ASSET FUNDERS NETWORK'S FINANCIAL COACHING WORKING GROUP

Asset Funders Network

SUPPORTING EMPLOYEE FINANCIAL STABILITY

How Philanthropy Catalyzes Workplace Financial Coaching Programs

HALLIE LIENHARDT
Director of Outreach, Center for Financial Security, University of Wisconsin-Madison

SARA NOWAKOWSKI
Research Specialist, Center for Financial Security, University of Wisconsin-Madison

More than half of all employees in the United States report that they are financially stressed, and nearly one in three employees reports being distracted by personal financial issues while at work.[1]

This financial stress impacts individuals' health, relationships, productivity, and time away from work.[2] Philanthropy has played an important role to encourage the growth of workplace approaches and to begin building the case for workplace programs as a strategy to help low-income workers achieve financial stability. This report describes different workplace models, the common characteristics and challenges of programs, and provides recommendations for funders who want to invest in workplace approaches.

Although freelance, contract, and self-employed workers make up a growing segment of the American workforce, this paper focuses on traditional, full-time employees as they constitute a larger share of the workforce in the United States overall.

Traditionally, most employers have supported employee financial wellness by offering workshops on retirement-planning and insurance-plan education; however, due to a variety of reasons, employers are increasingly seeking ways to support *overall* financial health.[3] A 2017 study of 250 employers found that most (92%) reported they were likely to expand programs to promote employee financial well-being beyond retirement decisions.[4] Such workplace-based financial services vary considerably, but may include financial education on investing or budgeting, financial products like automated savings platforms or small-dollar loans, online financial tools, or more individualized services like financial coaching.

More comprehensive financial wellness programs typically require partnerships with a nonprofit organization that specializes in these financial services, as most human resources departments do not have the capacity or training to deliver these services to their employees. Additionally, using a third-party organization to deliver financial wellness services, such as financial coaching, reduces issues surrounding privacy that arise in discussions of sensitive financial issues, which are problematic for both HR and the employees themselves.

Highlighting four case study examples, this paper focuses specifically on financial coaching offered and accessed through the workplace, a promising innovation that leverages the trust and structure of the employer to promote economic opportunity and financial well-being for American workers. This paper will explore the workplace-based model from the perspective of the nonprofit organization that serves as a provider of the financial coaching services to employer partners. This nonprofit vantage point delivers insights into program structure, program implementation, and building the employer relationships that result in a successful model.

Workplace-based financial coaching programs vary in scope, size, and program structure, and may include a variety of complementary services in addition to one-on-one coaching, such as credit building, financial education, financial products, and online financial tools. For the purposes of this paper, workplace-based financial coaching is broadly defined as a financial capability approach that utilizes the structure of the workplace to initiate a one-on-one coach and employee relationship focused on identifying, setting, and achieving financial goals.

BENEFITS OF WORKPLACE-BASED FINANCIAL COACHING

- Workplace infrastructure and therefore has the ability to reach and deliver financial services to a broader group of people.
- As the primary source for worker wages and benefits, the workplace is a natural location for offering services that promote financial well-being and deal directly with issues and questions surrounding personal finances.
- The workplace makes it more accessible and the take-up rate may be higher since they are being provided by the employer who is viewed as a potentially trusted source.
- Workplace programs provide financial information to employees at a time when it is relevant to them and can be most beneficial in their lives; employees have an opportunity to act on what they learn as they earn income and make financial choices.

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A financial capability approach that utilizes the structure of the workplace to initiate a one-on-one coach and employee relationship focused on identifying, setting, and achieving financial goals.

KEY FINDINGS/TAKEAWAYS

The following report presents four nonprofit organizations implementing workplace-based financial coaching models: $tand by Me located in Delaware, Working Credit NFP in Illinois, Neighborhood Trust in New York, and WorkLife Partnership in Colorado.

These organizations were chosen as case studies based on several different factors, including the representation of a diversity of geographical locations in the U.S., and the variety of program ages, which range from a new pilot program to one with more than seven years of experience. They also showcase distinctly different models that vary from technology-based programming to in-person models. Additionally, due to the relative youth of the workplace-based financial coaching program model, the pool of case study organizations to choose from is relatively small in comparison to other types financial coaching models.

Though differing in size, age, program structure, or scope, the organizations included in the case study provide a variety of insights into key considerations and challenges in implementing financial coaching in workplace settings:

- Close collaboration with the employer, particularly with senior management, is critical to help organizations understand the employer's business model and tailor the program to align with each unique operational environment.
- Flexibility and compromise are equally important in the design and implementation processes as workplace settings present unique barriers not found in more traditional models of financial coaching in social service settings.
- Web-based platforms or other forms of technology helped many organizations increase the accessibility of financial coaching services to reach more employees and achieve greater economies of scale.

Additionally, a common theme emerging across all four case studies is the critical role that philanthropy plays in workplace-based financial coaching programs. Though most employers paid for some or most of the cost of financial coaching services, many organizations use philanthropic support to provide the service for free for a short period to demonstrate its impact. This mechanism was a critical pathway to engage new employer partners. Philanthropy also provided flexible resources for organizations to develop, test, and/or grow their models as well as their internal capacity to support and implement the programs to meet increasing employer interest in providing the service.

PROMISING PRACTICES

Several organizations across the country are taking steps to make financial coaching part of a standard employee benefits package. To better understand approaches to integrating financial coaching in the workplace, four case studies were conducted with non-profit organizations that act as the financial coaching provider to partnering employers. In each case study, a team-member from the non-profit that provides workplace-based financial coaching were interviewed to learn about the structure and unique characteristics of their employer-based models. The organizations provide diverse perspectives and unique examples of employer-based models, from those just entering this market for financial coaching to well-established examples.

FINANCIAL WELLNESS IN THE WORKPLACE, $TAND BY ME (Delaware)

$tand by Me ($BM) is a statewide financial empowerment program led by the Delaware Department of Health and Social Services and the United Way of Delaware. $BM's Financial Wellness in the Workplace program provides financial coaching as an employee benefit, targeting employers in sectors that traditionally serve lower-wage workers. Financial Wellness in the Workplace is currently offered at two of the largest hospitals in the state, state agencies including the Department of Health and Social Services, a major hotel and casino, and more than 60 child care centers. Since 2011, Financial Wellness in the Workplace has served more than 2,300 workers.

In addition to lower-wage workers, $BM supports many diverse constituencies across the state such as Head Start parents, the Latino community, older adults, aspiring homeowners, and students in workforce training programs and community colleges. It serves almost 7,500 people per year with more than 20,000 hours of financial coaching. To implement the program, $BM contracts with and trains about 35 financial coaches from 12 independent nonprofit organizations statewide. In the workplace program, each employer partner has a dedicated coach who has an office on-site. Upon forming a partnership with an employer, $BM cultivates a champion employee at each location, often a senior manager of the organization. This champion works closely with $BM to develop a program model tailored to the intricacies of the workplace setting and structure. This includes supporting on-site coaches and continuing to collaborate over time to design, implement, monitor, and evaluate strategies to promote the program and encourage employees to meet with the coach. Many employers pay directly for the cost of hiring and paying for a coach; however, about 60% of $BM's funding is derived from philanthropy. The organization uses a "try before you buy" strategy with new employer partners. This strategy has been a critical pathway for bringing employers into the program. Despite not paying for the service initially, employers become invested after spending time developing the internal processes, marketing strategies, and systems needed to generate employee uptake of the service. Most importantly, they come to appreciate the positive impact of financial coaching on their employees and the environment in the workplace.

$BM uses strict project management protocols to ensure high quality and fidelity to the program model across the state. All coaches have annual benchmarks relating to the number of people served and hours dedicated to coaching sessions. $BM also requires that a minimum of 70% of coaching participants return for multiple coaching sessions. While coaches do not define a client's financial goals, $BM expects certain universal client outcomes including establishing a budget and understanding personal cash flow. $BM also monitors changes in client credit scores, debt, and savings levels as signs of improved financial health. To date, financial coaching participants have increased their credit score by an average of 67 points, reduced over $18.7 million in debt, and increased savings totaling more than $3 million. Coaching benchmarks are reviewed monthly and $BM meets quarterly with their nonprofit partners to review each coach's scorecards and client outcomes.

RESULTS	
60%	Philanthropy Funded
2,300	Workers Served
35	Financial Coaches
67 PT	Increase In Credit Scores
$18.7M	Reduction In Debt
$3+M	Increase In Savings

MAKE CREDIT WORK FOR YOU, WORKING CREDIT NFP (Illinois)

Working Credit NFP is a national nonprofit organization with a mission to help working families build financial capability, resilience, and health through credit-building assistance. Working Credit partners with employers from all sectors, offering an 18-month financial wellness program called Make Credit Work for You as an employee benefit. Their current partners include hospitals, health clinics, universities, and manufacturers, as well as a large senior living provider, a home health care agency, an agency serving disabled adults, and several nonprofits, including three child care centers.

Make Credit Work for You starts with a credit-building workshop offered at the workplace to all or sub-sets of employees or departments. Following the workshop, employees are invited to sign up for one-on-one credit-building counseling offered by Working Credit counselors, who are all trained as coaches. To date, more than 60% of workshop attendees sign up for this service. The first one-on-one appointment occurs within a day or two of the workshop, generally in-person at the workplace and lasting for about one hour. During the appointment, the counselor and employee discuss the employee's financial goals, review the employee's credit report and score, create a budget, and build a personalized Creit Action Plan. For employees who need a new line of credit to establish or increase a credit score, Working Credit offers a credit-building product called CW-3, a combined risk-free installment loan and savings product that allows participants to build credit and save money simultaneously.

At the one-on-one session, the counselor asks the employee if he or she is concerned about being able to complete the Credit Action Plan independently, and, if the answer is yes, offers to coach the employee, which provides an extra level of support and a way for the counselor to help the employee by keeping him or her accountable for taking each step on the plan. Depending on the employer, about one-quarter to one-half of participants request coaching services, which are delivered by phone, text, or email, or through the use of a app developed by Working Credit that facilitates easy communication with clients. The app keeps the Credit Action Plan front and center throughout that communication. Regardless of whether the employee opts for coaching, Working Credit counselors remain available to employees throughout the 18 months. In addition, every six months, counselors send all employees an updated credit report and score with an explanation of any score changes and guidance about how to continue improving the score or act on specific financial goals.

Working Credit offers the credit-building workshop free of charge to all employers. Employers are charged a one-time fee for each employee who signs up for one-on-one support after the workshop; this fee covers the full 18 months of credit-building assistance, regardless of whether the employee receives both counseling and coaching services. On occasion, though less frequent, employers opt to have employees pay for the service themselves, typically through payroll deduction. As part of its 10-year growth plan, Working Credit relies on philanthropic support in a manner similar to venture capital or seed money–to help develop the organizational infrastructure and move to scale. The organization relies on the flexibility of philanthropic resources to grow its staffing capacity and build its internal infrastructure to meet increasing employer demand.

Working Credit carefully tracks participant outcomes and shares anonymized, aggregated data with employers annually. Though Working Credit tracks all increases in credit scores, employees achieving a *prime* FICO score is a primary metric. From 2015 to 2017, more than two-thirds of employees improved their credit scores through the program. At the same time, the program documented a 41% increase in the number of employees with prime FICO scores. Working Credit also reports significant increases in the number of employees better prepared for financial emergencies, including a 39% increase in the number of employers with at least $1,000 available on one or more credit cards, and a 25% increase in the number of employees saving regularly through an automated savings vehicle.

RESULTS

41%	Increase in Employees w/ Prime FICO Scores
39%	Increase in Employees with at Least $1,000 in Available Credit for Emergencies
25%	Increase in Employees Saving Regularly through an Automated Savings Vehicle

TRUSTED ADVISOR™, NEIGHBORHOOD TRUST (New York)

Neighborhood Trust is a nonprofit social enterprise empowering workers to take control of their finances to achieve financial health. In 2012, Neighborhood Trust launched Trusted Advisor™, a national financial wellness program to help employers support the financial health of their employees. Currently, Trusted Advisor™ serves 30 companies from industries with low-to-moderate income workers such as health care, retail, and food service. Neighborhood Trust places a special focus on partnering with large for-profit employers with at least 1,000 employees.

In fall 2017, Neighborhood Trust launched a remote, tech-enabled version of Trusted Advisor™ making financial counseling available to employees at their convenience. With a text message, employees receive an online link to register for the free service. The online onboarding platform provides a brief explanation of the services, allows employees to pull their credit report and get initial information about credit, prompts them to answer initial questions about their finances and financial goals, and allows employees to schedule an appointment with a coach. In designing this interface, Neighborhood Trust put deliberate focus on maintaining a human touch and sense of trust throughout the experience.

A client's first session with a counselor is usually about 30 minutes over the phone or via Skype. He or she discusses their individual financial concerns and goals and starts to work with the counselor to make a financial action plan. A key part of this plan is creating a concrete list of steps a client will take on a specified date to work toward achieving their goal. This list is called Take Action Todays. The Trusted Advisor™ web platform allows employees to remotely access their list of Take Action Todays as well as other financial information discussed with the counselor. After their initial session, the degree of continued engagement is up to the employee. Counselors also send text message reminders to encourage employees to follow through with their Take Action Todays and remain engaged. Offering a tech-intensive model increases Neighborhood Trust's ability to meet employees where they are in a personalized, client-centered manner.

Neighborhood Trust reports that in the last year alone, employees' total debt reduced by more than $3 million, and more than 90% reported that Trusted Advisor™ helped them reach their financial goals. Among the clients utilizing Neighborhood Trust services, 51% reduced debt, 59% increased their credit score and almost 20% established credit for the very first time. In addition to

RESULTS

30	Large for-profit companies served
90%	Employees report reaching their financial goals
51%	Reduced Debt
59%	Increased Credit Score
20%	Established First-Time Credit

tracking financial outcomes like levels of debt and savings, Neighborhood Trust tracks the utilization of healthy financial products including the number of unbanked clients who become banked and the number of clients who are using credit-building and debt-reduction products. Neighborhood Trust also conducts client and employer surveys in order to help inform continued quality improvement and provide data on how Trusted Advisor™ influences employees' feelings about their employer.

THE SUSTAINABLE WORKFORCE MODEL, WORKLIFE PARTNERSHIP (Colorado)

WorkLife Partnership serves Colorado businesses to help create sustainable communities and thriving workplaces using the Sustainable Workforce Model. The model provides customized support to employees and their families through on-site experts called Navigators. A WorkLife Navigator is assigned to an employer and works one-on-one with employees to connect them with community resources that can assist with things like finding affordable housing, accessing reliable transportation, securing affordable child care, overcoming budgeting shortfalls, or locating food assistance. However, more than 80% of employees come to Navigators with underlying financial concerns.

To address this need and offer more robust services around financial health, WorkLife recently began a pilot project to integrate financial coaching services into the Sustainable Workforce Model. Currently, two WorkLife Navigators have been trained as financial coaches and serve about 12 employees each. In the pilot model, an employee first schedules an appointment with the Navigator to discuss their concerns. This Navigator then guides the employee through any needed resources, connects them directly with a community partner, walks through completing an application, or even just listens as an employee talks through an issue. After helping an employee address any immediate stressors affecting their work or life stability, a Navigator may then refer the employee to a financial coach for additional support toward longer-term financial health. The coaching sessions often occur at the workplace before or after an employee's shift or, if an employee prefers, at WorkLife's office.

WorkLife obtained a two-year grant to support the pilot for integrating financial coaching into the Sustainable Workforce Model. The grant has allowed WorkLife the freedom to test and refine the financial coaching program before moving to scale. WorkLife also uses philanthropic funding to offer a low-interest loan for program participants and hopes to expand the loan program. To sustain financial coaching services within the model after the grant, WorkLife will likely mirror the cost structure used in their Navigator model. In the Navigator model, WorkLife estimates the number of employees likely to utilize the service and then charges employers 70% of the total cost, with grant funding covering the remaining 30%.

Annually, WorkLife serves over 600 families across more than 20 employer partners, focusing on frontline and lower-wage workers. Most of their employer partners are in health care, long-term care, and manufacturing. Consistently, nearly 90% of participants keep their jobs and say they feel more stable and secure after working with a Navigator. WorkLife is a founding member of WorkLab Innovations, a national network of nonprofit organizations replicating the Sustainable Workforce Model across the United States.

INTEGRATION AND LAUNCH OF AN EMPLOYER-BASED FINANCIAL COACHING PROGRAM CAN BE A BIG STEP FOR BOTH NONPROFITS AS WELL AS EMPLOYERS. Developing and funding pilot programs, as modeled in the WorkLife Partnership's Sustainable Workforce Model case study example, can be a useful step in testing the feasibility and fit of a model for both nonprofits and employers alike. A pilot program allows for a designing, refining, and testing phase in a smaller capacity that doesn't carry the weight or resource needs of full program development.

COMMON APPROACHES

A number of themes emerged from the four case studies. Though a more formal evaluation is needed to assess the effectiveness of these approaches and define them as best practices, the findings match those from similar studies of financial wellness programs in the workplace and can be useful in guiding us toward agreed-upon standards.[5]

PARTNERING WITH EMPLOYERS INVESTED IN THE MODEL

The nonprofits highlighted in the case study examples all stressed the importance of establishing a close partnership with employers to design, implement, and continually evaluate methods for recruiting, engaging, and serving employees. **The most successful partnerships were with employers who recognize how financial stresses impact the health, relationships, productivity, and time away from work of their employees and who are invested in supporting employee well-being.** This underlying employer motivation prompted a greater willingness and lasting commitment to invest the necessary time and effort needed for a successful partnership. Key to this is identifying one or two personnel at the workplace to actively promote the program and act as the driving force of the program throughout the organization. Often this person is a senior manager of the organization.

Though larger employers present a greater opportunity to scale services cost effectively, managers are often less connected to frontline employees and have less understanding of an employee's financial challenges. Smaller organizations may more readily understand the value of supporting financial health and have deeper levels of engagement in the partnership. Several organizations mentioned that the mission-driven culture of many health care employers often aligns well with their programs.

TAILORING PROGRAM MODELS

All case study organizations underscored the importance of flexibility in designing and implementing financial coaching in the workplace. Organizations found that financial coaching in the workplace differed dramatically from models used in traditional social service settings. For example, employee schedules or permissibility of coaching sessions during work hours influence the coaching session's length. Often, the financial coaching model could not be as high-touch or intensive as models used in other settings.

Additionally, organizations worked closely with employer partners to understand the business's management structure, communication systems, departmental operations, and other aspects of the business model to adapt services to that workplace setting. While retaining the key components of the program model, organizations tailored their implementation strategies to best align with employer settings. The variation in tailoring programs had less to do with the size of the employer, and more to do with aligning with employer's existing processes and systems (e.g. communication, benefits delivery, goals). Organizations stressed the importance of collaborating with employers and being willing to experiment to test different ways of reaching and serving employees in different workplace settings.

EMBEDDING PROGRAM COMPONENTS INTO EXISTING INTERNAL PROCESSES

Organizations worked closely with employer partners to identify existing processes in which to embed their financial coaching model. For example, organizations worked with human resources managers to promote financial coaching as an employee benefit during new hire orientations and onboarding. Coaches also leveraged existing communication channels like regular staff and departmental meetings to promote employees' awareness of the program.

INCLUSIVITY AND CONFIDENTIALITY

Though organizations most often target lower-wage employees, none placed any restrictions on who can or cannot receive financial coaching. Often, such inclusivity can help reduce stigma associated with seeking financial support. Along similar lines, organizations stressed the importance of keeping individual participation confidential and voluntary; employers only received aggregate data on participation rates and outcomes.

EMPLOYEE ENGAGEMENT

In each model, employees themselves determined their level of engagement in services. In testing incentive systems for increasing employee engagement, several organizations found that incentives were not necessary. Once aware of the service, employees were motivated to participate in coaching without any extra incentives. **The convenience of on-site coaching sessions and the coaches' availability outside of traditional business hours reduced barriers to accessing services, aiding in increased engagement.**

USING TECHNOLOGY TO SCALE SERVICES

For national organizations or those that serve large employers, integrating technology may be an innovation to enhance scalability of the financial coaching model. Web-based platforms or applications allowed employees to track their financial goals remotely, receive online coaching, or easily schedule an appointment with a coach. Technology was a way to increase both accessibility of financial coaching and cost-efficiency. However, organizations also put effort into understanding how different populations might respond to and use technology.

MEASURING IMPACTS

All organizations stressed the importance of measuring impacts to monitor the effectiveness of financial coaching in the workplace. Data can also help demonstrate the power of financial coaching in the workplace and build awareness for its need among employers. Participant surveys may help organizations collect data on workplace outcomes (e.g., job satisfaction, retention) while maintaining participant confidentiality.

SUSTAINABILITY

Most often, financial coaching services were considered part of an employer-paid benefit package. As such, employers paid for some or most of the cost of financial coaching services in their workplace. Most often, an estimation of the number of potential participants determined the cost of the service. At times, organizations provided the employee benefit as a free service to employers for a short period to demonstrate its potential impacts.

However, many organizations began their workplace financial coaching programs using grant funding and other charitable contributions. Such philanthropic funding provided flexible resources for building organizational infrastructure and developing the program model. Philanthropic support also permitted organizations to reach and serve employers with limited funds available to invest in workplace financial coaching programs.

A COMMON THEME EMERGING ACROSS ALL FOUR CASE STUDIES is the critical role philanthropy plays in workplace-based financial coaching programs.

COMMON CHALLENGES

Overwhelmingly, the four case study organizations described the process for integrating financial coaching into workplace settings as a difficult learning process; they had to figure out how to make partnerships, message to employers, adapt services to the workplace context, and move to scale. Considering these common challenges is critical to informing the role for philanthropy and recommendations for funders. The following themes emerged from conversations with the case study participants:

- **THE MARKETPLACE FOR FINANCIAL SERVICES IN THE WORKPLACE IS STILL DEVELOPING.** Though awareness is increasing, many employers are still learning about the role of financial health in workplace outcomes like employee retention, productivity, and job satisfaction. Organizations employing this new model are creating a new service and developing a new market, requiring innovation and risk taking.

- **ORGANIZATIONS IDENTIFIED DEVELOPING RELATIONSHIPS WITH EMPLOYERS AS THE HARDEST PART OF THE MODEL.** Although some funders may be positioned to connect nonprofits with employers interested in workplace-based financial coaching programs, this relationship is not to be assumed as the norm and therefore building a network of employer partners falls on the nonprofits. Organizations had to learn how to effectively message the need for services and articulate impacts to create employer partnerships. Often, organizations struggled with getting employer buy in to invest in the model. This "sales" process could take upwards of a year with an employer. Sustaining the partnership is essential for a successful program but takes a lot of time and commitment.

- **PRIVACY OF EMPLOYEES IS AN IMPORTANT CONCERN THAT CAN BE A BARRIER FOR DATA COLLECTION AND PROGRAM EVALUATION LINKED TO EMPLOYER OUTCOMES.** Bringing in a nonprofit service provider is an important characteristic of the employer-based financial coaching model, as it provides the employees with the assurance of confidentiality and privacy around sensitive personal and financial issues that may arise in a coaching session. This firewall for employee privacy creates some obstacles when it comes to linking the outcomes of financial coaching programs that are measurable—such as a decrease in debt, access to credit, and increase in savings—to productivity levels or positive strides related to the workplace such as increased productivity and decreased absences.

- **BY THEIR NATURE, NONPROFITS CAN BE VERY DIFFERENT FROM THEIR EMPLOYER PARTNERS.** Learning about these differences and how they might affect a program model can be a long, tedious process for organizations. Often, it may require an organization to change its perspective toward a more business-like mindset or alter its program model completely. For example, high-touch service models that had worked in the social service setting may not translate to the operational environments of the workplace.

- **THERE IS NO OUTREACH AND/OR PROGRAM MODEL THAT WILL WORK WELL FOR ALL EMPLOYERS.** Often, organizations must adapt their outreach and service delivery strategies to fit within employer partners' unique operational environments and to meet the needs of their employees.

- **ORGANIZATIONS OFTEN NEED TO SCALE SERVICES FOR SUSTAINABILITY OF THE PROGRAM.** Nonprofit organizations with successful employer financial wellness models have to grow employer by employer, as opposed to participant by participant. Not only is this a shifting of mindset, but it can also be more demanding in terms of capacity and resources.

RECOMMENDATIONS FOR FUNDERS

Based on the information from the four case studies, six recommendations emerged for funders who are interested in actionable strategies to elevate and support workplace programs.

LIFT UP PROMISING PRACTICES TO BOOST EMPLOYEE FINANCIAL SECURITY

Providing financial coaching and capability services in the workplace is a fairly new endeavor. As a result, the field is still working to build evidence about effective practices to boost employee financial stability through workplace approaches. There is an opportunity to better understand the variety of products and services that help employees make gains toward financial stability. Additionally, there is an opportunity to elevate inclusive approaches to engage low-income employees and people of color to ensure that the most vulnerable households are included for these services. Private sector players may not be as intentional in serving this market, so philanthropy can promote and support approaches that reach low-income employees. Funders can elevate promising practices and highlight them with their grantees.

CONNECT EMPLOYERS WITH NONPROFIT PARTNERS

Developing relationships with employers is often one of the biggest hurdles for nonprofit partners to launch a financial coaching program in the workplace. Even as employers see clear links between employee financial stress and workplace productivity, they do not always know the steps forward to leverage the structure of the workplace to build financial stability and wealth. Some funders may be in a position to bridge relationships between employers and nonprofits. If a funder has connections with local employers, they could serve as a convener to make introductions between well-suited partners and promote better understanding of the important role that nonprofits play in financial coaching programs and financial well-being.

SUPPORT THE DEVELOPMENT OF THE BUSINESS CASE

Nonprofits focused on asset-building and employers have mutual interests in improving employee financial stability, but they often don't know each other and they come at the issue from very different perspectives. Funders have an important opportunity to further document and elevate the business case to employers for integrating financial coaching and capability supports in the workplace. Funders can support projects that build a business case for effective approaches that improve financial well-being and security for low-income workers, people of color and financially vulnerable populations. The business case should include data on the program's impact on productivity, absenteeism, retention, employee satisfaction, enrollment in retirement plans, and return on investment. Supporting projects that demonstrate the return on investment for financial coaching in the workplace are needed to move this practice beyond a boutique intervention to a commonly expected workplace benefit.

SUPPORT PILOTS TO UNDERSTAND IMPLEMENTATION STRATEGIES BY EMPLOYER SIZE, SECTOR, AND EMPLOYEE DEMOGRAPHICS

In addition to elevating promising practices about what works for employees, funders can play a key role in understanding the nuances of how workplace programs are delivered. Delivering financial coaching and capability services in the workplace looks differently depending on the size of the employer, the setting (e.g. retail store, meat processing plant, call center), and the demographics of the employees. Consider supporting research or pilot programs that explore effective strategies and persistent challenges based on the characteristics of the workplace.

INVEST IN COACHING AND OTHER RELATED SUPPORTS

The integrated nature of financial struggles that employees face requires new and collaborative strategies that include financial coaching, as well as other supports such as connections to employment, job training programs, employment capital, and access to financial products and services. Funders can play an important role in connecting financial coaching to other asset- building strategies by exploring ways to connect investments in these areas.

UNDERSTAND THE COMPLEXITIES OF EMPLOYERS AND THE ORGANIZATIONAL LIMITATIONS OF NONPROFIT ORGANIZATIONS

Bringing financial coaching into the workplace is complicated and dependent on understanding the employer's organizational structures and cultures.Nonprofit organizations who seek to work with employers need to be skilled at navigating these structures and cultures. Philanthropy can make this path easier for nonprofits to navigate by identifying and elevating best practices for them to work with a business's human resources department and the employer as a whole. At the same time, funders can help by understanding that collaborative processes are oftentimes slow and require a different way of thinking about and measuring success. Finally, funders cannot assume or create the capacity of nonprofit organizations to take on these new opportunities.

CONCLUSION

Embedding financial coaching services into workplace settings provides an effective and efficient model for expanding the scale and increasing impacts to promote greater financial health. Leveraging this moment in time, as the market is still emerging and models are still being developed, creates a unique opportunity for the field to come together to identify best practices and promote the approach. Bringing philanthropy, practice, and research together to work toward models of workplace-based financial coaching will bring the field closer to our shared goal: greater financial security and wellness for all consumers.

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AFN EDITORS

KAREN MURRELL
Financial Coaching Initiatives Director, AFN

LEAH MAYOR
East Coast Program Officer, AFN

JENNIFER FARLAND
Communications Director, AFN

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ASSET FUNDERS NETWORK (AFN)

The Asset Funders Network (AFN) is a membership organization of national, regional, and community-based foundations and grantmakers strategic about using philanthropy to promote economic opportunity and financial security for low- and moderate-income Americans.

AFN works to increase the capacity of its members to effectively promote economic security by supporting efforts that help low- to moderate-income individuals and families build and protect assets.

Through knowledge sharing, AFN empowers foundations and grantmakers to leverage their resources to make more effective and strategic funding decisions, allowing each dollar invested to have greater impact.

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