



## **Working Credit NFP**

### **Frequently Asked Questions**

#### ***What is Working Credit NFP?***

Working Credit is a non-profit organization that offers an innovative financial wellness program as an employee benefit. Called ***Make Credit Work for You***, the benefit helps U.S. workers build – and reap the benefits of – strong credit. ***Make Credit Work for You*** is a scalable turnkey benefit, requiring minimal assistance from Human Resources staff, but yielding tangible results for employees – often within 6 months.

#### ***Why build credit?***

Good credit scores are vital to financial health and result in lower rates on car loans, credit cards, and mortgages as well as access to better rental housing options. Yet, over a third of U.S. workers have no credit score at all or subprime scores – a problem that drives up household expenses, depletes wages, creates hard-to-mask financial stress and puts long-term futures in question. Employees with poor or no credit scores typically get car loans at 20% interest or greater, pay double the standard rates on car insurance premiums, and leave hefty deposits when they turn on cell phones or utilities. This population has difficulty accessing quality apartments (as landlords check credit), and when emergencies hit, they have little choice but to borrow from payday and auto title lenders – at interest rates of 400% - 1,000%.

#### ***How does the employer benefit?***

Many employers hire Working Credit simply because they believe that offering a financial wellness program is the right thing to do. By retaining Working Credit, they help their employees address financial concerns through an impartial third party that guarantees anonymity.

In addition, they report:

- Improved employee engagement
- Corporate good will
- Reduced lateness and absenteeism
- Increased retention of talented staff
- Increased ability to secure quality housing close to work
- Increased participation in 401k/403b plans

#### ***How does the Credit Wellness Program Work?***

**Credit Building Workshop:** The Credit Wellness Program starts with a 45-minute credit building workshop offered at the workplace for whole units/departments. At the end of the workshop, we give employees the chance to sign up for one-on-one credit building counseling. To date, 73% of all attendees sign up for this service.

**One-on-One Credit Building Counseling:** Within a day or two, our counselors begin to meet one-on-one with employees.

##### ***What happens at the first appointment (lasting 45 minutes to an hour)?***

- Creation of a budget, review (penalty free) of the employee's credit report and score, and development of a personalized Credit Action Plan
- If recommended, enrollment in Working Credit's CW-3 product, which gives employees (who need a product to build credit) a risk-free way to improve the credit score and save \$300 at the same time - over a 12-month period



- Access to coaching services for employees who want this type of additional support as they take steps on their Credit Action Plans

***What happens over the next 18 months?***

- Ongoing counseling, guided by the employee's Credit Action Plan
- Subsequent credit reports and scores pulled and shared with participants every six months for 18 months (along with a written report explaining any changes, and providing additional credit building guidance)

***How do employees benefit?***

Improved credit helps employees get the most out of their paychecks, recover quickly from financial emergencies, build household financial strength, reduce financial stress and even save money. Employees of companies served by Working Credit have benefited in the following ways:

- 71% of employees increased their credit scores within 18 months;
- The number of employees with prime scores (over 660) increased by 48% within 18 months;
- The number of employees with immediate access to affordable credit (at least \$1,000 available on one or more credit cards) increased by 27% within 18 months;
- 88% of all employees enrolled in CW-3 are completing the product – and saving \$300 in the process; and,
- 28% more employees are setting aside money through an automated savings product after 18 months.

***What is the employer's role?***

The Credit Wellness Program is designed to be turnkey, so that we don't add to the workload of employers. We ask our employer clients to do two things:

- Schedule a meeting(s) for all eligible employees so that we may present the credit building workshop
- Provide a space at the workplace for Working Credit counselors to conduct initial one-on-one counseling appointments for employees who sign up for this service

***What is the cost?***

As a non-profit organization, Working Credit is able to offer the workshop at no cost, so all eligible employees receive basic credit building education.

For those employees who sign-up for one-on-one counseling after the workshop, we charge a fee per employee of \$10/per month for 18 months of credit building assistance and counseling.

***What data is shared with employers?***

Working Credit keeps all personal information about employees confidential; however, we do share aggregated and anonymized data with employers annually. We do this to help employers better understand the financial health of their workforce, and to demonstrate how the financial circumstances of employees change over time.

*For more information, contact Ricki Lowitz of Working Credit at 312-339-5357 or [ricki@workingcredit.org](mailto:ricki@workingcredit.org).*

# Financial Health Starts with Good Credit



## We Help America's Workforce Build Credit.

Working Credit is a non-profit founded with a simple idea in mind: You don't need to be wealthy to build good credit, you only need to know the rules.

## Poor Credit Depletes the Earnings of 36% of U. S. Workers

These are workers who have either no credit score at all or a score below 600 and pay more for everything from auto loans, at rates of over 20 percent, to household items at rent-to-own stores that quadruple market prices.

When inevitable emergencies arise—such as a car breaking down or a furnace needing to be replaced—they have little to no safety net. Many miss hours or days of work, trying to keep a small problem from spinning out of control. Working Credit partners with employers to help employees take control of their financial lives and begin to save.

## We Are a Turnkey Program

Employers schedule a meeting for their employees at the workplace and we take over, teaching a short workshop on the ins and outs of the credit scoring system. Once our workshop begins, employees see quickly what an enormous impact their credit score has on their financial and emotional lives.



After the initial meeting, interested employees sign up for one-on-one credit building assistance lasting up to 18 months. For those with no credit score at all, or a low score based on limited credit information, we offer a secured loan/savings product, CW-3, that can produce a tangible and sustainable increase in credit score within six months.

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# Financial Health Starts with Good Credit

## We're a New Idea with a Big Payoff for Workers and Employers



### We help your workers—

- Get the most out of their paychecks
- Recover quickly from financial emergencies
- Build household financial strength
- Reduce financial stress

### This helps you—

- Retain talented staff
- Increase employee engagement
- Reduce lateness and absenteeism
- Increase corporate good will
- Increase participation in 401k/403 plans

## We Use Tangible Metrics to Measure Success

**73%** of employees who attend our workshop sign up for one-on-one counseling

**71%** of employees who receive counseling improve their scores within 18 months

**48%** more employees have a prime score (660 or above) after 18 months, allowing them to access good rates and terms in the marketplace

**27%** more employees have a credit card with at least \$1,000 available after 18 months – so they can weather financial emergencies without having to borrow from payday or auto title lenders

**28%** more employees are setting aside money through an automated savings product after 18 months (a 401k, 403b, or our CW-3 product)

**88%** of employees who open CW-3 complete the product, build credit, and save \$300 in one year

### For More Information Contact:

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