

Increasing Financial Stability for Frontline Nonprofit Workers

Bridging the Gap by Connecting Human Services Employees to Work Supports

DISCUSSION BRIEF

OCTOBER 2013

Frontline human services workers are the lifeblood of the caring infrastructure in communities across the United States. They care for millions of Americans across the lifespan and help American families overcome challenges and move toward stability and wellbeing. Nonprofit human services employers are limited by funding cuts and capped reimbursement rates in their efforts to offer this workforce family-sustaining wages. Might “work support services” that connect low-paid employees to government benefits and income supports enable nonprofit human services organizations to help their staff bridge the gap between earnings and their families’ living expenses, contributing to greater financial stability?

Overview of the Bridging the Gap Demonstration

To learn the answer, the National Human Services Assembly (NHSA), with generous support from the Ford Foundation, undertook the Bridging the Gap (BTG) demonstration project. BTG tested two related hypotheses.

- > The HR function in nonprofit human services agencies can be used to help low-paid employees enroll in work supports for which they are eligible.
- > Employer-based delivery of work support services can both increase employee enrollment in work supports and enhance employer business metrics.

NHSA contracted with an external evaluator, WFD Consulting, to design and conduct a mixed-methods impact evaluation that examined program utilization, efficacy, and outcomes. The outcomes evaluation

included assessing typical business metrics relating to employee engagement, absenteeism, productivity, and turnover. NHSA’s process evaluation focused on program implementation.

Results

Nonprofit Employers Effectively Connect Frontline Workers to Work Supports

The BTG demonstration showed that nonprofit employers are an effective channel to connect low-income workers and their families with work supports. Over a two-year period, six pilots screened 10% of the individuals whom the agencies had employed in low-paid positions. Of the 1,029 screened employees, 86% (883) were eligible for new or additional work supports.¹ High numbers of BTG participants

¹ That is, benefit programs in which they were not enrolled in at the time of screening.

On Bridging the Gap

“The reduced stress from not having to worry about providing for my family has made me more productive and happier in the workplace.”

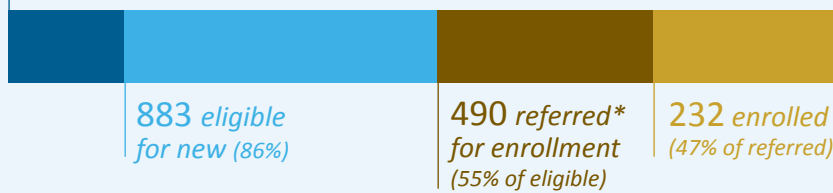
—Catholic Charities of Baltimore employee

“Until I personally participated in the EBO screening process, I was not aware of the dire financial situations that many of our employees face on a daily basis in their lives.”

—Ed Guerrero, Director of Human Resources, Catholic Charities of Chicago

Figure 1. Overview of BTG Results

1029 screened



*Planned to apply for one or more work supports

Figure 2. Enrollment Totals by Type of Work Supports

(Note: % indicates percentage of the total number eligible)

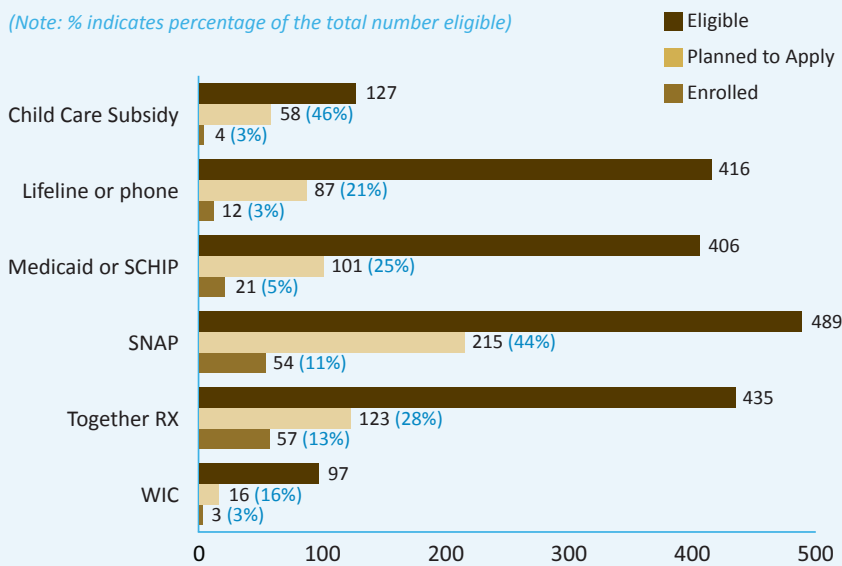
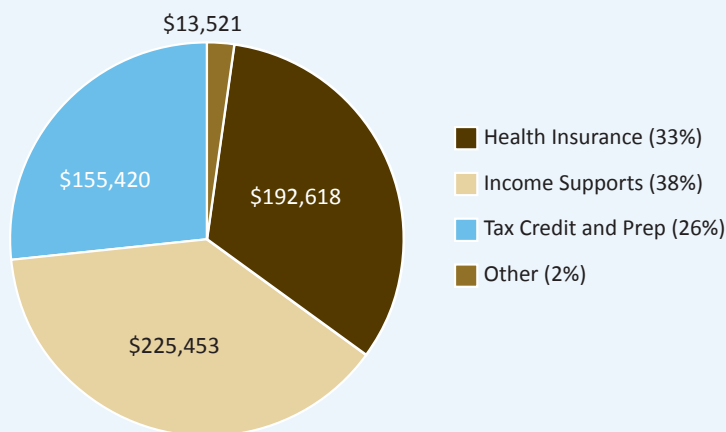


Figure 3. Annualized Financial Value of Supports by Category



screened eligible for Together Rx (430); SNAP (401); Lifeline or mobile phone access (388); Medicaid/State Children’s Health Insurance Programs (SCHIP) (345); and tax credits (201).

With pilots’ assistance, 232 employees began receiving new work supports, that is, 26% of employees eligible for new or additional work supports became enrolled. The estimated financial value of the new work supports was about \$587,000 per year, which roughly averages to \$2,500 per year for each enrolled employee and their household. This level of additional support was meaningful to BTG participants who reported less worry, better concentration at work, less work time lost, and improved ability to care for their health.

Moderate Business Case for Employer-Based Services

There is a moderate business case for nonprofit human services employers to support the provision of work support services. WFD Consulting found that employees who participated in BTG had high levels of employee engagement. Specifically, eight in ten employees who used BTG services were satisfied with their jobs, would recommend their employers as good places to work, and would choose to work there again.

Among BTG participants, three quarters (73%) planned to stay with their employers for at least three years. About half (56% and 57%, respectively) reported increased productivity and fewer absences. A dose-response effect was apparent with the best outcomes occurring among employees who enrolled in new work supports and lesser, but still statistically significant, gains were observed for workers who applied for supports.

Because of the positive effects on employees, WFD conservatively estimated that nonprofit employers could save about \$225 per employee per year. An employer that screens 100 low-paid employees a year could realize cost-savings of about \$19,600

Figure 4. Summary Estimates of Business Impacts of Bridging the Gap

Per Employee Screened and Eligible	
Annual Turnover Savings	\$51
Absenteeism Savings	\$48
Value of Increased Productivity	\$78
Value of Work Time Saved	\$48
Conservative Estimate of Business Impact	\$225

Source: WFD Consulting

from increased productivity as well as reductions in absenteeism, turnover, and lost work time. These cost-savings would partially offset the same employer’s projected costs of about \$54,300 for delivering work support services, yielding a net annual cost of about \$34,700. By investing in work support services to screen 100 employees a year, the nonprofit could help its low-paid staff to obtain a projected financial value of \$57,000 per year in work supports.

Focus on Financial Wellness to Improve Outcomes

A major learning from the BTG demonstration was that frontline human services workers were experiencing considerable financial instability. Although receiving work supports improved employees’ personal and family situations, many factors contributing to financial instability persisted. Frequent moves and changes in housing and telephone service, along with child care and other difficulties related to finances, hampered employees’ efforts to apply for work supports.

Over time, pilots began exploring ways to broaden their focus from work supports toward financial wellness because employees wanted and needed assistance with other aspects of their financial situations.

Implications and Recommendations

The BTG demonstration revealed some challenges with the BTG model. The evaluation results point to ways to expand the positive impact of this employer-based service.

Challenges

The BTG demonstration was a pioneering effort to test the delivery of work-support services to frontline human services workers through their nonprofit employers. Over time, the pilots gained the capacity to efficiently screen employees for work supports. The delivery of follow up services to help employees enroll remained labor-intensive. Instability in employees’ financial situations created problems that not only disrupted employees’ application efforts, but also hindered BTG specialists’ efforts to help them. Government bureaucracies provided additional obstacles to enrollment. The pilots moderated some of these challenges by connecting eligible employees with work support expertise within the agency (e.g., such as SNAP enrollment specialists) and community-based partners.

Although one quarter of employees eligible for work supports became enrolled in the benefit programs, the transactional

Employees who used BTG services report many positive impacts on themselves as workers and in their personal and family lives.

Employees reported that their employers’ offering of BTG services enhanced their ability to do their jobs.

- > 51% have increased their productivity.
- > 51% can concentrate better.
- > 46% have improved their work performance.
- > 42% have lower absenteeism.
- > 40% lose less work time because of personal needs or family responsibilities.
- > 44% have a stronger relationship with their employer.
- > More than 50% report BTG helps their employers attract and retain valuable talent.

Impacts on employees’ personal and family life were equally strong.

- > 45% feel less stressed about their family situation.
- > 47% are less worried at work about their personal or family situation.
- > 46% are better able to take better care of their personal or family’s health.
- > 43% are better able to take better care of their family’s needs.
- > 36% report Bridging the Gap helped them have enough money to pay living expenses.

cost of achieving those enrollments remained relatively high for the pilots. Toward the end of the demonstration, enrollments improved as pilots prioritized high-value work supports, especially SNAP, Medicaid/SCHIP, and tax credits.

Recommendations

Employer-based services can connect frontline human services employees with work supports. The BTG results indicate that greater impacts can be obtained by expanding the focus to a more holistic financial wellness model. Such a model would:

1. Put financial wellness at the center.

Expanded services would help employees develop the knowledge and skills to better manage their finances and connect them to resources that support building assets and eliminating problematic debt.

2. Integrate financial wellness as a core, driving value for the organization.

Financial wellness services would be offered to all employees, with prioritization of low-paid staff. At an organizational level, a financial wellness ethos would also drive operations and client services.

3. Build organizational capacity in financial wellness.

Work support enrollments improved as BTG teams involved frontline supervisors, agency executives, in-house experts on work supports, and Employee Assistance Program contractors. Likewise, a broadened focus on financial wellness would necessitate developing capacity throughout the organization to help both employees and managers maximize current assets and build for the future. For example, frontline supervisors could be trained to recognize and refer staff members who may be experiencing financial hardships.

4. Offer a menu of financial wellness supports in everyday functions.

Taking into account employees' priorities, employers would gradually build a menu of financial wellness services and tools from which staff could choose. In-house services might include screening low-paid employees for work supports. New or expanded partnerships with external organizations, such as a credit union or a local nonprofit offering tax preparation services, would support financial education and assistance with opening up bank accounts/accessing quality, non-predatory financial products.

For employers that want to just offer services to improve access to work supports, a number of modifications have the potential to improve efficiencies and outcomes.

> Focus on high-value work supports.

Given the intensity of follow-up, BTG teams improved their results by focusing on SNAP, Medicaid/SCHIP, and tax credits—work supports that had a higher financial value than others like Lifeline, which offered a basic mobile phone with a very limited service plan.

> Prioritize employees who are most likely to qualify for work supports.

Beyond agency payroll records, employers would also be attentive to low-paid staff members who experience significant life events, such as a change in their household or a spouse whose job had been terminated.

> Use other screening tools.

Free online tools are available in many states. Often, such screening tools focus on a small number of work supports but may better integrate with state portals for online applications.



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CONTRIBUTORS TO THE DEVELOPMENT OF THIS DOCUMENT:

Irv Katz, *President and CEO, National Human Services Assembly*

Karen Key, *Executive Vice President and COO, National Human Services Assembly*

Molly French, *Consultant, National Human Services Assembly*

Jarle Crocker, *Program Manager, National Human Services Assembly*

Bridget McCabe, *Program Associate, National Human Services Assembly*

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