Improving Financial Wellness in the Workplace

Assessing Participant Outcomes in Working Credit's Benefit Program

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ABOUT WORKING CREDIT

Working Credit serves a **diverse set of clients across a variety of workplaces** and does not require a certain financial circumstance or credit history to participate.

As of August 2018, Working Credit has **served employers with over 12,000 employees**.

Among those employees, about **1,500 have been served through their workshops** and **900 through counseling**.

Clients **range from those without credit scores to those with prime credit**. Thirty-seven percent of participants started with prime scores, 30 percent started with near-prime scores, 20 percent started with subprime scores, and 12 percent started with no score.

Organizations are increasingly offering financial wellness programs as a workplace benefit, as they understand these programs aren't only good for their employees' well-being, but also for their company's bottom line. Financial wellness programs at the workplace have typically focused on retirement, but they have since evolved to address a range of employees' financial needs.

One such program is Working Credit NFP, a workplace benefit program designed to help employees establish and build strong credit scores and use their improved scores to enhance their financial circumstances. Working Credit's program includes education about credit building through a workshop, followed by one-on-one financial coaching or counseling and periodic tailored updates and suggestions to help participants reach their goals.

To determine whether Working Credit has been successful at improving people's financial well-being, the Urban Institute used 2015–2018 data from the program to evaluate how participants tracked through the program and whether they met the program's objectives to improve their credit scores, including moving to prime scores and reducing delinquencies.

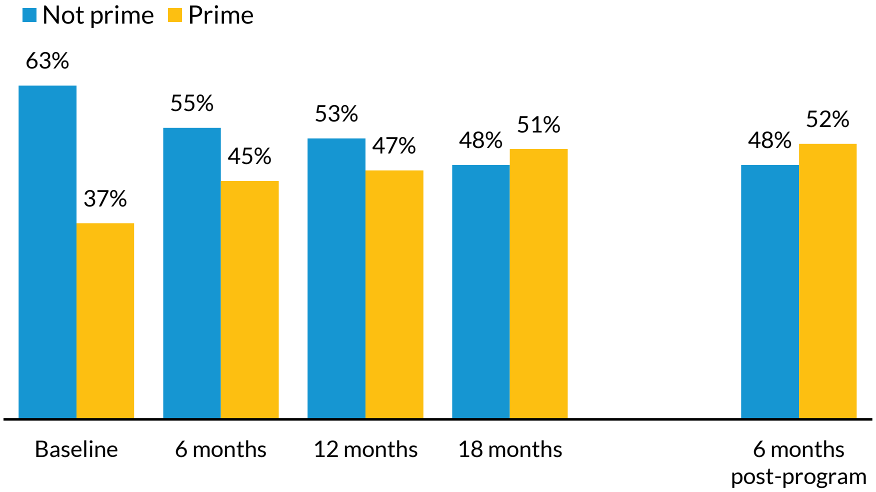
KEY FINDINGS

Our preliminary exploration of program data found these notable results:

- Twelve percent of Working Credit's clients started the program without a credit score. One year after starting the program, only 6 percent had no score.
- Thirty-seven percent of Working Credit's participants started the program with a prime score. Eighteen months after starting the program, the share of participants with prime scores increased to 51 percent.
- The shares of participants with prime scores increased across all racial and ethnic identities and hourly wage levels.
- The median credit score increased for black participants by 44 points, for Hispanic/Latinx participants by 45 points, and for those making $15 to $20 an hour by 62 points from baseline until the end of the program 18 months later.
- The share of participants with debt in collections or delinquency declined over the 18-month program and continued to decline six months after the program's end.
- Participants also increased the amount of affordable credit available to them in an emergency. Fifty-eight percent of participants had access to $1,000 or more in credit at the start of the program; six months after the program's end, 68 percent had access to such credit.

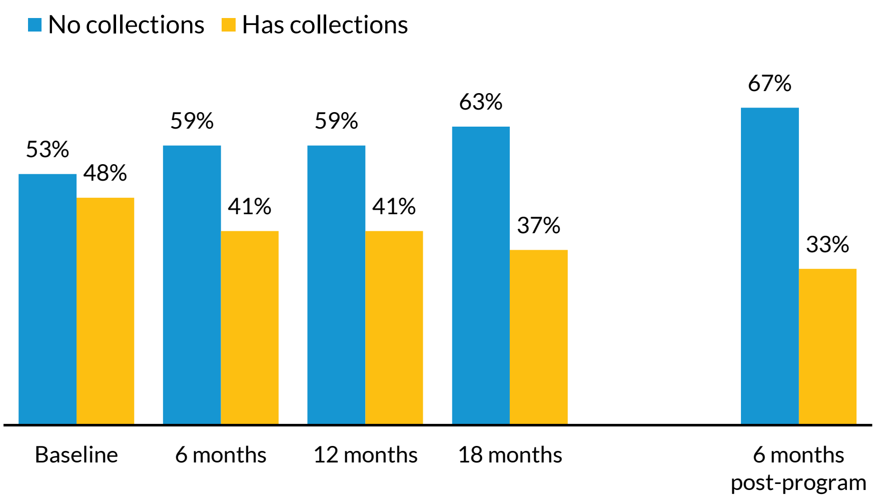
After 18 Months in the Program, Half of Participants Have Prime Scores

Share of all participants with a prime score by score status over time



Source: Working Credit program data.
Notes: A below-prime score is under 660. This data for all participants—and for those in the program 6, 12, and 18 months later, as well as 6 months post-program—are point-in-time estimates, rather than the same respondents tracked longitudinally. At all points shown, the share with prime scores increased significantly ($p < .001$) relative to baseline.

Over Time, a Smaller Share of Participants Holds Debt in Collections



Source: Working Credit program data.
Notes: The data for all participants—and for those in the program at 6, 12, and 18 months, as well as 6 months post-program—are point-in-time estimates, rather than the same respondents tracked longitudinally. Column pairs may not total 100 percent because of rounding.

LESSONS FROM WORKING CREDIT'S APPROACH TO FINANCIAL WELL-BEING

Working Credit's model offers early lessons that other programs and workplaces can adopt.

Offer on-site access at the workplace.

Working Credit provides easy access by offering credit-building workshops and counseling sessions at the workplace, thus reducing a barrier to these services for working Americans. This underscores employers' important role in improving their employees' financial well-being.

Ensure services are available to employees of all incomes.

Working Credit's results show that lower-wage workers can make impressive increases in their credit scores and can improve their availability of and access to credit. With 35 percent of Americans unsure of how to access $400 in an emergency, Working Credit's participants are better positioned to handle financial shortcomings by the end of the program and beyond, which can benefit employers by having present and less distracted employees at the workplace.

This fact sheet draws from the Urban Institute brief *Credit Building at the Workplace*, https://urbn.is/31vU06W.

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