

CWF *EarnBenefits* Evaluation/Learning Paper



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Draft December 7, 2005

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I. Introduction

Low-income working families face numerous barriers to economic mobility. These barriers are often described in terms of the supply and demand sides of the labor market. On the supply side, the working poor lack the skills needed to gain access to higher-paying jobs with opportunities for advancement. From the demand perspective, low-wage working families confront a scarcity of jobs that pay family-sustaining wages. Low-wage families also confront challenges that stem from the quality of the jobs they are able to access. In addition to poverty-level wages, these positions rarely provide benefits or work supports that cover healthcare, childcare and other expenses. Compounding the problem is their limited access to services that promote financial health. Many low-wage families live in communities with limited access to critical financial services that promote asset building.

Connecting families with the services that address these employment, work supports, and asset building barriers poses many challenges. Seedco joined with The Annie E. Casey Foundation to implement the Center for Working Families (CWF) initiative as a strategy to link families with three critical services to promote family economic success. The CWF model focuses on three core service areas: **workforce/career services** to promote stable employment and advancement opportunities, **income support services** to help low-wage workers access public benefits, and **financial services** that encourage asset building. In the CWF model these core services are delivered by neighborhood-based organizations that offer both streamlined access to benefits and one-on-one relationships with clients. The key concept driving this approach is the premise that bundling these core services will result in greater benefits for families.

Seedco's *EarnFair* AllianceSM implementation of *EarnBenefits*SM is an instructive example of the CWF model – a natural experiment to test the hypothesis that integrating services is a better way to help low-income families achieve economic self-sufficiency. The *EarnFair* Alliance is a network of faith-based and community organizations (FBCOs) that provide workforce services such as training, language class, skill upgrade, and job placement to job seekers in New York City. By working with the *EarnFair* Alliance to manage and operate their existing workforce programs, Seedco learned that employment is often not enough to create the stability necessary for families to make ends meet. Seedco recognized that workers need help accessing additional income and asset building supports to adequately find and maintain employment and to move up the career ladder. In response, Seedco developed the *EarnBenefits* initiative – a strategy to help low-wage workers access and manage a wide array of income supports and asset building benefits. *EarnBenefits* was implemented at *EarnFair* Alliance FBCOs as a way of examining how bundling employment, income supports and asset building services can help low-income families achieve economic self-sufficiency.

At the *EarnFair* Alliance FBCOs, job seekers and recently employed clients can connect to *EarnBenefits* services through many access points as they participate in various pre-and-post-

employment services. *EarnBenefits* provides marketing and education at intake and orientation sessions to help clients understand available income and asset-building supports. In addition, FBCOs work with clients through the *EarnBenefits* online screening tool, *EarnBenefits Online (EBO)*, to quickly and easily determine eligibility for a wide array of income supports. Through EBO, which captures and confidentially stores essential client information, FBCOs can also assist clients with benefit applications and the management of various income supports, as well as help clients access additional asset building benefits as their income increases through employment. Along every step, the mode of service delivery is streamlined, community-based, and built on personal relationships.

Launched in the first quarter of 2004, *EarnBenefits* has recently completed a year of scaling up activity. Outcomes to date suggest that combining workforce services with access to income supports and other financial services improves outcomes for families. This report outlines Seedco's experiences and lessons-learned in implementing a strategy to bundle workforce, income and financial services for low-wage workers and their families.

In Section II we describe in greater detail the development of Seedco's *EarnFair* Alliance and *EarnBenefits* initiatives. We also detail the impact these initiatives have had on the lives of low-wage working families in New York City. Section III offers case studies of two *EarnFair* Alliance FBCOs and describes the process of bundling services from the client's perspective. The report concludes with a discussion of four key lessons Seedco has learned on how to effectively link clients with supportive services, including:

1. Bundling services for clients increases overall impact
2. Organizational capacity to deliver services affects the success of bundling
3. Intermediaries play a critical role in promoting scale
4. Long-term engagement presents new challenges.

These lessons outline how bundling workforce services with income and financial supports can be implemented in ways that are financially sustainable, can be brought to scale, and make a significant impact on the economic prospects of low-wage working families.

Section II. The *EarnFair* Alliance and *EarnBenefits*

Development and Implementation

Founded in 1986, Seedco (Structured Employment Economic Development Corporation) is a national community development operating intermediary that creates opportunities for low-wage workers and their families by engaging with community partners and anchor institutions to develop, operate and learn from model programs in three areas: 1) helping people join the workforce, 2) assisting small businesses and 3) promoting asset building for residents and businesses in economically distressed communities. Between 2001 and 2004, Seedco provided technical and financial assistance to 1,400 small businesses struggling to keep their doors open in the wake of the terrorist attacks of September 11th. Our efforts resulted in the retention of 6,000 jobs in Lower Manhattan. Currently, our subsidiary, Seedco Financial Services, has \$75 million in assets under management and provides a range of financial assistance products and services to small businesses and nonprofit organizations.

Since 1998, Seedco has also managed the *EarnFair* Alliance, a network of faith-based and community organizations (FBCOs) that offer workforce services to disadvantaged job seekers and workers in New York City. The 10 FBCOs that currently comprise the Alliance provide training, employment, and post-employment services to a wide array of clients working toward economic self-sufficiency and career progression. Aided by new employment opportunities from the economic expansion and work-first welfare policies of the last decade, Alliance FBCOs have assisted over 13,000 clients in workforce activities and placed 3,200 of these clients in the labor market.

As a community and workforce development intermediary, Seedco works with Alliance FBCOs to develop and operate programs that help people get and retain good jobs. Through our experience in building the capacity of Alliance members to operate these programs, we have learned that, too often, low-wage workers fail to earn enough to cover monthly expenses. They may also lack the resources to respond to emergencies, such as family illness or disrupted childcare arrangements; resulting in irregular working patterns and pay. These situations often affect the ability of low-wage workers to stay employed, jeopardizing family economic stability and well-being. Understanding that workers who receive work supports are 30 percent more likely to keep their jobs, Seedco began linking workforce activities at Alliance FBCOs to income supports and asset building benefits as a comprehensive strategy for improved employment retention and family economic success.

Recognizing the need for work supports and financial services among the client population of the Alliance, Seedco conducted extensive research and held focus groups with low-wage workers. As detailed in Seedco's September 2003 report *Benefits and Low-Wage Work* (published with support from the Ford Foundation), income- and asset building supports remain highly underused by low-wage workers. For example, only 14 percent of eligible recipients in New York State access Family Health Plus, a government-sponsored comprehensive health care plan for adults. *Benefits and Low-Wage Work* identified three main

barriers to benefit take-up: 1) lack of knowledge about benefits and eligibility, 2) difficulty accessing benefits through existing channels, and 3) negative experiences with government entities— including those responsible for provision of benefits.

To address these challenges, Seedco developed the *EarnBenefits* initiative to assist Alliance FBCOs in helping low-wage workers: understand eligibility for benefits, more easily access benefits and asset building supports, and be prepared to interact with government agencies to receive benefits. The pilot phase of the initiative began in March 2004 with a three-tiered service delivery model:

1. **Marketing and Education**—User-friendly materials including the *EarnBenefits* Guide (available at Alliance FBCOs) and a website (www.earnbenefits.org) provide well-organized, easy-to-understand summaries of available benefits such as child care vouchers, tax credits and Food Stamps, and lay out eligibility guidelines. These materials also provide information on application procedures and required documents.
2. **Eligibility Screening and Facilitated Access**—A web-based technology tool, *EarnBenefits* Online (EBO), streamlines eligibility screening, application submission, and application tracking.
3. **Benefits Management**—Once low-wage workers are accessing benefits and work supports, *EarnBenefits* helps them manage their benefits. This includes reminders to submit application extensions as needed to prevent interruptions in receipt of benefits, and advice on how to continue to receive a modified array of benefits and supports as household income increases.

During the pilot phase, Seedco issued a request for proposals to Alliance members for pass-through contracts of \$15,000 per organization to integrate *EarnBenefits* activities into existing workforce development programs. Nine Alliance sites were selected. To prepare these FBCOs to offer *EarnBenefits* services, Seedco held intensive training institutes that included a curriculum on the role of benefits in helping clients retain employment and suggestions for integrating *EarnBenefits* tools into existing customer flows. In the summer of 2004, a second RFP was issued for a no-cost contract to give additional FBCOs the opportunity become *EarnBenefits* Affiliate sites. While there were no pass-through funds, the five Affiliate sites selected received access to *EarnBenefits* Online and the same support, technical assistance, and service delivery products as the Alliance partners.

In addition, based on feedback from Alliance partners on their clients' need for financial services, Seedco developed new financial products – such as matched savings accounts, family loans, and free checking accounts – to supplement existing government benefits. By integrating financial services into the income supports already available through *EarnBenefits* and then linking the comprehensive *EarnBenefits* model to existing FBCO's workforce programs, Seedco created an initiative that mirrors the CWF strategy. This initiative helps clients in workforce programs and in low-wage jobs access additional income enhancing benefits and financial services that are critical to ensuring family well-being.

When clients first enter workforce programs under the *EarnBenefits* model, they are introduced to a wide range of benefits and financial services, screened for benefits and services suited to their particular needs, and introduced to budgeting and other key financial concepts. Once they are placed in employment, clients work with retention counselors who help them access benefits such as Food Stamps and utility assistance, as well as asset building benefits such as matched savings accounts and free checking accounts, which can help them enhance their income and begin to build wealth. Moreover, counselors screen individuals for additional work supports less likely to be offered by low-wage employers, such as health insurance or long-term child care. In this way, Seedco ensures that clients are assisted not only while they are looking for a job, but also as they work to maintain employment and progress up the career ladder.

By the end of the pilot year of implementing this client flow, a total of 658 individuals placed in jobs through our FBCO partners were also screened for benefit and financial services eligibility; resulting in workers' accessing 343 benefits/services totaling about \$617,000 in value. While the initial impact of the pilot was clear, the need to build scale was also evident.

In 2005, Seedco has taken several steps to bring *EarnBenefits* to scale:

- With support from United Way of New York City, an RFP was announced in January for \$50,000 contracts that would allow FBCOs to staff one full-time employee dedicated to the implementation of *EarnBenefits* across the range of program areas in participating organizations. Eleven sites (nine from the Alliance) were selected to become members of the *EarnBenefits* Network.
- With funding from the Corporation for National and Community Service (CNCS), Seedco brought on a cohort of 12 AmeriCorps members dedicated to *EarnBenefits* implementation and based at nine Alliance FBCOs and at Seedco's main office. Seedco and the Alliance members evenly split the cost of employing the AmeriCorps members.
- Another major effort is the incorporation of Voluntary Income Tax Assistance (VITA) services at three Alliance FBCOs. Seedco worked with the FBCOs to apply for VITA site certification from the IRS, trained their staff, and managed the implementation of the project.
- In New York City, Seedco also began providing *EarnBenefits* directly through three community-based implementation channels: 1) the Workforce1 Career Center in Upper Manhattan; 2) employers of both small and large businesses; and 3) community colleges. This expansion allowed Seedco to identify new target populations and customize *EarnBenefits* to meet their needs.

Outcomes

We are now beginning to see results from our efforts to bring *EarnBenefits* to scale by building out our four distinct service delivery channels. From January to July 2005, we screened a total of 4,480 individuals, a 581 percent increase over the total number of individuals screened during our pilot year. In the same seven-month period, we documented the receipt of 1,216 benefits (compared to 343 total in the pilot year) with an average benefit value of \$2,281 per individual. These benefits included both benefit supports, such as tax credits and Food Stamps, and financial services and products such as Individual Development Accounts, Citibank checking accounts and loans through the Family Loan Program.

Seedco has also made significant progress in helping individuals find and maintain employment. *EarnFair* Alliance FBCO's placed over 584 individuals in jobs, with over 65 percent of clients remaining in their position 13 weeks after the date of placement. Individuals who are placed have an average hourly wage of \$9.00. Of the individuals placed, 47 percent remain in the same position 26 weeks after the date of placement. These figures represent *documented* retention; the actual figures could be 20 percent higher. Clients' return rate to public assistance within six months after placement is 21 percent. When compared to an average public assistance return rate of 34 percent in New York City, it is clear that Seedco's comprehensive workforce, work support, and asset building assistance gives individuals the support they need to make work pay.

In 2005, the 10 FBCOs that constitute the *EarnBenefits* Network became Center for Working Family sites. Over 817 clients at the *EarnBenefits* Network's FBCOs were screened for at least two of the three core CWF services – workforce programs, income supports or asset building benefits – since January 2005. In addition, 105 individuals were screened for all three services. The demographic profile of these clients mirrors the larger population of low-wage workers in urban communities: the group is primarily single females with children in their households, most are members of minority populations, and over one-third hold only a high school degree or GED equivalent.

Of those individuals receiving two assessments, 205 received at least two services including workforce training, facilitated access to work supports, or assistance in receiving asset building benefits. These outcomes helped families achieve the economic stability to afford essential household needs such as rent and utilities. In addition, because it often takes many months to bundle two or three core services, we expect the number of families who receive multiple services to increase over time.

Section III: FBCO Case Studies

The case studies in this section detail two key aspects of the CWF model: how organizations have added on benefit and financial services to their employment programs and how “bundling” takes place at the client level.

At the organizational level, the two FBCOs profiled demonstrate the importance of a service delivery model rooted in the community and of providing individually customized support while leveraging the resources and tools of intermediaries to streamline and improve access to services.

At the individual level, the clients presented here—composites based on our focus groups with participants in FBCO programs—show the range of strategies needed to support low-wage working families moving toward self-sufficiency. Yet, there is a trade-off in presenting composites: the dollar values of benefit receipt are larger than the averages reported in the preceding section of this report. What is gained, however, is a more comprehensive picture of the impact of bundling on the trajectory of a low-wage working family.

St. Nicholas Neighborhood Preservation Corporation

St. Nicholas Neighborhood Preservation Corporation (St. Nick’s) is a not-for-profit organization that emerged in 1975 from the forefront of a grassroots movement to preserve and improve New York City neighborhoods. Today, St. Nick’s is dedicated to the comprehensive revitalization of Brooklyn’s Williamsburg-Greenpoint community. With nearly 300 employees, St. Nick’s focuses on providing services in five strategically focused areas, including housing, workforce development, economic development, youth and families, and human support.

In 1998, St. Nick’s was one of the first three FBCOs with which Seedco partnered through the New York Community Trust’s Neighborhood Strategies Project, or NSP Works. This collaboration was Seedco’s initial venture into the administration and coordination of a large-scale, multi-service workforce development program. St. Nick’s partnership with Seedco was an essential building block for the *EarnFair* Alliance, which now includes nine additional FBCOs.

The workforce development division of St. Nick’s, Williamsburg Works, has placed over 4,500 participants in jobs since its inception by providing jobseekers with a comprehensive package of workforce services including skills assessment, case management, job-readiness training, and post-placement services. A significant portion of workforce activity at St. Nick’s is supported through contracts with New York City’s Human Resources Administration. These programs target public assistance clients who are transitioning to work and clients with limited English proficiency. In addition, St. Nick’s administers a

STRIVE program (for youth), a youth offender program, customized training initiatives, and ESL.

EarnBenefits services are currently housed within Williamsburg Works enabling them to access benefits and financial services within their workforce program. Job retention staff were the first to integrate *EarnBenefits* into their daily post-placement support work. Additional staff members are receiving training to provide eligibility screening, facilitated access, and follow-up services at various points in the client flow, including orientation, job-readiness training, and other pre-employment activities. In addition, AmeriCorps members provide critical support for *EarnBenefits*, serving low-wage workers beyond the scope of Williamsburg Works.

A prime example of the recent expansion of *EarnBenefits*, St. Nick's, with technical assistance from Seedco and support from the IRS, launched its Volunteer Income Tax Assistance (VITA) site for the 2005 tax season. Given the high cash value of tax preparation services and tax credits, St. Nick's used this opportunity strategically to collaborate with one of their service programs. St. Nick's Human Support division employs about 1,000 home health aides, the vast majority of whom earn low wages and would likely qualify for tax credits and other benefits. AmeriCorps members, certified by the IRS as volunteer tax preparers, made group presentations on *EarnBenefits* services to the health aides, then set up phone screenings and counseling sessions for those who expressed interest. Through this collaboration and other creative outreach, St. Nick's e-filed 104 tax returns with a value of \$134,344 in tax refunds and credits. Now, through intensive follow-up, *EarnBenefits* counselors are helping the home health aides and other tax assistance recipients to access additional income-enhancing benefits. In short, the pilot was successful in broadening the target audience St. Nick's reached with *EarnBenefits* and in laying the groundwork for further collaboration.

St. Nick's/Williamsburg Works Client: Sandra Martinez

Home care attendant Sandra Martinez, 32, is a divorced mother of three children aged 12, 6, and 3. She lives in Brooklyn and previously received customized training at Williamsburg Works, which is near her home. Through this program, she attained a position that pays \$10.50 an hour, much more than her previous job as a cashier at the local drugstore.

Yet, Sandra's situation is still not as hopeful as she expected. Working a total of 35 hours a week (not including her commute to Lower Manhattan, longer than the commute at her old job), she struggles to make ends meet on her salary. Her monthly expenses greatly exceed her monthly income, forcing her to continually face rent arrears and late daycare payments for her two youngest children.

While engaging in a variety of post-placement support services, Sandra was encouraged by her retention specialist to attend a presentation by an *EarnBenefits* counselor. Sandra was

given a brief overview of the program and its potential to help her increase her income and build savings. She learned that Williamsburg Works was a VITA site offering free tax preparation services to the community. Because of Sandra's income and family size, she believed she might qualify for this free service. Since Williamsburg Works offered evening and weekend hours to accommodate her busy schedule, she decided to set up an appointment immediately with the *EarnBenefits* representative, a certified tax preparer.

The *EarnBenefits* representative used *EarnBenefits* Online to quickly determine Sandra's eligibility for free tax preparation services as well as a range of refundable and partially refundable tax credits. The screening indicated that Sandra qualified for the federal, state and city Earned Income Tax Credits. Since Sandra can document her expenses for formal child care, she was also eligible for the Federal Child and Dependent Care Credit. The tax preparer educated her on the various tax credits and the monetary value of the refund she would receive. Though Sandra had previously gone to H&R Block for professional tax preparation, she was immediately encouraged by the free and comprehensive financial services she could receive at the VITA site without the burden of fees on Rapid Anticipation Loans.

The following week, the same *EarnBenefits* representative e-filed Sandra's taxes. She received \$2,875 in refunds. Sandra was pleasantly surprised and eager to use this money to supplement her income. Her tax preparer discussed ways *EarnBenefits* could help her to achieve her financial goals, such as putting the tax refund money in an IDA account (2-to-1 Matched Savings Account) for future use, setting up a free checking account, and taking advantage of direct deposit. She decided to open up a free Citibank checking account immediately to deposit the refund. The *EarnBenefits* representative helped her fill out the appropriate application and processed her request the same day.

About four weeks later, Sandra received a call from her tax preparer, who verified the status of her refund and made sure she had received the correct amount from the IRS. With her recent refund in hand, Sandra was more than willing to talk to the *EarnBenefits* representative about other benefits for which she might qualify. She was particularly interested in Food Stamps, WIC, HEAP, and Lifeline. With her information already in the EBO system, the *EarnBenefits* representative could screen her over the phone in just a few minutes and determine that she qualified for all of the benefits she was interested in.

Snapshot of Sandra Martinez

A 32-year-old home care attendant working in lower Manhattan and earning \$10.50 an hour. She is divorced and has three children aged 12, 6, and 3. She works 35 hours a week.

Before *EarnBenefits*:

Monthly Income: **\$1480 after taxes**

Monthly Expenses:

Rent:	\$850
Utilities (phone, electricity, heat):	\$90
Food:	\$450
Transportation (Monthly Metrocard):	\$70
Child Care:	\$500
Misc.:	\$150

Total Monthly Expenses: **\$2110**

Monthly Earnings Gap: **\$630**

After *EarnBenefits*:

Monthly Benefits:

Food Stamps:	\$385
Lifeline:	\$15
WIC:	\$35
Total Monthly Benefits:	\$435

Annual Benefits:

Federal Child and Dependent Care Credit:	\$475
Federal Earned Income Tax Credit:	\$1500
State/City Earned Income Tax Credit:	\$900
HEAP:	\$300
Total Annual Benefits:	\$3175

Total Benefits Value Per Year: **\$8455**

Monthly Earnings Surplus from *EarnBenefits*: \$70

Key Bundling Points:

- Introduced to *EarnBenefits* through fliers and materials at FBCO
- *EarnBenefits* integrated at various levels of workforce development services; trained staff integrate services into orientation, job development, and retention phases
- Follow-up service after ITA vouchers are received and after job placement facilitates further connection to *EarnBenefits*

1. Henry Street Settlement

Founded in 1893, Henry Street Settlement (HSS) is a not-for-profit community-based organization committed to challenging the effects of urban poverty by helping families achieve better lives for themselves and their children. As a “settlement house” with strong roots in New York City’s Lower East Side, HSS annually provides critical housing, employment, literacy, and homecare services to about 100,000 New Yorkers. Almost all of its clients are public assistance recipients and low-income individuals.

Through its Workforce Development Center (WDC), HSS provides job-readiness training, job placement assistance, and employment-related support services to low-income adults, parents of shelter families, and out-of-school youth. As a member of the *EarnFair* Alliance since 2000, HSS, like St. Nick’s, is a subcontractor to Seedco to provide employment-related services [?]. The program specifically targets public assistance recipients seeking employment. Having placed over 400 individuals in jobs under this initiative, HSS’s performance in connecting individuals to jobs is slightly above average compared to the performance of other FBCOs in the *EarnFair* Alliance that provide employment services under the same contract.

HSS first began offering *EarnBenefits* as part of the post-placement and retention services offered by its case managers. This primarily involved serving public assistance recipients transitioning to work. Increasingly, however, the service is being offered to all participants in WDC programs, including, for example, limited English proficient adults in HSS’s housekeeping program, out-of-school youth, and shelter residents. New participants are generally introduced to *EarnBenefits* during an orientation and are re-engaged through job-readiness workshops and informational sessions dedicated to benefits education. This introduction informs participants about the resources available to them. Once they are employed, an *EarnBenefits* Online screening is a natural next step. WDC participants are typically screened after securing a job, but may receive benefits counseling during the pre-employment phase. Like St. Nick’s, HSS made the strategic decision to operate a VITA site during the 2005 tax season and experienced success beyond our expectations not only in terms of performance but also intra-agency collaboration.

Today, HSS has reached a critical juncture in terms of its own organizational expansion and strategic planning, which could provide significant opportunities for *EarnBenefits* moving forward. One of HSS’s key strategic goals is, through the WDC, to streamline and integrate all of the organization’s employment, training and job placement programs, which are currently operated through several program divisions. With the integration of employment services, HSS is standardizing assessment and intake forms and adopting an agency-wide curriculum for work readiness, job development, support services, and post-placement support. The centralization of services provides not only an enhanced opportunity to market *EarnBenefits* services to a broader audience, but also to fully integrate *EarnBenefits*’ income supports and financial services into all of their employment programs.

Henry Street Settlement/Workforce Development Center Client: Robert Brown

Former programmer Robert Brown, 30, is a dislocated worker in search of a job following the relocation of his company after September 11, 2001. He is married, and his wife stays home to take care of their 5-year-old child. Robert came to Henry Street Settlement (HSS) on the advice of a friend who had recently received free tax preparation assistance there.

Robert decided to take advantage of the Workforce Development Center's (WDC) employment-readiness training and job placement assistance. At orientation, he noticed an *EarnBenefits* flier advertising opportunities for economic and professional advancement. Soon thereafter, an *EarnBenefits* representative delivered a presentation on benefits and Robert learned that *EarnBenefits* could supplement his take-home pay once he became employed. Robert signed up with the *EarnBenefits* specialist to receive further information about the program once he had a job.

Robert met regularly with his case manager and continued through the job-readiness program while working in the maintenance and cleaning unit of the City's Parks Department three times a week as part of a job training internship. Since his previous job gave him solid work experience and some proficiency in computer software, his case manager recommended that Robert access an Individual Training Account (ITA) Voucher to attend a job training program for careers in the information technology industry.¹ The case manager used this opportunity to re-engage Robert by using *EarnBenefits* to determine specific benefits that could supplement his income. At the next job-readiness workshop, Robert took some materials from the *EarnBenefits* specialist for future reference. Comforted that he might have other resources at his disposal once he started working, Robert attended the training workshops where he received customized training tailored to the IT industry. After a few weeks, he exited the program with an Information Technology certificate. With this in hand, and with help from his job developer at WDC, he landed a job paying \$9.50 per hour.

Although grateful to be working again, Robert was still struggling to make ends meet for his young family. At a post-placement meeting, his retention specialist screened him for *EarnBenefits*; to Robert's surprise, he qualified for an estimated \$200 in Food Stamps monthly. He also qualified for HEAP and Lifeline, which saved him \$330 a year in heating, phone, and electricity expenses.

With this annual benefit supplement, Robert decided to take advantage of other *EarnBenefits* features. Since he had been planning to return to school to further his education and get ahead professionally, Robert agreed to be screened for the Individual Development Account (2-to-1 Matched Savings Account), which he could use to build

¹ Robert received training through Seedco's Information Technology (IT) Career Ladders Consortium, which provided training for college credit, job placement and career progression case management services for work in the information technology field.

savings for his tuition and school expenses. His case manager streamlined the process by facilitating his enrollment. In the meantime, the case manager set up a free checking account with Citibank, so that Robert can directly deposit \$10 a month into his account.

Once a dislocated worker, Robert accessed *EarnBenefits* services and ITA vouchers, simultaneously upgrading his professional standing while supplementing his financial situation with a variety of public and private benefits. The WDC's streamlined approach to workforce services was conducive to effective integration of *EarnBenefits* at various points in the job development process. Robert found that his professional development and the financial education and assistance he received through *EarnBenefits* were mutually reinforcing. He is now able to maintain economic self-sufficiency and take care of his family.

Snapshot of Robert Brown

30-year-old dislocated computer programmer whose wife stays at home and cares for their 5-year-old child. He earns \$9.50 an hour after gaining employment by accessing ITA vouchers and A+ training through Seedco's IT Consortium. He works a total of 35 hours a week.

Before *EarnBenefits*:

Monthly Income: **\$1410 after taxes**

Monthly Expenses:

Rent:	\$800
Utilities (phone, electricity, heat):	\$90
Food:	\$300
Transportation:	\$80
Other:	\$300

Total Monthly Expenses: **\$1570**
Earnings Gap: **\$160**

After *EarnBenefits*:

Monthly Benefits:

Food Stamps:	\$200
LifeLine:	\$15
Total Monthly Benefit:	\$215

Annual Benefits:

HEAP:	\$150
Federal EIC:	\$1369
City/State EIC:	\$579
Total Annual Benefits:	\$2098

Total Benefits Value Per Year: **\$4678**

Monthly Earnings Surplus from *EarnBenefits*: \$230

Key Bundling Points:

- Introduced to *EarnBenefits* through accessing customized training at FBCO
- First screened for *EarnBenefits* through the FBCO/VITA site (free tax preparation and tax credits)
- Accessed additional benefits through case manager's follow-up process

Section IV. Lessons Learned

As we continue to bring our operation to scale, we are generating results that demonstrate the effectiveness of linking existing employment services with access to income supports and financial services through *EarnBenefits*. However, we also realize that more work is needed in order to produce a higher level of impact and sustainable results. Below we discuss the key lessons that have emerged that both characterize our work to date and will guide our efforts moving forward.

1. Bundling Services for Clients

As described earlier, Seedco's experience has been to add benefits and asset building services onto existing employment services. Whether a CBO has a longstanding workforce development program or is a newcomer to the field, our experience suggests that the acquisition of a new job creates a unique environment whereby individuals are more receptive to taking advantage of opportunities to link with additional supportive services such as income supports or financial services. The following are lessons-learned from this experience:

- a. Integration into service delivery: All the FBCOs in the *EarnBenefits* network offer a variety of employment services with the client flow for each service structured in a particular way. Each, therefore, requires extensive planning to determine the appropriate points to introduce the topic of benefits and financial asset building services, and follow-up. As the profiles suggest, it is crucial to first conduct education around benefits in the early stages of client interaction—typically as part of pre-employment services—and then continue with the education process by reiterating the importance of benefits throughout the retention or post-employment phase. Employment services clients often need to hear about benefits and financial service opportunities three or four times before they actually access these services thereby requiring ongoing interactions between case managers and clients.
- b. Matching benefits to populations: Since the value of benefit packages for which particular clients are eligible depends on many factors—wage level, family size, welfare status, and immigration status, among others—it is critical for FBCOs to determine which benefits will be a match for their client population. This allows FBCOs not only to be more effective in their marketing and outreach strategies but also to better manage clients' expectations. Especially in the case of clients who have a history of negative experiences with government agencies, providing accurate information about benefit availability, eligibility requirements, and application procedures is essential.
- c. Long-term engagement with clients: Initially clients may want to know about the full range of benefits for which they qualify. However, our experience suggests that they rarely apply for all benefits in one sitting. Benefits access is generally an iterative

process. Once clients engage with case managers and build a relationship over time, clients will typically receive one benefit and then return weeks or months later to pursue additional benefit opportunities. The ongoing nature of this process has important implications for program design and staffing. To be effective at helping clients move toward self-sufficiency, case managers need to be able to develop relationships and keep in touch with clients for extended periods of time.

2. Organizational Capacity to Deliver Bundled Services

Among the FBCOs providing *EarnBenefits*, we have identified three forms of organizational capacity that have played a critical role in the success of their efforts to bundle services:

- a. Institutional credibility in the community: As much as bundling requires a one-to-one relationship between clients and case managers, it also requires that the FBCO be a trusted community institution. Given the time needed to work with a client from initial labor market attachment to economic self-sufficiency, FBCOs need to anticipate significant turnover in case managers and other service providers who will interact with any given client. To encourage clients to engage with new faces, FBCOs must develop systems that effectively retain and transfer client data. They also must ensure that their organization profile is strong enough to keep clients coming back regardless of changes in faces behind the desks.
- b. Flexible service provision: FBCOs must take a flexible approach to managing client relationships. To engage clients and help them access multiple services, the job responsibilities of front line staff need to cover a variety of service areas and functions. Service providers also need the flexibility to create strong relationships with clients to build the trust necessary for service bundling. For instance, job descriptions for staff such as case managers or retention specialists should include work supports and financial services counseling in ways that are appropriate to clients' needs. Staff should also be afforded greater capacity to track and follow up on referrals.
- c. Data collection: Most data collection is structured around the requirements of current contracts and funders. These requirements do not necessarily reflect a realistic timeframe for facilitating the provision of services and then ensuring that services lead to economic success. FBCOs that take a long-term view of tracking the impact of services on clients are better positioned to consistently help clients move toward economic self-sufficiency. However, even with a long-term viewpoint, FBCO's should continue to use real-time information to target services and modify their approach to achieve the best outcomes.

3. Intermediaries and Scale

Intermediaries such as Seedco play a critical role in promoting scale. Our experience to date suggests four critical intermediary functions that encourage significant levels of service delivery:

- a. Access to funding: The ability to leverage large-scale government contracts to deliver employment services provides a significant base of funding. While there is little support for additional services in these contracts, there are opportunities to leverage philanthropic and other government resources to cover the costs of benefit and financial services that wrap-around government-funded employment services. For example, Seedco secured a contract with the Corporation for National Service to provide funding for AmeriCorps members to serve as *EarnBenefits* counselors at FBCO sites.
- b. Benefits and financial services tools: Providing detailed knowledge about a full range of benefits and facilitating access is time- and labor-intensive. Economies of scale are necessary for the implementation of asset building services such as IDAs. The level of financial administration needed to run these programs make them prohibitive for individual organizations.
- c. Power of large numbers: To bring government partners to the table, it is important to represent a large constituency. In particular, streamlining the application processes requires an intermediary capable of negotiating new application protocols with government partners.
- d. Performance management: To achieve scale, a consistent evaluation of effectiveness is required. Using various data tracking methods developed by intermediaries, FBCOs can track screenings and enrollment of low-wage workers in benefits and then incorporate lessons learned into their management and operations.

Moving Forward

To build upon the foundation of the *EarnBenefits* Network, future efforts will focus on the following activities:

- a. Longer-term engagement: The goal of bundling is not simply to help clients access the three core service areas (workforce/career services to promote stable employment and advancement opportunities, income support services to help low-wage workers access public benefits, and financial services that encourage asset building). Rather, our expectation is that by combining these three services, we will achieve better outcomes

for low-wage working families. To know if these families are achieving this goal requires a minimum of two to four years of contact. This is a serious challenge, not least because economic mobility often goes hand-in-hand with geographic mobility. At a minimum, FBCOs need data systems with strong baselines that allow them to track short-term outcomes.

- b. Asset building ladders: As families begin to earn higher wages, they will qualify for fewer government benefits. In order to continue to meet the needs of clients as their income increases, *EarnBenefits* will expand access beyond existing income supports and financial services to include new services and benefits focusing on career upgrade and major asset building opportunities. These benefits, including ITA vouchers for advanced career training and access to home ownership, will allow *EarnBenefits* to provide a continuum of services as individuals become more economically self-sufficient.