



THE WORKPLACE AS A PLATFORM FOR FINANCIAL STABILITY: A PROFILE OF WORKING BRIDGES A PROJECT OF UNITED WAY OF CHITTENDEN COUNTY

JUNE 2015 | WRITTEN BY: INGER GIUFFRIDA



FINANCIAL CAPABILITY
@WORK

Powered by



ACKNOWLEDGEMENTS

The Workplace as a Platform for Financial Stability: A Profile of Working Bridges was researched and written by Inger Giuffrida, financial educator and asset building consultant. Since 2009, Ms. Giuffrida has provided training and technical assistance to grantees of the FINRA Investor Education Foundation and United Way Worldwide's *Financial Education in Your Community* grant program. She may be contacted at inger.giuffrida@gmail.com.

The author would like to thank Lisa Falcone, Working Bridges Project Director, and Lisa Jensen, Working Bridges Resource Coordinator, for their invaluable insights and contributions to this profile.

The author would also like to thank Ted Castle, President and CEO of Rhino Foods, Inc.; Gina Catanzarita, Director of Human Resources, Engelberth Construction; and Adam Leonard, Director of Human Resources, Sheraton Hotel and Conference Center, Burlington, Vermont.

FINANCIAL CAPABILITY@WORK

The FINRA Investor Education Foundation and United Way Worldwide's *Financial Capability@Work* project is an effort to build on the success of community-based efforts to deliver financial education and related services in the workplace and help similar community-based organizations design, implement, and evaluate the impact of workplace financial capability initiatives tailored to meet the needs of their own local communities.

FINRA INVESTOR EDUCATION FOUNDATION

The FINRA Investor Education Foundation supports innovative research and educational projects that give underserved Americans the knowledge, skills and tools necessary for financial success throughout life. For details about grant programs and other FINRA Foundation initiatives, visit www.finrafoundation.org.

UNITED WAY WORLDWIDE

With more than 2.2 million volunteers and 9.6 million donors worldwide, and more than \$5 billion raised every year, United Way is the world's largest privately-supported nonprofit. United Way is working in nearly 1,800 communities across 41 countries and territories to create community solutions that improve life for everyone. Across the world, United Way partners include global, national and local businesses, nonprofits, civic and faith organizations, as well as educators, labor, health organizations, government and more. For more information, please visit www.UnitedWay.org.

INTRODUCTION

Employers lose good workers for seemingly inexplicable reasons. Whether it is a long-term, reliable worker who starts missing work or a new hire who seems to be performing well and then suddenly stops showing up to work altogether, employers often do not understand the underlying causes for this change in behavior. Equally challenging to employers are workers distracted on the job due to non-work-related issues, in some cases compounded by the complex issues facing someone from generational poverty, with a disability, or recently immigrated to the United States. For employers that have invested in hiring and training workers, these issues affect the business of running a business.

WORKING BRIDGES, an employer collaborative dedicated to improving workplace productivity, retention, advancement, financial stability, and well-being for employees, has identified some of the reasons for workplace attrition and developed an innovative and surprising set of solutions, including:

- a working group of employers;
- on-site resource coordinators;
- income advance loans;
- financial education workshops; and
- free on-site tax preparation.

Convened and managed by United Way of Chittenden County and formed following a community-based training, the employers that comprise Working Bridges determined that resource constraints or financial emergencies faced by many of their employees contribute to low productivity, absenteeism, poor job satisfaction, missed work, and loss of employment. Employers with employees earning between \$9 and \$19 per hour or an annual household income of \$55,000 or less are the intended audience for Working Bridges. By connecting employees facing barriers with a range of resources and works supports, employees are less likely to be derailed by unanticipated financial challenges or emergencies. Keeping these good employees on the job keeps hiring and training costs low for employers and productivity high—results that benefit business, the individuals who work for these employers, and the community.

UNITED WAY OF CHITTENDEN COUNTY

United Way of Chittenden County's mission is to build a stronger Chittenden County by mobilizing the community to improve people's lives. It does this work by valuing relationships as the key to its success, committing to authentic diversity and inclusion, and pursuing real social change through collective community strategies.

FINANCIAL STABILITY

United Way Worldwide defines financial stability as an individual/family's ability to meet their basic needs, while gaining the financial capability to plan for, and accomplish, their long-term financial goals.

THE BEGINNING OF WORKING BRIDGES

WORKING BRIDGES FOUNDERS

Three employers founded Working Bridges in 2006:

- Engelberth Construction
- University of Vermont Medical Center
- Rhino Foods

All three companies are champions of Working Bridges today.

United Way of Chittenden County is located in Burlington, Vermont, on the shores of Lake Champlain. With a population of 159,515 people, Chittenden County is home to a quarter of Vermont's population. In 2006, United Way of Chittenden County wanted to address the issue of poverty in its community. While the county's poverty rate was below the national average, United Way Worldwide had issued a statement about ending poverty, and given the relative prosperity of that time (prior to the economic recession of 2008 and during the housing boom), discussing this goal felt possible.

To jumpstart the process and engage other community members, United Way of Chittenden County hosted *Bridges Out of Poverty* trainings for a broad cross section of community stakeholders—non-profit organizations, community volunteers, government agency representatives, employers, and other community leaders. *Bridges Out of Poverty: Strategies for Professionals and Communities* (DeVol, Payne, and Smith, 2000) was the basis for the training. Key concepts covered in the training included:

- People living in generational poverty value and rely on their relationships.
- Schools and businesses operate from middle class norms and hidden rules of the middle class.
- Poverty is about a lack of resources, not just a lack of income. In addition to being financial, resources are emotional, mental, spiritual, and physical, and include support systems, relationships/role models, and knowledge of hidden rules. In order to move out of poverty, people must be provided with access to all categories of resources, such as information, affordable credit, support, and role models.

Lisa Falcone, Working Bridges Project Director, credits the early training with getting people, including employers, to think about poverty differently. The idea that poverty was about lack of resources dispelled myths often associated with socioeconomic class. Employers thought about their own workforce and the challenges of the low-to-moderate wage employees. They began to look at their policies and practices through a new lens.

“I was dumbfounded,” reflected Gina Catanzarita, Director of Human Resources for Engelberth Construction. “The training raised issues I hadn’t thought of before.”

Employers found explanations for some of the issues members of their respective workforces experienced through this training, and this realization led to an employer-only convening, designed to help them address problems facing their employees through the lens of this new framework. Employers came to understand that tardiness or absenteeism sometimes had to do with resource constraints, rather than lack of caring or irresponsibility on the part of some of their workers. For example, employers realized that trained, responsible, good workers would sometimes stop coming to work in mid-June. Through the dialogue started as a result of the convening, they realized that this correlated with the end of school and that in all likelihood, workers had not been able to arrange child care for the summer.

Adam Leonard, Director of Human Resources at the Sheraton Hotel and Conference Center in Burlington, reflected, “The Bridges training changed the conversation for us. We have a better understanding and provide more support to address barriers for our workforce.” While not at the original training, Mr. Leonard attended an adapted version for employers called *Introduction to Bridges Concepts* in 2008. He added, “Everybody brings a certain potential to their job; everybody has something that gets in the way of their potential.”

WORKING BRIDGES WORKS

EMPLOYER PROFILE

SHERATON HOTEL AND CONFERENCE CENTER

Sheraton Hotel and Conference Center is the largest hotel in Vermont. It has 309 guest rooms and 30,000 square feet of meeting space, and employs approximately 115 people.

With a diverse workforce, employees fulfill a wide range of functions: housekeeping, maintenance, food services, finance, marketing, and management.

Sheraton Hotel and Conference Center staff members participate in and provide leadership to the Employer Working Group. In October 2014, the Sheraton hosted the United Way Center of Excellence—an on-site learning experience where non-profit and United Way Leadership from throughout the country learned about the Working Bridges model.

CURRENT WORKING BRIDGES EMPLOYERS

Today, Working Bridges serves employers across multiple sectors. Here is a list of the employers paying for an on-site resource coordinator:

- Community College of Vermont
- Engelberth Construction (on demand)
- Food Science Corporation
- Keurig Green Mountain
- Rhino Foods
- Sheraton Hotel and Conference Center
- Twincraft Skincare
- University of Vermont
- University of Vermont Medical Center
- Weidmann



"A manager may have a hard time managing employees or could be struggling with substance abuse—there are resources to keep these things from derailing him. With lower-wage employees, it's often their personal financial challenges that get in the way. They do not have the resources to deal with them."

The training started a dialogue and created the employer network, which continues to this day, and laid the foundation for Working Bridges.

Working Bridges was started by three companies: Rhino Foods, University of Vermont Medical Center and Engelberth Construction, with whom United Way of Chittenden County had relationships. Ted Castle, President and CEO of Rhino Foods, was on the United Way Board. Human resources managers from these companies, along with John Maitland, a local attorney, and Beth Kuhn, a former United Way staff member, were the founding committee members.

"Because the information from the training was so surprising and useful, we sent others from the management team and supervisory staff to the training. Then we started seeing the connections within the business," explained Mr. Castle. To date, Rhino Foods has sent 15 employees through the *Introduction to Bridges Concepts* training.

Engelberth Construction also sends all of its supervisors to the *Introduction to Bridges Concepts* training. "We talk to each other differently now—when someone is late to work, supervisors work to set people up for success rather than a repeat infraction," explained Ms. Catanzarita.

EMPLOYER MEETINGS

THE FOUNDATION OF WORKING BRIDGES

United Way of Chittenden County staff members attribute the success of Working Bridges to a high level of employer involvement. Employers generate the ideas, make the decisions, and develop the strategies that comprise Working Bridges, with community service organizations providing the resources. While employers are concerned with contributing to the community and the common good, Working Bridges has been successful because it is first and foremost good for business.

In the beginning, the employers met regularly to talk about the common issues that they were experiencing with workers—low retention rates, absenteeism, lack of employee advancement, financial instability, and orders for wage garnishments, among other challenges—applying the revelations from the *Bridges Out of Poverty* training provided by the United Way of Chittenden County.

“The training helped us see that something might be missing from our workplace programming and that we could improve the way we communicate, motivate, and supervise employees,” explained Mr. Castle.

The employers continued to meet on a regular basis because they had a common agenda—they wanted success for their employees, which in turn, would make their businesses successful. Lisa Falcone, Working Bridges Project Director, calls the employer workgroup critical to the program: “This is about the employer. The workgroup is designed to be the think tank of Working Bridges.”

Adam Leonard, Director of Human Resources at the Sheraton Hotel and Conference Center in Burlington, Vermont, also noted the importance of this employer network: “There is value to having employers sit down and talk about challenges, as well as ways we are trying to support employees.”

“Each meeting is an opportunity to learn about a different topic. I would soak up the knowledge, and having that knowledge allowed me to do my job better. Now, I have the opportunity to share our experiences, make connections with other employers, and find out about challenges others are facing in the

WORKING BRIDGES MISSION AND VISION

The mission of Working Bridges is to develop and share effective initiatives and policies that help employers improve retention, productivity, and advancement of workers with low-to-moderate incomes. The vision is for low-to-moderate wage workers to have access to resources and supports so that they can be successful at work and secure their personal economic stability. Vermont’s employers and workforce are stronger as a result of Working Bridges.

WORKING BRIDGES TODAY

Working Bridges addresses the stability of workers and their families through an integrated approach of services and training provided at the workplace. The original concept—reducing the impact of barriers by connecting employees with a broad array of resources—produces results and is good for business.

TOP TEN EMPLOYEE NEEDS

According to resource coordinator data, the most common financial and resource needs experienced by employees are:

1. Handling financial emergencies
 2. Finding and keeping affordable housing or navigating public housing applications
 3. Accessing state benefits and mediating issues regarding benefits
 4. Identifying and paying for child care
 5. Accessing and maintaining reliable and affordable transportation
 6. Getting health insurance
 7. Committing to and paying for education and training
 8. Dealing with legal issues
 9. Accessing mental and behavioral health services
 10. Understanding and using work benefits
-

workplace and community.” Adam Leonard decided to add a resource coordinator at the Sheraton after hearing other employers talk about the impact of the position.

The employer group now meets five to six times per year. The meetings are organized by United Way of Chittenden County and facilitated by Lisa Falcone. She regularly polls the group to identify emerging issues and often starts the convenings with a presentation to catalyze the discussion. The meetings usually focus on a topic, and the employers discuss the following:

- What are the issues in your workplace?
- What is working to address these issues?
- What are the challenges and barriers?
- What are the ideas we can work on together to solve these issues?

When employers identify a potential solution to a challenge or barrier, generally a small group will pilot the approach. If it works, then it becomes a part of Working Bridges. If the group does not see good results from a pilot, the idea is set aside. “We used to call it the test kitchen,” shares Ms. Falcone, remembering the first few years the group met.

Recently, the group has addressed hiring and retaining New Americans (immigrants, refugees, and asylees), financial stability, and transportation challenges. Sometimes the discussions lead to innovative solutions that do not become Working Bridges program components, but lead to benefits for the employers, their businesses, their employees, and even the community.

For example, following the meeting on transportation, United Way surveyed both employers and employees to gather more information regarding transportation challenges. The data from the survey uncovered the chasm between employers and employees regarding the solution to lack of access to regular and reliable transportation. Employers wanted to focus on public transportation, while employees wanted more options for personal transportation. As a result, Working Bridges created a transportation resource list, including both public transportation and personal transportation options and programs.

This data gathering process also led to a small change in the public transportation system. Through their discussion, employers realized that the final bus each evening departed 15 minutes before the end of the second shift. With the cooperation of the Chittenden County Transportation Authority, the bus schedule was changed to accommodate second shift workers—a win for

employees, employers, and the transportation authority. Additionally, the Sheraton in Burlington also partnered with the University of Vermont Medical Center's hospital to provide an employee shuttle to the bus stop.

While these changes may seem small, they had big impacts on the workers and the employers, and would not have been possible without the regular forum for dialogue Working Bridges provides employers.

WORKING BRIDGES WORKS

EMPLOYER PROFILE

RHINO FOODS, INC.

Rhino Foods, Inc. began in 1981 as a small ice cream shop in Winooski, Vermont, called Chessy's Frozen Custard. The founder, Ted Castle, continues to own and operate the business out of Burlington, Vermont, employing over 100 people.

Rhino Foods is a niche food manufacturer that manufactures products for ice cream and frozen dessert companies. One of the founding employers of Working Bridges, Rhino Foods prioritizes relationships with employees and their families and helps them achieve their personal and professional aspirations. The purpose of Rhino Foods is to impact the manner in which business is done, and the company does this by following and adhering to four principles:

- **Community Principle:** We commit time, energy, and financial resources to improve social and environmental conditions. Our actions are intended to create a ripple effect of caring and involvement that influence first others and then ourselves.
- **Customer/Supplier Principle:** We continually strive to delight our customers and partner with our suppliers, building strong relationships that are aligned with each other's long-term success.
- **Employee Principle:** We establish relationships with our employees and their families founded upon a climate of mutual trust and respect within an environment for listening and personal expression. We provide a vehicle for our people to develop and achieve their personal and professional aspirations.
- **Finance Principle:** We emphasize long-term financial health in order to invest in our employees, customers, and community.

Since the beginning, Rhino Foods has provided leadership to the employer working group. Rhino Foods was the first employer to host a resource coordinator, and its former Director of Human Resources, Justin Worthly, developed the idea that ultimately became the Income Advance Loan.

THE RESOURCE COORDINATOR

THE FIRST EMPLOYER WORKING GROUP INNOVATION

Working Bridges hired Lisa Jensen to serve as the Resource Coordinator in July 2008, with funding from a Vermont Department of Vocational Rehabilitation Medicaid grant. Her role was to retain employees with disabilities or limitations, including low-to-moderate income.

The role of the resource coordinator is based on the model pioneered by Cascade Engineering in Grand Rapids, Michigan, a large-scale plastic injection molding company with 1,200 employees located throughout North America and Europe. In the late 1990s, Cascade Engineering noticed that employees in entry-level jobs had a high rate of attrition and were “cycling on and off of public assistance.” After trying several strategies to address the issue, in 1999 it brought a Department of Human Services case manager to the worksite to help employees keep their jobs and move off of public assistance. The role of the on-site case manager was to help employees address problems as they arose without the employee having to take time off to find the right resource to remove the barrier or obstacle. Between 1999 and 2007, employee retention moved from 47.5 to 97 percent, with many of these employees transitioning off of public assistance. This initiative has now grown into “The Source,” a non-profit organization based in Western Michigan dedicated to developing innovative programs to help employers and employees in the workplace.

When asked to describe her role on the April 5, 2013, episode of Public Broadcasting System’s (PBS’s) *Need to Know*, Lisa Jensen replied, “I help people solve problems.” As Resource Coordinator, Ms. Jensen was put in place to help workers navigate their way through financial challenges and other barriers by connecting them with community resources that address their needs or problems.

By providing someone at the worksite who could help people by connecting them with the right resources, the employers believed that:

- Fewer employees would miss work due to unanticipated financial emergencies, including those associated with their disabilities or limitations.
- Fewer employees would leave their jobs due to the complications associated with poverty.
- Employees and their supervisors would spend less of their time on-the-job addressing these issues, thereby increasing productivity.
- Employees would become more financially stable and access opportunities for advancement.

In developing the job description, the employer group discussed the experience and qualifications the resource coordinator should have. Half of the group wanted a licensed, mental health

professional or social worker, while the other half wanted someone who could create community partnerships and help employees connect with resources. The group was also unclear about whether to hire a consultant or an employee.

The group decided that developing partnerships, having the ability to understand an issue, and solving problems were more important skills than providing counseling. Furthermore, they wanted to ensure that the resource coordinator's role was complementary to Employee Assistance Programs, not duplicative in terms of services provided.

The employer group also decided to make the resource coordinator a United Way employee rather than a consultant. In retrospect, Lisa Jensen believes that being a part of the United Way structure was a tremendous benefit—it opened doors and gave her credibility with both the community resource partners and the employers.

To get started in her work, Ms. Jensen systematically met with community organizations to expand her knowledge and establish personal connections with staff members. She became a Certified Information and Resource Specialist through Vermont 2-1-1, which included training and a certification exam. Lisa also worked with human resources staff at each workplace to orchestrate an introduction to employees. Lisa gave a company-wide presentation that explained her role and the ways in which she could help employees, and provided a helpful resource, such as enrollment in heating assistance in August or tax preparation in January.

Employers also required employees to seek permission from their direct supervisors before making an appointment with Lisa; this was done to generate buy-in and also help supervisory staff see the barriers the resource coordinator was handling—issues they would have had to address without her being there.

She started with three employers and spent a lot of time “hanging out” so the employees could get to know her. In some cases, it took a lot of time to generate interest in her services. Word-of-mouth promotion, based on the experience of a few employees, was helpful in persuading others to seek her assistance.

Lisa now has regular “office hours” at each worksite and employees can make appointments or drop by to see her. She has found that being available for

WORKING BRIDGES COMMUNITY RESOURCE PARTNERS

While the employers create the vision and make the decisions for Working Bridges, community organizations and government agencies make up the universe of resources available to employees. The current Working Bridges community resource partners are:

- Housing Resource Center
 - Home Share Vermont
 - Vermont 2-1-1
 - Economic Services
 - Vocational Rehabilitation Services
 - Hunger Free Vermont
 - Health Assistance Program
 - Champlain Valley Office of Economic Opportunity
 - Child Care Resources
 - Chittenden County Transit Authority
 - Car Share
 - GoVermont
 - Vermont Lawyer Referral Service
 - Burlington College Free Legal Clinic
 - Human Resources
 - Vermont Adult Learning
 - Vermont Student Assistance Corporation
 - Internal Revenue Service
 - North Country Federal Credit Union
 - New England Federal Credit Union
-

KNOWLEDGE, SKILLS, AND TRAITS OF AN EFFECTIVE RESOURCE COORDINATOR

United Way of Chittenden County staff members identify the following knowledge, skills, and traits for effective resource coordinators. Individuals successful in this role must be able to:

- Develop and maintain relationships with employers, employees, and community partners.
 - Serve as the bridge between direct service providers and employers.
 - Identify and navigate community resources, as well as public assistance programs.
 - Follow through on complex issues for multiple clients at one time.
 - Advocate for employees.
 - Work different shifts.
 - Be flexible, self-directed, and non-judgmental.
 - Be highly professional—the resource coordinator is the public face of Working Bridges.
-

casual conversations is as important as formal appointments. Conversations in employee break rooms, cafeterias, or hallways will often lead to discussions of barriers and opportunities to solve problems for employees.

Depending on the worksite, the resource coordinator “office” is in different locations. At Rhino Foods, she works from the resource room, which on other days of the week houses a chiropractor as well as a physical therapist. At Keurig Green Mountain, she sits in the break room, while her office at Engelberth Construction is an on-site trailer. Finally, at the University of Vermont Medical Center, Lisa can commonly be found walking through the halls of the departments she serves. Because the hospital is so large, she goes to them and often addresses issues with employees during short conversations in the hall.

For Lisa Jensen, the most important factors regarding location are being at the worksite where employees can find her and meet with her during their shifts.

With employees, she spends her time listening, asking questions to clarify problems, identifying solutions to the problem—solutions that involve employee action as well as linkages to community resources, making plans, and providing support and accountability through follow-up to employees. The resource coordinator even submits enrollment applications for public benefits programs, saving employees time and mitigating the need for time off from work to enroll in benefits programs.

Lisa also maintains a bulletin board or section of a bulletin board at each worksite, which she regularly updates with information about resources or seasonal financial issue such as preparing for taxes, back to school expenses, or the holidays.

Working Bridges has directly served over 1,600 employees and now has three resource coordinators. Dixie Burns is located in a large manufacturer, Weidmann, in the Northeast Kingdom of Vermont. In 2014, Connie Beal, formerly a resource specialist at Vermont 2-1-1, was hired to serve employers in Chittenden County.

Ted Castle summarized the impact of the resource coordinator during an interview in August 2014: “If someone was chronically late, a supervisor had limited tools for addressing it. The supervisor would set clear expectations about



not being late if the employee wanted to keep his or her job. Supervisors were willing to help, but the help they could provide was limited, and this often put people on the path to losing their jobs. With the resource coordinator, supervisors can send employees to Lisa, who can connect them with a wide range of resources to solve their challenges.”

The resource coordinator is one of the bridges of the program, connecting employers and their employees with community resources and direct services. Employers pay a fee-for-service for on-site resource coordination services—they see it as a good investment in their business.

WORKING BRIDGES WORKS

EMPLOYER PROFILE

ENGELBERTH CONSTRUCTION

Engelberth Construction is a commercial and multi-unit construction company located in Burlington, Vermont, with approximately 150 employees at 10 different sites.

The purpose of Engelberth Construction is to build relationships that last. This applies to customers, vendors, and employees. With respect to its relationship with employees, Engelberth Construction's commitment is reflected in the investments it makes in employee wellness—from an Employee Assistance Program to on-site physical and massage therapists to financial reimbursement for health-related expenses. As explained by the Director of Human Resources, Gina Catanzarita, “The wellness programming translates to employees that we care.”

Engelberth Construction was one of the three founding employers of Working Bridges and continues to provide leadership to and champion the initiative.

Committed to continued innovation, Engelberth is one of the first worksites to integrate financial coaching and has developed a “resource coordinator on demand” model to efficiently provide its employees with a connection to Lisa Jensen, while dealing with realities of employees working at multiple sites.

WORKING BRIDGES WORKS

EMPLOYEE STORY

JUAN'S STORY

Juan* bought a used car with a 90-day, limited warranty. In the past, he had purchased older cars without any warranties. This time, he decided he needed more reliable transportation to get to his night-shift job. To make this purchase, he worked two full-time jobs, saved money, and improved his credit score so that he could buy the newer, more reliable car.

Five months after buying the car, Juan began to have problems with the vehicle and brought it into the dealership. He learned the transmission needed to be replaced and would cost him \$5,800, money he simply did not have. When the dealership refused to negotiate a solution, Juan sought the help of the resource coordinator. She shared information from the Consumer Assistance Program about his options.

Juan decided to submit a grievance letter to the dealership and eventually to the Vermont Auto Dealers Association arbitration board.

Despite the car being out of warranty, it was decided the dealer would pay half of the cost of the repair and start fixing the car immediately. To help cover his share of the repair costs, Juan accessed the Income Advance Loan, a benefit through his employer in partnership with a local credit union.

By using the resource coordinator and the Income Advance Loan, Juan did not jeopardize his employment because of a lack of transportation, but it took both program components working in concert with Juan's determination to bring about this resolution.

*Not his real name.

INCOME ADVANCE LOAN

PROVIDING CREDIT TO EMPLOYEES

In 2008, employees seeking access to emergency cash became a primary issue for the Working Bridges Employer Workgroup. Requests for pay advances or employees quitting jobs to access their retirement accounts were becoming commonplace. One of the very first employees to seek help from the resource coordinator said, “I need a loan to pay back a loan.” This employee had taken out a loan through a payday lender. Employers saw that access to credit was a key need for people struggling to make ends meet.

Cash flow shortfalls and/or a lack of access to funds to cover emergencies or unanticipated expenses were persistent problems for employees. Sometimes these financial emergencies would spiral out of control to the point of employees losing their jobs. Good employees were getting derailed in the workplace because they were showing up late or missing work altogether to deal with financial crises. The only options for many employees were online payday loans¹—high cost, short-term loans that often cannot be repaid in full, leading to repeated renewals and ultimately hundreds of dollars in fees and interest payments, often exceeding the amount of money originally borrowed.

To increase financial stability and provide an alternative to short-term, high cost loans, Working Bridges created the Income Advance Loan, in partnership with North Country Federal Credit Union, and determined that the loan underwriting would be based on the relationship between an employer and employees, not the individual’s credit history. Rhino Foods stepped in to pilot this new financial product with its workforce, and since that time, the Income Advance Loan has become its own success story.

Unlike most loans, the paperwork is minimal, and there is no credit check associated with this loan. In fact, the reason for the loan is never asked. Employees must be in good standing, and there is a length of service requirement set by each employer. Loans range from \$200 to \$1,500, but employees can take out only one loan at a time. While rates fluctuate slightly over time, applicants are charged approximately 17 percent APR (annual percentage rate varies) for the loan.

¹ Vermont does not allow for storefront payday loan providers. Vermonters can access online payday loans, however. Based on a study done by the Pew Charitable Trust in states that do not allow storefront payday lenders, 2.9 percent of adults reported payday loan usage in the past five years, compared with 6.6 percent of adults in states where there is little to no legislation to curtail payday lenders.



Employees can apply through either the resource coordinator or their human resources office. They contact the financial institution and can generally process the loan the same day that the application is completed.

Building on lessons from behavioral economics, Working Bridges has automated the loan repayment. The loan is repaid via payroll deductions. Once the loan is fully repaid, the deduction continues but is converted to a savings deposit. This becomes the default position. While employees have the right to opt out, findings from behavioral economics are predictive that few will discontinue the savings. In fact, only 30percent of employees who have paid off Income Advance Loans have chosen to opt out of savings, with an average account balance of \$384. Seventeen percent of employees who have participated in the Income Advance Loan program have reported that the loan has improved their credit history and/or scores.

Working Bridges has successfully reengineered the workplace to cause employees to save without thinking about it. They've done this using a financial emergency as the starting point.

While the loan does create debt, something most people want to avoid, there are benefits associated with the loan:

- The amount of the loan is often enough to handle the financial emergency. This creates financial stability and lessens the likelihood that individuals will lose their jobs due to the complications associated with financial emergencies.
- The loan repayment is made through automatic payroll deduction. The employee does not have to worry about getting a money order or writing a check each month, not having the money to make the payment, or making the payment late—the loan payment is automatically deducted from each paycheck.
- The loan repayment is reported to one of the three major credit reporting agencies. This creates monthly, positive entries on borrowers' credit reports and also has positive impacts on credit scores.
- Finally, when the loan is paid in full, the loan repayment automatically converts to a savings deposit. Employees have already adapted to the amount of the loan repayment missing from their take-home pay, so they generally do not miss the income once the loan is repaid and the payment goes into a savings account. Within months, employees can have hundreds of dollars in savings, lessening the likelihood they will need another Income Advance Loan in the future.

REASONS EMPLOYEES USE INCOME ADVANCE LOANS

While employees do not have to share the reasons for taking out the loan with their human resources directors, the resource coordinator, or credit union staff, employers state that some of the known reasons the loans are taken out include:

- Car repairs
 - Car maintenance
 - Home repairs
 - Taxes
 - Debts
 - Paying for holiday expenses
 - Vacations
-

WORKING BRIDGES WORKS

EMPLOYEE STORY

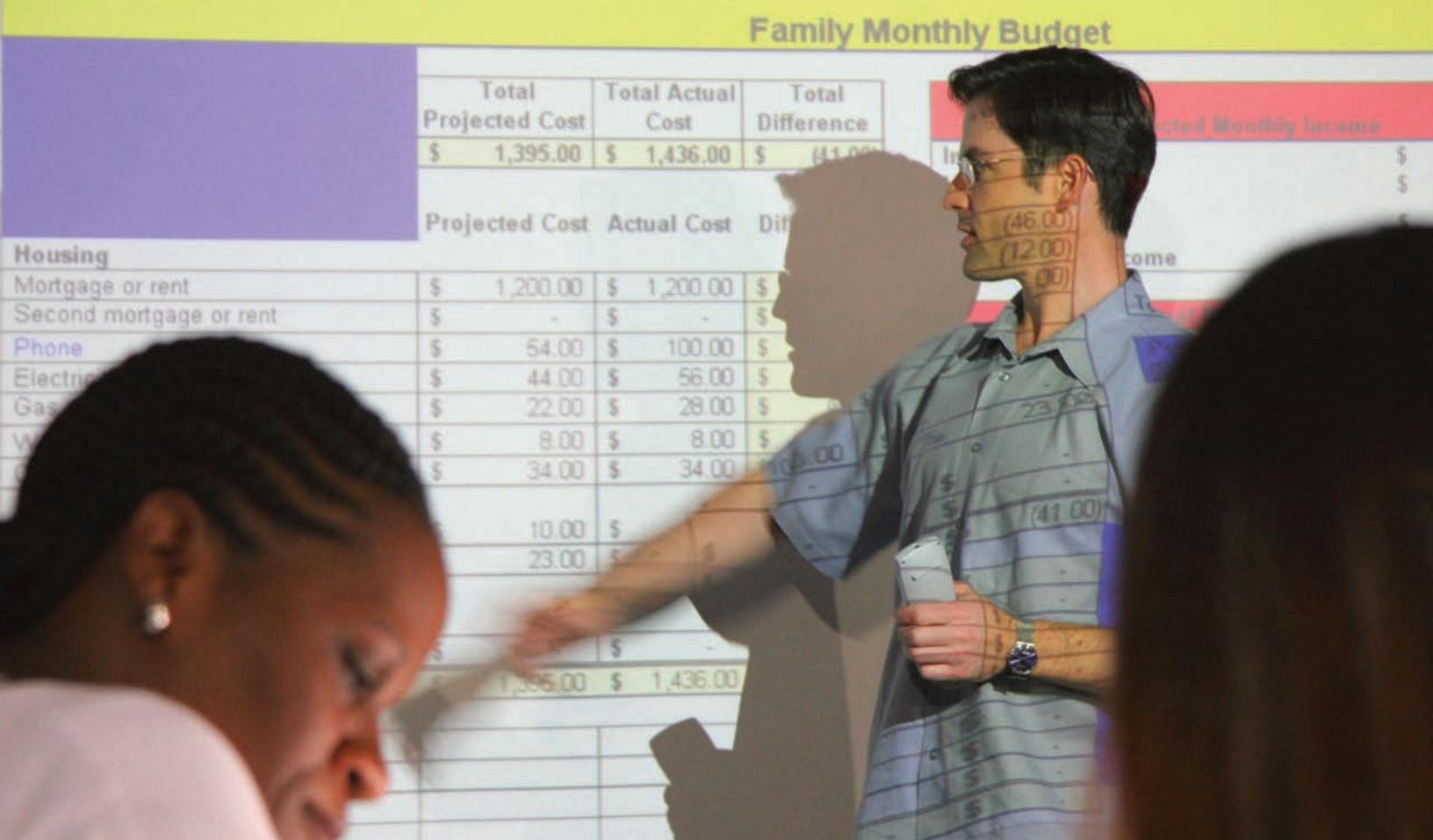
ANNA'S STORY

Anna* is a single mom with three children ages two, five, and seven. She works full-time, and her children are cared for by a patchwork of family members. Although she is grateful for their help, this arrangement is not always reliable, and is impacting her attendance at work and her stress level.

Anna's supervisor suggested she speak with the Working Bridges Resource Coordinator, Lisa Jensen. Lisa was able to connect Anna with staff at the Child Care Resources Center, which helped Anna through the application process for child care financial assistance. She was approved for 40 hours of care, and she is in the process of choosing a daycare center. Lisa also referred Anna to the Employee Assistance Program at her workplace to help her manage her stress.

In a follow-up meeting with Lisa, Anna said, "Thank you. I was able to set a few goals to moving forward and have been doing well as far as achieving them."

*Not her real name.



Working Bridges staff members do not know the reach of the loan program outside of Chittenden County, but currently two credit unions within Chittenden County and 25 employers offer Income Advance Loans. Since its inception, North Country Federal Credit Union and New England Federal Credit Union have loaned more than \$1.5 million, and even though the loans are unsecured, these loans have had a 95 percent repayment rate.

At Rhino Foods alone, over 300 loans have been made, totaling approximately \$290,000. Mr. Castle summed up the benefits for his company as follows: “This money likely helped address issues that would have caused people to be late, chronically late, or stressed and therefore less productive at work. I imagine that without access to this loan program, people would not have been able to borrow it at all or only borrow at higher rates of interest.”

Gina Catanzarita, Director of Human Resources for Engelberth Construction, estimates its employees have taken out a total of \$180,000 loans and that approximately 95 percent of the employees keep the deduction going after the loan is repaid. With respect to loan defaults, she said, “I estimate that about 5 percent of the loans have defaulted, but only because of layoffs or because an individual leaves the company.”

While one of several strategies that have become a part of Working Bridges, the Income Advance Loan has created interest among employers locally as well as employers and financial institutions across the country. In 2013, it was featured on PBS’s *Need to Know*, and is currently being tested and studied in several states for replication by the Filene Research Institute.

EARN IT, KEEP IT, GROW IT! FINANCIAL EDUCATION

Another common issue across workplaces was the lack of financial literacy among employees. Employers could not understand the reasons their employees did not participate in retirement programs in which employee savings were matched. To enhance the personal financial literacy of employees, Working Bridges started offering financial education workshops in 2010. *Earn it, Keep it, Grow it!* is a series of four one-hour workshops that provide employees with much needed tools about setting financial goals, developing spending plans, understanding credit, and building savings and assets.

The workshops are held in the workplace, and most employers pay employees for time spent in the workshops. Some pay the full hourly wage, while others pay half of the time, which was an added incentive for employees. Employees attending all four workshops also receive a \$25 food basket.

Despite pre-existing relationships with employers, not all employers initially agreed to offer *Earn it, Keep it, Grow it!* to their employees. Some employers were not willing to add another program in the workplace. Others felt like they had offered financial education classes in the past and did not want to try them again. Working Bridges learned that more time was needed to engage employers by clearly communicating the ways financial literacy related to employee success at work.

For Engelberth Construction, however, the connection was clear. “We focus on employee wellness, offering training on such things as nutrition and stress management. We promote physical well-being through education, better relationships, and reimbursements for health-related goals. Financial education adds to an employee’s overall well-being,” explained Gina Catanzarita, Director of Human Resources.

When asked about employee participation rate in *Earn it, Keep it, Grow it!* workshops, Ms. Catanzarita reported that it was high. “Whatever programming we bring, employees participate in,” she said. “Why? We make it convenient—on the clock and within the shift. Before or after the shift does not work even if employees are paid for it.”

Working Bridges and United Way of Chittenden County partnered with three other counties to deliver financial education in the workplace. To date, 28 employers have provided *Earn it, Keep it, Grow it!* for their employees.

ON-SITE MOBILE TAX PREPARATION

To ensure employees access tax credits to which they are entitled, Working Bridges also established the On-site Mobile Tax Preparation Service for employees. IRS certified volunteers prepare and file returns on site, saving employees tax preparation fees, with no risk of incurring the costs associated with refund anticipation checks that are commonly offered by commercial tax preparers. In addition to saving employees money, the On-site Mobile Tax Preparation Service saves employees time—they do not have to take time off from work or arrange for child care in the evening to get their taxes completed.

Since 2009, the first year of this program, Working Bridges' On-site Mobile Tax Preparation Service has served 998 employees, generating \$1,909,020 in returns.



WORKING BRIDGES: THE RESULTS TO DATE

While numbers tell part of the story regarding the impact Working Bridges has had in Chittenden County, the real success has been the engagement and leadership of employers in addressing issues previously left to community organizations and governmental agencies. By focusing on ways to improve business, Working Bridges has impacted employees, employers, and the community.

IMPACT ON EMPLOYEES

They are able to access resources and solve challenges at the workplace. Obstacles that once impacted job performance, attendance, and job retention are now addressed efficiently and privately with the support of the resource coordinator. Ninety-seven percent of the employees who have been helped with issues that get in the way of work have been helped at the time they needed it.

WORKING BRIDGES WORKS

EMPLOYEE STORY

JOE'S STORY

After hearing Resource Coordinator Lisa Jensen present the “Resource of the Month” at one of his department staff meetings, Joe* knew he needed to seek out her assistance.

First he met with Lisa to find child care for his 14-month-old so that his wife could return to work. Then he returned to Lisa to share his long-term goal of becoming a homeowner. He requested information on financial resources and the home buying process.

At the time of the meeting, Working Bridges was about to offer on-site financial workshops at his place of employment. Joe decided to participate in the classes and was able to learn about setting and achieving a financial goal. A year later, Joe and his wife went through the Champlain Housing Trust Home Buyer Workshop, and they are now proud homeowners!

*Not his real name.

WORKING BRIDGES: CHANGES FOR EMPLOYEES AS A RESULT OF IMPLEMENTATION

Working Bridges has changed workplace and community systems to keep employees from becoming derailed by unanticipated financial or personal situations and emergencies.

BEFORE WORKING BRIDGES

- Employees experienced barriers to getting to work and fulfilling job responsibilities.
- They were unable to connect with resources to solve the underlying causes of their barriers.
- Job performance and productivity declined.
- Job tardiness and absences increased.
- This sometimes led to separation from work—job loss for individuals and high turnover for employers.

AFTER WORKING BRIDGES

- Employees experience barriers to getting to work and fulfilling job responsibilities.
 - They connect with needed resources—community resources, income advance loans, financial education workshops, on-site tax preparation, and more.
 - Employees' situations improve.
 - Employees improve attendance, productivity, and job retention.
-

Over 500 employees have accessed Income Advance Loans and in some cases, these loans have prevented dire consequences for employees:

“I would have been homeless.”

“I would have had no heat.”

“I would be out of work (no car).”

Employees are also building credit and savings with these loans. Ninety-five percent repay the loan on time and in full, resulting in positive entries on their credit reports.

The result is improved financial stability.

IMPACT ON EMPLOYERS

They have a low cost, highly valued employee benefit that protects their investment in workers, saving costs associated with employee attrition. With the work of the resource coordinator, supervisors are no longer spending time solving non-job-related employee problems. Sixty-four percent of all managers and supervisors reported spending less time on these issues in the workplace and 28 percent reported spending a lot less time. Managers and supervisors report that employees also spend less work time dealing with issues and miss less work. This results in increased productivity for employees and their supervisors.

Employers also have a more complete understanding of poverty, its causes, the barriers to escaping poverty, and solutions for addressing poverty. Ninety-four percent of all employers have changed their thinking about poverty and are motivated to make changes. One hundred percent of the core employer participants are changing practices and policies that effect lower-wage workers.

Finally, 75 percent of the core employer participants report improvements in one or more areas such as retention, attendance, and productivity. For example, when Rhino Foods first started participating in Working Bridges, its turnover rate was 37 percent—employees who left voluntarily or were fired (this was the monthly rate averaged across the year). By 2009, the turnover rate had dropped to 15 percent, attributable to the Rhino Foods' leadership of and involvement in Working Bridges. United Way of Chittenden County calculated a \$164,500 savings in turnover costs during the time period and the retention of 47 jobs. For the same period of time, University of Vermont Medical Center's turnover rate went from 57 percent in 2006 to 34 percent in 2009.



Employers attribute some of these improvements directly to Working Bridges. One hundred percent of the core employer participants report that Working Bridges is helping them:

- Hire, retain, and advance workers with low-to-moderate incomes;
- Maximize workforce effectiveness; and
- Help workers achieve financial stability.

IMPACT ON THE COMMUNITY

Stabilized families make productive citizens. They can participate in the community, pay taxes, and spend money.

Community-based organizations have more clients as a result of the bridge provided by the resource coordinator. They can spend more time delivering services and less time recruiting individuals for the services they provide, since the resource coordinator is constantly identifying individuals for a wide range of programs.

WORKING BRIDGES RESULTS: THE TRIPLE LENS

Working Bridges provides benefits to employers, employees, and the community. United Way of Chittenden County calls this the triple lens of results.

Employers benefit because they have:

- Improved understanding of the underlying causes of tardiness, absenteeism, and attrition.
- Access to tested, standardized best practices that use the workplace as a platform for financial stability for employees.
- Access to a low cost, highly valued employee benefit.
- Improved worker retention, saving costs associated with employee turnover.

Employees benefit because they have:

- Access to community resources to solve their immediate problems and challenges.
- Access to credit, which may lead to improved credit reports and scores and savings.
- Improved rates of job retention.
- Improved financial stability.

The community benefits because it has:

- An increased understanding of poverty and its impacts.
 - Improved solutions to some of the causes of poverty resulting from application of the community impact model using the workplace as the platform for action and change.
 - Stronger employers.
 - More stable individuals and families better able to use their money to support local businesses and pay taxes.
-

Before Working Bridges, an employee experiencing financial or other challenges may not have had access to any solutions or resources to address them. This often led to declines in job performance, absence, and job separation. With Working Bridges, employees with problems or challenges are connected with resources. In many cases, this leads to an improved situation for the individual in the workplace and in his or her life. Employees are retained, become financially stable, and improve productivity on the job.

The value of Working Bridges is best summarized by Ted Castle at Rhino Foods:

"As a company, we spend thousands of dollars per employee on our benefits package, a large percentage of that towards health insurance. Like most companies, we continue to change our plans to control our costs. Even though we are spending the same amount or more per employee, the benefit is reduced, and we tend to hear more complaints about these benefits than gratitude that we have them. Along comes Working Bridges—the training, the Income Advance Loan Program, and the Resource Coordinator—benefits which are very low cost and have had a tremendous positive impact. We now have employees go out of their way to thank us for them! Imagine that. Affordable benefits programs that are immediately recognized and appreciated for what they are . . . benefits!"

THE FUTURE OF WORKING BRIDGES

Working Bridges has produced measurable results for employers and employees, helping community-based service providers access harder-to-reach community members through the workplace, causing systems change, and influencing national policy and practice. Despite these successes, Working Bridges continues to meet, identify new workplace issues, and identify innovation solutions.

Currently, Working Bridges is developing a financial coaching program to help people apply the knowledge and skills developed through the financial education provided in the workplace through *Earn it! Keep it! Grow it!* Financial coaching provides individuals with guidance, support, and accountability to use financial knowledge, resources, and tools to reach their goals. Working Bridges is also moving beyond first-level financial topics such as budgeting and savings to topics focused on asset building.

Gina Catanzarita, Director of Human Resources at Engelberth Construction, is already planning for financial coaching integration at her company: “We want to take it up a notch, so we’ll be offering financial coaching to help employees avoid taking out two or three loans a year and get to the next level with respect to their financial literacy.”

Working Bridges sees the connection between its work and workforce development. Workforce development initiatives help people get jobs. Working Bridges helps them keep their jobs. To this end, Working Bridges will be adding on-site graduate equivalence degree training and English language learning programming to help employees not only stay in their jobs, but also move ahead.

The group is also studying benefits cliffs—the decline in economic well-being that sometimes occurs when employees get jobs or wage increases at work that result in loss of public benefits and work support. The loss of the supports is greater than the benefit of the income, creating financial instability. While this is a difficult challenge, it is one Working Bridges has identified as important to employees and employers.

The Working Bridge program receives attention for using the workplace as a platform for innovation and community impact and program leaders are frequently asked to share their insights with policymakers and practitioners across the country:

- **INCOME ADVANCE LOAN PROGRAM.** The Working Bridges Income Advance Loan is one of five products being tested for scalability through the Filene Research Institute.

- **CENTER OF EXCELLENCE.** United Way Worldwide has identified Working Bridges as an exemplary community impact and financial stability model. In the fall of 2014, local United Way leaders from 14 states convened in Burlington for an experiential Center for Excellence professional development program.
- **FINANCIAL CAPABILITY@WORK GUIDE.** Developed by the FINRA Foundation and United Way Worldwide, this guide includes information on how to design and implement workplace financial capability initiatives based on learning from Working Bridges and other workplace financial capability efforts around the country.
- **RURAL FAMILY SUCCESS ACTION NETWORK.** Sponsored by the Aspen Institute Community Strategies Group and the Annie E. Casey Foundation, this network supports best practices to help low-income rural families get ahead. Working Bridges leaders have shared learnings with this network at national meetings and through webinars.

Through these and other efforts, program leaders hope to expand the reach and influence of the proven strategies developed by the Working Bridges collaborative to help other employers and their employees in communities nationwide.

SOURCES

1. Aha! Process, Inc. The Model. Accessed, May 25, 2014.
2. Follow-up question and answer with Lisa Jensen, June 24, 2014.
3. Interview with Lisa Falcone, April 28, 2014.
4. Interview with Lisa Jensen, June 13, 2014.
5. Mibiz.com. *Conference to explore welfare-to-career best practices* by Carl Dunker, September 16, 2012
6. Michigan Radio. *A promising model to help people keep their jobs and break the cycle of poverty* by Dustin Dwyer, May 8, 2013.
7. Need to Know on PBS Transcript, April 5, 2013.
8. United States Census Bureau.
9. United Way of Chittenden County Final Report to the FINRA Foundation and United Way Worldwide. January 2013.
10. United Way of Chittenden County Interim Report to the FINRA Foundation and United Way Worldwide. January 2012.
11. Working Bridges about the Program. Provided by Lisa Falcone, April 30, 2014.
12. Working Bridges at Rhino Foods. A Rhino Way Program Guide. March 2011.
13. Working Bridges Plan. Provided by Lisa Falcone, Working Bridges Project Director and Income Community Impact Manager, April 30, 2014.
14. Working Bridges Presentation, June 9, 2014
15. Working Bridges Presentation, September 9, 2008
16. Interview with Adam Leonard, Director of Human Resources, Sheraton Hotel and Conference Center, July 15, 2014.
17. Interview with Gina Catanzarita, Director of Human Resources, Engelberth Construction, July 21, 2014.
18. Interview with Ted Castle, President and CEO, Rhino Foods, Inc., August 15, 2014.
19. Rural Family Economic Success Action Network Webinar, August 12, 2014.

