

Moving Families Toward a Brighter Future




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What is Ways to Work?

...Ways to Work[®] is both a program and a corporation

This unique economic empowerment program provides loans to help hard-working families:

- Get to work and school
- Bring children to daycare
- Complete daily household tasks

The programmatic goals are to:

- Solidify position in the workforce
- Build financial literacy and capacity
- Attain self-sufficiency

As a non-profit Community Development Financial Institution (CDFI) based in Milwaukee, WI – the organizational goal is to continue our scaling efforts towards replicating the program nationally - providing training, funding, and oversight to the affiliates operating the WTW program

Ways to Work[®] Specifics

Program Model Overview and Timeline

| Four to Six Weeks | | | Loan Closing | 24 – 30 Months | |
|---|---|---|---|---|---|
|  |  |  |  |  |  |
| <p>Local office executes a marketing plan to create inquiries</p> <p>Applicant calls local office to receive info on WTW – and referred (Intake) into WTW Orientation / Financial Ed. Class</p> | <p>Applicant schedules appointment with Local Loan Officer to process application and perform interview. (budget creation, loan repayment ability, credit review, and personal statement)</p> | <p>Applicant is presented to Loan Committee for approval or denial based upon the client's character and likelihood of repayment.</p> | <p>Client finds car, and has an approved inspection.</p> | <p>WTW National funds the loan. Local Loan Officer performs loan closing.</p> | <p>Client support and program completion through Case Management.</p> |
| Client is charged: 8% interest & \$50 closing fee | | | | | |

Who are the Ways to Work[®] Clients?

The typical borrower:

- Single parent home; one or more children
- Employed; meets federal low-to-moderate income (LMI) standards
- Damaged or non-existent credit history
- Dedicated to improving family economic prospects

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 – real expectations for repayment
- Personal case management services maximize success of loan repay

The Ways to Work[®] Model

- Franchise-like business/risk model
- Real-world experience for the client, but at lower cost and with more support
- Client work performed by local, multi-service agencies which also guarantee the loans
- Program support, oversight and lending performed centrally by Ways to Work, Inc.
- Combines private capital, client payments with public and private grants, and fee-for-service contracts

Impressive Results!!!

From 2011, 2009, and 2006 program evaluations:

- Taxpayers saved **\$18.2 million**, or about \$3,775 per borrower from 2007 – 2010.
- The combined total annual benefit to all stakeholder audiences is projected to be about **\$57.7 million** for loans made to 4,771 borrowers, an approximate **250 percent return**, or **\$2.50** for every **\$1** invested.
- Nearly **50%** of participants received a promotion or pay increase since receiving their loan while national wages fell by 4.9%

Impressive Results!!! (cont'd)

From 2011, 2009, and 2006 program evaluations:

- **90%** reported the car helped them maintain or advance in their employment
- **50%** accessed education or job training with the car
- **82%** of (former) government cash assistance clients continued to be self-sufficient after paying off their loan
- Credit scores **improved** during *and* after program participation; improvement continues in subsequent years
- More than two-thirds of clients "**get banked**" by traditional financial institutions within 36 months

2011 Results and 2012 Objectives

Significant Investors:

\$12 million in PRI / Loan Capital from:
Bank of America, Annie E. Casey Foundation,
Calvert Foundation, Prudential, Kresge
Foundation

Over \$6 million in Grants:

- Walmart - \$2 million – 2nd Investment
(\$4.5 million since 2009)
- Kresge - \$375,000
- Department of Treasury - \$4 million

2011 Results and 2012 Objectives

- ❖ Provided a record \$5.8 million in loans to 1200 families in 2011 – a **40% increase** in lending dollars
- ❖ Serving approximately 4,800 families annually with focused financial education
- ❖ Current 24-month **repayment rate is ~90%**
- ❖ A goal of lending \$9 million dollars to 1700 families in 2012 – **60% growth** over 2011
- ❖ **12 new/expanded offices** in development across 5 states
- ❖ Pilot of **new products** - Foster Care, Military/Employer embedded programs, and virtual counseling services



Ways to Work® and Community Reinvestment Act - Touch Points

- *Opportunities are available both at the local and national level!!*
- Significant service test opportunities
- Investment test credit through financial support of local operations
- Lending test credit through participation in national loan pool

Specific Examples for CRA Opportunity with Ways to Work® Affiliates

| Project Activity | Volunteer Activity Description And Time Commitment | In-Kind Opportunities |
|---|---|--|
| Financial Education | Formal Classroom education required by all applicants for loans. Average class size is 15 & training materials provided by Ways to Work®. Total time monthly: 2.5-10hrs | Provide in-kind donation of classroom space w/capacity for 20+ people. |
| Loan Underwriting | Client underwriting analysis is done by a volunteer loan committee comprised of community representatives. Total time monthly: 1.5-6hrs | Provide in-kind donation of meeting space for 5-6 people. |
| Grant to Program For Individual Financial Education | Individual financial education & coaching is program requirement. Household budgeting, and credit & loan education are all part of the one-on-one training administered by program staff. A grant for this function may satisfy the community development service test, or may be viewed as an investment activity. Total time per month: 80 hrs Total cost per month: \$2,400 | |

Specific Examples for CRA Opportunity with Ways to Work® Affiliates con...

| Project Activity | Volunteer Activity Description And Time Commitment | In-Kind Opportunities |
|--|---|---|
| Access to Financial Services | During or prior to loan closing, Bank of America SF staff would have the opportunity to offer financial services that are relevant to program. Total time per month: 1 – 2hrs | Provide in-kind office space for 2-4 people for the activity described in the box to the left. |
| Client Screening & Counseling | N/A | Provide in-kind office space for 2-3 people where WTW staff can meet with applicants. Could be 8-40 hrs/week. |
| Provide: <ul style="list-style-type: none"> • Checking/Savings accounts to WTW clients • Follow-up on Loans to WTW clients | Bank Specific | |

*All opportunities can be attached to an Operating Grant for the local program to satisfy the Community Development Investment test.

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Questions, comments, ideas...



Please contact me, I'd love to discuss the program with you!

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