Building Financial Counseling into Social Service Delivery:

Research and Implementation Findings for Social Service Programs

Department of Consumer Affairs

Bill de Blasio
Mayor

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Executive Summary

In 2012, the New York City Department of Consumer Affairs Office of Financial Empowerment (OFE) launched the Capacity Building Initiative, funded by Citi Foundation, to issue grants to five social service organizations and train organization staff to provide financial counseling directly to their clients. OFE measured the effectiveness of the program through a comparison group and found that some of the participants who received financial counseling in addition to the existing social services provided by the organization outperformed the participants who received only those social services.

The aim of the program was to build organizational capacity to deliver and track high-quality financial counseling through and beyond the grant year. The larger goal was to create a light-touch, cost-efficient, and impactful financial counseling model to demonstrate scalability in a variety of social service contexts. To implement this, OFE provided technical assistance in order to adapt financial counseling into the organization's existing service delivery system; conducted financial counselor training for frontline staff; and helped organizations establish measurable client outcomes and use data systems to understand the impact of the program.

OFE awarded partner organizations grants to integrate financial counseling within their primary services to clients who included incarcerated adults, foster care children, young adult interns, young fathers, and workforce development clients. Halfway through the yearlong grant, the five partners served 330 clients, helping many improve their financial stability through activities such as reviewing credit reports, establishing budgets, opening a checking or savings account, or paying down debt.

To measure program effectiveness, OFE used a comparison group to examine whether clients who had become more financially stable also achieved better social service outcomes. Initial findings show that individuals who received financial counseling achieved better outcomes than clients who did not receive financial counseling:

- Participants from all partner organizations who achieved financial outcomes reported higher average monthly incomes than those who did not achieve a financial outcome.
- Clients in two workforce development programs who received financial counseling had higher job placement rates than comparison group clients.
- Clients in one workforce development program who received financial counseling earned a higher average salary after one year of employment than comparison group clients.

Finally, the Capacity Building Initiative provided a number of key lessons for integrating financial counseling into a variety of social service contexts: financial counseling must be thoughtfully and strategically introduced to an organization's clientele and tailored to their needs; strategic data collection is needed to understand and illustrate financial counseling's impact; building organizational commitment is critical to the success of financial counseling; and financial counselors at social service organizations need ongoing training and technical assistance.

This initiative represents a broader vision for the future of financial counseling as an integral part of social service delivery and of prioritizing financial counseling as a foundation for other antipoverty services. We hope these findings serve as a guide for organizations looking to embed financial counseling into their service delivery.

Background

Across the income spectrum, families struggle to manage their finances and navigate a complicated financial marketplace. The growing complexity of financial products and services has put tremendous pressure on the shoulders of often ill-equipped consumers. For households with low incomes, personalized guidance can be critical to maintaining financial stability; however, these families often have the most limited access to quality, professional resources.

Since the inception of the New York City Department of Consumer Affairs Office of Financial Empowerment (OFE), one of our primary goals has been to increase the financial knowledge of New Yorkers with low incomes and promote positive financial behavior. As the first step in addressing this goal, OFE launched the Financial Education Network (FEN) in 2007 to improve and support access to free, high-quality financial education in New York City. Today, more than 240 organizations are part of the FEN, serving New Yorkers through financial education classes, workshops, seminars, and counseling.

While the FEN offers the public considerable opportunities for classes and workshops, few offer consistent, one-on-one advice on consumer financial matters. Based on demand for financial guidance identified in OFE's *Neighborhood Financial Services Study* and growing research on the effectiveness of coaching and counseling strategies, OFE sought to increase the availability of one-on-one counseling in high-need communities throughout New York City. In 2008, OFE piloted the first Financial Empowerment Center in the Bronx, where New Yorkers could get free, professional, one-on-one financial counseling. OFE quickly expanded the program to a number of additional sites in subsequent years. In 2012, this successful model, which began as a privately funded pilot, was incorporated into the City budget as a core City service and now serves tens of thousands of New Yorkers at close to 30 sites. Financial counselors at the Centers conduct triage with clients to identify urgent needs and determine the nature of their overall financial situations, set and achieve financial goals, provide strategic referrals to social service providers or specialized asset building assistance (homeownership, entrepreneurship, post-secondary education, among others). Each Center is located within a high-need community and is run by a trusted community-based organization.

Over the last few years, the demand for financial counseling services has remained high, outpacing the availability of services at the Financial Empowerment Centers and from other organizations that offer individualized counseling. With this in mind OFE embarked on a new effort in 2012: to build the capacity of social service organizations to provide financial counseling directly to their clients. Through the Capacity Building Initiative (CBI), OFE adapted the Financial Empowerment Center model for social service partners who were not already providing financial counseling to boost their financial empowerment service offerings while enhancing their evaluation and data collection capacity. In Year 1 of CBI, OFE provided grants to five social service organizations selected through a competitive application process. This report describes our research and implementation findings.

Defining Capacity Building

With the Financial Empowerment Center model as our guide,[1] OFE outlined four key strategies for the Capacity Building Initiative (CBI):

1. **Adapt** financial counseling to be most impactful
2. Provide professional, **standardized financial counselor training** to key staff
3. Help participating organizations **establish a set of standardized client outcomes**
4. Use **data collection** systems to understand program impact

These strategies served as a roadmap for organizations to build capacity, to continue counseling and data collection beyond the grant year, and to demonstrate a scalable and replicable model for financial counseling.

Building Financial Counseling into Social Service Delivery

Adapting the Model

Organizations were asked to tailor financial counseling within the framework of OFE's counseling model while maintaining their own organizational approaches to social service provision. Each partner had to identify the most effective integration point for financial counseling within their service delivery model so that the organization's primary social service outcomes would be improved and clients would begin to establish a firm financial foundation for themselves.

Standardized Financial Counselor Training

Consistent, high-quality financial counselor training is a cornerstone of OFE's counseling model. In partnership with the City University of New York (CUNY), OFE developed the credit-bearing counselor training course *Consumer and Personal Finance* that teaches the fundamentals of personal finance, counseling skills, and how the application of these principles can impact an individual's financial and overall stability. The CUNY course is mandatory for all Financial Empowerment Center counselors to ensure standardization of service delivery.

Establishing Standardized Client Outcomes

Establishing standardized and rigorous client outcomes is vital to measuring financial success. In keeping with the Financial Empowerment Center model, CBI relied on a comprehensive financial health assessment to depict a client's unique financial needs and allow counselors to develop a detailed, personalized service plan for each client.

Collecting Rigorous Data

Data collection and analysis is a final key component of OFE's counseling model. OFE aimed to build internal capacity within each partner organization to collect and monitor client data with a standardized intake and evaluation tool that streamlined data collection and maintained individual financial records to track progress.

Sustaining Counseling

By working with partners to adapt OFE's financial counseling model, receive professional training, create standardized client outcomes, and engage in rigorous data collection and measurement, OFE aimed to build organizational capacity to deliver and track high-quality financial counseling that could be continued beyond the grant year.

Achieving Scale

Successful integration that demonstrates program impact is essential to achieving true scale. Demonstrating program impact—on both client financial stability and core programmatic outcomes—is vital for sustainability, and is the means through which a program can be delivered at scale. OFE aimed to equip partners with tools and training in a light-touch, cost-efficient, and impactful manner to demonstrate financial counseling's potential for sustainability and scalability in a variety of social service contexts.

Program Implementation and Research Design

Partner Background

OFE provided grants to five social service organizations, selected through a competitive process, to integrate financial counseling within primary services to formerly incarcerated adults, foster care children, young adult interns, young fathers, and workforce development clients. Capacity Building Initiative (CBI) partners were Center for Employment Opportunities (CEO); Forestdale, Inc.; Opportunities for a Better Tomorrow (OBT); The Osborne Association; and St. Vincent's Services (SVS). Their service models, primary social service offerings, and target populations varied significantly. See Table 1 below.

CBI financial counselors were required to complete the CUNY *Consumer and Personal Finance* course before starting one-on-one financial counseling.

Table 1.

	CEO	Forestdale	OBT	Osborne	SVS
Service Location	Citywide	Queens	Brooklyn and Queens	Bronx and Brooklyn	Brooklyn and Queens
Population	Formerly incarcerated adults	Low-income children and their families	Low-income youth	Formerly incarcerated adults	Foster youth
Core Services	· Job training · Transitional work · Links to full-time employment · Retention services	· Foster care · Preventative counseling · Fatherhood Initiative	· Academic and vocational training · Youth internships · Adult education · Adult job placement	· Job training · Job placement · Health and addiction recovery · Family reconnection	· Reconnection services · Health services · Job-readiness training
Financial Counseling Integration Point	Retention services	Foster Care and Fathering Initiative	Young Adult Internship Program	Green Career Center Job Training	Preparing Youth for Adulthood Program
How Financial Counseling Could Benefit Clients	· Clients are vulnerable to job loss and reoffending due to economic stressors that accompany reentry and entry-level employment.	· Teens are interested in planning toward long-term financial goals. · Non-custodial fathers receive counseling to increase family assets and better provide for their children.	· Financial counseling would motivate youth to make the most of their internship and encourage planning toward long-term financial goals.	· Clients in job-skills training program are at a transition point and open to a fresh start to support themselves and their families.	· Financial competency is a fundamental life skill that complements the program's focus on employment and independent living.
Potential Outcome	· Increased hourly and maximum wage · Increased job retention rates	*For fathers:* · Increased financial support for children · Increased engagement with children *For youth:* · More likely to secure housing · More likely to achieve or maintain employment	· Higher scores on workplace performance evaluations · Higher job offer rates after internship placement · Increased likelihood of finishing General Educational Development (GED)	· Increased job retention rates	· More likely to gain employment (if unemployed) · More likely to increase salary (if employed) · More likely to secure housing

OFE’s Role in Data and Partner Management

OFE aimed to increase partner capacity to collect, track, and manage client performance data. For this purpose, OFE developed an Excel-based data tracking tool for partner use, and provided training on how to use the tool. The tool was modeled as a low-tech, easy-to-use version of the existing software for monitoring and measuring Financial Empowerment Center milestones and outcomes. OFE staff coordinated efforts across all partner organizations, provided technical assistance, and monitored program implementation through biweekly calls and site visits. In addition, OFE convened a Learning Network meeting for partners to gather and discuss best practices, challenges, and opportunities to sustain the program beyond the grant year.

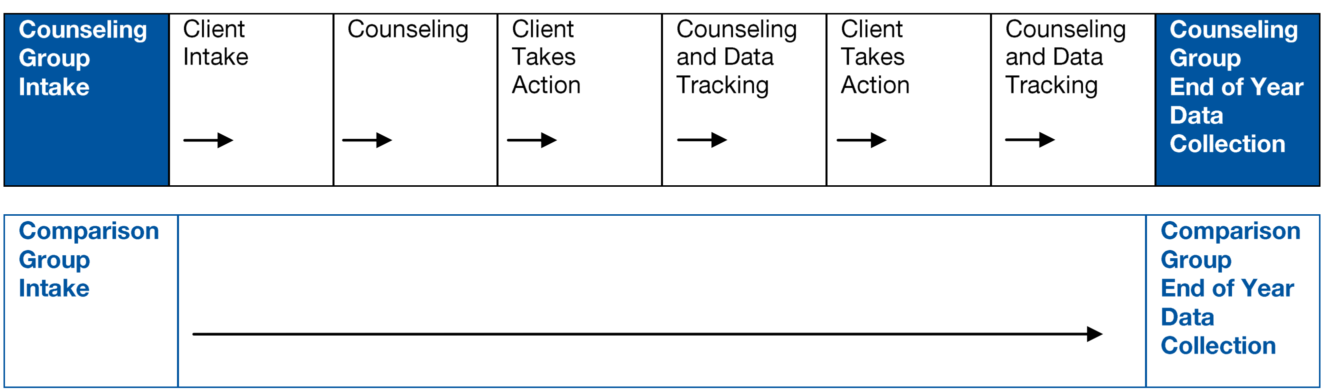
Impact Evaluation Design

CBI was designed to be both a program and an impact evaluation to understand better the effect of financial counseling on the individual’s and organization’s social service outcomes. OFE measured the effectiveness of the program using a multifaceted approach:

- Training CBI partners on OFE’s Financial Empowerment Center data collection model. This included collecting client data using OFE’s Financial Health Assessment and tracking milestones and outcomes over several counseling sessions to measure changes in clients’ financial health.
- Collecting and analyzing data on partner organizations’ existing social service outcomes to measure the impact of financial counseling on individual and organizational goals.[2]
- Forming a comparison group of clients who did not receive financial counseling to measure the impact[3] of financial counseling on individual and organizational social service outcomes for those who did receive financial counseling.

Through strategic data collection around standardized outcomes, OFE aimed to build our partners’ data analysis capacity and explore whether clients who become more financially stable also achieve better outcomes related to their presenting social service needs.

Figure 1. CBI Impact Evaluation Design



CBI partners continued to offer their core services, with trained frontline staff offering one-on-one financial counseling in addition to normal programming. Partners were required to divide their clientele into two demographically similar groups of at least 110 individuals:

1. One group that would receive financial counseling
2. One group that would not receive financial counseling[4]

Clients in counseling groups also received follow-up counseling, while clients in comparison groups continued to receive the organization's normal social services but not financial counseling. Partners were required to achieve 40 financial outcomes in the counseling group. Partners were also required to track their existing social service metrics on both counseling and comparison groups and report data to OFE three times during the program year.

Demographics

Despite partners serving diverse populations with varying social services, client demographics were fairly similar across organizations. Counseled participants were predominantly male (75 percent), African-American (69 percent), and English speakers (98 percent). The majority of participants were single (86 percent) without adult dependents. While 68 percent of participants possessed a high school degree or GED, 21 percent did not finish high school. The majority of participants were employed full- or part-time (25 percent and 27 percent, respectively), and more than a third of the group was unemployed (35 percent). Most participants were either staying with friends (42 percent) or renting (30 percent), and nearly 10 percent of participants were homeless or living in a shelter. Participants reported an average monthly income of approximately $760 and $390 in average monthly expenditures. The majority of participants were debt free (61 percent), and 25 percent of participants reported having less than $5,000 of debt.

Figure 2. Gender, n=329

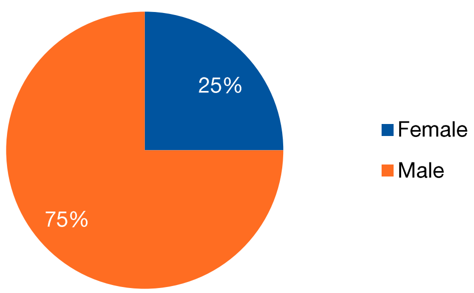
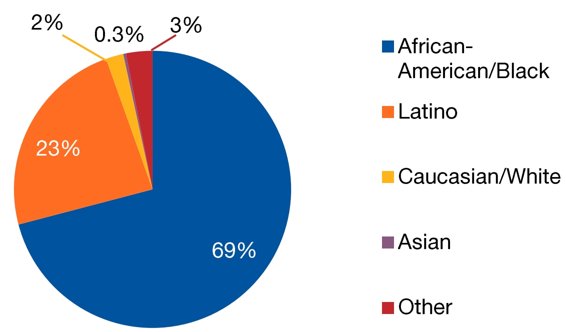


Figure 3. Ethnicity, n=321



Numbers do not add to 100% due to rounding errors.

Figure 4. Employment Status, n=305

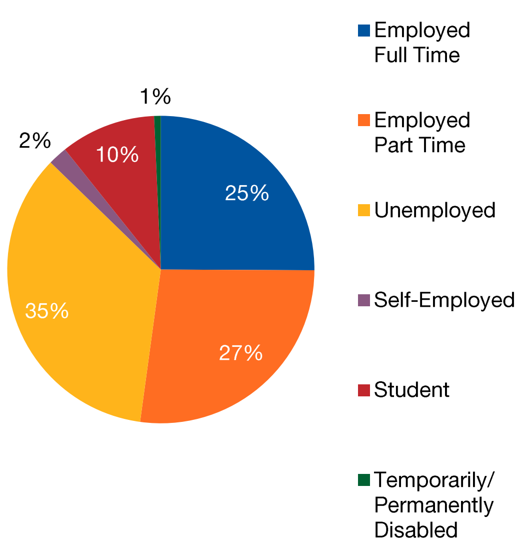
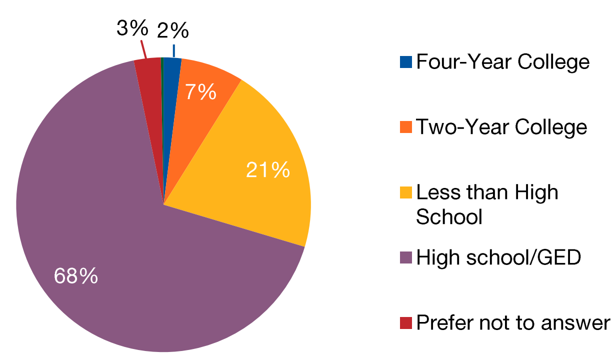


Figure 5. Education Attainment, n=327



Key Findings

Between September 2012 and June 30, 2013,[5] 10 financial counselors at the five social service organizations counseled a total of 330 participants. Participants completed a total of 626 counseling sessions, achieving 908 milestones and 119 financial outcomes based on OFE's financial counseling model. Some key findings from CBI are:

- Across all partners, participants who achieved financial outcomes reported higher average monthly incomes than those who did not achieve a financial outcome.
- Clients at CEO and OBT who received financial counseling had higher job placement rates than comparison group clients.
- Clients at CEO who received financial counseling earned a higher average salary after one year of employment than comparison group clients.
- Across all partners, a greater percentage of those who achieved at least one financial outcome reported having no child dependents.

Counseling Group: Sessions, Milestones, and Outcomes

Counseled clients achieved a combined 908 milestones (or activities leading toward outcomes) and 119 financial outcomes, which reflect significant changes in financial stability.[6] The most commonly achieved milestones included: "Reviewed credit report with client" (achieved by 65 clients) and "Completed realistic budget" (achieved by 99 clients). The most commonly achieved outcome was "Opened a checking or savings account" (achieved by 42 clients and 33 clients, respectively).

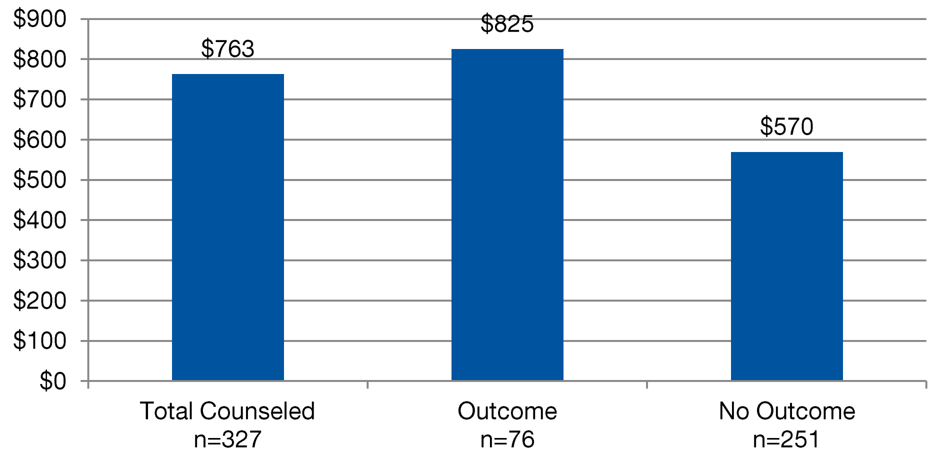
Table 2: Sessions, Milestones, and Outcomes for Financial Counseling Clients

	Total
Number of Clients	330
Number of Sessions	626
Number of Clients with More Than 1 Session	183
Total Number of Milestones	908
Total Number of Outcomes	119

Outcome Achievements and Demographic Differences across All Partners

There were several noteworthy differences within the counseling group between participants who achieved financial outcomes and those who did not. Counseling participants who achieved outcomes were more likely to be female (41 percent of the outcome achievers versus 20 percent of the non-outcome achievers). A smaller proportion of those who achieved outcomes were homeless compared to their counterparts (4 percent versus 11 percent). Additionally, a greater proportion of participants who achieved a financial outcome did not have the financial responsibility of child or adult dependents (72 percent versus 66 percent). Finally, participants who achieved outcomes reported higher average monthly incomes than those who did not achieve an outcome ($825 versus $570).

Figure 6. Average Monthly Income and Outcome Achievement



Financial Counseling and Job Performance

At two organizations, the financial counseling group achieved more job placement milestones and outcomes than the comparison group.[7] Although 98 percent of CEO's counseling group and 100 percent of the comparison group had job placements at the end of the program, the average numbers of 90-day and 180-day employment milestones per placed client appear to be statistically significantly higher with this midyear data set in the counseling group. On average, the counseling group achieved 82 percent more employment milestones at 90 days of employment than the comparison group and 95 percent more employment outcomes than the comparison group at 180 days of employment.[8]

Table 3. CEO, Employment Milestones

Social Service Outcome	Counseling Group	Comparison Group
Total Clients	64	42
Clients with Job Placement	63	42
Employment Milestones Achieved at 90 Days	**77**	**28**
90-day Employment Milestones Achieved per Client	1.22	0.67
Employment Milestones Achieved at 180 Days	**74**	**25**
180-day Employment Milestones Achieved per Client	1.17	0.60
Employment Milestones Achieved at 365 Days	**18**	**17**
365-day Employment Milestones Achieved per Client	0.29	0.40

Similarly, at OBT, 61 youth completed the five-week workforce development program and 60 of those same youth completed the 11-week internship. At the end of the four-month program, 52 percent of the youth in the counseling group obtained employment while 0 percent of those in the comparison group obtained employment.[9] While these initial findings are encouraging, additional analysis needs to be done on the final year-end program data to determine statistically significant differences between the comparison and counseling groups. Nonetheless, OBT will use these promising initial findings to inform service delivery and expand the integration of financial counseling in their workforce development program.

Table 4. OBT, Cohort 5A Employment Outcomes

Social Service Outcome	Counseling Group (n=29)	Comparison Group (n=32)
Completed Orientation	29	32
Completed Internship	28	32
Job Placement % Yes	52%	0%
Job Placement % No	48%	100%

Financial Counseling and Average Hourly Salary

For some clients, participation in financial counseling also had an impact on salary. At CEO, the average hourly salary at 365 days was higher for the counseling group ($11.80) than the comparison group ($10.72). After a year of employment, this difference would amount to more than $2,200 in increased yearly pay for the counseling group.[10] Also, both maximum starting salary and maximum salary at 365 days were higher for the counseling group ($20.88 and $21.23, respectively) versus the comparison group ($17.00 and $17.09, respectively).[11]

Table 5. CEO Social Service Outcomes for Counseling vs. Comparison Groups

Counseling Group (n=64)				Comparison Group (n=42)			
	Starting Salary	**At 180 Days**	**At 365 Days**		**Starting Salary**	**At 180 days**	**At 365 Days**
Hourly Salary Minimum	$5.50	$7.25	$7.25	**Hourly Salary Minimum**	$7.25	$7.25	$8.00
Hourly Salary Maximum	**$20.88**	$16.56	**$21.23**	**Hourly Salary Maximum**	**$17.00**	$16.56	**$17.09**
Hourly Salary Median	$8.60	$9.00	$11.00	**Hourly Salary Median**	$9.50	$10.00	$9.00
Hourly Salary Average	$9.32	$9.65	**$11.80**	**Hourly Salary Average**	$10.17	$10.34	**$10.72**

Data Analysis and Implications

OFE hypothesized that participants who received financial counseling would outperform the comparison group on social service outcomes. While these findings are based on mid-year results for only part of the full sample, they demonstrate that participation in financial counseling did have a statistically significant, positive effect on employment milestones such as salary. These interim findings are important as they provide initial, quantifiable evidence on the effect of financial counseling for organizations focused on workforce development. OFE will continue to work with the partners to track clients on a longer-term basis to understand fully the impact of financial counseling on client financial stability and social service outcomes.

Lessons Learned for Programs

As OFE worked closely with program partners to understand how best to integrate, scale, and sustain our financial counseling model, we learned four valuable program implementation lessons to share with the field.

Lesson 1: Sequencing Financial Counseling is Important

CBI partners determined that clients who were employed or had a steady cash flow were more likely to be interested in counseling. Clients had to perceive financial counseling as being relevant to their lives in order to be fully invested and complete important action steps for their financial health. Clients who lacked consistent cash flow expressed that they found little use in budgeting or saving as there was "nothing to manage." Working with these partners has solidified the sense that a key consideration in integrating financial counseling is finding the ideal moments to do so. Many of the partners identified the right time to begin the conversation about personal finances at the start of a job, paid internship, or when clients were about to pay recurring bills. Conversely, these partners found clients were least likely to discuss finances when they were in a crisis situation such as being evicted, owing back taxes, or facing homelessness. When clients were experiencing such a complex crisis, they often benefited from a referral to an external organization that had specialized expertise in the issue they faced.

In order to integrate financial empowerment services for maximum impact, organizations must analyze their own service delivery models, understand client motivation, and maintain referral networks to provide a holistic approach to counseling.

Analyzing the Service Delivery Model

CBI partners worked closely with OFE to determine the ideal service point at which financial counseling would have the greatest impact. This required partners to have a deep understanding of their service models, client populations, and client needs; how to message financial counseling as a poverty alleviation tool; and the flexibility to adapt financial counseling to fit their models and staffing constraints.

The differences in CBI partner integration points, outlined on page 9, demonstrate that there is no one-size-fits-all model for implementing a financial counseling program. However, with thoughtful and careful integration, as our findings indicate, embedding financial counseling can greatly enhance social service programs and contribute to client success.

Spotlight: Organizational Adaptability

SVS learned that a number of their clients were falling prey to **scams**. The organization responded with a workshop for 35 of their youth letting them know about financial scams, job fraud, how to protect themselves, and what to do if they were victims of fraud or identity theft. In this case, the organization had to be attuned to realities facing their clients and respond quickly.

Understanding Client Motivation

The financial counselors agreed that clients often have clear goals such as getting a job, saving money from each paycheck, or obtaining a GED. However, motivating clients to take concrete steps to achieve these goals was a challenge. Financial counselors used their clients' motivations such as living independently, achieving financial stability, or going to college to frame how they could benefit from financial counseling.

Even when clients were motivated enough to set personal goals, they still needed encouragement to achieve them. One partner encouraged youth participants to set their own goals to develop a sense of ownership over their financial futures. This partner even used the tactic of motivating clients to prove their counselor wrong with the challenge, "I don't think you can achieve that goal." Counselors would also harness clients' motivation through homework such as setting a budget, tracking spending, or researching various bank accounts as ways to set milestones that would culminate in achieving a financial goal.

Maintaining a Referral Network for other Social Service Needs

The client populations served though CBI struggled with additional needs beyond what financial counseling could alleviate. Even a well-integrated financial counseling program will not be impactful without a network of referral partners to handle other pressing client issues. For example, CBI clients faced issues of bankruptcy, identity theft, and complex student loan debt, which were referred to legal organizations. While these topics are covered in the CUNY course, partners needed additional resources to provide clients assistance in these difficult situations.

Lesson 2: Prioritizing Data to Demonstrate Program's Sustainability

Prioritizing and Leveraging Data Collection, Management, and Evaluation

CBI incorporated a rigorous data collection component that required diligent follow-up, accuracy, and the ability to maintain and keep records. While time-consuming, data collection and analysis served as an important way to manage staff, track program progress, monitor client success, and iterate delivery models based on program evidence. Taken together, these inputs can be used to demonstrate the quantifiable impact of financial counseling for clients.

The data collection tool that OFE provided enabled partners to track their own meaningful indicators to illustrate impact such as workforce retention or client salary at various points during the program year. Partners used OFE's and their own outcomes to tell an impact story more reflective of the program's accomplishments than simply counting 'clients counseled' or 'amount of incentives provided.' Carefully measured, thoughtful indicators provide data that can be used to improve program delivery and support sustained funds for a financial counseling program.

Spotlight: Leveraging Results to Support Funding

CEO and OBT demonstrated statistically significant differences in social service outcomes between counseling and comparison groups. Both partners used their data to tell an impact story to funders to expand the capacity building model across their organizations after CBI ends. With the new funds, these partners will enroll more staff in the CUNY course and deepen their data tracking capabilities. Interestingly, both CEO and OBT integrated financial counseling at very different ends of their service models: CEO counseled employed reentry clients in retention services and OBT counseled youth in a workforce development orientation preceding a paid internship.

Lesson 3: Ensuring Organizational Commitment for All Staff is Key

Building a new program into an existing social service agency is a difficult task, and commitment to CBI at all organizational levels was critical. An engaged staff, invested in the success of the program, is crucial for successfully integrating financial counseling in an organization. This organizational commitment includes understanding the time commitment of program implementation, providing time for counselors to build a rapport with clients to enhance retention efforts, and preparing for staff turnover.

Time Commitment

The primary challenge for CBI staff was underestimating the significant time commitment required to provide financial counseling, data collection, and program oversight. To ensure ongoing sustainability, CBI aimed for organizations to use existing staff rather than hiring new employees solely for the grant. This meant counselors still had to attend to their primary jobs as career coaches, mentors, employment developers, and retention specialists while adding a financial counseling component to their work. While all partners reported that they were eventually able to balance this work, they did indicate that it took a number of months of program operation to understand the full extent of the staff time required to conduct one-on-one financial counseling sessions and follow-up. This again speaks to the need for organizations to understand fully their service delivery models to integrate financial counseling more effectively.

Develop Counselor-Client Rapport for Engagement and Retention

All partners faced client engagement and retention issues; clients in volatile personal situations are difficult to engage and track as they may visit the organization once and never return. A key lesson was that organizations needed to build in time for counselors to develop relationships with their clients.

Issues of trust are barriers that prevent the counselor from understanding a client's entire personal and financial situation. One counselor advises, "Trust is key because if the client holds back, I cannot give him the best instruction." Thus, a counselor-client relationship based on trust ensured clients felt engaged and accountable. Counselors built trust through a variety of strategies. For example, counselors at Osborne and SVS were once clients at their host organizations and shared their similar backgrounds with clients to reassure them that they understood their clients' perspectives. A counselor at OBT built trust by asking her clients to keep her accountable in her own personal financial life; she confessed that she would often use taxis while knowing that subways were cheaper. The counselor wanted to be transparent with her own finances to illustrate that personal financial management is challenging. This technique demonstrated that financial empowerment is a shared journey.

Spotlight: Social Nudges for Engagement and Retention

SVS employed some non-financial incentives and behavioral "nudges" and modeling behavior such as engaging the "cool kid" and ensuring his or her attendance at social events to persuade other youth to attend. Gathering several youth at one event served as a catalyzing opportunity to discuss personal financial matters with a large group of youth at once.

Staff Turnover

One characteristic of the capacity building model is the heavy reliance on the CUNY-trained staff. During CBI, one program manager and two financial counselors were replaced at three different sites, interrupting service delivery. OFE worked with partners to ensure that counselor positions were filled in-house, as program sustainability depended on developing this capacity within the organization. It was important for organizations to build the staffing capacity to continue counseling services despite staff turnover, requiring more counselors to complete the professionalized counselor training.

Lesson 4: Additional Counselor Training and Technical Assistance is Important

Partners expressed hesitation in assisting clients through more difficult personal finance issues. While the CUNY course covered personal finance topics, counseling through complex issues takes time and experience, and counselors must become comfortable with the nuances of the client's individual circumstances.

While OFE was able to provide some additional resources, counselors would have benefited from regular training to review counseling best practices or a mentor to assist in counseling through difficult client cases. This was especially important as some organizations only trained one staff member in financial counseling—meaning there was no one else at their organization with the same expertise and role to provide guidance or troubleshoot complex financial issues. OFE will continue the Capacity Building Initiative with a second cohort in 2014, and has built into the program a continuing education and more structured technical assistance component.

Next Steps: A Broader Vision for Financial Counseling

OFE launched the Capacity Building Initiative to equip social service partners with tools and training to launch, expand, and integrate financial counseling programs at complementary organizations. The program aimed to demonstrate the impact and potential scalability of OFE's financial counseling model and to boost organizational capacity to deliver financial counseling services while enhancing data collection and evaluation capacity to demonstrate the model's potential for sustainability.

Initial program findings show that individuals receiving one-on-one financial counseling at workforce development organizations achieved better job placement, employer evaluation, and salary outcomes than clients who did not receive individual financial counseling. These findings provide initial, quantifiable evidence that achieving financial outcomes that reflect financial stability allows individuals to achieve better social service outcomes while also suggesting an important strategy for poverty alleviation. Each CBI partner received funding to continue financial counseling and data collection through August 2014. Next year, OFE is looking forward to an analysis of the Capacity Building Initiative in its entirety to understand fully the relationship between financial counseling, individual financial stability, and social service outcomes.

OFE is also interested in expanding the body of knowledge around program implementation and best practices on integrating financial counseling into social service delivery to inform social service or government organizations considering launching similar programs. Key implementation findings include:

- Thoughtful and strategic **sequencing of financial counseling** to best suit a host organization's clientele
- **Prioritizing data** to understand and illustrate financial counseling's impact
- The value of **organizational commitment** to financial counseling
- The need for ongoing **training and technical assistance** for financial counselors

OFE set out to illustrate the impact financial counseling can have when embedded in social service organizations. However, CBI represents a broader vision for the future of financial counseling as an integral part of social service delivery: prioritizing financial counseling as part of the overall work with clients. This initiative demonstrates that individual counseling not only delivers beneficial and life-changing outcomes for clients of social service organizations but also can be implemented in a cost-effective and seamless manner. Furthermore, CBI demonstrates that thoughtful integration can greatly enhance social service programs and contribute to client success. Finally, quantifying impact of successful implementation and integration can inspire a compelling story that social service organizations can use to sustain and scale their financial counseling programs.

Endnotes

1 Please see Appendix 2 for more information about OFE's Financial Empowerment Center model.

2 OFE collaborated with each CBI partner to gain full understanding of how impact is measured at each organization through each organization's key data points.

3 OFE defined the differences in outcomes between the comparison and counseling groups as impacts. All impacts are regression-adjusted using ordinary least squares. Tests of statistical significance were performed on all impacts presented in the report.

4 Counseling groups received the one-on-one financial counseling sessions with a trained financial counselor. The comparison group was not given one-on-one financial counseling, though they were full participants in CBI providers' primary social services. Participants in both groups were enrolled in social service programs of equivalent quality and rigor.

5 The information and data presented are based on a mid-program data report from July 2013.

6 Please see Appendix 2 for more information about OFE's Financial Empowerment Center model.

7 These initial findings represent isolated cases and small sample sizes; OFE will be able to draw larger conclusions when we have full data sets at the end of the study and are able to control for various factors (including education level and amount of contact with the nonprofit).

8 Significant at the .10 alpha level.

9 Significant at the .05 alpha level.

10 This figure represents the pretax wage difference, assuming 2,080 hours worked per year.

11 Data for this report goes through August 2013. CEO's financial counseling participants had been in CEO's Retention Services program and employed for three months prior to CBI start date. CEO tracks employment and salary data as standard procedure and was able to provide historical data on clients receiving financial counseling, thus incorporating prior data collection in analysis.

Appendix 1: Key Findings

Sessions, Milestones, and Outcomes for Financial Counseling Clients

	CEO	Forestdale	SVS	OBT[1]	Osborne	Total
Number of Clients	64	42	63	61	100	**330**
Number of Sessions	109	106	193	158	60	**626**
Number of Clients with More than 1 Session	49	79	25	55	7	**183**
Total Number of Milestones	44	418	56	332	254	**908**
Total Number of Outcomes	9	49	17	29	15	**119**

Milestone by Type (selection from complete list)

	CEO n=64	Forestdale n=42	SVS n=63	OBT[2] n=29	Osborne n=100	Total n=298
Client opened savings account	2	18	10	1	6	**37**
Client opened checking account	1	16	6	7	9	**39**
Reviewed credit report with client	8	13	1	0	43	**65**
Reviewed credit score with client	1	18	0	0	38	**57**
Established credit	1	0	0	0	1	**2**
Reviewed credit history	1	5	0	0	9	**15**
Client assigned spending journal	1	43	4	32	46	**126**
Client is saving money monthly	2	23	1	6	2	**34**
Client uses direct deposit	0	39	1	0	6	**46**
Alerted credit bureau to error on credit report	1	1	0	0	0	**2**
Alerted lender to error on credit report	0	0	0	0	0	**0**
Completed realistic budget	0	43	0	45	11	**99**

[1] Cohort 5A figures are reported in the aggregate; see page 15 for breakdown.
[2] Only Cohort 6A milestones are reported.

Outcome by Type

	CEO n=64	Forestdale n=42	SVS n=63	OBT[3] n=29	Osborne n=100	Total n=298
Opened a savings account	1	16	9	1	6	**33**
Opened a checking account	5	16	5	7	9	**42**
Bank account is open 6 months later	0	3	0	0	0	**3**
Increase savings by at least 2% of net income	0	0	2	3	0	**5**
Establish and maintain regular savings habit (monthly)	2	7	1	1	0	**11**
Increase credit score by at least 35 points	0	2	0	0	0	**2**
Establish credit score	1	3	0	0	0	**4**
Decrease debt by at least 10%	0	2	0	0	0	**2**
Total	**9**	**49**	**17**	**12**	**15**	**102**

[3] Only outcomes for OBT Cohort 5A are reported.

Appendix 2: Financial Empowerment Center Model

OFE's nearly 30 Financial Empowerment Centers are located Citywide in areas with high concentrations of poverty and need. Counseling services are available to the public, free of charge, and are typically integrated within a host of public programs to improve multiple outcomes. As of October 2013, Financial Empowerment Centers have served more than 25,000 New Yorkers.

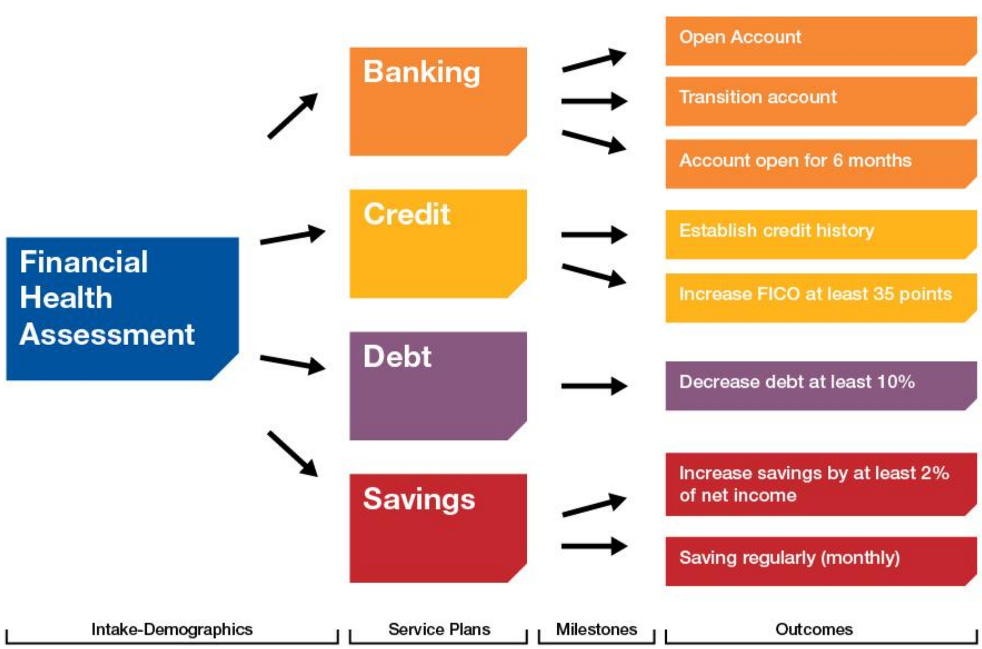
Counselors work with clients during the initial session on a full Financial Health Assessment. Regardless of the defining issue or question, a counselor will probe the client's entire financial situation and together the counselor and client will define one or more service plans. The service plans enable the client to establish short, intermediate, and long-term goals and begin working to address those goals. Client outcomes are then tracked based upon the specific service plan chosen during the initial assessment. However, these are subject to change over time as the client identifies new goals or achieves sufficient outcomes in prior goals. The service plans include strategies to:

- Establish or improve client credit score
- Decrease debt
- Develop and manage safe and affordable banking relationships
- Build savings
- Triage other pressing issues of financial security

Current Financial Empowerment Center outcomes tracked include:

1. Banking (for those with no bank account): Open a safe and affordable bank account
2. Banking (for those with a bank account): Transition to a safe and affordable bank account
3. Banking (for all): Bank account is open 6 months later
4. Credit (for those with none): Establish credit score
5. Credit (for those looking to improve their credit): Increase credit score by at least 35 points
6. Debt: Decrease debt by at least 10%
7. Savings: Increase savings by at least 2% of net income
8. Savings: Establish and maintain a regular savings habit (monthly for at least three months)

Financial Empowerment Center Counseling Process: Assessment to Outcomes



Financial Empowerment Center Counseling Process: Assessment to Outcomes (Continued)

Service Plan	Milestones		Outcomes
Banking	• Client obtained all documents needed to open account • Client opened savings account • Client opened checking account • Client opened NYC SafeStart Account • Client uses ATM card • Client uses debit card • Client uses direct deposit • Client uses online/auto bill pay	• Negotiated down overdraft arrears • Reviewed ChexSystems report with client • Client intends to open NYC SafeStart Account • Assisted in unfreezing bank account	• Opened a safe and affordable bank account • Transitioned to a safe and affordable bank account • Bank account is open 6 months later
Credit	• Reviewed credit report with client • Reviewed credit score with client • Alerted credit bureau to error on credit report and disputed with creditors • Alerted lender to error on credit report • Error was removed from credit report • Alerted credit bureau to identity theft	• Alerted lender to identity theft • Established credit • Reviewed SafeRent report with client • Client opted out of solicitations from potential lenders • Reviewed credit history and identified need to establish credit • Obtained a credit builder loan/secured credit card • Established credit	• Increased credit score by at least 35 points • Established credit score
Debt	• Reviewed credit report with client • Identified debt owner • Negotiated with creditor • Sent 'cease and desist' letter • Developed payment plan with client • Alerted lender to identity theft • Lender lowered/froze interest rate • Lender lowered monthly payments • Lender reduced/froze fees	• Entered payment plan with lender • Lender reduced principal • Created debt management worksheet • Prepared debt schedules and documentation for bankruptcy • Assisted client to negotiate appropriate debt consolidation • Completed DCA debt settlement complaint form • Referred to Legal Service Provider • Sent verification letter(s)	• Decreased debt by at least 10%
Savings	• Client assigned spending journal • Savings plan included in budget • Client completed realistic budget • Client is saving money monthly	• Client opened savings account • Client has auto deduction to savings account • Client opened SaveUSA account	• Increased savings by at least 2% of net income • Client maintained regular savings habit (3 months)