



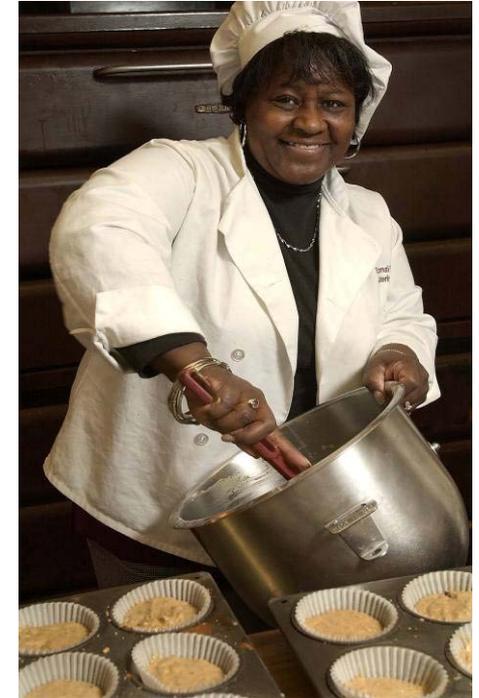
**Jobs Are Not Enough  
Promoting Financial Stability**

**2/23/2012**



# Financial Stability Goals

- Sufficient family income
- Transferable job skills
- Manageable expenses
- Smart debt
- Post-secondary education plan
- Real opportunity for retirement  
@ 65



<b>Jones Family in Baltimore, MD</b>	<b>Before</b>	<b>Workforce Development</b>	<b>Access to Benefits</b>	<b>Accessing Affordable Financial Services</b>
<b>Income</b>				
Wage	\$ 19,008	\$ 25,344	\$ 25,344	\$ 25,344
Child Support	\$ 2,436	\$ 2,436	\$ 2,436	\$ 2,436
Interest Income from Savings (avg. \$1500 at 1.5%)	-	-	-	23
<b>Total Income</b>	<b>\$21,444</b>	<b>\$ 27,780</b>	<b>\$ 27,780</b>	<b>\$ 27,803</b>
<b>Expenses</b>				
Housing/Utilities	\$ 8,808	\$ 8,808	\$ 7,603	\$ 7,603
Child Care	\$ 8,988	\$ 8,988	\$ 5,842	\$ 5,842
Food	\$ 4,752	\$ 4,752	\$ 4,752	\$ 4,752
Transportation	\$ 3,444	\$ 3,444	\$ 3,444	\$ 3,444
Health Care	\$ 3,108	\$ 3,108	\$ 1,942	\$ 1,942
Miscellaneous	\$ 2,880	\$ 2,880	\$ 2,880	\$ 2,880
<b>Total Household Expenses</b>	<b>\$31,980</b>	<b>\$ 31,980</b>	<b>\$ 26,463</b>	<b>\$ 26,463</b>
Check-cashing	\$ 380	\$ 507	\$ 507	60
Furniture Finance Charges (valued at \$2000)	\$ 1,809	\$ 1,809	\$ 1,809	\$ 70
Emergency Loans (or pay-day)	\$ 596	\$ 596	\$ 596	\$ 85
<b>Total Finance Charges</b>	<b>\$ 2,785</b>	<b>\$ 2,912</b>	<b>\$ 2,912</b>	<b>\$ 215</b>
Earned Income Tax Credit (federal)			\$ (518)	\$ (518)
Child Care Tax Credit			\$ (960)	\$ (960)
Child Tax Credit			\$ (2,000)	\$ (2,000)
<b>Total Expenses</b>	<b>\$ 34,765</b>	<b>\$ 34,892</b>	<b>\$ 25,897</b>	<b>\$ 23,200</b>
<b>Net Income</b>	<b>\$ (13,321)</b>	<b>\$ (7,112)</b>	<b>\$ 1,883</b>	<b>\$ 4,602</b>

# Financial Stability Outcomes

- Net income
  - All income- all expenses (monthly)
  
- Credit report/score improvement
  
- Employment retention
  - 3, 6, 12 & 24 month
  - Career/wage advancement
  
- Net worth (annual)
  - Assets – Liabilities



# Integrated Service Delivery

## ❑ Employment Placement & Career Advancement

- Job placement/advancement
- Educational attainment

## ❑ Financial counseling & coaching

- Financial management workshops
- One-on-one coaching & counseling
- Better priced financial services

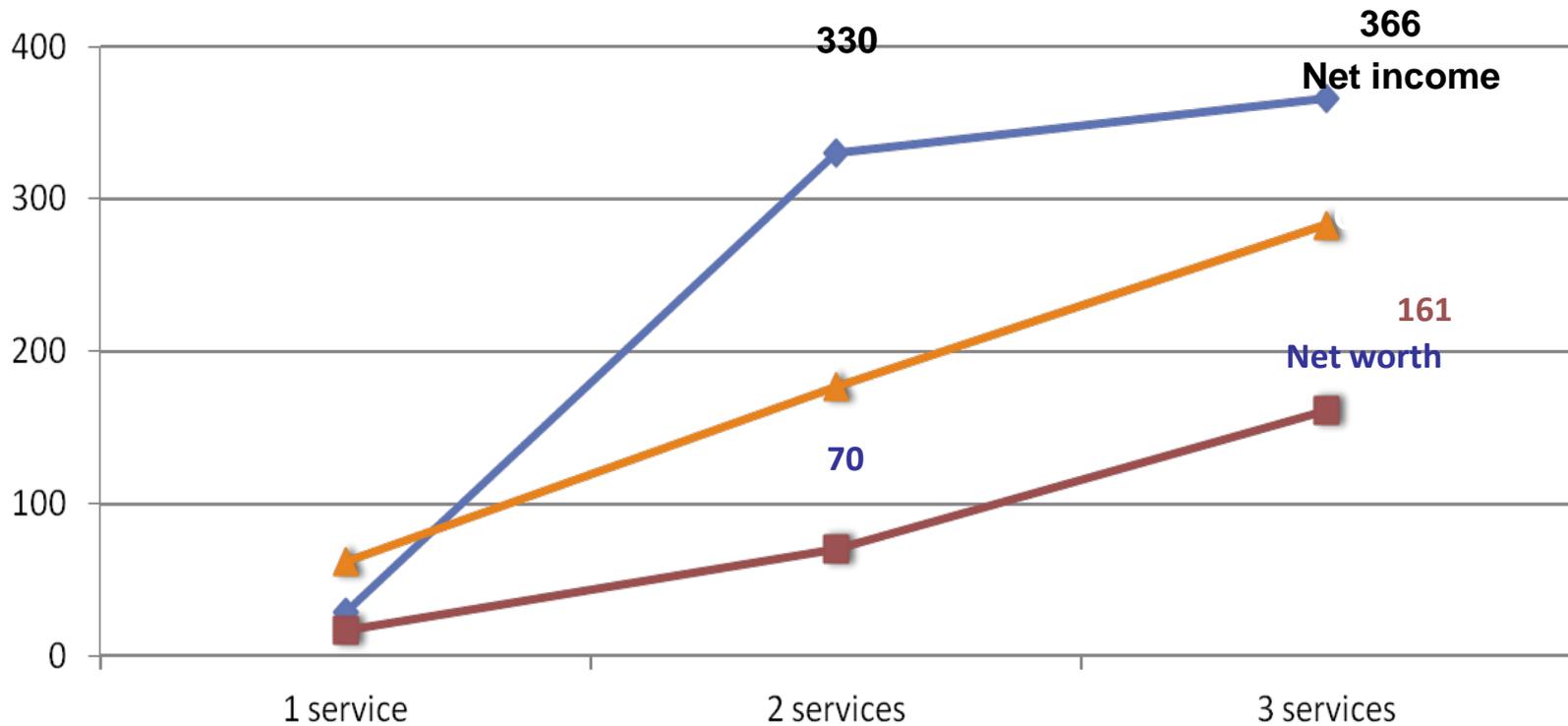
## ❑ Income supports

- Public benefits
- Tax credits



# Three services better than one

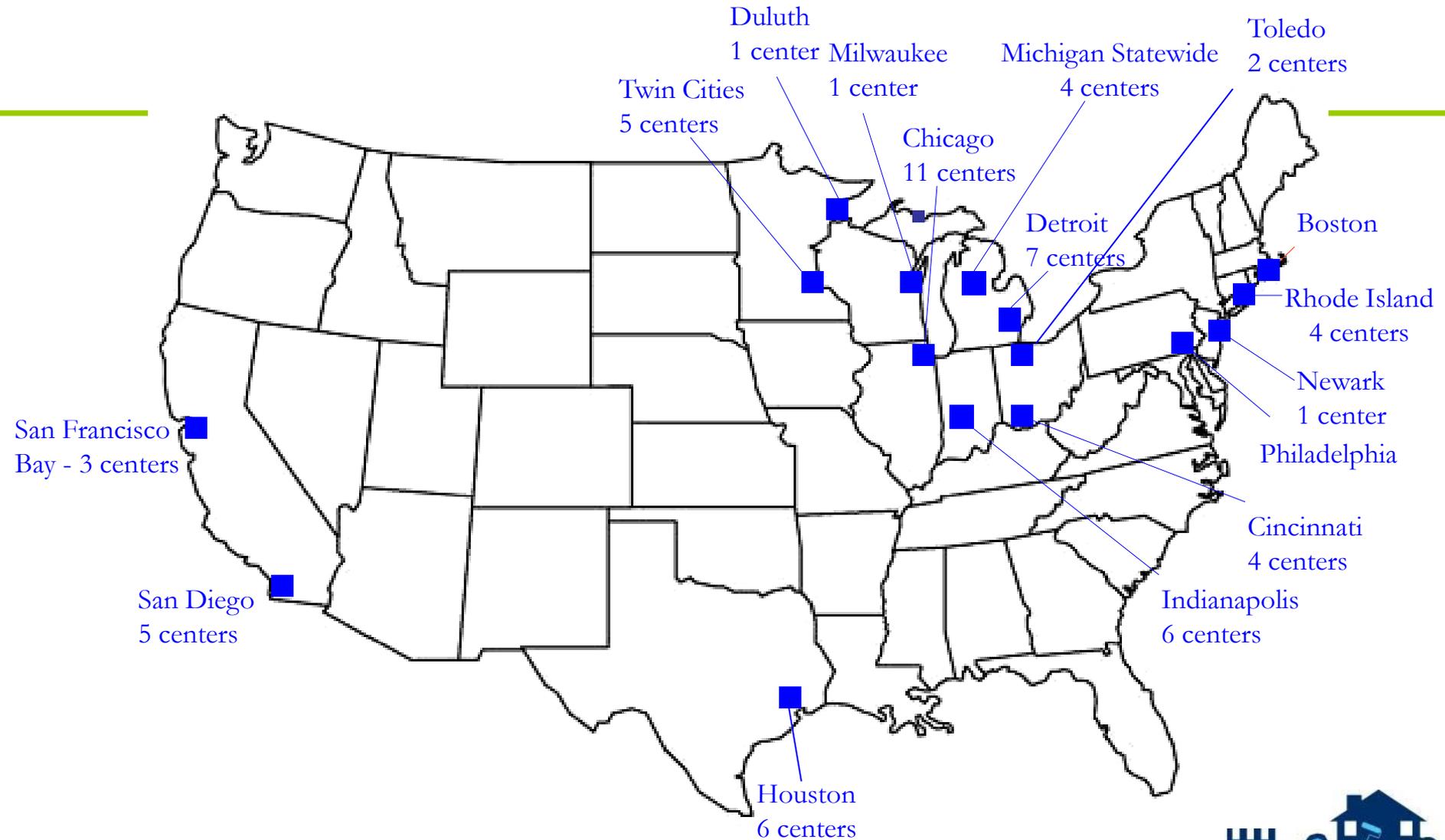
Number of clients with improvements in past 12 months



# Findings

- ❑ Positive net income matters most to long term client engagement
- ❑ Positive monthly cash flow leads to job retention and work on personal finances
- ❑ Employment programs (short-term) cannot raise income enough make cash flow positive
- ❑ Credit scores matter to daily living expenses & improvements indicate financial behavior
- ❑ Composite outcomes are more complex to track, but lead to improvements in program service delivery and client outcomes

# LISC Financial Opportunity Centers



---

Kevin Jordan  
Vice-President for National Programs  
Local Initiatives Support Corporation

[kjordan@lisc.org](mailto:kjordan@lisc.org)

