

Financial Counseling for Low- and Moderate-Income Home Health Care Employees: An Assessment of Take-Up, Engagement, and Outcomes

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Introduction

Employee financial wellness programs (EFWPs) are gaining in popularity as a strategy to address workers' financial challenges and goals beyond offering health and retirement benefits. Most workers say they are stressed about their finances¹ and a third are less productive at work because of this stress.² Although employers are increasingly interested in offering EFWPs, little research has been conducted concerning these workplace financial products and services.

With generous support from the W.K. Kellogg Foundation, the Social Policy Institute (SPI) at Washington University in St. Louis launched the Employee Financial Wellness Programs Project in 2017 to conduct mixed-methods pilot studies of three types of EFWPs among low- and moderate-income (LMI) employees:

1. Workplace financial counseling
2. Workplace credit building
3. Employer-sponsored small-dollar loans

Through these studies, SPI sought to understand the experiences of both employees and employers concerning EFWPs, analyzing data from surveys, provider administrative data, and interviews to assess:

- EFWP take-up and satisfaction,
- Implementation challenges and successes, and

- Workers' financial well-being outcomes.

SPI is especially interested in the experiences and outcomes of LMI workers because of their economic vulnerability. The proportion of LMI workers who lack emergency savings and say it is difficult to cover their usual monthly expenses is 69%, which is 60% greater than higher paid workers.³

Current Study

This is one research brief in a series of five completed through the Employee Financial Wellness Programs Project. In this study, we analyze administrative data and interviews regarding Trusted Advisor, a workplace financial wellness benefit offering one-on-one counseling linked to vetted financial tools.

This service is offered by Neighborhood Trust Financial Partners, a national non-profit social enterprise based in New York City that offers financial empowerment services. In this version of the program model, counselors from the program are embedded in employers' open office spaces where employees are introduced to Trusted Advisor services and offered a free credit report. Based on a review of employees' credit reports with intake form information and a brief (10 minutes or less) conversation, counselors offer at least two "Take Action Today" recommendations to help improve a client's financial situation. Recommen-

dations may include steps such as reducing expenses and debt, saving, and addressing adverse items on credit reports. Employees are provided with a printout of these recommendations. These recommendations form the basis of ongoing communication with clients via text messages, emails, and phone calls. Counselors encourage longer follow-up sessions with clients who would benefit.

The purpose of this study was to examine take-up, engagement, and financial outcomes associated with Neighborhood Trust Financial Partners' Trusted Advisor Financial Snapshot program⁴ that was offered to employees of a home health care agency between March 2018 and April 2019.

Methods

This study used a descriptive, mixed-methods research design to assess program take-up and participant engagement and outcomes. We analyzed data from a home health care agency that employs ~2,300 workers. Data analyzed included program utilization data from 108 participants and 10 interviews with employees during which they were asked about their reasons for using the program and how they became aware of its availability at their employer.

For qualitative data, we used directed content analysis⁵ since this approach is typically used when theory and previous evidence are available to guide the inquiry, as is the case with this analysis. Techniques described by Miles, Huberman, and Saldaña (2014)⁶, such as steps for creating, revising, and structuring codes into hierarchies, guided the coding process.

For quantitative data, we used univariate descriptive statistics to examine employees' levels of engagement with their counselors and their credit outcomes. Sample sizes were too small to warrant a bivariate examination. The following variables were analyzed:

Engagement

1. **Counseling sessions:** Number of counseling sessions employees received.
2. **Text messaging:** Number of texts sent from employees to financial counselors.

Credit

1. **Become credit scored:** Whether employees without a baseline credit score had a follow-up credit score.
2. **Prime credit score:** Whether the employee increased their score to 660 or higher at follow-up from a below-660 baseline score.
3. **Change in collections:** The baseline to follow-up difference in accounts on an employee's credit report that were currently in collections, meaning, accounts that have become seriously past due and are sold by a creditor to an agency that will attempt to collect the amount owed.

Results

Below we present results for the following:

- Study participant characteristics;
- Program take-up, including ways that participants heard about the program and reasons for using the program;
- Program engagement; and
- Participant outcomes.

Study Participant Characteristics

All but two study participants were female and two-thirds identified as Hispanic. Only 30% of the sample for whom data were available had attended some college or had a college degree (Table 1).

Table 1. Sample Characteristics (N=108)

	% or Mean (SD)	% missing
Age	37.03 (1.18)	0.93%
Income	\$16,853 (\$2,188)	87.04% ⁷
Gender		0%
Female	98.15%	
Male	0.93%	
Non-Binary	0.93%	
Race		13.89%
Hispanic	66.67%	
African American	26.88%	
Other	6.46%	
Marital Status		7.41%
Single/Divorced/Separated	61%	
Married/Living with a Domestic Partner	34%	
Other	5%	
Educational Attainment		53.7%
Less than High School	30%	
High School/GED	40%	
Some College	14%	
Bachelor's Degree	16%	
Primary Language		0%
English	50.93%	
Spanish	49.07%	

With respect to financial capabilities, two-thirds of study participants did not have credit scores at baseline. In contrast, nationally only 19% of consumers are unscored.⁸

Of the one-third who were scored, 74% had sub-prime scores (credit scores below 660). The mean score was 601, a sub-prime score and substantially lower than the national average of 699.⁹

More than 40% of study participants had accounts in collection at baseline, meaning, accounts that had become seriously past due and were sold by a creditor to an agency that will attempt to collect the amount owed. The average value of outstanding collections was more than \$1,600.

Program Take-Up

A total of 108 employees received financial counseling services during the study period with 10 participating in interviews during which they were asked about its availability at their employer, how they became aware of the program, and their reasons for using it.

The home health care agency offers 4-week training courses offered in both English and Spanish and at no cost to workers interested in becoming certified home health aides. Upon successful completion, workers are offered employment at the agency. Study respondents indicated they first heard about the financial counseling program during employee orientation at the end of their

Table 2. Baseline Financial Characteristics (N=108)

	% or Mean (SD)	N
Participants with no credit score at baseline	66%	52
Participants with credit scores at baseline	34%	27
Participants with sub-prime credit scores at baseline	74%	27
Credit score among all participants who had scores at baseline	601 (96.78)	27
Credit score among those with prime scores	733 (41.34)	7
Participants with collections at baseline	42%	33
Value of outstanding collections	\$1,657 (\$2,066)	33

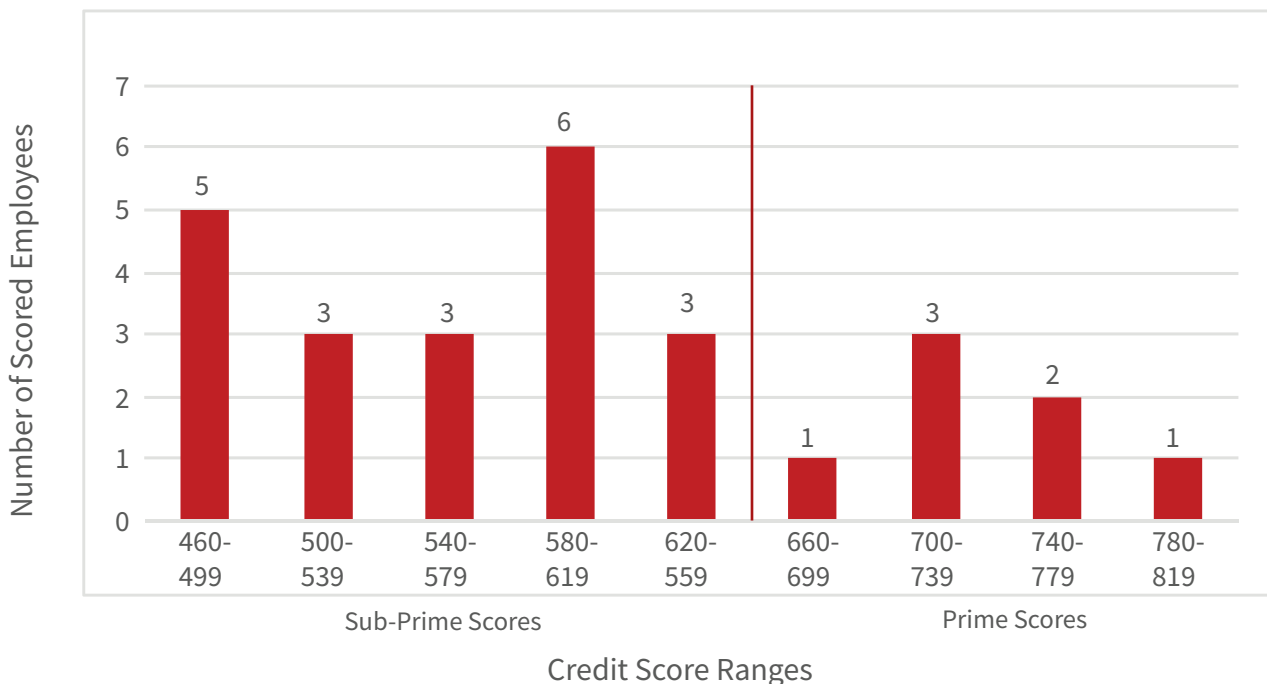
Note: This study used 660 as the cutoff between prime and sub-prime credit scores.

training courses. Representatives of the Trusted Advisor program gave presentations and were available to meet with new employees individually and to schedule appointments. Study participants indicated that they were told the program could help them with credit scores, low-interest loans, and financial advice or counseling. One interviewee explained:

“They told us like a week before we finished the training that these people are going to come and talk, they’re going to check our credit, and that they could give us advice on how to improve our credit.”

Some reasons study participants signed up for the program included addressing financial problems,

Figure 1. Baseline Credit Scores of Employees (N=27)



Note: This study used 660 as the cutoff between prime and sub-prime credit scores.

such as outstanding debt. One employee had been speaking to a debt consultant about outstanding medical bills before learning about their employer’s program and decided to sign up to address the issue (translated from original Spanish):

“I spoke with [my counselor] and I was able to explain it to her. In my case, it was that I have a problem with debt collectors. Sometimes I asked [the debt collectors], what was I supposed to do with the three different debts I had? I told her how angry their tone was, it was very upsetting.”

Although the financial counseling program was designed to be and was promoted as a broad service, the main reason employees signed up for the program was to address their personal credit situations. Respondents indicated that they used the program to find out what their credit scores were, to learn how to improve their scores, to get support to address specific credit issues, or to get help to achieve credit-related goals, such as improving their credit scores before purchasing a house or car. One employee noted:

“[I signed up because of] the fact that they can actually help me improve my credit score. Because my credit is not that great, so I needed help on that. And they gave me the resources that I need.”

Program Engagement

Most study participants had one in-person counseling session, followed by other means of communication. Employees and their counselors mostly communicated via text message, having an average of 6.5 text message interactions over the course of program engagement. Other communications between employees and counselors occurred via email and phone contact.

Study participants reported that their counselors checked in to follow-up on actions they had spoken about when they met, mostly via text

Table 3. Program Engagement (N=108)

	Mean (SD)
# of in-person counseling sessions	1.40 (.68)
# of texting contacts initiated by client	6.43 (7.08)
Average time of engagement in services	4.27 (3.97)

messages. Most participants said they preferred text messages because some did not have e-mail addresses or did not check email often.

While individual action plans differed, financial counselors suggested similar steps for most employees. Specifically, several participants noted that counselors encouraged them to obtain a Capital One secured credit card as a means to improve their credit. Respondents also remarked that their counselors shared information about how to use a credit card to improve, rather than harm, their personal finances.

Counselors were also able to validate areas in which employees were managing their finances well. Other action steps included learning to budget, taking a personal loan if needed, and opening a savings or other banking account.

Program Outcomes

Based on interviews with employees, the following program outcomes were identified:

- Satisfaction with the financial counseling program,
- Credit and financial outcomes,
- Increased knowledge,
- Improved feelings about their financial circumstances, and
- Employment-related outcomes.

Satisfaction with the financial counseling program

Overall, participants shared positive impressions of the program and described counselors as friendly, understanding, agreeable, and professional. There was an overall expression of feeling supported by the program. One noted (translated from original Spanish):

“[The counselor was] very understanding, very friendly, and very patient about everything. Because when a person doesn’t have any knowledge, well, the counselor has to have a lot of patience. And she had a lot of patience with me.”

Some respondents appreciated that their counselors were not judgmental about their finances. One remarked:

“[My counselor] was really cool. It took me probably like a whole week and a half to send off the [dispute] letters. And she was like, ‘You know what? It’s totally fine. Thanks for being honest. Just mail them off when you can.’ And she was just checking up on me making sure I sent off the papers so that she can help me fix this issue.”

Credit and financial outcomes

During the 13-month study period, the average duration of services provided to study participants was roughly four months and the time between credit checks was around seven months. While receiving services, some employees experienced improvements in their credit situations. Nineteen percent of unscored participants established credit scores and one participant moved from a sub-prime score to a prime score.

At baseline, 42% of participants had accounts in collection status. During the study, five participants eliminated all collection accounts from their credit reports. At the same time, two participants

who had not had accounts in collection at baseline developed collection accounts. While 30% of study participants who began with collection accounts experienced decreases in the value of their accounts in collection, one participant saw their collection balance increase. Forty-five percent of participants experienced no change in collection balances.

Table 4. Changes in Credit Reports (N=79)

	% or Mean (SD)	N
Time between credit checks (months)	7.25 (.79)	79
Unscored to scored	19%	52
Sub-prime to prime score	15%	20
Credit score increase for sub-prime to prime scores	60.67 (31.50)	3
Change in number of participants with collection balances	-4%	79
Proportion of participants who reduced collection value	30%	33

Note: This study used 660 as the cutoff between prime and sub-prime credit score.

Regarding interviewees’ experiences with their counselors, several reported that their counselors found errors on their credit reports. Some also noted that counselors coached them through contacting credit bureaus or applying for credit cards, helped them set up savings accounts, and gave them information about other resources to help accomplish financial goals. One respondent reported:

“[My counselor has] been helping me, she’s been on me, ‘Have you set up your [credit union] deposit from savings?’ because they take out \$20 from my regular paycheck to put in my savings account. And she’s been really, really, helpful with that, ‘cause if you

don't know what to do, how to set it up, well, she told me to go to the 13th floor to talk to somebody and she's just been really helpful."

Some participants reported that there had been no change yet in their financial situation, usually because they were waiting to take some action, such as signing up for a credit card, or they were waiting to hear back from credit bureaus or banks. One person reported that they expected some follow-up with their financial counselor once they had used their new credit card for a while:

"Most likely, once I get the card and I use it for at least 2 to 3 months, probably I would write her. If I don't write her, most likely she'll write me. And she'll ask me like, 'Hey, when are you probably free?' And I'll set up my appointment."

Increased knowledge

One common outcome of financial counseling was that employees learned new information. Sometimes, this information related to their own personal financial situations, such as what their credit scores were or the sort of loans for which they might be eligible. Other times, participants reported expanded knowledge about the financial system in general.

Learning information about the banking system seemed to be particularly useful for the participants in this study who identified themselves as immigrants. One respondent explained (translated from original Spanish):

"She told me when she was giving me advice that there was a credit score here in the United States that I didn't yet have established. I needed to work with the banks, I needed to get a bank account in order to be able to save well and to get benefits here in the United States. And she was able to help me with this perfectly.

She reviewed a form with me, to open an account, get a card from the bank to establish credit, if I wanted, and I would need to have it for a while, she told me."

A few participants also mentioned learning about credit cards and had questions answered about what kinds of cards to get, what providers might be best, and how to use credit cards to build credit and avoid increasing their debt. One employee stated:

"[My counselor] explained to me that I don't have to be nervous and scared about getting a credit card. It's not scary and saying that I know that I can manage having a credit card and stuff. She said that a good credit card to start building credit would be Capital One Secured Credit Card. She was just like, 'Try to use it as often as possible, because that's how you're going to gain their trust,' when I use it often and when I pay it back on time."

Improved feelings about their financial circumstances

A number of interviewees reported feeling better about their financial situations after using the financial counseling program. One employee mentioned that learning how to track and measure their financial behaviors provided them with a greater sense of emotional security (translated from original Spanish):

"[My counselor] gave me various recommendations. Like ways of measuring how I was doing. I talked to them about the two bills that I've been paying down. And I really love them and am grateful because they helped me. They really helped me emotionally because I became a lot calmer."

Sometimes, this increased emotional security came from resolving specific problems, such as consolidating debt in order to stop stressful calls

from collections agencies and creditors (translated from original Spanish):

“It was very helpful because the creditors were calling me and my daughter often, trying to get me to pay. And [the loan provider] gave me the ease of only having one consolidated bill, and the rates were lower. And this made me much calmer to have this issue covered. And I have been working on this bill and now I am two payments away from paying it off. And I am calmer in this sense, and I have a bit more money.”

Other employees reported feeling less stressed just by learning more about their financial lives and creating a plan, or beginning to budget. Some participants reported that they felt they were doing well and that they had improved how they were handling their personal finances since the session (translated from original Spanish):

“There are some little things that I cut back on, I think I’m doing a whole lot better now financially, too, because I don’t spend as much as I used to.”

Employment-related outcomes

Few participants mentioned a direct connection between how they felt about their employer and how they felt about the financial counseling program. When asked directly, some said that they appreciated that their employer offered the program.

Discussion

In this brief, we present results of an assessment of program take-up, engagement, and outcomes among LMI employees at a home health care agency who received workplace financial counseling. From our findings, we arrive at four key conclusions.

First, the financial counseling program appears to

be reaching its intended audience of financially vulnerable LMI employees who have a real need for assistance in improving their credit and accessing the mainstream financial system. Given the large immigrant population at this company, participant feedback about the value of learning the details of the US financial system and how to navigate it appears important. Two levers appear particularly important for program engagement. First, an in-person presentation at a mandatory meeting (new hire orientation) was coupled with the presence of a Trusted Advisor counselor available for counseling sessions immediately after the meeting. This service delivery model ensured program awareness and provided counseling access to a workforce that is rarely at the company’s offices, since care takes place in patients’ homes. The second lever was ongoing access to counselors via text messaging, which was a popular mode of communication after the initial counseling session.

Second, some study participants saw improvements in their credit situations. A significant majority of participants (66%) began the study without credit scores, a major impediment to participating in the financial system that could prevent them from, for example, accessing affordable rental housing. Of the few (33%) who had credit scores at the beginning of the study, nearly three-quarters (74%) had sub-prime scores (below 660). Attaining a prime credit score reduces the cost of credit substantially; such borrowers qualify for more favorable interest rates and fewer fees from lenders. The program was beneficial in helping some participants become scored or attain a prime score.

Third, participants were satisfied with the service they received from the program and indicated that it helped reduce the stress they experienced due to financial problems. Caregiving jobs are inherently stressful and it is possible that reducing employees’ overall stress levels may contribute to better care for patients. Further research is needed to test this proposition.

Finally, among this sample of employees, there were few indications that they associated access to the financial counseling program with job satisfaction or commitment to their employer, an important finding for employers to consider in seeking to justify employee financial wellness programs based on return-on-investment (ROI). Our previous research with this company revealed an employee-centered business model where supporting employees' well-being was believed to contribute to business success in and of itself. As a result, the company did not even measure ROI¹⁰. It is possible that, when offered in this context, the Trusted Advisor program was viewed as one integrated part of an array of supports available to employees, rather than a unique offering that would directly affect employee satisfaction.

The Trusted Advisor Financial Snapshot program targets employees who need assistance improving their financial health. We find evidence that the program reaches its intended audience, helped some employees improve credit outcomes, and was appreciated by those who used it.

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2. Frank-Miller, E., Fox-Dichter, S., Wolter, S., Hampton, J., Despard, M., & Germain, G. (2019). *Employer-sponsored small-dollar loans: An assessment of take-up, engagement, and outcomes*. (SPI Research Brief No. 19-04). St. Louis, MO: Washington University, Social Policy Institute.
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