

# Supporting Integrated Family Economic Services:

## *A Federal and State Policy Approach*

### Introduction

The recession is technically over, but many low-income families have been left behind by today's economy and live close to the financial edge. The Working Families Success Network<sup>1</sup> (WFSN) is helping these families turn their financial tightrope into a more stable pathway by bringing together services to help people get the skills they need; find jobs and establish careers; build assets; and improve their financial security. Organizations using the network's strategy simplify and realign service delivery to connect services, meet the needs of families and accelerate financial empowerment — effectively addressing a family's challenges in a more holistic way.

More than 130 organizations across the country are using the strategy. The WFSN programs deliver clients integrated, or bundled, services in three overlapping areas:

- **Employment and career advancement** — including assistance with job readiness, job placement, occupational skills training, education and career advancement.
- **Income enhancements and work supports** — helping clients gain access to public benefits, tax credits, financial aid and other benefits to improve financial security.
- **Financial and asset building services** — including workshops, classes, one-on-one counseling, financial coaching and access to affordable financial products and services to improve household finances and build assets.

Communities also benefit from WFSN programs. As workers find jobs and build their skills, they contribute more to the local economy. Employers benefit, too: When employees improve their finances and build security, retention rates and productivity improve, and absenteeism and turnover drop.

### The Critical Role of Policy in Expanding the Network Strategy

Critical to implementing and scaling the strategy are public policies, which can either encourage or limit access to a full range of programs and supports for individuals and families. To expand the strategy's reach to assist more families who need integrated services to gain economic stability, this paper identifies a range of policy opportunities at the local, state and federal levels. It outlines a targeted policy framework at the national and state levels, with a focus on increasing access to resources and building effective processes, both of which would contribute to field building and expansion. A follow-up report in early 2014 will provide an action plan to help national and state organizations integrate these recommendations into existing policy advocacy efforts.

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<sup>1</sup> A growing network of national foundations and intermediaries are invested in this approach, including Achieving the Dream, the Annie E. Casey Foundation, Bank of America, the Kresge Foundation, Local Initiatives Support Corporation, MDC, United Way Worldwide, the W.K. Kellogg Foundation, the Lumina Foundation, and the Citi Foundation.

As the private sector knows, not every growth opportunity is a good one. But in today's "new normal" of higher unemployment rates, lower and stagnating salaries and fewer job opportunities, approaches that show results — as the Working Families Success Network's strategy does — should be replicated. To clarify the kind of policies necessary to support and expand systems that deliver more integrated and bundled services, the network developed criteria to hone in on policies most critical to success. Policy efforts should:

- **Build WFSN program infrastructure** — Policy or regulatory changes must enable organizations to better coordinate this range of services and advance a policy environment that supports the Working Families Success Network strategy.
- **Assure delivery of critical component services** — Policy or regulatory changes must help WFSN programs deliver individual services more effectively, efficiently and at a greater scale.
- **Address or remove systemic barriers** — To support families' ability to participate in WFSN programs, policy changes must remove barriers that limit individuals from accessing resources and products that increase economic mobility and promote financial stability.

Finally, all policy efforts should include a focus on achieving greater racial equity and economic inclusion.

Over time, the goal is to create a policy environment where bundled and integrated services are the accepted best practice, enabling families to access services through many different programs and avenues, regardless of their affiliation with the network.

These principles should drive any policy change consideration or discussion at the national, state or local level. Recognizing that significant advocacy work in these three areas is underway, we must work collaboratively with our partners to elevate common policy opportunities, build coalitions to advance research-based strategies, engage individuals and organizations into meaningful action and advocate collectively for lasting change.

For both federal and state policy, it is critical to illuminate the difference between consolidation and alignment or integration. The Working Families Success Network's policy efforts are focused on the latter — the intentional sequencing or bundling of a range of services that, taken together, promise to launch a family toward greater economic stability. The network's policy efforts are not focused on consolidation of programs; most programs are already stretched thin, and consolidation would mean an overall loss of support to low-income families, thus jeopardizing their ability to find their economic footing.

## Advancing the Network Strategy at the Federal Level

Given the current federal political environment, our policy priorities are focused more on administrative and regulatory improvements than legislative changes. The national network of WFSN advocates should focus on changes to the regulations that guide the implementation of programs that Congress enacts and funds. We have identified four opportunities for the Working Families Success Network to have a significant impact in advancing its integrated-service strategy.

### Incentivize the Network Strategy in Existing Programs

WFSN programs bundle and integrate education, employment, work supports, financial planning and asset-building services and strategies. To encourage such integration more broadly, federal agencies can support the strategy in several ways:

- In directives issued to regions and states, agencies can emphasize the importance of integrating and bundling the three sets of services to improve outcomes.
- When issuing competitive grant solicitations, federal agencies can indicate or prioritize integration of these three sets of services in responses. This could be achieved, for example, in such programs as the Social Innovation Fund, Workforce Innovation Fund, Pay for Success and the Partnership Fund for Program Integrity Innovation. This is already happening to some degree. The recent Trade Adjustment Assistance Community College and Career Training solicitation from the U.S. Department of Labor, which focused on improving workforce and education services for community college students, also included financial planning as part of its activities. The Social Innovation Fund's support of the Local Initiatives Support Corporation Financial Opportunity Centers continues to build the evidence base for the success of the strategy.

### Integrate the Network Strategy into Interagency Task Forces

Several federal interagency task forces are currently focusing on strategic alignment of resources and programs, exploring common metrics and identifying other areas for interagency collaboration. These task forces should identify how to promote use of the Working Families Success Network strategy across multiple agencies to achieve their system integration goal. Such an effort would include identifying and removing regulatory barriers, making recommendations to reauthorization mark-up committees for key programs and encouraging cross-agency dialogue and prioritization of the strategy. For example, the Intergovernmental Collaborative Work Group of the Collaborative Forum brings together a number of federal agencies and other stakeholders to focus on improving interagency alignment of efforts.

### Fostering a System of Shared Accountability

Creating a common system for measuring results and holding programs accountable would lead to increased service integration now stymied by the currently fragmented accountability provisions used by various programs and departments. It would also provide incentives for greater integration across federal programs to provide low-income, low-skilled people and others facing barriers to employment with an on-ramp to the labor market and financial stability. A shared accountability system should include:

- A common set of interim and outcome measures. (See list of examples on p. 4).
- Consistent definitions of units of service, such as training, integrated programs and bridge programs, which can be used across federal programs.

- Commonly agreed-upon, accurate and unbiased cost-allocation methods for services funded by multiple sources.
- Consistent standards of data quality and data sharing to assure transparency and privacy, and to increase the trust needed among agencies to implement a successful shared system of accountability.

The Working Families Success Network has several legislative opportunities to push for greater shared accountability. At a minimum, the shared accountability system should be used for workforce development and adult education programs authorized under the Workforce Investment Act (WIA) Title I and Title II. It should also apply to other workforce development, education and financial support programs including the Carl D. Perkins Career and Technical Education Improvement Act, postsecondary education Trade Adjustment Assistance, Wagner-Peyser labor exchange programs, the Temporary Assistance for Needy Families (TANF) program and others.

### Share More Data, More Effectively

Data must drive good decisions, and shared data is at the core of accountability. The federal government has encouraged the collection of individual-level data to inform policy decisions about education and workforce preparation that help strengthen the link between college and career readiness. This would also enable agencies to evaluate the effectiveness of the Working Families Success Network strategy in improving the financial stability of low- and moderate-income families.

The U.S. departments of Education and Labor have a variety of programs using individual student data to examine the workforce outcomes of students who complete educational programs. However, most of these statewide student-level data systems have been focused on K–12 education, with explicit funding for state education agencies. Federally funded programs have collected individual-level data on postsecondary workforce outcomes to measure performance relating to employment placement, retention and earnings. However, there is still no unified data system to track measures from kindergarten to higher education and into the workforce, and access to data varies among various stakeholders, which makes it difficult to measure the long-term impact of the strategy.

### Examples of Common Measures

#### Employment, Training and Career Services

#/% retaining employment for six, nine and twelve months  
 #/% of students retained from term to term

#### Financial Services and Asset Building

#/% with increased net income  
 #/% with credit scores above 650

#### Income and Work Supports

#/% approved for benefits and income supports (e.g., earned income tax credit)

## Strengthening Policies Affecting Community College

An increasing number of community colleges are adopting the Working Families Success Network strategy as it has demonstrated its value in helping students overcome their financial challenges. Over the next three years, as more community colleges adopt the strategy, a focused policy agenda will emerge to support colleges in integrating services for students to support their completion and eventual employment in good jobs.

The Working Families Success Network has identified this list of policy steps that would strengthen WFSN programs at community colleges and improve the ability of their students to succeed:

- Increase access to wage-record data so colleges can track and evaluate long-term outcomes.
- Encourage federal and state agencies to align and coordinate funding streams and services to enable colleges and students to achieve better outcomes. Creating common definitions and metrics for various funding streams would enable more seamless transitions for students; improving how Pell Grants and Workforce Investment Act funding work together would give students easier access to financial support that would help them remain in college.
- Encourage federal and state agencies to work together to align programs and to promote and prioritize delivery of the network strategy in colleges through competitive solicitations, program design changes and other approaches.
- Ensure that emerging policies focused on improving college completion — such as performance-based funding for colleges — balance the completion agenda with a focus on equity and access, particularly for those who are low-income and/or first-generation college students.
- Engage in reauthorization discussions of such legislation as the Higher Education Act, the Perkins Career and Technical Education program and WIA to encourage policies that support student success, including better alignment of funding streams for student and college use, inclusion of financial literacy and coaching programming, and greater integration of benefits-access efforts within programs to support adults in college.
- Support state-level work to improve benefits access within colleges through better outreach to students and increased coordination between state agencies and colleges to identify and resolve barriers that hinder students from accessing benefits.
- Support policies that encourage student completion, including stackable credentials, improving movement between noncredit and credit divisions within colleges and use of prior learning assessments.

## Federal Legislative Opportunities to Advance the Network Strategy

While the current congressional environment makes it unlikely that major legislation will be enacted, the network has identified legislative priorities. These focus on legislation related to one or more of the strategy's three service strands and strengthening WFSN program infrastructure through those services. Specifically, policy changes are needed that enable WFSN programs to more easily blend funding streams to support program operations and outcomes, and to provide integrated services incorporating the three types of service. The Working Families Success Network recognizes that bipartisan support of legislation will be necessary and will embrace such opportunities as they arise. Federal legislation of note includes:

## Major Reauthorizations

While it is unlikely that reauthorization of these programs will take place in the next year, the network can work to advance the strategy during committee mark-ups and discussions. These include:

- The Workforce Investment Act providing more flexibility to states and localities to adjust to local conditions; expanding definitions of eligible services to include financial coaching; balancing of performance requirements with ensuring equity and access for those hardest to serve; expanding use of group contracting to connect job seekers to a continuum of services; and promoting innovation.
- Reauthorizations of the Higher Education Act and TANF. As Congress seeks a bipartisan agreement to reauthorize these efforts, our network should use committee mark-ups to educate members of Congress about our network strategy and how to embed it within reauthorization language.

## Additional Legislative Opportunities and Challenges

The Working Families Success Network will also monitor individual bills that relate to its strategy. While it is unlikely that the measures listed below will be enacted in full, key provisions of these bills can influence or be included in the reauthorization legislation cited previously.

- Family Self-Sufficiency Act (S. 454)
- Careers through Responsive, Efficient, and Effective Retraining Act (S. 804)
- SECTORS Act of 2013 (S. 1226)

In addition to proactively supporting good legislation, our network should work to protect the strategy by advocating against legislation that could decrease funding to WFSN programs or undo programs that promote family economic stability. Such measures include:

- Preserving the Welfare Work Requirement and TANF Extension Act of 2013 (H.R. 890)
- TANF Substance Abuse Prevention Act (H.R. 1069)
- SNAP Improvement Act of 2013 (H.R. 1510)
- Amending the Food and Nutrition Act of 2008 to improve the Supplemental Nutrition Assistance Program (H.R. 1657)

## Opportunities to Advance the Network Strategy at the State Level

While working to influence policy at the federal level is important, the Working Families Success Network's ripest policy opportunities are likely at the state level. WFSN programs interested in expansion or sustainability should become involved in state-level advocacy coalitions and initiatives. State-level policy organizations, such as United Ways, groups affiliated with the Annie E. Casey Foundation's KIDS COUNT network, the Working Poor Families Project affiliates and the networks of other partners, play an important role in promoting policy changes that support the strategy.

As at the federal level, the state policy options can focus on administrative, regulatory, legislative and budgetary activities.



- **Administrative and regulatory:** As implementers of federal policies and funding streams, state governments usually have a degree of flexibility to create regulations and rules based on local conditions. Programs such as the Community Development Block Grant, TANF, WIA Title I and II and Perkins offer opportunities for supporting the network's approach. As the Affordable Care Act is fully implemented, a range of options are emerging for improving policies related to the network's strategy, including opportunities to improve access to and use of a range of benefits.
- **Legislative and budgetary:** Depending upon fiscal conditions, legislation or budget set-asides to create pilot WFSN programs or change other state-level programs to incorporate or prioritize the strategy could advance the work. Any pilot program should involve a third-party evaluation to verify outcomes, hold WFSN programs accountable and set the stage for future evidence-based investments.

The agenda for state policy will vary greatly from state to state and depends on a number of factors:

- **The economic and fiscal climate of the state:** In states where the economic recovery continues to be slow, pursuing regulatory and administrative changes to improve WFSN programs' access to existing funding is a more promising route than seeking new funds. Network advocates should recognize that in seeking new sources of funds, they are likely diverting resources from an existing program and will need to weigh that consideration carefully. However, one strategy is to make administrative and regulatory changes that enable states to increase their overall effectiveness, such as amending the state plan for SNAP Employment and Training funding to allow reimbursement for WFSN program activities.
- **The political climate of the state:** Increasingly, state policy environments are hindered by sharp partisan divides. Working Families Success Network advocates should identify leaders on both sides of the aisle to champion policy changes. A winning argument could be based on the strategy's results and its cost-effective use of public funds.
- **The strength and direction of advocacy efforts:** State-level coalitions with policy agendas related to the network strategy or any of its three service strands will play a role in shaping the success of state-level efforts. The strength of their efforts and coalition priorities will likely shape the direction of network advocacy efforts. Identifying existing policy groundwork and opportunities laid by coalition partners may point to easy wins in supporting the network; effective collaborations with coalitions may lead to adoption of WFSN policy priorities.

These relatively straightforward and affordable policy recommendations at the state level may encourage more organizations to adopt our approach:

- **Integrate financial education and coaching into WIA One-Stops.** Integrate the option of providing financial education into the WIA system through changes to the state plan or through advocating for a local Workforce Investment Board to change its policies and pilot a financial education component.
- **Simplify and coordinate public benefits programs.** Depending on the program, a state or local agency can take steps to simplify and coordinate public benefits. Agencies can accomplish this by using technology to reduce paperwork and streamline the intake and enrollment process. Programs can also better coordinate by aligning eligibility criteria and sharing data.

- **Recommend the network strategy as a preferred approach.** This can be accomplished through state plans for federal funding programs such as WIA, TANF and SNAP. State plans are updated periodically and require a public hearing process, which (in addition to in-person meetings with agency leadership) can be used to advocate for including and prioritizing the network strategy in state plans. Similarly, state-issued requests for proposals could prioritize the network strategy of service integration, at a minimum mentioning it as a best practice and optimally awarding points for its inclusion by responders.
- **Align funding streams to support the strategy.** In states with budgetary issues, it may prove effective to align funding and, where possible, to support WFSN programs. Working with key state agencies and aligning eligibility criteria, program activities and performance outcomes, the Working Families Success Network can help identify how to support its strategy through greater alignment. Examples include TANF and WIA, WIA Title I and child care supports, WIA and SNAP Outreach.
- **Launch pilot programs.** States can launch pilot programs within a segment of their service delivery programs to gather data and help gauge the impact of the strategy. This is an approach with limited risk for states with shrinking budgets.
- **Use of state-level funds.** Many states use their tax revenue to fund workforce programs or other supportive service programs. Service providers often have wide flexibility in how they spend these funds. The Working Families Success Network can work with state agencies to ensure that its strategy is eligible for funding in these programs.
- **Focus on data.** As at the federal level, improving data sharing and outcome measurements across state agencies will enable states to document the strategy's impact. To secure and maintain funding, the Working Families Success Network and its partners must understand the value of providing and analyzing outcome data in establishing credibility with both private and public sector partners.

## Conclusion

The Working Families Success Network has a prime opportunity — right now — to build and flex our policy advocacy muscle to help low-income families achieve financial stability. The network's strategy offers a well-coordinated set of services — financial coaching and education, employment and improved access to public benefits — to help people get the education and skills they need, find jobs and establish careers, build assets and improve their financial security.

But the strategic footprint needs to be bigger. We can do even more to support working families if we work together to focus our national and state advocacy efforts on the recommendations made above. By working together more effectively in a coordinated policy advocacy effort, we can do even more to ensure all families have the opportunity for a good, productive life.

For more information on this research and methodology, contact Laura Scherler, director of income for United Way Worldwide, at [Laura.Scherler@unitedway.org](mailto:Laura.Scherler@unitedway.org).

For more information on the Working Families Success Network, visit [www.workingfamiliesuccess.com](http://www.workingfamiliesuccess.com).