The background of the slide is a photograph of two women in a community center. The woman on the left has short dark hair and is wearing a red, textured sweater. The woman on the right has long dark hair and is wearing a green sweater. They are both looking down at documents on a table. In the background, other people are seated at tables, and the room is decorated with colorful balloons.

LISC Financial Opportunity Centers
*Coaching and Counseling:
Models in Practice*

July 17, 2014

Bridging Financial Opportunities: At the Intersection of Savings, Assets, & Debt
Federal Reserve Bank of Philadelphia

Financial Opportunity Center Locations



LISC

APM
People's Emergency Center
PHILADELPHIA
University City District

Philadelphia FOCs:

LISC opened two centers in 2013:

- ▶ APM in Eastern North Philadelphia
- ▶ University City District in West Philadelphia

Launched 3rd center in 2014:

- ▶ People's Emergency Center in West Philadelphia

Serving 370 clients annually
(combined total)



Financial Opportunity Center Key Elements



- ❑ On-site *employment services* (job placement, retention, re-attachment, and advancement)
- ❑ On-site one-on-one *financial coaching* tailored to the needs of the working poor
- ❑ On-site *access to income supports* (public benefits, tax credits, tax return preparation)
- ❑ Intentional/well-planned integration of the three cores services
- ❑ Data tracking to improve program performance: Efforts to Outcomes (ETO)



Financial Opportunity Center

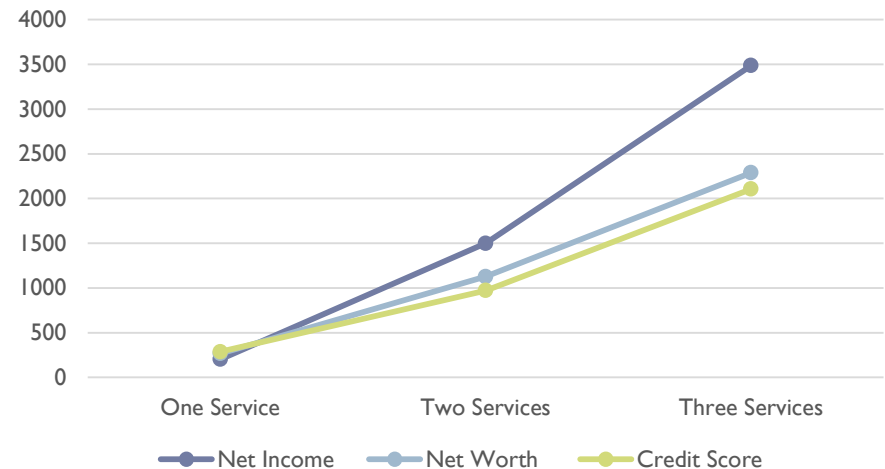
What's Working



In 2013, LISC supported centers help over 20,000 individuals receive bundled services, nearly 50% of the clients achieved at least one major financial stability outcome (increase in net income, credit score, or net worth and job retention)

- 5,340 People were placed in jobs
- 5,380 improved net income
- 4,260 improved net worth
- 4,220 improved their credit score (623 were previously unscored)

LISC Bundling Comparison
January 1, 2013 to December 31, 2013



Clients engaged in three services are 3 times more likely to see improvements in key financial outcomes than those getting only two services.

Impact of Services – The Jones Family

Jones Family Baltimore Maryland	Starting
INCOME	
Wage	\$ 19,008
Child Support	\$ 2,436
TOTAL INCOME	\$ 21,444
EXPENSES	
Housing/Utilities	\$ 8,808
Child Care	\$ 8,988
Food	\$ 4,752
Transportation	\$ 3,444
Health Care	\$ 3,108
Miscellaneous	\$ 2,880
Total Household Expenses	\$ 31,980
Check-Cashing	\$ 380
Furniture Finance Charges (Valued at \$2000)	\$ 1,809
Emergency Loans (or Pay Day)	\$ 596
Total Finance Charges	\$ 2,785
TOTAL EXPENSES	\$ 34,765
Net Income	\$ (13,321)

Impact of Services – The Jones Family

Jones Family Baltimore Maryland	Starting	Workforce Development
INCOME		
Wage	\$ 19,008	\$ 25,344
Child Support	\$ 2,436	\$ 2,436
TOTAL INCOME	\$ 21,444	\$ 27,780
EXPENSES		
Housing/Utilities	\$ 8,808	\$ 8,808
Child Care	\$ 8,988	\$ 8,988
Food	\$ 4,752	\$ 4,752
Transportation	\$ 3,444	\$ 3,444
Health Care	\$ 3,108	\$ 3,108
Miscellaneous	\$ 2,880	\$ 2,880
Total Household Expenses	\$ 31,980	\$ 31,980
Check-Cashing	\$ 380	\$ 507
Furniture Finance Charges (Valued at \$2000)	\$ 1,809	\$ 1,809
Emergency Loans (or Pay Day)	\$ 596	\$ 596
Total Finance Charges	\$ 2,785	\$ 2,912
TOTAL EXPENSES	\$ 34,765	\$ 34,892
Net Income	\$ (13,321)	\$ (7,112)

Impact of Services – The Jones Family

Jones Family Baltimore Maryland	Starting	Workforce Development	Access to Benefits
INCOME			
Wage	\$ 19,008	\$ 25,344	\$ 25,344
Child Support	\$ 2,436	\$ 2,436	\$ 2,436
TOTAL INCOME	\$ 21,444	\$ 27,780	\$ 27,780
EXPENSES			
Housing/Utilities	\$ 8,808	\$ 8,808	\$ 7,603
Child Care	\$ 8,988	\$ 8,988	\$ 5,842
Food	\$ 4,752	\$ 4,752	\$ 4,752
Transportation	\$ 3,444	\$ 3,444	\$ 3,444
Health Care	\$ 3,108	\$ 3,108	\$ 1,942
Miscellaneous	\$ 2,880	\$ 2,880	\$ 2,880
Total Household Expenses	\$ 31,980	\$ 31,980	\$ 26,463
Check-Cashing	\$ 380	\$ 507	\$ 507
Furniture Finance Charges (Valued at \$2000)	\$ 1,809	\$ 1,809	\$ 1,809
Emergency Loans (or Pay Day)	\$ 596	\$ 596	\$ 596
Total Finance Charges	\$ 2,785	\$ 2,912	\$ 2,912
Earned Income Tax Credit (Federal)			\$ (518)
Child Care Tax Credit			\$ (960)
Child Tax Credit			\$ (2,000)
TOTAL EXPENSES	\$ 34,765	\$ 34,892	\$ 25,897
Net Income	\$ (13,321)	\$ (7,112)	\$ 1,883

Impact of Services – The Jones Family

Jones Family Baltimore Maryland	Starting	Workforce Development	Access to Benefits	Financial Coaching
INCOME				
Wage	\$ 19,008	\$ 25,344	\$ 25,344	\$ 25,344
Child Support	\$ 2,436	\$ 2,436	\$ 2,436	\$ 2,436
Interest Income				\$ 23
TOTAL INCOME	\$ 21,444	\$ 27,780	\$ 27,780	\$ 27,803
EXPENSES				
Housing/Utilities	\$ 8,808	\$ 8,808	\$ 7,603	\$ 7,603
Child Care	\$ 8,988	\$ 8,988	\$ 5,842	\$ 5,842
Food	\$ 4,752	\$ 4,752	\$ 4,752	\$ 4,752
Transportation	\$ 3,444	\$ 3,444	\$ 3,444	\$ 3,444
Health Care	\$ 3,108	\$ 3,108	\$ 1,942	\$ 1,942
Miscellaneous	\$ 2,880	\$ 2,880	\$ 2,880	\$ 2,880
Total Household Expenses	\$ 31,980	\$ 31,980	\$ 26,463	\$ 26,463
Check-Cashing	\$ 380	\$ 507	\$ 507	\$ 60
Furniture Finance Charges (Valued at \$2000)	\$ 1,809	\$ 1,809	\$ 1,809	\$ 70
Emergency Loans (or Pay Day)	\$ 596	\$ 596	\$ 596	\$ 85
Total Finance Charges	\$ 2,785	\$ 2,912	\$ 2,912	\$ 215
Earned Income Tax Credit (Federal)			\$ (518)	\$ (518)
Child Care Tax Credit			\$ (960)	\$ (960)
Child Tax Credit			\$ (2,000)	\$ (2,000)
TOTAL EXPENSES	\$ 34,765	\$ 34,892	\$ 25,897	\$ 23,200
Net Income	\$ (13,321)	\$ (7,112)	\$ 1,883	\$ 4,603

Lessons Learned

Employment must be secure for lasting economic improvements

Solid employment is not sufficient for economic success

High levels of debt, high expenses undermine the value of work

When work feels like it ‘pays”, people stay employed

3 core services are mutually reinforcing

Economic achievement is a culmination of a series of smaller victories and changes in behaviors/habits



Improving credit scores leads to lower expenses and a better ability to build assets



LISC Twin Accounts

- ▶ Matched Credit Building Loan – \$300 over 12 months
- ▶ Client earns one-to-one match by making on time payments
- ▶ At the end of the twelve months, clients graduate to secured credit card using match
- ▶ Positive results thus far:
 - ▶ 55% of clients enter with no score and average a score of over 650 by the end
 - ▶ Clients who enter with a low score increase on average by 20 – 40 points



The Working Families Success Network



The Working Families Success Network (formerly Centers for Working Families or CWF) is working nationally to advance a fresh approach to helping low-income families achieve financial stability. The network is made up of national and local foundations, community colleges, and community-based organizations.

- ▶ www.lisc.org/isd
- ▶ <http://workingfamiliesuccess.com/>





Thank You!

Laura D'Alessandro
Program Officer, Family Income & Wealth Building
LISC
ldAlessandro@lisc.org

