Measuring small steps toward financial stability: Key findings from the first five years of the Earn Well Initiative

UNT HEALTH SCIENCE CENTER

United Way EARN WELL

United Way of Tarrant County

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The Bold Goal of the Earn Well Initiative

- 24,000 families will be on the road to financial stability by 2020

Evaluating Collective Impact*

Developmental	• What needs to happen? • Program Years 1-2
Formative	• How well is it working? • Program Years 3-5
Summative	• What difference did it make? • Program Years 4-5

*Parkhurst, M. & Preskill, H. (2014). Learning in Action: Evaluating Collective Impact. *Stanford Social Innovation Review.*

Developmental Evaluation: What needs to happen?

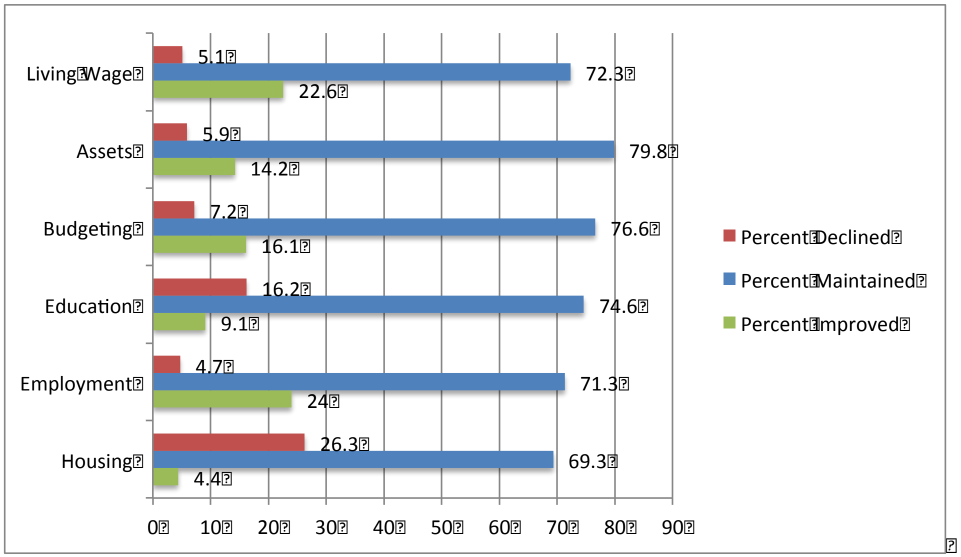
- How much change can be expected?
- Balancing big reach with observable impact- what works best?
- How will we know when we are successful? Data sharing and tracking

How much change can be expected?

SCORING SYSTEM	Housing	Employment	Education	Budgeting	Assets	Living Wage
Thriving **+2**	Rent or mortgage is less than 25% of gross household income	Applicant has full time employment, medical benefits, and sick/annual leave	Applicant has received an undergraduate (bachelors) degree or higher level of education	Is current on all bills, has no debt, and has savings of greater than $500	Owns home and car, payments are current for both, AND has a savings account with more than $2,000	Household is at 251% or more above the poverty level
Established **+1**	Rent or mortgage is 26-30% of gross household income	Applicant has full time employment and has medical benefits.	Applicant has completed some college, military service, or completed a vocational program	Is current on bills, has no debt and savings less than $500	Owns home and car, payments are current, and has a savings with less than $2,000	Household is at 200-250% above the poverty level
Stable **0**	Rent or mortgage is 31%- 40 % of gross household income, or receives housing assistance (sect 8, public housing, etc.)	Applicant works 32 or more hours per week with no benefits.	Applicant has high school diploma or GED	Is current on bills, and has some debt which does not exceed 3 months household income	Owns home OR car and payments are current	Household is at 151-200% of the poverty level
At Risk **-1**	Rent or mortgage is more than 40% of gross household income OR rent/mortgage has been past due, or have received an eviction or foreclosure notice	Applicant works less than 32 hours per week	Applicant does not have a high school diploma or GED	One or more bills are past due, OR does not use a bank, OR debt exceeds 3 months income	Owns a home OR a car, and payments are NOT current	Household is at 100-150% of the poverty level
In Crisis **-2**	Homeless or living with relatives, friends, in a shelter or car.	Applicant is unemployed and looking for work	Applicant does not have a high school diploma or GED, AND is not fluent in English or needs assistance reading/writing	Has at risk criteria AND has used payday loans, or went without needed healthcare	Has no assets	Household is below 100% of the poverty level

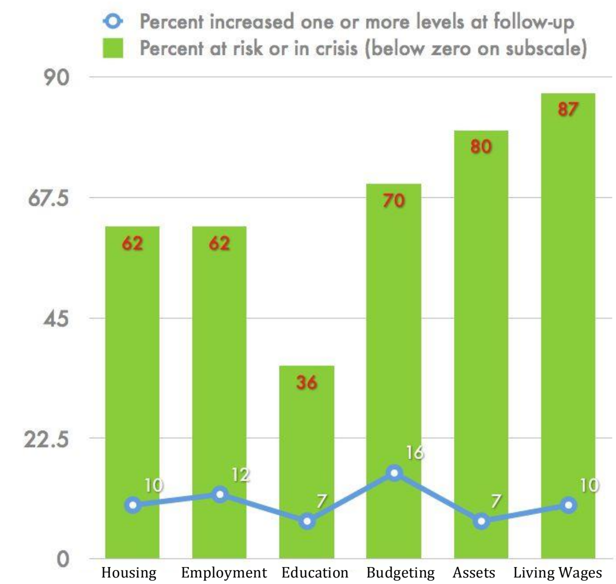
Earn Well Financial Stability Scale Years 1-2

Change Assessment Years 1 & 2



Year One changes for workforce development participants (n=148)
(Spence-Almaguer & Van Zandt, 2011)

Year Two changes for all participants with follow-up (n=1425)
(Spence-Almaguer & Van Zandt, 2012)



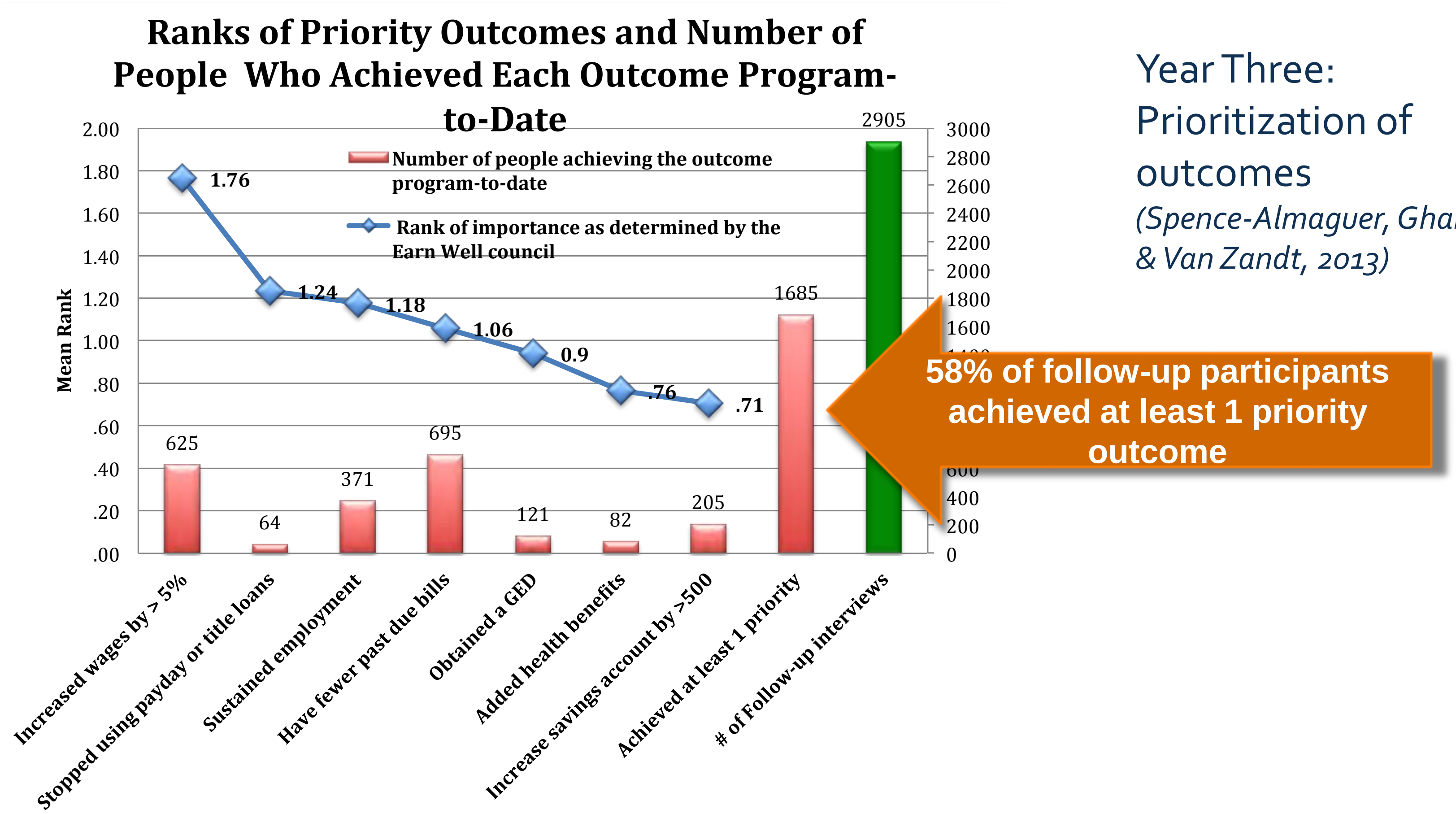
Developmental Lessons Learned

- Light touch services are ineffective and inefficient:
  - Single session financial management seminars
  - Low-impact training series (customer service, Microsoft office products, etc…)
- Revised bold goal
  - Extended time and lowered annual expectations
  - 24,000 in 10 years versus 16,000 in 3 years
  - Established shared information management system using Efforts to Outcomes (ETO)

Formative Evaluation: How well is it working?

- Reconfiguring outcomes: Prioritizing what is important
- Extrapolating costs
- Refining outcome questions- identifying smaller units of behavioral change
- Discovering intervention elements that lead to change

Prioritization among community stakeholders

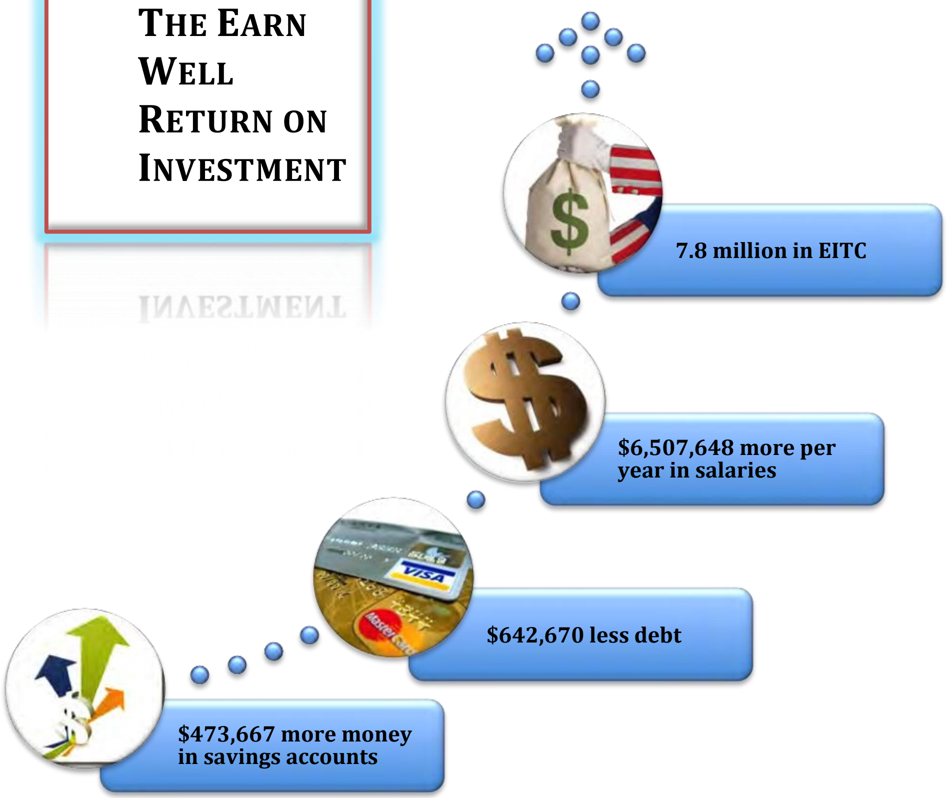


Year Three: Prioritization of outcomes

(Spence-Almaguer, Ghanta & Van Zandt, 2013)

Extrapolating Costs

THE EARN WELL RETURN ON INVESTMENT



Year Three: Extrapolation of Costs
(Spence-Almaguer, Ghanta & Van Zandt, 2013)

Refining Outcomes

Invested in the purchase of a home

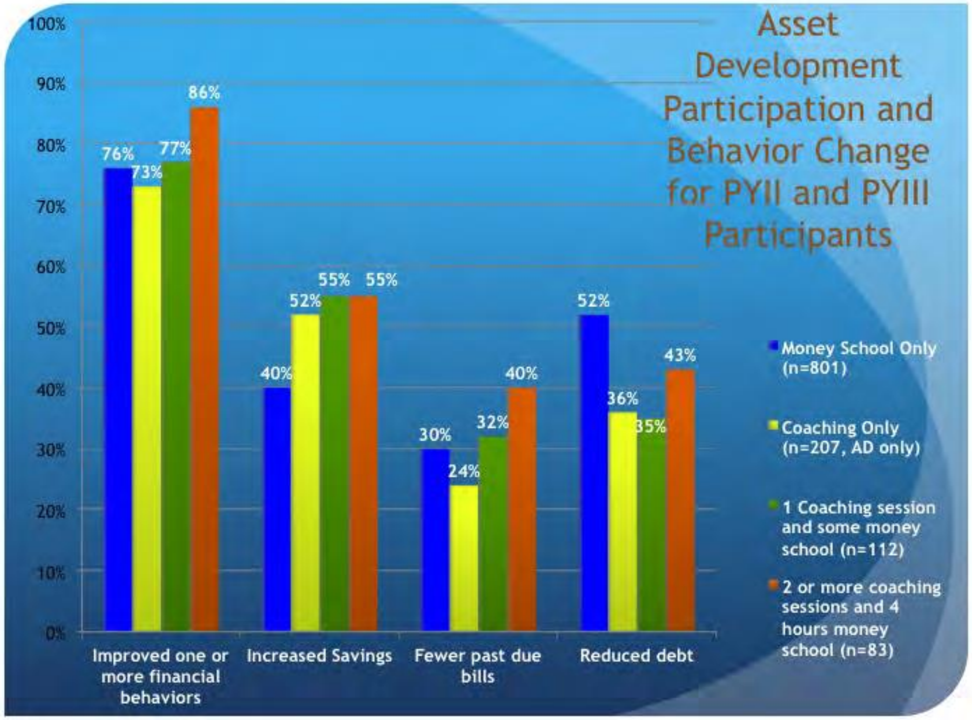
Paid off a credit card balance, payday or title loan

Used emergency savings to get through an emergency

Better hours or position at work

Intervention Lessons Learned

Year Three: More sessions equals better financial outcomes
(Spence-Almaguer, Ghanta & Van Zandt, 2013)



Year Four Predictors:

- **# of strategies predicts overall gains in financial stability** (for each additional strategy, likelihood of demonstrating financial stability gains increased by 41%, p<.05)

- **# of financial coaching sessions predicts improved financial management** (increased savings, reduced debt); each session increases likelihood of better management by 26%, p<.000.

Summative Evaluation: What difference did it make?

Year Five Outcomes (n=722)

- 48.5% of bold goal metric achieved
- EITC refunds increased 484% since 2009 (+$4,325,593)
- 85% improved financial stability in at least one area
- 56% improved financial management
    - 20% reduced debt by an average of $1060
    - 29% showed fewer past due bills
    - 27% increased savings
- 46% increased earnings from employment
- 7% invested in the purchase of a home
- 7% acquired employment benefits

Next Steps

- Continue to improve rate of follow-up assessment
  - Overall program-to-date rate of follow-up =28%
  - Program Year Five rate of follow-up =61% (~based on new intake count)
- Strengthen United Way of Tarrant County as a back-bone organization for Collective Impact
  - Continue to use Earn Well as leverage to grow and support additional community programs promoting financial stability