

UNITED WAY OF METROPOLITAN CHICAGO

FINANCIAL STABILITY ISSUE AREA
DRAFT ANNUAL IMPACT REPORT

JULY 1, 2009- JUNE 30, 2010

INCOME: PROMOTING FINANCIAL STABILITY

OUR GOAL

Increase the number of lower-income families that are earning, accessing, and managing an adequate income.

OUR CHALLENGE

The entire country has felt the effects of the current recession, with record unemployment rates in the last year—the highest they have been in 27 years—and unemployment in the Chicago region is even higher than the national average. In addition, even for those lower-income workers who have managed to remain fully employed, it can be a struggle to cover the basic costs required to support their families. In 2009, it was estimated that nearly 1.28 million residents living in the Chicago region were working, but still on the brink of poverty and stretching to cover the basics¹. Though it is clear that these difficulties are deeply rooted in our changing economy, **UWMC seeks to support those hardest hit**—lower income individuals with multiple barriers to stability—in order to encourage the development of skills and resources that will enable these families to successfully weather challenges and meet basic needs.

OUR STRATEGIES

- ◆ **Employment:** Increase the number of people who get and keep a sustainable job
- ◆ **Income Support:** Increase the number of people with access to benefits that help make ends meet
- ◆ **Financial Literacy:** Increase the number of people with basic financial and money management skills
- ◆ **Saving & Assets:** Increase the number of people who become banked and generate savings for emergencies and/or to take advantage of opportunity.

OUR RESOURCES

Program Support: In FY 10, UWMC invested \$4.6M in grant funds, along with tremendous volunteer resources, to support a **90-program Financial Stability Partnership** around the region that provided a range of programming for 48,690 individuals. This funding enabled programs to offer skill-building opportunities for populations facing multiple barriers to financial stability, including people with disabilities, the homeless, veterans, people with criminal records, youth in transition, survivors of violence, the long-term unemployed, and those with limited education and/or language skills.

Public Policy and Engagement: UWMC has also begun to mobilize its resources around three key priority areas in Financial Stability:

- ◆ **Developing an integrated, regional workforce development system:** integrate services around employment, economic development and education to meet the needs of workers and employers.
- ◆ **Promoting financial literacy education in the schools & workplace:** disseminate toolkits for the implementation of financial literacy education in schools and through the workplace.
- ◆ **Improving access to income supports:** streamline local & state processes for obtaining food, medical, childcare, and cash assistance.

INCOME: PROMOTING FINANCIAL STABILITY

EMPLOYMENT STRATEGY

Increase the number of people who get and keep a sustainable job.

RESOURCES

In FY 10, UWMC invested \$2.4M in grant funds into 67 programs around the region that provided employment and training services, often in conjunction with financial literacy, savings, or income support assistance. These programs implemented a variety of approaches, from traditional job readiness, training and placement to supported employment (for people with disabilities), transitional jobs (to offer job experience), social enterprises (to create new jobs for hardest to place) and sector-based training (to help participants gain higher paying jobs).

REAL PEOPLE. REAL RESULTS.

FY10 Results: Investing in programs that help overcome barriers and build skills

- ◆ **14,097 people sought help** to find and keep a decent job.
- ◆ **5,889 people or 42% gained basic job readiness skills** and addressed ALL key barriers to employment, such as: transportation, child care, adult ed., job experience/certification, criminal records, addiction, job search skills, etc.
- ◆ **5,354 or 38% found employment** within a very competitive job market. Note: programs exclusively serving individuals with multiple challenges and/or with longer-term services tended to “top out” near this rate, though 30/67 placed participants at higher rates.
- ◆ **\$8.92 was the median wage** offered by these jobs (2010 IL minimum wage: \$8.00/hr.)
- ◆ **4,225 or 79% of those who found jobs kept them** for at least 90 days, and even gained a small raise in pay (median wage \$9.38) at 90 days.

Success Stories: People using the support and tools to create brighter futures

- ◆ **Mark in Maywood** came to **Vision of Restoration** through a referral by the Illinois Department of Corrections and the Safer Foundation after being incarcerated for two years. Mark completed job readiness and financial literacy training, volunteered with the food pantry, clothing depository, and mentor program while looking for employment. Within three months, Mark found a job with a major car rental company and recently received a promotion. Since the promotion Mark secured a checking and savings account with a local bank and purchased a vehicle to ensure consistent transportation.
- ◆ **A.D. is a single man who lives in the south suburbs** that came to **Ford Heights Community Services** for training and certification in the construction trades, including flagger certification, OSHA safety training, blue print reading, electrical, plumbing and forklift operator. After finishing training, he was hired as a forklift operator earning \$17 per hour.
- ◆ **Sandra is a single mother in Humboldt Park** who recently separated from her husband. She had not completed her GED or worked in 8 years since her children were born. She went to **Casa Central** for help, completed her GED, completed their Certified Nurse’s Assistant Training Program, and recently began work at a nursing home for elderly Latinos.

GIVE. ADVOCATE. VOLUNTEER.

INCOME: PROMOTING FINANCIAL STABILITY

INCOME SUPPORT STRATEGY

Increase the number of people with access to benefits that help make ends meet.

RESOURCES

In FY 10, UWMC invested \$740K in grant funds into 34 programs around the region that provided a variety of services to help participants to access public benefits, often in conjunction with employment, financial literacy, or savings assistance. These programs implemented a variety of approaches, from traditional case management support, to legal advocacy, free volunteer income tax preparation assistance (VITA), transitional/emergency housing, and one-stop comprehensive service provision.

REAL PEOPLE. REAL RESULTS.

FY10 Results: Investing in programs that help overcome barriers and build skills

- ◆ **34,677 people sought help** to apply for medical, housing subsidies, tax, childcare, Temporary Assistance for Needy Families (TANF), eviction prevention, or other benefits.
- ◆ **30,023 people (87%) gained new or increased public benefits** to cover their basic needs.
- ◆ **Participants gained \$45M in resources** to sustain their families from the benefits received.
- ◆ UWMC's investment of \$740k leveraged nearly \$6M in other resources, which resulted in an overall **return on investment (ROI) of \$6.57: \$1.**

Success Stories: People using the support and tools to create brighter futures

- ◆ **Kelly is a single mother raising four children and one grandchild in Auburn Gresham.** With her salary as a sales clerk, she has a hard time making ends meet, especially since recently returning to school and making plans to send her daughter to college this fall. She went to a **Center for Economic Progress** tax prep site for help getting all of the appropriate tax credits, including an earned income tax credit (EITC) of about \$4,200. After leaving the tax site, Kelly could relax knowing that she had a tax refund coming to her that would allow her to stay in school, start paying for her daughter's education and continue to provide for her family.
- ◆ **Gina is a 24-year old survivor of domestic violence with 2 children living in Chicago.** Last fall she called **Neopolitan Lighthouse** seeking safety, shelter and a new life. Gina came to shelter unemployed with no income supports except food stamps and Medicaid. While there, she obtained additional supports (TANF and child care), secured employment, and moved in to her own apartment.
- ◆ **Bill is a Vietnam War veteran living in Chicago.** Bill served as an infantry platoon leader in Vietnam and received an honorable discharge in 1972, but was previously denied VA disability benefits for a mental illness resulting from his service. He recently approached the **Legal Assistance Foundation** for help/advocacy and they represented him in an appeal process. As a result, Bill will be awarded a lump sum of \$55k and \$1,333 in monthly payments to help cover living expenses.

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INCOME: PROMOTING FINANCIAL STABILITY

FINANCIAL LITERACY STRATEGY

Increase the number of people with basic financial and money management skills.

RESOURCES

In FY 10, UWMC invested \$1M in grant funds into 43 programs around the region that provided financial literacy education, often in conjunction with employment, income supports, or savings services. These programs implemented a variety of approaches, from traditional classroom instruction (to convey basic financial literacy) to credit/debt counseling, housing counseling (foreclosure or home ownership), and one-on-one financial coaching (to set personal financial goals and work toward them).

REAL PEOPLE. REAL RESULTS.

FY10 Results: Investing in programs that help overcome barriers and build skills

- ◆ **6,226 people sought help** to learn to manage their finances more effectively.
- ◆ **4,453 (72%) gained basic financial literacy skills** through classroom and personalized counseling.
- ◆ **1,520 (34%) of those who gained literacy lowered their financial risk** by reducing debt, credit card usage, payday lending, etc.

Success Stories: People using the support and tools to create brighter futures

- ◆ **Pamela is 38-years old, lives in Calumet City,** and was a teen mother of three before she finished high school. She struggled with her finances and homelessness over the years. However, after entering the **Catholic Charities'** transitional housing program, she was able to stabilize her finances, finish college, and complete her MSW. She now works as a social worker and has achieved stability for her family.
- ◆ **Mr. and Mrs. Z from Rolling Meadows** received a letter from the IRS about their back taxes, but could not understand it due to language barriers and complexity. During their financial literacy assessment at **CEDA Northwest**, it was discovered that the IRS overstated their tax bill by \$4k + penalties, which they could not afford to pay in the two months allotted. CEDA advocated on their behalf and the tax liability was reduced to \$500, which helped them stabilize their finances and begin to work on budgeting, saving, etc.
- ◆ **Ms. B, a young, single mom in Glen Ellyn,** was on the brink of homelessness, between raising her daughter, attending classes and trying to pay bills after losing her job. She was connected to **Bridge Communities**, which provided a safe place for her to live while continuing her education and learning how to manage money carefully. Having graduated with an associate's degree, she now works full-time for a law firm and is still working with Bridge on home buying classes and finding a place of her own to raise her daughter.

GIVE. ADVOCATE. VOLUNTEER.

INCOME: PROMOTING FINANCIAL STABILITY

SAVING & ASSET STRATEGY

Increase the number of people who become banked and generate savings for emergencies and/or to take advantage of opportunity.

RESOURCES

In FY 10, UWMC invested \$588K in grant funds into 21 programs around the region that helped people open bank accounts and begin saving, often in conjunction with services to address employment, financial literacy, or income support needs. These programs implemented various approaches to encourage participation and saving, such as individual development accounts (IDAs- matched savings accounts for education, home ownership, or to start a small business), bank partnerships (to offer financial literacy training and to develop new/low-fee financial products), and employer-based asset building services (at work site to encourage automatic deposit and participation in matched savings).

REAL PEOPLE. REAL RESULTS.

FY10 Results: Investing in programs that help overcome barriers and build skills

- ◆ **2,674 people sought help** to set up a banking account and begin saving.
- ◆ **1,401 people (52%) opened a savings or checking account** through a mainstream bank.
- ◆ On average, people **saved \$700 last year**, or 4.3% of their average annual income (\$16k), which is higher than the national savings rate.

Success Stories: People using the support and tools to create brighter futures

- ◆ **Ricky from Albany Park was disabled 5 years ago** and is receiving disability payments. He was interested in re-joining the workforce and went to an **Access Living** Financial Literacy class that was focused on supporting work. Through this class, he set up a savings account, started saving part of his monthly check, joined the State's PASS Plan (Plan to Achieve Self-Support), and is now saving to start a janitorial business.
- ◆ **Mr. K and two partners** opened a small business after being laid off, as a means of gaining financial stability and independence. In April, he came to the **Jewish Federation**, Duman Microenterprise Center for assistance with his struggling business, where staff worked with him to get the business back on track. They helped him to identify problems in his cash flow and to develop more effective cash flow and business plans. As of late June, business has begun to turn around.
- ◆ **Mr. A is a young father who works in a community hospital in Chicago**, where he attended **Heartland Alliance's** financial education workshops on budgeting, banking and investment options and credit. In an effort to "maximize the potential of every dollar he earns", he has: increased his credit score, changed his spending habits, invested \$900 toward a certification program, and saved to enroll in college.

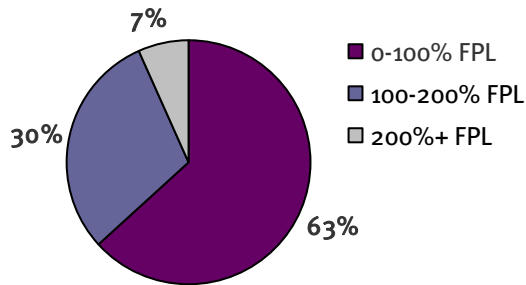
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INCOME: PROMOTING FINANCIAL STABILITY

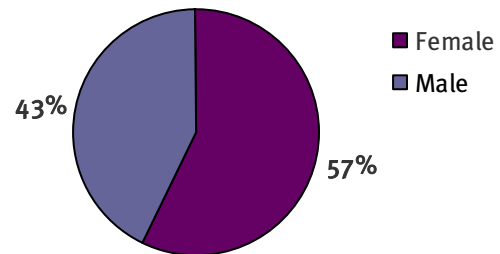
CLIENT DEMOGRAPHICS: WHO ARE WE HELPING?

Over 48,000 individuals sought assistance from UWMC’s Financial Stability Partnership during the period July 1, 2009- June 30, 2010—many more than expected at the outset of the program year. These programs addressed the needs of **those most at risk of crisis and economic instability**, with a breakdown of available program demographics provided below.

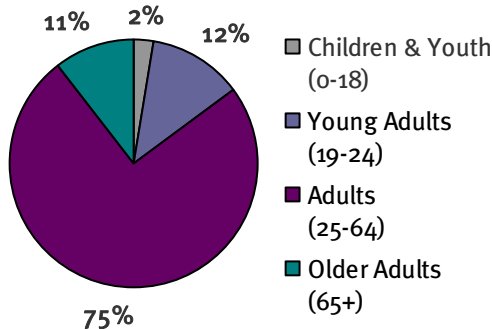
Economic Status



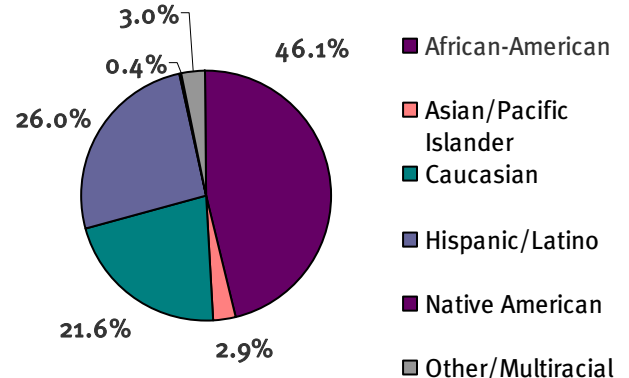
Gender



Age



Race/Ethnicity



Other Identified Participant Characteristics*:

- ◆ 7,706 (16%) reporting disabilities
- ◆ 910 (2%) survivors of violence
- ◆ 945 (2%) military veterans
- ◆ 2,929 (6%) homeless
- ◆ 1,494 (3%) re-entering community from correctional system
- ◆ 249 (1%) immigrants
- ◆ 7,331 (15%) female-headed households

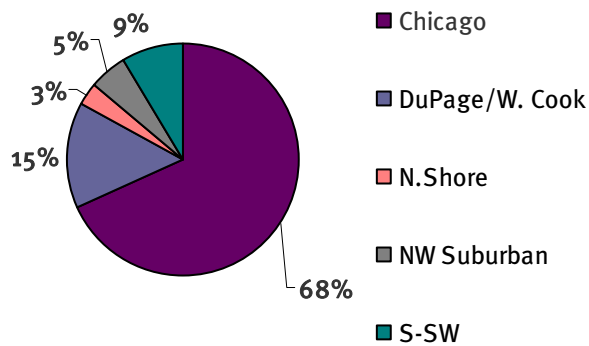
*Note: Not all agencies collect data for these characteristics, so this list should not be read as an accurate representation of the composition of the entire client base. We can conclude that *at least* these numbers of each subpopulation were served.

INCOME: PROMOTING FINANCIAL STABILITY

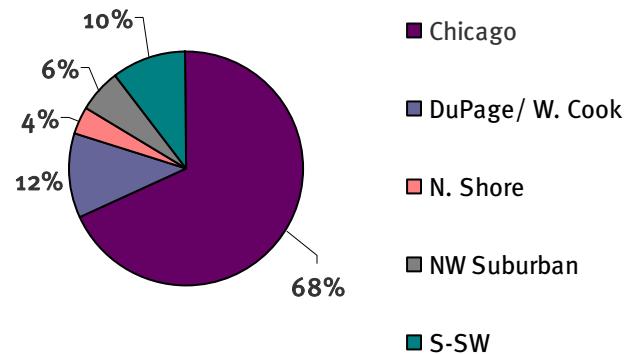
GEOGRAPHIC DISTRIBUTION: WHERE DO PARTICIPANTS LIVE?

Low-income families sought help from programs around the region, with large proportions drawn from within the City of Chicago and DuPage/West. Cook Counties. The charts below demonstrate the geographic distribution of those assisted and funding allocations by Member United Way (MUW).

Participants Served by MUW



FY10 Funding by MUW



KEY LEARNINGS: YEAR ONE

As the first year of the UWMC Financial Stability Partnership comes to a close, certain ideas have repeatedly surfaced at agency meetings, program reporting, outside research, and expert interviews. Though these key learnings are not yet conclusive and may not apply to every program currently funded, UWMC will continue to pursue and refine them in FY11, so that they may inform future impact plans, technical assistance, and funding cycles.

Financial Literacy

- Programs incorporating **1-on-1 counseling, goal setting, core competencies**, and follow-up are more likely to result in long-term behavioral change than group instruction alone.
- Pairing with saving & asset** programming seems to strengthen results in both areas by providing incentives.
- As alternative uses of credit scores continue to grow, it is increasingly **important to find ways to address credit**.

Income Supports

- Comprehensive benefit screening** is not widespread across funded programs- presents an opportunity for improvement to increase reach and impact.
- Streamlining of public benefit processes** is needed to facilitate application and retention of critical benefits.

Employment

- Job readiness programming should include core competencies, as well as **opportunities to develop foundation skills** (ESL, literacy, numeracy, GED).
- Increase **emphasis on skill/credential gains** through certificate programs, career ladders, etc.
- Creative employer partnerships** are needed to help match supply with demand, develop new job opportunities, etc.

Saving & Assets

- Helping people get banked does not ensure that they will continue to use accounts- need to **create incentives to save and reinforce mainstream banking behavior**.
- We need to develop **creative strategies to reach busy lower-income workers**, such as through employer-based programs, day care, one-stop centers, etc.

INCOME: PROMOTING FINANCIAL STABILITY

FY09-10 FINANCIAL STABILITY PARTNERSHIP

At the beginning of FY10, UWMC launched its regional Financial Stability Partnership by selecting its first cohort of funded agencies to report on common outcomes across the economic empowerment spectrum. The results included in this report are UWMC's first ever "roll-up" of outcomes for its regional investment. This first step toward focused impact in family economic stability was made possible through strong partnerships with the following funded agencies:

Access Living of Metropolitan Chicago	Lake County Haven
Aspire	Legal Assistance Foundation of Metro Chicago
Association House of Chicago	Lester and Rosalie Anixter Center
Aunt Martha's Youth Svc. Center & Healthcare Network	Literacy Volunteers of DuPage/Literacy DuPage
Blue Island Citizens for Persons with DD	Local Initiatives Support Corporation - Chicago
Bridge Communities, Inc.	Metropolitan Family Services
Career Resource Center, Inc.	National Able Network, Inc
Casa Central	NCO Youth & Family Services
Catholic Charities of the Archdiocese of Chicago	Neopolitan Lighthouse
Catholic Charities, Diocese of Joliet	New Hope Center, Inc.
CEDA Northwest Self Help Center	Orchard Village
Centro de Informacion	Outreach Community Ministries
Chicago Area Project	PLOWS Council on Aging
Chicago Christian Industrial League	Prairie State Legal Services
Chicago House and Social Service Agency	Ray Graham Association
Chicago Urban League	Safer Foundation
Clearbrook	Seguin Services, Inc.
Community Career Center	Sertoma Centre, Inc.
Connections for the Homeless	SHORE Community Services, Inc.
Countryside Association for People with Disabilities	South Suburban Family Shelter, Inc.
Erie Neighborhood House	South Suburban PADS
Family Focus Inc.	Southland Health Care Forum
Family Service of Glencoe	Southland Hispanic Leadership Council
Family Service: Prevention, Education & Counseling	SouthSTAR Services
Ford Heights Community Service Organization, Inc.	Southwest Community Services, Inc
Glenkirk	St. Leonard's Ministries
Hanul Family Alliance	The Cara Program
Harold Colbert Jones Memorial Community Center	The Chicago Lighthouse for People Who Are Blind or Visually Impaired
Heartland Human Care Services, Inc.	The John Howard Association of Illinois
Helping Hand Rehabilitation Center	The Salvation Army
Howard Area Community Center	The South Suburban Council on Alcoholism and Substance Abuse
Inspiration Corporation	Thresholds
Jane Addams Hull House Association	Vision of Restoration, Inc.
Jewish Federation of Metropolitan Chicago	West Suburban PADS
Journeys from PADS to HOPE	YWCA Evanston/North Shore
Lake County Center for Independent Living	YWCA Metropolitan Chicago

THANK YOU FOR YOUR COMMITMENT TO THE COMMUNITY!

INCOME: PROMOTING FINANCIAL STABILITY

REGIONAL EXPERT PANEL & GUIDANCE

United Way works to identify and address critical issues facing people and communities by convening internal and external thought leaders. It is our aim to identify innovative solutions to these challenges and put together the necessary resources—revenue, volunteers, and the best providers—to deliver positive and measurable community impact. UWMC’s transition to community impact would not have been possible without the guidance of the following advisory panel members, as well as valuable community volunteers around the region that serve on boards, application review committees, etc.:

Yasmin Bates
Executive Vice President
Harris Bancorp, Inc.

Lynette Lovely
Resident, Oak Park

John Bouman
President, Shriver Center

David Marzahl
Executive Director, Center for Economic Progress

Patrick Doland
Principal, Reason Financial Advisors

Orlando Murrell
Senior Global Conversion Coordinator, Corporate
Transitions
The Northern Trust

Amy R. Fahey
President Midwest Middle Market
Commercial Banking, JP Morgan Chase

Bina Patel
Deputy Chief of Staff, Human Infrastructure
Mayor’s Office, City of Chicago

Danise Habun
Executive Director
Hanover Township Mental Health Board

Adam Prager
President
Prager Company

David Hanson
Executive Director of Business Development Services,
Chicago Department of Community Development

Debbie Price
Owner
Thermoflex Corporation

Elliott Johnson
President & CEO, Heyward & Johnson Inc.

Joan M. Rickard
Manager - Case Management Unit
DuPage County Community Services

Nancy Lisowski
Sokol Financial

Phyllis Russell
Executive Director
Power Transmission Distributors Association
Foundation

Annika Little
Senior VP, Director Corporate Philanthropy
Bank of America

Mike Thompson
President
Management & Technology Resources

THANK YOU FOR YOUR VALUABLE CONTRIBUTIONS!