation into the relationship between financial coaching and workforce program completion and a closer look at the specific mechanisms through which coaching improves participants' job retention. Lastly, the Clinic believes that developing a more comprehensive understanding of the unique barriers faced by certain jobseekers—including, but not limited to, young adults—is of critical importance and can inform both future program design as well as policy interventions. Our commitment to continuing this conversation was a guiding force behind creating SectorBOOST, a new Financial Security Ecosystem based in New York City that focuses specifically on young adult jobseekers. The Clinic hopes that this report marks only the beginning of the organization's contribution to this body of work.

Meeting Participants (and Programs) Where They Are

The evolution of the financial security field accelerated upon the recognition and adoption of the understanding that financial educators, coaches, and counselors could deepen their partnerships with the people they assist—and thus their impact as well—when they "meet people where they are." While the field is not strictly composed of financial coaches, most practitioners have come to acknowledge the effectiveness of a what-they-need and when-they-need-it coaching approach in the service of communities. Meeting people where they are is empowering, deepens partnerships, and drives better outcomes.

The Clinic strives to not only meet people where they are, but to meet programs and practitioners where they are, too.

Borrowing from the social work field and other helping professions, this approach has one central principle: People seeking help are experts in their own lives. Professional training and experience do not eclipse the value of lived experience; in fact, acknowledging and embracing individual perspectives affords practitioners the opportunity to leverage the inherent strengths and assets of their participants—such as past accomplishments, motivations, and values—in addressing their financial insecurity and supporting their progress. In a financial coaching context, this can often be summarized as a person's forward-thinking, asset-driven, and passionately-held financial goal. This powerful starting point has three major implications:

1. The pervasiveness of financial insecurity also means that there is an opportunity to bring exponential scale to the Clinic's financial security mission. In leveraging the nation's existing workforce infrastructure, the Clinic is building a **broad spectrum of entry points** for building financial security, thus ensuring that there are no wrong doors to build financial security. Given that financial insecurity is the very reason low- to moderate-income people access nonprofits—otherwise, jobseekers would simply hire career coaches, headhunters, or network with angel investors—the Ecosystem model first recognizes that financial insecurity is a foundational issue underpinning every mission that the Clinic's nonprofit partners strive to fulfill every day.
2. There is no wrong point for building financial security, yet it is unlikely that frontline staff have the bandwidth or subject matter expertise to deal with complicated financial issues. Therefore, practitioners require a **deep toolbox of strategies** that is laser-focused on resolving common pain points in service-delivery. From jobseekers navigating prospective employers who check credit histories to newly employed young adults who require bank accounts for direct deposit, the Ecosystem is designed to leverage the relationships that frontline staff have with participants to offer strategies and tools to handle the most common financial barriers to achieving mission.
3. Even when the Clinic has employed a "meet the program where they are" approach and reframed financial security in accordance with what-the-program-needs and when-the-program-needs-it, the work is not sustainable unless there are better **outcomes**. Effectively integrating financial security strategies into existing programs that serve low- to moderate-income individuals in workforce organizations requires connecting the new activities and amplified results, such as lower recidivism or higher retention.

The Clinic's partners are already experts in delivering their own programs, and therefore not asked to adopt a preconceived definition of success.[7] The Clinic aims to leverage the inherent strengths and assets of partner organizations by adopting only the strategies that alleviate their barriers and amplify their outcomes. As such, meeting the program where they are illustrates the power of connections, collaborations, and continuous evolution to create and capture new value.

Seamless embedding of financial security services is powered by the Clinic's financial coaching platform, Change Machine. Built by practitioners for practitioners, Change Machine delivers online training materials, tipsheets, and lessons that help frontline staff master financial coaching topics such as building or repairing credit, protecting against identity theft, and applying for unemployment insurance. The platform also provides a central location for staff to enter participants' financial data and track progress through a mutually defined action plan oriented toward building financial security. Lastly, Change Machine gives users access to a nationwide network of financial coaches and financial security practitioners to support them in serving their participants.

WorkBOOST NYC

HIGHLY TAILORED, INTENSE CUSTOMIZATION

In WorkBOOST NYC, the Clinic partnered with eight high-performing NYC-based workforce organizations over the course of two years to deepen the full value of financial services integration. WorkBOOST NYC's first cohort of partners included the following workforce development organizations: Madison Strategies Group, Opportunities for a Better Tomorrow, Phipps Neighborhoods, and the Stanley Isaacs Neighborhood Center. All of these organizations successfully integrated financial security building curriculum and referral processes into their existing programs. The success of this initial cohort led to the creation of a second cohort in 2017, which included CAMBA, Comprehensive Development, Inc., Seedco, and Year Up, joining returning members Madison Strategies Group and Opportunities for a Better Tomorrow.

Tier 1 Light-Touch Activities

- **Goals:** Identify a financial goal
- **Assets:** Track expenses
- **Banking:** Calculate financial transaction costs
- **Credit:** Pull credit report
- **Debt:** Calculate total debt
- **Taxes:** Refer taxpayers to an IRS VITA site

Tier 2 Financial Security Outcomes

- **Goals:** Achieve a financial goal
- **Assets:** Save consistently
- **Banking:** Reduce financial transaction costs
- **Credit:** Increase credit score
- **Debt:** Reduce debt
- **Taxes:** Save a portion of tax refund toward

WorkBOOST NYC incorporated differing levels of financial security strategies into the organizations' service models that can be broadly separated into "light-touch" and "high-touch" services. To reach more participants, frontline staff were trained to incorporate light-touch strategies into their work and refer program participants with more complex financial challenges to a highly trained Clinic financial coach for virtual coaching sessions or high-touch financial strategies. Examples of high-touch activities and their corresponding stage of implementation, are listed in Table 1 below.

Table 1: **Examples of Financial Security Activities by Program Stage**

Stage of Services	Light-Touch versus High-Touch Financial Strategies	Examples
In Program	Light-Touch by Frontline Staff	Calculate banking fees
		Research appropriate bank accounts
	High-Touch by Financial Coach	Open a bank account
Post Placement	Light-Touch by Frontline Staff	Identify a frozen bank account
	High-Touch by Financial Coach	Obtain a Chexsystems report

Participants who were referred to the Clinic's financial coaches for high-touch strategies were provided with direct one-on-one service and their progress toward building financial security was measured by their achievement of financial outcomes in the following six areas: assets, banking, credit, debt, taxes, and financial goals.

This report focuses on the outcomes and experiences of three top performing organizations that agreed to participate in WorkBOOST NYC's second cohort: CAMBA, Madison Strategies Group (MSG), and Seedco. Table 2 (below) provides a high-level description of the primary characteristics of each organization.

Table 2: **WorkBOOST NYC Organization Demographics**

Organization	Yearly Revenue	Total Staff	Total Programs	Total Participants yearly
CAMBA HomeBase Forward Focus Program	$130.0	1,600	All of CAMBA: 150 Homebase: 2	All of CAMBA: 45,000 Homebase: 4,500
Madison Strategies Group	$1.1	9	3	893
Seedco Youth Advancing in Workplace Program	$7.8	65	All of Seedco: 20	All of Seedco: 7,000 Youth Advancing: 50-100

Financial security services can be integrated across the timeline of a workforce program participant's job-seeking journey. In the early stages of workforce programming, participants and coaches work together to address existing financial problems, setting up the participants for success upon job placement. The most common financial security strategies used early on in workforce programming include identifying financial goals, reviewing credit reports, managing debt, developing budgets, and understanding transaction costs, and opening accounts.

Following job placement, the main financial security strategies used in program integration include leveraging and managing work supports, continuing budgeting, establishing and improving credit scores, and consistently saving. The first few months back at work for a low-income jobseeker can be the most challenging. Challenges may include adjusting to a new schedule, anticipating potential changes in public assistance, and navigating unforeseen expenses like childcare or new clothes.

The logic of integration that drives the Ecosystem model is built on the insight that workforce organizations and asset building programs share many similar goals. Identifying a financial goal can both motivate saving habits and increase morale for work and job searching. Other examples of mutually reinforcing goals include maximizing weekly earnings, reviewing a credit report, addressing wage garnishments, budgeting for income changes, and setting up a bank account for direct deposit.

Snapshot of WorkBOOST NYC Participant Finances

Average credit score	Median debt balance	Median savings	
589	$1,010	$0	45% either "credit invisible" or "credit unscorable."[8]

A subprime credit score makes it much more difficult for a participant to get approval for a credit card or safe loan, limiting access to affordable financing to manage emergencies or purchase necessities like a car. The cost of servicing debt while trying to make ends meet without any emergency savings puts immense pressure on jobseekers, impairing their focus on finding a good opportunity and interfering with workforce program participation. Even high-level statistics suggest the opportunity for further integration between financial security building and workforce programs. A growing body of results suggests significant and positive benefits of financial security services for jobseekers, and the Clinic is proud to add the WorkBOOST NYC program to this collection of results.[9]

DATA AND RESEARCH METHODS

This section outlines the Clinic's research design and methods used to evaluate the impact of WorkBOOST NYC and identify organizational best practices for integrating financial security strategies.

The insights included in this report are derived from a dynamic combination of both qualitative and quantitative data collected throughout the WorkBOOST NYC program. To understand the characteristics and best practices that help workforce organizations successfully integrate financial security services into their existing programs, each participating organization completed a detailed survey to build a baseline profile of organizational characteristics that might reasonably impact their abilities to deliver financial security services. These organizational demographics are important because they help isolate the most influential factors that explain success. They can also contribute to building a profile of workforce organizations that are best positioned to benefit from the integration of new financial security services.

Following completion of the program, the Clinic conducted semi-structured interviews with each partner's Ecosystem Ambassador (or main point of contact at the partner organizations), lasting between 45 minutes to an hour.[10] These conversations focused on major issues in the workforce field, the organization's success and challenges in the WorkBOOST NYC program, and the Ambassador's case to employers regarding the value of their organization's services, including financial security building. Additionally, all of the Clinic's financial coaches that worked closely with each organization participated in a focus group conversation centered on identifying the best practices and key supports that helped each organization achieve the program's goals.

In order to analyze the impact of financial security integration on workforce organization outcomes, this qualitative data was combined with participant-level data collected throughout the course of the program. Clinic coaches tracked key measures of financial security—including participants' asset and debt balances, banking fees, credit scores, and personal financial goals—to understand progress toward financial security. This participant data was matched to historical mission-level data provided by each participating organization. All of the organizations measured their effectiveness through the following metrics: job placement, weekly wages, and job retention. Table 3 below shows a summary of the complete historical and merged participant-level data provided by each organization and denotes the time period for which it was provided.

Table 3: **Summary of Data Collected, by Organization**

Organization	# of Participants	Time Period	Treatment Measures	Outcome Measures
CAMBA Forward Focus	274	April 2017 to February 2019	• Total Financial Outcomes • Total Financial Actions Completed	• Placement in a Job • Retention in Job • Weekly Wages
Madison Strategies Group	2,270	April 2011 to May 2018	• Light-Touch Financial Strategies Received • High-Touch Financial Strategies Received	• Placement in a Job • Retention in Job • Weekly Wages
Seedco	96	September 2015 to December 2018	• Total Financial Coaching Meetings • Total Financial Actions Completed • Total Financial Outcomes Achieved	• Placement in a Job • Retention in Job • Weekly Wages

Each organization provided a different set of historical data reflective of their data collection needs and capacities. MSG, for example, was able to provide all of their participant data from 2011 to 2018, which included 2,270 individual participant records. Seedco and CAMBA provided data from shorter periods, totaling 96 and 274 individual participants respectively. CAMBA began collecting data at the start of their participation in WorkBOOST NYC in 2017, and as such was not able to provide any historical data.

To accurately assess the impact of financial security services on participant outcomes, the Clinic's analysis controlled for participant characteristics like age, race, gender, education attainment, and the year in which services were received. The key findings reported here were obtained by estimating multivariate logistic and ordinary least squares (OLS) regression models, and all reported results were significant at the 95% confidence level. While the Clinic does not claim otherwise, it is important to note that all data collected and analyzed in this report was done in a service delivery context which, for the Clinic's purposes, required a non-experimental research design. As such, the results reported here are intended to provide additional insight into the experiences of WorkBOOST NYC participants and to highlight results relevant for program innovation or other long-term policy or behavior change. Generalizing these findings to the population of adult jobseekers more broadly, rather than interpreting them as reflective of WorkBOOST NYC participants, would be inappropriate.

THE IMPACT OF FINANCIAL SECURITY SERVICES

An important goal of the Ecosystem is to support workforce organizations to accelerate the achievement of their own workforce program goals. Each organization varied in size, funding, program composition, and type of participants served, which complicated consistency in data collection. The Clinic was cautious about making broad outcomes-related conclusions across all programs. However, the analysis supports several clear and positive links between financial security services and improved workforce outcomes at each of the organizations. Table 4 (below) summarizes the primary results.

Table 4: **Key Findings Summary**

Finding	Impact of Financial Strategies on Workforce Development Organizations
Job Placement	**Each additional financial security activity improved job placement for CAMBA participants:** • Each outcome a participant achieved resulted in an **87%** higher chance of being **placed in a job**. • Each additional action a participant completed resulted in a **6%** higher chance of being **placed in a job**.
Retention	**Participants at Madison Strategies Group that received light-touch financial strategies were:** • **22%** more likely to be retained in a job for **90 days**, **23%** more likely to be retained in a job for **180 days**. • **16%** more likely to be retained in a job for **270 days**. • **26%** more likely to be retained in a job for **360 days**. **For Seedco's participants, each additional financial coaching meeting led to a:** • **13%** higher likelihood of being retained in a job for **180 days**.

In the following sections, the analysis focuses on isolating the impact of financial security integration on workforce outcomes. Each organization collected and tracked various financial security integration treatments. The intervention analyzed is whether or not a participant received light-touch financial security service or high-touch, one-on-one engagement (see Table 1 above). All organizations tracked the same workforce outcomes, including job placement, job retention (varying from 90 days to 360 days), and weekly wages for participants placed.

Finding 1: Improved Financial Security Improves Participant Job Placement: CAMBA

The Clinic's analysis found positive correlations between the total number of outcomes a participant achieved, the total number actions a participant completed in Change Machine, and higher job placement. Program participants worked with financial coaches to identify financial goals and created concrete action plans with a set of milestones to help them achieve those goals. Coaches and participants identified both the goals and action steps that are right for them, with the full knowledge that no two individuals have the same path to financial security.

Chart 1: **CAMBA Financial Outcomes Placement**

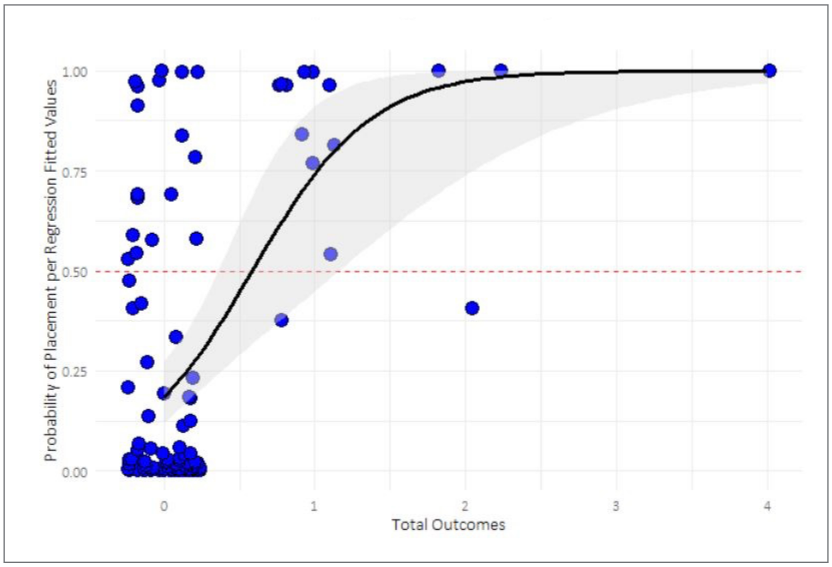


Chart 2: **CAMBA Financial Actions on Placement**

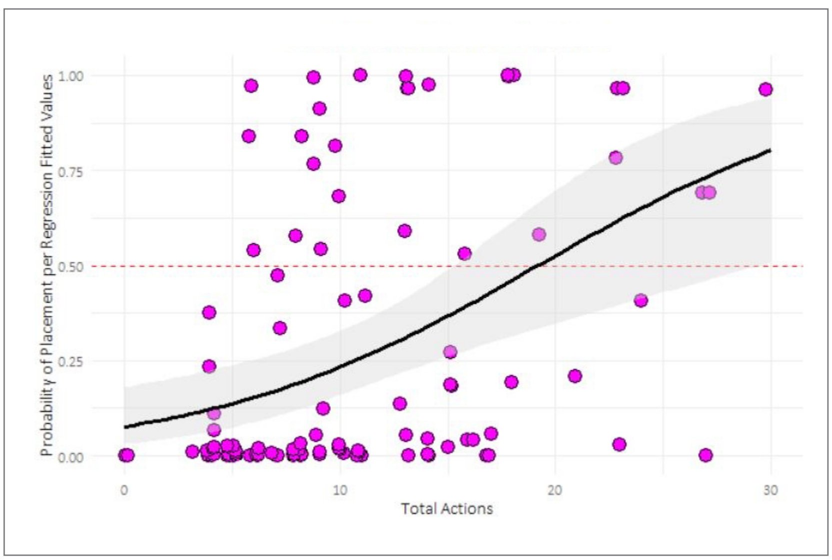


Chart 1 illustrates the relationship between the number of outcomes achieved by CAMBA participants and their chances of being placed in a job. Each additional outcome achieved, depicted along the x-axis, was associated with an 87 percent higher likelihood of being placed in a job. The red line in Chart 1 indicates a fifty-fifty chance of a participant being placed, with points above the line representing a greater than 50 percent chance of getting a placement.

Chart 2 visualizes a similar relationship, this time between the financial security milestones, or actions, a CAMBA participant completed and their likelihood of being placed (see Table 1, above, for examples of actions). Each additional action completed was associated with a 6 percent increase in placement. CAMBA's results suggest that at 18–20 completed actions, participants cross a tipping point and become more likely than not to be placed. This is depicted at the point where the trendline in Chart 2 intersects with the red line at the 50 percent probability mark. This result is of particular interest due to the unusual nature of CAMBA's Forward Focus program.

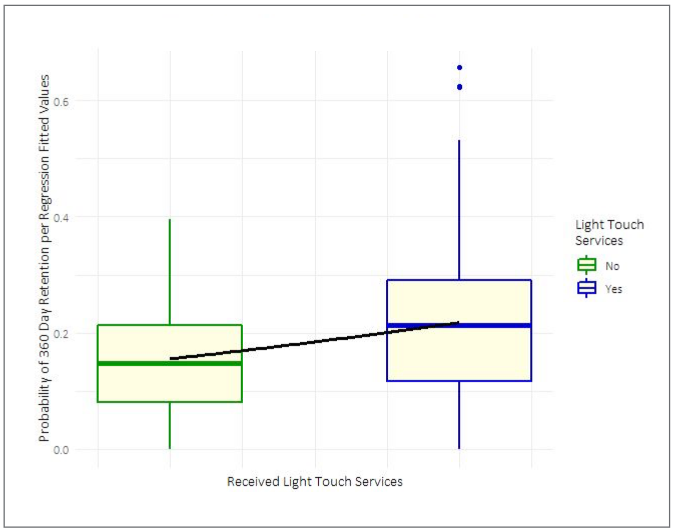
Forward Focus was envisioned as a distinctive partnership between CAMBA's homelessness prevention and workforce development programs, and CAMBA used participation in WorkBOOST NYC to bring more robust support to housing insecure or homeless jobseekers. Financial security building likely looks different for a homeless or housing insecure jobseeker—the Clinic's results suggest that they might benefit more in their job search from achieving outcomes such as becoming credit visible, decreasing debt, becoming banked, and starting to build assets—because they are starting from more challenging and unpredictable circumstances than other populations served.

Homelessness prevention program participants may also see more immediate benefits from developing and executing a set of action steps with a financial coach, possibly establishing an important foundation on which to conduct a more successful job search. This result could also indicate that participants completing more outcomes and actions possess certain intangible characteristics that correlate to achieving job placement. This is a primary reason why the Clinic's financial security model prioritizes helping participants set forward-thinking, asset-driven, passionately-held financial goals, rather than following a one-size-fits-all approach. The intangible motivation provided by a personally meaningful financial or career goal can propel participants to take on the challenges they face, increasing their likelihood of achieving long-term financial security.

Finding 2: Financial Security Services Improve Job Retention

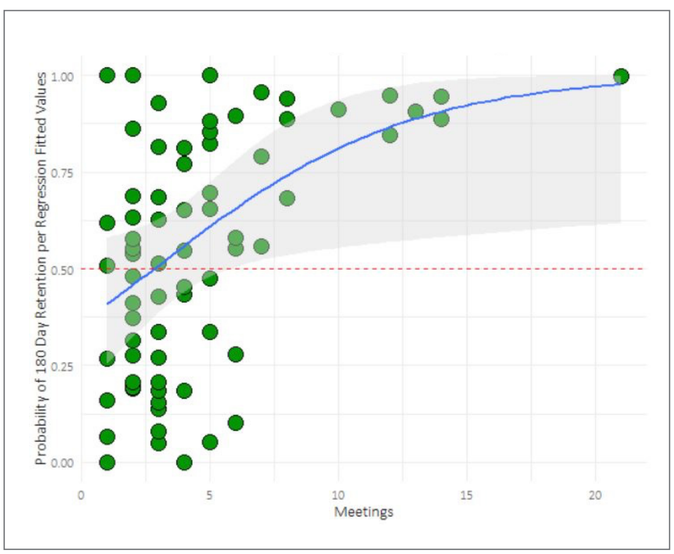
The analysis of WorkBOOST NYC data also found a significant and positive relationship between receiving financial security services and job retention. Light-touch financial strategies had a significant impact on retention at 90 days, 180 days, 270 days, and 360 days post-placement. Chart 3 shows that those participants who received light-touch financial security services had a higher median likelihood of being retained in a job for 360 days. The difference between the solid lines within each box depicts a 26% increase in the probability of retention between the groups that did and did not receive light-touch services. These results strengthen the case for providing participants with even the most basic set of supports.

Chart 3: **Madison Strategies Group Light Touch Services on 360-Day Retention**



"Part of this is about obstacle removal. If you can take away a primary impediment to focusing on your work, then that's huge!" Alex Holt, the Ecosystem Ambassador for MSG, told the Clinic. "Financial strain for so many of our participants is like carrying around a burden, so if more in-work [financial security] support from employers can remove that burden—or lighten it at all—then it can have a significant impact." Holt also spoke of the power of financial security services to transform participants' relationships with their finances, rendering them more mentally available for work and more confident on the job. "Financial security makes it less likely that participants will be "knocked off course" by an emergency," Holt added.[11]

Chart 4: **Seedco Financial Coaching Meetings on 180-Day Retention**



Analysis suggests that receiving light-touch services had a similar impact on Seedco's participants. Specifically, there was a positive correlation between the total financial coaching meetings a participant attended and 180-day retention. Chart 4 depicts this relationship, showing that as the number of meetings attended increased, the probability that a participant would be retained for 180 days increased as well.

When asked about the connection, Megan Perlleshi, CAMBA's Ecosystem Ambassador, noted the specific impact that financial security services may have on retention. She believes that the one-on-one, participant-driven nature of financial coaching can assist participants in considering the role that work and career play in achieving personal goals beyond finances. She went on to explain that part of the value of coaching is to help participants understand how specific jobs will enable them to reach those personal goals, and that this can ensure they avoid taking a job that is not the right fit, to the benefit of themselves and their employer.[12]

These promising results demonstrate the potential benefits of integrating financial security services into workforce programs. Higher placement and improved retention build the long-term financial security of individual jobseekers and also significantly bolster the goals of workforce organizations themselves. The Clinic designed the Ecosystem model to maximize an organization's potential to achieve results like these by delivering comprehensive training and wraparound supports to organizations with the goal of sustainably embedding financial security services.

KEY SUCCESS DRIVERS

A primary goal of the analysis in this report is to understand what supports, activities, or organizational characteristics most related to the successful integration of financial security services. The report now turns to an assessment of the most important factors and themes that participant organizations saw as critical to their outcomes.

Success Driver 1: Embedding, Not Layering

A consistent message from participant organizations, as well as from Clinic staff supporting program implementation, was that success was contingent on fully committing to the integration of financial security work into existing services.

> *"Financial security topics—rather than delivered separately from core workforce programming—can be directly [embedded] 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 how to navigate online applications, submit information electronically, and schedule follow-up actions based on their credit report. These same skills are transferable and often crucial in navigating the employment process from application to interview to hire."*
>
> –Alex Holt, **Madison Strategies Group Ecosystem Ambassador**

Integration, rather than addition, of financial security services simplifies processes for frontline staff, making it easier to generate buy-in and reduce staff objections to adopting a new kind support. The Clinic's financial coaches argue that full integration increases program success by improving communication between staff members, helping them "get on the same page." This is also critical to facilitate sharing information and tools between frontline staff, especially in the early stages of implementation when financial security content might be new to many. Another successful strategy for full integration is to incorporate shared outcomes between financial security metrics and workforce development metrics, in which the most important outcomes serve a dual purpose of improving financial security as well as career mobility.

Ecosystem Ambassadors spoke to the importance of making the case to frontline staff that financial security is not an additional layer of responsibility stacked on top of the services they offer to program participants, but rather a way to enhance the impact of the support they already provide. WorkBOOST NYC partners cited the challenge of embedding financial insecurity without the proper supports of an on-site financial coach.

Frontline staff with experience providing one-on-one counseling or similar kinds of services, the tools to conduct personal conversations about sensitive topics, and familiarity with the elements of participant-led counseling will likely have an easier time integrating new financial security content. Yet, program staff often feel uncomfortable diving into the weeds of the financial security issues that their participants are experiencing. Every organization participating in WorkBOOST NYC spoke to the importance of having an experienced financial coach on site to navigate difficult questions or topics, especially in the early stages of implementation. This is a vital resource for frontline staff as they become comfortable with the financial security framework and topic areas.

> *"[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 jobseekers understand some of the financial challenges that can accompany full-time employment [e.g., wage garnishment, check cashing fees]. These group sessions complement one-on-one financial coaching sessions delivered both pre- and post-job placement."*
>
> –Alex Breen, **Seedco Ecosystem Ambassador**

Lastly, the structure of the program can matter a great deal for the success of integrating financial security building services. The Clinic's experience has shown that there is no one-size-fits-all approach to integration, and the nature of the services already being delivered need to be taken into account when designing the integration strategy. The Ecosystem model provides a set of targeted organizational development sessions and other tools specifically aimed at helping partners assess where in their service delivery process the new content best fits.

For example, programs that already provide a large set of wraparound supports or have clear referral points for external services may have an easier time identifying the right points in the participant journey to introduce financial security building support. In WorkBOOST NYC, Madison Strategies Group was able to successfully make adjustments to their participant intake processes to integrate light-touch financial strategies directly into the workshops they offered. Flexibility and creativity are both essential factors in designing an integration strategy best suited to each program's strengths.

Success Driver 2: Cultivate Investment

Expanding an organization's or program's work by integrating a new set of services requires alignment and commitment from both frontline staff and senior leadership on the value of financial security building. Program leadership must be able to articulate a clear vision for the added value that participation in the Ecosystem will yield, and demonstrate to staff a commitment to successful implementation. This is one of the key reasons why the role of Ecosystem Ambassador is critical.

The Ecosystem Ambassador must be capable of exerting multi-directional influence within the organization, managing up, down, and across functions to align the implementation of financial security services. The Ambassador should have the authority to make and enforce program and planning decisions, yet be close enough to the programs to be familiar with the details of implementation. While it is not necessary for Ambassadors to be the direct supervisors of frontline staff taking on the provision of financial security services, it is essential that they are able to hold staff accountable for meeting program milestones and have the ability to troubleshoot any roadblocks that arise. They must be able to make and implement substantive decisions regarding job descriptions, reporting relationships, and program design and possess the "soft power" to guide others in these processes.

> *"For me, [starting at Madison Strategies Group] I only knew WorkBOOST—I came in and WorkBOOST was a thing, I didn't have an option, and I didn't want an option! WorkBOOST IS the thing! The Financial Clinic was such a resource. Change Machine itself was such a jam-packed resource, but definitely having the trainings and support from my supervisors and my staff to attend those web-based data trainings, those are all really helpful in not only implementing it into our process but being able to provide adequate if not better services in those processes."*
>
> –Ariana Vega, Data Associate, **Madison Strategies Group**

For WorkBOOST NYC organizations, the greatest challenges were maintaining staff commitment to offer and deliver light-touch financial strategies and ensuring that those actions were tracked appropriately. Holding staff accountable to achieve outcomes was challenging for every program, but the most successful were able to assess the problem areas and act quickly to address them. As one Clinic coach observed, "Ambassadors must be willing and able to identify where any gaps in implementation are and communicate these to the Clinic's team so they can receive the support they need."

While the importance of managing up to senior leadership and down to frontline staff may be obvious, the importance of cross-functional influence is perhaps a more nuanced insight. Full integration of new services will likely impact other areas of the organization over which the Ambassador might not have control, requiring the Ambassador to cultivate investment from other programs to make the project a success. Programs that already had built-in robust referral networks tended to succeed better in full integration. In addition, every Ambassador described the difficulty of carving out dedicated funds from existing support to maintain financial security services going forward, despite universally believing in the outsized impact it has on program participants. Each program that takes on financial security needs to develop a plan with its colleagues to make the case to current and future funders about the value of financial security strategies and think creatively about using program data and participant experiences to those ends.

Lastly, one of the most important insights is that every program integrating financial security services is unique and must navigate its own challenges and opportunities to find the path to success. The Ecosystem model is designed in a way that allows the Clinic to work closely with the Ecosystem Ambassador and frontline staff to create an implementation plan that fits that organization's program structure. This flexibility—on both the part of the Clinic and participant organizations—and preparedness to lead and manage a change initiative is key to success.

Success Driver 3: Embrace the Data

A key aspect of successfully integrating financial security building content is the capability and willingness to adapt data collection and program evaluation processes to track the right participant information through a database or data collection software.. Part of the innovation of Change Machine is that, as a Salesforce-based platform, it is meant to improve participant data collection and accessibility, potentially supporting the data needs of the organization beyond the programs through which financial security content is delivered. WorkBOOST NYC's experience shows that the baseline data capacity of the organization or participating program has an important but complicated relationship with the successful integration of financial security services.

The Clinic's experience in WorkBOOST NYC suggests that, at a minimum, embedding organizations must have a culture that understands and embraces the use of data to track and evaluate program success. This means that organizational leadership must set the tone by communicating the importance of robust data collection and management practices, and supervisors need to support frontline staff to ensure that participant data is entered properly. If the organization has an existing robust data collection infrastructure, it is critical to thoughtfully adapt those processes to include participant financial data that is key to financial security services. The most successful programs are those that have a moderate baseline capacity for data collection and evaluation, but have either less developed or sufficiently flexible systems to incorporate new data collection systems or adapt current ones to track mulitple levels of progress and outcomes achievements.

Embedding programs coming to the Ecosystem with more capacity and staff dedicated to data collection and maintenance are better positioned to sustain the added complexity of both maintaining data entry and merging between the multiple platforms, especially the the program's existing data systems. Change Machine is purposely built to make these particular tasks easier, and planned updates will only enhance the support available. For organizations less willing or able to embrace a data-oriented culture, entering participant financial information and tracking light-touch financial actions are more likely to be seen as supplemental or unrelated tasks alongside other data entry responsibilities. This can lead to poor data collection and may reduce staff bandwidth for delivering services.

CAMBA's experience with data collection in WorkBOOST NYC best illustrates the benefits of starting with fewer data collection processes, allowing Change Machine to form the foundation of participant data tracking and management. Program staff saved time that would have been spent entering their participant data into two systems, and did not need to reconcile separate records. This left more time that could be spent supporting participants. However, the organization needed to significantly customize the Change Machine platform in order to track both workforce development and financial security metrics and at times found this challenging.

MSG lies on the other end of the spectrum in terms of data and evaluation capacity. The organization had staff devoted specifically to data, which made it easier for the organization to collect and reconcile data in Change Machine as well as MSG's existing data management system. The additional staff time and resources MSG was able to commit meant that staff could enter program participant data into the platform efficiently—in addition to tracking participant information elsewhere—without distracting from providing financial security services.

These contrasting experiences illustrate the dynamic relationship between data capacity and program success within the Ecosystem. The Clinic anticipates that organizations lying at various points in between—programs with somewhat developed participant data entry and tracking capacity, but without dedicated data entry time or staff—will struggle more to keep pace with data entry and consolidation requirements. This risks overloading frontline staff with a backlog of participant data entry tasks that take away from their time from both mastering financial security building content and delivering it to participants. The design of the Ecosystem allows for the financial coach role to support the program with many data entry tasks, but this also necessarily distracts coaches from providing the deeper coaching support that their role is meant to offer.

The Clinic's assessment of the challenges created by this dual data entry dynamic have directly informed the upcoming fintech updates. By transitioning to a stand-alone application within the Salesforce AppExchange, platform licenses will seamlessly integrate the financial security elements of participant data collection into the existing data structures that organizations already use to collect participant data on Salesforce. The new platform will also enable organizations to customize many more aspects of data collection. In addition to innovations designed to make participant data entry easier, the transition to a Salesforce application will expand the use of Change Machine by prospective financial security service providers and eliminate a substantive barrier for many to integrating those supports into existing programs.

The preceding sections describe the most exciting results from the WorkBOOST NYC program and some of the key organizational practices that support these outcomes. Workforce professionals committed to improving the financial security of their program participants described the deep and meaningful impact that financial security services can have on their future success. Combined with the quantitative program results, these insights should encourage a consideration of the broader impact on a participant's well-being, financial and otherwise, and how best to communicate this value to non-practitioner audiences.

Employers are a key stakeholder in this conversation. In the following section, the Clinic argues that results from WorkBOOST NYC should compel interest from private sector actors in financial security services, not just for their workforce partners, but as a strategy to employ themselves to improve their bottom-line.

MAKING THE CASE TO EMPLOYERS

WorkBOOST NYC partners consistently emphasized that helping employers understand the impact of their programs—as well as the barriers that jobseekers already face—is a major challenge in the field. Engaging their employer partners around the financial security strategies they integrate is no different. While all WorkBOOST NYC partners contend that the impact of their services on employers' "bottom line" was the single most powerful message, they readily acknowledged that their employer partners rarely tracked turnover or retention rates on which to build or root that message. Moreover, every WorkBOOST NYC organization agreed that accurately assessing the impact of its work is a gap in existing evaluation frameworks, especially for those program effects that are more difficult to measure, like soft skill development or financial security.

Because the analytical and evaluation frameworks to measure financial security—for both employers and the workforce programs that support them—are wanting, this section first reviews what worked. When WorkBOOST NYC partners engaged their employer partners where graduates were more financially secure, what messages and reasoning resonated? The section will then turn to an assessment of how building the financial security of participants influences turnover costs, arming workforce organizations that are embedding financial security work with a new data point to influence employers' understanding of their own "bottom line."

Where Have Practitioners Had Success in Making the Case to Employers?

FINANCIAL STRATEGIES BUILD CRITICAL SOFT SKILLS

Identifying and tackling financial difficulties hones "executive function" skills. As one Ecosystem Ambassador described, the constituent elements of the financial coaching relationship, like making a budget, familiarizing oneself with a credit report, and setting goals, all help participants increase feelings of control and self-efficacy. Navigating financial challenges is difficult, and for low- to moderate-income jobseekers in, or emerging from, a challenging financial situation, it can be even more difficult. Working with a financial coach to diagnose problems, define personal goals, and create actionable steps to achieve those goals builds confidence in one's capabilities and helps sharpen critical problem solving skills that are useful in one's career and personal life.

Improved executive skills directly add value to participants' future employers by increasing employees' critical thinking, agility, and capacity for self-direction in the workplace, possibly reducing demands on time and stress for managers and line supervisors. As hiring managers themselves, CAMBA's program staff remarked, they see a strong connection between financial security building, financial coaching, and developing prepared and focused jobseekers capable of presenting confidence and a sense of purpose—qualities especially attractive to employer partners.

CCAMBA's Ecosystem Ambassador specifically called out the role of financial coaching in building what she calls "executive skills," a concept that combines the ability to identify goals with the capability to make decisions aligned with completing them in difficult or unclear situations: "Working on executive skills all has to do with being better at organizing and planning, self monitoring, and initiating tasks—all of these skills are relevant to getting a job and [becoming] more financially secure."

NAVIGATING THE "BENEFITS CLIFF"

Means-tested support programs like housing assistance and Temporary Assistance for Needy Families (TANF) can be affected by a change in individuals' earnings when they take on new jobs. If this is not taken into account, it can severely damage a participant's chances of achieving long-term stability. Until a public policy solution to this challenge is found, both workforce programs and employers must consider the reality of this "benefits cliff."

WorkBOOST NYC Ecosystem Ambassadors shared the belief that the benefits cliff is a significant factor in a number of participants' decision to leave a new position prematurely, which can be a real setback to achieving financial security. Navigating the various programs and their many requirements can be challenging, and the impact of starting a new job can sometimes be difficult to assess beforehand. The additional support offered when financial security strategies are properly embedded into a workforce development program is essential to avoid potentially costly situations, such as when a job opportunity might actually negatively impact the financial security of a jobseeker, increasing their stress burden and reducing their likelihood of retention. The reality of this challenge, the Clinic was told, is not always easy to communicate to employer stakeholders, but is critical to their understanding and evaluation of employee performance. WorkBOOST NYC partners all suggested that bridging this information gap is a critical function of their programs, and that the trust employers put in them has allowed them to raise employer awareness of and openness to tackle the issues low-income jobseekers face.

COACHING CLARIFIES GOALS, IMPROVES JOB FIT, AND MAKES FOR ENGAGED EMPLOYEES

Financial coaching can create an improved sense of clarity on the part of jobseekers regarding the ultimate goals they have for their career. Reducing the pressure of financial insecurity where possible and establishing a sense of personal priorities can reduce the risk that individuals commit to jobs that may not be right for them. Ecosystem Ambassadors suggested that this type of clarity regarding personal goals is important for reducing needless turnover both for a private sector partner and for the participant. If a jobseeker takes a job that is misaligned with their life circumstances and goals, not only is that person much more likely to end up re-seeking placement support, but there could be a number of subsequent effects that complicate the individual's financial life as well.

Improving job fit through clarifying goals not only impacts retention but, as highlighted in interviews with Seedco, has the potential to improve career advancement, which can also translate into higher wages. For the young adult participants Seedco serves, using financial coaching as an opportunity to support participants in aligning personal, financial, and career goals in the early stages of their careers is critical to their long-term success and financial security. Employers too, the Clinic was told, see the value in these results and understand that hiring workforce graduates with more defined goals has the potential to increase their engagement and commitment to the job and reduce their chances of leaving prematurely. Calibrating evaluation frameworks to better measure these dynamics—as well as thinking of participants' long-term success—remains a challenge, but every WorkBOOST NYC organization agreed that it is critical for the workforce field going forward.

The "Bottom Line": How Building Participants' Financial Security Reduces Employers' Costs

MMany of the industries in which workforce organizations commonly place program participants are operating with thin margins. While every area of program success discussed above impacts business success, at times the full scope of added value can be difficult to quantify. WorkBOOST NYC Ecosystem Ambassadors told the Clinic the same: Sometimes the most significant and transformative results of their work can be the hardest to measure. However, the insight that improved financial security improves participant retention is a more straightforward finding that should excite all employers. High turnover is costly to businesses of all sizes, including much more than just the hard financial cost of replacing employees that leave prematurely.

In an effort to add real-world context to these findings, the Clinic performed a rough calculation of the cost of employee turnover and estimated the yearly savings an employer could expect if they were to increase retention by roughly the same amount seen in the evaluation of WorkBOOST NYC.

The time spent by managers and human resources staff to replace a departed employee, even those earning near minimum wage in New York City, can vary by industry and position. Many elements of hiring are standardized, but the valuable time required to refine a job description, conduct interviews, and check references still adds up. Taking the common activities and staff time needed into account, the Clinic's estimates suggest that hiring, on-boarding, and training a replacement of an entry-level worker could cost a company up to **$6,860** in administration and staff time.[13]

In addition to these tangible, hard cost savings, improving employee retention has wider positive impacts for the employer. High turnover can have significant impact on team dynamics, reducing engagement and productivity, and can increase perceptions of instability and precarity among other employees.[14]

As employers know too well, even jobs that may seem routine and "low-skill" are often anything but, and retaining institutional knowledge and familiarity with processes and procedures can have a huge impact on the functioning of the company. Unanticipated turnover can also reduce the skill-mix of teams, causing disruption in services, a decrease in quality, or lost business opportunities. In today's economic environment, a tighter labor market will add to the difficulty many businesses already report in finding the right employees with the right mix of technical and professional skills to fill open positions. In current labor market conditions, jobseekers are able to be more selective in their search, and well-placed employers are able to compete more intensely for them. Investing in reducing avoidable turnover is an imperative for long-term business success. While these "soft" costs can be difficult to quantify, the Clinic's estimates suggest that they could add an additional **$2,100** to the overall cost of turnover per employee and, depending on the industry and position, may be even higher.

Seedco has conducted a deep dive on turnover costs, working with Social Finance, a national nonprofit organization dedicated to mobilizing capital to drive social progress.[15] In interviews, staff noted that conveying the value of this work in a compelling way centers on connecting the increased financial security of jobseekers with calculations of cost savings for employers. The two organizations' research brief, "Making Entry-Level Talent Stick," joins a growing body of research and periodicals that examine the costs of employee turnover. This report uses current thinking in developing a methodology to come up with a standard cost of turnover that can be used to better understand how the results apply to employers.

The Clinic's analysis shows that participants at MSG who received light-touch strategies were 23 percent more likely to be retained after 180 days in their new placement than those participants who did not receive light-touch support. For Seedco's program participants, each additional meeting with a financial coach increased their chances of being retained after 180 days by 13 percent.[16] MSG places around one-third of their participants in "Accomodation and Food Service" positions, while Seedco places nearly all of their participants in the same industry. According to the Bureau of Labor Statistics (BLS), these jobs have a seasonally-adjusted turnover rate of about six percent monthly.[17]

Using MSG's improved retention numbers as a guide, the Clinic expects that more financially secure employees could lower the 180-day turnover rate for a food service business from 37.8 percent to between 29.1 percent and 32.9 percent. This means that an average food service business with 25 employees could see a total savings of **$18,000–$36,000 per year**.[18]

CONCLUSION

WorkBOOST NYC demonstrates the promise of integrating financial security strategies directly into the existing services of workforce programs. WorkBOOST NYC program participants saw improved job placement after working with a financial coach, and were more likely to stay in their job—validating what both practitioners and academics have previously identified:

Financially secure jobseekers are more successful, and financially secure employees are a boon to the employers that hire them. Financial security strategies can reduce financial strain, build confidence and executive skills, and clarify individuals' personal goals in ways that benefit them beyond their finances.

While recent indicators suggest that the U.S. economy continues to strengthen, the pace of job growth has begun to slow, and many low- to moderate-income individuals continue to feel significant financial strain. Growing economic uncertainty, combined with long-term changes in the American labor market such as automation, is putting downward pressure on wages and raising difficult questions about the future of work. Both workforce development organizations and community-oriented nonprofits have a critical role to play in offering the financial strategies and support needed to build a financially secure America.

The results reported here suggest that employers too should take seriously the role that they can play in ensuring their employees are minimizing the stress and distraction of financial insecurity. Preparing for the economy of the future will require dedicated and coordinated support for jobseekers and employees from a number of civic and private sector actors. This report demonstrates just one of the many ways that increased financial security can improve the lives of working people while supporting a business's bottom line.

The lessons and best practices learned from WorkBOOST NYC will be applied and deepened in the Clinic's next New York City workforce-focused Ecosystem. With generous support from The Pinkerton Foundation and The New York Community Trust, the Clinic—in partnership with JobsFirstNYC—launched SectorBOOST: a financial security Ecosystem that brings financial coaching services to young adult jobseekers at eight workforce development organizations in New York City. The Ecosystem includes members of JobsFirstNYC's Young Adult Sectoral Employment Project (YASEP) and is expected to reach more than 900 young adults, ages 16 to 24, over the next two years and to increase the capacity of participating organizations to deliver similar coaching services in the future. In addition, the Clinic hopes to expand its policy work by supporting asset limits policy reform through SectorBOOST.

ENDNOTES

[1] In 2018, Madison Strategies Group announced that it would be consolidating its workforce development programs to its Tulsa, Oklahoma offices. This decision came after the conclusion of WorkBOOST NYC, including the services and data collection activities that form the basis of this report.

[2] Brown, Steven K. and Breno Braga. 2019. "Financial Distress Among American Families: Evidence from the Well-Being and Basic Needs Survey." *Urban Institute* https://www.urban.org/sites/default/files/publication/99771/financial_distress_among_american_families_1.pdf.

[3] Meuris, Jirs and Carrie Leana. 2018. "The Price of Financial Precarity: Organizational Costs of Employees' Financial Concerns." *Organization Science*. 29(3): 398–417.

[4] "When is More Not Extra?: Effective Strategies for Financial Security." *The Financial Clinic and The Corporation for a Skilled Workforce (CSW).* 2017. https://thefinancialclinic.org/wp-content/uploads/2017/12/TFC_CSW_ExecutiveSummary.pdf.

[5] Smith, Rebecca, Mae Watson Grote, and Karina Ron. 2011. "Scaling Financial Development: Improving Outcomes and Influencing Impact." *The Financial Clinic*. https://thefinancialclinic.org/wp-content/uploads/2015/04/scaling-financial-development.pdf.

[6] For additional information on why providing "more" services does not have to mean extra work, see The Financial Clinic's 2017 report with The Corporation for a Skilled Workforce: "When Is More Not Extra?: Effective Strategies for Financial Security."

[7] For more information on The Financial Clinic's financial coaching framework, visit the Clinic's website: https://thefinancialclinic.org/solution/direct-service/. The Clinic's coaching model was the subject of the financial security field's first randomized controlled trial (RCT) that demonstrated the impact of financial coaching. See Theodos, Brett, Christina Plerhoples Stacy, and Rebecca Daniels. "Client led coaching: A random assignment evaluation of the impacts of financial coaching programs." *Journal of Economic Behavior and Organization*. 155 (2018): 140–158.

[8] Participants that are "credit invisible" have extremely limited credit history and those that are "credit unscorable" have a limited or thin credit file. See analysis of Change Machine data in "When is More Not Extra?" brief series.

[9] See, for example, Duran, Angela, Jennifer Brooks, and Jennifer Medina. 2013. "Integrating Financial Security and Asset-Building Strategies into Workforce Development Programs." Prosperity Now. https://prosperitynow.org/resources/integrating-financial-security-and-asset-building-strategies-workforce-development and Commonwealth. 2018. "Financial Security in the Workplace" https://buildcommonwealth.org/assets/downloads/Financial_Security_in_the_Workplace.pdf, Accessed April 2019

[10] "Semi-structured" refers to the practice of asking interviewees a consistent set of pre-prepared questions, while allowing the conversation to deviate from this protocol based on new information or insights that arise over the course of the interview.

[11] This insight supports academic research on the subject, see Meuris, Jirs and Carrie Leana. 2018.

[12] No significant correlation between financial security services and retention was established in CAMBA's data, although this is likely because both the Forward Focus program and their data collection processes were new when the Ecosystem began.

[13] Full cost of turnover estimates are reported in Appendix A. These estimates were calculated using Future Fuel's "Churn Calculator" and are comparable to a number of similar calculators available to help HR professionals better understand the impact of employee turnover. More information about Future Fuel's Churn Calculator Worksheet can be found here: https://futurefuel.io/churn-calculator/. The Clinic also surveyed a number of comparable worksheets, including The Aspen Institute's recently released Cost of Turnover Tool: https://www.aspeninstitute.org/publications/cost-of-turnover-tool/.

[14] See, for example, Ton, Zeynep and Robert Huckman. 2008. "Managing the Impact of Employee Turnover on Performance: The Role of Process Conformance." *Organization Science* 19, no. 1: 56-68.

[15] Babbitt, Andrew and Jake Segal. *Making Entry-Level Talent Stick: Is There a Market for Lowering Turnover in Small and Mid-sized Businesses?* Social Finance. April 2019 https://www.seedco.org/wp-content/uploads/2019/04/2019_Making-Entry-Level-Talent-Stick_Digital.pdf

[16] On average, participants at Seedco had 4–5 meetings with a financial coach.

[17] See "Job Opening and Labor Turnover Survey" data from the Bureau of Labor Statistics: https://www.bls.gov/news.release/jolts.a.htm, Accessed April 2019.

[18] These results are in line with other standard estimates of turnover cost. The Society for Human Resource Management (SHRM) reports that on average replacing an employee costs a company 6 to 9 months of their salary. At NYC's $15/hr minimum 6 to 9 months of annual salary lost to turnover costs would range from $15,600-$23,400. The Center for American Progress (CAP) finds that the average cost to replace an employee is 16% of annual salary for high-turnover, low paying jobs.

APPENDIX A: CALCULATING THE COST OF EMPLOYEE TURNOVER

Table 5: **Estimated Hard Costs of Employee Turnover**

Hard Costs	Hours	Cost	Total
Separation Costs (Admin Time)	2	$35	$70
Writing Job Description	1	$35	$35
Phone Screening	5	$30	$150
Interviewing	6	$30	$180
Interviewing (by peers)	3	$15	$45
Reference Checking	2	$35	$70
Onboarding	2	$35	$70
Training (by peers)	96	$15	$1,440
Training (new hire)	320	$15	$4,800
Total Hard Costs			**$6,860**

KEY	Employee Hourly = $15	Supervisor = $30	HR = $35

Table 6: **Estimated Soft Costs of Employee Turnover**

Soft Costs	Hours	Cost	Total
Lost Productivity (by peers)	20	$15	$300
Lost Productivity (by supervisor)	10	$30	$300
Lost Productivity (during vacancy)	100	$15	$1,500
Total Soft Costs			**$2,100**

KEY	Employee Hourly = $15	Supervisor = $30	HR = $35