

Unrealized Gains

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*How Workforce Organizations Can Put Money in the Pockets of Low-Wage Workers*

*Mae Watson Grote*

Working Ventures A PUBLICATION OF PUBLIC/PRIVATE VENTURES

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Working Ventures seeks to improve the performance of the workforce development field by providing practitioners and policymakers with the knowledge and tools needed to operate effective employment programs. We support the field by documenting effective employment strategies and practices, convening practitioner workshops and providing resources to encourage program innovation.

## **Unrealized Gains**

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# Realized Gains

## Marsha Dinkins Certified Nursing Assistant Chicago, Illinois

Marsha Dinkins was working full time as a home health aide, earning minimum wage, caring for her three children — and living in a homeless shelter. To get back on her feet, she needed a new place to live. With the help of a case manager at the shelter, she looked at a variety of apartments, but soon realized that she could not afford the rent on her salary.

*The cost of living in Chicago is high! I have three kids, two sons and a daughter, so one bedroom wasn't enough. I needed a two-bedroom, which was going to be \$650 to \$800. Leaving the shelter, I had to be able to pay utilities, but my job wasn't even enough to pay the rent.*

*My case worker asked me if I wanted to go to a job program. But you don't quit a job without having a better job lined up! I thought about it hard and quit. . . . I talked with my case worker, and she said I could make more. The shelter treated us well, but I didn't want my kids to grow up there. The shelter was bottom — it couldn't get any worse.*

Marsha quit her job and enrolled in a job readiness program and a Certified Nursing Assistant training class at The Cara Program. While there, she attended a series of Financial Self-Sufficiency Training workshops. Marsha also met weekly with a Client Support Specialist who worked with her to create a household budget by incorporating her prospective salary, housing needs and household expenses.

*The financial [literacy] class got me to work on my student loan. It was the only thing on my credit report that was bad. They showed us about how we could have savings and houses, different ways they could use the money and grow it. I used to go to the store and say, "Oh, I am going to get this!" Now I pick X amount of money and use that to get everything I need. I started to pay off my [defaulted student] loan . . . I paid consistently \$88 a month for 12 months then they took me out of default status.*

Soon after graduation, she started work as a CNA at Northwest Memorial Hospital earning \$11 per hour. In the year since she left the shelter and graduated from The Cara Program, she completed a phlebotomy course and was considering another class in radiology, both made possible because she had become eligible for financial aid.

*I was just talking to my Client Support Specialist about my goals. [I accomplished my] five-year goals in a year! . . . The money I've saved is for my children. I'm not interested in HUD housing just yet. I need more money than just a down payment; the roof will need to be replaced or whatever. I don't want to work paycheck to paycheck just to maintain the house.*

*At first I was like, "why do I need to look at my goals?" But it looks toward the future. I always set a goal to be a good mom, but that's not enough. The kids are getting bigger. They need to go to college. And they can't go just by my good graces.*



# *Economic Security:* **An Introduction**

Workforce development is, at its core, about economic security: employment enables people to support themselves and their families. Workforce development practitioners instill participants with the confidence to conduct successful interviews and negotiate salaries and benefits; they arm their participants with marketable skills, from pneumatic-press operation to phlebotomy; and they prepare them to manage relationships with supervisors and coworkers. The result is employment — and a paycheck.

***The Wage Gap: When the Ends Don't Meet.*** Often workers struggle. Whether they lack sufficient skills to command higher pay or employers fail to provide adequate wages, frequently there is a gap between what new workers receive and what they need. Employment does not necessarily guarantee solvency — that is, the ability to meet all one's financial responsibilities.

No matter the origin of the problem, it is clear that many entry-level workers face a wage gap. Researchers have studied and documented the difference between earnings and economic security:

- Full-time work at minimum wage does not enable a family to escape poverty. As the National Center for Children in Poverty points out: “A full-time job at the federal minimum wage of \$5.15 an hour pays less than \$11,000 a year — well below the poverty level for a family of three or four.”<sup>1</sup>
- Studies of people leaving welfare have found that their wages average \$6.50 to \$7.50 per hour and that more than 50 percent have incomes below the federal poverty line.<sup>2</sup>
- Moreover, when living expenses are included — food, housing, transportation and child care, for example — researchers at The Urban Institute found that one in six working American families had incomes that fell below a basic family budget.<sup>3</sup>

Economic insecurity is not only a hardship for the people experiencing it; it is frustrating for workforce development practitioners as well. As teachers, confidence-builders and workforce intermediaries, it is difficult for practitioners to see the hard work that goes into making a successful match between employee and employer thwarted by labor-market forces beyond their control.

**An Antidote to the Wage Gap.** Work supports — the subsidy or service that supports a person’s ability to obtain or retain employment — can be an antidote to the wage gap. By supplementing earnings, work supports narrow the wage gap, which in turn improves employment outcomes. Work supports such as earned income disregards and the Earned Income Tax Credit (EITC) are proven incentives to employment.<sup>4</sup> And researchers have demonstrated that child care and health care assistance have a favorable impact on job retention.<sup>5</sup> Work supports also lower welfare recidivism: When former welfare recipients receive health insurance, child-care subsidies or public assistance grants for emergencies, they are less likely to return to welfare.<sup>6</sup>

Obviously, work supports lift earnings. What is not as obvious is that work supports frequently have such a large impact that families are lifted from poverty. Receiving work supports while employed can often mean the difference between living above or below the federal poverty line.<sup>7</sup>

**Work Supports DEFINED.** “Work support” is defined in this report as any subsidy or service that supports one’s ability to obtain or retain employment. For example: child-care subsidies, earned income disregards, Food Stamps, health care (State Children Health Insurance Programs and Medicaid), housing assistance (Section 8 housing and emergency heating fuel assistance), tax credits (Earned Income Tax Credit and the Child Tax Credit), Temporary Assistance for Needy Families, transportation assistance, transitional welfare benefits and unemployment insurance. “Income supports” are commonly thought of as relieving a demonstrated financial need, and “work supports” are associated with elevating earned income. But in the workforce development field, financial and employment needs are often indistinguishable; therefore, the broad definition above will be used in this report.

**The Impact of Work Supports: An Illustrative Example.** Below is a hypothetical household budget for Marsha Dinkins, the Certified Nursing Assistant featured at the beginning of this report. After graduating from The Cara Program, she became employed as a CNA and moved from the homeless shelter to her own apartment. Before she left, and with the help of her Client Support Specialist at The Cara Program, Marsha created a budget that likely looked like the one on the right. Given her typical expenses and low wages, Marsha would have faced an \$817 deficit at the end of each month.<sup>8</sup>

**Marsha Dinkins’s Hypothetical Monthly Household Budget**

Rent	\$800.00
Food	\$464.00
Transportation	\$75.00
Child Care	\$522.00
Health Care	\$284.00
Basic Needs	\$215.00
Taxes	\$362.00
<b>Total Monthly Expenses</b>	<b>\$2722.00</b>
<b>Marsha’s Monthly Salary</b>	<b>\$1905.00</b>
(at \$11.00/hour)	
<b>Deficit</b>	<b>– \$817.00</b>

With a variety of work supports however, Marsha and her family can turn their monthly budget around and actually create a small surplus at the end of each month:<sup>9</sup>

<b>Marsha Dinkins’s Hypothetical Monthly Household Budget With Work Supports</b>			
	<b>Before</b>	<b>Work Supports</b>	<b>After</b>
Rent	\$800.00		\$800.00
Food	\$464.00	\$193.00 in Food Stamps	\$271.00
Transportation	\$75.00		\$75.00
Child Care	\$522.00	\$435.00 subsidy from the Illinois Child Care Assistance Program	\$87.00
Health Care	\$284.00	\$150.00 from Illinois KidCare Rebate plan	\$134.00
Basic Needs	\$215.00		\$215.00
Taxes	\$362.00	\$130.00 in Advance EITC	\$232.00
<b>Total Monthly Expenses</b>	<b>\$2722.00</b>		<b>\$1814.00</b>
<b>Marsha’s Monthly Salary</b>	<b>\$1905.00</b>		<b>\$1905.00</b>
<b>Deficit or Surplus</b>	<b>– \$817.00</b>		<b>\$91.00</b>

Marsha’s estimated Earned Income Tax Credit (EITC) totals \$2,278 for the year, but she is eligible for up to \$1,563 in advance EITC, or \$130 a month to alleviate her tax obligation. When Marsha files her taxes, she will receive the balance of her EITC (\$715), and the Child Tax Credit (\$1,236).

By filling an \$817 deficit and creating a \$91 surplus with a patchwork of work supports, Marsha and her Client Support Specialist have closed her wage gap. Her ability to make ends meet will surely help her to keep her job and maintain her new home — in short, to achieve a measure of economic security.

**The Accessibility of Work Supports.** Despite the promise of work supports, the wage gap is compounded by low-income workers’ inability to access the very remedy intended to close the gap. Many new workers go without the supports needed to make a successful transition into the workforce.

To cite but three examples, Food Stamps, child-care subsidies and health care insurance are all underutilized. According to the U.S. Department of Agriculture, only slightly more than half of working people eligible for Food Stamps actually receive them.<sup>10</sup> Most families who are eligible for subsidized child care go without: only 15 to 20 percent of families who qualify for federally funded child-care subsidies actually receive them.<sup>11</sup> Publicly supported health care insurance suffers from similar under-use. “One review of recent studies found that one third or more of children and most adults were no longer receiving Medicaid after they left welfare — a level not explained by the availability of employer-provided health insurance.”<sup>12</sup>

Researchers have found several common reasons for this under-use of work supports. For one, many workers simply do not know that such supports exist. Studies have revealed that lack of knowledge is often a barrier to access.<sup>15</sup> Another is that the systems are primarily designed for welfare recipients, not working families. Without after-work operating hours or child care, “the delivery systems often are not designed to serve parents in the workforce.”<sup>14</sup> The process of obtaining work supports is oftentimes too difficult for already-overwhelmed low-wage workers. Many eligible workers also feel a stigma in obtaining work supports — that it is shameful to receive a “handout.” Researchers have also cited burdensome application processes,<sup>15</sup> confusion about eligibility,<sup>16</sup> and different and conflicting rules.<sup>17</sup>

### ***What Does This Have to Do with Me? A Role for Workforce Development Organizations.***

It may seem counterintuitive for workforce development organizations — charged with helping people “get off” welfare — to concern themselves with work supports. But connecting participants to work supports is, in fact, a logical evolution of their mission.

There is no one-stop for work supports. Transitional welfare benefits are managed by local social service districts, the U.S. Department of Agriculture administers Food Stamps, and Earned Income Tax Credit refunds are distributed by the Internal Revenue Service, to name just a few. With no centralized approach to supporting low-income workers, access and receipt of work supports is frequently hit-or-miss, or, as noted earlier, more often a miss.

In contrast, workforce development organizations are in a unique position: practitioners are right there with participants in the nexus of employment and unemployment. As such, they have an opportunity to help participants access the very supports that will improve their chance of obtaining and retaining employment. As Julie Strawn and Karin Martinson state: “The most critical point for connecting new workers with child care and other benefits is when they first enter employment.”<sup>18</sup>

Seizing this critical point before work means facilitating participants’ financial independence for the organizations featured here — Women’s Housing and Economic Development Corporation, The Cara Program and Maine Centers for Women, Work and Community. Managers and staff observe that their efforts help participants choose to work, enable graduates to keep their jobs, and encourage them to think about career advancement.

Given the demands of performance-based contracting, focusing on economic security allows them to get more bang for their buck as well. This work is in their organizational self-interest as the workforce development field is increasingly held accountable for graduates’ ability to retain their jobs. Additional resources spent on facilitating work supports can mean improved performance and increased revenue.

Moreover, these organizations believe concern with their participants' and graduates' economic well-being is a natural extension of their mission. Workforce development programs create the space and time for people to reexamine or discover their role in the labor market. By helping them figure out their career aspirations, managing their expectations of the workplace or by teaching them a new trade or skill, workforce development practitioners are often ushering significant changes in participants' lives. Organizations that address their participants' economic security complement and reinforce these changes: career goals buttressed by financial goals, knowledge about workplace culture made stronger by knowing that work supports will enable them to keep the job, and new "hard" skills supplemented with new budgeting skills.

This report aims to provide practical guidance to workforce development organizations considering helping participants accomplish true financial independence. The report complements recent work by MDRC, including its Work Advancement and Support Center demonstration and *Building Bridges to Self-Sufficiency* paper, which focuses on policy responses related to low-wage workers' access to work supports, employment retention and advancement; Jobs for the Future's *Private Employers and Public Benefits* report, which examines work supports from the employer's perspective; and Seedco, whose report *Benefits and Low Wage Work* provides lessons learned from its New York City-based EarnFair Alliance.

In the following pages, profiles of Women's Housing and Economic Development Corporation, The Cara Program and Maine Centers for Women, Work and Community are provided. The report then details how these three organizations approach this work, from integrating financial literacy classes, to "income packaging," to advocacy. In addition to Marsha Dinkins's narrative, which opened the report, two other workers' stories, pointers on combating common myths, tips for program delivery, resources for getting started and examples of alternative strategies are interspersed throughout the text. In closing, and looking to the future, the report discusses the challenges raised for the field by addressing participants' economic security.

## Three Organizations Pursuing Economic Security

### *Making a Financial Transformation Too —* **The Cara Program**

“We were sick and tired of seeing our ‘success stories’ back in the shelters,” said Eric Weinheimer, President of The Cara Program, when asked why they had decided to focus on participants’ financial solvency and economic security. In taking a closer look at why some graduates failed, staff identified a trend. While the organization’s underlying mission is to transform people’s lives, participants were not always transforming the way they thought about money. For many participants — all of whom are homeless or at risk of homelessness — their inability to find employment, secure permanent housing or think about the future was in some way connected to bad credit, huge debts or defaulted loans. Even though there were more people achieving economic security than there were relapses, staff were frustrated watching clients buy high-ticket luxury items with their tax refunds or “max out” new credit cards after they got a job. Stephanie Wernet, then Director of Client Support, remarked that participants were “still in survival mode, only with more money” because they were focusing on what made them feel good in the short term.

#### **The Cara Program** Chicago, Illinois

**Founded:** 1991 by a retired information technology entrepreneur

**Staff:** 21

**People Served in 2003:** 340

**Referral Sources:** Participants are often referred to the program from homeless shelters and substance abuse recovery facilities

**Length of Program:** Six to eight weeks, depending on skills training

**Areas of Employment:** Clerical, food service, housekeeping, customer service and manufacturing

The Cara Program, which is named for the Gaelic word “friend,” originally structured its programming around four areas of “transformation”: family, education and career, health and housing. Staff added a fifth area of transformation — participants’ financial health — not only to address those who were in survival mode, but also because staff found that even when graduates were making sound financial decisions, many were unable to sustain solvency because they would not, or could not, “save for a rainy day.” Staff noticed that graduates’ ability to weather periodic expenses — moving costs, doctor’s bills or back-to-school clothing — often distinguished those who achieved economic security from those who returned to the shelters.

**Financial Self-Sufficiency Training.** From 8:30 to 9:00 every morning, all participants — and some graduates on their way to work — gather in the basement of a former Roman Catholic Church convent that houses The Cara Program’s offices for Daily Motivations. The brief gathering is an opportunity for participants to share what is motivating them that day (for example, the prospect of a job, their children or a new beginning) in the form of poetry, serenity prayers and lots of songs (everything from hymns to the Village People).

In the first four weeks of The Cara Program, when participants are working on job readiness skills like self-esteem building and ethics, they also attend a series of Financial Self-Sufficiency Training workshops. The first workshop, on the program's opening day, introduces participants to goal-setting — potentially a daunting task for people living in a homeless shelter. But Cara staff walk them through the process, teaching them to identify timetables, create short-term goals and learn how to periodically assess progress. Participants also take Financial Planning, Credit and Debt Management, and Investing workshops, which equip them with the information and tools to achieve the long-term goals they articulated and mapped in the first workshop. At the end of the four weeks, participants move into job-search workshops or specialized skills training, like a certificate-bearing environmental services class or a food-service training class.

Cara's Client Support Specialists meet with participants weekly. They complete a Needs Assessment with each client, examining current housing, financial, medical, child care and educational circumstances. They ask participants probing questions about outstanding credit card or loan debt, child support or alimony obligations, and whether they are behind in making payments. The Assessment serves several purposes. For one, it is a snapshot of a client's current situation, thus positioning that client for the workshops and individual counseling. It also serves as the starting place for support services. Client Support Specialists help participants with research such as obtaining credit reports and comparing checking account options, and refer them to organizations such as Consumer Credit Counseling and Legal Aid to help them pursue their goals. Incorporating a focus on participants' financial security complements — and reinforces — the whole-person transformation that The Cara Program aims to achieve.

## Three Organizations Pursuing Economic Security

### *Preparing People Economically and Emotionally for Work —*

## Women's Housing and Economic Development Corporation

"Sometimes I don't even want to talk my clients into getting a job," lamented a staff person at Women's Housing and Economic Development Corporation, or WHEDCo (pronounced "WED-co"), speaking to the challenge of assuring long-term welfare recipients that despite low wages and lack of benefits, employment is an opportunity to be seized. WHEDCo has met this challenge by addressing participants' economic security. They found that this approach prepared participants economically and emotionally to leave welfare. As the dust of welfare reform began to settle, WHEDCo staff recognized that many long-term recipients were apprehensive about leaving welfare because they could not financially justify the alternatives. Barbara Zerzan, Vice President for Programs, said: "They are not going to want to take a job when they can't support their family."

#### **WHEDCo** **The Bronx, New York**

**Founded:** 1991

**Staff:** 120

**Participants in Innovations at Work in 2003:** 700

**Referrals:** Welfare recipients and homeless people are referred to WHEDCo by the New York City Human Resources Administration's Work Experience Program

**Length of Program:** Two weeks full time, then part time for an average of six to seven weeks while participants also go to their Work Experience Program assignment

**Areas of Employment:** Health care, administrative/clerical, security, legal case managers, commercial driving, food service and information technology

Staff at WHEDCo became convinced that focusing on participants' financial health could help them prepare economically to leave welfare. A few people familiar with New York's Self-Sufficiency Standard (a tool developed by Wider Opportunities for Women and the Women's Center for Education and Career Advancement that demonstrates how regional and household differences affect families' abilities to sustain themselves) led a key discussion at a staff meeting. It was decided that using the standard would provide "a framework for WHEDCo's economic advancement mission," according to Donna Ruben, WHEDCo's Director of Contracts and Evaluation Research. The standard revealed that many WHEDCo participants needed jobs that paid \$21 per hour to support themselves and their families. Significant structural changes to the regional economy were beyond the staff's capacity, but they could help participants fill the wage gap with work supports.

After reviewing graduates' starting wages and incomes, staff calculated that "income packaging" — that is, identifying the gap between income and economic security and then filling it with work supports — would "reduce pressure on wages," said Zerzan. Alleviating that pressure, staff concluded, would facilitate clients' ability to transfer from welfare to work, and might improve their own programmatic outcomes too.

In addition to preparing participants for work economically, WHEDCo decided that they needed to address participants' emotional needs as well. Staff began by simply going over welfare budgeting procedures with participants, demonstrating how they would be able to keep some of their welfare grant initially, but how later earnings would reduce it dollar for dollar. "By letting them know upfront what will happen with their grants, by contextualizing it, people don't feel so afraid to leave it," said a staff person.

***The Self-Sufficiency Calculator Workshop.*** Innovations at Work — WHEDCo's job readiness and job search program for welfare recipients — begins its financial literacy instruction with the Self-Sufficiency Calculator Workshop. Employment Case Managers start by comparing a variety of scenarios on flip-chart paper. For example, staff create a public assistance budget for a three-person household, showing that a full-time Work Experience Program assignment "earns" them \$3 per hour. They then compare that to an entry-level job paying \$6 per hour. "WHEDCo has doubled your income!" jokes staff. The group is introduced to the Self-Sufficiency Standard in an exercise that asks them to create a list of all their needs and expenses should they seek employment: child care, transportation and health care. Participants then turn to their own households. With the Internet-based Calculator, they add their family members, rent and food costs. Because participants are without earned income at this point, the Calculator typically reports back how far away they are from the Self-Sufficiency Standard and what work supports are available to help achieve that threshold. Participants are then asked to go back and enter typical starting wages, \$6 to \$8 per hour, to see how the picture changes; thus, they are learning in a concrete way how a paycheck can replace a welfare check.

The Employment Case Managers build upon the Self-Sufficiency Calculator Workshop with a financial literacy course in 10 modules. The first few sessions — introduction to banking, debt reduction and next steps — take place in the first two weeks. When participants are attending their Work Experience Program assignment, they come to WHEDCo part time for job-search assistance and are able to take the next modules on saving, consumer protections, credit and home buying. At this time participants are using their new skills to draft a Self-Sufficiency Plan. Created with the help of the Employment Case Managers, the Plan starts with earned income and a public benefits package and then, over time, outlines steps to earn raises. By adding the Workshop to their program and creating a Plan for each participant, graduates are better prepared economically, and emotionally, for work.

## Three Organizations Pursuing Economic Security

### *“Paying the Bills and Feeding the Soul” —* **Maine Centers for Women, Work and Community**

“Many of our participants understand that the low [public assistance] benefits mean poverty forever, but at least they could count on it,” said Linda Buckmaster, Women, Work and Community’s Employment and Training Coordinator, explaining why her organization began helping participants figure out how to make work pay. As a result of welfare reform, more and more participants were asking staff how they could realistically replace public assistance with earned income.

Frustrated participants would often say: “My case worker won’t tell me what’s going to happen,” recounted a staff per-

son, so they had them bring in paystubs and they figured it out together. Participants were also becoming increasingly attuned to how their job choices affected their bottom line. “We were hearing from participants: ‘Can I afford an hour commute for a \$6-an-hour job?’; ‘If I go back to school, will I be able to get a job that will pay the loan?’,” said Linda. To meet this need, Women, Work and Community created a new hybrid of its workforce development and financial literacy programs in which participants would create a personal plan for career satisfaction and economic security, prompting one staff member to call the program: “Career Exploration: Paying the Bills and Feeding the Soul.”

Women, Work and Community developed the new program not only to address participants’ evolving needs, but also because it fulfills the organization’s expanding mission. As a women-run agency whose primary purpose is to serve Maine women, addressing women’s financial health and fostering financial independence is a natural goal. Several realities reinforce the need to focus on women’s financial independence: Women typically live longer than men, live in poverty and are heads of household.

But a program devoted to combining workforce development and economic security was still a subtle shift in Women, Work and Community’s approach. Started over 25 years ago as a displaced-homemakers’ program, Women, Work and Community now offers dozens of classes in workforce development, microenterprise, asset development and leadership. “The people we serve are going through change; they bring that dynamic, and we model that,” explained Gilda Nardone, Women, Work and Community’s Executive Director. Observing Maine’s climate for service organizations, Nardone concluded, “Many of the organizations that were content to carve out their piece 20 years ago aren’t here anymore.”

#### **Women, Work and Community Augusta, Maine**

**Founded:** 1978

**Staff:** 32 in 18 offices throughout the state

**Graduates of All Workforce**

**Development Programs in 2003:** 679

**Participant Demographics:** Welfare recipients, displaced homemakers, incumbent workers and dislocated workers

**Length of Program:** Eight weeks, depending on location

**Areas of Employment:** Clerical, health care, construction, communications technology, financial services and education

**Creating Your Future.** Women, Work and Community’s hybrid program, Creating Your Future, is usually broken down into two parts, depending on region and the demographics of the participants. In the first section, participants turn inward and explore personal values, career goals, personal and technical skills, and work and volunteer history. Because financial literacy is woven into the program, they also examine financial needs and wants. Participants and instructors also discuss the value of a homemaker’s salary and how household budgets form the basis of the national economy.

“If the first part is summed up as, ‘Who Am I?’ then the second is ‘What’s Out There?’,” said a staff person. The self-awareness exercises from the first section provide a foundation for the next section, as participants are asked to research, then connect, career interests and financial needs with the current labor market. Employers frequently come in as guest speakers and talk to classes about various sectors and careers with their companies. Some participants “try out” new occupations with job shadowing assignments. Participants develop a Career Action Plan with short-term and intermediate steps to get an entry-level job or training, which then progresses to a professional job or higher education. Accompanying the Career Action Plan is a Financial Portfolio, which has participants list immediate strategies for increasing income and stretching their dollars and even features their retirement goals. Creating Your Future’s dual focus — finances and career — allows “students to understand what they have, what they need, what they want and how to get there,” said Eloise Vitelli, Women, Work and Community’s Director of Program and Policy Development.

# Realized Gains

## Sara McFarland Head Start Family Advocate Mt. Vernon, Maine

Sara McFarland's participation in Maine's innovative "Parents as Scholars" program allowed her to obtain a college degree in early childhood education while she was receiving public assistance. Unfortunately, her first year after graduation — and off public assistance — was not easy. During that first year, Sara was sporadically employed at several different child-care centers. The lack of stability was impeding her effort to support herself and her children.

*I had a few jobs right after school, but I didn't know how to interview them; I didn't know how to figure out if the place was functioning well. It was a disaster. Three jobs later, I landed at my parents; the kids and I had to move in with them for a summer. . . . I was so desperate that I was picking blueberries. It was depressing: here I was, a 30-year-old college graduate picking blueberries. I wasn't able to plan ahead. My life was sporadic and compulsive, which just wasn't working with two kids. We were living crisis to crisis, and I was always asking my parents for money.*

*It was so discouraging to keep saying to my kids: "Once I graduate, everything will be alright," then to only have everything fall apart. I promised my kids that we'd have a farm some day. My kids started to not believe me, and I started to not believe me.*

While she was receiving help from her parents, Sara started classes with Women, Work and Community because she wanted to learn how to make it on her own. She hoped to get her expenses under control and create a plan for unforeseen circumstances. And then there was the farm she promised her children.

*One of the most eye-opening things is putting down all those little things, gifts and car registration. I wrote down where every penny went for a week. I didn't realize how much money it was. Then there was the whole interest thing: the amount of money it costs to buy something on interest than if you purchase something outright. When I was done with the class, I enrolled in [Women, Work and Community's Family Development Account program] and I made a \$50 monthly deposit and it was matched with \$100. I couldn't take money out. The minimum time you had to stay in [before payout] was six months, but I was in for over a year.*

*[Six months ago we bought] a red barn and a white farmhouse. I didn't buy the house by myself, I bought it with my partner. I didn't want to buy the house without having my job and career all set. We came into buying the house with equal amounts of money. . . . [The house is on] a half an acre of land. We even have chickens. It is a very comfortable community. . . . The people at the general store knew our closing date before we did.*

*I'm so glad I took the class. There is a whole industry out there thriving on people living in poverty. But [Women, Work and Community staff] were genuine.*

# *Economic Security Strategies*

*Each of the organizations featured here serves different people, has different services and has different reasons for approaching workforce development with a focus on participants' financial health. Nevertheless, when compared, four distinct strategies emerge — each building upon the other — that enable these organizations to successfully execute their work.*

- 1 Money Management 101.** With a variety of curricula, Women, Work and Community, The Cara Program and WHEDCo each integrate financial education into broader life skills training.
- 2 Making Ends Meet with “Income Packaging.”** These organizations also help participants make ends meet by “income packaging” — that is, identifying the gap between income and economic security, then filling the gap with work supports.
- 3 Putting Income Packages into Action.** Each of these three organizations helps to put the income package plan into action with a variety of advocacy efforts.
- 4 Ensuring Economic Security After Employment.** The Cara Program, WHEDCo and Women, Work and Community all provide ongoing support after participants are employed.

# 1 Money Management 101

- **Built-In Curricula**
- **Three Paths to a Curriculum**
- **The Nuts and Bolts of Financial Literacy**
  - **Financial Goals: A Road Map for Life**
  - **Money Attitudes = Money Habits**
  - **Budgeting, Ah . . .You Mean, Spending Plans**
  - **The ABCs of Mainstream Financial Institutions**
  - **Pay Yourself First**
  - **Another Look at Credit Cards: Debt Management and Reduction**
- **Getting Started with Money Management**

Participants in these organizations need basic financial education not only because they typically lack access to mainstream banking and financial institutions, but also because the diversity and volume of financial product offerings have proliferated. As such, “financial knowledge has become not just a convenience but an essential survival tool.”<sup>19</sup> Many workforce development organizations have met this need by incorporating a financial literacy curriculum into their program offerings. Moreover, an understanding of household budgets gives participants the foundation for the income packaging and employment retention work ahead.

**Built-In Curricula.** For the organizations featured here, it is often difficult to distinguish helping participants manage their money from other workforce development programming. At WHEDCo, the Self-Sufficiency Calculator and Workshop are built into the case management and “life skills” or job readiness aspects of the programs. “The [financial literacy] class is really just a part of our Resource Room and soft skills training,” said an instructor at WHEDCo.

Cara Program participants explore and create financial goals concurrently with their goals for health, career, family, education and housing. They build money-management skills as a part of the job-skills training program. Similarly, at Women, Work and Community, staff see participants’ new financial skills as contributing to their marketable skill set.

This integrated approach is rooted in experience. Initially WHEDCo offered the calculator and workshop only to graduates. Barbara Zerzan, WHEDCo’s Vice President for Programs, incorporated the material earlier, cognizant that some participants leave the program before graduation. “Welfare budgeting and transitional benefits is so primary; everyone should understand it,” she said. Moreover, “it is very hard to get participants back in” after graduation. Stephanie Wernet at The Cara Program confronted the same challenge: “It is very difficult to get them back in for workshops; it is very hard to capture their attention.” Instead, they added the financial components to a comprehensive program. This way, observed Wernet, “we make sure they get a job that meets their financial needs.”

**Poor People Can’t Manage Money MYTH.** Lack of experience with mainstream banking and financial institutions does not, of course, mean low-income people are poor money managers. Nor does it mean that what they do know is not transferable. “People are better money managers than they think they are,” said a staff person at Women, Work and Community. “By living on the edge, one acquires street-level knowledge of how to make things work.” Trainers capitalize on participants’ knowledge by conveying to them at the start of the workshop that “the intricacies of public assistance are not that different from paying taxes and [meeting] other obligations of working people.”

**Three Paths to a Curriculum.** Each organization uses a curriculum that was created, or largely rewritten, by staff. Not one organization plucked a course from the Internet and tacked it on wholesale: each listened to participants’ needs and heeded staff’s experiences in developing a tool unique to their work.

After examining many different financial literacy curricula, WHEDCo discovered that there were few geared to low-income people. “Many simply assumed people had banking accounts,” said the instructor, when perhaps less than 5 percent of WHEDCo’s participants actually have a checking or savings account. They eventually settled on a course created by the Federal Deposit Insurance Corporation (FDIC) because “it does not tell them what to do with their money, it is about giving them the tools to make their own decisions,” said the instructor. However, the present version is different than the original. By focusing on the information immediately usable for participants, staff eventually “weeded out higher-level stuff on federal law,” such as the Equal Credit Opportunity Act. And, unless the participants have particularly basic needs, they also skip some of the fundamentals, such as “Why should you keep your money in the bank?” or a glossary of basic banking terms. These changes have resulted in a course tailored to the needs of their participants.

While WHEDCo modified an off-the-shelf curriculum, staff at The Cara Program created their own. Client Support Specialists were intimately aware of their participants' financial knowledge and needs based on the issues that arose in case management. They created a curriculum that works, even though "no one on staff has a background in social work or psychology," because staff drew from what participants were experiencing, said Wernet. But they did look elsewhere for the technical aspects. For areas such as credit histories and reports, for example, they sought material from local banks and consumer advocacy groups.

Women, Work and Community staff created their financial literacy curriculum not once, but twice. The first version of Creating Your Future was geared to meet the needs of welfare recipients, but as the organization began to serve more dislocated and older workers, the staff began to pull back from the welfare to work rules and focused more on financial literacy that applied to everyone. A curriculum committee of trainers, line staff and management revamped the course and, as a result, welfare rules no longer dominate the curriculum and have been limited to a single module. Creating Your Future now has broad appeal and is sophisticated enough to vary according to region, given the local economies and available supports.

**The Nuts and Bolts of Financial Literacy.** While each organization developed courses to meet their own participants' needs and traveled different paths to produce a final product, there are several common components. WHEDCo, Women, Work and Community and The Cara Program cover many of the same areas in their financial literacy courses: goals, attitudes toward money, budgeting, financial instruments, savings, and debt management and reduction.

**Financial Goals: A Road Map for Life.** Similar to career ladders, goals provide participants with a reason to think about the future. The organizations described here found that when participants are working toward a goal, they are motivated — to create a budget, stick with the program or start a low-paying job.

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"When we first rolled out the financial literacy class, it didn't go over well; clients just stared at us," admitted Wernet. "We quickly realized that we were doing it backwards: we need to explain to them why it is important first." Maintaining participants' attention was an early challenge for Cara staff, but, after three years, the curriculum now includes "many more elements related to their goals and visions for the future." Because staff relate each part of the

*She would meet with us one-on-one, you know, confidential, and talk about what we might need to do to actually achieve our goals, whether it was to save for retirement or get out of credit card debt . . . it was real helpful; kind of a road map for each thing you wanted to do.*

– Women, Work and Community participant

work to financial goals, participants are ready for the hard parts. Wernet cites the example of a client set on paying for her child’s college education: “When we got to crunching the numbers, she was really open to it, saying ‘I need to quit smoking so I can save more money!’ She arrived there because she conceptualized it on her own.” With goals as the driver, the difficult or mundane parts become purposeful.

Linda Buckmaster at Women, Work and Community said that the goal-setting process also helps determine the pace of the class, which participants need one-on-one help and the type of homework — of which, she said, “there is usually a lot.” For example, Linda helps them figure out what they need to research (“What is the interest on your credit cards?”), who they need to call (credit reporting agencies) and what information they need to obtain (“What can I expect to get from Social Security when I retire?”). One graduate described it this way: “Separating my goal down into steps that I can take right now was very fulfilling . . . it made the kind of foggy vision become a reality.”

### **Money Attitudes = Money Habits.**

In addition to goal-setting, staff frequently ask participants to examine their own feelings about money. Similar to the personality tests that gauge interest in careers, these curricula ask participants to think about their spending, savings and budgeting behaviors. A trainer at Women, Work and Community observed: “Money isn’t just about the nuts and bolts of cash; without an understanding of your emotions about money, you can’t change.” A first step is “Money Genealogy,” in which participants explore how they first learned how to manage their money. Likewise, Client Support Specialists at The Cara Program frequently explore how their homeless clients may feel more comfortable living paycheck to paycheck. In understanding their own behaviors, participants gain confidence that they actually have more control over their money.

**Economic Security TIP:**  
**There Are as Many Goals as People.** Each organization discovered the need to appreciate that participants have a wide range of goals. A Women, Work and Community trainer described a class in which one participant had the goal of starting her own business, while another simply wanted to be able to buy groceries that week. And Employment Case Managers at WHEDCo recognize that some participants may be overwhelmed by goals, so as they work with them, they simply refer to “activities” instead. Being sensitive to the fact that different people have different goals has allowed these organizations to build trust with their participants.

**Budgeting, Ah . . . You Mean, Spending Plans.** “We don’t use the word ‘budget’; it has a negative connotation, like the word ‘diet,’” said Linda Buckmaster, explaining her preference for the phrase “Spending Plan.” No matter the title, each organization devotes a good portion of its curriculum to helping participants compare their income with their expenses, track spending habits and examine costs they can cut. WHEDCo calls this chapter “Money Matters” — it is where participants first learn the difference between needs and wants. Diana Perez, Director of Home-Based Childcare

Services at WHEDCo, said the class requires participants to “examine their spending habits; impulsive spending is always a big issue.” After participants understand how to categorize their expenses, they use the Self-Sufficiency Calculator as a budgeting tool because it enables them to see where they are spending their money.

Participants at each organization are also encouraged to track their spending. As with many

people who have ever tallied their weekly or monthly expenditures, participants are usually surprised by their own habits. “You don’t realize it; you don’t realize how much you spend daily and where it is all going,” said one incredulous participant.

*It’s interesting how they showed us how to budget. . . . My balance at the end of the month turns out to be \$300, and I’ve got to pay for all the things that I am going to need, like entertainment. I’ve done my research and found places to go that don’t cost a lot of money. I have to be very careful how I spend my money.*

– WHEDCo participant

After creating a monthly budget, participants are frequently left with a frustratingly small amount of money, or worse, a deficit. Staff then turn to how participants can cut their costs: each had a wealth of tips ranging from low-wattage lightbulbs to buying monthly bus passes instead of weekly. Case managers at WHEDCo remarked, “There are lots of little things they don’t necessarily think about; we get them to think about how they can do it differently.”

**The ABCs of Mainstream Financial Institutions.** Another common component of these organizations’ curricula is an introduction to financial institutions and instruments. Expensive and sometimes usurious services, such as check-cashing storefronts and payday lenders, flourish in low-income communities. Connecting participants to mainstream financial institutions allows them to keep more of their own money.

An instructor at WHEDCo was initially surprised to learn how much information participants needed: “Many people had no idea about differences between check-cashing places and checking accounts. So I broke the costs down and showed them that there was a \$162-a-year difference, which is a fortune for people on public assistance.” A WHEDCo participant echoed the need: “I didn’t know that with a bank, you have to look for the one that will give you more interest, or that you have to pay to have a checking account. That’s why you have to shop around and study the banks.”

**Pay Yourself First.** Commonly referred to as “Pay Yourself First,” curricula at each organization also urge participants to establish savings goals and accounts. At The Cara Program, consistency, not quantity, is emphasized. Graduates may participate in the Matched Savings Program, which requires that they make consistent monthly deposits that

are matched on a two-to-one basis at the end of 10 months by The Cara Program. Participants cannot “make up” missing deposits in a subsequent month. The program has helped more than 300 Cara graduates purchase homes, pay tuition, buy cars and open their own businesses. Likewise, Women, Work and Community runs a Family Development Account program in which participants who take Financing Your Future and make deposits over two years can receive a maximum payout of \$6,000 to spend on a new home, school or a new business.

Staff at each organization described the occasional participant who is resistant to saving. One instructor described a participant’s protest: “I can’t save, I don’t have any money to save.” In response, classes and curricula stress the habit of saving rather than the amount. As a Cara Program instructor says, “It’s not how much you earn; it’s what you do with it.”

### **Another Look at Credit Cards: Debt Management and Reduction.**

While some participants are all too familiar with credit instruments, many need help understanding how they work. The Cara Program’s “Credit and Debt Management” class aims to have participants become more savvy consumers of credit. Participants first explore concepts around credit and how creditors and future employers can use their credit reports. The class then moves on to how to maintain good credit, repair bad credit and avoid predatory credit repair companies. Participants whose debt is unmanageable are referred to the Greater Chicago Consumer Credit Counseling Service for professional help.

Diana Perez at WHEDCo’s Family Child Care Program said that they began to cover debt when they realized that many of the child-care providers in her program were carrying “enormous” debt loads. “Some were even using their credit cards to pay for basic needs!” The new class, titled “Prime Workshop,” has a two-pronged approach to debt: how to use it and how to reduce it. Participants are not only introduced to how credit works and encouraged to create payment schedules but also urged to call their creditors and request that their interest rates be lowered. “The night of the Prime Workshop class, I called,” said one participant, “I had one credit card that I saw myself never paying off because the interest was something like 22 percent, but I called and they brought it down to 16 percent.”

### **Economic Security TIP: Make the Impact Immediately Relevant.**

“Half the Innovations at Work participants are homeless and the other half are on public assistance. Sometimes, they don’t even have enough money to get here,” explained Barbara Zerzan. Because many participants’ current financial situations were so precarious, asking them to participate in a financial literacy class or examine their budget was, at first, a tough sell. To ensure participant buy-in, staff knew they had to make it relevant. For example, instructors reapproached the debt-reduction section of the curriculum by warning participants that employers are increasingly using credit reports as a screening tool and that Section 8 housing vouchers can be rejected because of excessive debt. Staff also explain how credit unions can be used to cash their welfare checks.

## *Another Approach to Economic Security:* **JVS's Center for Careers and Lifelong Learning, Boston, Massachusetts**

*Central to the vision of Jewish Vocational Service's Center for Careers and Lifelong Learning (CALL) is increasing participants' net income to achieve economic security. In the long term, staff help alumni and graduates find higher-paying jobs and further their training and education; but in the short term, they seek to supplement earnings with work supports. To help give participants a context for budgeting their earned income in concert with the benefits of work supports, the CALL implemented an "Economic Literacy and Financial Life Skills" curriculum.*

*What makes the CALL's curriculum notable is its action-oriented focus and incorporation of adult learning techniques. The three-hour core curriculum is required for all CALL students, from displaced workers seeking job placement help to welfare recipients attending accounting classes. The core curriculum is integrated into the program and covers managing monthly expenses, understanding workplace benefits, and new-hire paperwork and tax credits. Therefore, in addition to being comprehensive, the curriculum stresses immediate application of its lessons: the "How Will You Cash Your Paycheck?" component discusses banking, direct deposit and check-cashing services. Afterwards, students with particular needs — debt reduction, credit repair and long-term savings with Individual Development Accounts — are eligible to attend workshops taught by volunteers.*

*Adults often learn best by doing, so the curriculum employs a wide range of opportunities for participants to practice what they have just learned. In the goal-setting workshop, participants complete questionnaires and are asked to consider how other household members may respond, in hope of inspiring ongoing dinner table conversations. In addition to using the CALL's own online resource and referral guide, students are encouraged to use the Internet for tools and calculators, and are referred to message boards and chat rooms to discuss financial issues. Many of the handouts and activities are action-oriented: students look up local interest rates in the Boston Globe and play-act negotiating with creditors. In developing its "Economic Literacy and Financial Life Skills" curriculum, the CALL has created a useful tool for wide application.*

**Getting Started with Money Management.** There are a variety of widely available tools to help workforce development organizations offer financial literacy classes to their participants, thereby providing them with a foundation for the income packaging and employment retention work ahead:

 **What Are Your Participants' Needs?** A first step in incorporating a financial literacy curriculum is to look at whom the program serves. For example, debt counseling and reduction may figure prominently for programs that primarily serve ex-offenders who are parents (since child-support obligations are not usually suspended during incarceration). Getting a handle on your participants' specific needs will facilitate your discovery of an appropriate curriculum.

 **Featured Curricula.** The curricula mentioned above — Women, Work and Community's "Creating Your Future," The Cara Program's "Financial Self-Sufficiency Training," WHEDCo's "Self-Sufficiency Calculator Workshop" and JVS's "Economic Literacy and Financial Life Skills" — can be obtained by contacting the organization (contact information is listed in the Resources section).

 **Financial Literacy Curricula.** Many financial literacy curricula have been created recently. The following is a list of easily accessible resources.

- Wi\$e Up was created by the U.S. Department of Labor for "Generation X" young women, but its eight-module curriculum could apply to anyone, as it features a broad range of topics, including employment issues. The curriculum and worksheets are free, but users must register: <http://www.utdallas.edu/student/womensctr/wisep>
- The National Endowment for Financial Education is a nonprofit foundation that creates financial literacy materials, functions as a clearinghouse for financial literacy curricula and develops specific materials with nonprofit service organizations: <http://www.nefe.org>
- The Money Smart curriculum was created by the Federal Deposit Insurance Corporation and has been used by many workforce development practitioners. It is also available in Spanish: <http://www.fdic.gov/consumers/consumer/moneysmart>
- The Beehive is an Internet-based tool that covers five topics related to finances that can be approached as an entire curriculum, from a "Life Events" angle (like getting a job) or from a local webpage specifically created for 18 individual cities. For example, Beehive's Cleveland website has a checking account basics section that also lists banks in the area offering free or low-cost checking account services: <http://www.beehive.org/money>

 **Model Family Budgets.**

Model budgets can be a useful tool while teaching financial literacy and providing one-on-one case management.

- The Economic Policy Institute has created basic standards of living for 400 communities across the nation: [http://www.epinet.org/content.cfm/datazone\\_fambud\\_budget](http://www.epinet.org/content.cfm/datazone_fambud_budget)
- Wider Opportunity for Women and local partner organizations have developed Self-Sufficiency standards for many states and regions: <http://www.sixstrategies.org>

## **Making Ends Meet with “Income Packaging”**

- **Addressing the Wage Gap**
- **Putting the Pieces Together: Creating an “Income Package”**
- **This Work Support Has Been Brought to You By ...**
- **A Note About Child Care**
- **Getting Started with “Income Packaging”**

Income packaging is a process in which one identifies the gap between income and economic security, then fills it in with work supports. Barbara Zerzan at WHEDCo illustrated the concept: “Welfare recipients have lots of experience with ‘income packaging.’ To make ends meet, they babysit, sell T-shirts at street fairs or shovel snow. The concept of ‘income packaging’ is the same, except that work replaces the welfare grant.”<sup>20</sup> The goal of income packaging is to maximize income and identify steps toward economic security. In addition to promoting participants’ financial goals, instituting a financial literacy curriculum and marketing work supports early in the program, each of the organizations interviewed also works with participants to assess their financial needs and eligibility for specific work supports. Often building upon the budgeting portion of the financial literacy curricula, income packaging is likely to occur in individual case-management sessions, rather than in a classroom environment, once participants have a firm grasp of their potential earned income.

**Addressing the Wage Gap.** The first step each organization takes in creating an income package is to assess participants’ expenses and financial needs. Some organizations begin by asking their participants about whether they have children living with them; others start by getting a general sense of the overall household income. Whatever the approach, in their first discussion, staff’s goal is to identify the portion of participants who are in crisis. At The Cara Program, Client Support Specialists first try to figure out how the participant is sustaining herself in order to “pinpoint any immediate needs: Are they at risk of losing their housing? Do they have food in the house?” At Women, Work and Community, staff refer to this triage as “Maslow’s Hierarchy.” Named for psychologist Abraham Maslow, the theory contends that people require their basic needs met first, like shelter, safety and food, before spiritual or intellectual needs.

Emergencies aside, each organization then assists participants in assessing their ongoing financial needs. Because of the financial literacy training, participants are able to compile a fairly accurate list of all their expenses, although staff frequently prompt them not to

forget anything, usually periodic expenses like car insurance and holiday gifts. WHEDCo participants list their needs in the Internet-based Self-Sufficiency Calculator and then print a copy for themselves. At the other organizations, needs are penciled in on a universal form. Staff at each organization are also careful to examine what debts will kick in once the participant joins the labor force, like child support, student loans and tax debts, so that payment plans and appropriate referrals can be made.

Creating an accurate needs assessment for each participant guides the next steps and provides everyone with an absolute measure for success. Not only can it inform the income packaging process (“Should I look into getting my tax credit in advance?”) and job search (“Should I hold out for a higher-paying job?”), but this first step in creating a budget gives staff and participants a concrete sense of what it will take for the participant and her family to achieve economic security.

### **Work Is Always Better than Welfare**

**MYTH.** There is no doubt that employment provides structure, purpose and independence. However, transitioning from welfare to work can leave some financially worse off. Practitioners often refer to this problem as the “slippery slope”: the downward fiscal spiral that happens when a low-paying job without benefits has far less monetary value than a package of welfare benefits. Introducing participants to work supports early on, and later helping them access the supports, can address this slippery slope because work supports “beef up” low wages, ideally to a place where work is indeed better than welfare.

### **Putting the Pieces Together: Creating an “Income Package.”**

Once the new spending plan is compared to potential earned income, whether there is a wage gap becomes readily evident. Often there is. Staff work to close it by identifying and securing work supports. “Basically, we act as a filter,” said Linda Buckmaster. Once Women, Work and Community participants have completed the Creating Your Future class, they meet one-on-one with the instructors, who also provide case-management services. It is in these meetings that staff do an assessment of what work supports a person may be eligible for.

Likewise, at WHEDCo, “once the Calculator is done, the question becomes: ‘Is there a shortfall?’,” said Zerzan. With a click of the mouse, the Calculator can recompute a budget, this time factoring in the work supports the participant is eligible for. With another click of the mouse, the Calculator provides information on how the support functions, how to apply and contact information. “I printed out what I qualified for and it was Medicaid,” described one graduate. “Not too long ago I had to put out \$150 for a doctor’s visit because I didn’t know I qualified. So I went and got Medicaid.” Participants and staff discuss the results, and staff make suggestions and referrals — from getting advance EITC to reopening a public assistance case in order to qualify for transitional benefits. That way, participants will be financially ready when they start work.

Cara staff typically look to transitional benefits and EITC as gap-fillers. While staff prefer graduates to get their EITC once a year during the tax season because of its asset-building potential, where warranted, they will advise the new graduate to obtain advance EITC payments in their paychecks by completing a W-5 and giving it to their employer. Depending on needs and eligibility, participants may get referred to a variety of work supports, like subsidized housing programs to bring down rental costs, or KidCare to pay a portion of a new employee's health insurance premium.

Work supports are not the only gap filler; for some participants, income packaging may include second jobs or employer concessions. Moonlighting is a common strategy. "The 'convenience store job' can be a part of a larger personal self-sufficiency plan," said a staff person at Women, Work and Community, because "self sufficiency often requires self reliance." Staff have become creative in devising gap-filling strategies. Trainers have organized a "give-away" table so that participants can exchange children's clothes and small appliances. Participants are also encouraged to check out the Maine Time Dollar Network, which allows people to exchange volunteer hours for goods and services; a participant could read to a blind person in exchange for child-care services, for example. Similarly, WHEDCo staff explore whether a graduate can increase her hours, or if an employer can increase the hourly wage, in order to complete the income package.

***This Work Support Has Been Brought to You By . . .*** The organizations featured have internalized the need for work supports to such a degree that each offers some type of support themselves in order to complete a participant's income package. Through their contract to serve welfare-to-work recipients, WHEDCo offers graduates monthly Metrocards, unlimited passes to the city's transportation system, representing a savings of over \$70 for each graduate. Every time graduates follow up with staff as a part of their retention plan (60, 90 and 180 days), they receive another Metrocard. In addition to a car and computer donation program for graduates, Women, Work and Community has a small, privately funded reserve to help participants with "the rough spots," like gas, child care or a month's rent.

Tom Owens, the retired information technology entrepreneur who founded The Cara Program, also started the Owens Foundation. This sister organization not only provides eligible participants with rent or transportation assistance, it also funds Cara's Matched Savings Program, a savings account that allows participants' deposits to be matched two-to-one. People interested in the Matched Savings Program also receive \$50 to open their account. Participants are frequently given weekly passes for the Chicago Transportation Authority when they are job searching or while they are waiting for their first check. As many of the participants are transitioning from homeless shelters, the Foundation also provides either a security deposit or first month's rent.

**A Note About Child Care.** In ensuring that participants make a plan to pay for child care and that graduates have that plan firmly in place, organizations frequently devote extra attention to assuring the stability of child care, a vital work support. Client Support Specialists at The Cara Program said that they “like to go into detail about the child-care arrangements.” In addition to asking if participants are behind in their child-care payments, which would be an expected question given the financial details discussed, staff also ask about the reliability of care and backup plans. “Most employers are not going to be sensitive if they are regularly late or if a child is sick,” said Stephanie Wernet. Therefore, staff often discuss whether participants have good pick-up and drop-off times, and if they have a backup plan. Staff also explore participants’ level of comfort with day care and after-school arrangements: if a parent is concerned about the quality of the care, she will not be able to concentrate on her job. Likewise, WHEDCo graduates’ child-care arrangements are vetted for reliability and safety, because staff believe that it affects job retention. Moreover, reliable child care also means that participants can increase their work hours. “Dependable child care gives them the opportunity to take the night hours,” noted Barbara Zerzan.

### **Economic Security TIP:**

#### **Create a Comfortable Environment.**

Even though workforce development organizations know a lot about building trust with their participants, money and finances are quintessentially “taboo” topics. Organizations can encourage participants’ buy-in by creating a comfortable environment for addressing participants’ economic security. “It is really painful to look at money issues when you don’t have any,” says Linda Buckmaster. All of Women, Work and Community’s instructors are sensitive to how difficult accounting for your expenses and creating a budget can be, and they use a variety of techniques to acknowledge this difficulty. One instructor regularly tells her Creating Your Future class that she did not “have it all together either.” Another creates a common bond at the beginning of class by stressing: “Everyone is here to reinvent herself.” Buckmaster responds by “saying over and over that people are in different places in their lives; we’re not here to make judgments.” When all else fails, the organizations described here have found it helpful to simply challenge participants. “What is greater,” ask staff, “your resistance to change or your desire for growth?”

**Getting Started with “Income Packaging.”** Organizations wanting to help their participants create income packages have several strategies and tools available to them:

 **What Are Your Participants Eligible For?** Again, organizations should look to whom the program serves as a first step. While some work supports can be accessed by all low-income working people, like EITC, other supports will depend on the participants. Programs with large TANF populations definitely need to know about transitional welfare benefits, while programs that serve victims of domestic violence or people with HIV will want to know whether those circumstances toll existing welfare time limits or open the door to additional housing benefits, for example.

 **Sample Household Budgets.** Many of the curricula listed in the previous section also contain sample budgets, the place to start when creating an income package for a participant. Organizations often use sample budgets that recreate a “typical client,” complete with common household configurations and average starting salaries.

 **Self-Sufficiency Calculators.** Wider Opportunity for Women and local partner organizations have created calculators based on the standard for many states and regions. The calculators often compute applicable work supports and provide directions for applying. Check <http://www.sixstrategies.org> to see if these tools are available in your area.

 **Understanding Work Supports.** Creating useful income packages requires that staff know what work supports are available. Gathering and growing that intelligence may seem herculean, but there are many resources, especially on the Internet. Good starting points are websites created by the government and national advocacy organizations. Websites for all the work supports mentioned in this report are listed in the Resources section.

 **Conducting a Community Audit.** Gathering the tools and information needed to help participants can also include conducting an audit of resources available in your community. Collecting the addresses and hours of operation for public assistance, Food Stamp, Medicaid, Unemployment Insurance Benefits and emergency services offices is a first step, as is gathering information on local resources for special populations, such as immigrants, homeless, people with disabilities and young adults. Over time, staff in the organizations featured here developed a treasure trove of resources, like where Food Stamp recipients can get free eyeglasses, where the best food pantries are located, and networks of dentists that offer free services to participants.

## **3** Putting Income Packages into Action

- **“Sticky Wickets”**
- **A Measure of Quality Control**
- **Multidimensional Advocacy**
- **Getting Started with Putting Income Packages into Action**

Sometimes making participants aware of work supports and directing them to the resources is not enough. Because a wide range of barriers can prevent participants from accessing and obtaining work supports, it is sometimes necessary to advocate on their behalf.

For example, Chicago’s subsidized housing programs, frequently a crucial work support in Cara Program participants’ income packages, usually have very long wait lists. Yet staff are undaunted. “We’ve built relationships with housing providers across the city and learned that we are still able to get people in, usually because people don’t keep in touch with the programs,” explained Wernet. By learning local procedures, persevering through rules and regulations, and building contacts and relationships, organizations can help put participants’ income packages into action.

**“Sticky Wickets.”** Helping participants get through red tape — called “sticky wickets” by Women, Work and Community staff — is often the most difficult part of the job. As mentioned previously, people do not access work supports in part because programs are not geared to working families; consequently, many find it too difficult to follow through. Staff at Women, Work and Community often help participants gather required documentation for work support applications and periodic certifications. They also help ease participants’ schedules by knowing the hours and locations of all the offices they refer people to. Staff’s ability to navigate an agency’s bureaucracy, communicate with them during office hours and help participants with lengthy applications can often mean the difference between obtaining a work support or going without.

Advocacy through the “sticky wickets” also helps build relationships with participants. Zerzan observed that WHEDCo’s participants appreciate “having someone in their corner — a support mechanism with a ton of helpful resources.” The strength of the relationship allows the Employment Case Managers to convey the welfare process to overwhelmed participants: “One client simply stopped picking up her benefits. We had to remind her that she had to let HRA know that she was employed, because she could get a ‘Failure to Comply’ sanction, which would have prevented her from getting transitional benefits.”

Participants' problems are not always related to work supports or public agencies, though their resolution would further a participant's economic security. Staff have also been known to advocate payment plans with phone, gas and electric companies.

**A Measure of Quality Control.** In addition to helping participants navigate bureaucracy, staff from these organizations also frequently serve as quality controls within the system. They find that work supports are sometimes administered incorrectly. An organization's mere presence as an advocate can accomplish much. "Sometimes participants get a different reaction if they go in and ask the case manager for something than if 'we all' go in," said Sally Davis, describing not only individual Women, Work and Community staff, but the reputation the organization has established as advocates for its participants. In their efforts to put income packages into action, staff from each of these organizations have mastered a wide range of advocacy efforts. While most of the time a mistake can be corrected with a simple well-placed phone call, some organizations had to make more protracted efforts to get work supports, for example, by representing participants in fair hearings for Food Stamps or unemployment benefits.

Given the nature of WHEDCo's population — current welfare recipients who are required to attend the program in exchange for public assistance — staff play a major advocacy role. WHEDCo's Employment Case Managers will investigate problems, call supervisors, and expedite applications and payments: "Basically we advocate for clients by being pushy." Staff concentrate first on arming participants with the knowledge and self-confidence to solve problems on their own. Printouts from the Self-Sufficiency Calculator embolden participants to go back to a welfare center that told them they were not eligible. The printouts "give them the information and the tools to advocate for themselves a little better," said a staff person. But where the issue is particularly complex or the participant especially timid, staff step in.

The nature of some issues may require more expertise or time than a staff person has. Each of these organizations knows there is a point at which a participant's problem is beyond their scope of work and they refer participants to private attorneys and legal service agencies. For example, Women, Work and Community works closely with the Maine Equal Justice Partners, a legal services organization whose mission is to ensure low-income people's access to health care, food assistance and housing. Davis characterized the relationship as working in tandem on behalf of participants: "We create the plan for self sufficiency and Equal Justice may have to do a fair hearing to ensure child-care payments."

**Multidimensional Advocacy.** "Advocacy must be multidimensional," said Barbara Zerzan; approaching clients' issues on a case-by-case basis eventually led WHEDCo to approach advocacy more systemically. As they contend with a variety of work support systems, staff occasionally notice trends. "There is a value to having an on-the-ground perspective," said Zerzan. For example, she once noted that participants were regularly not receiving transitional benefits when their welfare cases closed. After conferring with other welfare advocates, they monitored the situation and gathered informal data; then

they made a call to New York City's Human Resources Administration. Because they documented the issue with facts and suggested resolutions, they were able to help the city create a solution. It took time, but New York City now mails an information package and application for transitional benefits to every newly closed welfare case.

In fulfilling its mission, Women, Work and Community “has always wanted to influence the way workforce and economic development works in Maine,” said Gilda Nardone. “The feminist model of our organization means we are very participatory.” As such, Women, Work and Community spearheaded the creation of the Women’s Economic Agenda, a framework of policy recommendations to improve Maine residents’ economic security. A series of community forums hosted by Women, Work and Community reinforced their belief that low-income people need more opportunities for skills training to connect them to high-wage jobs. Women, Work and Community and their collaborators developed a workforce development platform that stresses the need for training, more funding and access to nontraditional jobs. Participants in the Creating Your Future classes took part in community forums and went to the state legislature to present the agenda. “The agenda helps people understand that there must be public funding to support workforce development, or women would be affected disproportionately,” said a collaborator.

**Getting Started with Putting Income Packages into Action.** Putting a participant’s income package into action can involve advocacy on several different levels, from developing an on-the-ground understanding of how the work supports really work, to creating partnerships with advocacy organizations. Some strategies to consider are:



**Understanding How Work Supports Really Work.** Helping participants implement an income package starts with knowing what they are eligible for, but it is often made real when you learn how to access specific work supports. Organizations can effectively navigate bureaucracy as they learn the nuances of how work supports are administered. Plugging your organization into a community of local advocates, via meetings, newsletters or list serves will help jump-start the learning curve.



**Local Legal Services Offices.** There are several possible benefits to reaching out to your local legal services or legal aid offices. Not only can these advocates and attorneys help with your clients’ legal needs but many specialize in work supports, such as public benefits, health and housing. As such they can be an important resource for quality control. Staff can tap into that expertise by partnering with their local legal services office on a range of activities, such as providing informal technical assistance, making presentations to participants or developing accessible fact sheets for them. The Legal Service Corporation’s website contains links to LSC-funded organizations nationwide (<http://www.lsc.org>).

## *Another Approach to Economic Security:* **The Transition to Work Project, Brooklyn, New York**

*Another model of a partnership between workforce development and legal services is the Transition to Work Project, a joint venture of The HOPE Program and South Brooklyn Legal Services (SBLS). Located in downtown Brooklyn, The HOPE Program runs a 16-week job readiness training program for New Yorkers living in extreme poverty, many of whom are welfare recipients mandated to attend New York City's Work Experience Program. Just a few blocks away, SBLS provides free legal advice and representation to low-income New Yorkers in areas such as housing, government benefits and family law.*

*The Transition to Work Project allows these two groups to come together to address the intersection of welfare and work. Joyce Heller, SBLS's Director of Government Benefits, views the project as a critical partnership for their mutual clients: "A job today will prevent tomorrow's eviction." The project primarily takes the form of educational workshops delivered by SBLS attorneys at The HOPE Program, designed to answer current participants' and graduates' central question: "What is going to happen once I leave welfare?" Workshops cover publicly funded work supports, like transitional Medicaid and child-care assistance, as well as debt collection, because many participants have outstanding student loans, child-support payments or back taxes. After the workshops, attorneys meet with participants and graduates one-on-one, and they often take on HOPE Program participants' consumer debt, housing, tax, public benefits and employment cases.*

*Another critical aspect of the Transition to Work Project is the technical assistance and staff training SBLS provides to The HOPE Program staff. "They typically need access to welfare information, pointers on how to advocate; staff love the budgeting worksheets and the welfare center contact information sheets we give them," explained Heller.*

*From The HOPE Program's perspective, the partnership provides participants with much-needed guidance. "Oftentimes clients will be given conflicting information or have conflicting appointments," said Robert Cahill, HOPE's Outreach Coordinator. "As a result of the workshops, they are more savvy about what they are legally required to do." Moreover, simply having access to an advocacy and legal resource (generally the public has to call a hotline) provides HOPE Program participants and alumni with an "increased level of service," said Cahill.*

## 4 Ensuring Economic Security After Employment

- **Keeping Graduates on Track**
- **“What’s an HMO, W-4 and FICA...?”**
- **...and FDIC, EITC and IDA?”**
- **Getting Started with Ensuring Economic Security After Employment**

Workers who have child care firmly in place, can anticipate the end of transitional benefits or have even accumulated a small amount of savings are far more likely to focus on a new job and manage the variety of life’s crises that can threaten the transition. WHEDCo, The Cara Program and Women, Work and Community have continued to work on ensuring graduates’ economic security by, for example, obtaining tax credits during the tax season, creating new budgets if the household changes and understanding an employer’s package of financial benefits. No matter the specific service, continuing the work beyond the program promotes graduates’ financial well-being, enabling them to retain employment.

*They don’t want you to start a job and you have all these loose ends: ‘I don’t have a babysitter,’ ‘I don’t have this,’ ‘I don’t have that,’ you know. So basically they prepare you, you know, to take care of all the little situations.*

– A Cara Program graduate

**Keeping Graduates on Track.** Each Cara Program graduate starts her new job armed with an Individual Financial Plan. Essentially the Plan is a budget that has shifted from a learning tool to a real-time plan with actual earnings. Completed with the help of a Client Support Specialist, the Plan goes into great detail, ensuring that graduates list their take-home pay and not just gross income, that all work supports are in place and every expense is accounted for.

The graduates are not alone in attending to detail. Client Support Specialists use a Client Support Action Plan as a guide for retention services. The Plan maps out 10 visits and contacts over the course of a year, the projected date for each visit or phone call, the 6 to 10 tasks to be completed for each visit and the projected date of completion. The Plan focuses on retention (“second visit: ask the client if they have been late or missed any days of work”), advancement (“seventh visit: ask the client if they have taken their GED test yet”) and the graduate’s finances. The financial tasks range from simply reinforcing money-management skills learned during the program to introducing new concepts and strategies. Graduates are also invited to attend ongoing financial workshops. The intensity of the finance-related retention needs led one staff person to remark, “Most of our work begins after they are employed.”

In addition to the ongoing contact with the Client Support Specialists outlined in the Action Plan, Cara Program graduates are offered services designed to increase their financial security. As mentioned previously, the Matched Savings Program is structured similarly to an Individual Development Account in that participants' deposits are matched. For families depositing a monthly minimum of \$20, The Cara Foundation will make matching contributions over 10 months, for a total of \$1,000.

For each organization, focusing on economic security is key to maintaining relationships with graduates. Because it is not at all uncommon for their budgets to change — “it may be something in their work hours, salary or child-care arrangements,” said a staff person — graduates are encouraged to return for follow-up financial services. Creating up-to-date budgets allows graduates to stay on track.

**“What’s an HMO, W-4 and FICA . . . ?** Graduates of the organizations featured here often have limited experience in the labor market and with the financial benefits and packages that come with employment. While not every entry-level, low-paying job confers health care, pensions or a flex-spending plan, many do, and graduates typically need help understanding the myriad choices.

Graduates of The Cara Program meet with their Client Support Specialist within two weeks of starting a new job. One of the staff's tasks listed in the Client Support Action Plan is determining the employer's benefit application due date. “Take this date into consideration when planning the next meeting,” advises the Action Plan, so that staff can then answer any questions and help graduates complete all the paperwork. In addition to facilitating health care plan choices, getting familiar with tuition reimbursement and understanding reimbursement plans for transportation or dependent care, Cara staff also help graduates with tax documents. “Clients often don't know how to claim their dependents on the W-4,” said Stephanie Wernet, “and we don't want them owing a lot of money at the end of the year.”

Attention to employers' benefits also means that potential problems can be averted or taken care of quickly. Employment Case Managers at WHEDCo regularly ask graduates about their eligibility for benefits at the 90-day mark, because graduates have often reached the end of their probationary period by then. Staff also help resolve issues: “One graduate kept getting a uniform deduction on her paycheck for a single shirt she received on her first day, so we called the employer on her behalf and she got her money back.” In another instance, an Employment Case Manager helped a graduate who worked nights as a security guard figure out that he was eligible for a “night differential,” which he then received quickly.

**... and FDIC, EITC and IDA?”** For Women, Work and Community, WHEDCo and The Cara Program, incorporating financial strategies into retention efforts serves as a gateway to financial services and asset-building opportunities. As a part of their mission to promote participants’ economic security, each organization has formed a variety of partnerships in furtherance of that goal. For example, Women, Work and Community partners with the Maine Consumer Counseling Agency to help needy participants manage their debts and with the Maine Educational Opportunity Center to facilitate access to postsecondary educational institutions.

Likewise, WHEDCo and BethEx Credit Union, which has four branches and service agreements with check-cashing storefronts located all over New York City, have joined forces to offer WHEDCo participants low-cost banking services. “Our relationship with BethEx Credit Union is usually employed as a retention strategy,” said a WHEDCo instructor. Many WHEDCo participants who once frequented expensive check-cashing storefronts are now BethEx customers, allowing them to reinvest in their neighbors and community. During the tax season, WHEDCo partners with other nonprofit service organizations in orchestrating an outreach campaign for EITC. In January, WHEDCo mails an information flyer — stuffed with fake money — to all their graduates, letting them know they may be eligible for tax credits. They also offer free tax preparation at night, thus allowing people who may not otherwise have received the refunds to boost their earnings.

Community outreach and access to free tax preparation is also a priority of The Cara Program. To make that happen, they partnered with the Center on Law and Human Services, a Chicago-based nonprofit that orchestrates a city-wide EITC campaign every year. The Cara Program also has a close working relationship with Greater Chicago Consumer Credit Counseling Service, which allows participants to access free debt-management services. They work with Ariel Mutual Funds and Neighborhood Housing Services (NHS) as well. Ariel representatives teach a workshop on investing, and graduates interested in home-ownership are referred to NHS. Wernet credits the continuing success of these partnerships to the fact that they share similar missions: Ariel’s goal is to “have investing become dinner table conversation in low-income neighborhoods,” and NHS has a reputation for helping rehabilitate neighborhoods through home-ownership.

While participants’ needs vary and different regions have different services available, WHEDCo and The Cara Program would agree with Women, Work and Community’s Sally Davis, who observed that “We can’t do it all.” In order to meet the broad range of participants’ financial needs, help them achieve economic security and create opportunities for asset-building, “partnerships are critical.”

### **Getting Started with Ensuring Economic Security After Employment.**

Several strategies are available to organizations that want to help ensure their graduates' economic security after employment:

 **New Hire Packages.** Obtaining detailed descriptions of the benefits offered and the package of paperwork new hires receive can help graduates plan for their household budgets. Sample packages can be requested from the employers with whom you work most closely. Familiarize graduates with payroll taxes, auto-deposit, paycheck deductions for uniforms and flex-spending plans to facilitate their financial adjustment to work.

 **Partnerships for Financial Advancement.** Partnerships with credit unions, credit counseling agencies and Individual Development Accounts programs can keep graduates on financial track and help them build assets. Local nonprofit credit counseling agencies can be found by consulting the yellow pages. The National Credit Union Association has a database of all registered credit unions in the country searchable by city and state (<http://www.ncua.gov/indexdata.html>). The IDA Network's State Pages section of its website is a database of the IDA programs in each state that has them (<http://www.idanetwork.org>).

## Realized Gains

### Veronica Cryers Family Child-Care Provider The Bronx, New York

Veronica Cryers spent much of her life caring for others — foster care children, siblings and the elderly — but low wages and short-term jobs made public assistance a necessity during the rough times. During her last spell receiving public assistance she discovered WHEDCo’s Family Day Care Training Program by chance.

*I used to work as a home health aide, but I got laid off so I went back to PA for a short time. There were all these new rules! I wanted to become a child-care provider, but I didn’t have a job. I went to a child-care provider orientation by mistake. I didn’t have a referral from welfare, so I wasn’t supposed to be there. I made a bunch of phone calls and got to WHEDCo. They helped clear it with welfare.*

*I’ve been a provider since 2000. . . . From all the jobs I’ve had, this is the best I’ve done. I’ve been working since I’ve been 15 years old, and now I am 44 years old.*

Because the Family Day Care Training Program teaches people to become independent business owners, financial literacy training and income packaging assistance figure prominently. These classes were a predecessor to Innovations at Work’s Self-Sufficiency Calculator Workshop.

*The classes help me figure out if I’m maintaining my finances in the right way and if I’m maintaining my taxes; it keeps me updated, you know. I’ve been to classes in how to do taxes, how to budget yourself and how to save for yourself. . . . Now I am able to maintain a decent checking account, I’m able to pay off debt and be more responsible for my own money.*

*WHEDCo has a class where you list income coming in and then list your main bills. You subtract what you owe and then apply extra money to other things. It was the first time I ever did that or had enough money to do the budget.*

After attending WHEDCo’s goal-setting workshop, Veronica planned on a series of initial investments: new supplies for her child-care business and new furnishings for her home. She then set her sights on creating savings “for emergencies.”

*I am more secure now than I have ever been in my life, even while I was on welfare. It’s not easy, but it’s not too hard if you focus on it. I feel more independent now, even from when I wasn’t on PA and just a home health aide. I feel more successful and more responsible. . . . It’s like getting out of jail and starting all over again.*



# *In Closing:*

## Challenges for the Field

- ***Avoiding “This Is Just Another Thing to Do”:  
Creating Staff Investment***
- ***Partnering with Employers***
- ***Tracking Economic Security Outcomes***

Economic security has been central to workforce development organizations’ missions since the advent of job training and placement. But explicitly ensuring that graduates can support their families is a renewed type of client support that many in the field have embraced. As this work grows and expands — with more and more workforce development organizations integrating financial literacy, facilitating income packaging and advocating for work supports — the field faces several related challenges.

For one, creating staff investment is critical to the success of economic security strategies. In addition, organizations on the forefront are considering the role employers have in ensuring living wages: how can practitioners work with employers to obtain greater benefits or increased wages? Finally, while the organizations featured here are firm in their conviction that economic security strategies have a profound impact on graduates, they do not systematically collect outcomes data specific to participants’ financial solvency. Thus, a third challenge for the workforce development field is demonstrating to policymakers and funders the effectiveness of focusing on participants’ economic security.

***Avoiding “This Is Just Another Thing to Do”: Creating Staff Investment.*** Workforce development organizations that want to focus on economic security strategies may be challenged by resistance among staff — who may feel like these strategies are “just another thing to do” — a reasonable response given the high demands of the work. Managers at the Women, Work and Community, WHEDCo and The Cara Program admitted that “staff get a lot of stuff thrown at them,” so each of these organizations focused on demonstrating to staff that financial literacy, budgeting and income packaging will allow them to do their job better.

“Now I know why my clients are kicking and screaming,” said one case manager who was trained to use the Self-Sufficiency Calculator by the Women’s Center for Education and Career Advancement. As workforce development practitioners are well aware, many entry-level jobs pay little, lack benefits or have few opportunities for advancement. Participants may resist placing themselves in a financially precarious position.

WHEDCo case managers say that resistance ranges from hesitant questions, “Will I be able to afford my rent making \$6 per hour?” to outright refusal, “I’m not taking a job that only pays \$6 an hour.” By working out a budget, income packaging and putting the plan into action — that is, creating economic security — staff can do their jobs better because participants’ concerns are explicitly confronted and addressed.

Each organization has also found that having case managers, job developers and instructors intimately involved with program and curriculum development allowed them to invest deeply in the work. The Cara Program’s entire approach to economic security came out of staff’s realization that finances needed to be the fifth area of participants’ transformative process — the new program thus reflects the staff’s in-depth knowledge of their clients. Women, Work and Community created a taskforce comprised of staff from all over the state to restructure the workshop and curriculum. As a result, “it became theirs,” said Nardone.

Another way to create staff investment is to support them as they implement the work. Women, Work and Community, WHEDCo and The Cara Program are all quick to acknowledge that it is hard to master and keep abreast of all the various pieces of information in the curriculum, the laws and procedures governing work supports, and advocacy contacts and strategies. When asked what was hard about addressing participants’ economic security, Zerzan said that “it’s real, and the truth, and tedious.” Staff were excited, and participants were relieved, to do the work, but when a participant is faced with a \$90 shortfall for the month, and Food Stamps may take another couple of weeks to start, “it gets you down to the brass tacks of the moment.” The work requires that staff have the knowledge base, tools and ongoing support needed to help participants.

Managers of each organization featured here explored every work support their participants were eligible for, got to know the applicable rules and procedures, and then figured out how it all really worked in practice.

### **Economic Security Only Applies to Our Participants MYTH.**

Each of the organizations described here was surprised to find that they first had to work through economic security issues themselves, as a staff and as an organization. In preparing staff for the Creating Your Future workshop, an unanticipated component of the training was helping staff with their “own comfort level around money.” Play-acting and open dialogues during a staff retreat facilitated the process and allowed some staff to “open up to what was going on in their own lives.” Now instructors find it helpful to tell their participants, “I had to get real about this too.” Likewise, Zerzan cautions: “Consider how the Calculator applies to your staff: do they make the Self-Sufficiency Standard?” Staff pursuing this work should remember that issues arising from learning about one’s finances are just as likely to be applicable to themselves.

**Partnering with Employers.** Employers have much to gain from their workers' economic security. Research has demonstrated that work supports reduce poverty and improve employment outcomes. And improved employment outcomes reduce employers' turnover costs. Moreover, organizations like the ones described here know anecdotally that workers are better able to concentrate on a new job when they are not consumed with worry about how they are going to pay for child care or whether their paycheck will cover their new expenses. Last, economists have pointed out that work supports have a tendency to hold down labor costs because employers need not raise wages or provide benefits to attract workers if their wages are being supplemented elsewhere. It is natural then that some organizations are asking employers to become true partners in ensuring economic security by providing additional benefits, increasing wages and providing better working conditions.

Cara staff stress program strengths — like their focus on support services or their ability to prepare participants for work and life — to market their graduates to companies. Staff will also emphasize these strengths to “advocate for more money” in the event that a participant's wage gap cannot be filled by work supports alone. WHEDCo staff may stress their graduates' good attendance, ensured by steady child-care payments and a solid backup plan. These assurances have emboldened WHEDCo staff to ask some employers for more hours, increased pay, flex-time or additional skills training. Workforce development organizations might benefit from leveraging their program strengths to encourage employers to become partners in ensuring economic security.

**Tracking Economic Security Outcomes.** As a field, we know that workforce development services — skills training, soft skills training and retention services — help people obtain employment, secure higher placement wages and stay employed longer. What we do not know is how often these successes translate into economic security. Thus, a remaining challenge for the field is for organizations that are committed to this work to be able to demonstrate their effectiveness in achieving participants' financial security.

Each of the organizations profiled here is familiar with the challenge of tracking outcomes relevant to economic security. “Even though we don't track financial outcomes, we know that we used to give out a lot more money to clients for their housing,” explained Wernet. “Now that we focus on their budgets, we have a higher success rate for their housing plans.” Staff at WHEDCo are similarly convinced — intuition and anecdotal reports give them confidence — that their graduates are faring better financially because of their in-program work and retention efforts. But “keeping track of it is another story,” admitted Zerzan.

At Women, Work and Community, the staff grapple with the “squishy people, squishy data” issue: success means different things for different people. Coherently measuring one graduate’s job placement with another’s continuing education, or one participant’s ability to open a checking account with another’s ability to budget, can be a formidable task. Linda Buckmaster described the challenge of creating a single institutional approach: “People come to us for diverse reasons and at different levels — we serve welfare-to-work parents, laid-off professionals and classic displaced homemakers — so outcomes will mean different things for different people.” Yet the need to account for their program by documenting their graduates’ successes is a clear one, so Women, Work and Community staff have been working on creating a system that captures certain benchmarks over time. For graduates of the Creating Your Future program, Women, Work and Community has developed a series of “personal financial benchmarks”: obtaining a credit report or a social security benefits report, whether they have analyzed their debt status or started a savings account. By demonstrating the value of the work it does, Women, Work and Community hopes to create demand among other hopeful participants. Moreover, tracking outcomes may help the organization obtain ongoing funding for its classes.

For the field, the ability to demonstrate the value of helping participants achieve financial security reflects a larger policy issue. In the wake of welfare reform, workforce development organizations have largely focused on helping participants transition from welfare, obtain work and retain employment. As more and more practitioners also concern themselves with participants’ economic security, they raise the bar from workfirst to poverty alleviation.



# Resources

## Contact Information for Featured Organizations:

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## Resources for Work Supports:

### General

#### GovBenefits

<http://govbenefits.gov>

Operated by the U.S. Department of Labor, GovBenefits.gov is a good starting place to figure out eligibility and estimated federal work benefits. It also contains links to state work support pages, many of which have prescreening calculators.

#### Welfare Information Network

<http://www.financeprojectinfo.org/WIN>

The Welfare Information Network is a comprehensive clearinghouse of resources and tools on a wide range of work supports.

### Child Care

#### Child Care Bureau

##### U.S. Department of Health and Human Services

<http://www.acf.hhs.gov/programs/ccb>

This site contains information about the Child Care and Development Fund (CCDF). The “Parents Place” tab (<http://www.acf.hhs.gov/programs/ccb/parents/index.htm>) is a good starting point, because it not only helps parents locate child care but also has links to states’ information about how to pay for child care, find Head Start programs and contact state child-support offices.

#### Child Care Aware

<http://childcareaware.org>

This site is run by the National Network of Child Care Resource and Referral centers. A zip code finder on the homepage links users to their local Child Care Resource and Referral organization. The site also contains helpful tips on evaluating providers, finding after-school and summer care, and choosing child care for children with special needs.

### Child Support

#### Office of Child Support Enforcement

##### U.S. Department of Health and Human Services

<http://www.acf.hhs.gov/programs/cse>

The homepage of this website has direct links to each state’s child-support enforcement offices. The section devoted to employers is at <http://www.acf.hhs.gov/programs/cse/newhire/employer/home.htm>. It contains information on new-hire reporting, withholding and remitting. Also, a helpful Q&A section is located at <http://faq.acf.hhs.gov/cgi-bin/acfrightnow.cfg/php/enduser/home.php>.

## Food Stamps

### Food and Nutrition Service U.S. Department of Agriculture

<http://www.fns.usda.gov/fsp>

This website has sections geared to applicants and recipients as well as advocates. A prescreening tool is available at [www.foodstamps-step1.usda.gov](http://www.foodstamps-step1.usda.gov).

### America's Second Harvest <http://www.secondharvest.org>

America's Second Harvest is an advocacy organization focusing on Food Stamps and other federally funded food and nutrition programs. The website contains a searchable database for emergency food banks.

## Health Care

### State Children's Health Insurance Program U.S. Department of Health and Human Services

[http://www.cms.hhs.gov/schip/consumers\\_default.asp](http://www.cms.hhs.gov/schip/consumers_default.asp)

This site provides an overview of eligibility for the State Children's Health Insurance Program. Its campaign to enroll eligible children (<http://www.insurekidsnow.gov>) provides links to state programs.

### Medicaid U.S. Department of Health and Human Services

<http://www.cms.hhs.gov/medicaid/consumer.asp>

In addition to providing an overview of Medicaid, this site not only links users to state Medicaid offices but also supplies information about state eligibility rules, waivers and demonstration programs.

### Families USA <http://www.familiesusa.org>

Families USA is a nonprofit advocacy organization focused on ensuring affordable health care for all. Its "Consumer Info" section offers a wealth of resources and links, from understanding how managed care works to finding out about insurance for particular groups of people.

## Housing Assistance

### Housing Vouchers and Public Housing U.S. Department of Housing and Urban Development

<http://www.hud.gov>

The website explains all federal voucher programs at: <http://www.hud.gov/offices/pih/programs/hcv/index.cfm>. The public housing program is explained at <http://www.hud.gov/renting/phprog.cfm> and includes a local housing authority locator tool.

### Low-Income Home Energy Assistance Program (LIHEAP) U.S. Department of Health and Human Services

<http://www.acf.dhhs.gov/programs/liheap>

This web page offers detailed information on LIHEAP for consumers and professionals.

## Tax Credits

### The Internal Revenue Service

<http://www.irs.gov>

Provides overviews of the Earned Income Tax Credit, the Child Tax Credit, and the Child and Dependent Care Credit, and contains information on how to become a Volunteer Income Tax Assistance site.

### Make Tax Time Pay

#### Center on Budget and Policy Priorities

<http://www.cbpp.org>

The Center on Budget and Policy Priorities publishes an excellent outreach kit called “Make Tax Time Pay” that is available in several languages. The free kit may be downloaded from the website or can be ordered by emailing [eitckit@cbpp.org](mailto:eitckit@cbpp.org). An easy calculator to estimate the credit is available at <http://www.cbpp.org/eic2004/eitcchoose.htm>.

### National Community Tax Coalition

<http://www.tax-coalition.org>

The National Community Tax Coalition provides technical assistance to organizations seeking to provide free tax preparation assistance. The website has a database of all the free tax preparation programs in the country at <http://www.tax-coalition.org/programs.htm>.

## Temporary Assistance for Needy Families

### Temporary Assistance for Needy Families

#### U.S. Department of Health and Human Services

<http://www.acf.dhhs.gov/programs/ofa>

The Office of Family Assistance’s web page includes a link to the names of all state TANF programs.

### Welfare Peer Technical Assistance Network

#### U.S. Department of Health and Human Services

<http://peerta.acf.hhs.gov>

This forum, operated by the Administration for Children and Families, is geared to help states and localities operating TANF programs to explore promising practices nationwide. The site’s Innovative Programs, TA Summaries and especially the Interactive Q&A, each contain valuable information on a variety of state-specific support services.

### Legal Services Corporation

<http://www.lsc.gov>

The homepage for the Legal Services Corporation contains a map of LSC-funded organizations nationwide. Where possible, the contact information contains a website where local organizations frequently list their practice areas, like health, housing and public benefits. Some even contain downloadable brochures and fact sheets on how to apply for work supports, rules of the programs and how to resolve disputes.

## **Transportation Assistance**

### **Community Transportation Association of America**

<http://www.ctaa.org>

Created in partnership with the U.S. Department of Transportation, CTAA's employment transportation toolkit ([http://www.ctaa.org/data/toolkit\\_full.pdf](http://www.ctaa.org/data/toolkit_full.pdf)) is a comprehensive guide to establishing partnerships with transportation providers, purchasing transportation services and expanding public transportation options. It also provides worksheets for doing a community inventory of transportation resources. The website contains a brief on creating individual transportation plans too.

## **Unemployment Insurance**

### **Unemployment Insurance**

#### **U.S. Department of Labor**

<http://workforcesecurity.doleta.gov/unemploy>

Devoted to unemployment insurance, this website offers detailed information on claims and benefits, COBRA health benefits, self-employment assistance and much more. A map on the homepage links users to state unemployment offices.

### **National Employment Law Project**

<http://www.nelp.org>

NELP is an advocacy organization for under- and unemployed people. The website contains fact sheets for workers, such as whether someone might qualify for extended benefits or what to do if someone is turned down for benefits. NELP has also created a website specifically for unemployed people (<http://www.unemployedworkers.org>).

# Endnotes

- 1 Nancy K. Cauthen and Hsien-Hen Lu, *Employment Alone Is Not Enough for America's Low-Income Children and Families*, p. 7, New York: National Center for Children in Poverty, 2003.
- 2 Maria Cancian, et. al., "Work, Earnings and Well-Being After Welfare: What Do We Know?" in *Economic Conditions and Welfare Reform*, Sheldon Danziger, ed., Kalamazoo, MI: W.E. Upjohn Institute, 1999.
- 3 Gregory Acs, Katherin Ross Phillips, and Daniel McKenzie, "Playing by the Rules," in *Low-Wage Workers in the New Economy*, Richard Kazis and Marc Miller, eds., Washington, DC: Urban Institute, 2001.
- 4 Rebecca M. Blank, David Card and Philip K. Robins, *Financial Incentives for Increasing Work and Income Among Low-Income Families*, Chicago: Joint Center for Poverty Research, 2000 (earned income disregards accounted for some rise in employment among welfare recipients) and David T. Ellwood, *The Impact of the Earned Income Tax Credit and Social Policy Reforms on Work, Marriage and Living Arrangements*, Boston: Harvard University, 2000 (EITC has had a positive effect on work).
- 5 Nisha Patel, Mark Greenberg, Steve Savner, et. al., *Making Ends Meet: Six Programs That Help Working Families and Employers*, Washington, DC: Center for Law and Social Policy, 2002.
- 6 Pamela Loprest, *Who Returns to Welfare?*, Washington, DC: Urban Institute, 2002 (use of work supports lowers the rate of return to welfare).
- 7 *Issue Focus: Boosting Income for Working Parents Pays Off for Children*, Washington, DC: MDRC, accessed May 2004 at [http://www.mdrc.org/area\\_issue\\_7.html](http://www.mdrc.org/area_issue_7.html) (supplements to low-income working parents' earnings led "to higher employment and income levels among single parents"); Nisha Patel, Mark Greenberg, Steve Savner, et. al., *Making Ends Meet: Six Programs That Help Working Families and Employers*, Washington, DC: Center for Law and Social Policy, 2002 (work supports are linked to greater financial security).

- 8 In this budget, it is assumed that Marsha will need the top of the rental cost range she alluded to in her narrative. But because it is the top of the range, it is also assumed that the rent includes utilities and heating costs. Food costs are based on the Self-Sufficiency Standard for Illinois computation for a four-person household. (Diana Pearce with Jennifer Brooks, *The Self-Sufficiency Standard for Illinois*, p. 41, Table 5, Washington, D.C.: Wider Opportunities for Women, December 2001.) Transportation is the cost of a Chicago Transportation Authority monthly pass. In this scenario, it is assumed that Marsha's 14-year-old will care for his 11-year-old-brother after school, but the cost of full-time child care for her two-year-old daughter is also provided by the Self-Sufficiency Standard. (Ibid.) It is assumed that Marsha's employer provides health care coverage for her family, but the Self-Sufficiency Standard estimates that an employee with three children will still pay \$284 a month in contributions to insurance premiums, copayments, costs of uncovered expenses, and deductibles. (Ibid., p. 6 and p. 41, Table 5.) Marsha's basic needs are calculated at 10 percent of the other costs (as does the Self-Sufficiency Standard, Ibid. p. 7), which would have to cover everything from clothing and household goods to paying off her student loan; it excludes entertainment and savings. Last, her payroll taxes are estimated at \$362 a month, using the Illinois Self-Sufficiency Calculator. (Illinois Department of Employment Security and Wider Opportunities for Women, *Self-Sufficiency Calculator*, <http://www.ides.state.il.us/calculator/default.asp>.)
- 9 The Food Stamps estimate is provided by a benefit calculator on the Illinois Department of Human Services website (<http://www.dhs.state.il.us:8080/FSCalc>). Illinois Department of Human Services also has a calculator for child care that revealed that Marsha would be eligible for the Illinois Child Care Assistance Program (<http://www.dhs.state.il.us/chp/ofh/MIH/eligcalc.asp>). Therefore, she would only have to pay a \$20-a-week copay. Illinois's KidCare Rebate program will reimburse Marsha for up to \$75 per child toward the cost of her children's premiums; here, we have estimated that cost at \$50 per child for a total of \$150. Marsha's EITC was figured with the Center on Budget and Policy Priorities' Earned Income Tax Credit Estimator for 2003 (<http://www.cbpp.org/eic2003/eitcs2.htm>). The Child Tax Credit figure was provided by The Center for Economic Progress.
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- 11 Ann M. Collins, Jean I. Layzer, et. al., *National Study of Child Care for Low-Income Families*, Washington, D.C.: Abt Associates, Inc., 2000.
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- 13 Julie Strawn and Karin Martinson, *Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce*, Washington, D.C.: MDRC, 2000, and Nanette Relave, *Work Supports for Low-Income Working Families*, Washington, D.C.: Welfare Information Network, 2002.
- 14 Nanette Relave, *Work Supports for Low-Income Working Families*, p. 3, Washington, D.C.: Welfare Information Network, 2002.
- 15 Ibid.
- 16 Michael E. Fishman and Harold Beebout, *Supports for Working Poor Families: A New Approach*, Falls Church, Virginia: The Lewin Group, 2001.
- 17 Ibid.
- 18 Julie Strawn and Karin Martinson, *Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce*, p. 108, Washington, D.C.: MDRC, 2000.
- 19 Katy Jacob, Sharyl Hudson and Malcolm Bush, *Tools for Survival: An Analysis of Financial Literacy Programs for Lower-Income Families*, p. 6, Chicago: Woodstock Institute, 2000.
- 20 See Kathryn Edin and Laura Lein, *Making Ends Meet: How Single Mothers Survive Welfare and Low-Wage Work*, New York: Russell Sage Foundation, 1997.