

# Center For Family Prosperity at Riverworks Development Corporation

Thursday December 9, 2010

Vanessa M. White, Center Director

Lynette Jarreau, Financial Coach

Sabina Wilsey, Benefits Coach

# Center for Family Prosperity (CFFP)

A national AECF Model replicated at 32 sites.

LISC driven; Chase funded; Riverworks Dev Corp chosen

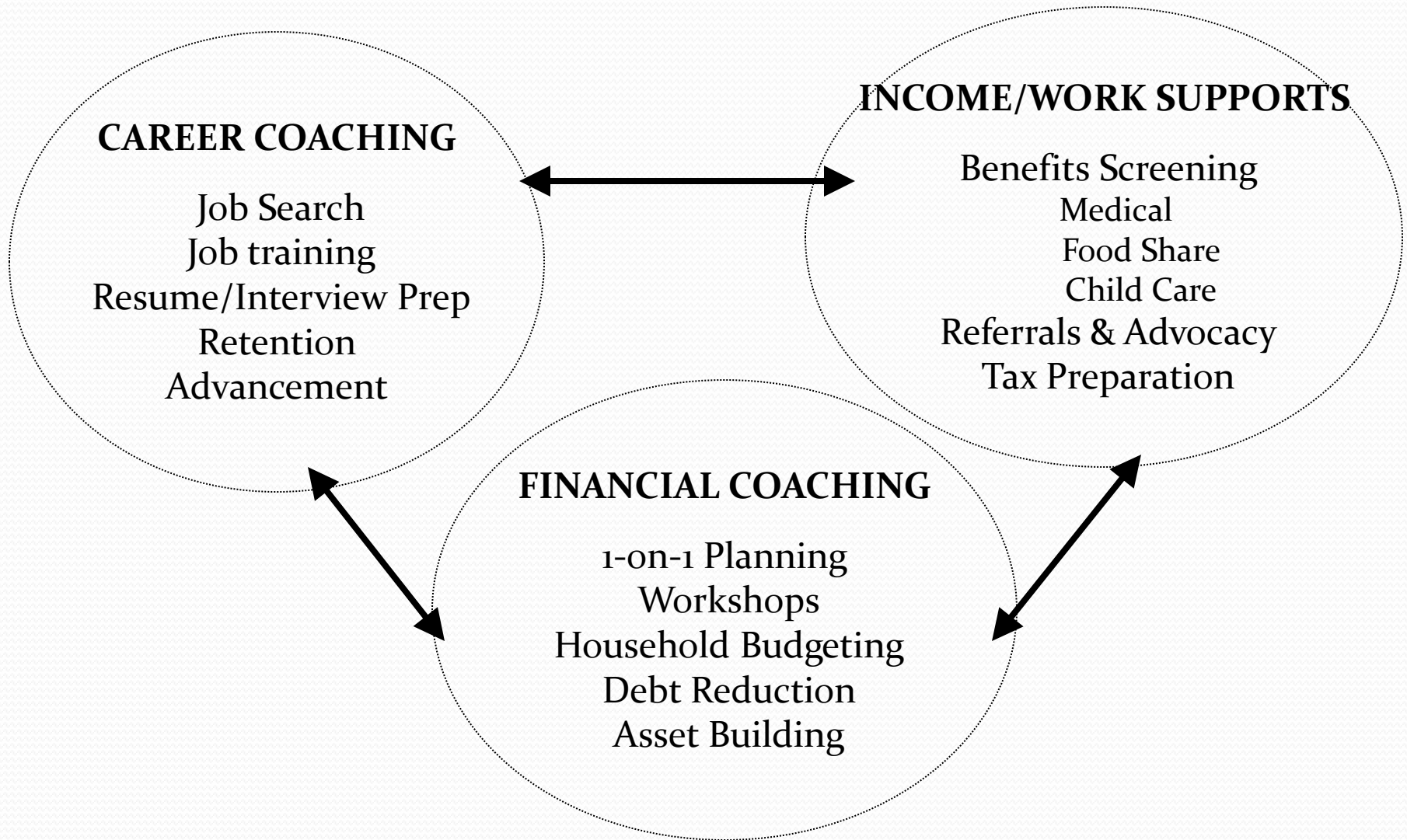
Outcomes:

- Sufficient family income
- Transferrable job skills
- Expense management/Manageable expenses
- Utilization of income supports when eligible
- Sustainability of success

# Integrated Model

- Provides a solid product that combines the individual strengths of multiple programs
- Connectivity of service/providers
- Change lives through work, access and financial health
- Created to strengthen employment outcomes
- Benefits worker, employer, community, region

# CFFP Bundled Services



# How Benefits Coaching Helps You

- Provides access to public benefits, such as:
  - FoodShare
  - BadgerCare+
  - Child Care

Referrals to Community Resources

Why does this matter?

# Financially distressed employees negatively impact employers

1. **Absenteeism**
2. **Tardiness**
3. Fighting with co-workers and supervisors
4. Sabotaging the work of co-workers
5. Job stress
6. Reduced employee productivity
7. Lowered employee morale
8. Loss of customers who seek better service
9. Loss of revenue related to lost sales
10. Accidents and increased risk taking
11. Disability and worker compensation claims
12. **Substance abuse**
13. Suicide and murder
14. Increased use of available health care resources by the employee and relatives
15. **Thefts from employers**
16. Loss of security clearance
17. Non-deployment of employee to an overseas' operation
18. Lack of employee focus on the strategic goals of the employer
19. Greater use of employee assistance program services, including those for spouse and child abuse
20. Employer time to deal with poor financial behaviors of employees
21. **Loss of trained personnel (both for workday losses due to temporary suspension from duties as well as for termination of employment)**

# Costs of poor financial decisions

Cost to employer \$750 to \$2,000

- Time and money wasted
- Benefits left on the table
- Tax implications

## “Employer cost for no action - \$750 to \$2000 per employee”

1. Based on reduced absenteeism and loss of productivity work time dealing with personal financial concerns. See research and press releases at [www.personalfinancialfoundation.org](http://www.personalfinancialfoundation.org)
2. Healthcare costs, conservative estimate, research underway
3. \$1,800 contribution to 401(k) has no FICA implications
4. \$1,200 contributed to health reimbursement plan ( $1,200 \times 0.0765$ )
5. \$5,000 contribution to dependent care reimbursement plan ( $\$5,000 \times 0.0765$ )
6. Employee stays in high-cost health plan instead of choosing less expensive CDHC policy (consumer driven health care)

# ANNUAL EMPLOYER COSTS OF IGNORING FINANCIAL ILLITERACY

1.	Lost productivity	\$	450
2.	Health care costs (poor health)		300
3.	401(k) Participation – Non/Low (FICA)		0
3.	Health care reimbursement (FICA)		92
4.	Dependent care reimburse (FICA)		382
5.	Traditional health plan choice		800

# Benefits to Employers

- Model supports worker retention
- Focused employees have fewer accidents
  - Are more reliable in reporting to work and completing tasks
- One stop center effectively uses time and resources
- Can be considered an employee benefit
  - Tax Preparation (Free and timely)
  - Income/Work Supports
  - Include daycare
  - Health Insurance (in some cases)

# Benefits to Service Users

## **INTEGRATED MODEL**

- Eliminates redundancy
- Eliminates need to visit multiple agencies for service
- Healthy access to credit reports and reviews

## **COACHES**

- Ongoing support to accomplish goals
- Easy access to important credit and work support information

# Resources:

Garman, E.T., Leech, I.E., & Grable, J.E. (1996). The negative impact of employees poor personal financial behaviors on employers, *Financial Counseling and Planning*. 8(2): 157-168.

Garman, E.T., & Gappinger, A.J. (2001). *Delivering financial literacy instruction to adults*. Aurora CO: Heartland Institute of Financial Education.

[www.personalfinancialfoundation.org](http://www.personalfinancialfoundation.org)

# Q and A

Thanks for your time and consideration!