



Moving Families *toward a Brighter Future*

A presentation for:

Promising Pathways: Innovation Institute

- **Innovation Through Evidence Informed Practice**

March 13, 2012



Ways to Work At a Glance

- Unique asset development, economic self-sufficiency program and CDFI
- Serves hard working families with challenging credit histories but also the demonstrated will to succeed
- Combines financial education, counseling, affordable loans and case management with high expectations and real-world accountability

The Ways to Work Approach

- Focused financial education for all applicants
 - ✓ household budgeting
 - ✓ reviewing/repairing credit report and score
 - ✓ “just-in-time” financial education class
- Low interest, character-based loan with real-world expectations for repayment
- The car serves the family and the program
- Case management services maximize success with the loan

The Ways to Work Loans

- Loan values up to \$6,000 – flat 8% interest rate
- Loans carry 24-60 month repayment terms
- Typical monthly payments of \$150 to \$220
- Borrowers save \$750 to \$3,000 in interest alone vs. their alternatives (Buy Here, Pay Here Lots)

The Ways to Work Model

- Franchise-like business model
- All client work performed by local agencies
- Program support, management, lending and evaluation performed centrally by WtW
- Combines private capital and client payments with public and private grants, some fee-for-service contracts

Current Scale

- Currently has 55 offices in 23 states
- 12 new / expanded offices in development in three new states
- Originated \$10M in new loans to 2,200 families during the past two years (2010-2011)
- Provided ~3,500 complete financial education experiences in 2011
- Current 24-month repayment rate is >88%

Genesis & Development of WtW

- Product of early 80's welfare reform
- Client driven solution evolving from focus group interviews
- Initial replications were islands-no centralization
- Centralization originated around supply of resources
- Next stage was focused on best practice definition

Transition to Scale & Sustainability

- Centralized lending platform – key to manageability
- Centralized program data platform – must control the core
- Continuously streamline program delivery – make it easier, less costly
- Communicate the scaling plan – all partners moving together
- Commit to 3rd party evaluation – the glue that holds it all together

History of WtW Evaluation

- Self-generated output data collected via monthly operator reports
- In-house outcomes surveys, little statistical analysis
- Third-party longitudinal studies with purchased data
- Third-party outcomes plus quasi-experimental design, initial ROI calculations

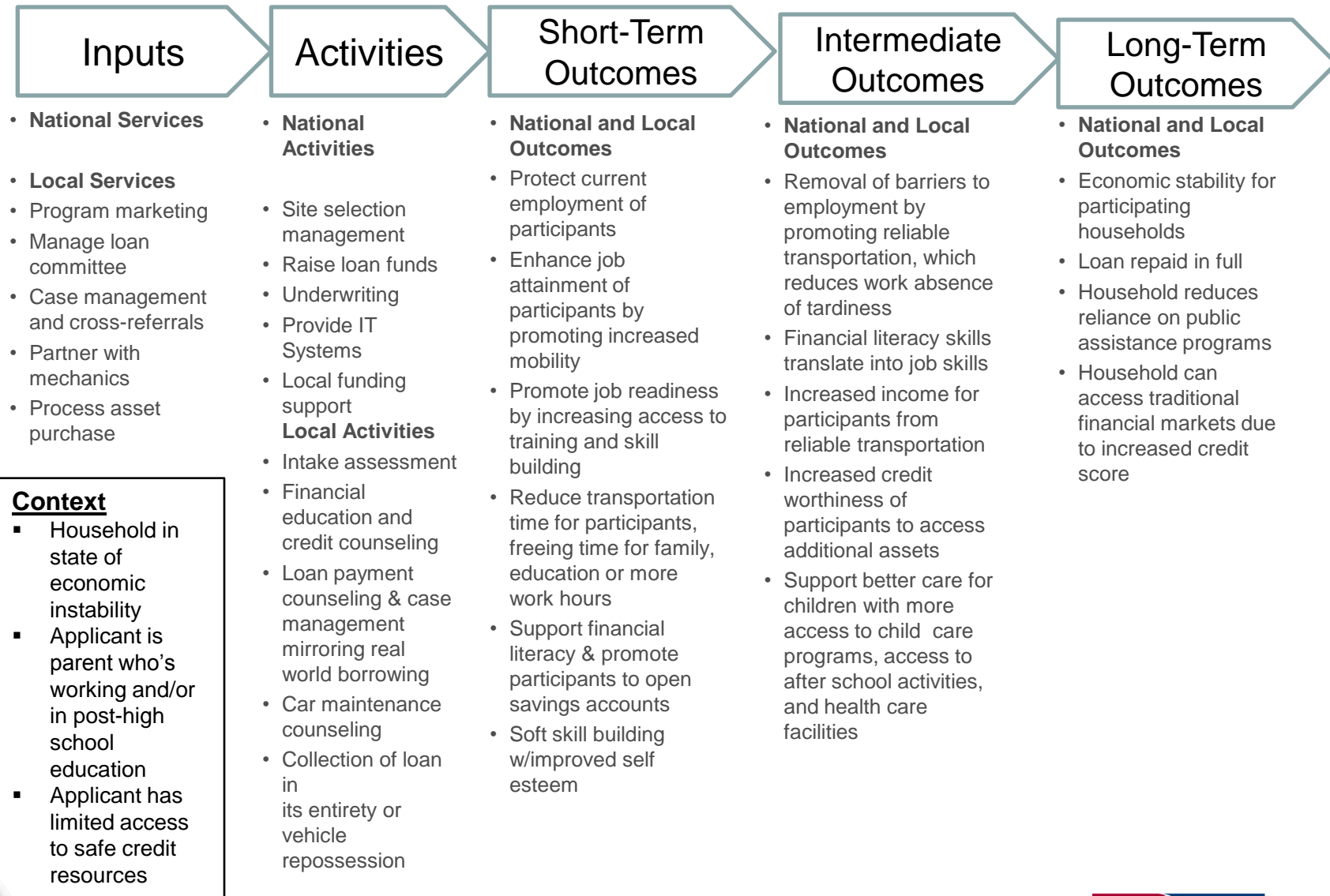
Key Challenges to Good Evaluation

- Internal studies lack credibility, challenges staff expertise
- Access to and ownership of the needed data
- Demographic challenges of client base
- Audience expectation for frequency of renewal
- It is expensive!

...But it is worth it!

- Allows meaningful checks/enhancements to theory of change
- Validates best practices in program design, facilitates continuous improvements
- Protects program design from well-intentioned meddling
- Lends credibility to policy work/systems change
- Powerful addition to philanthropic case for support

Ways to Work Theory of Change



Ways to Work 2011 Evaluation Design

Program Evaluation	Credit Impact Study	Return on Investment
<ul style="list-style-type: none"> • Borrower survey • Local site survey • Community-level data • Interviews 	<ul style="list-style-type: none"> • Quasi-experimental • Propensity score analysis • Comparison of Ways to Work borrowers with non-borrowers 	<ul style="list-style-type: none"> • Monetize the benefits of the Ways to Work program for partners and participants • Compare benefits against investments and extrapolate over time
Track progress towards goals and refine approach	Separates program impact from environmental factors	Exhibits value of program

Making a Difference, Changing Lives

- Powerful market-based intervention for low-income families
- Evidence-based program design & outcomes
- Financial leverage and earned revenue imbedded in program and business model
- Lasting, meaningful change in economic status & quality of life for most clients

“Having a car has been a very big help to me, and to the entire family. Ways to Work helped me repair my life – not just my credit.” Ways to Work Client



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