



WHAT WE'RE DOING

Every year billions of dollars in earned benefits – public and private assistance programs like tax credits, nutrition assistance programs, and medical coverage, which can enhance a family's social and economic stability – go unclaimed by eligible, low-wage workers. Meanwhile, financial difficulties and poverty-related stresses significantly impact their performance, costing \$200 to \$300 billion annually in absenteeism, tardiness, turnover, and lost productivity. Employers struggle to find ways to resolve this dilemma. Yet few organizations, including nonprofits which employ over 3 million low-wage frontline workers, have explored the possibility of connecting employees with earned benefits as a way to contribute to their wellbeing, while improving workplace success.

Earned benefits can have a profound impact on a low-wage employee's financial stability and ability to care for themselves and their families. The Earned Income Tax Credit and Child Tax Credit alone, for example, can effectively raise an \$8 per hour wage up to \$11 and a \$16k salary to \$21k. Combined with the full suite of earned benefits, including everything from Food Stamps and Medicaid to child care subsidies and energy assistance, these programs not only serve as a major income booster, but also enable low-wage employees and working families to cover all the basic needs.

In part, the reason why so few employers currently promote these benefit programs is due to the fact that at present there is no existing widespread workplace-based system that enables low-wage workers to easily learn about and apply for multiple benefits at once. By leveraging the National Human Services Assembly's expertise in workplace benefits outreach campaigns with Seedco's revolutionary EarnedBenefits™ technology, however, we have developed a solution that meets this challenge head on:

Employee-access to on-site HR support for the entire benefit application process – from being informed about benefits that they and their families might be eligible for to getting enrolled through the online system in one sitting.

Over the next three years, NHSA and Seedco will test this concept of integrating benefits enrollment into the traditional HR function. The project will work with three of NHSA's national partners to launch eight pilot sites with local affiliates in four cities. Each of the participating affiliates will receive funding to underwrite a designated part-time HR Benefits Specialist. This individual will oversee the on-site outreach and enrollment processes of the program, with training and support provided by NHSA and Seedco. Earned benefit enrollment is slated to begin during open enrollment in fall 2011.

These pilots will serve as a way to identify efficient, replicable methods for incorporating benefits outreach and technology-based enrollment into HR practices, while offering a chance to prove that conducting benefits enrollment in the workplace is an effective way to augment uptake rates and simultaneously increase organizational success. To demonstrate this, enrollment data will be collected from pilot sites along with employee turnover and absenteeism rates, and other key measures related to the business case for workplace enrollment.

STRENGTHENING NONPROFIT WORKPLACES. SUPPORTING AMERICA'S WORKING FAMILIES.

WHO WE ARE

The National Human Services Assembly is an association of the nation's leading national non-profits in the fields of health, human and community development, and human services. Through peer networking and other forums for collaboration, the Assembly serves as a learning community for sector leaders and a way for national human services organizations to identify and test practices that will strengthen the sector, improve how we do business, and better serve clients and constituents. Two of the Assembly's major areas of focus include family strengthening and nonprofit workforce development, and since 2008, has made working to promote "caring workplace practices" – practices that contribute to employee wellbeing and organizational success – including employer sponsored benefits access a priority.

Seedco is a national nonprofit organization that works with local partners to create economic opportunities for disadvantaged job seekers, low-wage workers, and neighborhood entrepreneurs. Seedco's flagship asset building program is an innovative work supports initiative, *EarnBenefits*, which it develops and implements through partnerships with employers, faith and community-based organizations (FCBOs), government agencies and foundations. *EarnBenefits* uses a state of the art technology tool – *EarnBenefits Online (EBO)* – and facilitated enrollment services to connect low-wage workers to a range of income-enhancing public and private benefits, such as tax credits, food stamps, health insurance, and bank accounts. The program was initially launched in New York City in 2003 in partnership with the United Way of New York City. *EarnBenefits* has expanded to Atlanta, Baltimore, Buffalo, Connecticut, Louisville, Memphis and Tulsa.

WHO WE'RE WORKING WITH

In order to best test the efficacy of integrating benefits enrollment into the HR function, our local-level pilot participants include affiliates from :

- ➔ Catholic Charities USA
- ➔ Goodwill Industries International
- ➔ United Neighborhood Centers of America

All 8 pilots are multi-site agencies that provide direct care services — such as child care, family and senior service centers, nursing home care and home health assistance, and residential treatment programming — with frontline Employee populations ranging from 500-6000.



THE EARNED BENEFITS SUITE

TAX CREDITS

Earned Income Tax Credit

Up to \$5657 in cash for eligible families, simply by filing taxes.

Child Tax Credit

Up to \$1000 per qualifying child for any worker who earned more than \$3000 in 2009.

Child and Dependent Care Credit

Up to \$2100 in non-refundable credits for workers who pay for caregiver expenses.

American Opportunity Tax Credit

Educational credit for tuition and expenses for undergraduate students worth up to \$2500.

BENEFITS FOR THE HOME AND FAMILY

Low-Income Home Energy Assistance Program

Helps low-income families pay for basic household heating or cooling expenses and home weatherization.

Foreclosure Assistance Programs

Help eligible homeowners modify loans or refinance their mortgages so that they're more affordable.

Rental Assistance

supports renters by providing safe, affordable rental options

NUTRITION AND HEALTH BENEFITS

Supplemental Nutritional Assistance Program (Formerly known as Food Stamps)

Enables lower-income families to buy healthy foods

Women, Infants, and Children

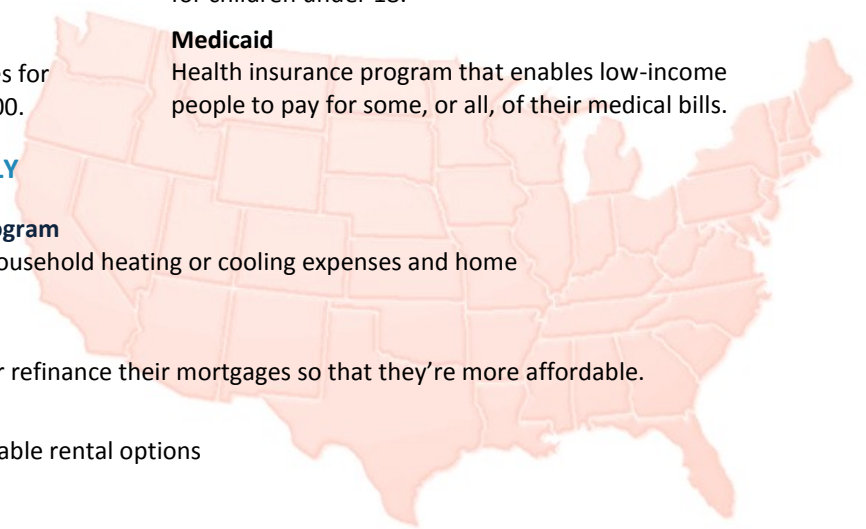
Helps to cover nutritional and health needs for low-income women with young children.

Children's Health Insurance Program

State-based program that helps families or medical care for children under 18.

Medicaid

Health insurance program that enables low-income people to pay for some, or all, of their medical bills.



WHAT'S NEXT

We envision that successful planning and implementation at the local-level will take two years, with the goal of conducting enrollment during the 2011 open enrollment period, which in many instances will occur from September-December 2011.

Currently, we are in the final process of selecting local-level partners and pilot site cities. Once determined, the next steps will include:

- Securing an HR Benefits specialist at each site to oversee enrollment and outreach and providing any necessary training
- Conducting onsite assessments to evaluate the workforce and organizational structure
- Co-developing individualized pre-enrollment benefits outreach strategies to be employed in 2011
- Getting technology and data collection methods in-place to conduct enrollment and track data by open enrollment period in September 2011

THE EMPLOYER PERSPECTIVE

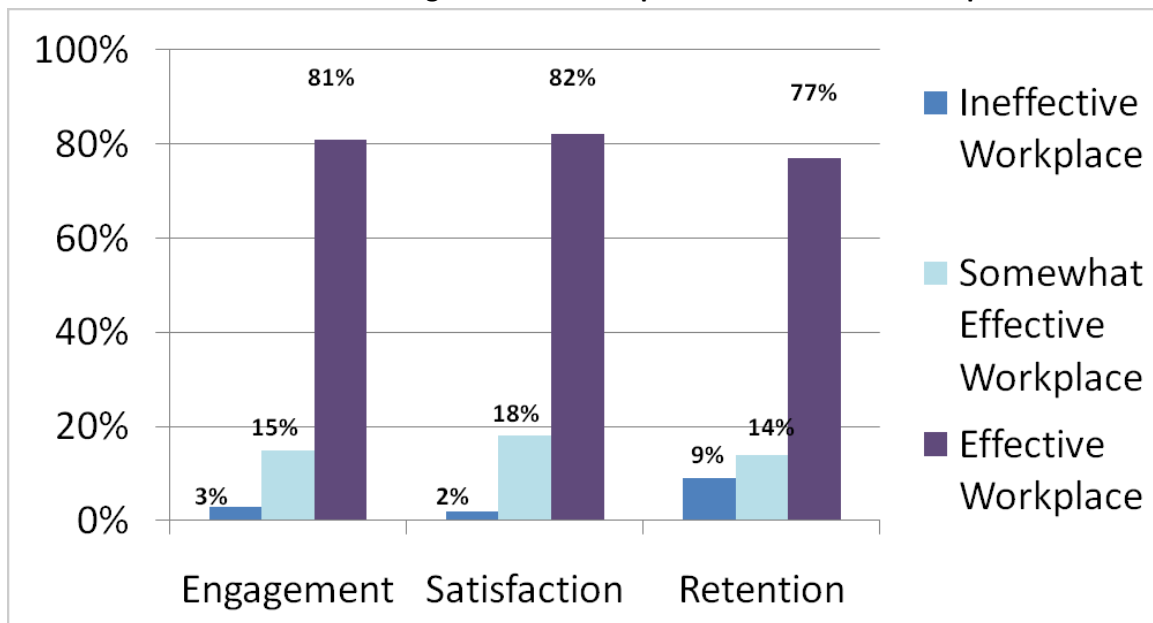
Eared benefits can play a direct role in enabling ***an organization to better carry out its mission and serve its clients.*** Connecting employees with earned benefits has traditionally fallen outside of employer responsibilities for most organizations. Contemporary research shows, however, that there are significant advantages to empowering and valuing employees, which includes contributing to their wellbeing through practices like workplace wellness initiatives, worker access to medical benefits as well as supports for caregivers and working parents. The studies confirm — ***stable and successful employees mean a stable and successful workplace.***

Decreased Absenteeism - Routine illness accounts for 29% of absenteeism and problems with child care account for another 22%. Earned benefits like Medicaid and CHIP offer medical coverage for uninsured and underinsured adults and children, while federal funding allows states to provide their own child care subsidy programs. By connecting workers and their families with these readily available health and child care options less disruptions will occur at work.

Savings on Expenditures and Improved Retention - It can cost an employer \$12000 to find and train an employee who earns \$16000. Especially among low-wage employees, including direct care staff like home health aides and child care workers, ***annual turnover rates can be extremely high — averaging around 50% according to some studies.*** This not only leads to profit-loss, but can also have an effect on the quality of service delivery and a loss of institutional knowledge. Supplementing earnings with benefits is proven way to reduce turnover.

Greater Commitment and Morale - Facing significant stress outside the workplace can make committing to one's job and finding the motivation to be productive at work a real challenge. Helping to ease this by making it so an employee doesn't have to worry about putting food on the table or paying the bills at the end of the month makes it possible for them focus more of their attention and energy on mission success. Moreover, ***providing these kinds of supports demonstrates an investment in employees as individuals and valued team members, which according to Gallup Polls is actually one of the most important factors driving employee engagement.***

The Proof is in the Pudding: Effective Workplaces vs. Ineffective Workplaces*



*An effective workplace demonstrates commitment to employees by providing benefit access and support programs along with other opportunities for career advancement and roles in decision-making, which leads to greater organizational and mission success.

THE EMPLOYEE PERSPECTIVE

Earned benefits are a crucial way for lower-income workers and their families – or anyone struggling to cover basic expenses – to achieve financial stability by bridging the gap between their income and budgetary needs. This not only means they’re able to make ends meet, but it leads to greater personal and professional success as well.

Unclaimed Earned Benefits — Only 7% of American families claim all four of the major earned benefits — tax credits, medical care, child care and food assistance. There are three main reasons for this low uptake rate:

1. Lack of awareness on eligibility
2. A complicated and overwhelming application process
3. Stigma

Bringing the earned benefits enrollment process into the workplace addresses each of these issues head on. Having a trusted benefits specialist to walk employees through the entire screening and enrollment process will keep low-wage workers in the loop about assistance programs they may not otherwise know about *and* does so in a way that removes the stigma of applying.

Supplementing Low Wages - Above all, earned benefits are a way to supplement low-wage employees’ earnings in cash and in-kind services. The median hourly wage for a child care worker today is \$8.39, while home health care professionals earn around \$7.94. Given these rates, a single parent with two children, working as a caregiver at a nursing home facility, won’t even earn enough to meet \$18,310, the Federal Poverty Level (FPL) threshold for a family of three.

After factoring in a possible \$600 a month in state sponsored childcare subsidies and savings in health insurance, \$500 in Food Stamps, \$250 for energy and utilities assistance, and another \$600 in tax credits, however, the family’s new monthly income has more than doubled. Not only will they be able to cover her basic bills and provide her children with healthy foods, but will even have some money left over to put towards other expenses.

