



RESEARCH REPORT

An Assessment of the Local Initiatives Support Corporation's Financial Opportunity Centers

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Contents

Acknowledgments	v
Executive Summary	vi
Introduction	1
Overview of the Financial Opportunity Centers (FOC) Model	4
Origins of the Program Model	4
Literature Review	5
Data Sources	8
Interviews and Qualitative Analysis	8
Administrative Data from ETO	9
Site-Level Data on FOC Costs	10
Data Collection Strategy	10
Limitations	12
The Local Initiatives Support Corporation (LISC) AmeriCorps Program	14
Findings from the Qualitative Inquiry	15
LISC FOC Target Population and Client Recruitment	16
LISC FOC Services and Program Models	17
LISC FOC Data Collection and Management	18
Contributions of LISC FOC AmeriCorps Members	20
Conclusion	20
Impact Analysis	22
Impact Analysis and Propensity Score Matching	23
Overview of Propensity Score Matching	23
Selection of Comparison Groups	27
Sample Selection	30
Interpretation of Impact Estimates	31
Employment and Wages	32
Descriptive Statistics: Employment – Placement into Unsubsidized Jobs	32
SIPP Comparison Group Employment and Wage Impact Estimates	33
Employment and Wage Impacts – “Treatment versus Treatment-Plus” Comparisons	36
Credit Outcomes	39
Descriptive Statistics	39
Credit Bureau Comparison Group FICO Score Impact Estimates	40
Credit Score Impacts	41

Net Income	45
Net Worth	46
Descriptive Statistics	46
Net Worth Impacts	47
Summary of Impacts by Analysis Sample	50
Costs of Providing FOC Services	54
Calculation of FOC Unit Costs	55
The Costs of FOC Services: A Multivariate Client-Level Analysis	60
Data and Model Specification	61
Regression Results	65
Comparing the Costs and Benefits of FOC Services Received by Clients	70
Literature Review	74
Cost-Benefit Analysis of Program Participation	75
Wage Changes for the Jobless	75
Change in Net Income from Obtaining Employment	79
Effects of Providing a Full Bundle of FOC Services to All Jobless Clients	82
Wage Differentials for Jobless FOC Clients	83
Employment-Related Net Income Differences for Jobless FOC Clients	84
Changes in Net Worth for Jobless FOC Clients	85
Conclusions and Recommendations	88
Appendix A. Interview Protocol	93
Appendix B. Template for Cost Data Collection	96
Appendix C. Regression Results for Cost Analysis	97
Appendix D. Balancing Statistics for Propensity Score Matching	100
Notes	109
Statement of Independence	114

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Executive Summary

In September 2014, the Local Initiatives Support Corporation (LISC) contracted with the Urban Institute to conduct an assessment of financial and employment counseling services carried out by LISC-supported AmeriCorps members. The study was conducted to satisfy a requirement by the Corporation for National and Community Service (CNCS) that all AmeriCorps grantees receiving at least \$500,000 in funding must undergo an independent third-party evaluation of its program operations. The Urban Institute was selected in September 2014 to conduct an assessment of LISC's network of **Financial Opportunity Centers (FOCs)** and the benefits they provide.

FOCs are employment/career and personal financial service centers that help low-to-moderate income individuals achieve financial stability through changes in financial behavior that lead to increased income, improved credit, and asset-building. The FOC program model features integrated delivery of three main services: employment counseling, financial coaching, and income support counseling. The motivation behind “bundling” these three services is to deliver benefits to clients that are greater than what they could achieve with any of the individual services. A recently published report by LISC¹ shows that FOC clients who receive the full bundle of services tend to be more likely to experience positive economic outcomes, or to experience larger improvements in their financial well-being.

This assessment is not intended to serve as an evaluation of the entire FOC program model, nor is it an attempt to isolate the impact of AmeriCorps' contribution to LISC's FOC programming. Rather, the goal of the assessment is to assess the effects of the services provided by the team at each AmeriCorps site – including the AmeriCorps members as well as permanent staff – that delivers FOC services to clients. The study addresses two main research questions:

1. Do the services provided by LISC AmeriCorps members placed in Financial Opportunity Centers help produce positive benefits to the clients they serve relative to those who do not receive services?
2. What does it cost to supply these services relative to any public sector cost savings that accrue due to reduced public program participation?

The analysis in this report relies heavily on client-level data that FOC site staff members enter into LISC's customized Efforts to Outcomes (ETO) data system. The team used propensity score matching (PSM) to produce estimates of the impact of receiving FOC services. The PSM technique forms comparison groups that are similar to FOC clients, in order to control for other factors that might be

responsible for the short-term changes observed in the data. Data for the comparison groups come from two external sources of nationally representative data: the Survey of Income and Program Participation (SIPP), a longitudinal dataset that includes monthly information on labor market activities, and a nationally representative longitudinal sample of depersonalized data on more than 5 million individual consumers obtained from a nationally recognized data provider, one of the three major credit bureaus.

The use of external data permits estimation of the impacts of receiving any FOC services at all, compared to those who receive no service. The impact analysis that used SIPP respondents as a comparison group focused on four outcomes: wage changes and the probability of gaining employment, each estimated for the entire client population and, separately, for jobless clients only. The results show that employment counseling alone, employment and financial coaching, and the full bundle of FOC services all have consistently positive impacts on clients.

- For three of the four outcomes (wage changes for all clients and jobless clients and changes in the probability of finding a job, for jobless clients only), receiving both employment and financial coaching instead of employment counseling alone is associated with improvements for employment and wage outcomes.
- Employment counseling alone has its strongest effect on the wage and employment outcomes of clients who did not have a job at baseline.
- Receiving employment counseling and income support counseling is not associated with greater wage and employment benefits from FOC services, compared to the SIPP baseline.

A second set of impact analyses use “treatment versus treatment-plus” comparisons to estimate the impact of providing additional services to FOC clients who are already receiving partial bundles of service. For the treatment versus treatment-plus analyses, both the treatment and comparison groups are formed from client data from ETO. The PSM matching process is strengthened by the fact that the members of both groups share a basic motivation to seek FOC services to improve their financial situations. Key results from the treatment versus treatment-plus analysis of the four employment-related outcomes include the following:

- For three of the four outcomes, receiving both employment counseling and financial coaching is associated with the improvement of employment and wage outcomes relative to employment counseling alone.

- Receiving the full bundle of services is associated with different impacts on employment and wages depending on which mix of services serves as the comparison group. Relative to employment counseling alone, the full bundle of services is not associated with any change in employment and wage outcomes, except that it has a negative association with wages in the full sample).
- When the full bundle of services is compared to receiving employment and financial counseling, moving to the full bundle is associated with positive employment and wage outcomes in all four analyses.
- The full bundle of services is associated with higher employment probability relative to receipt of employment counseling and income support counseling for the full sample and lower employment probability for jobless clients, but is not associated with any change in wages.
- The addition of income support counseling to employment counseling is not associated with improved employment and wage outcomes; in fact, the estimated impact of this additional service is associated with negative results for three of the four outcomes. However, the addition of income support counseling to both employment counseling and financial coaching is associated with positive results for all four outcomes.

The final set of impact analyses focuses on estimating the effect of FOC services on outcomes related to net worth and credit outcomes. Most of these analyses use the treatment versus treatment-plus comparisons to obtain impact estimates. The credit bureau database contains data on credit scores, but does not permit estimates of the impact of FOC services on credit score acquisition. The credit bureau analyses indicate that FOC services had no effect on credit scores, relative to changes observed for the comparison group; the estimated treatment effects are all small and statistically insignificant. For the other outcomes – value of the credit score for all FOC clients, and for clients without credit scores at intake; change in the credit score for all clients; and the probability of obtaining a credit score, for all clients and for clients who were unscored at baseline – the estimated impacts of FOC services are generally negative.

- Receiving additional FOC services (as opposed to fewer FOC services) is associated with a lower probability of possessing a FICO score, especially for clients who did not have a FICO score at baseline.
- Adding employment counseling to clients who are already receiving financial coaching is associated with lower values for three of the credit outcomes: value of the credit score for all

clients, value of the credit score for clients with no score at baseline, and the probability of having a FICO score for clients with no score at baseline.

- Adding income support counseling to financial coaching is associated with a reduction in three of the credit outcomes: change in the credit score for all clients, the credit score for clients with no score at baseline, and the probability of having a FICO score for clients with no score at baseline. However, it is associated with an increased FICO score for all clients.

The SIPP cannot be used to calculate measures of net income and net worth that are comparable to the way these outcomes are calculated in the ETO system. Thus, only the treatment versus treatment-plus comparisons are possible. However, because the PSM method did not produce reliable matches for net income, the impact estimates were not presented for this outcome. The results for four net-worth outcomes – change in net worth for all clients, change in net worth for clients with negative net worth at baseline, change in net worth for clients who were jobless at baseline, and probability of a change from negative to positive net worth – were broadly positive, and none of the estimated impacts of FOC services were negative and statistically significant.

- Adding income support counseling to financial coaching is associated with increases in three of the four net worth outcomes: change in net worth over the full sample, change in net worth for clients who were jobless at baseline, and net worth for clients with negative net worth at baseline.
- Adding employment counseling and income support counseling to financial coaching is also associated with increases in three of the four net worth outcomes: change in net worth over the full sample, the probability of a change from negative to positive net worth for clients with negative net worth at baseline, and change in net worth for clients who were jobless at baseline.

To address the second research question, the project team combined the impact estimates for economic outcomes with cost data collected directly from the FOC sites in order to compare the benefits of FOC services to the costs of providing those services. Twelve of the AmeriCorps sites responded with full or partial cost data, but six sites provided complete, detailed data on program costs and on FOC costs in particular. The cost data were used to create unit costs of FOC services (FOC costs per minute of service received) for each type of service for each of the six sites. The estimated costs per minute of service vary somewhat across the type of service provided, with income support counseling costing less per minute than the other two services at most sites. The aggregate cost per minute estimates – which are based on a weighted average of the cost-per-minute estimates for the three FOC services – vary considerably across sites, ranging from \$1.44 to \$7.61.

These unit costs were used to compute the dependent variable for a multivariate client-level analysis of the total cost of service received by clients. The results of this multivariate analysis suggest that the amount of resources that sites devote to clients depends on the characteristics of the client, the mix of FOC services they receive (which are likely influenced by the client's circumstances), and site-specific characteristics that are not directly measured. The program-mix variables appear to have the largest impact on client costs, controlling for other factors; the impact of these variables reflects the fact that "high-needs" clients tend to receive a more comprehensive bundle of services. The site-specific variables are also statistically significant, even controlling for program mix and client characteristics. These differences are generally unrelated to the differences in client costs per minute, or to the average amount of service each client receives. Finally, the demographic variables appear to have statistically significant effects on client costs, even after controlling for program mix and site impacts.

Due to data limitations, the analysis that addresses cost-benefit comparisons focuses on the employment-related and financial benefits that clients receive. For many FOC clients, data on public-sector income supports are missing in the ETO system and are not consistently updated after intake, even for clients who receive income support counseling. The analysis was constrained in other ways by data limitations. Because of sample-size limitations, the analysis is limited to clients who are jobless when they started receiving FOC services; PSM matches these clients to comparison group members who are also jobless. The analysis focuses on short-term impacts because of the need to focus on recent clients who received services during the 2013-2014 program year, and the lack of longer-term outcome data for the treatment and comparison groups. Finally, only certain benefits could be quantified, which results in an underestimation of the cost-effectiveness of the program. Thus, the analysis focuses on the estimated short-term economic benefits to clients who are jobless when entering the program, and compares these benefits to the costs of FOC services received.

The benefit-cost comparisons focus on wages, employment (specifically, net income from employment), and net worth, which are all key economic outcomes tracked by LISC to measure the impact of FOC services. According to the results, FOC services deliver short-term wage-differential benefits to jobless clients that, by themselves, narrowly exceed the costs of delivering the services, compared to the estimated outcomes for a matched comparison group of SIPP respondents who were jobless at baseline. The short-term impact on net income resulting from increased probability of employment is estimated to be smaller, based on a comparison of outcomes for jobless FOC clients and a SIPP comparison group.

The analysis concludes with benefit-cost comparisons based on the "treatment versus treatment-plus" impact estimates for FOC clients who are jobless at intake. The impact estimates used in this

section are generally of higher quality than the estimates based on a comparison group selected from SIPP respondents, since both the treatment and comparison group members have sought FOC services. Although LISC's FOC sites encourage their clients to choose the bundle of services that meet their own needs, and are intentional about not mandating the "full bundle" for all clients, the treatment versus treatment-plus comparisons illustrate what happens if clients received all three FOC services rather than the partial bundles they actually received. The results indicate that the short-term benefits of the full bundle for certain jobless clients might actually exceed the costs of providing these additional services. The results also show that clients receiving financial coaching would probably experience a substantial short-term increase in their net worth from receiving all three FOC services, relative to the costs of providing these additional services.

Introduction

The Local Initiatives Support Corporation (LISC) has received a three-year direct grant from the Corporation for National and Community Service (CNCS) to operate an AmeriCorps program focused on two of CNCS' strategic areas: economic opportunity and capacity building. In one intervention used by LISC's AmeriCorps program, AmeriCorps members provide additional services to organizations within LISC's existing network of **Financial Opportunity Centers** (FOCs). In the FOC network, community-based organizations offer low-to-moderate income individuals an integrated "bundle" of three main services: employment counseling, financial coaching, and income support counseling. The motivation behind "bundling" these three services is to deliver benefits to clients that are greater than what they could achieve with any of the individual services, and to provide a multi-faceted approach to income and wealth building.² LISC has operated FOC services for over ten years, and the AmeriCorps grant has provided critical support for the network's activities, permitting the organizations to tailor their programs to meet the specific needs of their clients and the communities they serve.

LISC's AmeriCorps program uses national service as an opportunity to expose young people, women and people of color to the community development field while helping to build the capacity of sponsoring organizations. In the most recent grant period (2013-2016), LISC's AmeriCorps grant supported between 140 and 160 AmeriCorps members, who served at over 200 unique nonprofit organizations nationwide. Of these placements, about 20 percent of the AmeriCorps members carry out activities that generally fall under the rubric of employment counseling, although several are involved with financial counseling (including tax preparation) services. The specific program activities carried out by members vary widely, and include computer literacy, employment skills training, employment counseling, and job development. In the 2013-2014 grant year, AmeriCorps employment counselors served some 3,400 clients, of whom 550 are known to have gained employment during their term of service.

CNCS requires all grantees receiving at least \$500,000 in AmeriCorps funding to undergo an independent third-party evaluation of its program operations. In September 2014, LISC selected the Urban Institute to conduct an assessment of their FOC programming, which is the largest part of the portfolio. The assessment focuses on two specific research questions:

1. Do the services provided by LISC AmeriCorps members placed in Financial Opportunity Centers help produce positive benefits to the clients they serve relative to those who do not receive services?

2. What does it cost to supply these services relative to any public sector cost savings that accrue due to reduced public program participation?

These research questions were proposed by LISC, which has determined that the study should focus on the effects that FOC services, which are provided by organizations where AmeriCorps members serve, have on the clients who receive these services. The intent of the study is not to isolate the effects of the services provided by AmeriCorps members, but rather to characterize the effects of the service provided by all staff who provide FOC services at AmeriCorps sites. The LISC AmeriCorps sites that offer FOC services receive financial support from a number of sources, and most of the sites administer other programs in addition to providing FOC services. The goal of the study is to assess the effects of the services provided by the team at each AmeriCorps site – including the AmeriCorps members and permanent staff – that delivers FOC services to clients.

The study relies on data collected from a number of sources. All FOCs hosting AmeriCorps members use Social Solutions' Efforts to Outcomes (ETO) client tracking software, which is a template customized by LISC to meet the specific needs of the program, to capture receipt of services and record outcomes. Major elements tracked include income, expenses, net worth, credit scores, employment status, budget development and implementation, and detailed information about the type and quantity of the services clients receive, including whether these services are bundled. Because LISC staff members update the ETO data frequently after clients receive services, the database contains information about changes in key economic outcomes that serve as the primary dependent variables for the impact analysis.

To address the first research question, we performed an impact analysis that compares the changes in economic outcomes experienced by FOC clients with changes observed for members of a comparison group. The impact analysis uses data from two external sources to form comparison groups: the Survey of Income and Program Participation (SIPP), a nationally representative panel dataset that includes monthly information on labor market activities, and a nationally representative database maintained by the credit bureau that contains credit scores for over five million Americans. This analysis yields information about the differences in economic outcomes experienced by FOC clients at AmeriCorps sites and other comparable adults who do not receive services. The impact analysis also includes results from a “treatment versus treatment-plus” comparison, which studies the marginal effects of different mixes of FOC service among clients at AmeriCorps sites. A series of interviews with staff from nine of the 18 AmeriCorps FOC sites yielded information about how the sites administer the programs and about the contributions made by AmeriCorps members. Finally, to address the second research question, the study team collected detailed data on program costs from AmeriCorps sites that offered

FOC services in program year 2013-2014. By combining these cost estimates with the results from the impact analysis, we can directly compare the costs of providing FOC services with the benefits experienced by clients who receive various mixes of services.

The report is organized as follows: The next section provides a more detailed overview of the FOC model as it has generally been implemented, as well as a brief review of the literature that describes the effectiveness of the intervention. After outlining the methodology and approach used to address the two primary research questions, we describe the way that LISC's AmeriCorps sites administer the FOC model, and the contributions made by AmeriCorps members. Next, to address the first research question, we present an analysis of the impact of FOC services on three key economic outcomes, using data from the SIPP and credit data comparison groups. To address the second research question, we first describe the methodology used to collect and process data on the costs of providing FOC services, and present results from a multivariate regression model, where the dependent variable is the cost of providing services to individual clients. Finally, we offer direct comparisons of the costs and benefits of FOC services received by clients.

Overview of the Financial Opportunity Centers (FOC) Model

For over ten years, LISC (Local Initiatives Support Corporation) has been at the forefront of a national movement to promote an integrated service delivery model around family income and wealth building for low income community residents in urban and rural settings. After starting with four centers in Chicago, LISC has opened over 75 new FOC sites across the country over the last five years. LISC has used support from the private sector, as well as from CNCS programs AmeriCorps and the Social Innovation Fund (SIF), to expand their FOC model. This section contains a brief overview and history of the FOC program model and the networks that have encouraged its adoption across the nation.

Origins of the Program Model

FOCs are modeled after The Annie E. Casey Foundation's Center for Working Families (CWF) model, which is based on the premise that low-income individuals and their families face a variety of obstacles in trying to achieve financial stability. The CWF approach involves making resources more accessible to individuals and families by offering coordinated services in a single, convenient location. These key services include workforce/career, income support, and financial services. Workforce/career services promote stable employment and advancement opportunities; income support services facilitate access to public benefits; and financial services encourage asset building.³ A 2010 study shows that coordinating, or "bundling," these services makes it three to four times more likely that clients experience a "major economic outcome" compared to a more piecemeal approach to service delivery.⁴

After nurturing several sites and seeing the potential of CWF, the Casey Foundation promoted the approach through its own grantmaking and partnerships with other philanthropies and nonprofits. One early collaborator was LISC in Chicago, which demonstrated how intermediary organizations could use the concept. In 2003, 14 LISC-affiliated agencies adopted the CWF approach; with support from the John D. and Catherine T. MacArthur Foundation, LISC took the concept to community-based organizations across the city.⁵

The success of the FOC model in Chicago led the Casey Foundation to provide a grant to expand the work with LISC in two additional cities, Detroit and Indianapolis. In 2006, the Casey and MacArthur foundations cohosted a national conference to promote the CWF approach to service delivery that

integrates financial coaching, employment services, and access to income support. In recent years, however, LISC's sites have been christened Financial Opportunity Centers. Although the FOC sites have generally retained the basic features of the original CWF model, they have adopted LISC innovations such as an increased emphasis on financial coaching, credit-building and peer networking.⁶

In the meantime, other national organizations have worked to promote the CWF integrated-services approach. In 2013, a core group of national foundations and nonprofits formed the Working Families Success Network, made up of national, state and local foundations, businesses and nonprofit organizations interested in promoting effective practices identified by early FOC adopters like LISC.⁷ The network serves as a resource for sites implementing an integrated approach and "provides a blueprint for a new way of offering support services to help lower-income people get work and improve their financial security."⁸ This blueprint includes the three core and bundled services of financial coaching and education, employment, and improved access to public benefits. The network also has a shared approach to assessment, identifying 11 common participant outcomes in the areas of employment, training, and career services; financial coaching and asset building; income supports; and bundling of services and program delivery.⁹ There are about 115 sites in more than 30 cities that offer FOC services, of which more than half are affiliated with LISC.¹⁰

In 2010, LISC received an inaugural grant from CNCS' Social Innovation Fund (SIF), which has enabled them to expand the scope of their FOC model to additional sites. According to a 2012 report by Walker and Huff,¹¹ beginning in 2011, LISC received a total of \$8.4 million in first- and second-round grants under the SIF to help expand the reach of the centers – from 23 sites in five cities to 47 sites by mid-2012.¹² In 2011 alone, the centers helped more than 3,600 people find employment, 3,100 obtain public benefits, 3,600 increase their earnings, and 6,300 establish budgets to help them reach their financial goals.¹³ Although several of the FOC sites receive support both from LISC's SIF grant and from LISC's AmeriCorps grant, this study will focus specifically on the sites where AmeriCorps members serve.

Literature Review

The FOC model has grown substantially in popularity in recent years, thanks to an enterprising group of founders and national social service networks that recognize the value of integrating financial coaching, employment counseling and income support counseling. Integrated service delivery has been called a "supervitamin"¹⁴ that helps local governments operate more effective social service programs.

However, despite its great promise, the model has not been widely adopted, in part because many organizations face barriers to the integration of financial services with employment counseling. Moreover, little rigorous evidence exists of the effectiveness of programs that offer employment services, income support counseling, and financial coaching in a coordinated bundle. This section contains a brief overview of the literature on financial coaching and integrated service delivery and the evidence base for the program model's effectiveness.

LISC itself has taken the initiative to assess the effectiveness of its FOC model by conducting independent third-party evaluations. Like AmeriCorps, the SIF also requires its grantees to undergo evaluations of their primary program interventions. LISC has contracted with the Economic Mobility Corporation to conducting its required evaluation of SIF's FOC program. The interim results from the Economic Mobility evaluation are based on a quasi-experimental analysis of data collected from FOC clients and a comparison group selected from Chicago neighborhoods surrounding the study sites. The report describes the characteristics of the FOC participants and programs, examines whether the sites engaged individuals in the intended services, and assesses the program's impact on participants' credit scores and credit usage one year after program entry. The final report, which is scheduled for publication in early 2016, will assess whether the FOC program helped participants obtain jobs, increase their net income, access mainstream forms of credit, and build their net worth two years after program entry, compared to those receiving services from Chicago Workforce One centers.¹⁵

The Economic Mobility report describes how the FOC's bundle of services helps to strengthen financial well-being in two steps: "The first step of the program is to help participants achieve positive net income by removing barriers to employment, obtaining public benefits, and reducing expenses. The next step is to engage participants in credit-building activities; that is, making regular payments on existing or newly obtained loans or credit cards."¹⁶ Evidence from existing versions of the integrated service delivery model suggests that simply focusing on employment services is not enough to improve the financial status of low-income program participants. As a brief report by the Corporation for Enterprise Development (CFED)¹⁷ notes, programs that add financial coaching to employment services are better able to their clients get and retain jobs, increase their hours worked, and earn higher wages. The financial coaching element seems to provide more lasting impact for program participants, whereas the benefits of workforce development programs are often transitory.¹⁸

Financial coaching programs, differ from financial literacy programs and financial counseling programs, both in the duration and intensity of the program, and because the curriculum tends to be led by the client rather than the coach. Financial literacy programs are designed to teach participants about recommended financial practices and how to interact with the financial system, while financial

counseling programs aim to solve the participant's most immediate and pressing problems. In contrast, financial coaching uses regular one-on-one sessions with a coach to help the client chart a course that leads to increased long-term financial well-being. The financial coaching model avoids the problems associated with financial education and counseling programs, such as the lack of access to financial institutions and services, which may prevent low-income participants from applying the lessons they have learned, and the lack of follow-up meetings to keep them on the right track.¹⁹ By focusing on the specific needs of clients, the coach helps them place higher priority on paying down debts, building credit and savings, and acquiring longer-term assets.

Integrating employment and financial coaching service delivery is especially important because the evidence that financial coaching alone provides significant benefits is mixed. A recently published report called “An Evaluation of the Impacts and Implementation Approaches of Financial Coaching Programs,” conducted by the Urban Institute²⁰ for the Consumer Financial Protection Bureau, provides much-needed rigorous evaluation evidence that measures the effectiveness of financial coaching. The study uses an experimental design to produce causal evidence of the impacts of services received at two sites. While the results differed across the two sites, the study generally concluded that coaching had significant positive impacts on economic outcomes such as money management, paying down debt, saving, and perceptions of financial well-being.

The Urban Institute's report “suggests that a well-implemented coaching program with engaged clients can produce important improvements in certain financial outcomes.” While the study does not focus specifically on the FOC model, the report does describe some of the challenges of implementing the model.²¹ The authors note that even when an organization succeeds in creating a program that offers a bundle of services, they often have trouble convincing clients to take advantage of these opportunities. For instance, according to a report recently published by LISC, only 33 percent of recent FOC clients received all three of the FOC services (employment counseling, financial coaching, and income supports counseling).²² Moreover, despite the appeal of the integrated-services model, many organizations struggle to implement it, particularly when their main programmatic focus is providing employment services. Many organizations struggle to find additional funding for services that are seen as add-ons to the workforce development model, or to find support for continued follow-up with their clients.²³ While the prevalence of integrated service delivery – and the FOC model in particular – continues to increase, the evidence base that describes the impact of these programs has also grown, though more slowly.

Data Sources

The analysis in this report uses three types of data collected by, or from, LISC sites: client-level data that site staff members enter into LISC's ETO data system; interview data collected through telephone and in-person interviews with site staff; and cost data that study team members collected from the sites. While these later sections of the report contain more details about how the data were used for analysis, this section describes the sources of the data, how they were collected, and how their limitations have influenced the design and execution of the study.

Interviews and Qualitative Analysis

To learn how the FOC model is implemented by LISC sites and gain a deeper understanding of the factors and dynamics that can influence program operations and outcomes, this study included a qualitative research phase. Data were collected from a sample of nine LISC FOCs via four in-person and five telephone interviews. To facilitate our understanding a purposive sampling²⁴ approach was used to select LISC FOCs to participate in the qualitative phase of the study. Purposive sampling allowed the widest range of experiences because the sample FOCs reflects variation in organizational characteristics such as size, type, location and sources of supplemental funding.

The study's qualitative phase was structured around the following research question: *Do the services provided by LISC AmeriCorps members placed in Financial Opportunity Centers help produce positive benefits to the clients they serve relative to those who do not receive services?* Although not all clients receive services from AmeriCorps members, the members are part of the team that helps to deliver FOC services to clients. The qualitative data collected from interviews with site staff and AmeriCorps members focus on site administration and operations, and in particular, the role and function of the AmeriCorps member or members. The interviewees discussed topics such as how sites recruit clients, deliver services, update and clean data collected from clients at intake, and use AmeriCorps members to assist in service delivery.

Data collection consisted of semi-structured interviews with LISC FOC staff with direct knowledge of or involvement in implementing and administering the FOC model at their respective organizations. Data were collected over a four month period between May and August 2015. Interviews used open-ended questions and lasted between 45 and 90 minutes. With the permission of the respondents, all interviews were digitally recorded and transcribed. It is important to acknowledge the possibility that

respondents may tailor their responses to present a positive image of themselves and their organizations by calling attention to certain details and events and lessened the importance of or omitted others. To help forestall this possibility, each respondent was ensured privacy and the confidentiality of any information obtained during the interview.

The interview protocol, found in Appendix A, included questions intended to explore client and organizational characteristics; the ways programs recruit and enroll clients; FOC implementation models; client data management practices and strategies; and the roles and responsibilities of the AmeriCorps members. Each interview was coded according to the key themes that emerged from the interviews.

Administrative Data from ETO

In April 2015, LISC published one of the few studies that focuses on the specific benefits of the integrated service delivery model.²⁵ The study uses 34 months' worth of program data collected from 39,491 clients in 62 FOCs in 15 cities or labor markets, and shows that clients who receive the full bundle of FOC services were much more likely than clients who receive only one or two services to obtain employment, stay at their jobs, increase their net income and net worth, and obtain credit scores.

The primary data source for this study, and also for the LISC study published earlier this year, was data collected by LISC sites through the custom-designed Efforts to Outcomes (ETO) data system. FOC counselors collect a wide array of information from their clients: they collect demographic information on the client and his or her household at entry, help the client fill out a detailed budget showing income and expenses, fill out balance sheets that summarize the client's assets and debts, track job placement and wages, and help clients first acquire and then increase their credit scores. They update this information regularly for the duration of the client's participation in the program. The data used to conduct the cost analysis comes from clients who received services between October 2013 and March 2015. The impact analysis relies on data from the previous program year (2012-2013) to match the time period for which SIPP data are available for the comparison group.

The ETO system records information about when (or if) each client started receiving each of the three FOC services, and also records the time spent with each coach during each counseling session. Because most clients do not receive the full bundle of FOC services – employment counseling (EC), financial coaching (FC), and income support counseling (ISC) – information about the “program mix” of services received by clients plays a central role in much of the analysis. For instance, the type of service

a client receives determines which outcomes are available for analysis: updated data on employment, wages earned and job retention are only available for clients who receive employment counseling, while financial outcomes such as net income and net worth are collected only for clients who receive financial coaching. The ETO database also contains missing data for minutes of service received by clients who are known to have received at least some counseling or coaching. Clients with missing data on minutes of service received are excluded from the impact analysis, but this approach would understate, in all likelihood, the costs of providing FOC services. Thus, in the cost analysis, clients with missing data for minutes of service received are assigned small values, which are based on recent ETO data for clients with minutes of service recorded: 20 minutes if they made an in-person visit to meet with a counselor or coach, and 10 minutes if there is no such record of an in-person meeting.

Site-Level Data on FOC Costs

For this study, the project team worked with FOC sites receiving AmeriCorps members to collect detailed data on the costs of providing FOC services and of operating other programs. In all, six of the eighteen sites that offered FOC services reported relatively complete cost data for program year 2013-2014, the most recent year for which complete cost data were available. The cost data reported by these sites were generally consistent with budget data reported by sites that receive funding from LISC's Social Innovation Fund grant to offer FOC services. The data reported by the sites were combined with ETO data on service received by clients to calculate the unit costs of FOC services: site-specific estimates of the cost of providing a minute of employment counseling, financial coaching, and income support counseling. We use these unit costs to develop a multivariate model of the amount that sites spend to deliver services to individual clients, and to perform cost-benefit comparisons that compare the costs of supplying services to clients with the estimated benefits, based on the results of the impact analysis.

Data Collection Strategy

The project team used program cost data, provided by LISC site partners and administrative data from the LISC program office between July and September 2015, to create the statistics used in this analysis. In July, the project team and the LISC program office requested program cost data for program year 2013/2014 from all of the AmeriCorps-sponsored FOC sites. The team designed a standardized spreadsheet for budget information, including salaries and benefits, direct costs, and overhead costs for

site staff (see Appendix B). The spreadsheet was designed to be as user-friendly as possible to facilitate submission of data. Instructions were embedded in the spreadsheet, and LISC hosted a webinar during which an Urban researcher went over the spreadsheet to answer questions about the spreadsheet and the cost study itself. The project team, with the assistance of the LISC program office, made multiple attempts to collect data from sites that did not respond or supplied insufficient data. In all, 12 sites submitted data templates with complete or partial cost data.

The data collection template asks site staff, specifically program managers or other managers who are familiar with their organization's operation and finances, to separate costs into four broad categories: direct service salaries and benefits, administrative salaries and benefits, direct costs, and overhead.

- *Direct service salaries and benefits* covers the costs of the frontline personnel that deliver FOC services (i.e., employment coaches, income support coaches, and financial coaches), program managers, and other assorted staff, such as job developers.²⁶
- *Administrative salaries and benefits* includes the executive director or program manager and administrative and data personnel.
- *Direct costs* includes travel, materials and supplies, rent/mortgage, utilities, and other expenses directly related to delivering programs and services.
- *Overhead* includes travel, materials and supplies, rent/mortgage, utilities, and other expenses directly related to managing programs and services.

The sites were asked to fill in dollar amounts for each line item as well as the percentage of the dollar amount used to cover FOC service delivery.

The spreadsheet is designed to yield information about the overall resources of each site, and about how much it costs each site to operate its FOC program. The FOC costs, which are key to our analysis, are not available from any other source. For instance, the AmeriCorps budgets maintained by the program office only contain funds provided by the AmeriCorps grant that are available to each site, and do not consider non-AmeriCorps resources that the sites use to fund their programs. The data collected for this project thus represent the best available estimates of the costs of providing FOC services.

Limitations

The cost data collected for this project have their limitations. The primary limitation is that the data are self-reported, and have not been validated against actual financial records or budgets, which were not available to Urban researchers. While it is likely that the data may contain errors when compared to financial records, they are used as reported in this analysis, in large part due to the expected source of the data: managers who have a grasp of their organization's finances and operations. Urban and LISC explicitly asked to have the standardized spreadsheet for budget information filled out by program and/or financial managers. Moreover, Urban worked with LISC in confirming that the data submitted was consistent with what LISC knows about the sites: the study team compared salaries and benefits for FOC coaches with budgets reported by sites who are also SIF grantees, and found that the data submitted by the AmeriCorps sites were comparable. The potential for inconsistencies with actual financial records does need to be kept in mind, however, when using the data to identify possible explanations for variations in site-level FOC costs. In addition to being self-reported, the sites did not always report data uniformly which can be attributed to different institutional contexts and understanding of resource allocation. Some sites provided estimates for line items that did not readily correspond to their organizational structures and budgets (e.g., personnel and overhead costs covered by in-kind support and space agreements with other institutions).

Six sites with complete data were used for the cost analysis, while the other six sites were removed from the analysis. Data from the excluded sites exhibited a number of issues. One site did not report information on an executive director or other executive staff for its administrative costs; one site did not report minutes devoted to each FOC service, eliminating comparison by cost-per-minute of service; and another site had missing data for one or more line items under direct costs, overhead, and administrative costs. Three sites had incomplete data on direct personnel costs which, if included, would have demanded some imputation.

The team investigated possible estimation methods to fill in missing data elements, rather than limiting the sample to only the six sites that submitted complete cost data. While missing data for direct personnel compensation can be replaced by estimates after making relatively straightforward assumptions, estimating missing costs for administrative compensation is much more challenging. It is possible to use the average compensation across all sites to estimate the pay of various roles, but there are no values that reflect how administrative personnel spend their time, which means that the proportion of compensation devoted to the FOC is undefined. It is unreasonable to assume that administrative expenditures would be completely devoted to FOC programming, particularly for sites

that are administering other types of services. Further, using an average or any other set value would make all missing values the same, which would complicate comparisons of FOC cost data across sites.

Estimating missing data for direct costs is also difficult without additional knowledge about the site and its program operations. For example, when a site does not list any training expenses, it is uncertain whether that reflects not having training costs or whether training costs were simply omitted. Further, the amount that is spent on direct costs and how much of those costs are devoted to the FOC reflect program characteristics that are unknown (e.g., how many employees were trained and how many trainings pertained to the FOC).

Finally, missing data for overhead costs are extremely difficult to estimate with the available information. Operational characteristics appear within overhead costs, with some sites effectively having no mortgage or rent. For example, one site owned its building and rolled up all of its overhead expenses under “other overhead costs,” choosing to omit the other values. Other sites reported the total costs for a line item in the overhead category, but not the percentage devoted to FOC programming. For instance, one site that estimated its in-kind rent value did not specify how much could be attributed to the FOC. Estimating missing data for multi-purpose sites, and sites that operate under in-kind space agreements, requires assumptions about the proportion of overhead costs to the FOC that are very difficult to justify. For these reasons, the cost analysis only includes data from the six sites that reported complete cost data.

The Local Initiatives Support Corporation (LISC) AmeriCorps Program

LISC has received support from an AmeriCorps national direct grant for over twenty years, and its AmeriCorps sites have delivered FOC services for more than ten years. In recent years, LISC's AmeriCorps program has devoted a larger share of its resources to the FOC model. In program year 16 (2009-2010), 20 AmeriCorps members participated in FOC services, but three years later (program year 2011-2012) that number had more than doubled, to 52. LISC's AmeriCorps sites deliver all three of the primary FOC services – financial coaching, employment counseling, and income support coaching – and have recently begun delivering services in computer literacy. As noted earlier, LISC provides programming that fits into two CNCS strategic focus areas – Economic Opportunity and Capacity Building. Furthermore, LISC has opted into six CNCS standardized performance measures in the Economic Opportunity focus area. The program reports on outputs and outcomes for each of three activities: financial counseling, employment skills training, and job placement and referral.

The LISC FOC sites that host AmeriCorps members are located throughout the country, with a concentration in Chicago, but vary in the way they administer the FOC model. We recognize that variance in external and internal organizational characteristics could impact a FOC's effectiveness and outcomes. Therefore, we conducted a qualitative analysis to learn how the FOC model is implemented by LISC FOC grantees and gain a deeper understanding of the factors and dynamics that may influence program outcomes. The project team identified key issues to be addressed through semi-structured interviews. This section highlights the findings from the qualitative inquiry and presents discussion points made by the LISC FOC respondents. For this analysis, we focused on factors that would affect the way that AmeriCorps-funded FOC sites provided services that benefited clients. While, as noted previously, this study is not designed to isolate the impact of the contributions of AmeriCorps members to client outcomes, much of the focus was on the roles and responsibilities of AmeriCorps member(s).

Findings from the Qualitative Inquiry

The organizations selected for this phase of the study share commonalities in terms of their programs and services. However, there is some diversity across the group in that the organizations reflect various sizes and types. These differences in organizational characteristics could help explain a FOC's effectiveness and outcomes.

FOCs typically are housed in community-based organizations that provide workforce development programs and services. While all of the organizations that participated in the qualitative inquiry provide employment and financial coaching services, some nonprofits also provide traditional programming that includes housing, adult education (e.g., GED preparation), and youth services. All of the organizations in the interview sample have been operating longer than 15 years and most were already offering some of the same services in the FOC model prior to become a LISC affiliate.

A nonprofit organization's financial capacity can have some bearing on its success. Financial resources are critical to organizations because they determine an organization's ability to allocate additional resources needed to fulfill the mission and support programmatic operations. There is no formal agreement in the literature as to what constitutes a small, medium or large nonprofit. However, financial data for the community based organizations in this study suggest that these organizations tend to be medium and large entities. While financial capacity is not necessarily an indicator of organizational effectiveness and efficiency, studies show that the larger the organization and the more financial capacity it has, the more likely it is to have more advanced capacity and resources to invest in achieving programmatic outcomes. Although FOCs receive funding through LISC to support the administration of FOC services, this funding is typically not the community-based organization's primary revenue source. The use of other types of primary or supplemental funding to support the delivery of employment and financial education services may have an influence on the client outcomes. For example, private funds may offer an organization more flexibility to provide more intensive services than public funds.

The FOCs that participated in this study have total program budgets ranging from \$175,000 up to \$1 million. Based on the data collected in the interviews, it is unclear what funding sources are included in the total budget amounts. One respondent shared that their FOC is fully integrated with their Workforce Investment Act (WIA) activities. As a result, their LISC FOC funding is paired with government money to support and carry out FOC programmatic operations. It should be noted that the use of WIA funding does shape the demographics of their client population and the structure of their programs, which could ultimately affect their client outcomes. In contrast, another respondent shared

that their FOC receives matching funds from a private donor which doubles the amount of resources they direct toward FOC work.

LISC FOC Target Population and Client Recruitment

The FOCs generally target and serve clients with similar demographics and employment and financial characteristics. Many FOC clients are “high-needs,” or hard-to-employ, individuals who are likely to have one or more of the following characteristics:

- homelessness
- criminal record
- little to no technical skills
- high school education or less
- unstable employment history or limited work experience
- undocumented immigration status
- limited English proficiency

FOCs mostly serve clients from the local neighborhoods and communities. It should be noted that FOCs that partner with other programs or government entities may receive client referrals from surrounding communities. The community-based organizations that implement the LISC FOCs typically are located in low income communities to make it easier for individuals to access their services. All but one FOC stated that ‘word of mouth’ is the most common way they recruit clients. Overall, respondents indicated that FOCs do minimal recruiting, *“A lot of times they hear [about] us from church or another organization, but I would say the single greatest referral source is word of mouth.”* One theme that emerged from the data is that FOCs, given their client caseload, often do not have the staff or capacity to invest in robust outreach or marketing efforts. In some cases, the AmeriCorps member is asked to assist with outreach and recruiting activities. As one AmeriCorps member described,

Sometimes you get them [clients] off the street. To be honest, some guys, when I’m out recruiting, some guys, you just see something inside of them. I tell them to come into my office; I’ll help them out... I go out on [name of street], I go into stores, give out flyers, and talk to a few people.

This reliance on “word of mouth” tactics and the lack of capacity to develop stronger outreach efforts limits distribution of program information to individuals or groups in the community that could benefit from FOC services.

LISC FOC Services and Program Models

The interview data suggests that the FOCs broadly follow two program operating models. The most common operating model involves clients meeting with a financial coach before they are introduced to other services (e.g., job readiness training, career coaching, employment assistance, or income support counseling). Respondents explained that their FOC prefers this model because clients are seeking assistance finding employment and usually are not interested in financial coaching services. So, to help ensure client participation and retention, the respondents that follow this approach stressed that their programs make every effort to schedule client meetings with the financial coach on the same day the client either walks in, goes through the intake process, or participates in an orientation session.

The other operating model requires clients to complete a series of four to five meetings of which three of these meetings must be held with financial, employment and income support coaches. Some of the FOCs prescribe the order of the meetings while others allow the clients to select the order according to their level of interest or need. Under this model clients seem more likely to receive the full bundle of services – employment, financial and income support counseling – since it is often required.

Depending on the FOC’s client population, certain types of service delivery may be more effective than others. During the interviews respondents described a mix of one-on-one and group service delivery methods. For instance, the collection and review of a client’s personal financial information as well as the financial coaching generally occurs one-on-one with clients, however some programs also offer small group sessions to stress the importance of financial literacy and explain their available services. FOCs also differed in how they provided employment services to clients. Some FOCs prefer one-on-one coaching to meet individual client needs, such as job search assistance, while others provide job readiness workshops that teach resume writing and interviewing skills. However, in most cases FOCs offer a combination of both approaches.

Technical skills are important because they can provide FOC clients an avenue to career and financial success. To this end, the majority of the respondents (78 percent) indicated that their FOC directly provides services to enhance the technical skills and competencies of their clients. One respondent explained that they have a partnership with a nonprofit that provides free computer

training, and so they refer their clients to this nonprofit for training. Only one FOC stated that they do not offer computer literacy training.

Because clients generally have little to no technical skills, FOCs administer assessments so that they can provide computer training or one-on-one coaching that meets each client's skill level. The assessment data also help the FOCs track a client's progress and improvement. The length and format of computer and digital literacy training vary across FOCs. Training topics may include computer basics, Microsoft Office (Word and Excel), job search and application techniques, and how to use social media.

Program dosage and duration also can influence whether a FOC achieves positive outcomes. Essentially, clients that receive more intense services for longer periods of time are more likely to change behaviors and achieve positive outcomes.²⁷ According to the interview data, dosage and duration depend on individual client characteristics and needs as most respondents explained that their clients may re-enroll or seek services multiple times and for as long as the client deems necessary. Thus, the dosage and duration of services varies across FOCs and most do not formally exit clients from their program. After the initial client orientation or coaching meeting, the FOCs varied in the amount of contact they have with clients over time and the client typically decides when s/he no longer needs services. A few interviewees mentioned that clients tend to stay connected to the program in that they repeatedly return for services, particularly financial counseling, if they experience a change in circumstances (e.g., obtained or lost their job, increased wages, changes in family circumstance, etc.).

LISC FOC Data Collection and Management

All of the FOCs use Efforts to Outcomes (ETO) software, custom-designed for LISC, to collect and store client data. FOC staff members rely on a combination of data to serve clients and measure outcomes. The most important and frequently collected data were those related to case management (such as documenting the services clients receive), financial information (such as credit and income history), and employment data (such as technical skills assessments, employment history or job readiness). LISC requires FOCs to collect certain client financial information (such as income, expenses, debts, credit rating, assets and spending habits) so that FOC staff can adequately counsel clients and assess the extent clients are changing their behaviors and making progress during and after receiving FOC services. The frequency in which FOCs collect and review data varies across respondents.

Several FOCs shared challenges maintaining the quality of their data. Essentially, without accurate and timely information, the data collected become less effective in helping FOCs improve the quality of

the programs and client outcomes. This is especially challenging when multiple people are collecting and entering data in ETO. Most of the FOCs responded that multiple staff members enter client data into ETO. For example, the staff member that conducts intake or orientation may enter the initial data on clients. Plus, as clients receive services the case data is updated by each staff member (e.g., financial coach, employment coach, income support coach). Some respondents remarked that while it would be easier to have one person assigned to enter and manage data; their programs do not have the staff capacity to support this type of position. The AmeriCorps member was mentioned as an ideal person for this type of task. However, because data management tasks fall outside the scope of an AmeriCorps member's responsibilities, this prevents FOCs from assigning this work to them. As one respondent shared:

AmeriCorps could be more enriching by providing someone who can help us with intakes and data entry. If I could funnel the data through one person, who would enter a lot of it, I think that would clear a lot of those issues. However, we have been very strictly told that AmeriCorps members can only work within certain parameters, one of which not serving as any sort of data management person.

To help avoid such inconsistencies, most FOCs have taken steps to manage the systematic flow and entry of correct and timely data on a continuing basis by assigning specific program staff responsibility for making sure data is accurate. In most cases the person assigned this task is the program director (or comparable position title), but some sites have a program evaluation staff member that reviews and cleans client data. Monthly reviews were commonly mentioned by respondents, but one FOC shared that they recently moved from monthly to weekly reviews to enable them to make timely changes to their program or respond to client needs more efficiently.

The respondents also expressed challenges collecting follow-up data on clients once clients feel they no longer need to seek the services of the FOC. Two commonly cited reasons were difficulty getting in touch with clients and lack of staff time and organizational resources to conduct follow-up efforts. Although FOCs can obtain client credit records for up to five years, FOCs generally track clients for up to one year after services are rendered. Two programs indicated that they track clients up to two years after they receive services. FOCs expressed difficulty getting clients to respond to the FOC's calls and emails or simply getting in touch with clients as their phone numbers tend to change regularly. As two respondents shared:

We don't [follow up] as much as we'd like to. We do invite them back when we have events... We have done some surveys, but again, we don't have the resources to do that.

To be honest with you we have lots of issues contacting people after they've found jobs because they've gotten what they wanted.

Contributions of LISC FOC AmeriCorps Members

FOCs typically have one LISC AmeriCorps member assigned to their program. Eight FOCs (roughly 89 percent) stated that LISC AmeriCorps members assist with their program's efforts to provide clients with technical skills, or that the member is involved with supporting clients in their efforts to obtain employment. While the AmeriCorps member tends to play a role in only one of these areas, there are some cases in which the services overlap, so the AmeriCorps member does both. AmeriCorps members that play a role in helping clients acquire technical skills may be tasked with conducting computer and digital literacy assessments, facilitating small groups or classes, or providing individual assistance to clients needing help navigating employer websites, completing online applications, and using email or other technological tools. AmeriCorps members assigned to assist clients with obtaining employment are likely to conduct job readiness workshops, career coaching, and job placement services. According to one respondent,

They [AmeriCorps members] act as a resource to the folks coming into our resource center, especially with computers. Many of the clients don't have much computer knowledge. The AmeriCorps member helps them look for jobs. They guide them and help them navigate through the employers' website.

AmeriCorps members are less likely to provide financial coaching than any other service. A respondent commented that AmeriCorps members generally do not have the skills to provide quality financial coaching or counseling and are better suited to conduct computer or job readiness training. Only one FOC stated that the LISC AmeriCorps member provides financial coaching because this particular site does not offer technical skills training. The respondent added that the AmeriCorps member provides one-on-one financial coaching based on a client's credit, employment and financial situation and that the member does work closely with the program's employment coach.

Conclusion

Overall, the interview data reveal nuanced differences across FOCs. While these differences may seem minor, they could help explain why some programs achieve more positive client outcomes than others. Some common themes that emerged from the interview data include the following:

- The community-based organizations that operate FOC programs in this study tend to be medium to large size. According to the research, these organizations are less likely to struggle and have greater capacity to secure resources.

- The FOC models reflect a client-driven approach. A consistent theme throughout the interview data is that FOC clients define the goals they wish to prioritize and work with FOC staff to obtain services that meet their needs for as long as they desire. Hence, the amount of contact FOCs have with clients varied. The client driven approach described in the interviews suggests FOCs are designed to be less restrictive and burdensome on clients. Yet, the dosage and duration of services could influence the extent to which clients change behaviors and achieve positive outcomes.
- Respondents expressed challenges with data collection and quality. Most FOCs have multiple staff entering information, which can increase the likelihood of inconsistencies and challenges to ensuring data quality. Moreover, collecting client follow-up data can be difficult as many FOCs do not have staff resources they can dedicate to tracking down former clients.
- During this study period, AmeriCorps members were most likely to assist with FOC efforts to provide clients with technical skills or support clients in their efforts to obtain employment.

Impact Analysis

This section summarizes our estimates of the impact of FOC services on client outcomes. Employment and wage impacts are presented first, followed by credit impacts, net income and finally, net worth impacts. The employment and wage outcomes considered here are whether or not an individual is employed in an unsubsidized job, and their hourly wage at that job. Credit outcomes include an individual's credit (FICO) score if they have one, and whether or not the individual has a FICO score. Net income outcomes originally included an individual's net income and the probability of moving from negative to positive net income. However, the net income analyses are excluded from this report because these analyses did not pass standard diagnostic tests used to assess the validity of the estimate (more details are provided below). Finally, the net worth outcomes measured include an individual's net worth and the probability of moving from negative to positive net worth. A wide variety of impact estimates are provided in this report. Each impact estimate is reported with its corresponding treatment and comparison groups, and their respective sample sizes before matching.²⁸

The analyses utilize two very different comparison groups to estimate the impact of FOC services. Individuals in the Survey of Income and Program Participation (SIPP) and the credit bureau databases are used as comparison groups to assess the *total* impact of FOC services on FOC clients. In addition to the SIPP and credit bureau databases, FOC clients are compared to other FOC clients to evaluate the benefit of *incremental increases* in FOC services. For this reason, the results from the SIPP and credit data comparison groups are not directly comparable to any of the analyses using FOC clients as comparison cases. The differences between these analyses are discussed in more detail below and are regularly noted throughout the report. This section will lead with a discussion of the propensity score matching (PSM) method, which is followed by the results.

Broadly speaking, FOC services tend to be associated with improved employment and wage outcomes relative to individuals that are receiving no FOC services, but have no impact on credit outcomes relative to individuals that are receiving no FOC services. When FOC clients receiving multiple services are compared to FOC clients receiving fewer services (to determine the effect of adding additional services), the results are more mixed. For example, adding financial coaching to employment counseling is consistently associated with an improvement in employment and wage outcomes, although this is not true of the addition of income support to employment counseling. This suggests that while FOC services are associated with client improvements overall, some service mixes may be more advantageous than others.

When FOC clients are compared to other FOC clients on credit outcomes, the incremental addition of FOC services is consistently associated with weaker credit outcomes. One possible explanation for this result is that most of the benefit of FOC services for credit outcomes is provided by financial coaching, which is not assessed in the comparison of FOC clients to other FOC clients, since credit outcomes are only captured for clients who receive financial coaching. The results could also reflect that individuals receiving only financial coaching may be better off financially than other groups in a way that is not accounted for in the model. The analyses of the impact of incremental additions of FOC services on net worth show broadly positive results: the addition of new FOC services is associated with improved net worth.

Impact Analysis and Propensity Score Matching

The impact analysis performed for this study addresses the first research question: whether clients who receive FOC services are more likely to experience positive outcomes, or derive more economic benefits, than others who do not receive these services. Propensity score matching (PSM) is used to form comparison groups that are similar to FOC clients, to control for other factors that might be responsible for the short-term changes observed in the data. Comparison groups drawn from other data sources – namely, the SIPP and a database of credit outcomes provided by the credit bureau – permit the estimation of the impacts of receiving FOC services, which directly address the research question. A second set of impact estimates, also calculated using propensity score matching, illustrate the impact of providing additional services to FOC clients who are already receiving partial bundles of service.

Overview of Propensity Score Matching

A simple comparison of outcomes is insufficient for understanding the impact of FOC services because clients receiving the services of interest may fundamentally differ from those that do not. In that case, it is impossible to attribute differences in outcomes solely to FOC services because other differences in client characteristics are likely responsible for at least some of the differences in client outcomes. The selection process determining which FOC services are received by which clients must be accounted for in an estimate of the impact of FOC services in order to avoid selection bias that may distort the results. Selection shapes the population of FOC clients in at least two ways. First, FOC sites have administrative processes that determine how to allocate services to clients with different characteristics. Second, FOC

clients themselves self-select into different services (sometimes in anticipation of the administrative processes set in place by the FOC sites).

To isolate the impact of FOC services on client outcomes, clients receiving a service must be compared to other individuals who are similar in all respects except for their receipt of the service being analyzed. Sometimes this is done by randomly assigning services to clients and observing differences in the outcomes they experience. Random assignment is not feasible for this analysis, but it is not the only option available. A popular alternative to random assignment is propensity score matching (PSM). PSM is a statistical procedure that constructs a comparison group to look like the treatment group on observable characteristics and therefore mimic random assignment. The PSM procedure consists of two stages. In the first stage the probability of receiving treatment is modeled as a function of a variety of observable characteristics. This is presented in Equation (1), below, where T is a binary variable indicating treatment status, \mathbf{X} is a vector of control variables (listed in more detail in table 1 below), and ϵ is an error term:

$$1. \quad T = \beta\mathbf{X} + \epsilon$$

Using this model, each comparison case is assigned a predicted probability of treatment (called a propensity score). Comparison cases that closely resemble treatment cases are assigned a high predicted probability, while those that do not resemble treatment cases are assigned a low predicted probability. Treatment cases are then matched to comparison cases that have the smallest difference in propensity score (i.e., the comparison case that minimizes the treatment case propensity score minus the comparison case propensity score). Since these matched cases have similar predicted probabilities of receiving treatment, comparing their outcomes to estimate a treatment effect is statistically comparable to a random assignment study design (where treatment and control cases have an identical probability of receiving treatment). It is possible for a single comparison case to match to several treatment cases. In this situation, the comparison case would be assigned a higher weight in the estimation of the treatment effect (two, three, or more) than a comparison case that only matched to one treatment case and would therefore have a weight of one. In the second stage, the treatment effect is estimated in a regression framework using this new weighted “matched” comparison group:

$$2. \quad Y = \alpha_1 T + \alpha_2 \mathbf{X} + \alpha_3 \mathbf{Z} + u,$$

where Y is the outcome variable, \mathbf{Z} is a vector of variables not used in the estimation of the propensity score,²⁹ and u is an error term. The treatment effect that is reported in all subsequent tables is the marginal effect of T on Y , or the parameter α_1 from the second stage model. α_1 can be interpreted as the effects of treatment net of the effects of any differences in the matching variables. Each cell in

the treatment effects tables presented below is a different α_1 , estimated in a different set of Equations (1) and (2), with alternative outcome variables (Y) and treatment and comparison groups.

In the analysis that follows, Equation (1) is always estimated using a probit model. The functional form of Equation (2) depends on the nature of the outcome variable. For continuous outcome variables (e.g., wage rates, FICO scores), an ordinary least squares (OLS) regression is used to estimate the treatment effect. For binary outcome variables (e.g., employment, or having a FICO score) Equation (2) is also a probit model, and the reported treatment effect is the marginal effect.³⁰

The FOC program data include a large number of variables that are used for the PSM analyses. Each variable is also available in the SIPP, the comparison group used to identify the total effect of FOC services. Each matching variable is also included in the second stage estimation of the treatment effect (Equation 2). The credit bureau database, which is used as comparison group for the analyses of credit outcomes, has many fewer variables in common with the FOC program data. Table 1 provides a summary of the matching variables that are used in each of these analyses:

TABLE 1

Variables Used for Matching, by Sample

Sample	FOC treatment, SIPP comparison	FOC treatment, credit bureau comparison	FOC treatment and comparison
Employment status at baseline	X		X
Household income and household income squared	X		X
Education	X		X
Gender	X		X
Age and age squared	X		X
Age and baseline FICO interactions and polynomials		X	
Housing status	X		X
Marital status	X		X
Number of household members	X		X
Race/ethnicity	X		X
Site indicator		X	
Illinois indicator	X		X
Date of first service (or comparable concept)	X	X	X
Time in FOC services			X
FICO score at baseline (for credit analyses)		X	X

Notes: Individual site indicators were included in the second stage regressions in the analyses where FOC clients were matched to other FOC clients. State indicators were included in the second stage regressions in the analyses where FOC clients were compared to SIPP cases.

As noted above, the comparison of FOC treatment cases to SIPP comparison cases (table 1, Column 1) incorporates most of the matching variables that are available in the FOC data. The major omission is

the FICO score, which is not available in the SIPP, and the time in FOC services, which does not have a comparable concept in the SIPP. In addition to a variety of demographic indicators that are available in both the FOC data and the SIPP data, one of the most important matching variables is household income, which helps to ensure that treatment and comparison cases have comparable resources at their disposal and a similar basic need for FOC services. Matching on geographic variables is important for guaranteeing that matched cases are facing similar labor market conditions and public policies. Ideally, each case would be matched on a state or even a site-level geographic indicator. However, small sample sizes for some sites and states introduced collinearity and caused convergence problems for the model. As an alternative, an indicator for whether the client's site was in Illinois was used as a matching variable for both the SIPP comparison and the comparison of FOC clients to other FOC clients. As noted in both note 28 above and the note to table 1, individual site indicators were added to the second stage regression estimation of the treatment effect, despite the fact that they could not be used as matching variables.

Unlike the SIPP comparison group and the comparison to other FOC clients, few of the matching variables are available in the credit bureau database. Only age, ZIP code (which is used to determine whether a credit bureau comparison case is in the same neighborhood as an FOC site) and baseline FICO scores are available for matching variables for the credit bureau comparison. To establish the best match given this limited information, we include a number of interactions and higher order polynomials of age and baseline FICO score to obtain a stronger match on the joint distribution of those variables.

Outcomes are measured in FOC program data at the last service date, and therefore are not measured at a consistent time for all clients. To ensure that outcomes are measured at comparable intervals for the treatment and comparison cases, time in FOC services³¹ is included as a matching variable. Time in FOC services is obviously not a variable that exists in either the SIPP or the credit bureau datasets. Nevertheless, outcomes in these longitudinal datasets must be measured at a point of time that is comparable to the point in time that it is measured for the matched FOC treatment cases. The process for selecting the point at which SIPP and credit bureau outcomes are measured is discussed in more detail in the next section ("Selection of Comparison Groups"), but it involves using the measure of the outcome variable in the same month as the date of last service for the SIPP or the same twelve-month interval as the date of last service for the credit bureau dataset.

PSM relies on the assumption that all characteristics relevant to the probability of receiving treatment are observed and included in the model. If this assumption does not hold true then the estimated treatment effects may be biased by selection on unobservable characteristics. A critical choice in any PSM analysis is therefore to select an appropriate comparison group that is quite similar

to the treatment group on both observable and unobservable characteristics even before the matching procedure. This analysis uses three different comparison groups, each with its own strengths and weaknesses. These comparison groups are discussed in the next section.

Selection of Comparison Groups

In PSM analyses the selection of an appropriate data source for the comparison group is critical for generating valid impact estimates. Heckman, Ichimura, and Todd (1997) and Heckman, Ichimura, Smith and Todd (1996, 1998) demonstrate that three requirements are essential for ensuring high quality results in PSM analyses, all of which relate either to the selection of the comparison group or the data sources available for the comparison group:

- First, they require a rich set of matching variables that are related to the probability of receiving treatment that are available for both the treatment and the comparison group;
- Second, they highlight the importance of using comparison cases that are operating in the same local labor markets as the treatment cases; and
- Third, they require that all outcome data be measured with the same data source.³²

An important comparison group used in this analysis, which satisfies all three of these conditions, is the population of other FOC clients not receiving the treatment service under investigation. For example, to estimate the impact of financial coaching on the probability of employment, clients receiving both employment and financial coaching are compared to clients receiving only employment counseling. The outcome differences between these two groups can be attributed to financial coaching, which the treatment group receives but the comparison group does not. Using FOC clients as comparison cases is particularly attractive because these individuals have all selected into FOC services, and therefore should be relatively comparable on a wide variety of unobserved characteristics as well.

Unfortunately, not all impact estimates of interest can be estimated using other FOC clients as a comparison group. The FOC program data only collects client outcomes if clients are enrolled in particular services. For example, information on a client's employment status and wage rate are only collected for clients enrolled in employment counseling services. This precludes using FOC clients as comparison cases to estimate the effect of employment counseling on employment outcomes (or the

effect of financial coaching on financial outcomes that are only collected for clients receiving financial coaching). Arguably, these are among the most interesting impacts to estimate.

Instead of using FOC clients as the comparison group, we use data from two other data sources to provide alternative comparison groups. For the labor market outcomes (employment and wages), we use cases from the SIPP as an alternative comparison group. The SIPP is a nationally representative panel dataset that includes monthly information on labor market activities. It includes particularly high quality data on low income respondents. For credit score outcomes we used individuals in the credit bureau database as an alternative comparison group. The credit bureau database is a nationally representative, annual panel of over five million Americans with credit scores. While the SIPP has many of the same variables as the FOC program data, the credit bureau database has very few variables to match treatment and comparison cases (only age, prior credit scores, and geographic location information). This means that low-income people cannot be isolated in the matching process for the credit bureau analyses. In general, the analysis relies on the assumption that individuals living in the same low-income neighborhoods with similar ages and FICO scores are likely to have comparable incomes.

Neither of these alternatives provide as strong of a comparison group as the FOC clients themselves. In the case of the SIPP, outcomes are not collected via the same data sources and comparison cases can only be identified as living in the same state as treatment cases, not the same local labor market. The credit bureau database does have a similar source of outcome data (Vantage credit scores) and it includes detailed geographic information to ensure that comparison cases are drawn from the same local labor market, but it does not have a rich collection of matching variables. Nevertheless, these alternative comparison groups offer additional benchmarks for thinking about the impact of FOC services, and they provide the only comparison group available to estimate the impact of certain basic treatments.

Because this analysis only uses outcome data that is measured at the last service date, it is therefore not measured at a consistent point in time for all FOC clients. In the models using other FOC clients as the comparison group, this is handled by using time in services as a matching variable. Neither of the alternative comparison groups receives any services, so time in services cannot be used in the PSM analyses for the alternative comparison group. However, because both of the alternative comparison groups come from a longitudinal dataset, the outcomes in these analyses are measured for the comparison cases at the same point after their start date as their assigned treatment case. As an example, if an FOC client receives services for eight months, their outcome is measured in the eighth month after entering FOC services. This treatment case is paired with a specific comparison case in the

SIPP or credit bureau dataset in the PSM analysis. Although the longitudinal nature of the comparison case dataset allows us to measure outcomes at a number of points, we select the comparison case outcomes that are measured at approximately the same time as the treatment case outcomes.

This comparison case identification process is summarized in table 2, below, which presents two fictitious FOC client cases and two fictitious SIPP client cases. Employment and wage measurements for FOC clients are only collected irregularly and only used at baseline and as an outcome, measured at the date of the last service (identified as B, and O, respectively, in table 2). Employment and wages are measured monthly in the SIPP so a single unique individual in the SIPP can be matched to many different FOC clients with different baseline and outcome dates. The month used as the baseline month for a SIPP case is determined by the month that offers the strongest match in the PSM analysis (highlighted in yellow in table 2). After this matching process, the SIPP comparison case outcome date is identified by selecting the same month as the matched FOC client outcome date (highlighted in orange). In the example presented in table 2 a number of employment and wage measurements are available for the fictitious cases SIPP-1 and SIPP-2. However, SIPP-1 is matched to FOC-1 and only the 10/2012 measure is used as the SIPP-1 baseline date and only the 2/2013 measure is used as the SIPP-1 outcome date. Similarly, case SIPP-2 is matched to FOC-2 and only the 12/2012 measure for SIPP-2 is used as the baseline measure, and only the 5/2013 measure is used as the outcome measure. This procedure ensures that only the most appropriate SIPP dates are used in the estimation of the treatment effect.

TABLE 2
SIPP Baseline and Outcome date selection

	10/2012	11/2012	12/2012	1/2013	2/2013	3/2013	4/2013	5/2013
FOC-1	B				O			
FOC-2			B					O
SIPP-1	X	X	X	X	X	X	X	X
SIPP-2	X	X	X	X	X	X	X	X

Note: B = Baseline date for FOC client; O = Outcome date for FOC client; X = Data available in SIPP; Yellow highlight = Baseline date for SIPP case; Orange highlight = Outcome date selected for SIPP case after match.

Unlike the SIPP, the credit bureau database is only an annual panel. To ensure that FICO score outcomes are measured at approximately the same time for treatment and comparison cases, we restrict the treatment sample in these analyses to FOC clients that receive services for either approximately one year (between eight and sixteen months) or approximately two years (between twenty and twenty-eight months).

Sample Selection

In addition to the identification of an appropriate comparison group, other analytic decisions are made that further refine both the treatment and comparison groups. A large number of cases in the FOC program data (and some cases in the SIPP and credit bureau data) have missing information on matching and outcome variables. Normally we may be interested in imputing these missing values, but in this case missing information is highly correlated (i.e., if one variable is missing most matching variables are missing) and in most cases basic demographic data that would be used in an imputation is missing. These factors make imputation (and non-response analysis) infeasible. Cases with missing information are therefore excluded from the analysis. This means that the treatment effects reported below are only relevant to clients that do not have missing information in the program data. Insofar as these are not representative of all FOC clients, the treatment effect estimates cannot be generalized to those clients.

We also exclude cases who receive a month or less of FOC services. This choice is made because we are unable to estimate the PSM model if clients only receive services for a month or less. Service dates associated with outcome measures are only measured in monthly intervals (e.g., “January, 2013” rather than “January 12th, 2013”) in order to protect client confidentiality, so we are unable to determine whether a client receiving their first service on the first day of a month and their last service on the thirty-first day of the same month only attended one day of FOC services or several weeks of services. Without knowing the day a client received services we cannot differentiate outcomes from baseline characteristics for these clients. When clients receive more than a month of FOC services, we can differentiate between outcome and baseline measures and conduct the PSM analysis.

As additional sample restrictions are imposed (for example, having a negative net income at baseline, or having a job at baseline) some of the treatment and comparison sample sizes get quite small. This limits our ability to make inferences from the sample, both because the estimate of the treatment effect is less precise and because the relatively narrow sample might not generalize to a broader population. A few models could not be estimated because the sample size was sufficiently small. The imprecision of the estimates should be reflected in the estimated standard errors, and therefore the statistical significance of the treatment effect. Nevertheless, the reader should interpret estimates based on small samples with caution. There is no clear boundary for an acceptable sample size and the total sample size in a PSM analysis is of course the sum of the treatment and comparison samples rather than the sample size of either the treatment or the comparison group. Nevertheless, a conservative approach would be to disregard instances where either the treatment or the comparison group has less than fifty cases. These instances are noted in the text.

Interpretation of Impact Estimates

The interpretation of the impact estimates presented in this section depends on the comparison group that is being used in any particular analysis. Estimates of the total effect of FOC services are only provided in the PSM analyses where FOC clients are compared to SIPP cases (for employment or wage outcomes) or credit bureau cases (for credit outcomes). These comparison groups receive no FOC services and therefore provide an estimate of the full impact of the program. Generally, these impacts are positive for the comparison to SIPP cases, suggesting that FOC services are associated with improved employment and wage outcomes for clients. However, they are not significant for the analyses of credit outcomes using the credit bureau comparison group.

Many of the analyses in this section are instead derived from a comparison of two groups of FOC clients with different mixes of FOC services. These impact estimates show the effects of providing additional services to existing FOC clients. A negative treatment effect estimated in the models that use FOC clients as a comparison group therefore does not imply that FOC services as a whole hurt clients. This is because the treatment contrast between the treatment and comparison group (that is, the services the treatment group receives minus the services the comparison group receives) does not encompass all FOC services received by the treatment group. A negative – or positive – result in these analyses only implies a negative or positive incremental change in an outcome relative to an alternative FOC service mix. These results should therefore be relied on only to think about the consequences of adjusting the FOC service mix from the current services received by FOC clients, and not to assess the impact of FOC services as a whole.

Each comparison group has its own strengths and weaknesses, discussed in more detail above. Keeping these strengths and weaknesses in mind, each analysis should only be used to answer the specific research question it was designed to answer. The results will be presented in the following order: Employment and wage outcomes will be reported first. Within these results, the treatment effects estimated from the comparison to the SIPP data will be reported first, as these results speak to the total impact of FOC services. Comparisons between FOC clients receiving different types of FOC services will follow. After the employment and wage outcomes, results will be presented for credit outcomes. As in the case of the SIPP comparison, the results of the comparison with the credit bureau data will lead the credit outcome discussion, followed by the comparison of FOC clients to other FOC clients. These will be followed by the net worth analyses. The net income analyses are discussed briefly, but the estimated treatment effects are not presented because the comparison groups were poor matches for the treatment groups.

Appendix D contains the results of balancing tests conducted to determine the equivalence of the treatment and comparison groups that were created by the propensity score matching process. All the group pairs in the analyses reported here were reasonably well balanced after matching, with the exception of the groups in the net income analysis. Balancing tests indicate that the samples in the net income treatment effect tables were poorly matched, raising doubts about the validity of the treatment effects. As a result, these impact estimates are excluded because we consider them to be unreliable.

Employment and Wages

Descriptive Statistics: Employment – Placement into Unsubsidized Jobs

To provide the relevant context for the employment and wage impacts, descriptive statistics on these outcomes are provided in table 3 for each treatment and comparison group analyzed in this section. These descriptive statistics are provided for the analysis samples (the relevant samples for the treatment effects presented subsequently), and therefore exclude cases with missing data or who are outside of the study period.

Although there are some differences across different program mixes in table 3, the FOC clients all have relatively comparable employment and wage rate outcomes. Generally speaking, FOC clients receiving employment and financial coaching have the lowest employment rates and clients receiving employment and income support counseling have the lowest wage rates. The SIPP comparison sample has a much lower employment rate (and therefore a lower wage rate) than the FOC clients. Non-employment is also more persistent for the SIPP comparison cases, as only 5.2 percent without a job at baseline had a job as an outcome. FOC clients without a job at baseline, in contrast, had much higher employment rates; these employment rates are comparable to the employment rates of the full sample since most FOC clients had no job at baseline. This is likely due to the fact that FOC clients are more likely to be job seekers by definition than SIPP respondents (who are much less likely to have sought out services like the ones offered by FOCs). These descriptive differences between the samples highlight the point made earlier that the SIPP is not as strong of a comparison group for FOC clients as other FOC clients with a different program mix.

TABLE 3

Employment and Wage Descriptive Statistics before Matching

Sample	Employed, full sample	Wage (including zeros), full sample	Employed, no job at baseline	Wage (including zeros), no job at baseline
EC	42.39%	\$4.66	43.82%	\$4.86
EC & FC	40.09%	\$4.44	40.88%	\$4.53
EC & ISC	42.42%	\$4.32	44.80%	\$4.37
Full bundle	44.08%	\$4.62	43.26%	\$4.68
SIPP	36.38%	\$3.76	5.20%	\$0.59

Notes: The SIPP sample includes all 2013 respondents residing in the same state as the FOC program sites with annual household income of less than \$40,000. An annual income of \$40,000 was used as the cutoff for inclusion in the SIPP comparison group because this was the income level for the 99th percentile of the FOC client sample. All SIPP cases were constrained to have this annual income level or less to remain within the distribution of the FOC clients. Baseline employment for the SIPP sample is determined by whether they were employed in October, 2012.

SIPP Comparison Group Employment and Wage Impact Estimates

Although other FOC clients form the strongest comparison group for treatment cases (because they are more comparable on unobservable characteristics), they cannot identify the full impact of FOC services on client outcomes; they can only measure the marginal impact of increasing the number of services received. To understand the full impact of FOC services, clients must be compared to some external comparison group that receives no services. Such external comparison groups are often difficult to identify and are likely to be less similar to treatment cases on unobserved characteristics than the FOC client comparison group.

For employment and wage impacts associated with all FOC services, we use respondents from the SIPP as a comparison group. This will provide an estimate of the impact of all FOC service bundles that include employment counseling, including the impact of receiving employment counseling by itself.³³ The comparison group for the SIPP is first restricted to respondents with household income that is comparable to FOC client income,³⁴ and who lived in states where FOC programs are operational. In the analyses using FOC clients as comparison cases, the PSM analysis simply matches on the amount of time a client received services to guarantee that outcomes for the treatment and comparison group are measured at the same point in time. Since SIPP respondents do not receive any FOC services, it is not possible to match cases on time in services. Instead, SIPP labor market outcomes (which are collected monthly) are exactly matched to the month in which their corresponding treatment case's labor market outcomes are measured (see table 2, above, for a more detailed discussion of this procedure).

Estimates of the impact of FOC services on the probability of being employed for the full sample are presented in table 4. Each row of every table of impact estimates, including table 8 represents the treatment effects estimated from a separate PSM analysis – that is, a separate regression. The primary difference between each of these separate PSM analyses is the identity of the treatment and comparison group, which results in a different PSM match and therefore a different impact estimate. The treatment and comparison group associated with each impact estimate is also provided. Each row of these tables provides the results of a separate PSM analysis, and reports the relevant treatment and comparison groups and their sample sizes for that analysis.

Table 4 shows that the receipt of multiple FOC services is associated with an increase in the probability of employment, ranging from a 4 to an 8 percentage point increase in the probability of obtaining employment, depending on the exact service mix. The exception is the impact of employment and income support counseling relative to the SIPP comparison group, which is reported in the third row and shows no statistically significant relationship between FOC services and the probability of employment. One possible explanation for this alternative finding is that there is some selection bias in the treatment effect estimate. Individuals that select into employment and income support counseling may have additional difficulties that are not observed in the data and not shared in common with the SIPP comparison sample. Alternatively, public benefits that are accessed through income support counseling may provide a disincentive to work. The comparison group sample size is below 50 cases in table 4 when the treatment group is FOC clients receiving employment and income support counseling. This result should be approached with caution or disregarded due to low sample size.

TABLE 4

Probability of Employment Treatment Effect for Full Sample

Treatment group FOC services	Comparison group FOC services	Treatment Effect	Treatment group sample size	Comparison group sample size
EC	SIPP	2.79%	134	86
EC & FC	SIPP	8.26%**	254	130
EC & ISC	SIPP	-10.89%	60	40
Full bundle	SIPP	4.62%*	746	188

Notes: *** = $p < 0.01$; ** = $p < 0.05$; * = $p < 0.10$.

When the sample for the PSM analysis is restricted to clients without a job at baseline (table 5), the general finding from table 4 that FOC services are associated with increased probability of employment is preserved. In table 5, both employment counseling by itself and the full bundle of services have a positive impact on the probability of employment (although the impact of the full bundle of services is

larger for the subgroup of individuals without a job at baseline). As seen above in table 4, the comparison group sample size is below 50 cases in table 5 when the treatment group is FOC clients receiving employment and income support counseling. This result should be approached with caution or disregarded due to low sample size.

TABLE 5

Probability of Employment Treatment Effect for Clients without a Job at Baseline

Treatment group FOC services	Comparison group FOC services	Treatment effect	Treatment group sample size	Comparison group sample size
EC	SIPP	12.18%*	119	65
EC & FC	SIPP	4.13%	250	115
EC & ISC	SIPP	4.42%	56	42
Full bundle	SIPP	5.80%***	728	225

Notes: *** = $p < 0.01$; ** = $p < 0.05$; * = $p < 0.10$.

Table 6 presents treatment effects for wages. The combination of employment and financial coaching is associated with increased wages relative to the SIPP comparison group. Otherwise, treatment effects using the SIPP comparison group are statistically insignificant (although in some cases the magnitude of the effect is quite large). This suggests that while FOC services help most clients get a job (tables 4 and 5), there is no general boost in wages associated with FOC services for the full sample. Jobless individuals finding a job as a result of FOC services must experience a wage increase (since their wage is zero before finding a job), so the lack of an average wage effect implies that other FOC clients experience a reduction in wages relative to what they would have earned without FOC services. The comparison group sample size is below 50 cases in table 6 when the treatment group is FOC clients receiving employment and income support counseling. This result should be approached with caution or disregarded due to low sample size.

TABLE 6

Wage Treatment Effect for Full Sample

Treatment group FOC services	Comparison group	Treatment effect	Treatment group sample size	Comparison group sample size
EC	SIPP	\$1.41	134	86
EC & FC	SIPP	\$1.43**	254	130
EC & ISC	SIPP	-\$2.49	60	40
Full bundle	SIPP	\$0.44	746	188

Notes: *** = $p < 0.01$; ** = $p < 0.05$; * = $p < 0.10$.

Table 7 restricts the analysis sample to individuals without a job at baseline, and the results are more positive than the estimated treatment effects for the full sample of clients. FOC services are associated with increased wages for all clients except for those who receive employment and income support counseling. The effect ranges from \$0.70 for the full bundle of services to \$1.53 for clients who receive employment counseling alone. The comparison group sample size is below 50 cases in table 7 when the treatment group is FOC clients receiving employment and income support counseling. This result should be approached with caution or disregarded due to low sample size.

TABLE 7

Wage Treatment Effect for Clients without a Job at Baseline

Treatment group FOC services	Comparison group source	Treatment effect	Treatment group sample size	Comparison group sample size
EC	SIPP	\$1.53**	119	65
EC & FC	SIPP	\$1.32**	250	115
EC & ISC	SIPP	-\$0.67	56	42
Full bundle	SIPP	\$0.70**	728	225

Notes: *** = p < 0.01; ** = p < 0.05; * = p < 0.10.

Employment and Wage Impacts – “Treatment versus Treatment-Plus” Comparisons

The estimates of the impact of additional FOC services on the probability of employment for all FOC clients are presented in table 8. Generally speaking, FOC services had a positive and statistically significant impact on the probability of employment. FOC services are associated with an increase in their probability of employment ranging from 0.67 percentage points to over 9 percentage points, depending on the FOC services that they received. Income support counseling has a notably different impact on employment, depending on what other FOC services are being received. Adding income support counseling to employment counseling is not associated with a statistically significant change in the probability of employment. However, when income support counseling is added to both employment and financial coaching, the additional services are associated with an increase in the probability of employment by 7.4 percentage points. Income support counseling therefore appears to have more positive effects on client outcomes when it is combined with a number of other services. It is also possible that the positive treatment effect associated with bundling income support counseling is proxying for other unobserved phenomenon. Clients receiving bundled services may have more information on or be more interested in pursuing solutions to the problems that they face than those that do not, for example.

TABLE 8

Probability of Employment Treatment Effect for Full Sample

Treatment group FOC services	Comparison group FOC services	Treatment effect	Treatment group sample size	Comparison group sample size
EC & FC	EC	9.17%***	843	394
EC & ISC	EC	-4.25%	243	394
Full bundle	EC	0.67%	2,456	394
Full bundle	EC & FC	7.42%***	2,480	845
Full bundle	EC & ISC	4.49%***	2,480	245

Notes: *** = $p < 0.01$; ** = $p < 0.05$; * = $p < 0.10$.

The only case where additional FOC services did not improve employment probabilities is the case of individuals receiving employment and income support counseling compared to those receiving only employment counseling. There are at least three possible explanations for this result. First, if we think the result is well estimated, this could imply that income support counseling services incentivize clients not to pursue work because they are receiving public benefits. An alternative possibility is that the treatment and comparison groups are fundamentally different from each other, and clients with a low inherent likelihood of being employed are also more likely to select into the combination of employment and income support counseling.³⁵ Finally, income support counseling may not be intensive enough to make a substantial difference in peoples' employment probabilities.

FOC clients who are not employed when they begin services are of particular interest. Separate treatment effects for this sub-group of clients are presented in table 9. The impact of additional FOC services on the probability of employment is not as consistently positive for clients without a job at baseline as it was for the full sample of clients. Receiving financial coaching in addition to employment counseling (EC & FC) is associated with an increase in the probability of employment compared to only receiving employment counseling. Similarly, receiving the full bundle is associated with an increase in the probability of employment compared to EC & FC. Receiving additional FOC services is associated with the reduction of the probability of employment (or, is not associated with an increase in probability) for all other client groups.

TABLE 9

Probability of Employment Treatment Effect for Clients without a Job at Baseline

Treatment group FOC services	Comparison group FOC services	Treatment effect	Treatment group sample size	Comparison group sample size
EC & FC	EC	5.99%***	723	340
EC & ISC	EC	-11.40%***	220	340
Full bundle	EC	-0.62%	2,180	340
Full bundle	EC & FC	9.93%***	2,196	724
Full bundle	EC & ISC	-3.96%***	2,196	221

Notes: *** = $p < 0.01$; ** = $p < 0.05$; * = $p < 0.10$.

Treatment effects associated with client wage outcomes for the full sample are reported in table 10. These estimates are also not as consistently positive as the employment results for the full sample. Receiving the full bundle of services is associated with wage increases relative to “EC & FC” clients, who in turn enjoy a higher wage increase over those receiving only employment counseling. However, the treatment effect associated with income support counseling is negative and quite large (a wage reduction, compared to what they would have earned, of \$1.30 per hour). This negative impact of income support counseling mirrors the insignificant employment effect for this service discussed above, and may reflect either the employment disincentives associated with going on public assistance or selection bias resulting from unobserved differences between the treatment and comparison group.

TABLE 10

Wage Treatment Effect for Full Sample

Treatment group FOC services	Comparison group FOC services	Treatment effect	Treatment group sample size	Comparison group sample size
EC & FC	EC	\$0.66**	841	394
EC & ISC	EC	-\$1.30***	240	394
Full bundle	EC	-\$1.12***	2,439	394
Full bundle	EC & FC	\$0.75***	2,463	843
Full bundle	EC & ISC	\$0.30	2,463	242

Notes: *** = $p < 0.01$; ** = $p < 0.05$; * = $p < 0.10$.

When wage treatment effects are estimated for the sub-group of clients that are not employed when they enter services, a similarly inconsistent story arises (table 11). Clients receiving the full bundle of services do earn higher wages relative to the comparison group receiving EC & FC, but there are no positive effects associated with either employment plus financial coaching (relative to employment counseling alone) or employment plus income support counseling (relative to employment counseling alone). Indeed, the addition of income support counseling to employment counseling is

associated with a reduction in wages, when the client is not also receiving financial coaching. As with the employment probability analyses (tables 8 and 9), individuals who are not employed when they begin receiving services appear to have more positive outcomes than those who are employed.

TABLE 11

Wage Treatment Effect for Clients without a Job at Baseline

Treatment group FOC services	Comparison group FOC services	Treatment effect	Treatment group sample size	Comparison group sample size
EC & FC	EC	-\$0.26	722	340
EC & ISC	EC	-\$0.91*	217	340
Full bundle	EC	\$0.02	2,167	340
Full bundle	EC & FC	\$0.80***	2,183	723
Full bundle	EC & ISC	-\$0.27	2,183	218

Notes: *** = p < 0.01; ** = p < 0.05; * = p < 0.10.

Credit Outcomes

Descriptive Statistics

Credit scores are a numerical assessment of an individual’s creditworthiness based on their assets, liabilities, and credit history. A person’s credit score can substantially affect their access to credit as well as the interest rate they pay on borrowed money. Improving the credit scores and creditworthiness of clients therefore is an important goal of the FOC program model. LISC has identified a credit score above 660 as an “excellent” score (LISC, 2013). However, it takes time for unscored clients to acquire credit scores, especially when they have more pressing problems to solve, such as finding employment and bringing their household balance sheet into order.

Descriptive statistics for credit score outcomes are presented in table 12 for each sample and outcome analyzed in this section. These descriptive statistics are provided for the analysis samples (the relevant samples for the treatment effects presented subsequently), and therefore exclude cases with missing data or who are outside of the study period or study area. For example, credit bureau cases that are not in the same ZIP codes as the FOC sites are not included in table 12. Credit bureau outcomes are measured at a date that is comparable to the date of last combined financial assessment (CFA) for the FOC clients (the average of the 2013 and 2014 scores; please see the section on “Selection of

Comparison Groups” for further details on the end date used for credit bureau comparison cases in the analysis).

Approximately three quarters of FOC clients have a FICO score at the date of their last CFA, regardless of their program mix. By construction, all credit bureau cases had a FICO score at baseline. FICO scores for FOC clients range from 589 to almost 617, depending on the program mix. The credit bureau sample’s mean FICO score is higher than the mean score for most program mix groups, at 614. Clients who have a FICO score at baseline (Column 3) do not have notably different average FICO scores at last CFA than the full sample of clients (Column 1). Clients in financial coaching or both financial and employment counseling have higher FICO scores as an outcome variable if they did not have a FICO score at baseline, and the opposite is true for those receiving financial and income support counseling or the full bundle. Approximately a third of FOC clients without a FICO score at baseline obtain one as an outcome, except for those clients receiving only financial coaching (over fifty percent of whom obtained a FICO score).

TABLE 12

Credit Score Descriptive Statistics on RestrICTED sample Before Matching

Sample	FICO score at last CFA, full sample	Percentage with a FICO score at last CFA, full sample	FICO score at last CFA, no score at baseline	Percentage with a FICO score at last CFA, no score at baseline
FC	603.18	75.73%	604.72	50.96%
EC & FC	589.64	72.27%	591.56	37.50%
FC & ISC	616.95	74.79%	606.14	34.71%
Full bundle	598.47	72.05%	590.82	36.35%
Credit bureau	614.34	100.00%	NA	NA

Notes: The credit bureau descriptive statistics are the average FICO scores for both 2013 and 2014 for individuals living in ZIP codes that correspond to FOC sites.

Credit Bureau Comparison Group FICO Score Impact Estimates

The credit bureau database is used as an alternative comparison group for credit score outcomes. Since credit scores are only collected for FOC clients enrolled in financial coaching, the only way to estimate the impact of financial coaching on credit scores is to use an alternative comparison group receiving no FOC services. The credit bureau database has major advantages and disadvantages. It is large (over five million individual cases), which allows for a precise geographic match and ample comparison cases to select from. However, the database includes few variables for matching: ZIP code, age, and baseline

Vantage scores. To ensure a strong match on the few variables available, the PSM analysis for the credit bureau comparison group matches on indicators for individual FOC sites (defined by ZIP codes), a cubic function of baseline credit scores, a cubic function of age, and the interaction of age and credit scores. These higher order variables help to compensate for the limited availability of variables in the credit bureau data. As noted above, higher order polynomials and variable interactions allow for much greater flexibility in the functional form of the propensity score.

Results for the sub-sample of clients with a credit score at baseline are presented in table 13. Since a credit score is one of the few, essential matching variables in the credit bureau database, the PSM analysis could only be conducted for clients with a score at baseline (almost 80 percent had a score; details are provided in table 12). Due to the large size of the credit bureau database, a unique credit bureau comparison case is matched to a unique FOC client, resulting in identical unweighted sample sizes for the treatment and comparison groups.³⁶ The PSM analyses indicate that FOC services had no effect on FICO scores, which is consistent with the results when FOC clients are used as the comparison group (below). The estimated treatment effects are all small and statistically insignificant.

TABLE 13

Credit Score Treatment Effect for Clients with a Score at Baseline

Treatment group FOC services	Comparison group source	Treatment effect	Treatment group sample size	Comparison group sample size
FC	Credit bureau	7.532	104	104
EC & FC	Credit bureau	-4.891	167	167
FC & ISC	Credit bureau	6.061	156	156
Full bundle	Credit bureau	4.841	737	737

Notes: *** = p < 0.01; ** = p < 0.05; * = p < 0.10.

Credit Score Impacts

Estimates of the impact of FOC services on credit score outcomes are presented in tables 14 through 18. As with the employment and wage analyses above, these treatment effects are estimated for the full sample of FOC clients as well as the subsample of FOC clients that did not have a FICO score when they began receiving services. Almost eighty percent of clients³⁷ had a FICO score at baseline, although a non-trivial share did not. Credit information is only recorded in the FOC program data for individuals in financial coaching, so all clients in these analyses have at least received financial coaching services, if not other services.

FOC services are not associated with a substantial impact on clients' FICO scores, regardless of the particular treatment group or sub-sample being analyzed (table 14). Relative to the comparison group of individuals that only receive financial coaching, individuals receiving the full bundle have lower changes in FICO scores from their baseline levels. However, the size of these effects is just over five points. To get a sense for the relative size of this effect, the standard deviation for credit score outcomes for the full sample is 82.4 points.

TABLE 14

Change in FICO Score Treatment Effect for Full Sample

Treatment group FOC services	Comparison group FOC services	Treatment effect	Treatment group sample size	Comparison group sample size
EC & FC	FC	-2.678	324	128
FC & ISC	FC	-11.305*	226	128
Full bundle	FC	-5.695*	1,214	128
Full bundle	EC & FC	-3.326	1,225	327
Full bundle	FC & ISC	-2.899	1,225	228

Notes: *** = $p < 0.01$; ** = $p < 0.05$; * = $p < 0.10$.

Table 15 reports treatment effects for FICO score outcomes, rather than the change in FICO scores from baseline (reported in table 14). Essentially, the latter analysis does not condition on baseline FICO scores, while the former does. They present different, equally legitimate approaches to the same outcome. By excluding the baseline FICO score, this measure of the outcome is capable of including clients that did not have a FICO score at baseline (and therefore had no baseline score to include in the match) but did obtain a FICO score over the course of receiving services. Clients receiving the full bundle of services experienced a boost in their FICO score attributable to FOC services relative to clients receiving only financial coaching. In contrast, clients receiving employment counseling and financial coaching experienced reduced FICO scores relative to clients receiving only financial coaching.

TABLE 15

FICO Score Treatment Effect for Full Sample

Treatment group FOC services	Comparison group FOC services	Treatment effect	Treatment group sample size	Comparison group sample size
EC & FC	FC	-14.379**	414	181
FC & ISC	FC	-3.071	268	181
Full bundle	FC	11.054***	1,522	181
Full bundle	EC & FC	0.520	1,534	417
Full bundle	FC & ISC	-3.856	1,534	270

Notes: *** = $p < 0.01$; ** = $p < 0.05$; * = $p < 0.10$.

The treatment effects reported in table 16 are for the same outcome as those reported in table 15: namely, FICO scores at the date of the client's last financial coaching session. However, these results are restricted to the subset of clients that did not have a FICO score at baseline.³⁸ Note that the comparison group sample size has been reduced to below fifty in the case where clients receiving the full bundle of FOC services are compared to those receiving financial and income support counseling. It may be advisable to disregard this treatment effect. The estimate of the impact of FOC services for the population analyzed in table 16 is either statistically insignificant or negative across treatment and comparison groups. When clients receiving the full bundle of services or employment and financial coaching are compared to those receiving financial coaching alone, or when those receiving a full bundle are compared to those receiving employment and financial coaching, the additional service is associated with a lower FICO score. These effects are larger in magnitude than the estimates for the full sample, and may be more meaningful for a family's capacity to access credit. It is not clear why additional FOC services would be associated with a reduction of an individual's FICO score. One possible explanation is that unobserved differences between the treatment and comparison group (and thus differences that cannot be controlled for in the PSM analysis) are driving this result. Individuals in need of income support services may have additional vulnerabilities that are not accounted for in the set of matching variables.

TABLE 16

FICO Score Treatment Effect for Clients without a FICO Score at Baseline

Treatment group FOC services	Comparison group FOC services	Treatment effect	Treatment group sample size	Comparison group sample size
EC & FC	FC	-56.486***	90	53
FC & ISC	FC	19.524	42	53
Full bundle	FC	-29.685***	308	53
Full bundle	EC & FC	-18.606**	308	90
Full bundle	FC & ISC	-8.545	308	42

Notes: *** = $p < 0.01$; ** = $p < 0.05$; * = $p < 0.10$.

Although the results in tables 14 through 16 suggest that FOC services are not associated with an increase in FICO scores, it is possible that they could help an individual obtain a FICO score in the first place. This outcome is investigated below, with treatment effects reported in tables 17 and 18. Treatment effects associated with the full sample of FOC clients are reported in table 17, while estimates for the more restricted sample of clients without a FICO score at baseline are reported in table 18.

These results suggest that receiving additional FOC services (as opposed to fewer FOC services) is associated with a lower probability of possessing a FICO score, both for the full sample of clients and for cases that did not have a FICO score at baseline. Since it is possible, but unlikely, that clients could lose a FICO score once one has been obtained, these results appear to be driven by the impact of FOC services on obtaining a FICO score. Some of the changes in the probability of receiving a FICO score are substantial. For example, clients receiving the full bundle of services had an almost 10 percentage point lower probability of having a FICO score than those receiving financial and income support counseling (FC & ISC). It is not clear why additional FOC services would be associated with the reduction of the probability of obtaining a FICO score, although it is possible that adding additional services reduces a counselor's ability to focus on the activities that a client would have to engage in to obtain a credit score or keep the score that they had at baseline.³⁹ The one exception to this pattern is the case of FOC clients who received the full bundle of services relative to EC & FC clients. These clients had a 5.7 percentage point higher probability of obtaining a credit score by the date of their last service. As table 18 shows, clients without a FICO score at baseline consistently had a lower FICO score after receiving FOC services.

TABLE 17

Probability of Having a FICO Score Treatment Effect for Full Sample

Treatment group FOC services	Comparison group FOC services	Treatment effect	Treatment group sample size	Comparison group sample size
EC & FC	FC	-3.71%	573	239
FC & ISC	FC	3.75%	357	239
Full bundle	FC	-0.569%	2,114	239
Full bundle	EC & FC	5.729%***	2,129	577
Full bundle	FC & ISC	-9.956%***	2,129	361

Notes: *** = p < 0.01; ** = p < 0.05; * = p < 0.10.

TABLE 18

Probability of Having a FICO Score Treatment Effect for Clients without a FICO Score at Baseline

Treatment group FOC services	Comparison group FOC services	Treatment effect	Treatment group sample size	Comparison group sample size
EC & FC	FC	-13.475%***	239	104
FC & ISC	FC	-9.095%*	119	104
Full bundle	FC	-15.915%***	846	104
Full bundle	EC & FC	3.788%	850	240
Full bundle	FC & ISC	-5.118%**	850	121

Notes: *** = p < 0.01; ** = p < 0.05; * = p < 0.10.

Net Income

Net income is one of the most important and fundamental outcomes for FOC clients. The goal of the program is to place clients on steadier financial ground, and the first step is to help them reach the point where they are taking in more in income than they are paying out in expenses. One of the main purposes of the employment-counseling component of FOC services is to help clients bring in more income, so they can purchase essentials like food, clothing and housing; achieving a positive cash flow is the next step toward financial security. Because LISC sites only collect data on net income for clients who receive financial coaching services, the impact of financial coaching on net income is not captured in the impact analysis. Impact estimates for the net income outcome are not reported here because these analyses failed many of the standard “balancing tests” designed to assess the quality of the PSM match (see Appendix D). This is likely due to low sample size, which limited the prospect of choosing a suitable comparison case for each treatment case.

Descriptive statistics for net income outcomes are presented in table 19. The table suggests that, even if financial coaching has a positive impact, FOC clients on average are spending much of their income, with average income net of expenditures ranging from \$75 to \$277. Average net incomes at the date of last service are negative for those clients with negative net income at baseline, ranging from negative \$239 to \$133. Since clients’ net incomes are lower in absolute value and easier to adjust than their net worth, the probability of moving from negative to positive net income is much higher than it is for net worth. Between 26 percent and 60 percent of clients with negative net income at baseline had a positive net income at their date of last service.

TABLE 19
Net Income Descriptive Statistics, Before Matching

	Net income, full sample	Net income, negative net income at baseline	Changed from negative to positive net income, negative net income at baseline
FC	\$167.68	-\$179.21	50.00%
EC & FC	\$277.75	\$133.27	60.25%
FC & ISC	\$75.50	-\$239.54	26.78%
Full bundle	\$180.02	\$48.66	52.83%

Estimates of the impact of FOC services on net income are not presented. The treatment effects that were estimated were often statistically insignificant, and when they were statistically significant their sign and magnitude were highly inconsistent across samples.

Net Worth

Descriptive Statistics

As the LISC report⁴⁰ observes, clients very rarely experience large changes in net worth over the short term. The process of building financial capacity takes time; for most clients, the immediate goal is to increase net income – or move from negative to positive net income – and then to pursue long-term wealth-building strategies. Descriptive statistics for net worth outcomes are presented in table 29 for each sample and outcome analyzed in this section. These descriptive statistics are provided for the analysis samples (the relevant samples for the treatment effects presented subsequently), and therefore exclude cases with missing data or who are outside of the study period.

FOC clients have low net worth at the date of last service regardless of their particular program mix. The average net worth is negative for all analysis samples, ranging from -\$4,500 to below -\$9,000. Clients receiving only two services (either employment and financial coaching or financial coaching and income support counseling) have higher average net worth than other clients (both have an average net worth of over -\$5,000). Several analyses in this section are restricted to clients with negative net worth at baseline, who are in particular need of FOC services. Not surprisingly, these clients have much lower net worth at the date of last service than the full sample. None of the program mix categories for the sub-sample of clients with negative net worth at baseline have an average net worth at the date of last service greater than -\$15,000. Few clients with a negative net worth at baseline have changed to a positive net worth by the date of last service.

TABLE 20

Net Worth Descriptive Statistics, Before Matching

	Net worth, full sample	Net worth, negative net worth at baseline	Changed from negative to positive net worth, negative net worth at baseline
FC	-\$8,864.14	-\$17,213.38	7.14%
EC & FC	-\$4,588.42	-\$17,218.09	6.76%
FC & ISC	-\$4,947.99	-\$16,575.88	13.06%
Full bundle	-\$9,274.05	-\$15,060.37	6.70%

Net Worth Impacts

Treatment effects associated with a client's net worth are presented in tables 21 through 24. Similar to credit scores and net income, net worth outcome variables are only measured for clients that receive some financial coaching.

The PSM analyses for the full sample of FOC clients (table 21) provides some evidence that FOC service are associated with an increase in clients' net worth. All treatment groups enjoy a higher net worth relative to their respective comparison groups, but only two of these estimates are statistically significant. Somewhat surprisingly, the largest treatment effect is associated with adding income support counseling to financial coaching: a \$9,562 increase. Recall that in the employment, wage, and credit score analyses above, clients receiving income support counseling often performed worse than the comparison group receiving only employment counseling.

TABLE 21

Net Worth Treatment Effect for Full Sample

Treatment group FOC services	Comparison group FOC services	Treatment effect	Treatment group sample size	Comparison group sample size
EC & FC	FC	\$2,471.03	412	220
FC & ISC	FC	\$9,562.24*	318	220
Full bundle	FC	\$6,322.55**	1,721	220
Full bundle	EC & FC	\$331.45	1,735	414
Full bundle	FC & ISC	\$4,092.31	1,735	322

Notes: *** = $p < 0.01$; ** = $p < 0.05$; * = $p < 0.10$.

Of particular interest are FOC clients with a negative net worth at baseline. Descriptive statistics in table 20 suggested that this sub-sample had an average net worth at last service date that was several thousand dollars lower than the average net worth of the full sample. Treatment effects for these clients are reported in table 22, below. These treatment effects are more mixed than the effects for the full sample, and only one effect is statistically significant (due in part to considerable variance in client net worth). This demonstrates that the strongest impact of FOC services on net worth driving the full sample treatment effects reported in table 21 come from the impact on clients with positive net worth at baseline. Additional FOC services are not as beneficial for clients with negative net worth at baseline, as table 22 shows. The lone significant treatment effect for clients with negative net worth at baseline is for individuals who receive both financial and income support counseling (FC & ISC) relative to those who only receive financial coaching. This effect is very large, at almost \$15,000.

TABLE 22

Net Worth Treatment Effect for Clients with Negative Net Worth at Baseline

Treatment group FOC services	Comparison group FOC services	Treatment effect	Treatment group sample size	Comparison group sample size
EC & FC	FC	-\$808.36	338	182
FC & ISC	FC	\$14,994.08**	241	182
Full bundle	FC	-\$233.30	1,377	182
Full bundle	EC & FC	\$909.65	1,388	340
Full bundle	FC & ISC	\$2,053.95	1,388	245

Notes: *** = $p < 0.01$; ** = $p < 0.05$; * = $p < 0.10$.

Another way of expressing the net worth outcome is the probability of moving from negative to positive net worth over the study period (for clients that entered FOC services with negative net worth). Although an adjustment of net worth from negative to positive may not always be a large change in dollar terms, it represents a significant financial and psychological milestone. Since this version of the net worth outcome does not necessarily rely on large dollar value changes in net worth, it may also be easier to detect a statistically significant treatment effect associated with FOC services than the net worth analyses presented in tables 21 and 22. Results for the impact of FOC services on the probability of moving from negative to positive net worth are presented in table 23, below.

FOC services have a more positive impact on the probability of moving from negative to positive net worth than on the net worth effects reported in tables 21 and 22. Receiving the full bundle of services has a statistically significant and positive effect relative to receipt of financial coaching alone (FC) or financial coaching plus income support counseling (FC & ISC). Receiving employment counseling in addition to financial coaching also increases the probability of moving from negative to positive net worth. Although the absolute magnitude of these effects is only a few percentage points, this is a substantial impact relative to the average probability of moving from negative to positive net worth (reported in table 20).

TABLE 23

Probability of Change from Negative to Positive Net Worth Treatment Effect for Clients with Negative Net Worth at Baseline

Treatment group FOC services	Comparison group FOC services	Treatment effect	Treatment group sample size	Comparison group sample size
EC & FC	FC	4.40%***	338	182
FC & ISC	FC	-0.04%	241	182
Full bundle	FC	2.31%***	1,377	182
Full bundle	EC & FC	1.21%	1,388	340
Full bundle	FC & ISC	1.97%**	1,388	245

Notes: *** = $p < 0.01$; ** = $p < 0.05$; * = $p < 0.10$.

There is consistent evidence that FOC services improve the net worth of clients, but this result only holds true for the full sample of FOC clients. When clients that begin services with negative net worth are analyzed separately, FOC services have a mixed impact on net worth that is generally statistically insignificant (the exceptions are clients receiving financial and income support counseling). This implies that the positive results for the full sample (presented in table 21) are driven by the smaller number of clients with positive net worth when they enter services.

A population of special concern is FOC clients that were not employed when they began receiving services. These clients were considered in tables 5, 7, 9, and 11 in the employment and earnings analyses above. Table 22 presents treatment effects for net worth for these clients.

TABLE 22

Net Worth Treatment Effect for Clients without a Job at Baseline

Treatment group FOC services	Comparison group FOC services	Treatment effect	Treatment group sample size	Comparison group sample size
EC & FC	FC	\$888.42	350	155
FC & ISC	FC	\$22,493.30***	209	155
Full bundle	FC	\$6,141.16**	1,500	155
Full bundle	EC & FC	\$2,934.94	1,510	352
Full bundle	FC & ISC	\$8,416.90***	1,510	213

Notes: *** = $p < 0.01$; ** = $p < 0.05$; * = $p < 0.10$.

When the sample is restricted to clients that are jobless at the beginning of services, the net worth treatment effects remain positive and statistically significant for those who receive financial and income support counseling, and for those who receive the full bundle of services relative to clients receiving only financial coaching or only financial and income support counseling (table 22). The impact of FOC services on those clients receiving financial and income support counseling relative to those

receiving only financial coaching is very large (over \$22,000). The impact on clients receiving the full bundle is less than half of that amount, but still large at between \$6,000 and \$8,500, depending on the comparison group.

Summary of Impacts by Analysis Sample

The prior sections noted patterns in the estimated treatment effects that were common to a particular sample across outcomes. However, these patterns are more clearly summarized by collecting the results across outcomes into a single table, such as those presented below. Table 25 summarizes the analyses using the SIPP as a comparison group to estimate the impact of FOC services on employment and wage outcomes. Only statistically significant findings are indicated, with a “+” signifying a positive result and a “-” signifying a negative result. The table demonstrates that employment counseling alone, employment counseling and financial coaching, and the full bundle of FOC services all have consistently positive impacts on clients in the short term. Employment counseling alone seems to have its strongest effect on clients who did not have a job at baseline. In contrast, clients receiving employment counseling and income support counseling experience no benefits from FOC services relative to the SIPP baseline.

TABLE 25
Summary – Wage and Employment Impacts, SIPP Comparisons)

Outcome and sample	EC vs. SIPP	EC & FC vs. SIPP	EC & ISC vs. SIPP	Full Bundle vs. SIPP
Probability of employment, full sample		+		+
Probability of employment, no job at baseline	+			+
Wage, full sample		+		
Wage, no job at baseline	+	+		+

Notes: + indicates a statistically significant, positive treatment effect, - indicates a statistically significant negative treatment effect. These results were drawn from tables 4, 5, 6, and 7.

Table 26 summarizes the same employment and wage outcomes for the analyses where FOC clients were compared to other FOC clients. These comparisons generate estimates of the short-term impact of receiving one mix of FOC services instead of another; they do not generate estimates of the effect of receiving FOC services of any kind. Distinct patterns emerge when FOC services are compared to each other in this way. For three of the four outcomes, receiving both employment counseling and financial coaching is associated with the improvement of employment and wage outcomes relative to

employment counseling alone. However, the addition of income support counseling to employment counseling is associated with worse outcomes in three out of four cases.

Receiving the full bundle of services is associated with different impacts on employment and wages depending on which mix of services serves as the comparison group. Relative to employment counseling alone, the full bundle of services is not associated with any change in short-term employment and wage outcomes, except in one case (it has a negative association with wages in the full sample). Table 26 shows that the addition of income support counseling alone, and not financial coaching, to employment counseling is not associated with improved employment and wage outcomes. However, adding income support counseling to clients who are already receiving employment counseling and financial coaching is associated with positive employment and wage outcomes in all four analyses. Finally, the full bundle of services is associated with higher employment probability relative to receipt of only employment counseling and income support counseling, for the full sample, but negative employment probability for those without a job. It is not associated with any change in wages.

TABLE 26

Summary – Wage and Employment Impacts, Treatment versus Treatment-Plus Comparisons

Outcome and sample	EC & FC vs. EC	EC & ISC vs. EC	Full Bundle vs. EC	Full Bundle vs. EC & FC	Full Bundle vs. EC & ISC
Probability of employment, full sample	+			+	+
Probability of employment, no job at baseline	+	-		+	-
Wage, full sample	+	-	-	+	
Wage, no job at baseline		-		+	

Notes: + indicates a statistically significant, positive treatment effect, - indicates a statistically significant negative treatment effect. These results were drawn from tables 8, 9, 10, and 11.

As table 27 indicates, additional FOC services do not appear to be associated with positive credit outcomes in the short term. All the results in table 27 are based on treatment versus treatment-plus comparisons of credit-based outcomes; as table 13 shows, when Vantage credit scores for FOC clients are compared to scores from members of a comparison group formed using the credit bureau database, all of the estimated impacts of receiving FOC services are statistically insignificant. Table 27 shows that adding FOC services tends have a negative association or no association with short-term credit outcomes. This is especially true for two comparisons: financial coaching plus employment counseling, relative to financial coaching alone; and receiving the full bundle of FOC services, compared to financial coaching alone. In both cases, the short-term impact estimates are negative and statistically significant

for three of the five credit outcomes. Adding income support counseling to clients who are receiving employment counseling and financial coaching is associated with an increased probability of having a FICO score, but with reduced FICO scores for individuals with no FICO score at baseline and no statistically significant effects on any other outcomes. The two outcomes that are statistically significant and positive are the exceptions to the general pattern seen in table 27.

TABLE 27

Summary – Credit Score Impacts

Outcome and sample	EC & FC vs. FC	FC & ISC vs. FC	Full Bundle vs. FC	Full Bundle vs. EC & FC	Full Bundle vs. FC & ISC
Change in FICO score, full sample		-	-		
FICO score, full sample	-		+		
FICO score, no FICO score at baseline	-		-	-	
Probability of having a FICO score, full sample				+	-
Probability of having a FICO score, no score at baseline	-	-	-		-

Notes: + indicates a statistically significant, positive treatment effect, - indicates a statistically significant negative treatment effect. These results were drawn from tables 14, 15, 16, 17 and 18.

Table 28 contains the results from a treatment versus treatment-plus analysis of the net worth outcomes. Like net income, net worth outcomes are not available from the SIPP, so only the treatment versus treatment-plus comparisons are possible. However, unlike net worth, the PSM matching process did not generate valid impact estimates for the net income comparisons, so only the net worth results are presented.

In contrast to the results for credit outcomes seen in table 27, adding FOC services to the bundles that clients receive is generally associated with positive short-term changes in net worth, and no changes that are negative and statistically significant. Adding employment counseling and income support counseling to financial coaching is associated with increases in three of the four net worth outcomes, as is adding income support counseling to financial-coaching clients. Overall, there is less differentiation across FOC services in their impact on credit and net worth outcomes than there is in their impact on employment and wage outcomes, which may reflect the strong, unified focus on financial stability of the FOC model.

TABLE 28

Summary – Net Worth Impacts

Outcome and sample	EC & FC vs. FC	FC & ISC vs. FC	Full Bundle vs. FC	Full Bundle vs. EC & FC	Full Bundle vs. FC & ISC
Net worth, full sample		+	+		
Net worth, negative net worth at baseline		+			
Probability of a change from negative to positive net worth, negative net worth at baseline	+		+		+
Net worth, no job at baseline		+	+		+

Notes: + indicates a statistically significant, positive treatment effect, - indicates a statistically significant negative treatment effect. These results were drawn from tables 21, 22, 23, and 24.

Costs of Providing FOC Services

Many studies of integrated service delivery programs contain data that illustrates the benefits to clients receiving the services, but comparatively few provide data on the costs of providing these services. However, the United Way, in association with Bank of America, produced a report⁴¹ on the network of Financial Stability One Stop Centers that analyzes cost data collected from the Centers. The United Way report contains a table reflecting the average cost per client for nine Centers. This table shows a pronounced split along the Centers: four spend more than \$1000 per client on average, while the remaining five spend less than \$500. The authors note: “While not indicative of efficiency or effectiveness by itself, this measure can provide a common view of diverse operating models. When used internally, it can also serve as a benchmark for sustainability.”

The second of the two main research questions that motivate this study asks how the benefits of FOC services compares to the costs of providing services to clients. To estimate the costs of providing services to clients, we need to make assumptions about how to treat the data in the budget templates submitted by the AmeriCorps sites (see Appendix A). As described above, six sites submitted relatively complete cost data; the costs of providing each type of FOC service are based on the total amount recorded for salaries and benefits for the FOC coaches. The amount spent on other administrative and support staff, as well as non-staff administrative and overhead costs, is allocated to each FOC service in the same proportion as FOC staff costs: thus, if the sites devotes 30 percent of its total salaries and benefits for FOC coaches to the income support counseling coaches, 30 percent of the other costs are assumed to be devoted to income support counseling. These cost estimates are totaled for each service and used to create a cost per FTE (full-time equivalency) for each service for each site, based on the amount of time the FOC coaches devote to providing FOC services. This cost is divided by the total amount of service provided to all clients during program year 2013-2014, for each service, and adjusted so that the estimates of the total amount spent match the total FOC costs reported for each site.

In later sections of the report, these cost-per-minute estimates will be used to examine client-level differences in program costs, and will also be used in the cost-benefit comparisons in the final section of the report, which address the second of the study’s two main research questions. The results show that the estimated costs per minute of service vary somewhat across the type of service provided, with income support counseling costing less per minute than the other two services. The cost per minute estimates vary considerably across sites, but the cost per client estimates are generally lower – and in some cases, considerably lower – than the estimates published in the United Way report cited above.

Calculation of FOC Unit Costs

As described above, the estimation of site-level costs per minute of service requires some assumptions about how to allocate the budget entries in the budget templates submitted by the six sites that provided relatively complete data on FOC program costs. Table 29 below contains the detailed budget data submitted by the six sites⁴² that provided relatively complete cost data. In order to produce the cost estimates we need – cost per minute estimates for each site in the study and each of the three types of FOC services – we begin with the total amount the sites spent on benefits and salaries for people who provide FOC services. The top panels of table 29 contain the direct service costs for the FOC coaches (including staff members, listed by position title under “Salaries and Benefits – Direct Service” on the site budgets, who were not identified as FOC coaches, but who provided FOC services) at each site.

Because five of the six sites also receive funding from the Social Innovation Fund (SIF), the project team was able to compare the direct service costs in table 29 with those found on the SIF budgets. The full-time equivalency (FTE) estimates are based on the percent of staff time devoted to FOC services, as estimated by the sites. The SIF budgets also require the sites to note how much time each staff member spends on SIF-funded FOC services; these FOC percentages on our budget templates were generally consistent with the percentages found on the SIF budgets.

Next, we use the direct service costs devoted to each FOC service to estimate the amount of FOC administrative and overhead costs (including the salaries and benefits of staff members who do not provide direct service) to allocate to each service. We use the percentage of direct costs devoted to each FOC service (employment counseling, financial coaching, and income support counseling) to estimate the proportion of administrative salaries and benefits, overhead costs, and direct administrative costs that should be allocated to each FOC service. This creates a “weighted” labor rate per FTE for staff members who provide each type of service, as seen in the bottom panels of table 29. For some sites, the salaries and benefits for staff members listed under “Other Direct Service Staff” constitute a relatively large proportion of the “Direct Service Costs” category,⁴³ and the FOC programming accounts for a large share of administrative and overhead costs. When these costs are allocated across each of the three FOC service categories, the FOC costs increase, which accounts for much of the observed differences across sites in unit costs.

TABLE 29

Detailed Budget Data from LISC FOC Sites

Site Number	Salary and Benefits: Employment Coach	Salary and Benefits: Financial Coach	Salary and Benefits: Income Support Coach	Number of FTEs: Employment Coach	Number of FTEs: Financial Coach	Number of FTEs: Income Support Coach
1	\$44,218	\$49,888	\$35,547	1.00	1.00	1.00
2	\$77,908	\$87,886	\$84,387	1.98	1.98	1.98
3	\$43,614	\$30,606	\$42,923	1.10	1.00	1.50
4	\$48,699	\$40,235	\$21,675	1.00	0.50	1.00
5	\$11,904	\$45,396	\$33,650	0.25	1.00	1.00
6	\$20,653	\$46,558	\$24,231	0.55	1.00	1.00
	\$246,995	\$300,569	\$242,413			

Site Number	Salaries and Benefits: Other Direct Service Staff	Salary and Benefits: Administrative Staff	Direct Costs	Overhead	Budget Totals
1	\$220,364	\$115,283	\$51,105	\$254,129	\$770,534
2	\$142,193	\$38,938	\$17,912	\$72,875	\$522,098
3	\$131,805	\$3,446	\$44,423	\$478,771	\$775,588
4	\$15,911	\$66,890	\$64,851	\$14,494	\$272,753
5	\$90,302	\$17,414	\$47,375	\$55,999	\$302,039
6	\$17,890	\$32,365	\$10,003	\$6,788	\$158,488
	\$618,465	\$274,337	\$235,668	\$883,055	\$2,801,502

Site Number	Cost per FTE - EC	Cost per FTE - FC	Cost per FTE - ISC
1	\$262,790	\$296,487	\$211,258
2	\$82,113	\$92,630	\$88,942
3	\$262,511	\$202,637	\$189,460
4	\$120,087	\$198,434	\$53,449
5	\$158,127	\$150,758	\$111,750
6	\$65,083	\$80,695	\$41,997

Table 30 contains the total number of minutes of service provided by coaches at each of the six sites, and preliminary estimates of the cost per minute of each type of service. The minutes of service come from three sources: clients who started receiving service between October 2013 and March 2015 (“new clients”) and who have minutes of service recorded; “new” clients who began receiving service

during this time period, but have data missing for the amount of service they received; and clients who began receiving FOC services before October 2013, but received more coaching after that (“existing clients”). For the first group of clients, ETO records the number of minutes spent with a coach for each type of FOC service the client was scheduled to receive. For the second group of clients, we impute a small number of minutes of service for clients with missing time data for the services they received. The amount of time imputed depends on whether the client met with a coach in person (20 minutes) or not (10 minutes); these figures are based on the average for those clients with available ETO data. Finally, the third group of clients represents a substantial addition to the workload of FOC coaches at all sites, so this time must be considered when calculating total costs.

Table 31 contains the remaining steps in the derivation of the final FOC cost per minute estimates. The top panel of table 31 contains the “stage 1” cost per minute estimates, which are simply the share of the budget devoted to each FOC service (from table 29) divided by the total number of minutes of each FOC service provided to all clients (from table 30). The total amount of service received by all clients, when expressed in terms of FTE (by dividing by 2080 hours per year times 60 minutes per hour), is often very different from the FTE amounts recorded in table 29 for each site. When the amount of service recorded is less than the FTE total, this might be due to direct-service minutes that are not reported by staff, or to minutes spent on non-direct-service activities. The time that FOC coaches spend on activities other than direct service to clients may vary by the type of FOC service, across sites, and/or across coaches.

TABLE 30

Clients and Minutes for All FOC Services

Site Number	Minutes - EC: New Clients (recorded)	Minutes - EC: New Clients (imputed due to missing data)	Minutes - EC: Existing Clients	Total Minutes - EC
1	32,336	2,720	31,041	66,097
2	32,957	480	18,753	52,190
3	44,920	980	55,675	101,575
4	19,892	450	17,364	37,706
5	95,982	1,850	42,076	139,908
6	3,383	8,360	2,183	13,926
	229,470	14,840	167,092	
Site Number	Minutes - FC: New Clients (recorded)	Minutes - FC: New Clients (imputed due to missing data)	Minutes - FC: Existing Clients	Total Minutes - FC
1	14,687	2,720	9,936	27,343
2	22,160	440	14,690	37,290
3	16,306	1,360	15,702	33,368
4	27,968	410	14,661	43,039
5	11,900	2,370	8,320	22,590
6	25,136	4,760	13,935	43,831
	118,157	12,060	77,244	
Site Number	Minutes - ISC: New Clients (recorded)	Minutes - ISC: New Clients (imputed due to missing data)	Minutes - ISC: Existing Clients	Total Minutes - ISC
1	3,094	13,900	880	17,874
2	19,262	4,960	10,300	34,522
3	6,517	8,920	3,257	18,694
4	18,185	210	13,778	32,173
5	25,091	4,770	25,092	54,953
6	3,430	9,440	1,655	14,525
	75,579	42,200	54,962	

No matter the cause, these “stage 1” unit costs need to be corrected because of a discrepancy between the staff time devoted to each service and the amount of service provided. To illustrate the correction we apply, note that, for site 1, the cost per client could be estimated in two ways:

1. As the total FOC costs from table 29 (\$770, 534) divided by the total number of clients (1,323, including new clients with recorded and imputed data, and existing clients) = \$582.41; or
2. As the sum of (unit cost per minute * minutes of service) for each type of FOC service (\$234,395) divided by the total number of clients (1,323) = \$177.17.

Table 31 contains the final stage in the procedure for calculating unit costs: the cost per client is adjusted to bring the cost per client estimates into alignment. The “correction factor” in table 31 – $(\$582.41 / \$177.17) = 3.29$ – is then used to adjust the cost per minute for each service. The bottom panels of table 31 contain the final, corrected, cost per minute estimates for each service at each site, as well as an “aggregate” cost per minute estimate. The aggregate cost per minute is a weighted average of the three service-specific unit costs, where the weights are constructed from the proportion of minutes devoted to each type of service.

The corrected, “final” unit cost (cost-per-minute) estimates in table 31 now match the FOC budget totals in table 29: the cost per minute times the number of minutes of service, summed over all three FOC services, equals the total amount that the site reported spending on FOC services. These unit cost measures vary somewhat across sites: Site 5, the site serving the largest number of clients, has the lowest aggregate cost-per-minute estimate, but the smallest sites (sites 2 and 4) have unit costs that are closer to the middle of the pack. In general, the differences in table 31 may appear because of differences in the client population served by the site, the type of services clients receive, and other unmeasured site-specific characteristics that might influence the costs of providing FOC services. The next section contains an analysis that is designed to disentangle these differences to learn more about the costs of providing FOC services.

TABLE 31

Final FOC cost per minute estimates

Site Number	Total Clients	Stage 1 Cost per Minute - EC	Stage 1 Cost per Minute - FC	Stage 1 Cost per Minute - ISC	FOC Costs per Client	Correction Factor
1	1,323	\$2.11	\$2.38	\$1.69	\$177.17	\$3.29
2	842	\$0.66	\$0.74	\$0.71	\$102.87	\$6.03
3	1,325	\$2.10	\$1.62	\$1.52	\$223.56	\$2.62
4	567	\$0.96	\$1.59	\$0.43	\$208.98	\$2.30
5	2,035	\$1.27	\$1.21	\$0.90	\$124.70	\$1.19
6	1,375	\$0.52	\$0.65	\$0.34	\$29.45	\$3.91

Site Number	FINAL FOC Costs per Client	FINAL Cost per Minute - EC	FINAL Cost per Minute - FC	FINAL Cost per Minute - ISC	Aggregate Cost per Minute
1	\$582.41	\$6.92	\$7.81	\$5.56	\$7.10
2	\$620.07	\$3.97	\$4.47	\$4.30	\$4.20
3	\$585.35	\$5.51	\$4.25	\$3.97	\$5.06
4	\$481.05	\$2.21	\$3.66	\$0.99	\$2.49
5	\$148.42	\$1.51	\$1.44	\$1.07	\$1.42
6	\$115.26	\$2.04	\$2.53	\$1.32	\$2.35

The Costs of FOC Services: A Multivariate Client-Level Analysis

Cost data are crucial in assessing the benefits of FOC programs and services, but they are not readily available. The methodology used in collecting cost data for this evaluation is an initial attempt to collect data specifically on the costs of operating programs, and offering FOC services in particular. The project team encountered challenges such as varied institutional contexts among FOC sites; different staffing approaches and client flows; and different understandings of resource allocation and use. The analysis in this section illustrates how cost data collected directly from LISC’s AmeriCorps FOC sites can be combined with ETO data on clients and services received from LISC’s ETO administrative data system to examine the factors that influence program costs and to learn more about how the FOC sites differ in the way they provide services. This analysis uses the estimated costs per minute of service derived in the previous section to address a concern raised in the United Way report cited earlier:⁴⁴

For example, the cost-per-client calculations in the chart below use a broad base for number of clients – those receiving at least one service. Those receiving multiple services, or returning several times to utilize Center resources, cost more than a client who attends one workshop or one counseling session and does not return. This measure, therefore, does not capture the cost of bundling; it does not offer any insights into comparisons between those using one vs. many services.

The results suggest that client characteristics have some influence over the resources that FOC sites devote to clients, but that the costs of providing service also depend on the mix of FOC services the client receives, and vary substantially across sites, controlling for all other factors. These results shed some light on the reasons why the costs of serving some clients are greater than the costs of serving others. Because of program design, client characteristics, and/or available resources, sites supply different services to particular clients at different levels of intensity. The FOC program mix a client receives is driven by these factors, as well as by the client’s own demands; it costs more to provide a client more intensive services and a more complete bundle of FOC services. However, the site-specific differences are significant predictors even after controlling for client demographics and program mix. These differences are due in part to the site-specific unit costs, but also appear to be influenced by other unmeasured characteristics of the sites and the way they operate their FOC programs.

Data and Model Specification

Table 32 below contains descriptive statistics for the FOC clients who received services during program year 2013-2014 from one of the six AmeriCorps sites with complete cost data. The dataset includes 4,642 clients, some of whom had missing data for one or more of the services they received. The dependent variable for the analysis is the total amount of service, in dollars, that the client received, which is calculated as follows:

$$3. \text{ Total Cost}_i = (\text{EC Unit Cost}_j * \text{EC Minutes}_i) + (\text{FC Unit Cost}_j * \text{FC Minutes}_i) + (\text{ISC Unit Cost}_j * \text{ISC Minutes}_i)$$

Equation (3) uses the cost per minute calculated for site $j = 1, 2, \dots, 6$, and the minutes of service client i received, which are recorded in ETO or imputed as described in the previous section. The independent variables used in the regression models include client characteristics, program mix indicators, and site indicators. Table 32 illustrates that a substantial number of clients fall into “high-needs” categories due to their unemployment, homelessness, low income, or prior criminal convictions recorded at intake – but that the characteristics of the client population also vary across sites. Table 32

also shows that the missing-data rates are also high for several of the independent variables, especially for certain sites.

In this section, we use ordinary least squares (OLS) to estimate regression models of the following form:

$$4. \quad Y = \beta X + \gamma P + \delta S + u,$$

where Y is the total costs recorded or imputed of all the FOC services the client received, X is a vector of client characteristics measured in ETO, P is a vector of indicators representing the client's mix of FOC services, S is a vector of site dummies, and $u \sim N[0, \sigma^2]$ is a vector of randomly distributed error terms that are uncorrelated with any of the variables in X , P or S .

TABLE 32

Descriptive Statistics for LISC Client Data

FOC Client Characteristics		Site 1	Site 2	Site 3	Site 4	Site 5	Site 6	Total
Gender	Female	356	289	222	252	472	465	2056
	Male	466	250	323	72	437	420	1968
	Missing	13	8	305	5	271	16	618
Marital Status	Single	647	369	402	198	602	795	3013
	Married	71	43	83	54	27	37	315
	Divorced/Separated	97	125	62	67	56	47	454
	Missing	20	10	303	10	495	22	860
Race/Ethnicity	African American	756	149	168	38	791	863	2765
	Hispanic	31	309	124	175	23	12	674
	Caucasian/White	27	62	178	77	9	1	354
	Other Race or Ethnicity	21	27	380	39	357	25	849
	Missing	12	8	349	13	342	21	745
Annual Household Income (\$)	\$0	368	229	132	88	267	712	1796
	\$1 - \$5,000	63	50	46	62	73	17	311
	\$5,001 - \$10,000	79	114	74	59	122	41	489
	Greater than \$10,000	280	134	167	101	137	51	870
	Missing	45	20	431	19	581	80	1176
Age (years)	25 and under	127	71	48	92	127	454	919
	25 to 35	193	101	141	102	266	119	922
	35 to 45	160	107	97	55	210	106	735
	45 and older	333	262	253	79	548	220	1695
	Missing	22	6	311	1	29	2	371
Criminal Convictions	No Convictions	522	417	350	222	477	733	2721
	Misdemeanor	68	39	36	32	19	37	231
	Felony	224	84	83	54	232	101	778
	Missing	21	7	381	21	452	30	912
Living Arrangement	Homeless/rent free	189	252	110	119	84	94	848
	Rent-subsidized	212	26	42	36	381	84	781
	Rent-unsubsidized	292	226	209	138	179	503	1547
	Home is owned	132	35	72	21	91	183	534
	Missing	10	8	417	15	445	37	932
Education Level	No high school diploma	161	169	82	36	120	118	686
	HS Diploma or GED	369	188	151	128	479	557	1872
	Associates degree/some college	243	146	134	143	114	160	940
	Bachelors or higher	52	37	82	13	15	31	230
	Missing	10	7	401	9	452	35	914
Employment Status at Entry	Unemployed at entry	504	280	252	236	381	675	2328
	No work history	48	107	5	0	128	99	387
	Employed at entry	35	118	84	77	57	68	439
	Missing	248	42	509	16	614	59	1488
Imputation of Minutes	EC minutes imputed	133	20	41	27	102	602	925
	FC minutes imputed	136	18	82	13	109	57	415
	ISC minutes imputed	693	251	427	5	218	283	1877
FOC Program Mix	EC Only	8	18	32	26	140	389	613
	FC Only	40	35	63	41	39	64	282
	ISC Only	381	309	551	19	758	82	2100
	EC + FC	18	27	91	69	138	94	437
	EC + ISC	36	20	8	18	31	7	120
	FC + ISC	48	68	21	34	6	26	203
	All three programs	304	70	84	122	68	239	887
Site Totals		835	547	850	329	1180	901	4642

The demographic variables represented in **X** are:

- *Gender*: Overall, these FOC sites are more likely to serve women than men, although sites 3 and 4 appear to be exceptions to this pattern.
- *Marital status*: Most clients are single, although some sites (Site 6 in particular) appear to serve a younger, heavily single client population.
- *Race and Ethnicity*: Most clients are African American, but the client populations of sites 1 and 6 seem to be almost exclusively African American. Sites 2 and 4 appear to serve an especially large proportion of Latino clients.
- *Income*: Most FOC clients have very low income; only 19 percent have income greater than \$10,000. At some sites (like site 6), almost 80 percent of clients had no income at intake, as recorded in ETO.
- *Age*: Several sites (especially sites 2 and 5) tend to serve a larger-than-average proportion of older clients, but about 37 percent of FOC clients are 45 and older.
- *Criminal convictions*: Overall, about 22 percent of clients have criminal records. Sites 1 and 5 have above-average numbers of clients who have been convicted of felonies.
- *Living arrangements*: About half of clients at these six sites with non-missing data are renters. Sites 2 and 4 have the largest proportions of clients who live rent-free or have no fixed address.
- *Educational attainment*: About 15 percent of clients at these sites are recorded as not having high school diplomas. Sites 1 and 2 contain the largest concentrations of this client group.
- *Employment status*: About half of clients with non-missing data are jobless at intake, according to ETO; another 8 percent have no work history. Sites 2 and 4 contain the largest percentages of clients who have jobs when they begin receiving FOC services.

Table 32 also contains data on the proportion of clients with imputed data and on the mix of FOC services that the clients receive. Overall, the prevalence of missing data on minutes of service is highest for income support counseling, but at certain sites, large numbers of clients have minutes missing for other types of service (such as employment counseling at site 1). For the six sites reporting complete cost data, the “full bundle” rate (19.9 percent) is much lower than it is for AmeriCorps sites as a whole for the same time period.⁴⁵ The most common type of program mix overall is ISC only, which is also

unusual but here too, there are exceptions for certain sites: EC only is the most common program mix at site 6, and the full bundle is the most common type of program mix at site 4.

Regression Results

Table 33 below contains the results of the estimation of Equation (4) using OLS regression. The “full model” contains client characteristics (**X**), indicators for program mix (**P**), and for sites (**S**); the other specifications omit the indicators for site and/or program mix. **X**, the vector of client characteristics, includes control variables for clients with imputed data for FOC services, which are included in all three models. These variables are included in the model strictly to control for the imputation that fills in data for clients with missing minutes of service in the ETO system; they are intended to distinguish clients with missing data from clients with data recorded in ETO who receive very little service. Because most of the demographic variables in **X** are categorical, they are expressed as dummy variables; a client with missing data for any variable is included in the reference category. Appendix C contains the full set of regression results models, including the standardized beta coefficients, which permit comparison of results between variables (but not across models).⁴⁶

The results in table 33 from the full model specification suggest that client characteristics influence how much service the client receives, even controlling for the mix of services the client receives and other site-specific factors. The site effects (δ from Equation (4) above) reflect the unit costs estimated in the previous section, which directly affect the cost of providing service, and also any other unmeasured factors that are specific to that site. In general, as the standardized coefficients in the tables in Appendix C indicate, the site effects have less explanatory power than the program-mix variables, controlling for other factors, but both have much more impact than client characteristics.

Some, but not all, of the full-model results in table 33 suggest that sites spend more on hard-to-employ, or “high-needs” clients, controlling for program mix and site-specific factors. In the fully specified model, the association between client costs and variables such as sex, marital status, race and ethnicity is only marginally statistically significant. The results suggest that sites tend to spend more on clients who are homeless or with no fixed address and to spend less on clients with at least some college education.

TABLE 33

Regression Results – Dependent Variable: Total FOC Costs for a Client

FOC Client Characteristics		Coefficient (unstandardized) - Full Model	Coefficient (unstandardized) - Demogs. and Program Mix	Coefficient (unstandardized) - Demographics Only
Gender	Female		Reference Category	
	Male	27.87 (*)	81.12 (**)	35.18 (*)
Marital Status	Single		Reference Category	
	Married	-46.02	-50.99	9.33
	Divorced/Separated	16.32	20.20	39.13
Race/Ethnicity	African American	-50.7 (*)	-88.99 (**)	-42.23
	Hispanic	-57.1 (*)	-49.04	-3.66
	Caucasian/White		Reference Category	
	Other or missing	111.46 (**)	77.95 (**)	178 (**)
Annual Household Income (US\$)	Missing at entry	-82.48 (**)	-159.16 (**)	-328.3 (**)
	\$0	-26.06	-102.73 (**)	-147.96 (**)
	\$1 - \$5,000	-18.66	-65.28 (*)	-25.52
	\$5,001 - \$10,000	-30.98	-55.19 (*)	-91.47 (**)
	Greater than \$10,000		Reference Category	
Age (years)	25 and under		Reference Category	
	25 to 35	-33.17	-30.63	55.52 (*)
	35 to 45	-67.05 (**)	-47.41 (*)	65.98
	45 and older	-33.83	-12.85	24.07
Criminal Convictions	No Convictions		Reference Category	
	Misdemeanor	-49.05	-22.38	141 (**)
	Felony	-68.34 (**)	-34.58	214.96 (**)
Living Arrangement	Homeless/rent free	120.27 (**)	204.63 (**)	252.19 (**)
	Rent-subsidized	10.89	4.24	-110.6 (**)
	Rent-unsubsidized	22.53	29.30	-18.42
	Home is owned		Reference Category	
Education Level	No high school diploma	-36.93	30.32	8.29
	HS Diploma or GED		Reference Category	
	Associates degree/some college	-59.56 (**)	-53.7 (**)	-7.27
	Bachelors or higher	-77.11 (**)	15.91	132.25 (**)
Employment Status at Entry	Unemployed at entry	-22.46	-50.46 (**)	117.83 (**)
	No work history	-103.36 (**)	-108.11 (**)	-21.79
	Employed at entry		Reference Category	
FOC Program Mix	EC Only	552.62 (**)	447.46 (**)	Omitted
	FC Only	274.7 (**)	188.48 (**)	
	ISC Only		Reference Category	
	EC + FC	941.73 (**)	814.09 (**)	
	EC + ISC	646.81 (**)	569.83 (**)	
	FC + ISC	517.66 (**)	437.53 (**)	
	All three programs	1272.16 (**)	1123.38 (**)	
Imputation of Minutes	EC minutes imputed	-545.68 (**)	-620.37 (**)	-270.9 (**)
	FC minutes imputed	-361.25 (**)	-257.44 (**)	9.57
	ISC minutes imputed	-222.52 (**)	-71.71 (**)	-30.90
Site Indicator	Site 1	300.96 (**)	Omitted	Omitted
	Site 2	366.83 (**)		
	Site 3	283.21 (**)		
	Site 4	-331.47 (**)		
	Site 5	Reference Category		
	Site 6	-181.45 (**)		
Constant	Constant	148.91 (**)	267.54 (**)	416.12 (**)
R-Squared		0.46	0.389	0.153
Adjusted R-squared		0.455	0.385	0.148
Number of Cases		4641	4641	4641
F-statistic		105.802 (**)	91.846 (**)	31.949 (**)

(*) : statistically significant at 0.05 < p < 0.10

(**): statistically significant at p < 0.05

Table 33 also suggests that the influence of certain client characteristics depends on whether or not the model controls for differences in program mix and site-specific influences. For instance, in the model that only contains demographic variables, costs appear to have a slightly nonlinear relationship with household income at intake. Sites appear to devote more resources to clients with some but very little income at intake, and to clients with relatively high incomes, while spending less on clients who have zero income, missing data, or mid-level income values. In the demographics-only model, sites appear to devote more resources to clients aged 25 to 35 than on older or younger clients, and to spend more on average on jobless clients than on clients who were employed at intake and those with no work history. This model also suggests that sites, on average, spend more on clients with prior criminal convictions (either misdemeanors or felonies) than on clients with no criminal histories.

Several of these relationships change in the fully specified model that controls for program mix and site-specific impacts. Household income at intake does not seem to influence the amount spent on a client, except that sites tend to spend less on average on clients with missing data. Sites appear to spend somewhat less on clients who are aged 35-45 at intake than on older or younger clients, and to spend less on clients with no work history, controlling for site-specific differences and differences in program mix. Finally, controlling for program mix and site-specific impacts, sites tend to spend less on clients with convictions for felonies, on average. While fewer of the demographic variables have statistically significant effects in the fully specified model, the demographic variables do appear to have some significant effects on cost, even controlling for program mix and site impacts.

Not surprisingly, table 33 shows that sites tend to spend more on clients who receive the “full bundle” of FOC services than on those who receive partial bundles, controlling for other factors. In general, sites tend to spend more on clients who receive employment counseling (EC) than on clients who only receive financial coaching (FC) and/or income supports counseling (ISC). Next to the full bundle, the second most expensive mix of services is EC + FC, followed by EC + ISC and EC alone. Sites tend to spend the least on clients who receive ISC services only, and slightly more on clients who receive FC only and the combination of these two services, controlling for other factors. The control variables for clients with imputed data are negative and significant, which primarily reflects the fact that the imputed values are smaller on average than the real values might be. Their presence in these models increases our confidence that the decision to fill in missing data does not drive the results for the rest of the variables.

Taken as a whole, these results suggest that “high-needs” clients are more likely to receive “bundles” of FOC services that are relatively costly. For instance, as table 34 below illustrates, clients

with zero or low (less than \$5000) annual household income at intake are more likely to receive the full bundle of

TABLE 34

Program Mix for Selected Client Demographic Groups

Program Mix		EC Only	FC Only	ISC Only	EC + FC	EC + ISC	FC + ISC	All three programs
Annual Household Income (\$)	\$0	24.1%	6.7%	24.1%	10.7%	3.7%	5.5%	25.1%
	\$1 - \$5,000	8.0%	7.1%	28.6%	19.0%	4.8%	3.9%	28.6%
	\$5,001 - \$10,000	3.9%	7.2%	48.7%	10.8%	2.2%	5.7%	21.5%
	Greater than \$10,000	4.0%	7.1%	49.0%	10.6%	1.5%	5.3%	22.5%
	Missing	8.6%	3.6%	77.8%	3.4%	1.2%	1.5%	3.9%
Criminal Convictions	No Convictions	16.8%	6.4%	43.0%	8.1%	2.6%	4.7%	18.3%
	Misdemeanor	8.2%	8.7%	22.9%	13.9%	3.9%	4.3%	38.1%
	Felony	9.6%	6.3%	14.8%	21.5%	4.0%	6.6%	37.3%
	Missing	6.7%	4.2%	83.6%	1.9%	1.0%	1.5%	1.2%
Living Arrangement	Homeless/rent free	8.4%	9.7%	23.0%	14.4%	3.3%	7.3%	34.0%
	Rent-subsidized	3.6%	4.4%	62.0%	5.9%	3.8%	2.9%	17.4%
	Rent-unsubsidized	24.8%	5.4%	33.6%	10.2%	2.1%	4.6%	19.3%
	Home is owned	13.5%	9.0%	21.7%	17.0%	3.6%	6.2%	29.0%
	Missing	6.2%	3.8%	84.2%	2.1%	1.2%	1.5%	1.0%
Education Level	No high school diploma	13.0%	6.4%	38.0%	7.9%	5.1%	5.8%	23.8%
	HS Diploma or GED	22.2%	5.5%	31.7%	10.4%	2.7%	4.4%	23.2%
	Associates degree/some college	6.0%	8.8%	37.3%	15.6%	2.3%	6.4%	23.5%
	Bachelors or higher	7.8%	10.4%	33.9%	13.0%	2.6%	4.3%	27.8%
	Missing	3.8%	3.1%	89.4%	1.2%	0.8%	1.2%	0.5%
Employment Status at Entry	Unemployed at entry	18.6%	6.9%	24.7%	12.9%	2.5%	5.5%	28.8%
	No work history	10.3%	6.2%	40.8%	9.0%	5.7%	7.2%	20.7%
	Employed at entry	15.3%	10.3%	31.2%	13.0%	2.7%	6.2%	21.4%
	Missing	4.8%	3.5%	82.6%	3.0%	1.9%	1.3%	2.9%
Site Totals		13.2%	6.1%	45.2%	9.4%	2.6%	4.4%	19.1%

FOC services than clients with higher household income. Clients with zero or low household income at intake are also more likely to receive EC services, alone or with other services: 63 percent of clients with \$0 income and 60 percent of clients with \$1 - \$5000 income receive EC services, compared to about 38 percent of clients with higher income. Similarly, clients who are homeless or without a fixed address at intake are more likely to receive the full bundle (34 percent) than other clients. Clients who have been convicted of felonies or misdemeanors are much more likely to receive the full bundle of services than clients without criminal records, and are also more likely to receive employment services.

The results from the full model also show that sites vary in how much they spend on clients, even controlling for program mix and client characteristics. These differences are generally unrelated to the differences in client costs per minute, or to the average amount of service each client receives. For instance, sites 5 and 6 have the lowest and highest aggregate cost-per-minute estimates, respectively, but both sites appear to spend significantly less on average on their clients than the other sites, controlling for differences in the client population and mix of services the clients receive. The site with the largest estimated coefficient is site 2, a medium-sized site with an average cost-per-minute estimate

whose client base is heavily Latino and serves above-average proportions of clients who are 45 and over, lacking a high school diploma, or without a fixed residence. Meanwhile, site 4 has the largest minutes-per-client ratio of any site, in part because they have the smallest proportion of clients receiving ISC-only services, and have the largest proportion of clients receiving financial coaching, but its site effect is smaller than that of any other site. However, site 2, which has the largest estimated site effect, also has the second-largest average minutes-per-client ratio. The site indicators are included in the model to control for site-specific differences in unit costs, as well as to identify the effects of the organization hosting the site, the location of the site, and any other unmeasured characteristics of the program. The lack of correlation between unit costs and minutes per client suggest that these other unmeasured factors exert an independent influence on the costs of providing FOC services.

These results illustrate why the costs of delivering FOC services to clients may vary across LISC's AmeriCorps sites. The cost of the service that a client receives appears to depend on the contents of the "bundle" of services, on the client's characteristics and circumstances when entering the program, and on factors that are specific to the site. The analysis in the next section combines the cost data from the previous section and the impact estimates calculated using propensity score matching to enable a direct comparison between the short-term benefits to clients and the costs of providing FOC services to them.

Comparing the Costs and Benefits of FOC Services Received by Clients

This section presents the results of the cost-benefit analysis that addresses the second research question. The analysis uses the cost-per-minute estimates for the six sites with reliable cost data, the minutes of service received by the clients at these sites, and the estimated impacts of receiving full or partial bundles of FOC services, which were derived using propensity score matching. The results illustrate the implications of the impact estimates by calculating the monetary value of the short-term benefits of receiving FOC services to jobless clients. The benefits are based on the dollar value of the estimated economic impacts of FOC services, which, in the case of the employment-based impacts, are in turn based on data-driven assumptions about the effects of finding a job. After calculating the aggregate dollar value of each of the client benefits, the value is compared to the costs of providing FOC services to these clients. The net-benefit calculations show that not all of the individual short-term benefits of FOC services equal the costs. However, the results suggest that, taken together, the benefits could be substantial relative to the costs, even in the short term.

The analysis considers three of the economic outcomes⁴⁷ used in the impact analysis:

- Estimated difference in wages
- Estimated change in net income from obtaining employment
- Estimated difference in net worth

Two other outcomes, the difference net income and credit score changes, are not considered in this section. Reliable impact estimates for the “treatment versus treatment-plus” analysis for net income could not be calculated, while credit score impacts are difficult to express in monetary terms. Propensity score matching (PSM), which controls for potential differences between the treatment group and the comparison group, was used to estimate the impact of FOC services on these outcomes.⁴⁸ The impact estimate for each outcome reflects the average change for a treatment group member of receiving a certain mix of FOC services, compared to a member of the comparison group who is similar in measurable characteristics but who has not received this mix of services.

The scope of the analysis in this section is constrained by several limitations that prevent us from fully characterizing the benefits of FOC services. First, the analysis is limited to clients who are jobless when they started receiving FOC services; PSM matches these clients to comparison group members

who are also jobless. This decision was driven by sample-size limitations: at the six sites with complete cost data, only 68 FOC clients (9.5 percent) were recorded as having jobs at intake. Second, the analysis focuses on short-term impacts because of the need to focus on recent clients who received services during the 2013-2014 program year, and the lack of outcome data for the treatment and comparison groups that would cover a longer time frame.

Finally, the analysis focuses on benefits to clients because data on public-sector income supports are missing for many FOC clients, and are not consistently updated after intake – even for clients who receive income support counseling, which is designed to provide access to such support. The ETO system allows users to enter data on income support such as unemployment insurance, SSDI, veterans' benefits, food stamps, and other public benefits. However, information about these supports, with the exception of food stamps, is recorded for fewer than five percent of clients. The decision to focus on benefits to clients is also justified by the literature on job training and human resource development programs: studies of these programs have often used wages earned from employment as the primary outcome. To take one example, a study that performs a cost-benefit analysis of the early-1980s Comprehensive Employment and Training Act (CETA) does include the cost of public support payments for former participants in the cost-benefit calculation. However, the author treats these costs as “secondary” compared to the wages that the participants would lose if CETA were canceled.⁴⁹

Following the literature, the analysis in this section focuses on the effects of employment on wages (gross income from employment), net income from employment, and net worth, which are all key economic outcomes tracked by LISC to measure the impact of FOC services. The first group of results is based on a comparison of outcomes for jobless FOC clients with a matched comparison group drawn from SIPP respondents who were also jobless at the first time period. As noted earlier, the SIPP does not contain measures of net worth or net income for the period covered by the LISC administrative data, so the cost-benefit analysis only covers the impacts of FOC services on employment and wages. More significantly, using the SIPP as a comparison group does not permit us to use PSM to control for differences in location (except by state of residence) or to control for unmeasured factors that impel some potential clients, but not others, to seek FOC services. According to the results, FOC services deliver short-term wage-differential benefits to jobless clients that, by themselves, narrowly exceed the costs of delivering the services, compared to the estimated outcomes for a matched comparison group drawn from a nationally representative sample (the SIPP). The short-term impact on net income resulting from increased probability of employment is estimated to be smaller, based on a comparison of outcomes for jobless FOC clients and a SIPP comparison group. In both cases, the emphasis on short-term impacts understates the probable overall impact on clients: FOC services may allow clients to gain

employment, establish positive work and salary histories, purchase needed goods and services for their households, and learn how to manage their finances so that they have more opportunities to save and accumulate wealth. Further analysis is required to characterize the long-term value of these benefits, but the short-term impacts presented here may be best described as a portion of the benefits that clients may eventually receive from FOC services.

The analysis concludes with cost-benefit comparisons based on the “treatment versus treatment-plus” impact estimates. The “treatment versus treatment-plus” analysis compares outcomes for a group of FOC clients who are jobless at intake, and receive a certain mix of services, with those of another jobless group of clients who receive a different bundle of FOC services. The impact estimates used in this section are generally of higher quality than the estimates based on a comparison group selected from SIPP respondents, since the treatment and comparison group members have something important in common: they have sought FOC services from LISC at an AmeriCorps site. The approach we take is to show what happens if clients received the “full bundle” of FOC services, rather than the partial bundles they actually received. As discussed in the last section, LISC’s FOC sites encourage their clients to choose the bundle of services that is appropriate for their circumstances and goals, and are intentional about not mandating the full bundle for all clients. Nevertheless, these results illustrate that the benefits of the full bundle for certain clients might actually exceed the costs of providing these additional services. The results also show that clients receiving financial coaching would probably experience a substantial short-term increase in their net worth from receiving all three FOC services, relative to the costs of providing these additional services.

The cost figures used in this analysis came from the six AmeriCorps FOC sites that reported complete data on program costs. The cost-per-minute estimates presented in the previous section were used to calculate the costs of receiving FOC services. The results in the tables below contain a direct comparison of the aggregate short-term benefits of FOC services and the costs of providing these services, both measured in dollars. The ratio of benefits to costs summarizes the net impact of the treatment. When this ratio is greater than one, the (short-term) benefits outweigh the costs. When this ratio is less than one, it is equivalent to the percentage of overall FOC costs that can be “recouped” by the estimated short-term benefits of providing FOC services. Cost-benefit analyses often express this ratio in percentage terms and subtract 100 percent to create a *return on investment* estimate. In these presentations, this term is purposely not used because analysis does not consider the full range of benefits to clients.

Besides the issues mentioned above, certain limitations apply to all of the results of the cost-benefit analysis presented in this section:

- *The results do not apply to all clients at FOC sites.* These results apply to FOC clients who have received one or more FOC services (as recorded in the ETO system) and who were jobless at intake. The results may be hard to generalize to FOC clients who do not have recorded data for the outcomes in question, because site staff only record certain outcomes for clients who receive certain FOC services. Pre- and post-FOC⁵⁰ outcome data for employment and wages are only available for clients who received employment counseling; net income and net worth measures are only available for clients who received financial coaching. A full accounting of the benefits of FOC services would include benefits for the relatively small number of clients who were employed at intake, and for clients with missing data for one or more outcomes.
- *The results do not describe the portion of the net benefit that can be attributed to AmeriCorps.* Even if complete cost data were available for all 16 of LISC's AmeriCorps FOC sites, the cost-benefit results would not capture the net benefits of AmeriCorps funding. In part, this is because the cost measures used in the analysis contain the total amount expended by the sites to support the provision of FOC services, including (but not limited to) funds that originated from LISC's AmeriCorps grant. This analysis follows the example set by earlier cost-benefit studies of AmeriCorps programs, which treat matching resources as inputs into the service-delivery process. However, it departs from several of these studies by not attempting to quantify any of the impacts that can be attributed to AmeriCorps, such as the benefit to members themselves.
- *The results do not describe the long-term benefits of FOC services to clients.* Cost-benefit analyses often use discount values to project the present value of the long-term benefits of a policy or program. This analysis focuses solely on the short-term benefits of receiving FOC services, even though the program model is designed to encourage behavioral changes that can have long-lasting effects on financial capability and security. However, because of the need to focus this study on a recently completed program year, the data required to estimate long-term impacts is not available.
- *The analysis does not attempt to quantify all outcomes.* Even though the impact analysis did not find that FOC services had any measureable short-term impact on credit outcomes, the estimated impacts, in principle, could be quantified and expressed in terms of dollars. Similarly, the experience of achieving positive net income, or positive net worth, might be quantifiable and could even be monetized. Finally, unlike many previous studies, the analysis does not attempt to estimate the benefits to anyone except the program participants themselves. Due to this decision, the overall benefit estimates presented below certainly understate the overall benefits that FOC clients receive.

Literature Review

The analysis in this section is a form of cost-benefit analysis,⁵¹ in that the goal is to compare the costs of providing FOC services to the benefits of receiving these services. Perhaps the most well-known use of cost-benefit analysis is to “promote efficient resource allocation through well-informed decision-making by the Federal Government,” as stated in official guidance published by the Office of Management and Budget.⁵² While the federal government’s reliance on cost-benefit analysis has been criticized,⁵³ numerous studies have applied cost-benefit analysis to policy questions, and the variation in methodology and motivation tends to vary widely across these applications.

Several studies, using data from the earliest years of AmeriCorps, have used cost-benefit analysis in an attempt to quantify the net benefits of national service programs. Two of the most prominent cost-benefit analyses of AmeriCorps programs – by Neumann et al.⁵⁴ and Wang et al.⁵⁵ – illustrate the decisions and assumptions that the analyst needs to make in order to compare the costs and benefits. The Neumann et al. study estimates the net benefits of several AmeriCorps programs, including one that provides educational services to at-risk youth. The authors assume that the main benefits of this program are experienced by youth who gain a GED. The calculated benefits include benefits to the youth who receive service (increased earnings) as well as benefits to society as a whole (reductions in crime, lower special-education costs, and smaller welfare expenses) from the increase in educational attainment. The study by Wang et al. focuses on the benefits realized by the community (of the direct service provided by AmeriCorps members, future volunteerism, leveraged volunteers) as well as the benefits to AmeriCorps members themselves (expected benefits of increased educational attainment funded by the AmeriCorps education award). In both studies, the costs include the funds provided by AmeriCorps grants as well as matching resources provided by nonfederal sources.

The analysis in this section takes a more basic, and less ambitious, approach than many studies that employ cost-benefit analysis. The analysis below is similar in many respects, especially its substantive focus, to the earliest studies of job-training programs such as CETA.⁵⁶ The results of these studies tended to vary considerably based on the specifications of the analysis, particularly in how the impacts of the training programs were measured.⁵⁷ This analysis borrows from the methodological discussions about how to conduct cost-benefit analyses of job-training programs, but the primary question addressed here is the same: do the employment services have a significant and positive impact on the income and wealth of program participants, and how does the quantified value of this impact compare to the costs of providing these services? Some United Way FOC centers – particularly the Greater Detroit Centers for Working Families⁵⁸ – have attempted to quantify the value of the benefits received

by clients. However, the analysis presented here represents one of the first attempts to calculate the net benefit of FOC services by directly comparing benefits to costs.

Cost-Benefit Analysis of Program Participation

Wage Changes for the Jobless

One of the impact estimates that can be quantified is the estimated wage increase for clients who receive employment counseling services. Wage increases are the outcome most commonly used to gauge the effectiveness of job training programs. The estimated wage increases are found in table 36 below: on average, jobless clients who receive the full bundle of FOC services from an AmeriCorps-sponsored LISC site earn about 70 cents in wages more per hour, relative to a comparison group drawn from the SIPP. Both groups include people who may not have found employment at the time of the second observation.

To estimate the dollar value of this wage difference, we need estimates of the number of hours that the client would work over a one-year period after finding a job. Studies on job training programs frequently assume that the benefits of training persist for five years or more.⁵⁹ However, because the data required to estimate long-term impacts is not yet available, we estimate short-term impacts using PSM, and use these estimates to calculate the dollar value of the short-term benefits to clients. We use job retention data, which is entered into the ETO system by employment counselors,⁶⁰ to estimate the amount of hours an FOC client would work per year if he or she found employment. In the six sites with complete cost data, a majority of jobless clients (54.1 percent) who found jobs during the study period retained them for 90 days or less.⁶¹ Two percent kept their jobs for a year or more; over a longer timeframe, some of these clients would have kept their positions for even longer. Table 35 contains the estimated number of days that clients at the six sites with complete cost data would work, assuming that they were jobless at intake but later found jobs.

TABLE 35

Estimated Retention Rates – All Jobless Clients at Study Sites Who Found Jobs

Retention Category	Percent	Days Retained (assumed)	Workdays Retained (assumed)
Retained 0-30 days	31.0%	15	10.7
Retained 31-90 days	23.1%	180	128.7
Retained 91-180 days	19.7%	210	150.2
Retained 181-365 days	24.1%	270	193.1
Retained 1 year or more	2.0%	365	261.0

On average, these clients would be expected to keep their jobs for 114 workdays, or about five months. Assuming that the client works full-time while employed (eight hours per workday), this amounts to an annual estimate of 917 hours worked per year, or less than half of a typical work year.⁶²

The six AmeriCorps sites with usable cost data enrolled a total of 1,846 jobless clients in program year 2013-2014. 1,162 of these clients received employment counseling services, in many cases as part of a partial bundle (EC + FC, EC + ISC) or full bundle of FOC services. The magnitude of the estimated average difference in hourly wages between the treatment group and (SIPP) comparison group depends on the type of service the client received. However, because these differences are estimated with error (despite the PSM matching process), the estimated benefit varies for each group of clients. Table 36 contains the estimated treatment effects for wages from the impact analysis for the SIPP vs. FOC comparison, with 95 percent confidence intervals around each of the treatment effect estimates. For all bundles except for the partial bundle of employment counseling and income support counseling, the difference in wages – which is an estimate of the short-term impact of the FOC services received – is estimated to be positive. The results in tables 37a through 37e contain details of the comparison between estimated costs and benefits of providing FOC services.

TABLE 36

Short-Term Wage Differential Effects for Clients Jobless at Baseline – with Confidence Intervals

Outcome	Comparison	Lower bound	Mean	Upper bound
Wages	SIPP v. EC only	\$0.21	\$1.53	\$2.85
Wages	SIPP v. EC & FC	\$0.28	\$1.32	\$2.36
Wages	SIPP v. EC & ISC	-\$3.98	-\$0.67	\$2.64
Wages	SIPP v. full bundle	\$0.12	\$0.70	\$1.28

TABLE 37

Cost-Benefit Comparisons – Short-Term Wage Differential Benefit for Jobless Clients Receiving Employment Counseling Services

Table 37a: Clients Receiving Employment Counseling Only			
	Lower Bound	Mean Estimate	Upper Bound
Estimated Change in Hourly Wage	\$0.21	\$1.53	\$2.85
Average Hours Worked per Year	917	917	917
Clients Served	106	106	106
Average Minutes of Service per Client	136.9	136.9	136.9
Benefits of Service Received	\$20,284	\$148,539	\$276,785
Costs of FOC Service	\$34,598	\$34,598	\$34,598
Table 37b: Clients Receiving Employment Counseling and Financial Coaching			
	Lower Bound	Mean Estimate	Upper Bound
Estimated Change in Hourly Wage	\$0.28	\$1.32	\$2.36
Average Hours Worked per Year	917	917	917
Clients Served	304	304	304
Average Minutes of Service per Client	246.3	246.3	246.3
Benefits of Service Received	\$78,836	\$369,055	\$659,245
Costs of FOC Service	\$204,890	\$204,890	\$204,890
Table 37c: Clients Receiving Employment Counseling and Income Support Counseling			
	Lower Bound	Mean Estimate	Upper Bound
Estimated Change in Hourly Wage	-\$3.98	-\$0.67	\$2.64
Average Hours Worked per Year	917	917	917
Clients Served	54	54	54
Average Minutes of Service per Client	183.5	183.5	183.5
Benefits of Service Received	-\$197,153	-\$33,149	\$130,854
Costs of FOC Service	\$29,103	\$29,103	\$29,103

Table 37d: Clients Receiving All Three FOC Services			
	Lower Bound	Mean Estimate	Upper Bound
Estimated Change in Hourly Wage	\$0.12	\$0.70	\$1.28
Average Hours Worked per Year	917	917	917
Clients Served	698	698	698
Average Minutes of Service per Client	230.9	230.9	230.9
Benefits of Service Received	\$75,683	\$448,272	\$820,797
Costs of FOC Service	\$643,592	\$643,592	\$643,592
Table 37e: Benefit-Cost Comparisons			
Total Benefits - All Unemployed Clients	-\$22,350	\$932,716	\$1,887,681
Total FOC Costs - All Unemployed Clients	\$912,184	\$912,184	\$912,184
Benefits as a Percentage of Total FOC Costs	-2.5%	102.3%	206.9%

Altogether, the estimated benefits to jobless clients at these six sites from increased wages are probably positive, although negative impacts cannot be ruled out because of estimation error around the estimated treatment effects. The single best guess is that the short-term, wage-related benefits to clients who receive employment counseling, in some cases as part of a full or partial bundle of FOC services, would by itself narrowly exceed the costs of providing those services. Employment counseling combined with financial coaching, and employment counseling alone, appear to provide the largest short-term benefits, relative to the costs of providing these services. As table 37d shows, it is possible, but less likely, that the benefits of the full bundle of FOC services may be comparable to the costs of providing these services. However, a study with a longer time frame is needed to characterize the impact on FOC clients – especially “high-needs” clients, who are more likely to receive the full bundle.

Several evaluations of job training programs have attempted to estimate the long-term impacts of such programs. One cost-benefit analysis of CETA⁶³ bases its estimates on two assumptions: that the wage benefits last for five years, and that they last for ten years. The author notes that the first assumption “does not seem too unrealistic,” while the second “requires a large leap of faith.” The results in table 37 suggest that the short-term wage-related benefits of providing these FOC services to clients probably narrowly exceed the costs of these services.

Change in Net Income from Obtaining Employment

Like many studies of similar programs, tables 36 and 37 focus on the comparison of wage-related impacts for jobless FOC clients and the costs of providing the services they received. Tables 38 and 39 below contain an additional presentation of the employment-related impacts of FOC services (specifically employment counseling, possibly along with other FOC services) to jobless clients at LISC's AmeriCorps sites. To express the benefit of finding a job in dollar terms, we use LISC's ETO data to calculate the average increase in net income for all jobless clients enrolled at the six sites with complete cost data who found employment during in the 2013-2014 program year, and have changes in net income recorded on revised household budgets. On average,⁶⁴ the monthly net income of these clients increased by \$336.53 per month, or by about \$4,038 per year. As in the previous analysis, we assume that FOC clients who are jobless at intake and find employment within the observation period work about 917 hours during the following year, or about 5.3 months. The short-term benefits of FOC services are calculated by multiplying the change in the probability of finding a job (taken from the impact estimates) by the estimated increase in annual net income resulting from finding a job (from ETO data).

Table 38 contains the estimated treatment effects on the probability that a jobless client finds a job. Compared to the SIPP comparison group, the best estimate is that clients who only receive FOC employment counseling services are about 12 percentage points more likely to find a job, compared to members of the comparison who do not receive these services. However, due to imprecision in the estimate error, the chances that these services will (slightly) decrease the likelihood of employment cannot be ruled out. As seen in table 36, the estimated effect of receiving the partial bundle of EC + ISC may be negative; however, the full bundle of FOC services is estimated to increase the short-term probability of employment by between 1.2 and 10.4 percentage points. Table 39 contains the complete results from these benefit-cost comparisons.

TABLE 38

Probability of Employment Treatment Effects for Clients Jobless at Baseline – with Confidence Intervals

Outcome	Comparison	Lower	Estimate	Upper
Employment	SIPP v. EC only	-0.54%	12.18%	24.90%
Employment	SIPP v. EC & FC	-3.18%	4.13%	11.44%
Employment	SIPP v. EC & ISC	-18.68%	4.42%	27.52%
Employment	SIPP v. full bundle	1.20%	5.80%	10.40%

TABLE 39

Cost-Benefit Comparisons – Impact on Net Income of Obtaining Employment, All Jobless Clients

Table 39a: Clients Receiving Employment Counseling Only			
	Lower Bound	Mean Estimate	Upper Bound
Estimated Change in Probability of Employment	-0.54%	12.18%	24.90%
Average Monthly Increase in Net Income	\$336.53	\$336.53	\$336.53
Clients Served	106	106	106
Average Minutes of Service per Client	136.9	136.9	136.9
Benefits of Service Received	-\$1,016	\$22,907	\$46,829
Costs of FOC Service	\$34,598	\$34,598	\$34,598
Table 39b: Clients Receiving Employment Counseling and Financial Coaching			
	Lower Bound	Mean Estimate	Upper Bound
Estimated Change in Probability of Employment	-3.18%	4.13%	11.44%
Average Increase in Net Income	\$336.53	\$336.53	\$336.53
Clients Served	304	304	304
Average Minutes of Service per Client	246.3	246.3	246.3
Benefits of Service Received	-\$17,152	\$22,276	\$61,703
Costs of FOC Service	\$204,890	\$204,890	\$204,890
Table 39c: Clients Receiving Employment Counseling and Income Support Counseling			
	Lower Bound	Mean Estimate	Upper Bound
Estimated Change in Probability of Employment	-18.68%	4.42%	27.52%
Average Increase in Net Income	\$336.53	\$336.53	\$336.53
Clients Served	54	54	54
Average Minutes of Service per Client	183.5	183.5	183.5
Benefits of Service Received	-\$17,897	\$4,235	\$26,366
Costs of FOC Service	\$29,103	\$29,103	\$29,103

Table 39d: Clients Receiving All Three FOC Services			
	Lower Bound	Mean Estimate	Upper Bound
Estimated Change in Probability of Employment	1.20%	5.80%	10.40%
Average Increase in Net Income	\$336.53	\$336.53	\$336.53
Clients Served	698	698	698
Average Minutes of Service per Client	230.9	230.9	230.9
Benefits of Service Received	\$14,861	\$71,827	\$128,794
Costs of FOC Service	\$643,592	\$643,592	\$643,592
Table 39e: Benefit-Cost Comparisons			
Total Benefits - All Unemployed Clients	-\$21,203	\$121,244	\$263,692
Total FOC Costs - All Unemployed Clients	\$912,184	\$912,184	\$912,184
Benefits as a Percentage of Total FOC Costs	-2.3%	13.3%	28.9%

Table 39 suggests that the short-term benefit of enhanced employment prospects for FOC clients, compared to a comparison group that did not receive these services, is probably positive, but much less than the costs of providing these services. The sensitivity analysis suggests that a slight short-term loss of net income is possible, but so is a larger increase, which would amount to as much as 29 percent of the overall costs of providing FOC services. These results suggest that employment counseling alone is the most cost-effective mix of FOC services, when only the short-term benefits to net income of jobless clients are considered.

Although the results of tables 37 and 39 may appear to be inconsistent, they are actually quantifying two different employment-related impacts of FOC services. Table 37 expresses the benefits of receiving FOC services in terms of increases in gross income for clients. When clients find employment, they may spend their take-home pay on housing, food, clothing, entertainment and other leisure expenses, non-work-related transportation, contributions to family members, and other expenses that improve the welfare of clients and their households. Net income, which is the focus of table 39, represents the resources that a household can tap into in case of emergency or unexpected expenses. More significantly for the FOC model, net income is the amount left over each month after expenses are paid; it represents resources that can be used to pay down debts, increase wealth, and enhance long-term financial stability. Thus, while the results of table 39 suggest that the short-term impact on net income is much less than the costs of the FOC services clients receive, these results suggest that the impact is positive in the short term.

A recent evaluation of another job training program also found that program participants may experience slight decreases in net income. A recently published evaluation of REDF, which provides program participants with workforce training and employment at social enterprises in California, shows that the net income impact on workers can, in fact, be negative on average relative to a comparison group. As the evaluation report explains, “Each dollar spent by the SE [social enterprise] is associated with a loss to workers of \$0.02. This occurs because although the earned income of SE workers rises, the workers face cuts in government transfers and increased housing costs.”⁶⁵ However, a longer-term evaluation of the impact of FOC services may find that net income increases at a faster rate over the medium and long term.

Effects of Providing a Full Bundle of FOC Services to All Jobless Clients

Some program observers and funders believe in the value of a full bundle of FOC services, and even believe that a full bundle is superior to any other possible services combination. According to the descriptive statistics in tables 32 and 34, clients vary substantially in how likely they are to receive the full bundle, but most clients receive a partial bundle of services. While the results in tables 32 and 34 directly address the research question – how the benefits of FOC services compare to the costs of providing these services – the remainder of this section assesses a different but related question: What would the effect be if all jobless clients received the full bundle of all three FOC services, instead of the partial bundle of services they actually received?

The results below show that for certain types of outcomes, even after controlling for different client types and locations, a full bundle of FOC services may not convey a benefit relative to costs that are superior to other combinations of services. These results use the cost-benefit methodology developed above to calculate the potential net benefits of providing all three FOC services to all enrolled clients who were jobless at intake. Like the results presented earlier, where the comparison group was selected from respondents to the SIPP, these results are limited by the scope of the analysis: we are only considering short-term benefits to jobless clients who have data available for the key financial outcomes. Despite these limitations, the results presented below suggest that offering additional FOC services to certain clients can be a cost-effective strategy, even in the short term.

Wage Differentials for Jobless FOC Clients

As an analogue to the results in table 37, this section begins by estimating the net benefit of providing the full bundle of services to all jobless FOC clients who are receiving employment counseling, and possibly income support counseling and/or financial coaching. As described above, this analysis calculates the benefits to FOC clients by using the impact estimates from the “treatment versus treatment-plus” comparisons to estimate the average wage increase that would result if the clients received the full bundle of services, instead of the partial bundle they actually received. The analysis again assumes that employed clients would work about 917 hours on average in the year after receiving services.

The administrative data from LISC’s ETO system can be used to calculate the costs of providing the full bundle of services to FOC clients who are already receiving some services. Since employment outcomes are only recorded for clients who receive employment services, the calculation of the costs of additional service only affects three groups of clients: clients receiving employment counseling only (EC only), clients receiving employment counseling and financial coaching (EC + FC), and clients receiving employment counseling and income supports counseling (EC + ISC). To calculate these costs, we assume that clients receive as much of the FOC service missing from their partial bundle as do current clients who receive the full bundle. The costs of providing these additional services are calculated by multiplying the average cost per minute of service for the six FOC sites that provided cost data by the minutes of service received by the clients in each of the three groups.

Table 40 contains the estimated treatment effects for wages from the impact analysis for the “treatment versus treatment-plus” comparisons, with 95 percent confidence intervals around each of the treatment effect estimates. Only one of these treatment effects is statistically significant: Clients that receive the full bundle are expected to earn more than clients who only receive employment counseling and financial coaching services.

TABLE 40

Wage Treatment Effects for Clients Jobless at Baseline – with Confidence Intervals

Outcome	Comparison	Lower	Estimate	Upper
Wages	EC vs. full bundle	-\$0.52	\$0.02	\$0.56
Wages	EC&FC vs. full bundle	\$0.33	\$0.80	\$1.72
Wages	EC&ISC vs. full bundle	-\$0.68	-\$0.27	\$0.15

The cost-benefit estimates in table 41 suggest that the short-term benefits of providing the full bundle of services to all jobless FOC clients receiving employment services do not exceed the costs. The

exceptions are clients who receive employment counseling and financial coaching: if they also received income support counseling, the benefits due to wage increases would exceed the costs of the additional FOC services, even in the short term. However, if the benefits of the full bundle of service persist for at least three years – which is a reasonable assumption made in earlier evaluations of job training programs – the long-term benefit-cost ratio of providing the full bundle of services to all jobless clients who receive employment counseling would be positive.

TABLE 41
Cost-Benefit Comparisons - Wage Differential Effects of the Full Bundle

	EC Only			EC + FC			EC + ISC		
	Lower Bound	Mean Estimate	Upper Bound	Lower Bound	Mean Estimate	Upper Bound	Lower Bound	Mean Estimate	Upper Bound
Estimated Change in Hourly Wage	-\$0.52	\$0.02	\$0.56	\$0.33	\$0.80	\$1.72	-\$0.68	-\$0.27	\$0.15
Hours Worked per Year	917	917	917	917	917	917	917	917	917
Clients Served	106	106	106	304	304	304	54	54	54
Average Minutes of Service per Client	136.9	136.9	136.9	246.3	246.3	246.3	183.5	183.5	183.5
Total Benefits for Client Subgroup	-\$50,077	\$1,954	\$53,986	\$91,413	\$222,928	\$479,961	-\$33,892	-\$13,147	\$7,599
Additional FOC Costs for Client Subgroup	\$238,853	\$238,853	\$238,853	\$37,000	\$37,000	\$37,000	\$201,368	\$201,368	\$201,368
		Mean							
	Lower Bound	Estimate	Upper Bound						
Total Benefits, all FOC Clients	\$7,444	\$211,735	\$541,545						
Costs of Additional FOC Services	\$477,221	\$477,221	\$477,221						
Benefits as a Percentage of Costs of Additional FOC Services	1.6%	44.4%	113.5%						

Employment-Related Net Income Differences for Jobless FOC Clients

Table 43 below contains the cost-benefit estimates of the employment impacts of providing the full bundle of FOC services to clients at AmeriCorps sites. The benefits of receiving the full bundle of services are estimated using the same assumptions as those used for table 39, where the comparison group was drawn from SIPP respondents. The benefits are based on the estimated increase in net income – \$336.53 per month, or about \$4,038 per year – for FOC clients at the six sites with complete data who were jobless at intake, but later found jobs. The results assume that clients who find employment will keep their jobs for about 5.3 months on average, which is consistent with actual data recorded in the ETO system for clients at the six sites with complete cost data.

Table 42 contains the estimated treatment effects for employment probability from the impact analysis for the “treatment versus treatment-plus” comparisons, with 95 percent confidence intervals around each of the treatment effect estimates. Only one of these treatment effects is statistically significant: clients that receive the full bundle have a higher likelihood of gaining employment than

clients who only receive employment counseling and financial coaching (EC + FC) services. The estimates in table 43, seen below, suggest that the estimated impact of the full bundle of services on employment probability will probably result in slight aggregate increases in net income that equal about 10 percent of the costs in monetary value.

TABLE 42

Probability of Employment Treatment Effects for Clients Jobless at Baseline – with Confidence Intervals

Outcome	Comparison	Lower	Estimate	Upper
Employment	EC vs. full bundle	-3.47%	-0.62%	2.23%
Employment	EC&FC vs. full bundle	6.96%	9.93%	12.91%
Employment	EC&ISC vs. full bundle	-6.62%	-3.96%	-1.30%

TABLE 43

Cost-Benefit Comparisons - Employment Effects of the Full Bundle

	EC Only			EC + FC			EC + ISC		
	Lower Bound	Mean Estimate	Upper Bound	Lower Bound	Mean Estimate	Upper Bound	Lower Bound	Mean Estimate	Upper Bound
Estimated Change in Probability of Employment	-3.47%	-0.62%	2.23%	6.96%	9.93%	12.91%	-6.62%	-3.96%	-1.30%
Average Monthly Increase in Net Income	\$336.53	\$336.53	\$336.53	\$336.53	\$336.53	\$336.53	\$336.53	\$336.53	\$336.53
Clients Served	106	106	106	304	304	304	54	54	54
Average Minutes of Service per Client	136.9	136.9	136.9	246.3	246.3	246.3	183.5	183.5	183.5
Total Benefits for Client Subgroup	-\$6,526	-\$1,166	\$4,194	\$37,540	\$53,559	\$69,632	-\$6,342	-\$3,794	-\$1,245
Additional FOC Costs for Client Subgroup	\$238,853	\$238,853	\$238,853	\$37,000	\$37,000	\$37,000	\$201,368	\$201,368	\$201,368
		Mean							
	Lower Bound	Estimate	Upper Bound						
Total Benefits, all FOC Clients	\$24,671	\$48,599	\$72,580						
Costs of Additional FOC Services	\$477,221	\$477,221	\$477,221						
Benefits as a Percentage of Costs of Additional FOC Services	5.2%	10.2%	15.2%						

Changes in Net Worth for Jobless FOC Clients

The final outcome considered in this section is net worth, which is available only for FOC clients who receive financial coaching services. Many of these clients complete a balance sheet at intake that is later updated, which permits a “treatment versus treatment-plus” analysis of the impact of FOC services on the net worth of jobless FOC clients. Unfortunately, while the SIPP occasionally collects data on assets and liabilities that can be used to estimate net worth, these variables are not measured the way they are on the ETO balance sheet, and the data are not updated on an annual basis. Unlike the earlier

“treatment versus treatment-plus” comparisons found in this section, the net worth analysis does not assume that the effect of FOC services is limited to the changes in the probability of finding employment, or on changes in wages; this permits a relatively less constrained analysis of the impact of receiving additional FOC services. The ETO balance sheet also contains before-and-after measures of net income for over 400 clients at the six sites that submitted complete cost data. Data from these clients could be used in a “treatment versus treatment-plus” analysis that estimates the impact of receiving additional FOC services on net income. However, because the PSM method did not generate “treatment” comparison groups that were equivalent to the “treatment-plus” groups, the results from the net-income analysis are not presented.

Table 44 contains the estimated treatment effects for net worth from the impact analysis for the “treatment versus treatment-plus” comparisons, with 95 percent confidence intervals around each of the treatment effect estimates. The treatment effects for the FC only and FC & ISC groups are statistically significant, suggesting that employment counseling would have a significant and positive short-term impact on the net worth of these clients. However, the estimated short-term impact of giving income support counseling to clients who are already receiving employment counseling and financial coaching is somewhat smaller, and not statistically significant.

TABLE 44

Net Worth Treatment Effects for Clients Jobless at Baseline – with Confidence Intervals

Outcome	Comparison	Lower	Estimate	Upper
Net worth	FC vs. full bundle	\$1,376.15	\$6,141.34	\$10,906.16
Net worth	EC&FC vs. full bundle	-\$1,510.71	\$2,934.94	\$7,380.60
Net worth	FC&ISC vs. full bundle	\$2,274.02	\$8,416.90	\$14,559.78

Unlike the results obtained from previous “treatment versus treatment-plus” comparisons, table 45 suggests that providing the full bundle of services to all jobless clients receiving FOC services would be a cost-effective move, even in the short term. These results suggest that the short-term aggregate impacts of providing the full bundle would probably result in a substantial short-term benefit to these clients that would outweigh the costs, even though the impact on EC + FC clients is much smaller than the others. These results appear to be driven primarily by the estimated short-term benefits of employment counseling to clients who are receiving FC + ISC services. Although there is considerable variation around the estimated aggregate benefit, the mean estimate is that the aggregate benefits of the full bundle – measured over the short term in this limited fashion – amount to more than four times the cost of providing the additional services.

TABLE 45

Cost-Benefit Comparisons – Net Worth Effects of the Full Bundle

	FC Only			FC + EC			FC + ISC		
	Lower Bound	Mean Estimate	Upper Bound	Lower Bound	Mean Estimate	Upper Bound	Lower Bound	Mean Estimate	Upper Bound
Estimated Change in Net Worth	\$1,376.15	\$6,141.34	\$10,906.16	-\$1,510.71	\$2,934.94	\$7,380.60	\$2,274.02	\$8,416.90	\$14,559.78
Clients Served	146	146	146	304	304	304	134	134	134
Average Minutes of Service per Client	83.2	83.2	83.2	246.3	246.3	246.3	134.2	134.2	134.2
Total Benefits for Client Subgroup	\$200,918	\$896,636	\$1,592,299	-\$459,256	\$892,223	\$2,243,701	\$304,719	\$1,127,864	\$1,951,011
Additional FOC Costs for Client Subgroup	\$461,782	\$461,782	\$461,782	\$37,000	\$37,000	\$37,000	\$174,069	\$174,069	\$174,069
		Mean							
	Lower Bound	Estimate	Upper Bound						
Total Benefits, all FOC Clients	\$46,380	\$2,916,723	\$5,787,011						
Costs of Additional FOC Services	\$672,852	\$672,852	\$672,852						
Benefits as a Percentage of Costs of Additional FOC Services	6.9%	433.5%	860.1%						

Conclusions and Recommendations

LISC has been at the forefront of a national network of organizations working to promote integrated delivery to promote financial capability. For over ten years, LISC has built and operated a network of Financial Opportunity Centers (FOCs). FOCs are employment/career and personal financial service centers that help low-to-moderate income individuals achieve financial stability through changes in financial behavior that lead to increased income, improved credit, and asset-building. The distinctive feature of LISC's integrated service delivery model is that employment counseling, financial coaching, and income support counseling services are presented to clients as a "bundle" rather than delivered individually.

LISC recently published a report that showed that clients who received a bundle of services tended to experience better outcomes than clients who receive only one of these services – and that clients who received the complete bundle of all three services experienced the best outcomes of all. This report led to two followup questions: *Do the services provided by LISC AmeriCorps members placed in Financial Opportunity Centers help produce positive benefits to the clients they serve relative to those who do not receive services?* and *What does it cost to supply FOC services relative to any public sector cost savings that accrue due to reduced public program participation?* This study, conducted by the Urban Institute to satisfy the AmeriCorps evaluation requirement, addresses both of these questions.

The report suggests that LISC's AmeriCorps FOC sites seem to vary in the composition of their client population, and in how they administer FOC services to clients. For instance, the sites varied substantially in how often their clients received the full bundle of all three FOC services. A consistent theme that emerged throughout interview with site staff is that FOC clients define the goals they wish to prioritize and work with FOC staff to obtain services that meet their needs for as long as they desire. The client-driven approach described in the interviews suggests FOCs are designed to be less restrictive and burdensome on clients. Yet, the dosage and duration of services could influence the extent to which clients change behaviors and achieve positive outcomes.

To address the first research question, the team produced a number of impact estimates to discover whether clients who receive FOC services are more likely to experience positive outcomes, or to derive greater economic benefits, compared to others who do not receive these services. Propensity score matching (PSM) is used to form comparison groups that are similar to FOC clients, to control for other factors that might be responsible for the short-term changes observed in the data. We used comparison groups drawn from other data sources – namely, the Survey of Income and Program Participation and a

database provided by the credit bureau that contains credit scores– to estimate the impacts of receiving FOC services. A second set of impact estimates, also calculated using PSM, illustrate the impact of providing additional services to FOC clients who are already receiving partial bundles of service. The results suggest that adding employment counseling to the bundle of services received by jobless clients tends to result in positive outcomes for clients who are already receiving financial coaching, and that offering financial coaching to clients who are already receiving employment counseling is also associated with positive outcomes in many cases. The short-term impact of FOC services on credit outcomes is less clear, both because longer-term impacts are not measured and because data on credit outcomes are only collected from clients who receive financial coaching.

To address the second research question, the project team combined the impact estimates for economic outcomes from the previous section with cost data, collected directly from the FOC sites, in order to compare the benefits of FOC services to the costs of providing those services. Six AmeriCorps sites provided data on the costs of providing FOC services, data that are not available from any other source. The cost data were used to create unit costs of FOC services (FOC costs per minute of service received) for each type of service for each of the six sites. These unit costs were used to compute the dependent variable for a multivariate client-level analysis of the total cost of service received by clients. The results of this multivariate analysis suggest that the amount of resources that sites devote to clients depends on the characteristics of the client; the mix of FOC services clients receive, which are likely influenced by the client’s circumstances; and site-specific characteristics, including unit costs and other program-specific and site-specific characteristics that are not directly measured.

The second research question asks about the comparison between the costs of providing FOC services and the benefits, as measured by the public sector cost savings that result from providing FOC services to clients. These cost savings could not be addressed directly because of data limitations: although site staff use the ETO system to record the client’s receipt of income supports at intake, this information is missing for many clients and is not consistently updated. Despite these data limitations, the team was able to compare benefits and costs of FOC services by focusing on client outcomes. The analysis was limited in scope: the focus was on short-term benefits to clients who were jobless at intake. The cost-benefit analysis involved comparisons the costs of the FOC services that clients received (calculated as cost per minute times the minutes of service received by clients) with the benefits of these services, which were quantified and calculated from the PSM impact estimates and data-driven assumptions about the benefits of gaining employment.

The analysis that addresses the second research question focuses on employment-related wage differentials, changes in net income from employment, and changes in net worth. All three are key

economic outcomes tracked by LISC to measure the impact of FOC services, and serve as outcomes for the benefit-cost comparisons. According to the results, jobless clients who receive FOC services experience positive employment-related short-term benefits, relative to a comparison group that is drawn via PSM from SIPP respondents. The results show that the short-term wage changes associated with the receipt of FOC services, relative to the SIPP comparison group, exceed the costs of delivering the services. The results also show that FOC clients at LISC's AmeriCorps sites are likely to experience short-term increases in net income, which is a stepping stone to wealth accumulation. The section concludes with an assessment of the impact of mandating that all jobless clients who receive partial bundles of service receive the full bundle instead. Although this strategy has never been recommended by LISC, the results of this analysis suggest that giving the full bundle to all jobless clients may not be more cost-effective than providing the full bundle to some jobless clients and partial bundles to others.

Overall, the results shed light on the extent to which FOC clients benefit from FOC services, compared to the costs of providing these services. However, the process of collecting, cleaning and processing the data revealed several issues that placed limitations on the analysis. The biggest limitation to the analysis is the fact that LISC coaches do not capture data on all economic outcomes for all clients. For instance, data on employment status and wages are only captured for clients who receive employment counseling services, and data on net income, net worth and credit scores are only collected from financial coaching clients. This requires analysts to exclude about a third of all clients from each analysis, and prevents them from using administrative data to estimate the benefits of receiving each type of service. If, as has been recommended,⁶⁶ financial coaching programs adopt national performance measures, analysts would gain the ability to use outcome data to compare the effectiveness of LISC's program outcomes with outcome data from other clients. Although the collection of national performance measures for all clients would represent an increase in burden on FOC clients and sites, the benefits of standardized performance measures would benefit LISC and other FOC-like programs that promote the delivery of integrated services.

The project team also noticed irregularities in the ETO data, such as missing data on minutes of service provided by coaches, and missing follow-up data for some participants. While the team used imputations to account for this problem, we did not conduct systematic analysis of the data to detect patterns in the incidence of missing data. However, site staff who participated in interviews with site staff often expressed challenges with data collection and quality. As noted earlier, most FOCs have multiple staff entering information, which can produce inconsistencies and challenges to ensuring data quality. Sites also have problems collecting client follow-up data, due to limitations on staff resources that can be dedicated to tracking down former clients. LISC is aware of both issues, and has offered

guidance to sites about effective practices in collecting followup data and ensuring data integrity.⁶⁷ Improvements in these areas would allow LISC to capitalize on the opportunity to follow up on this analysis – and also on the SIF evaluation conducted by Economic Mobility – to learn more about the long-term impacts of FOC services on wealth building and credit.

The FOC cost data were essential to the analysis, but the process of data collection should be further integrated into the management of the program. In order to better understand program costs by site, Urban researchers requested cost data from FOC sites using a standardized spreadsheet for budget information. Urban researchers also received ETO data from LISC, including the number of minutes per client spent by each site on each FOC service component. Program cost and ETO data were then analyzed to determine FOC costs by budget category and FOC costs per client per minute. This data collection strategy has a couple of limitations: the program cost data is self-reported by sites and not vetted against actual financial records or budgets and data was not reported uniformly and completely across sites. Lessons learned from this study can inform future cost studies.

In order to conduct future cost studies, researchers will require access to data documenting the type, quantity, and cost of services received by clients at each FOC site. This includes both FOC and non-FOC services in sites with multiple and co-located programming. The quality of any cost analysis will depend on the research team's ability to obtain all this information and the quality of the data received from the sites. However, sites can be expected to question and resist full access to their cost data, particularly salaries and other expenditures, over concerns of confidentiality and additional burden on staff members. LISC and the research team can allay these concerns by underscoring the value of cost analysis and by working closely with sites to determine ways to reduce burden on staff members while gathering reliable and quality information.

LISC should work in tandem with the research team to explain how sites will be able to use cost analysis as a tool to gauge their own progress at managing costs and optimizing resources. They will be able to estimate the cost of implementing and sustaining FOCs, costs for specific FOC components, and costs per individual. If they have other programs and services, sites will be able to see how their FOC services relate to these other programs and services. Cost analysis can also establish a foundation for other types of financial analysis, such as resource allocation. For example, estimating the cost of program management in relation to program delivery can prompt a site to understand how personnel and resources are allocated and to make strategic decisions about its budget. Moreover, understanding the trajectory of how costs change over time can provide important insight into areas where efficiency gains have been realized, as well as areas where costs are permanently fixed.

It is recommended that future cost studies have two stages. First, the research team should conduct site visits at each site during which they will meet with program managers, mid-level staff, and frontline staff to better understand how FOC service components and other services are delivered and at what cost. Interview protocols will include questions about service and client mix, resource and time allocation, and other details not captured in a standardized budget spreadsheet. The research team will take the opportunity to address any concerns and questions sites might have about sharing cost data. The team should also conduct focus groups of FOC program participants to learn how they utilize FOC services. This first step is crucial to learning what it takes to deliver all the programs and services at each site and how FOC services fit into the mix. It will enable the research team to estimate the percentage costs allocated to FOC component services as well as the percentage costs of administrative and overhead costs at each site. It will allow sites to corroborate these estimates. Face-to-face interactions will also build relationships and trust between the research team and the sites. After the site visits, the team will tailor cost data spreadsheets for each site, taking into account what was learned during the site visits. The team should take a “bottom-up” approach to developing the spreadsheet and estimating costs, in which sites provide feedback and data during the process.

Appendix A. Interview Protocol

Interview Protocol – Organizational Leadership

Purpose of the Study

Good _____, I am _____ and this is my colleague, _____. We are researchers from the Urban Institute, a private, nonprofit research organization based in Washington, DC, which conducts policy-related research on a variety of social welfare and economic issues. We are interested in talking with you today about Local Initiative Support Corporation’s (LISC) Financial Opportunity Center (FOC) Model. The Urban Institute is under contract to LISC to conduct an assessment the work that AmeriCorps members perform at LISC FOC affiliates.

We want to thank you for agreeing to participate in the study. We know that you are busy and we will be as focused as possible. We also want to make sure you know that this is not a “good-bad” kind of assessment. Our aim is to learn from your experiences and better understand how the FOC model is implemented by your organization.

Confidentiality Statement/Informed Consent

Your participation in this discussion is voluntary and you may choose not to answer questions you do not wish to. We also want to let you know that we will be taking notes and – with your permission – recording this interview. The recording will only be used as back-up for our notes and will be destroyed at the termination of the project. Are you comfortable with this interview being recorded?

Please be assured that information that identifies you or any other respondent by name is never shared outside of our evaluation team. When we write our reports and discuss our findings, we will present information aggregated from across our interviews from your site in order to shield the identities of individual interviewees, such as yourself. However, if you are in a position that makes it so that you are the *only person* who could know a certain piece of information, it is possible someone reading our report might infer the source of the information. We will make every effort to avoid this, but you should be aware of the possibility. We also ask that you refrain from sharing anything we discuss today with others to help us ensure confidentiality.

Do you have any questions before we begin?

Introduction

We want to start by getting to know you and your organization a little bit.

1. What is your role in your organization? How long have you been in your position?
2. How large is the annual budget for your organization?
3. What programs and services do you offer? Approximately how many people do you serve annually?
4. How did your organization become a LISC affiliate?
5. How many AmeriCorps members are currently placed at your site? What services do they provide?

FOC Approach

We would like to understand more about how the FOC model works here in [site].

1. How is your organization implementing the FOC model? Have you changed the way you've implemented the model over the years? If so, what changes have you made and why?
2. CNCS guidance prohibits AmeriCorps members from steering clients toward public benefits. How did your organization adapt after AmeriCorps members could no longer provide income support counseling?
3. Does your organization provide computer literacy services? If so, when did you begin providing those services, and how effective do you feel they have been for clients?
4. How do FOC programs/services interface with your other programs/services?
5. In 2012, LISC was unsuccessful in its proposal for a new three-year AmeriCorps grant, which caused an interruption in the availability of federal funds, but successfully recompeted the following year. How did this "gap" year disrupt program activities?

Enrollment and Services

We want to understand the enrollment process for your organization's programs and services.

1. Who does your organization seek to serve through the FOC approach? What are the characteristics of your target population?
2. What happens for an individual who enrolls in your programs and services? What is the entry point? What is the intake process? How is individual information collected?
3. Do your clients typically participate in all FOC programs and services? What determines which services you offer to each client?
4. How do you determine when an individual is "done" with a particular program or service?

5. How do you follow up with clients that have found jobs or stopped receiving services? How effective is the follow-up process, and what would make follow-up easier and more effective?

Closing

1. Is there anything else about the FOC approach you'd like to tell us, which we did not ask?
2. If we think of additional questions later, can we reach out to you?

Thank you!

Appendix B. Template for Cost Data Collection

FOC BUDGET TEMPLATE					
BUDGET CATEGORY	TOTAL	% FOC	\$ FOC		
Salaries & Benefits - Direct Service					
Program Director/Manager - Salary	\$ -		\$ -		
Program Director/Manager - Fringe	\$ -		\$ -		
Employment Coach - Salary	\$ -		\$ -		
Employment Coach - Fringe	\$ -		\$ -		
Financial Coach - Salary	\$ -		\$ -		
Financial Coach - Fringe	\$ -		\$ -		
Income Supports Coach - Salary	\$ -		\$ -		
Income Supports Coach - Fringe	\$ -		\$ -		
Other - Salary	\$ -		\$ -		
Other - Fringe	\$ -		\$ -		
Salaries & Benefits - Administrative					
Executive Director - Salary	\$ -		\$ -		
Executive Director - Fringe	\$ -		\$ -		
Data/Admin - Salary	\$ -		\$ -		
Data/Admin - Fringe	\$ -		\$ -		
Other - Salary	\$ -		\$ -		
Other - Fringe	\$ -		\$ -		
TOTAL	\$ -		\$ -		
<i>Note: Salaries include living allowances for staff who are AmeriCorps members. Fringe benefits include FICA, health care, workers compensation, and other related costs.</i>					
BUDGET CATEGORY	TOTAL	% PROGRAMS	\$ PROGRAMS	% FOC	\$ FOC
Direct Costs					
Travel	\$ -		\$ -		\$ -
Training (includes consultants)	\$ -		\$ -		\$ -
Materials and Supplies	\$ -		\$ -		\$ -
Other Direct Costs	\$ -		\$ -		\$ -
TOTAL	\$ -		\$ -		\$ -
BUDGET CATEGORY	TOTAL	% PROGRAMS	\$ PROGRAMS	% FOC	\$ FOC
Overhead Costs					
Rent/Mortgage	\$ -		\$ -		\$ -
Utilities	\$ -		\$ -		\$ -
Other Overhead Costs	\$ -		\$ -		\$ -
TOTAL	\$ -		\$ -		\$ -
				TOTAL FOC:	\$ -

Appendix C. Regression Results for Cost Analysis

TABLE C.1

Full Regression Specification

FOC Client Characteristics		Coefficient (unstandardized)	Standard Error	Standardized Coefficient (Beta)	t-statistic	p-value
Gender	Female					
	Male	27.87	16.86	0.02	1.65	0.10
Marital Status	Single					
	Married	-46.02	31.74	-0.02	-1.45	0.15
	Divorced/Separated	16.32	27.40	0.01	0.60	0.55
Race/Ethnicity	African American	-50.70	26.65	-0.04	-1.90	0.06
	Hispanic	-57.10	31.41	-0.03	-1.82	0.07
	Caucasian/White					
	Other or missing	111.46	54.79	0.02	2.03	0.04
Annual Household Income (US\$)	Missing at entry	-82.48	31.19	-0.05	-2.64	0.01
	\$0	-26.06	25.11	-0.02	-1.04	0.30
	\$1 - \$5,000	-18.66	35.17	-0.01	-0.53	0.60
	\$5,001 - \$10,000	-30.98	30.06	-0.01	-1.03	0.30
	Greater than \$10,000					
Age (years)	25 and under					
	25 to 35	-33.17	24.68	-0.02	-1.34	0.18
	35 to 45	-67.05	26.47	-0.04	-2.53	0.01
	45 and older	-33.83	22.66	-0.02	-1.49	0.14
Criminal Convictions	No Convictions					
	Misdemeanor	-49.05	36.64	-0.02	-1.34	0.18
	Felony	-68.34	24.41	-0.04	-2.80	0.01
Living Arrangement	Homeless/rent free	120.27	27.87	0.07	4.32	0.00
	Rent-subsidized	10.89	27.49	0.01	0.40	0.69
	Rent-unsubsidized	22.53	23.62	0.02	0.95	0.34
	Home is owned					
Education Level	No high school diploma	-36.93	23.41	-0.02	-1.58	0.11
	HS Diploma or GED					
	Associates degree/some college	-59.56	21.39	-0.03	-2.78	0.01
	Bachelors or higher	-77.11	37.50	-0.02	-2.06	0.04
Employment Status at Entry	Unemployed at entry	-22.46	20.59	-0.02	-1.09	0.28
	No work history	-103.36	32.79	-0.04	-3.15	0.00
	Employed at entry					
FOC Program Mix	EC Only	552.62	36.63	0.27	15.09	0.00
	FC Only	274.70	37.37	0.09	7.35	0.00
	ISC Only					
	EC + FC	941.73	34.58	0.39	27.23	0.00
	EC + ISC	646.81	51.60	0.15	12.54	0.00
	FC + ISC	517.66	41.25	0.15	12.55	0.00
	All three programs	1272.16	27.37	0.72	46.47	0.00
Imputation of Minutes	EC minutes imputed	-545.68	28.52	-0.31	-19.14	0.00
	FC minutes imputed	-361.25	30.33	-0.15	-11.91	0.00
	ISC minutes imputed	-222.52	21.71	-0.16	-10.25	0.00
Site Indicator	Site 1	300.96	30.24	0.17	9.95	0.00
	Site 2	366.83	35.80	0.17	10.25	0.00
	Site 3	283.21	27.61	0.16	10.26	0.00
	Site 4	-331.47	41.92	-0.12	-7.91	0.00
	Site 5					
	Site 6	-181.45	32.37	-0.10	-5.61	0.00
Constant		148.91	43.27	0.00	3.44	0.00

Notes: R-Squared = 0.460, Adjusted R-squared = 0.455, Number of Cases = 4641, F-statistic = 105.802 (**), Green: statistically significant at 0.05 < p < 0.10, Yellow: statistically significant at p < 0.05.

TABLE C.2

Demographic and Program-Mix Variables Only

No site indicators

FOC Client Characteristics		Coefficient (unstandardized)	Standard Error	Standardized Coefficient (Beta)	t-statistic	p-value
Gender	Female	Reference Category				
	Male	81.12	17.73	0.06	4.58	0.00
Marital Status	Single	Reference Category				
	Married	-50.99	33.41	-0.02	-1.53	0.13
	Divorced/Separated	20.20	28.96	0.01	0.70	0.49
Race/Ethnicity	African American	-88.99	25.17	-0.06	-3.53	0.00
	Hispanic	-49.04	31.75	-0.02	-1.54	0.12
	Caucasian/White	Reference Category				
	Other or missing	77.95	58.09	0.02	1.34	0.18
Annual Household Income (US\$)	Missing at entry	-159.16	32.22	-0.10	-4.94	0.00
	\$0	-102.73	25.99	-0.07	-3.95	0.00
	\$1 - \$5,000	-65.28	37.25	-0.02	-1.75	0.08
	\$5,001 - \$10,000	-55.19	31.78	-0.02	-1.74	0.08
	Greater than \$10,000	Reference Category				
Age (years)	25 and under	Reference Category				
	25 to 35	-30.63	25.68	-0.02	-1.19	0.23
	35 to 45	-47.41	27.41	-0.02	-1.73	0.08
	45 and older	-12.85	23.21	-0.01	-0.55	0.58
Criminal Convictions	No Convictions	Reference Category				
	Misdemeanor	-22.38	38.85	-0.01	-0.58	0.56
	Felony	-34.58	25.54	-0.02	-1.35	0.18
Living Arrangement	Homeless/rent free	204.63	28.28	0.11	7.24	0.00
	Rent-subsidized	4.24	28.86	0.00	0.15	0.88
	Rent-unsubsidized	29.30	24.79	0.02	1.18	0.24
	Home is owned	Reference Category				
Education Level	No high school diploma	30.32	24.65	0.02	1.23	0.22
	HS Diploma or GED	Reference Category				
	Associates degree/some college	-53.70	22.54	-0.03	-2.38	0.02
	Bachelors or higher	15.91	39.54	0.00	0.40	0.69
Employment Status at Entry	Unemployed at entry	-50.46	21.70	-0.04	-2.33	0.02
	No work history	-108.11	34.41	-0.04	-3.14	0.00
	Employed at entry	Reference Category				
FOC Program Mix	EC Only	447.46	38.60	0.22	11.59	0.00
	FC Only	188.48	38.59	0.06	4.88	0.00
	ISC Only	Reference Category				
	EC + FC	814.09	36.06	0.34	22.57	0.00
	EC + ISC	569.83	54.06	0.13	10.54	0.00
	FC + ISC	437.53	42.87	0.13	10.21	0.00
	All three programs	1123.38	27.75	0.63	40.49	0.00
Imputation of Minutes	EC minutes imputed	-620.37	28.04	-0.36	-22.12	0.00
	FC minutes imputed	-257.44	31.33	-0.11	-8.22	0.00
	ISC minutes imputed	-71.71	20.56	-0.05	-3.49	0.00
Site Indicator	Site 1	Omitted				
	Site 2					
	Site 3					
	Site 4					
	Site 5					
	Site 6					
Constant		267.54	40.72	0.00	6.57	0.000

Notes: R-Squared = 0.389, Adjusted R-squared = 0.385, Number of Cases = 4641, F-statistic = 91.846 (**), Green: statistically significant at 0.05 < p < 0.10, Yellow: statistically significant at p < 0.05.

TABLE C.3

Demographic Variables Only

No site indicators or program-mix variables

FOC Client Characteristics		Coefficient (unstandardized)	Standard Error	Standardized Coefficient (Beta)	t-statistic	p-value
Gender	Female	Reference Category				
	Male	35.18	20.75	0.02	1.70	0.09
Marital Status	Single	Reference Category				
	Married	9.33	39.24	0.00	0.24	0.81
	Divorced/Separated	39.13	34.04	0.02	1.15	0.25
Race/Ethnicity	African American	-42.23	29.54	-0.03	-1.43	0.15
	Hispanic	-3.66	37.26	0.00	-0.10	0.92
	Caucasian/White	Reference Category				
	Other or missing	178.00	68.26	0.04	2.61	0.01
Annual Household Income (US\$)	Missing at entry	-328.30	37.45	-0.20	-8.77	0.00
	\$0	-147.96	30.40	-0.10	-4.87	0.00
	\$1 - \$5,000	-25.52	43.76	-0.01	-0.58	0.56
	\$5,001 - \$10,000	-91.47	37.38	-0.04	-2.45	0.01
	Greater than \$10,000	Reference Category				
Age (years)	25 and under	Reference Category				
	25 to 35	55.52	29.56	0.03	1.88	0.06
	35 to 45	65.98	31.65	0.03	2.08	0.04
	45 and older	24.07	26.54	0.02	0.91	0.36
Criminal Convictions	No Convictions	Reference Category				
	Misdemeanor	141.00	45.48	0.04	3.10	0.00
	Felony	214.96	29.02	0.12	7.41	0.00
Living Arrangement	Homeless/rent free	252.19	33.20	0.14	7.60	0.00
	Rent-subsidized	-110.60	33.32	-0.06	-3.32	0.00
	Rent-unsubsidized	-18.42	29.01	-0.01	-0.64	0.53
	Home is owned	Reference Category				
Education Level	No high school diploma	8.29	28.96	0.00	0.29	0.77
	HSDiploma or GED	Reference Category				
	Associates degree/some college	-7.27	26.30	0.00	-0.28	0.78
	Bachelors or higher	132.25	46.31	0.04	2.86	0.00
Employment Status at Entry	Unemployed at entry	117.83	25.00	0.08	4.71	0.00
	No work history	-21.79	40.34	-0.01	-0.54	0.59
	Employed at entry	Reference Category				
FOC Program Mix	EC Only	Omitted				
	FC Only					
	ISC Only					
	EC + FC					
	EC + ISC					
	FC + ISC					
	All three programs					
Imputation of Minutes	EC minutes imputed	-270.90	26.90	-0.16	-10.07	0.00
	FC minutes imputed	9.57	34.22	0.00	0.28	0.78
	ISC minutes imputed	-30.90	19.88	-0.02	-1.55	0.12
Site Indicator	Site 1	Omitted				
	Site 2					
	Site 3					
	Site 4					
	Site 5					
	Site 6					
Constant		416.12	45.12	0.00	9.22	0.00

Notes: R-Squared = 0.153, Adjusted R-squared = 0.148, Number of Cases = 4641, F-statistic = 31.949 (**), Green: statistically significant at 0.05 < p < 0.10, Yellow: statistically significant at p < 0.05.

Appendix D. Balancing Statistics for Propensity Score Matching

Although many evaluations skip balancing tests entirely, it is important to check a few standard diagnostic tests to determine whether a propensity score matching exercise adequately “balances” the treatment and comparison groups. “Balanced” groups will be identical on observable characteristics, mimicking the gold standard of random assignment (of course there is no way to test that two samples are identical on unobservable characteristics). This appendix reports information from the two principal balancing tests used in the literature: the mean standardized bias and the share of matching variables in a propensity score analysis that pass a t-test comparison of the matched treatment and comparison groups, and therefore remain statistically distinguishable (i.e., imbalanced) after matching. A well balanced sample will have a low mean standardized bias and a low share of matching variables passing the t-test. A standard cut-off between a low and a high standardized bias is 20.

No propensity score matching analysis is perfect, and all matches here exhibit some imbalance. Recall that the treatment effects reported in the body of the report further correct for these remaining imbalances because they are estimated in a regression framework, rather than a simple difference in means. This helps to control for any remaining imbalances.

Each row of every table of treatment effects in the body of this report is a separate propensity score matching analysis with separate model coefficients and balancing test statistics. The results of these tests are condensed and summarized in this appendix.

As in the body of the report, each row of tables D.1, D.2, and D.3 represent a separate propensity score matching analysis with a different sample. The sample is identified by the treatment group, comparison group, outcome variable, and notes columns in these tables. Three balancing statistics are reported: the mean standardized bias, the share of matching variables passing their t-tests at the 10 percent significance level, and the share of matching variables passing their t-tests at the 5 percent significance level. Each of these statistics should be low in the case of a good match.

Table D.1 presents the balancing tests for the employment and wage outcome samples. Generally speaking, the SIPP comparison group is much more poorly matched to FOC client groups than other FOC clients. This was anticipated and discussed at length in the body of the report. When FOC client treatment cases are matched to SIPP comparison cases, the mean bias is generally higher than the standard threshold of 20, but it is always below this threshold when FOC clients are matched to other

FOC clients. The t-tests suggest that some client groups tend to be poorly matched, including EC & ISC and full bundle clients, and EC and full bundle clients. Although a large share of the matching variables for these samples pass their t-test (i.e., are not balanced), the magnitude of the bias is never especially high. Generally, table D.1 suggests that FOC client comparison groups are preferred to SIPP comparison groups.

TABLE D.1

Balancing Tests for Employment and Wage Outcomes

Treatment group	Comparison group	Outcome	Notes	Mean standardized bias	Share passing t-test with 10% p-value threshold	Share passing t-test with 5% p-value threshold
EC	SIPP	Employed and wage	No job at baseline	24.1	45.2%	38.7%
EC & FC	SIPP	Employed and wage	No job at baseline	15.3	37.5%	28.1%
EC & ISC	SIPP	Employed and wage	No job at baseline	21.6	19.4%	19.4%
Full bundle	SIPP	Employed and wage	No job at baseline	13.1	61.3%	51.6%
EC	SIPP	Employed and wage	Job at baseline	24.8	54.1%	45.9%
EC & FC	SIPP	Employed and wage	Job at baseline	16.6	48.6%	32.4%
EC & ISC	SIPP	Employed and wage	Job at baseline	26.2	18.9%	16.2%
Full bundle	SIPP	Employed and wage	Job at baseline	12.1	48.6%	40.5%
EC & FC	EC	Employed	None	5.7	23.1%	15.4%
EC & ISC	EC	Employed	None	7.8	15.4%	15.4%
Full bundle	EC	Employed	None	8.0	69.2%	61.5%
Full bundle	EC & FC	Employed	None	3.1	26.9%	11.5%
Full bundle	EC & ISC	Employed	None	7.0	69.2%	61.5%
EC & FC	EC	Wage	None	5.6	26.9%	15.4%
EC & ISC	EC	Wage	None	7.9	11.5%	0.0%
Full bundle	EC	Wage	None	5.9	42.3%	38.5%
Full bundle	EC & FC	Wage	None	2.5	7.7%	3.8%
Full bundle	EC & ISC	Wage	None	5.8	46.2%	46.2%
EC & FC	EC	Employed	No job at baseline	5.2	16.7%	8.3%
EC & ISC	EC	Employed	No job at baseline	6.3	4.2%	0.0%
Full bundle	EC	Employed	No job at baseline	9.0	70.8%	62.5%
Full bundle	EC & FC	Employed	No job at baseline	4.1	32.0%	24.0%
Full bundle	EC & ISC	Employed	No job at baseline	9.7	68.0%	68.0%
EC & FC	EC	Wage	No job at baseline	5.7	25.0%	4.2%
EC & ISC	EC	Wage	No job at baseline	7.6	16.7%	12.5%
Full bundle	EC	Wage	No job at baseline	13.5	79.2%	79.2%
Full bundle	EC & FC	Wage	No job at baseline	3.4	36.0%	16.0%
Full bundle	EC & ISC	Wage	No job at baseline	6.8	56.0%	48.0%

Table D.2 reports balancing test results for credit score outcomes. Unlike the SIPP comparison group, the credit bureau comparison group is well matched to the FOC clients in all cases. Part of this reflects the relatively low number of matching variables available in the credit bureau dataset. With few matching variables and a large number of comparison cases to choose from, there were many opportunities for strong matches. The concern with the credit bureau comparison group is thus not the balance of the match on observable characteristics, but the prospect of selection on unobservables.

When FOC clients were matched to other FOC clients, the results were largely comparable to those reported in table D.1. Most matched samples had mean standardized bias scores below 20 and relatively low shares of the matching variables passing their t-tests. Exceptions with poorer balancing include the match between FC and EC & FC clients, and FC & ISC and full bundle clients, which in some cases had more problematic balancing statistics. These results should be interpreted with greater caution.

TABLE D.2

Balancing Tests for Credit Score Outcomes

Treatment group	Comparison group	Outcome	Notes	Mean standardized bias	Share passing t-test with 10% p-value threshold	Share passing t-test with 5% p-value threshold
FC	Credit bureau	FICO score	FICO score at baseline	6.1	0.0%	0.0%
EC & FC	Credit bureau	FICO score	FICO score at baseline	10.0	17.4%	4.3%
FC & ISC	Credit bureau	FICO score	FICO score at baseline	6.6	0.0%	0.0%
Full bundle	Credit bureau	FICO score	FICO score at baseline	5.5	16.7%	16.7%
EC & FC	FC	FICO score	None	6.0	12.0%	8.0%
FC & ISC	FC	FICO score	None	12.1	40.0%	36.0%
Full bundle	FC	FICO score	None	5.9	36.0%	36.0%
Full bundle	EC & FC	FICO score	None	3.6	19.2%	19.2%
Full bundle	FC & ISC	FICO score	None	5.9	42.3%	34.6%
EC & FC	FC	Change in FICO score	None	9.6	24.0%	24.0%
FC & ISC	FC	Change in FICO score	None	15.7	60.0%	44.0%
Full bundle	FC	Change in FICO score	None	9.7	68.0%	60.0%
Full bundle	EC & FC	Change in FICO score	None	4.9	26.9%	26.9%
Full bundle	FC & ISC	Change in FICO score	None	7.1	50.0%	26.9%
EC & FC	FC	FICO score	FICO exists at baseline	16.4	24.0%	12.0%
FC & ISC	FC	FICO score	FICO exists at baseline	--	--	--
Full bundle	FC	FICO score	FICO exists at baseline	15.7	68.0%	60.0%
Full bundle	EC & FC	FICO score	FICO exists at baseline	17.3	64.0%	40.0%
Full bundle	FC & ISC	FICO score	FICO exists at baseline	25.8	72.0%	56.0%
EC & FC	FC	FICO score exists	None	5.5	12.0%	12.0%
FC & ISC	FC	FICO score exists	None	10.4	32.0%	28.0%
Full bundle	FC	FICO score exists	None	6.4	52.0%	48.0%
Full bundle	EC & FC	FICO score exists	None	3.4	26.9%	23.1%
Full bundle	FC & ISC	FICO score exists	None	6.9	61.5%	53.8%
EC & FC	FC	FICO score exists	FICO exists at baseline	17.4	44.0%	40.0%
FC & ISC	FC	FICO score exists	FICO exists at baseline	12.4	16.0%	12.0%
Full bundle	FC	FICO score	FICO exists	11.0	64.0%	52.0%

Treatment group	Comparison group	Outcome	Notes	Mean standardized bias	Share passing t-test with 10% p-value threshold	Share passing t-test with 5% p-value threshold
Full bundle	EC & FC	exists FICO score exists	at baseline FICO exists at baseline	6.7	34.6%	23.1%
Full bundle	FC & ISC	FICO score exists	FICO exists at baseline	6.8	38.5%	26.9%

Finally, table D.3 reports balancing test results for net worth and net income outcome samples. The net worth samples were generally well matched, with low mean standardized biases and a low share of matching variables passing their t-tests. However, the net income samples tended to have very poor match quality, with some of the highest standardized biases and shares of matching variables passing their t-tests. Since the sources for the treatment and comparison groups (i.e., the treatment and comparison group columns in table D.3) are the same across net worth and net income outcomes, the stark contrast in the balance between these samples is due to the net income reporting rates. The sample of clients that have net incomes reported is generally smaller and harder to match than the comparable sample of clients with net worth reported.

TABLE D.3

Balancing Tests for Net worth and Net Income Outcomes

Treatment group	Comparison group	Outcome	Notes	Mean standardized bias	Share passing t-test with 10% p-value threshold	Share passing t-test with 5% p-value threshold
EC & FC	FC	Net worth	None	6.1	15.4%	3.8%
FC & ISC	FC	Net worth	None	6.6	8.0%	4.0%
Full bundle	FC	Net worth	None	4.5	32.0%	20.0%
Full bundle	EC & FC	Net worth	None	3.6	7.7%	3.8%
Full bundle	FC & ISC	Net worth	None	6.2	50.0%	46.2%
EC & FC	FC	Net worth	Negative net worth at baseline	6.4	8.0%	4.0%
FC & ISC	FC	Net worth	Negative net worth at baseline	11.0	28.0%	24.0%
Full bundle	FC	Net worth	Negative net worth at baseline	6.6	56.0%	40.0%
Full bundle	EC & FC	Net worth	Negative net worth at baseline	6.4	52.0%	40.0%
Full bundle	FC & ISC	Net worth	Negative net worth at baseline	5.8	42.3%	34.6%
EC & FC	FC	Net worth	No job at baseline	8.0	16.7%	8.3%
FC & ISC	FC	Net worth	No job at baseline	10.2	20.8%	4.2%
Full bundle	FC	Net worth	No job at baseline	5.1	33.3%	25.0%
Full bundle	EC & FC	Net worth	No job at baseline	4.4	28.0%	20.0%
Full bundle	FC & ISC	Net worth	No job at baseline	5.9	48.0%	36.0%
EC & FC	FC	Net worth	Negative net worth and no job at baseline	9.1	20.8%	12.5%
FC & ISC	FC	Net worth	Negative net worth and no job at baseline	16.5	25.0%	16.7%
Full bundle	FC	Net worth	Negative net worth and no job at baseline	4.3	25.0%	16.7%
Full bundle	EC & FC	Net worth	Negative net worth and no job at baseline	7.3	44.0%	36.0%
Full bundle	FC & ISC	Net worth	Negative net worth and no job at baseline	8.4	56.0%	56.0%
EC & FC	FC	Negative to positive net worth	None	6.4	8.0%	4.0%

Treatment group	Comparison group	Outcome	Notes	Mean standardized bias	Share passing t-test with 10% p-value threshold	Share passing t-test with 5% p-value threshold
FC & ISC	FC	Negative to positive net worth	None	11.0	28.0%	24.0%
Full bundle	FC	Negative to positive net worth	None	6.6	56.0%	40.0%
Full bundle	EC & FC	Negative to positive net worth	None	6.4	50.0%	38.5%
Full bundle	FC & ISC	Negative to positive net worth	None	5.8	42.3%	34.6%
EC & FC	FC	Net income	None	44.4	88.0%	84.0%
FC & ISC	FC	Net income	None	68.9	84.0%	84.0%
Full bundle	FC	Net income	None	42.4	92.0%	92.0%
Full bundle	EC & FC	Net income	None	9.4	48.0%	36.0%
Full bundle	FC & ISC	Net income	None	11.8	53.8%	50.0%
EC & FC	FC	Net income	Negative net income at baseline	--	--	--
FC & ISC	FC	Net income	Negative net income at baseline	--	--	--
Full bundle	FC	Net income	Negative net income at baseline	70.1	96.0%	96.0%
Full bundle	EC & FC	Net income	Negative net income at baseline	14.5	60.0%	48.0%
Full bundle	FC & ISC	Net income	Negative net income at baseline	19.7	76.0%	76.0%
EC & FC	FC	Net income	Negative net income and no job at baseline	--	--	--
FC & ISC	FC	Net income	Negative net income and no job at baseline	--	--	--
Full bundle	FC	Net income	Negative net income and no job at baseline	57.2	95.8%	95.8%
Full bundle	EC & FC	Net income	Negative net income and no job at baseline	7.5	20.8%	16.7%
Full bundle	FC & ISC	Net income	Negative net income and no job at baseline	25.9	92.0%	92.0%
FC & ISC	FC	Net worth	Negative net worth at baseline	11.0	28.0%	24.0%
Full bundle	FC	Net worth	Negative net	6.6	56.0%	40.0%

Treatment group	Comparison group	Outcome	Notes	Mean standardized bias	Share passing t-test with 10% p-value threshold	Share passing t-test with 5% p-value threshold
Full bundle	EC & FC	Net worth	worth at baseline Negative net worth at baseline	6.4	52.0%	40.0%
Full bundle	FC & ISC	Net worth	worth at baseline Negative net worth at baseline	5.8	42.3%	34.6%
EC & FC	FC	Net worth	No job at baseline	8.0	16.7%	8.3%
FC & ISC	FC	Net worth	No job at baseline	10.2	20.8%	4.2%
Full bundle	FC	Net worth	No job at baseline	5.1	33.3%	25.0%
Full bundle	EC & FC	Net worth	No job at baseline	4.4	28.0%	20.0%
Full bundle	FC & ISC	Net worth	No job at baseline	5.9	48.0%	36.0%

Notes

1. Rankin, Sarah. 2015. Building Sustainable Communities: Integrated Services and Improved Financial Outcomes for Low-Income Households. Washington, DC: LISC. Available at http://www.lisc.org/docs/publications/041415_srakin_foc_report.pdf (accessed October 28, 2015).
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21. Theodos, Brett, et al. "An Evaluation of the Impacts and Implementation Approaches of Financial Coaching Programs," page xxiii.
22. About one-third of clients who received services during the 34 months prior to April 2015 received two of the three FOC services. See Rankin, Sarah. 2015. *Building Sustainable Communities: Integrated Services and Improved Financial Outcomes for Low-Income Households*. Washington, DC: LISC. Available at http://www.lisc.org/docs/publications/041415_srankin_foc_report.pdf (accessed October 28, 2015).
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24. Purposive sampling is a "qualitative inquiry that typically focuses on relatively small samples... selected purposefully to permit inquiry into an understanding of a phenomenon in depth" (Patton 2002, 46). This approach is a common, nonprobability sampling technique in which cases are selected based on characteristics that are of interest to and central importance to the purpose of the study.
25. Rankin, Sarah. 2015. *Building Sustainable Communities: Integrated Services and Improved Financial Outcomes for Low-Income Households*. Washington, DC: LISC. Available at http://www.lisc.org/docs/publications/041415_srankin_foc_report.pdf (accessed October 28, 2015).
26. The spreadsheet instructed site staff to include the salaries (stipends) of AmeriCorps members in this line item, but most sites did not indicate separate staff costs for their AmeriCorps member or members.
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28. This is the unweighted sample, that is, the sample size of unique comparison cases rather than the weighted sample size when comparison cases that match to multiple treatment cases are given a higher weight.
29. Most variables used to estimate the propensity score were also used in the regression estimation of the treatment effect. In these PSM analyses, Z only consists of individual site indicator variables (when FOC clients are compared to other FOC clients) and state indicator variables (when FOC clients are compared to SIPP cases). The first stage model estimating the propensity score often did not converge (i.e., find a solution) when these site or state indicators were included, although they could be included in the second stage.
30. Probit models were used because a few of the models did not converge with the logit. However, for those models that did converge, the probit, logit, and linear probability models all provided approximately the same treatment effect, which is expected.
31. That is, the length of time between initial enrollment and the last service delivery date in the file.
32. See Heckman, J., H. Ichimura, J. Smith, and P. Todd. (1996). Sources of selection bias in evaluating social programs: An interpretation of conventional measures and evidence on the effectiveness of matching as a program evaluation method. *Proceedings of the National Academy of Sciences*, 93(23), 13416-13420; Heckman, J., H. Ichimura, J. Smith, and P. Todd. (1998). Characterizing selection bias using experimental data. *Econometrica*, 66(5):1017-1098; and Heckman, J., H. Ichimura, and P. Todd. (1997). Matching as an econometric evaluation estimator: evidence from evaluating a job training programme. *Review of Economic Studies*, 64(4): 605-654.
33. Because employment-related outcomes are only recorded in ETO for clients who receive employment counseling services, the client dataset does not contain any clients who have not received employment counseling but who do have data for these outcomes.
34. Information from the distribution of household income for FOC clients that had this information recorded is used to restrict the SIPP sample. The 95th percentile for household income for FOC clients is just under \$40,000. SIPP cases are only included in the PSM analysis if their household income is \$40,000 a year or less. Household income is also used as a matching variable in the PSM analysis.
35. This possibility should be minimized since we control for baseline employment and household income.
36. In all prior PSM analyses some comparison cases are matched to multiple treatment cases, which is why the comparison group is always smaller than the treatment group.
37. 79.9 percent of FOC clients receiving services for more than a month received financial counseling and therefore have FICO scores measured as an outcome variable had a FICO score at baseline. As table 12 indicates, this share is somewhat lower when cases with missing values are removed.
38. It is not possible to assess the impact of FOC services on the change in a client's FICO score for this sub-group because a FICO score change can only be calculated if the client had a FICO score at baseline.
39. Individuals can lose credit scores over time if their credit history happened far enough in the past to be disregarded by the credit rating agency.
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41. Bowen, Rita, and United Way Worldwide. "Financial Stability Through Integrated Service Delivery: Highlights from the United Way System" (2011). Available at http://unway.3cdn.net/a6b53e050d6a0507f4_y0m6yx1rg.pdf (accessed October 28, 2015).
42. The six sites are numbered to ensure that their cost data remain confidential.

43. For example, at one site, this category includes an in-person counselor who is responsible for outreach and enrollment; three additional employment coaches not listed in the Employment Coach line-item; and a receptionist who provides support to FOC students and direct staff.
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45. The proportion of clients who receive the full bundle of FOC services has grown in recent years. For instance, 47 percent of all FOC clients who began receiving services between February and November 2015 received all three services.
46. Although the coefficients in table 6 can be expressed in terms of dollars per client, the standardized betas are preferable for these comparisons because they control for differences in the distributions of the independent variables.
47. Two other outcomes, the difference net income and credit score changes, are not considered in this section. Reliable impact estimates for the "treatment versus treatment-plus" analysis for net income could not be calculated, while credit score impacts are difficult to express in monetary terms.
48. However, as seen in the previous section, certain client characteristics that have an impact on the type of FOC services clients receive – and hence the costs of FOC services – are not included in the PSM matching equations. For instance, criminal convictions are not available in the SIPP, and are also not used in the "treatment versus treatment-plus" PSM equations. These data limitations constrain the power of the PSM analysis, and affect the impact estimates as well as the cost-benefit comparisons below.
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50. While the ETO system allows LISC staff members to update the data on an ongoing basis, the "post-FOC" outcome measures are the most recently updated values as of March 2015.
51. Many sources, including the U.S. government, use the term "benefit-cost analysis" in official publications. Here, we use "cost-benefit analysis" as a generic descriptive term. Both terms should be distinguished from cost-effectiveness analysis, which "seeks to determine how a given goal can be achieved at the least cost." See also Maeve Carey, CRS report, available at <http://fas.org/sgp/crs/misc/R41974.pdf>.
52. U.S. Office of Management and Budget, Circular A-94. "Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs." Available at <https://www.whitehouse.gov/sites/default/files/omb/assets/a94/a094.pdf> (accessed October 28, 2015). See also Posner, Richard A. "Cost-benefit analysis: Definition, justification, and comment on conference papers." *The Journal of Legal Studies* 29.S2 (2000): 1153-1177. Available at <http://www.jstor.org/stable/10.1086/468108> (accessed October 20, 2015), and Arrow, Kenneth J., et al. "Benefit-cost analysis in environmental, health, and safety regulation." Washington, DC: American Enterprise Institute (1996): 1-17. Available at <http://down.cenet.org.cn/upfile/13/20051271682167.pdf> (accessed October 20, 2015).
53. See, for instance, the discussion and resources at <http://www.progressivereform.org/costBenefit.cfm>.
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57. Barnow, Burt S. "The impact of CETA programs on earnings: a review of the literature." *Journal of Human Resources* (1987): 157-193. Available at <http://www.jstor.org/stable/145901> (accessed October 20, 2015). The debates over the first cost-benefit analyses used in these studies have spawned a huge literature about the appropriate way to use data from a comparison group to estimate the value added by job-training programs.
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60. The ETO system also allows counselors to record the number of hours that the client typically works, but this information was not available at the time the analysis was conducted.
61. The percentages in table 34 were based on the 294 clients at the six sites who were unemployed at baseline, later found employment, and had non-missing data for the job retention indicators. 30 of these clients had missing data for job retention.
62. The retention data may understate the amount of time that FOC clients actually worked if they quickly found another job after leaving their initial placement.
63. Bassi, Laurie J. "CETA-DID IT WORK?." *Policy Studies Journal* 12.1 (1983): 106-118. Available at <http://onlinelibrary.wiley.com/doi/10.1111/j.1541-0072.1983.tb00464.x/pdf> (accessed October 20, 2015).
64. While the size of these increases in net income may vary based on the mix of FOC services that clients receive, among other factors, the average value is used in the calculations to improve reliability.
65. Rotz, D.; Maxwell, N.; Dunn, A. (2014). "Economic Self-Sufficiency and Life Stability One Year After Starting a Social Enterprise Job." Oakland, CA: Mathematica Policy Research. Available at http://www.nationalservice.gov/sites/default/files/evidenceexchange/REDF_SocialEnterprise.pdf (accessed October 21, 2015).
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