



The Power of Integrated Services

New Outcomes from LISC's
Financial Opportunity Centers

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COVER PHOTO:
FOC participant
at Jane Addams
Resource Corporation
(JARC), Chicago

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Executive Summary

Opportunity Gaps and the Financial Opportunity Center (FOC) Strategy

The U.S. faces significant challenges in income and wealth inequality, and around economic mobility— problems exacerbated by racial gaps. Fortunately, the fields of community and workforce development have developed proven strategies that can start to close racial, income, wealth, and opportunity gaps. One of them, LISC’s Financial Opportunity Center (FOC) model, supports community-based organizations delivering sustained assistance to residents where they live, through integrated services that address issues of income, wealth, and other support needs simultaneously.

Based on a model developed by the Annie E. Casey Foundation, the strategy has three, connected components. First, FOCs help connect people to jobs and training opportunities. Second, they provide financial coaching to address budgeting, banking, debt, and credit issues that can both drain families of resources and keep them from obtaining and sustaining employment. Third, to provide greater stability to families as they search for work and attempt to maintain employment, FOCs facilitate access to the public benefits individuals are entitled to but don’t always receive. The program’s theory of change is that these braided components of coaching will enhance each other and promote greater outcomes than each alone.

In recent years, external evaluators and LISC research have found positive impacts of FOCs.¹ Since these studies were published, the model has continued to evolve, to improve outcomes, and to respond to emerging needs among populations that need the most support. One such evolution is the Bridges to Career Opportunities (BCO) model, which connects people with training programs in sectors such as health, construction, and manufacturing while continuing to offer the integrated support typical of all FOCs.

To examine recent outcomes for FOC participants, and to assess the early success of the Bridges model, LISC Research and Evaluation (LISC R&E) analyzed recorded results for over 18,000 individuals over a three-year time frame that began with the adoption of a new data platform.² Our study examines outcomes data for every participant who consented to participation in research, spanning 100 organizations in 27 local markets. It shows the results of the FOC model in a variety of contexts, including urban and rural, and in different regions throughout the country, for clients who enrolled between January 1, 2016, and December 31, 2018, and whose outcomes are traced from January 1, 2016, to March 31, 2019.

Findings

Overall, FOC clients are facing extreme economic hardship at entry into the program. Slightly less than half of all clients reported having no monthly after-tax earned income at enrollment, and about 70% were unemployed. Despite these challenges, the program showed positive outcomes in its three areas of employment, financial coaching, and income supports.

- **Employment outcomes.** About 30% of all clients obtained a nonsubsidized job after enrollment, but these rates rise to approximately 55% for those who have enrolled in a training program, or who earn a degree or license. The median (or typical) starting wage was \$12/hour, consistent with national wages in personal care and service occupations, and about 60% of all clients were placed in a job that will eventually offer health insurance, a higher proportion than the national average.

- **Financial stability outcomes.** Despite the increased expenditures that newly employed individuals can face, almost 68% of clients had an increase in net income, with a median monthly gain of \$300. The program also focused on helping clients build credit. Having low credit scores, or no score at all, limits access to more affordable financial products and can force individuals into expensive arrangements such as pay-day loans. After receiving financial coaching, however, approximately 60% of all clients with a FICO score experienced a score increase. A substantial proportion of other FOC clients were unscored, and 25% of these individuals received a score, resulting in 48% of all clients either experiencing a credit increase or establishing a score. These encouraging figures suggest that financial coaching can make a short-term impact on scores, although the most powerful benefit appears to be in helping unscored individuals establish credit histories.
- **Income-support outcomes.** Having access to public benefits can help stabilize households as they look for work and maintain it, by providing access to nutrition, medical care, and housing. Most FOC clients (about 85%) qualify for benefits upon screening, which speaks both to the importance of this form of counseling, and also to the fact that many low-income individuals are eligible for benefits that they do not receive—a broader public policy concern.

The effect of intensive integrated services. The FOC model is based on the theory that integrating services—employment counseling, financial coaching, and income-support counseling—produces better outcomes for clients. Forty percent of all clients receive all three components of employment, financial, and income-support services, and our statistical models tested both whether receiving integrated services and whether the number of services received impacted outcomes, while controlling for client’s gender, race, starting economic circumstances, and other fixed factors. Providing further support for the FOC’s theory of change, we found that clients who received all three components of the model experienced:

- A strong increase in the probability of being placed in a nonsubsidized job. Clients receiving integrated services have an average job placement rate of 43% and clients without integrated services have an average placement rate of 23%, according to the model.
- A \$0.88 gain in hourly wage at client’s first nonsubsidized job over clients who do not receive integrated services. Model effects show that clients receiving integrated services have an average starting wage of \$13.31 and clients without have an average starting wage of \$12.43.
- A small increase in the likelihood of earning a wage increase over clients who do not receive integrated services. Model effects show that 8.1% of clients receiving integrated services earned a wage increase, while 5.9% of clients not receiving integrated services reported a wage increase.
- An increase in the likelihood of being placed in a job with health insurance over clients who do not receive integrated services. The statistical model indicates that for clients placed in a job, receiving integrated services increased the likelihood of gaining health insurance through that employment from 55% to 63%.

These results provide continuing positive evidence as to the FOC theory of change—especially because data limitations required that original analyses be limited to a smaller subset of individuals who had received more intensive services. Our updated analyses, which cover *all* individuals who consented to participate in research, affirm these early results.

Bridges to Career Opportunities Outcomes

In addition to exploring outcomes for all FOC clients, LISC R&E explored the early success of the Bridges to Career Opportunities initiative. FOC clients in need of basic math, reading, and digital literacy skills for traditional workforce training programs can be recommended for the Bridges program, which provides basic skills trainings and contextualized basic education to prepare them for advanced training and eventual employment. *Despite facing a number of challenges, Bridges participants experienced positive outcomes.* These included:

- Job placement rates of 44%, rising to 57% of those who earned a training credential.
- Wages of \$13.48 per hour, and median net monthly income increases of \$319.
- Even more powerful effects of receiving integrated services than FOC members, including job placement rates of approximately 50%.

It is possible that these outcomes are a result of increased contact and follow-up by the program since training programs tend to engage clients for a longer period of time, or it may be that the programming to which Bridges clients now have access has begun to open career pathways for them.

Conclusion

While there has been previous evidence of the power of the FOC model, this report shows that the program continues to produce positive results for recent participants. Comparable proportions of clients were recently placed in jobs as in past findings, and had gains in income, wealth, and credit scores. For Bridges clients who typically need basic skills training before entering their chosen field, early outcomes suggest that a greater intensity of services is helping them overcome educational disadvantages. Finally, as it relates to broader challenges of income and wealth inequality that are exacerbated by race and gender issues, within the FOC and Bridges population, wage outcomes are more equitable than those in the country as a whole, suggesting that these gains are playing their part in reducing the nation's income and opportunity gaps.



Closing Wealth and Income Gaps

The U.S. faces significant challenges in income and wealth inequality, and economic mobility—problems exacerbated by racial gaps. Since the 1980s, the proportion of the nation’s income going to the top 1% of earners nearly doubled to 20%, while the proportion going to the entire bottom 50% fell from 20% to 12%,³ contributing to the largest degree of income inequality in the history of the country.⁴ Forty-four percent of all workers aged 18 to 64 now earn low wages, with a median income around \$18,000 per year,⁵ while extreme poverty has grown, leaving 1.2 million children in households with less than \$2 a day to live.⁶

Contributing to these dynamics and magnifying them for people of color, in the most recent quarter of 2019, the typical white worker earned 35% more than the typical Latino worker and 28% more than the typical African-American and Latino worker,⁷ and the net worth of the typical African-American household has been estimated to be only 10% of white households’ median net worth,⁸ due to longstanding public policies and practices that excluded African Americans from wealth and in many cases stripped it from them.⁹

Similar patterns have emerged around economic mobility. Whereas more than 90% of children born in 1940 grew up to earn more than their parents, a child born in 1985 had a 50% chance of doing better economically.¹⁰ But only 2.5% of African Americans born in the bottom fifth of the income distribution are likely to reach the top fifth, compared to 10% of whites born in similar circumstances, and there are extraordinarily high *downward* rates of mobility in black families—black children born in the top fifth of income are just as likely to fall to the bottom fifth in adulthood as they are to remain on top.¹¹

Fortunately, the fields of community and workforce development have developed proven strategies that can start to close racial income, wealth, and opportunity gaps. Recently, encouraging evidence has emerged around the effectiveness of training to help low-income people succeed in higher-wage industries.¹² There has also been evidence about the impact of developing career pathways—efforts to build training credentials and certificates that create employment ladders in a given field, such as nursing, over time.¹³ Even as people’s income improves, however, they may still face barriers to growing their wealth and accessing affordable financial services. Accordingly, coaching interventions to develop savings and increase financial capability have also grown in recent years.¹⁴ While there is less evidence of financial coaching’s impact on wealth over time, a rigorous study finds that financial coaching can increase savings, reduce debt, and reduce financial stress.¹⁵ And there is growing evidence—some based on LISC’s work—that the *integration* of financial coaching with workforce services can provide better outcomes than each strategy working alone.¹⁶

LISC’s mission is to support inclusive communities of opportunity—great places to live, work, do business, and raise families. A vital component of this mission is to help residents reach their economic and financial goals. Through Financial Opportunity Centers (FOCs) located in diverse neighborhoods, residents receive sustained assistance where they live, through integrated services that address issues of income, wealth, and other support needs.

Based on a model first developed by the Annie E. Casey Foundation, the strategy has three connected components. First, FOCs help connect people to jobs and training opportunities. Second, they provide financial coaching to address budgeting, banking, debt, and credit issues that can both drain families of resources and keep them from obtaining and sustaining employment. Third, to provide greater stability to families as they search for work and attempt to maintain employment, FOCs facilitate access to the public benefits to which individuals are entitled but that they don't always receive. The program's theory of change is that these braided components of coaching related to 1) employment and careers, 2) financial coaching, and 3) income supports will enhance each other and promote greater outcomes than each alone.

The FOC strategy has three components: connecting people to employment and training, providing financial coaching, and ensuring access to public benefits.

The FOC theory of change has been tested successfully. Previous research by LISC found that those who received all three bundled services through Financial Opportunity Centers had a 74% placement rate and significant job retention, and that nearly three-fifths of those who started with zero or negative net income moved to positive net income.¹⁷ An external evaluator also analyzed the positive impact of our financial coaching on a host of outcomes, such as the likelihood of year-round work and improved credit-building behavior.¹⁸ Finally, using behavioral economics insights, Duke University researchers evaluated LISC's innovative approaches to improving retention in financial coaching services. Through a rigorous evaluation design they found that our approaches were impactful in keeping people engaged with a financial coach.¹⁹

Since these studies, LISC's model has continued to evolve, to improve upon these outcomes, and to respond to emerging needs among populations that need the most support. One such evolution relates to the fact (described above) that while training individuals for higher-wage jobs in the health, construction, or manufacturing sectors can be an effective economic empowerment strategy, many individuals—often those with the most need for stable employment—lack the educational credentials or stabilizing support to be able to take advantage of these training programs. LISC's new model, called Bridges to Career Opportunities, is an initiative that creates pathways for individuals to access training programs and the career ladders that will serve them and their families over time. What makes Bridges distinct from these kinds of programs is the community-based nature of service provision, and continued integrated support as individuals receive training and obtain employment.

To examine recent outcomes for FOC participants, and to assess the early success of the Bridges model, LISC Research and Evaluation examined recorded results for over 18,000 individuals over a three-year time frame that started with the adoption of a new data platform.²⁰ There are several features of R&E's study that make it important for understanding work at the intersection of wealth-building and workforce development, as described in the text box below.

Service Delivery by Financial Opportunity Centers and Bridges to Career Opportunity Programs

Our study examines outcomes data for every participant who consented to participation in research, spanning 100 organizations in 27 local markets, showing the results of the model in a variety of contexts, including urban and rural, and in different regions throughout the country. This breadth of coverage speaks to the “generalizability,” or relevance of the FOC model in different settings. Results are drawn from an extensive database that is used to help practitioners better serve individuals as they work for them. Because of these factors, it is possible to be more confident in the accuracy and completeness of the data, and to run statistical tests that help analyze the result of services in various ways.

In order to understand FOC and Bridges outcomes, it is helpful to understand the ways that services flow to individuals, and who takes part in these services. Neighborhood residents are usually introduced to a center through a workshop or other community outreach by the center. To become part of the FOC program, clients often first complete an orientation, which covers services provided by the center, and from there, clients engage with a financial coach, an employment coach, and an income-support services coach.²¹

After intake, clients typically visit the financial coach and receive a number of initial assessments, including a budget assessment to review client’s income, a balance sheet assessment to review client’s net worth, and a FICO score inquiry for credit assessment. After the assessments, the client and coach create financial goals and a plan to reach those goals.²²

Clients also meet with their employment coach, receive skills assessments, and explore training and job opportunities. The employment coach records any progress in employment, including when a client gets a new job, passes a monthly employment milestone, receives a wage increase, enters a training program, or earns a credentialed license or degree.

Clients with levels of basic math, reading, and digital literacy skills that are below prerequisite levels for traditional workforce training programs, and who have a specific career pathway interest, are ideal candidates for the Bridges program. The Bridges program is a long-term career pathways program—providing contextualized basic education and skills training and coaching to support clients through occupational skills training and job placement, and with

a goal of continuing support post placement. Bridges clients are also FOC clients, and receive financial and income-support counseling in addition to the supplemental career coaching and skills training. After completing the initial assessments, all clients continue to meet with their coaches regularly to assess their financial and employment progress and goals.

18,800
total number of clients

13,895
FOC only

4,906
Bridges clients



This study includes FOC clients (including Bridges clients) who enrolled between January 1, 2016, and December 31, 2018. Client outcomes, including job placement, cover a similar time period: January 1, 2016, to March 31, 2019. Researchers extended the outcomes data into 2019 to get the most recent and complete information possible. Clients in the study come from approximately 100 different Financial Opportunity Centers in 27 LISC markets. At the time of study, 38 centers also have a Bridges to Career Opportunities program.

Of the 18,800 clients in the study, about 25% (4,906 clients) are Bridges clients and the remaining 75% (13,895) are FOC only (non-Bridges clients). Bridges clients are FOC clients who have enrolled in a Bridges skills training program during the study period. All clients in the study received at least one employment counseling service, one financial coaching service, or one income-support counseling service during the study period. A counseling service can include an assessment, an enrollment in a training program, or a one-on-one counseling session with an FOC staff person. This study definition was used to ensure that outcomes were explored among individuals who had more than a passing connection to the FOC program.

Starting Points: Characteristics of FOC Clients at Entry

Before examining the employment and financial outcomes of clients in the study, it is important to understand the employment and financial circumstances of individuals at the time of enrollment. Overall, all FOC clients face extreme economic hardship at program entry, a fact that makes it particularly important to improve their outcomes but also more challenging to do so. Slightly less than half of all clients reported having no monthly after-tax earned income at enrollment. The median (or typical) monthly income for all clients is \$850. About 70% of all clients are unemployed, 80% have no previous vocational training, and 61% have only a high school degree or less at enrollment.

Demographically, about 60% of all clients are women and more than 80% are people of color. The racial and ethnic composition of each FOC's clients tends to reflect composition of the neighborhood where it works. More than half of all clients identify as African American while 20% percent are Hispanic and 16% are non-Hispanic white. The median client age is 37 years old.²³

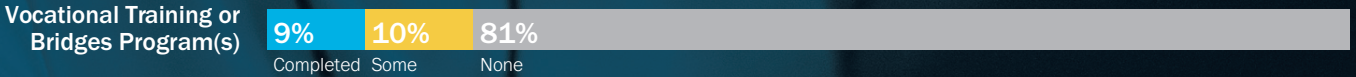
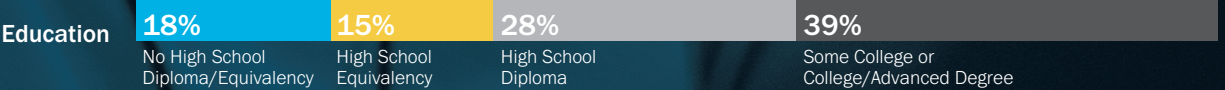
As might be expected for a service population with high rates of unemployment, at enrollment about half of all clients cited their top interest as job placement and career development, followed by education and training (21%) and financial education and counseling (20%).

A mock interview day at the North Lawndale Employment Network in Chicago.

PHOTO CREDIT: GORDON WALEK

 **37**
years
MEDIAN AGE

Characteristics of FOC Clients at Entry



SUMMARY TABLE ►

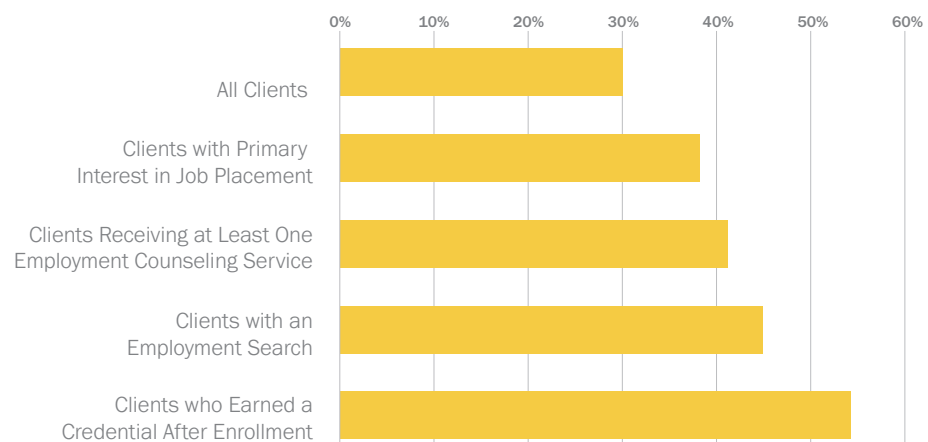
TOTAL CLIENTS	18,801
Median Age	37
Percent Female	60%
Percent African American	55%
Percent Hispanic/Latino	21%
Percent White	17%
Percent With No High School Diploma/Equivalency	18%
Percent Earned High School Equivalency (GED/HiSet/TASC)	15%
Percent Earned High School Diploma	28%
Percent With Some College or College/Advanced Degree	39%
Percent Completed Vocational Training/Bridge Program(s)	9%
Percent With Some Vocational Training/Bridge Program(s)	10%
Percent With No Vocational Training/Bridge Program History	81%
Percent With Primary Interest at Enrollment: Job Placement/Career Development	51%
Percent With Primary Interest at Enrollment: Financial Education/Counseling	20%
Percent With Primary Interest at Enrollment: Education/Training	21%

Workforce and Income Outcomes for All FOC Clients

A critical outcome for all workforce programs is their job placement rate—the proportion of individuals who obtain employment after receiving services. Overall, according to FOC data, about 30% of all clients were placed in a nonsubsidized job after enrollment, although because no individual is *required* to report their having received a job, actual placement rates might in fact be higher. As might be expected, clients with a primary interest in job placement or career development at enrollment and clients who have at least one employment-search counseling record have higher job placement rates than clients overall. Placement rates are also higher for clients who enroll in a training program or earn a degree or license, as shown in Figure 1 below.²⁴ While the overall placement rates are in line with or fall below comparable, recent programs,²⁵ the fact that rates rise substantially for those who attain a credential (with rates about 1.8 times the average for all clients) speaks strongly to the importance of training—which is in fact an emphasis and direction of the Bridges model.

FIGURE 1 ►
Job Placement for
All Clients in Study

Percent of Clients Placed in a Nonsubsidized Job After Enrollment





60% of all clients placed in a job are placed in one that will eventually offer health insurance, a higher proportion than the national average of about 52%.

The median hourly wage for clients placed in a nonsubsidized job is \$12.00 and the median number of days between program enrollment and job placement in a nonsubsidized job is 82 days. While critical income for a population in need of it, these wage levels are consistent with national statistics of lower-paid occupations in personal care and service occupations,²⁶ and may be only a first step in developing family-sustaining wages. About 60% of all clients placed in a job are placed in one that will eventually offer health insurance, a higher proportion than the national average of about 52%.²⁷

Not only placement but also *retention* is an important component of effective workforce initiatives. About 10% of placed clients have been employed for over a year while 20% have been employed for six months, 15% have been employed for three months, 14% have been employed for at least one month, and 40% of all placed clients do not have a job retention record, which would have been formed by ongoing contact between a coach and the individual after being placed. The high proportion of the last category suggests the coaches may have limited availability to provide post-placement services that are necessary to support the clients in maintaining their employment. Some sites have made successful adjustments to their programs after initial implementation, including expanding training opportunities and increasing credential opportunities and offering clients job site visits during their occupational training.²⁸

Finally, people who obtain employment are faced with sudden, additional expenses, related to transportation, clothing, and childcare. Despite these facts, FOC clients as a whole increase their monthly net income substantially. In their initial budget assessment, less than 40% of all clients have a positive net income, which suggests extreme hardships related to poverty. After experiencing services, however, almost 70% have a positive net income, and 67% had an increase in net income, with the median gain in monthly net income \$300 for all clients. Some of this is likely due both to increased wages and increased access to benefits that may offset increased expenses, as described below.

		Initial Monthly Net Income	Most Recent Monthly Net Income	Change In Monthly Net Income
ALL CLIENTS	Mean	\$19.00	\$374.00	\$355.00
	Median	\$0	\$310.00	\$300.00

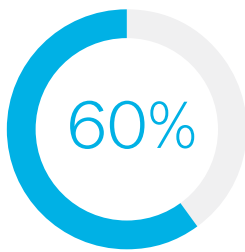
Change Total Monthly Net Income (When Recorded)

	Mean	Median	No. of Clients
Clients with an Increase in Monthly Net Income	\$1,019	\$777	3298
Clients with No Change in Monthly Net Income	\$0	\$0	596
Clients with a Decrease in Monthly Net Income	(\$1,558)	(\$330)	1034
ALL CLIENTS	\$355	\$300	4928

Wealth, Financial, and Income-Support Outcomes for All Clients

The FOC model is designed to address financial and wealth issues at the same time as income challenges. Because wealth is accumulated over long periods of time, and sudden expenses can result in debt that impacts net worth, it is not fair to expect that FOC and Bridges clients all gain in their net worth. In fact, during the study period, about half of all clients had an increase in net worth, but 40% had a *decrease* in net worth, showing that wealth remains volatile for this population.

Credit score, by contrast, is a measure that may be more amenable to shorter-term interventions, especially as financial coaches focus on removing credit report errors or providing credit-building financial products to clients. These changes can be very important, as having low credit scores can make access to more affordable financial vehicles very difficult, forcing individuals to rely on expensive alternatives such as pay-day loans. In addition, many people simply do not have sufficient credit histories to have a FICO score. Being “unscored” also makes it very unlikely that someone can apply for reasonably priced loans or credit.



After receiving financial coaching, approximately 60% of all clients with a first assessment FICO score have a score increase.

Of the clients with an initial assessment, 66% have a score and 34% are unscored; the median first assessment FICO score is 578. After receiving financial coaching, however, approximately 60% of all clients with a first assessment score have a score increase, with a median FICO increase of eight. Because 25% of clients who were unscored in the first assessment received a score in the most recent assessment, altogether, 48% of clients had either a credit increase or established a score. These encouraging figures suggest that financial coaching can make a short-term impact on scores, although the most powerful benefit appears to be in helping unscored individuals establish credit histories.

Credit is a key component of each FOC’s work because previous research demonstrated that lower-income people are more likely to have no or insufficient credit history. In addition, research shows that clients who receive paired financial coaching with innovative financial products are more likely to increase their credit score or establish a score. For FOC clients, establishing good credit can save money on car payments, security deposits, or school loans, among other areas.

Finally, the FOC theory of change is that access to public benefits for which individuals are eligible can help stabilize households as they pursue employment and financial stability. About 47% of clients are screened for benefits after enrollment, and, of these screened, most of the clients (about 85%) qualify for benefits at least once. The most common types of benefits clients qualify for are SNAP (food stamps and comparable programs), a medical benefit/health insurance, subsidized housing, other non-recurring assistance (cash or non-cash), recurring cash assistance/payments, and utility assistance. These high rates of benefit qualification speak both to the importance of this form of counseling, and also to the fact that many low-income individuals are eligible for benefits that they do not receive—a broader public policy concern. An additional concern for clients and policy makers is the possibility of clients losing benefits when their income increases slightly. FOC counseling is especially important for clients who might experience a “benefits cliff,” where their loss in public benefits is greater than their increase in income.²⁹

FOC services at HumanKind
in Richmond, Virginia.



Understanding the Effect of Integrated Services

The FOC model is based on the theory that integrating services—employment counseling, financial coaching, and income-support counseling—produces better outcomes for clients. Because of this, we explored the impact of receiving integrated services on all clients' employment and financial outcomes.

Forty percent of all clients receive all three components of employment, financial, and income-support services, also known as integrated services. Our statistical models tested both whether receiving integrated services and whether the number of services received impacted outcomes, while controlling for client's gender, race, starting economic circumstances, and other fixed factors. LISC's earlier study found that integrated services at FOCs were associated with improved client outcomes, and a more recent look confirms that this remains the case. Overall, while controlling for the above variables, the fact of receiving integrated services is associated with:

- An increase in the probability of being placed in a nonsubsidized job. Clients receiving integrated services have an average job placement rate of 43% and clients without integrated services have an average placement rate of 23%, according to the model.
- A \$0.88 gain in hourly wage at client's first nonsubsidized job over clients who do not receive integrated services. Model effects show that clients receiving integrated services have an average starting wage of \$13.31 and clients without have an average starting wage of \$12.43.

- A small increase in the likelihood of earning a wage increase over clients who do not receive integrated services. Model effects show that 8.1% of clients receiving integrated services earned a wage increase, while among clients not receiving integrated services 5.9% earned a wage increase.
- An increase in the likelihood of being placed in a job with health insurance over clients who do not receive integrated services. The statistical model indicates that for clients placed in a job, receiving integrated services increasing likelihood of being placed in a job with health insurance from 55% to 63%.

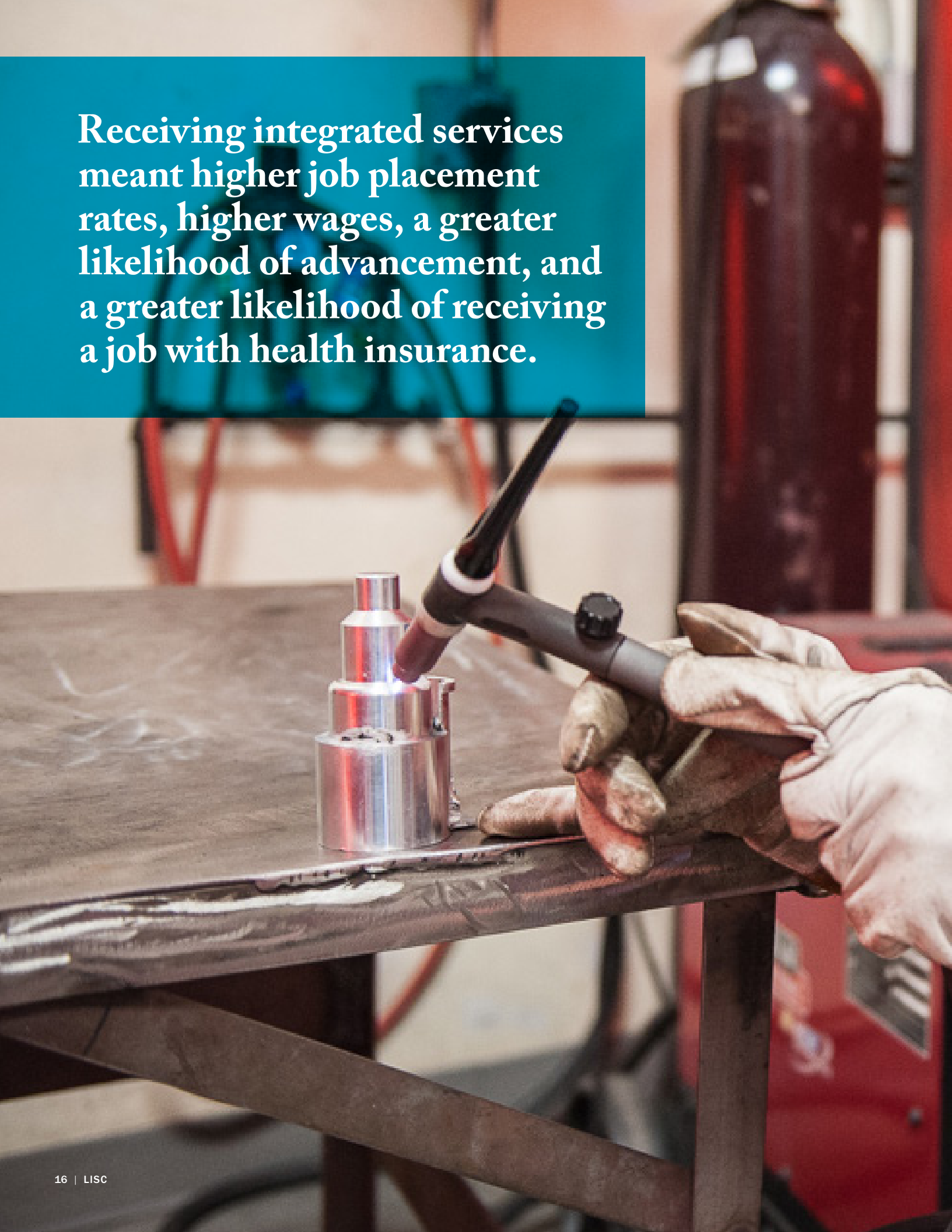
These results provide continuing positive evidence as to the FOC theory of change—especially because data limitations required that original analyses be limited to a smaller subset of individuals who had received more intensive services. Our updated analyses, which cover *all* individuals associated with the program, affirm these early results.

They are especially persuasive in demonstrating the power of the bundled service model, because individuals who receive *only* employment coaching are often the ones who are more likely to be interested in quick job placements, and are also ready to achieve them. In fact, those clients who receive *only* employment coaching have *higher* placement outcomes than those who receive both employment services *and* income-support coaching, likely because the latter group has more intense service needs. But those individuals who receive *all three* services have higher outcomes, possibly because the synergies between income-support, workforce, and financial coaching services help overcome these needs.

The synergies between income-support, workforce and financial coaching services may overcome the challenges that many individuals face as they look for work.

At the same time, since over half of clients did not receive the full complement of services, there may be a need to increase client engagement with all components of the model—a challenge that is shared by many community-based programs.³⁰ And it is notable that receiving more *intense* services (defined by the number of assessments or counseling sessions) is associated with an increase in job placement and a slight increase in the likelihood of earning a wage increase, but does not appear to affect hourly wage, perhaps because those who receive more frequent services have more intense needs or emerging challenges in their lives. Our models on financial outcomes like change in net worth and credit scores do not show any association between clients receiving integrated services and better outcomes.

Receiving integrated services meant higher job placement rates, higher wages, a greater likelihood of advancement, and a greater likelihood of receiving a job with health insurance.





Manufacturing-oriented
FOC services
at JARC in Chicago.

PHOTO CREDIT:
GORDON WALEK

Bridges to Career Opportunities

In addition to exploring outcomes for all FOC clients, LISC R&E explored the early success of the Bridges to Career Opportunities initiative. FOC clients in need of basic math, reading, and digital literacy skills for traditional workforce training programs can be recommended for the Bridges program. The Bridges program provides clients with basic skills trainings and contextualized basic education to prepare them for advanced training and eventual employment.

Characteristics of Bridges Clients at Entry

Recall that of the 18,800 clients in the study, about 25% (4,906 clients) are Bridges clients who enrolled in a Bridges skills training program during the study period. At enrollment, Bridges clients' top interest is education/training (48%), followed closely by job placement/career development (47%). Compared to the non-Bridges clients, Bridges clients are typically economically disadvantaged. The median monthly income for non-Bridges clients is about 25% more than for Bridges clients (\$960 compared to \$750) at enrollment. Demographically, Bridges clients are quite similar to non-Bridges clients. About 60% of all clients are women and more than 80% are non-white. More than half of all clients identify as African American, but a slightly higher percentage of Bridges clients identify as Latino (23.3%), compared to non-Bridges clients (19.5%). Bridges clients are also slightly younger; the median age is 34 for Bridges and 38 for non-Bridges clients at enrollment.

SUMMARY TABLE ►

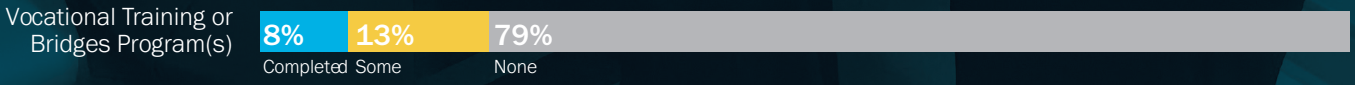
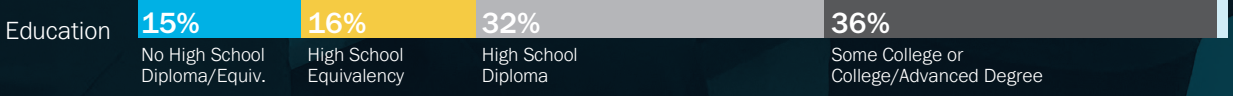
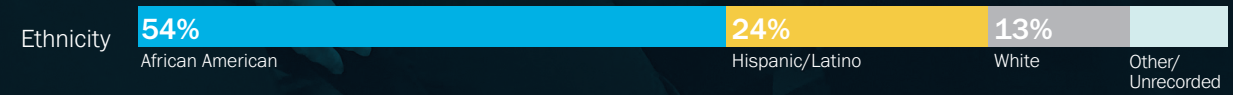
TOTAL CLIENTS	4,906
Median Age	34
Percent Female	63%
Percent African American	54%
Percent Hispanic/Latino	24%
Percent White	13%
Percent With No High School Diploma/Equivalency	15%
Percent Earned High School Equivalency (GED/HiSet/TASC)	16%
Percent Earned High School Diploma	32%
Percent With Some College or College/Advanced Degree	36%
Percent Completed Vocational Training/Bridge Program(s)	8%
Percent With Some Vocational Training/Bridge Program(s)	13%
Percent With No Vocational Training/Bridge Program History	79%
Percent With Primary Interest at Enrollment: Job Placement/Career Development	47%
Percent With Primary Interest at Enrollment: Financial Education/Counseling	3%
Percent With Primary Interest at Enrollment: Education/Training	48%

FOC services at the Brighton Center of Cincinnati's Center for Employment Training



34
years
MEDIAN
AGE

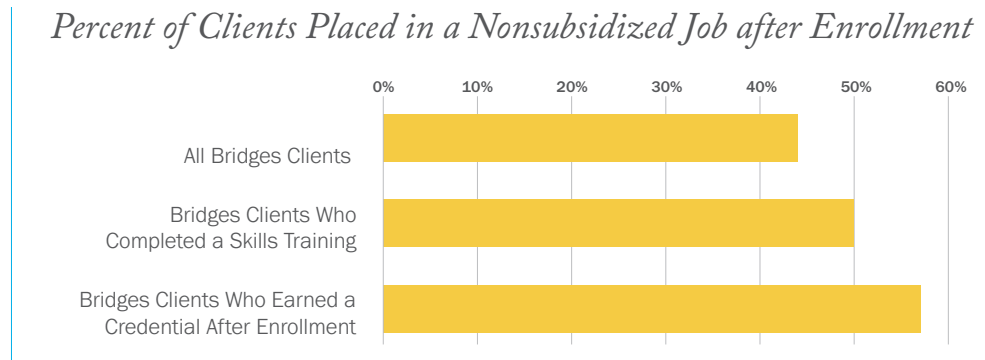
Characteristics of Bridges Clients at Entry



Workforce and Income Outcomes for Bridges Clients

Overall, 44% of all Bridges clients were placed in a nonsubsidized job after enrollment. Half of all Bridges clients who completed a skills training program and 57% of Bridges clients who earned a credential were placed in a job after enrollment.³¹ Given the fact that clients were selected on the basis of having educational challenges, these outcomes—which outperformed the general FOC population—speak to the success of the Bridges model in overcoming these barriers.

FIGURE 2 ▶
Job Placement for Bridges Clients



Of the 2,140 Bridges clients placed in a nonsubsidized job, about 12% also earned a wage increase during the study period and about 66% of all Bridges clients receive health benefits in their most recent job. Figure 4 below provides the mean and median hourly wage for Bridges clients.

FIGURE 3 ▶
Median and Mean Hourly Wage for Bridges Clients

	Median	Mean
Hourly Wage Most Recent Nonsubsidized Job	\$12.75	\$13.39
Hourly Wage Most Recent Nonsubsidized Permanent Job	\$13.00	\$13.48

The median gain in monthly net income is \$319 for Bridges clients. The quality of connection of Bridges programs to clients may play a role in these outcomes, as witnessed in the amount of follow-up by the program: three-quarters of all Bridges clients have received at least one budget assessment and 55% with an initial assessment have a follow-up.

FIGURE 4 ▶
Median and Mean Net Income of Bridges Clients

		Initial Monthly Net Income	Most Recent Monthly Net Income	Change In Monthly Net Income
BRIDGES CLIENTS	Mean	(\$146.00)	\$425.00	\$571.00
	Median	\$0	\$305.00	\$319.00

The Effect of Integrated Services on Bridges Clients

As discussed above, the FOC model is based on the theory that integrating services—employment counseling, financial coaching, and income-support counseling—produces better outcomes for clients than providing only some services. We explored the impact of receiving integrated services on Bridges clients' employment and financial outcomes.

Almost 53% of all Bridges clients receive all three components of employment, financial, and income-support services, also known as integrated services. As with the earlier statistical models on all FOC clients, LISC R&E tested both whether receiving integrated services and whether the number of services received impacted outcomes, while controlling for client's gender, race, and other fixed factors. Overall, for Bridges clients, the fact of receiving integrated services is associated with:

- An increase in the probability of being placed in a nonsubsidized job. Bridges clients receiving integrated services have a job placement rate of 50% and Bridges clients without integrated services have a placement rate of 35%.
- A \$0.41 gain in hourly wage at client's first nonsubsidized job placement over Bridges clients who do not receive all three integrated services. Model effects show that Bridges clients receiving integrated services have an average starting wage of \$13.07 and clients without have an average starting wage of \$12.58.
- A small increase in the likelihood of earning a wage increase over clients who do not receive integrated services. Model effects show that 11.5% of clients receiving integrated services earned a wage increase, while among clients not receiving integrated services 7.8% earned a wage increase.
- About a 15-day decrease in the number of days between enrollment and job placement. Model effects show that the average days to placement for clients receiving integrated services is 150 days, compared to 165 days for clients not receiving integrated services.
- An increase in the likelihood of being placed in a job with health insurance over clients who do not receive integrated services. Model effects show that on average, 66% of clients placed in a job and receiving integrated services are placed in a job with health benefits, compared to 61% for clients placed in a job and not receiving integrated services.

Receiving more *intense* services (defined by the number of assessments or counseling sessions) is associated with a slight increase in job placement and the likelihood of earning a wage increase, but does not appear to affect hourly wage overall, the number of days to placement, or probability of being placed in a job with health insurance.

As with all FOC clients, models on financial outcomes like change in net income, net worth, and credit scores do not show any association between clients receiving integrated services and better outcomes.



FOC services at JARC in Chicago

PHOTO CREDIT: GORDON WALEK

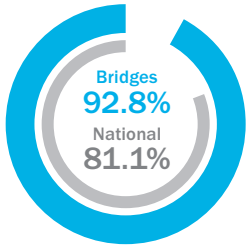
Closing racial and gender income gaps

As described above, the U.S. is faced with significant racial gaps in income and wealth, and also faces significant issues of gender equity in pay and wealth. While comparing *outcomes* within the FOC and Bridges populations alone does not provide definite proof that the program has overcome these forces, it is fair to examine outcomes by gender and race to see how client experiences compare to U.S. experiences more broadly.

Among FOC and Bridges participants, male clients have a higher rate of job placement and higher median wage than female clients overall. Job placement for male clients is 51%, and 46% for female clients. The median wage is \$13 for men and \$12 for women in their most recent job. Although median hourly wage is higher for men in most industries, female clients have a higher hourly wage in community and social service occupations, healthcare practitioner and technical occupations, office and administrative support occupations, and production occupations.

In this study, male clients earn more than female clients across most occupations, but the wage gap is much smaller than those seen in national wage data from the Bureau of Labor Statistics (BLS).³² Across all occupations, women's earnings as a percentage of men's is 81.1% nationally in the BLS data, while the ratio for Bridges is 92.8% for full-time workers. The table below provides earnings ratios by gender for the most common occupations in the Bridges program.

FIGURE 5 ▶
Women's Earnings
as a Percentage of
Men's By Occupation



Across all occupations, women's earnings as a percentage of men's is 81.1% nationally in the BLS data, while the ratio for Bridges is 92.8% for full-time workers.

OCCUPATION	WOMEN'S EARNINGS AS A PERCENTAGE OF MEN'S	
	National BLS	Bridges Clients
Building and Grounds Cleaning and Maintenance Occupations	79	92.3
Food Preparation and Serving-Related Occupations	88.7	95.8
Healthcare Support Occupations	82.9	92.8
Office and Administrative Support Occupations	96.3	104.0
Production Occupations	72.5	104
Sales and Related Occupations	68.6	104
Transportation and Material Moving Occupations	74.3	93.3
ALL WORKERS	81.1	92.8

Median wages of Bridges clients are also different across race and ethnicity, but the gaps between white and nonwhite clients are much smaller, relative to gaps nationally.

FIGURE 6 ▶
Earnings as
Percentage of
White Non-Hispanic
Worker Earnings by
Race and Ethnicity

	EARNINGS AS PERCENTAGE OF WHITE NON-HISPANIC WORKER EARNINGS	
	National BLS	Bridges Clients
Black or African American	75.8	92.8
Asian	119.5	107
Hispanic or Latino Ethnicity	74.2	92.8

FOC services at the Quad Communities Center for Working Families in Chicago, powered by the Cara Program



PHOTO CREDIT: GORDON WALEK

While Bridges clients faced educational challenges, positive program outcomes suggest that its program model are overcoming them.



Conclusion

In 2015, analyses by LISC Research and Evaluation found that FOC clients were making progress in net income, net worth, and credit scores, and that receiving integrated services was associated with more positive outcomes in general.

This report shows that the program continues to produce positive results—comparable proportions of clients were recently placed in jobs, and had gains in income, wealth, and FICO scores. This report shows also that the model continues to yield additional benefits for those who are able to receive integrated services, in that those who received all three elements of the FOC model were more likely to be placed in a job, have placement occur more quickly, and have jobs pay more and include health benefits.

The report also provides preliminary evidence about outcomes for the Bridges model, a new component of FOC programming. While it was an open question as to how outcomes for those with educational challenges might compare with those for other FOC clients, analyses suggest that Bridges clients have higher rates of job placement and slightly higher wages than non-Bridges FOC clients. It is possible that these outcomes are a result of increased contact and follow-up by the program, or that the programming to which Bridges clients now have access is beginning to open career pathways for them.

As it relates to broader challenges of income and wealth inequality that are exacerbated by race and gender issues, within the FOC and Bridges population, outcomes are more equitable than those in the country as a whole. In general, however, FOC and Bridges clients continue to face substantial income and wealth challenges, and about half did not receive services related to all three components of the model—a challenge that is not uncommon within voluntary, community-based programs, although the Bridges program appears to be associated with increased engagement.

LISC will continue to monitor and assess outcomes for FOC and Bridges as the program evolves.

Endnotes

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- 22 Ibid.
- 23 About 20% of all clients are from the Chicago area, followed by Detroit (11.7% of all clients), Houston (10.5% of all clients), Twin Cities (5.5% of all clients), and Greater Kansas City (5.2% of all clients). Together, these five LISC sites make up more than half of all clients in this study.
- 24 Recall that outcomes data span 39 months, January 1, 2016, to March 31, 2019, and job placement rates may differ from results in reports looking at longer time frames. Clients who enrolled in 2016 and 2017, earlier in the study, compared to clients who enrolled in 2018, have higher placement rates, most likely because job searching and the hiring process both take time. About 65% of clients who received employment counseling, but have not been placed in a job, are clients who enrolled in 2018.
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