TAKING ON CREDIT:
Per Scholas Builds Students' Job and Financial Skills

Anne Roder
Mark Elliott
ECONOMIC MOBILITY CORPORATION

March 2018

Background

Low-income families face substantial obstacles to achieving financial well-being—that is, financial security and the ability to achieve one's financial goals. Periods of unemployment, low wages, and part-time work make it difficult for families to cover basic expenses and to save. In 2011, 78 percent of low-income households were liquid-asset poor, meaning they did not have enough savings or other financial assets to cover basic living expenses for three months at the federal poverty level.[1] These families need to borrow to weather crises, such as job loss, illness, or unexpected expenses. However, they often lack access to mainstream forms of credit due to their limited credit histories or low credit scores.

Families without savings or access to affordable credit are vulnerable to predatory loan practices and to paying higher rates, fees, and down payments on basic financial transactions, making it even more difficult to save. When these families experience sudden changes in income or unexpected expenses, they are more likely to face food shortages, utility cutoffs, and eviction.[2] Families' lack of financial resources and lack of access to low-cost credit also hinder their ability to accumulate assets, such as homes, vehicles, retirement savings, and quality education, further limiting their potential for achieving economic mobility.

Researchers and policy advocates have suggested a number of strategies to increase low-income families' financial well-being, including providing financial education and coaching to improve knowledge and behaviors, expanding access to low-cost financial services and products, and strengthening regulations to protect consumers. Some workforce development organizations and other social service providers around the country are integrating financial workshops or coaching into their services in order to improve participants' financial outcomes. Recent studies have found that programs

1 Brooks, Jennifer, Kasey Wiedrich, Lebaron Sims, Jr, and Jennifer Medina. 2014. *Treading Water in the Deep End: Findings from the 2014 Assets and Opportunity Scorecard.* Washington, DC: CFED.

2 See: Barr, Michael and Rebecca Blank. 2009. "Savings, Assets, Credit and Banking among Low-Income Households: Introduction and Overview." In Blank, Rebecca and Michael Barr, eds. 2009. *Insufficient Funds: Savings, Assets, Credit and Banking among Low-Income Households.* New York: Russell Sage Foundation, and Stegman, Michael and Robert Faris. 2005. "Welfare, Work and Banking: The Use of Consumer Credit by Current and Former TANF Recipients in Charlotte, North Carolina." *Journal of Urban Affairs* 27(4):379–402.

that offer financial coaching have had positive effects on certain outcomes, including paying down debt, building positive credit histories, saving, and managing money.[3] However, there were no effects on other financial outcomes and there was significant variation across programs and participants. One issue is that in the programs evaluated, participation rates in ongoing financial coaching have been low. The field needs more information about effective practices in engaging low-income individuals in financial services, and about the potential of financial coaching to improve individuals' financial security and mobility.

This report examines the efforts of Per Scholas, a nonprofit workforce development organization based in the South Bronx, to expand the financial capability services it provides to participants. Per Scholas offers training and job placement services to help individuals obtain jobs in the IT sector. At the time of the study, Per Scholas offered training for jobs in help-desk support, network administration, and software testing. This study focuses on participants in the IT Support program—a 15-week training that prepares students for the CompTIA A+ and Network+ certification exams and for employment as support technicians. Per Scholas's IT Support program is considered one of the strongest in the country and has been proven to have large, positive impacts on participants' earnings in two separate randomized controlled trial evaluations.[4]

In 2015, Per Scholas received a grant from the Citi Foundation to expand its financial capability program to serve more students, extend financial coaching to alumni, and integrate legal support. The plan for the financial capability services included the following:

- Provide a financial capability workshop delivered by the financial coach during the IT training. The workshop would focus on personal budgeting, retirement planning, managing debt, and setting financial goals.
- Provide basic one-on-one financial coaching to all students through career coaches.
- Provide need-based counseling from a financial coach who would help students address such issues as credit repair, debt, asset building, and financial crises.
- Offer extended financial coaching to alumni. Career coaches would help alumni develop a set of financial goals and track those goals for two years.
- Integrate legal support into the program to assist students with financial issues, such as debt default, credit fraud, child support arrears, and bankruptcy.

3 See: Roder, Anne. 2016. *First Steps on the Road to Financial Well-Being: Final Report from the Evaluation of LISC's Financial Opportunity Centers.* New York: Economic Mobility Corporation, and Theodos, Brett et al. 2015. *An Evaluation of the Impacts and Implementation Approaches of Financial Coaching Programs.* Washington, DC: Urban Institute.

4 See: Maguire, Sheila, et al. July 2010. *Tuning In to Local Labor Markets: Findings from the Sectoral Employment Impact Study.* Philadelphia, PA: Public/Private Ventures, and Schaberg, Kelsey. 2017. *Can Sector Strategies Promote Longer-Term Effects? Three-Year Impacts from the WorkAdvance Demonstration.* New York: MDRC.

Per Scholas contracted with the Economic Mobility Corporation (Mobility) to conduct an assessment of the implementation and outcomes of the financial capability services. These were the primary questions the study sought to address:

- What financial capability services does Per Scholas offer participants?
- What percentage of participants take part in the services? Are some participants more likely than others to receive financial capability services?
- How do participants' financial behaviors and financial situations change over time?
- What is the relationship between participants' receipt of services and outcomes?

To complete the assessment, we relied on data from multiple sources, including the following:

- *Program data* collected by Per Scholas about (1) demographic and other characteristics of study participants at the time of program entry; (2) participants' training completion and certification; and (3) the employment outcomes of training completers.
- *A financial capability survey* administered by program staff that participants completed on the first day of training—prior to attending the financial workshop or meeting with the financial coach one-on-one—that provided a baseline measure of their financial security. The survey included questions adapted from the financial security index developed by the Center for Financial Security at the University of Wisconsin–Madison.
- *A follow-up financial capability survey* administered online by Mobility that repeated the questions asked at program entry about participants' financial security and included questions about their employment status and receipt of financial services at Per Scholas. The follow-up survey was completed about 13 months after program entry, on average. Per Scholas assisted Mobility in contacting training completers to encourage them to respond to the survey. The response rate among training completers was 78 percent.[5]
- *Credit report data* for all study participants, which Mobility accessed from TransUnion at the time of program entry and one year later.
- *Interviews and observations.* Mobility conducted interviews with Per Scholas staff and observed the financial workshop.

The study included 95 participants who enrolled in the IT Support training between December 2015 and May 2016 and consented to participate. This report presents our findings regarding Per Scholas' financial capability services and participants' financial security and credit outcomes.

5 Only four participants who dropped out of the IT Support training (18 percent) responded to the survey—not enough to conduct an analysis of the outcomes of non-completers. Therefore, we report only on the financial capability outcomes from the survey for training completers.

The Participants

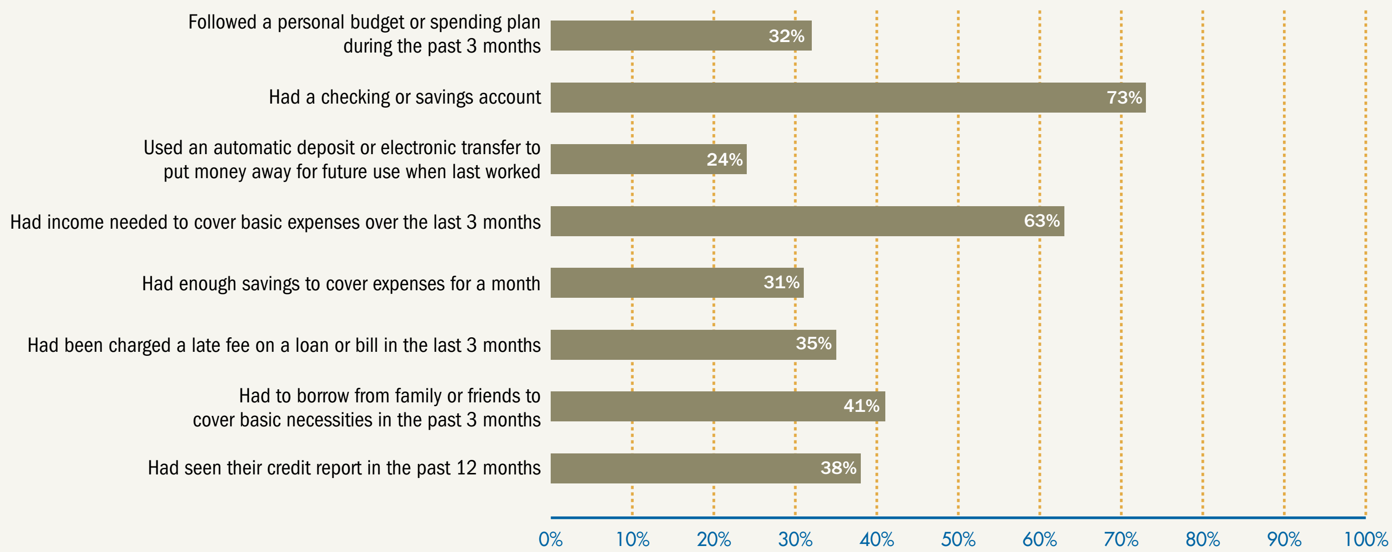
As shown in Figure 1, more than two-thirds of participants were male and most were either African American or Latino. Forty-five percent were young adults ages 18 to 24. Three-quarters had only a high school diploma or GED. Nearly all participants had worked at some time in the past, although only 41 percent had worked in the previous six months. Few participants received some form of public assistance, but 43 percent had financial support from their families.

Figure 1 **Demographic Characteristics of the IT Support Program Participants (N=95)**

Gender	
Female	31%
Male	69%
Race	
African American/Black	41%
Hispanic/Latino	38%
White	7%
Asian or Pacific Islander	5%
Other	8%
Age	
18 to 24	45%
25 to 61	55%
Highest Degree Earned	
High school diploma or GED	76%
Associate's degree	12%
Bachelor's or master's degree	13%
Previous Employment	
Worked at some point in the past	93%
Worked in the past 6 months	41%
Median hourly wage at last job	$11.50
Worked 30 or more hours per week at last job	48%
Other Income Sources	
Family financial support	43%
SNAP	11%
Unemployment insurance benefits	11%
TANF or Safety Net	7%

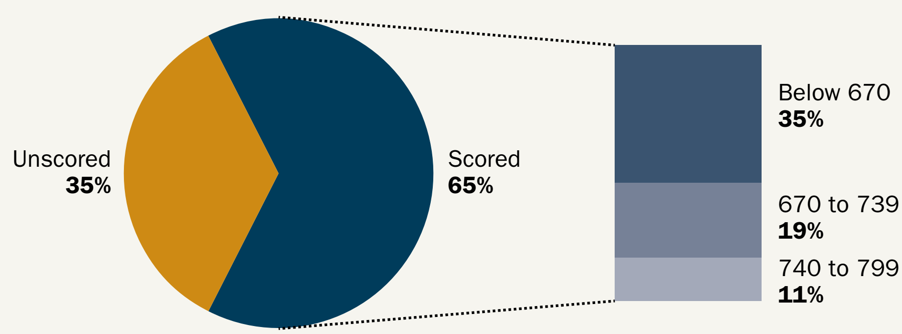
As shown in Figure 2, the IT Support program participants faced barriers to achieving financial security and mobility when they enrolled in the program. Only 31 percent had enough savings to cover their expenses for one month. Sixty-three percent said they had had the income needed to cover basic necessities during the past three months. However, nearly a third of these participants, and 41 percent of all participants, said they had to borrow from family or friends to cover basic expenses during this time. Sixty-eight percent had not followed a spending plan during the previous three months. While nearly three-quarters had a checking or savings account, only 24 percent had used automatic deposits or electronic transfers to put money away for savings when they were last employed. Sixty-two percent had not seen their credit report during the past 12 months.

Figure 2 **Financial Situation of IT Support Program Participants at the Time of Program Enrollment (N=95)**



At the time they started the program, most IT Support program participants had a poor credit rating (**Figure 3**). Thirty-five percent of participants did not have sufficient recent credit activity to have a credit score. These "credit invisibles" face significant barriers to accessing forms of credit that can help them weather emergencies or enable them to build assets. Participants who were ages 18 to 24, who had only a high school diploma or GED, and who were receiving TANF or Safety Net were less likely than others to have a credit score at the time of program entry. Another 35 percent of participants had credit scores below 670, which could negatively impact their ability to access credit or result in paying higher interest rates and fees.

Figure 3 **Credit Status at Program Entry (N=93)**



Some participants faced substantial financial burdens when they entered the program. Twenty-seven percent had collections on their credit reports, with an average balance due of $1,511. The most common types of accounts in collections were those with cellular or cable companies. As presented in Figure 4, 61 percent of participants had at least one credit or loan account with a balance. The most common debts participants had were credit card debt and student loans. The average balance among those who had a balance was $11,855. Among those who had accounts with balances, 39 percent had some portion past due. Average total balances were substantially higher among those who had any past-due debt than among those who did not ($18,658 versus $7,579, respectively). On average, the amount past due among those with any past-due debt was $5,362, or nearly 40 percent of the total balance.

Figure 4 **Account Balances and Percent of Participants with Past-Due Debt (N=93)**

	Percent who had a balance	Average balance among those with a balance	Median balance among those with a balance	Percent of those with a balance who had any past-due amount
All types of accounts	61%	$11,855	$4,967	39%
Credit cards	49%	$2,609	$1,212	26%
Student loans	24%	$18,611	$16,154	32%
Auto loans	5%	$16,821	$13,267	20%
Other loans	5%	$9,310	$7,999	20%

Financial Capability Services

During the study period, Per Scholas employed one full-time financial coach who facilitated the financial capability workshop and met one-on-one with participants. All students were expected to participate in the financial workshop, but meeting one-on-one with the financial coach was not required. Figure 5 shows the number of participants in the study who attended the workshop, met with the financial coach one-on-one, completed the IT Support training, and obtained a job.

Figure 5 **IT Support Participants' Program Experiences**

Enrolled	95
Attended financial workshop	85
Met one-on-one with the financial coach	45
Met once	18
Met more than once	27
Completed the IT Support training	73
Obtained a job	60

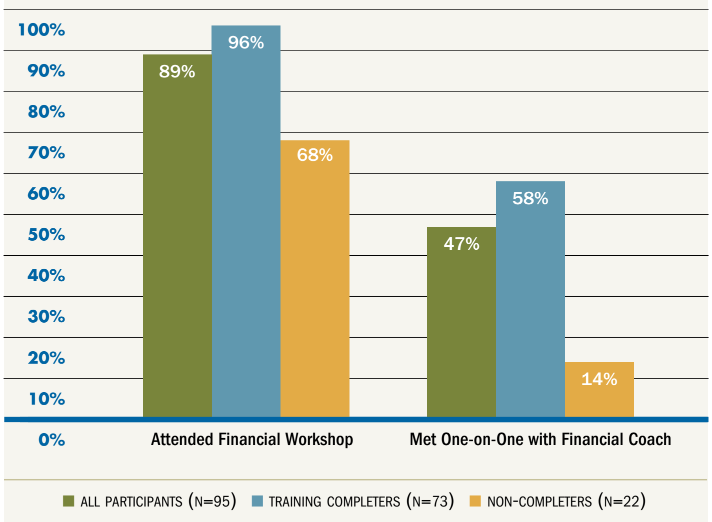
As noted in the introduction, the initial plan called for Per Scholas's career coaches to provide basic one-on-one financial coaching to all students and for the financial coach to work with students on issues such as managing debt, repairing credit, and building assets. Per Scholas also planned to extend financial coaching to alumni and have career coaches help alumni develop financial goals and track them over a two-year period. However, these plans did not materialize, as staff turnover and an increase in the number of students served left the organization without enough career coaches. At the same time, program managers saw that students needed help with problems that only the financial coach had the knowledge to address. Therefore, career coaches assessed students' financial position and referred them as needed to the financial coach or to a navigator who helped connect students to necessary supports.

The financial capability workshop took place during the second week of the IT Support training and lasted three to four hours. During the workshop, the financial coach reviewed the various forms of credit with an emphasis on student loans, auto loans, and credit cards, discussing why some debts are considered good debts, how to avoid problems with credit, and how to address problems that already exist, such as student loans in default. The coach weaved into the discussion lifestyle changes that could be made to reduce spending and save money. The session included an overview of the information on a credit report, including collections and judgments, and the factors that influence credit scores.

At the end of the workshop, the financial coach encouraged students to schedule a one-on-one meeting with her, particularly if they needed immediate assistance with such issues as student loans, judgments, or benefits. Over time, the coach formalized the process, asking students to secure their meeting by pulling one of their free credit reports and sending it to her. The coach also asked participants to complete a survey about their financial situation to review when they met one-on-one. The financial coach wanted to meet with all students, but the large number of students made this difficult. While the study focuses on 95 participants in the IT Support program, Per Scholas served a much larger number of participants. During the year that overlapped with the study enrollment period (2015–2016), 322 participants attended the financial capability workshop. This meant that the coach's one-on-one time with students was largely spent helping those facing crises and students who were otherwise motivated to seek the coach's assistance.

As shown in **Figure 6**, 89 percent of the 95 study participants attended the financial capability workshop and 47 percent met one-on-one with the financial coach. Some participants dropped out of the training before the workshop and coaching took place, however. Among the training completers, 96 percent attended the financial workshop and 58 percent met one-on-one with the financial coach.

Figure 6 **Percent of Participants Who Took Part in the Financial Capability Services (N=95)**



Among the 45 participants who met with the financial coach one-on-one, 31 percent had their initial meeting in the first month of training, 31 percent in the second month, and 39 percent in the third month. During the first one-on-one meeting, the coach worked with students to identify their financial goals and develop an action plan to achieve them. The coach scheduled follow-up meetings as needed, and it was up to the students to keep those appointments. Figure 7 presents the number of times participants met one-on-one with the financial coach, among those who had any meetings. Sixty percent of the participants who met with the financial coach had more than one meeting. The coach encouraged students to follow up with her after graduation but, due to the size of her caseload, was unable to reach out to alumni.

Figure 7 **Number of One-on-One Meetings with the Financial Coach among Those Who Had Any (N=45)**

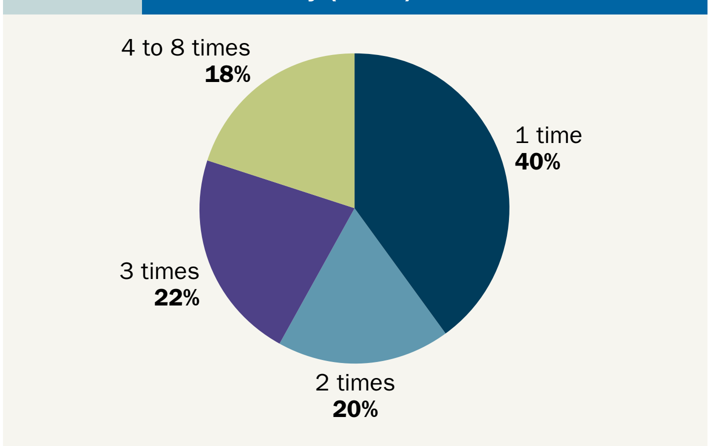
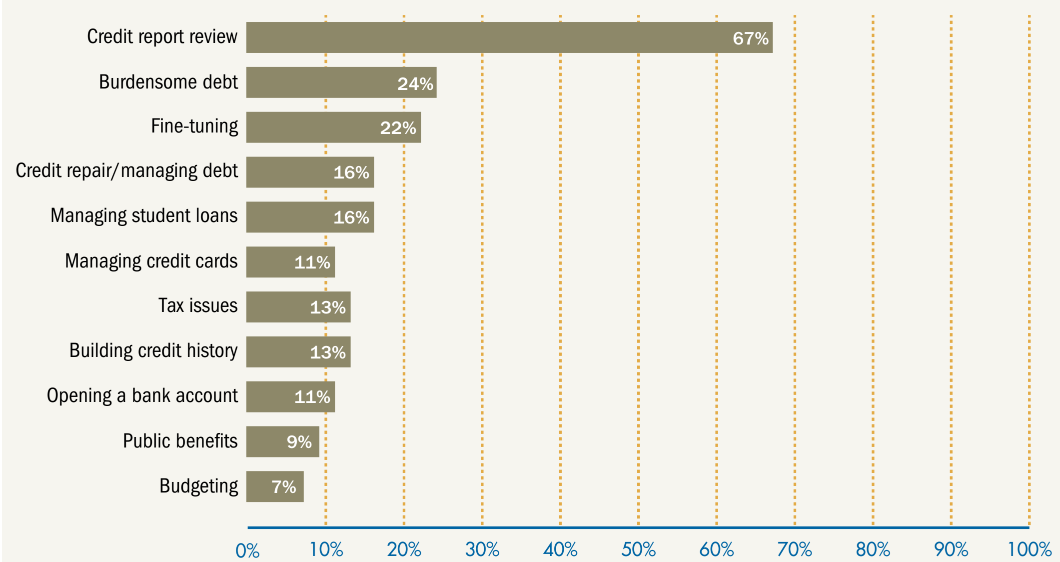


Figure 8 presents the primary topics discussed during the one-on-one meetings. Among those who met with the financial coach one-on-one, two-thirds reviewed their credit report with the coach. According to the coach, the most common issues students faced were difficulties making credit card payments, needing to defer student loans, and problems paying cellular and cable bills. The coach also talked to students about the types of bank accounts and financial institutions available and the benefits of each. About a quarter of students came to the coach to discuss a burdensome debt, while 22 percent focused on fine-tuning. The latter included students who had a bank account but wanted to switch to a more suitable one and those who had no credit issues but wanted to build their credit history.

Figure 8 **Topics Discussed among Participants Who Met with the Financial Coach One-On-One (N=45)**



Some students had collection agencies calling or were facing court issues or wage garnishment. Per Scholas's initial plan was to integrate legal support into the program to help with such issues. The organization entered a partnership with Youth Represent to provide legal services for students ages 18 to 24, and the financial coach referred students there. However, Per Scholas was unable to identify a provider that could help students ages 25 and older.

We examined whether certain subgroups of participants were more likely than others to meet one-on-one with the financial coach. Given that only three participants who did not complete the IT Support training had met with the financial coach one-on-one, and realizing that this was at least partly due to participants dropping out of the training early on, we focused this analysis on the training completers. We used multivariate regression analysis to isolate differences between subgroups after accounting for other factors. The small sample size limited our ability to make definitive conclusions about whether some participants were more likely than others to meet with the financial coach one-on-one. None of the factors we tested were statistically significant at conventional levels. However, the results suggest the following:

1. Participants who had connections to mainstream financial institutions—that is, those who had bank accounts and those who had active credit accounts—were more likely to meet one-on-one with the financial coach than those who did not.

2. Participants who faced greater financial difficulties were more likely to meet one-on-one with the coach. Specifically, participants who said they did not have enough savings to cover their expenses for a month were more likely to meet with the financial coach than those who did have enough savings. Participants who had credit scores under 670 were more likely to meet with the coach than those who had scores of 670 and above.

Training, Certification, and Employment Outcomes

Seventy-seven percent of study participants completed the IT Support training. Using multivariate regression analysis, we examined whether there were differences in completion rates by participants' demographic and financial characteristics. After accounting for participants' age, gender, race, education, recent employment experience, and income sources, we found the following:

- Participants who had any active credit accounts (credit cards or loans) were more likely to complete training than those who did not.
- Participants who had a checking or savings account were more likely to complete training than those who did not.
- Completion rates did not differ by whether participants had past-due debt at the time of program entry.

It may be that participants who had access to credit and/or a bank account were better able to support themselves while in training. However, factors not accounted for in the analysis may also explain the relationship.

Among the training completers, 79 percent obtained the CompTIA A+ certification and 32 percent obtained the Network+ certification. According to the data collected by Per Scholas, 82 percent of all training completers obtained a job, of whom 90 percent obtained an IT job. Figure 9 presents the characteristics of training completers' jobs.

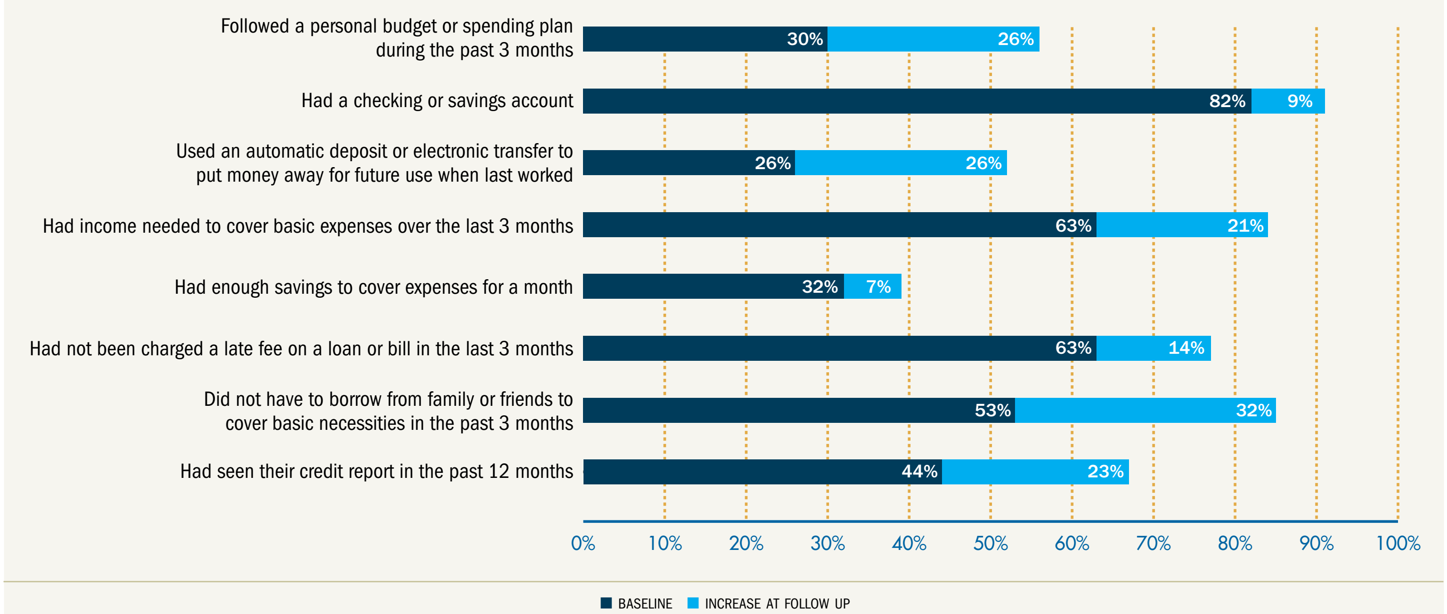
Figure 9 **Job Characteristics among the IT Support Training Completers Who Obtained Jobs (N=60)**

Average hourly wage	$17.10
Worked 30 or more hours per week	78%
Obtained an IT job	90%
Had benefits	42%

Financial Outcomes

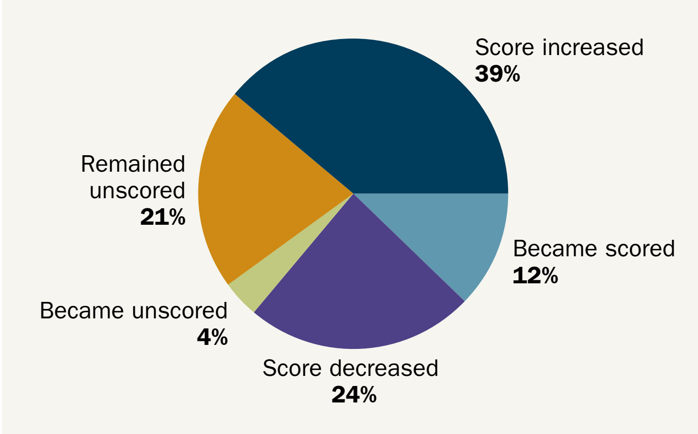
We first present the financial security outcomes from the follow-up survey, then turn to the credit outcomes based on participants' credit reports. Among the 57 training completers who completed the follow-up survey, 84 percent were employed at the time of the survey. They reported earning an average of $18.83 an hour, and 88 percent were working 30 or more hours per week. As shown in **Figure 10**, as a group the IT Support training completers experienced improvements in the financial security indicators. All the changes over time were statistically significant, with the exception of the percent of completers who had enough savings to cover their expenses for a month. The greatest improvement was in the percent who had not had to borrow from family or friends to cover basic necessities in the past three months. This was followed by the percent who said they were following a budget or spending plan and using an automatic deposit or electronic transfer to save. At the time of the follow-up, participants answered positively on an average of 5.5 of the 8 financial indicators included in Figure 10—a statistically significant increase over the average of 3.9 positive answers at program entry.

Figure 10 **Changes in the Financial Situations of Training Completers at the Time of the Follow-Up Survey (N=57)**



Based on participants' credit reports, one year after program entry 51 percent of training completers either had an increase in their credit score or became scored (**Figure 11**). Nearly a quarter had a decrease in credit score, and a quarter either remained unscored or became unscored.

Figure 11 **Change in Credit Status One Year after Program Entry among Training Completers (N=72)**



After one year, three-quarters of participants had a credit score—an eight-percentage-point increase—and 38 percent had a prime credit score of 670 or greater—a seven-percentage-point increase (Figure 12). The changes over time were not statistically significant. Figure 13 breaks down the changes across the credit score categories. While the overall distribution changed little, 6 percent of training completers moved into the highest credit score category of 800 to 850.

Figure 12 **Changes in Having Either Any Credit Score or a Prime Score among Training Completers One Year after Program Entry (N=72)**

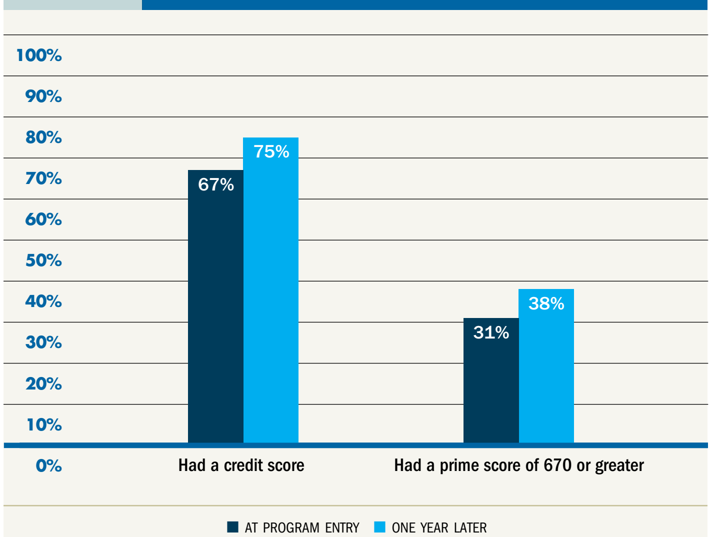
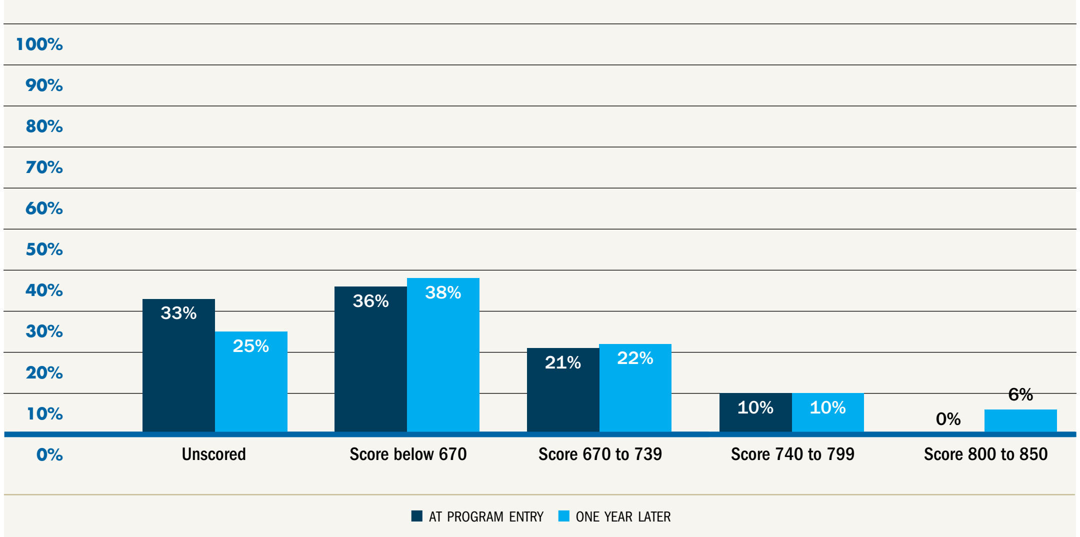
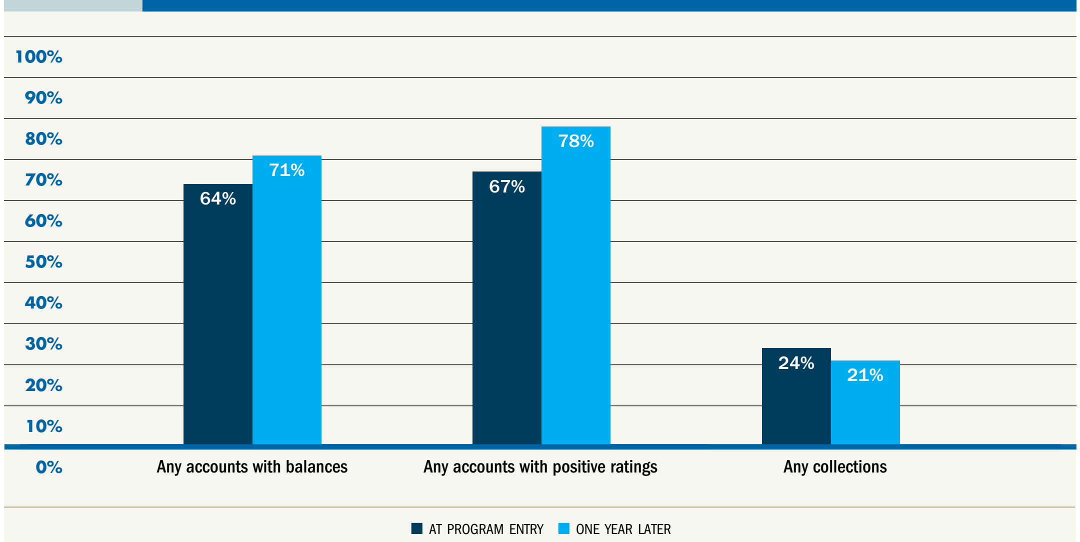


Figure 13 **Change across Credit Score Categories among Training Completers One Year after Program Entry (N=72)**



As shown in **Figure 14**, the use of credit increased among training completers one year after program entry. The percent who had any accounts with balances increased by seven percentage points. The percent who had any credit card or loan accounts with positive ratings—that is, they were paid as agreed—increased by 11 percentage points, a statistically significant change. The percent who had any collection accounts with balances on their report decreased by three percentage points.

Figure 14 **Percent of Training Completers with Each Item on Their Credit Report (N=72)**



Among participants who had any credit or loan accounts with balances, the percent who had any past-due debt decreased from 35 percent at program entry to 31 percent one year later. However, among those who had balances, the percent of the balance that was past due increased from 10 to 17 percent. Just over half (56 percent) of training completers had at least one open credit card one year after program entry. Financial advisers recommend that consumers maintain a credit utilization ratio below 30 percent to increase their credit score. The percent of credit card holders who had a credit utilization ratio below 30 percent increased from 39 percent at program entry to 43 percent one year later.

Unlike the other outcomes analyzed, for which we have data only for training completers, we collected credit reports for both completers and non-completers, enabling us to examine differences between the groups using regression analysis. After controlling for differences in the baseline characteristics of training completers and non-completers, the credit data indicate that training completers had better credit outcomes than non-completers one year after program entry.

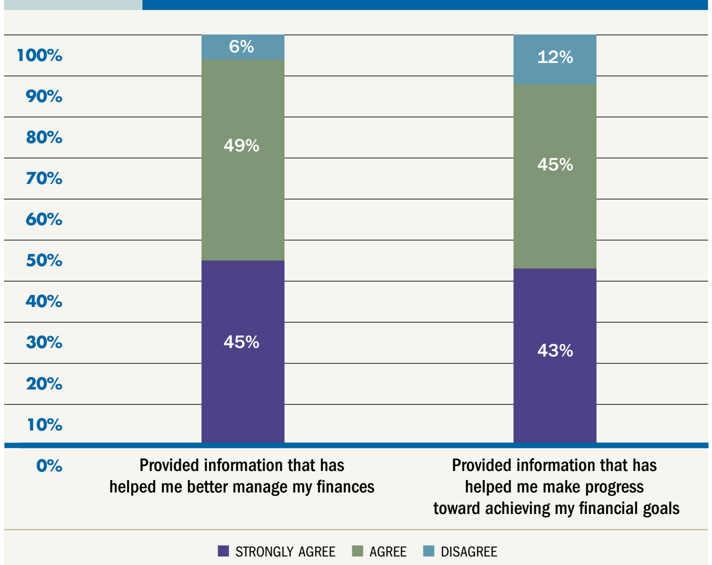
- Completers were significantly more likely than non-completers to have a positive change in their credit status—that is, having either an increase in score or becoming scored (a 22 percentage-point difference).
- Completers were significantly more likely than non-completers to have any active credit accounts (loans and/or credit cards) and any accounts with positive ratings.
- Among those who had accounts with balances, completers were significantly less likely than non-completers to have any past-due debt.
- Completers were 13 percentage points less likely than non-completers to be unscored and nine percentage points more likely to have a prime credit score of 670 or greater. However, these differences were not statistically significant.

We examined whether the training completers who had met with the financial coach one-on-one had better financial outcomes than those who did not. These outcomes included obtaining a job, the number of positive responses on the financial security index, having an increase in credit score or becoming scored, having a prime score, and having an increase in accounts with positive ratings. We examined the outcomes by whether participants had met one-on-one with the coach at all and by whether they had met more than once. For the most part, we found no differences in the outcomes between training completers who had met with the financial coach and those who had not. Where there were differences in outcomes, those who had met with the financial coach one-on-one were less likely to achieve the outcome than those who had not. It may be that the individuals who met with the financial coach one-on-one faced greater difficulties than those who did not meet with the coach, and that these difficulties were not captured by the available measures, or it may take more than a year for these individuals to realize improvements in their financial outcomes. This is consistent with the triage model Per Scholas adopted during the study period, in which the financial coach largely focused on helping students in crisis.

Participants' Views of the Financial Services

Among the 57 training completers who responded to the follow-up survey, 86 percent reported some contact with the financial coach, including attending the financial workshop, and 68 percent said they had met one-on-one with the financial coach. Among those who met with the financial coach one-on-one, 18 percent said they met once, 59 percent said two to three times, and 23 percent said they met four or more times. As shown in Figure 15, among those who had any contact with the financial coach, 94 percent either agreed or strongly agreed that the coach provided information that helped them better manage their finances. Eighty-eight percent agreed or strongly agreed that the coach provided information that helped them make progress toward achieving their financial goals.

Figure 15 **Participants' Assessment of the Financial Coach among Those Who Had Any Contact (N=49)**



Fifty-one percent of all training completers who responded to the survey said the financial coach assisted them with a specific financial issue they were facing. The most common issues were credit cards, student loans, managing outstanding debt, and other unspecified credit issues. Seventy-two percent of the participants who received help with a specific issue said the financial coach's assistance with their issue was very helpful (Figure 16), and 90 percent said the issue was either resolved or in the process of being resolved (Figure 17).

Figure 16 **Participants' Assessment of the Financial Coach's Assistance with a Financial Issue They Were Facing (N=29)**

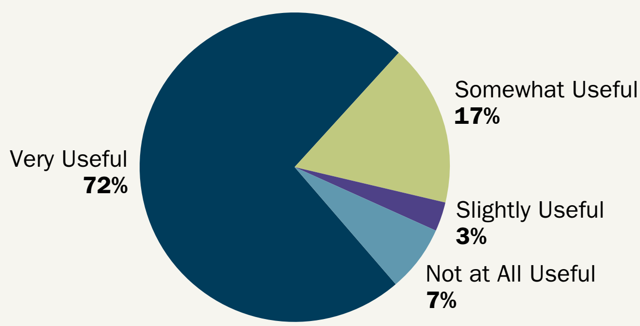
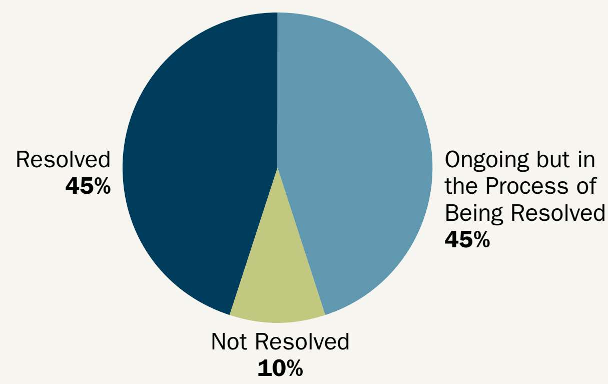
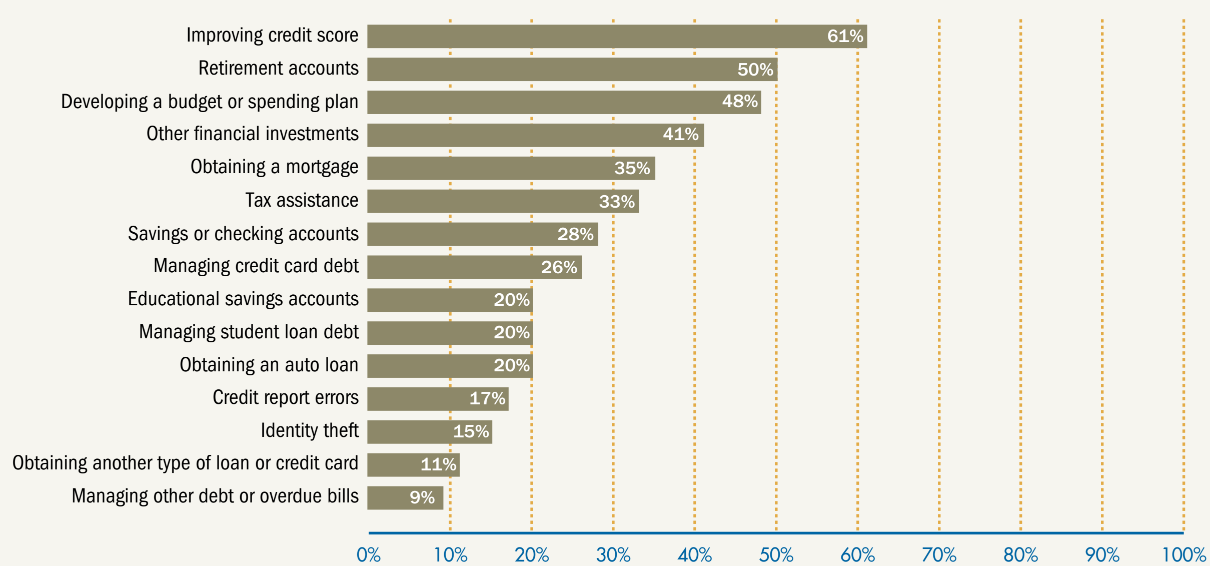


Figure 17 **Status of the Financial Issue with Which They Received Assistance According to Participants (N=29)**



Eighty-one percent of all training completers who responded to the survey said they would be interested in receiving assistance from Per Scholas's financial coach in the future. Figure 18 presents the issues with which participants were most interested in receiving future assistance.[6] The most common issue was improving their credit score, followed by retirement accounts and developing a budget or spending plan.

Figure 18 **Issues with Which Participants Would Be Most Interested in Receiving Assistance from the Financial Coach in the Future (N=46)**



6 We presented participants with a list of common issues as well as a place to record other issues. Participants were allowed to select multiple issues.

Looking Ahead

Per Scholas plans to integrate the financial capability services into its programming more fully in the future, enabling more students to receive individualized assistance from the financial coach. It intends to offer a one-on-one meeting with the financial coach as a standard service to all students within three to four weeks of starting the program, unless they opt out of it. Per Scholas hired a second financial coach at its Brooklyn, New York, location and expects the increased capacity will enable it to extend financial capability services to alumni. These services will include a workshop series and a scheduled check-in with the financial coach six months after graduation. Additionally, Per Scholas plans to market the financial coaching services to prospective students in its information sessions and to help students enroll in needed benefit programs, such as SNAP, cash assistance, housing, and medical assistance, prior to starting class.

Conclusions

Per Scholas's experience demonstrates both the potential benefits of providing financial capability services and the difficulties workforce development organizations face in doing so.

- The participants faced substantial financial difficulties when they entered the program. Most did not have enough savings to cover their basic expenses for a month and many had to borrow from family members or friends. Some faced considerable debt, including credit card debt and student loans. Most had either poor credit scores or did not have a credit score due to a lack of recent credit activity.
- While the participants faced significant financial difficulties, the nature of these difficulties varied substantially, lending support for individualized and ongoing coaching.
- Requiring one-on-one meetings with the financial coach is critical to engaging individuals who could benefit from this assistance but who may not believe the services apply to them or who may be reluctant to seek help with a problem. When financial capability services are voluntary, many job training participants will not access them. The data indicate that participants who lacked connections to mainstream financial institutions or who did not have substantial issues with debt were less likely to meet with the financial coach. At the same time, some individuals who did have issues with outstanding debt did not meet with the coach.
- The participants who completed the training experienced significant improvements in their financial situations, including having the income needed to cover basic expenses, following a budget, and saving money for future use. There was some improvement in building positive credit histories and small improvements in having either any credit score or a prime score.

- The data do not allow us to differentiate between the effect of the financial coaching and the effect of completing the training and obtaining a job on participants' financial outcomes. The data indicate that training completers had better credit outcomes than non-completers.
- Graduates who worked with the financial coach on a specific issue largely felt that the assistance they received was useful and the issue had either been resolved or was in the process of being resolved. More than 80 percent of graduates were interested in receiving assistance from the financial coach in the future.
- Graduates appear to have gained an increased awareness of credit reports and of the benefits of improving their credit score. The percentage of graduates who had seen their credit report increased one year after program entry and improving credit scores was the most common issue with which graduates would like to receive assistance from the financial coach in the future.

Organizations need sufficient staffing and referral networks to address the broad range of financial issues that individuals face. They also need to engage them long enough to help them address these issues and instill positive financial behaviors. For workforce development organizations, this means engaging participants during training to work on goal-setting and resolving issues that can be addressed immediately, and continuing the engagement after participants have obtained jobs and are making financial decisions based on their new income. While the outcomes presented in this report are positive, in order to understand the potential of integrating financial coaching into workforce development programs, the field needs rigorous evaluations that compare program participants' outcomes with those of a control group. The evaluations should also be designed to separate out the effects of financial coaching from those of training and employment services.

Acknowledgement

We are grateful to Per Scholas for engaging us in this project and to the Citi Foundation for supporting the work. We thank the Per Scholas staff members who took part in interviews, allowed us to observe workshops, and helped us with the data collection. We are also grateful to the Per Scholas students who participated in the study for completing surveys and allowing us to access their credit reports so that others can learn from their experiences. Caitlin Van Dusen edited the report, and Penelope Malish designed the publication.

This report is based upon work supported by the Citi Foundation.

MOBILITY

The Economic Mobility Corporation (Mobility) identifies, develops and evaluates programs and policies that enable disadvantaged individuals to acquire the education, skills and networks needed to succeed in the labor market so that they can support themselves and their families.

Mail
Economic Mobility Corporation, Inc.
50 Broadway Suite 1604
New York, NY 10004
Telephone
212.280.6975
Email
info@economicmobilitycorp.org