



Building Family Economic Success

CENTERS FOR WORKING FAMILIES

Centers for Working Families (CWFs) are an innovative new service delivery strategy, bringing together a variety of programs and supports for low-income families in a single location. Situated in community schools, family resource centers, or other community locations, these centers offer a convenient and customer-friendly environment where parents can find the help they need to succeed in the workforce, access available resources, improve their financial management skills, and save for the future. In the case of rural communities, CWF programs and services may not always be located in one place, but they must be convenient and accessible, and should utilize technology to facilitate connections.

The Importance of Centers for Working Families

Federal and state governments, public agencies, and private organizations have developed a wide array of services and programs in recent years to help low-income working families advance up the job ladder, improve their financial literacy (and avoid costly debt traps), open bank accounts and begin saving, and access valuable “work supports” such as the Earned Income Tax Credit, Food Stamps, child care, and subsidized health insurance coverage.

However, these programs and supports are often underutilized by families with fragile finances, and few families who are eligible for multiple programs receive the full array of available opportunities.

Why don't low-income families use these beneficial services more regularly? Many barriers are pervasive: families are often unaware of the services or don't realize they are eligible; many work multiple jobs and have little time to pursue assistance; many lack cars or face other transportation hurdles; some perceive a stigma associated with accepting services. Together, these complications prevent millions of families from taking full advantage of programs that could help them.

Centers for Working Families can help to overcome these barriers and enable families to conveniently and consistently access programs and supports that can improve their lives and move them toward family economic success. Some important facts that illustrate the need for services and supports for low-income working families:

- Since the early 1990s, the federal government and a number of states have created or expanded a range of financial and non-financial work supports that can fundamentally change the income calculus of low-wage work. However, take-up rates for most work supports are well below 100 percent, and many are below 50 percent.
- Up to 20 percent of all American households do not have an account with a bank or credit union, meaning they must pay for services like check cashing and bill paying, and they are unlikely to accumulate savings.
- Forty percent of all white children and 73 percent of all black children grow up in households with zero or negative net financial assets.
- Few low-income workers are advancing to higher paying jobs: one study found that only 27 percent of workers who earned less than \$12,000 a year from 1993–95 were consistently earning more than \$15,000 six years later.

Strategies for Family Economic Success

The Annie E. Casey Foundation believes that the children in greatest trouble in America today are those whose parents lack the earnings, assets, services or social support systems required to consistently meet their families' needs. Most of these children are growing up in impoverished communities that are disconnected from the economic mainstream. The Foundation is working to help these isolated families secure adequate incomes, accumulate savings and live in stable, economically viable neighborhoods through a combination of workforce development, family economic supports and community investment strategies—an approach known as building *family economic success*, or FES. This fact sheet is one in a series outlining the key strategies of the Foundation's FES grantmaking agenda.

Centers for Working Families

The Earned Income Tax Credit (EITC)

Financial Planning and Education

Financial Services

The High Cost of Being Poor

Homeownership and Predatory Lending

Individual Development Accounts (IDAs) and Other Savings Tools

Workforce Development

Work Supports

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Resources

Bon Secours (Baltimore)
(www.bonsecours.org/baltimore)

Chicago LISC
(www.lisc-chicago.org)

Seedco (NYC)
(www.seedco.org)

FES and Centers for Working Families

Low-income families might be more likely to achieve family economic success if workforce development programs, income and work supports, financial services, and asset building opportunities could be bundled in a single location – particularly if staff in these centers establish welcoming, supportive relationships with families and help them to set and achieve meaningful economic goals.

The Foundation has funded four prototype sites (Baltimore, CASA Maryland, Atlanta and Indianapolis) to test that hypothesis and help build the CWF model. These one-stop centers also have been implemented by the Local Initiatives Support Corporation (LISC) network in Chicago, and they've been adapted by Casey Family Services Family Resource Centers in Providence, RI and Lowell, MA.

Casey has invested in management information systems and data collection to begin evaluating the impact of the CWF model. Specifically, the evaluation is seeking to determine whether the Centers will lead to higher incomes and financial stability, greater home ownership, improved financial awareness and/or management skills, and increased self-determination and confidence among participating families, as well as increased consumer spending in neighborhoods where the Centers are situated.

In the coming years, the CWF effort will work toward the following:

- *Refining implementation.* The Casey Foundation will continue to document the lessons learned from the prototype Centers – measuring results, determining best practices, and clarifying the key program elements and organizing principles of the CWF model. New tools also will be developed to assist Centers through coaching support and information technology.
- *Supporting the replication of the CWF model and the sustained funding of existing Centers.* AECF will continue to support the most promising prototype centers and CWF networks in order to demonstrate the potential value and impact of CWFs. In sites that have been most successful, the Foundation will help CWFs expand operations and secure long-term funding support.
- *Developing a broader policy agenda to support CWFs nationally.* Working with local and national policy experts, the Casey Foundation will explore opportunities for widespread replication of the CWF model, and it will identify the policy, regulatory, and procedural barriers that must be overcome before CWFs can be implemented on a larger scale.

Challenges and Opportunities

- The best ways should be identified to not only bring working families into a CWF, but—more importantly—to keep them coming back over time so that they can advance in their careers and capitalize on available work supports and financial services.
- Partnerships should make sure that services and supports are delivered seamlessly to families, even when they are referred to other community resources.
- Technology and innovative case management and coaching techniques can help to ensure that families receive services in an effective and efficient way.
- Sustainability can be achieved through a combination of public and private resources, as well as through fees for service and partnerships with financial institutions.

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