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Levi Strauss & Co.'s Worker Well-being in Haiti  
**INDEPENDENT EVALUATION REPORT**



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## Executive Summary

This report describes the findings of an external evaluation of two programs implemented under the Levi Strauss & Co.'s (LS&Co.) Worker Well-being initiative in Haiti, which was piloted at Grupo M's CODEVI manufacturing complex in Ouanaminthe. While Worker Well-being in Haiti includes a range of programs, this assessment focuses on two specific Worker Well-being interventions: a financial literacy course and a program that enables access to cost-saving products. The programs were implemented with financial support from the Levi Strauss Foundation (LSF), Columbia Sportswear, and Grupo M. A local non-governmental organization, Community Enterprise Solutions (CES), and Grupo M led the implementation. MANAUS Consulting carried out the external assessment between 2013 and 2015.

The evaluation combined quantitative and qualitative research methods, including stakeholder engagements, surveys and focus groups discussions with workers, and desk reviews of internal project documents and monitoring data. It collected information from 516 workers, including program participants and non-participants, and over 10 stakeholders were interviewed. The evaluation arrived at results by statistically comparing the responses of workers who did not participate in the programs to those who did participate. Both interventions were implemented independently and workers could join both programs.

The following are the most relevant findings of the evaluation:

- Participants of the [financial literacy program](#) had increased use of savings mechanisms, primarily the CODEVI savings account; increased frequency of debt repayment; and improved perceptions around saving capacity, debt management, and ability to respond to unexpected costs.
- Participants in the [cost-saving products program](#) also experienced substantial benefits, such as the reduction of household expenses, savings related to light generating products, and health improvements. The program also contributed to the objectives of the financial literacy program by allowing workers to save money by replacing traditional products with the cost-saving ones and to use these savings for unexpected emergencies or paying off debt.
- The interventions also led to important [business benefits](#) related to workplace satisfaction. Workers' opinion of Grupo M improved as a result of participating in the programs and knowing that the vendor supported both interventions. If sustained in the long-term, improved employee satisfaction can lead to increased productivity.
- Despite the short implementation timeframe, the benefits of the two interventions were compelling enough to secure [vendor ownership and sustainability](#) of the programs. As a result, Grupo M will continue to implement the two programs and scale them up, even reaching other factories outside of Ouanaminthe.

### Worker Well-being

Worker Well-being was conceived by the LS&Co. as a new approach to supply chain engagement. The initiative goes beyond labor compliance and collaborates with suppliers to implement programs that improve the lives of apparel workers in locations where LS&Co. products are made. LS&Co. believes that investments in the well-being of workers enable a more conducive business environment, generating shared value for workers and factories. In Haiti, Worker Well-being includes a series of programs, such as a financial literacy training, access to cost-saving products, and a health program targeted at women (HERhealth).



## Introduction

The Levi Strauss & Co.'s (LS&Co.) established the Worker Well-being initiative as a new approach to supply chain engagement and collaborate with its suppliers in the implementation of programs that go beyond labor compliance to improve the lives of apparel workers. LS&Co. believes that investments in worker well-being enable a more conducive business environment, generating shared value for workers and factories. The initiative has been piloted in five countries and covers a range of programs. In Haiti, Worker Well-being was piloted at Grupo M's CODEVI manufacturing complex in Ouanaminthe and includes a series of interventions, such as a financial literacy training, access to cost-saving products, and a health program targeting women (HERhealth). This report presents the findings of an external evaluation of two of these interventions: a financial literacy course and a program that enables access to cost-saving products.

The financial literacy program aimed to change workers' financial practices by increasing their understanding of key financial topics, encouraging savings, and promoting better allocation of expenses. Out of the 726 workers who started the financial literacy program, 449 (62%) completed the entire course. The cost-saving products program sought to provide workers with access to various technologies that offer efficient and healthier alternatives to traditional products, such as solar lamps, solar-charged radios, and water filters, among others. A total of 2,491 workers participated in the cost-saving products program, which represents over a third of the total workers employed at CODEVI.

The evaluation combined quantitative and qualitative research methods to provide a comprehensive picture of the context and key outcomes of the two interventions. These research methods included interviews with stakeholders, surveys and focus groups with workers, and a desk review. The evaluation arrived at results by statistically comparing the responses of workers who participated in the programs with those who did not. The evaluation took place between 2013 and 2015.

The first section of the report briefly describes the evaluated interventions, including the number of participating workers, implementation process, and main outputs. The second part presents the most relevant findings of the evaluation, both quantitative and qualitative, as well as the identified areas for improvement for each intervention. The third section of the document describes the observed impact of the interventions on business outcomes and vendor ownership. The fourth section presents the most important lessons learned throughout the implementation of the initiatives. Lastly, the report presents major conclusions based on the findings of the evaluation.

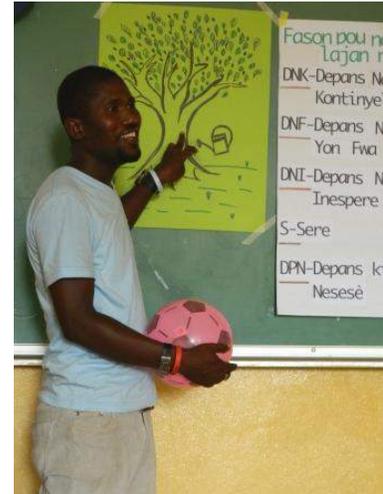




## Methodology

The evaluation employed a mixed-methods methodology that combined quantitative and qualitative research elements. The quantitative portion of the study included face-to-face surveys with 516 randomly selected workers, including program participants and non-participants, with nearly equal gender representation in the survey. The qualitative component included five focus group discussions with workers, stakeholder engagements, and desk reviews of internal project documents and monitoring data. Over 10 stakeholders involved in the implementation of the programs and Worker Well-being were interviewed. Focus groups involved 42 workers who participated in both programs, workers that completed the entire financial literacy course, as well as those who participated but did not complete the course.

Qualitative data was reviewed and cross-referenced to arrive at the findings presented in this report. In the case of the quantitative findings, the evaluation drew results by statistically comparing the responses of workers who did not participate in the programs to those who did. It is important to note that both interventions were implemented independently and that workers could join both programs. To maximize the time spent at CODEVI for the external evaluation, the sampling for the assessment gave preference to workers who participated in both programs, allowing evaluators to interview one worker and collect information on both interventions. MANAUS Consulting carried out the external assessment between 2013 and 2015.



Though the evaluation methodology provided a comprehensive understanding of key accomplishments and challenges of the pilot programs, it is limited in establishing causal associations between the programs and the identified results. This is primarily due to the absence of a control group and the fact that program participation is voluntary (i.e., workers self-select themselves into the programs). Not having a control group prevented evaluators from observing changes that might have happened regardless of the implementation of the programs, thus making it difficult to isolate results that were produced exclusively by the programs and those that were produced by other external factors (e.g., government programs, overall improvement in local/national socio-economic conditions, etc.). Self-selection into the programs implies that workers who chose to participate in the programs may have different characteristics to those who did not. Though program participants and non-participants had similar socio-economic characteristics, there are unobservable factors—such as personal motivation—that can significantly contribute to deciding whether to join a program or not. This is known as self-selection bias. This bias could have been addressed by randomly assigning workers into the programs, as opposed to letting workers choose to join. However, it was not possible to adopt this approach given the nature of the worker well-being programs.

Despite these methodological limitations, the selected methodology produced important qualitative and quantitative results that provide a comprehensive understanding of the programs' main outcomes and limitations, as well as the identification of key lessons learned that could help improve the design and implementation of these initiatives in Haiti.



## Financial Literacy and Cost-saving Products

The financial literacy and cost-saving products programs were implemented with financial support from the Levi Strauss Foundation (LSF), Columbia Sportswear, and Grupo M. A local non-governmental organization, Community Enterprise Solutions (CES), and Grupo M led the implementation.

### *Financial Literacy Program*

The financial literacy program was developed to change workers' financial practices by increasing their understanding of key financial topics, encouraging savings, and promoting better allocation of expenses. Classroom trainings addressed savings strategies, household budget, and spending priorities and were complemented with required activities, such as maintaining a household budget for a month. The program was piloted for approximately six months between May and November 2014.



Workers completing the different program phases were rewarded with vouchers that could be exchanged for cash or deposited to their CODEVI savings account. When choosing to deposit their reward, workers were asked to match the voucher amount. However, CES and Grupo M did not enforce this program requirement. CES developed a Family Financial Audit (FFA) form to determine which workers needed the program most. Of the total 6,800 workers employed at CODEVI, 4,735 (70%) received the FFA. Out of the 726 workers who started the financial literacy program, 449 (62%) completed the entire course.





### Cost-saving Products Program

The cost-saving products program aimed to provide workers with access to various technologies that offer efficient and healthier alternatives to traditional products. Products offered through the program included solar lamps, solar-charged radios, cook stoves, and water filters, which sought to substitute reoccurring costs on items like candles and kerosene, as well as to reduce the cost associated with cooking with large amounts of charcoal on open air stoves. Workers could purchase the products by paying in installments through CODEVI's savings plan.

According to CES, these products have a direct economic impact on workers and can lead to savings of US\$ 44-154 per year. These are significant figures given that CODEVI workers earn on average US\$ 35 per week (approx. \$1,800 a year), amounting to savings equivalent to 2%-9% of a worker's income per year.

As of December 2014, a total of 2,491 workers participated in the cost-saving products program—over a third of the total workers employed at CODEVI. The most commonly purchased items among workers were solar lamps, which accounted for over 80% of total purchases.

Cost-saving products sold at CODEVI as part of Worker Well-being





## Major Social Program Results

This section presents the most important findings of the assessment. Where relevant, findings are broken down by program participation. The first part of this section describes key individual and household characteristics of the interviewed workers to provide context to the results presented later in this section.

### Demographic and household characteristics

The average interviewed CODEVI worker is 29 years old who is either married or living with a partner, has a low level of schooling, and lives in a household that largely depends on his/her CODEVI income. Most interviewed workers did not complete high school education, with less than a third (27%) having completed high school and only 2% having some college education.

Nearly 90% of interviewed workers said their household depends on their CODEVI income and half said that 3 to 5 household members depend on such income. The average CODEVI income of interviewed workers is 1,625 Haitian gourdes (HTG) a week (US\$ 35), while the country's minimum wage is HTG 1,125 (US\$ 27) for a workweek of five days for garment workers paid by piece rate. Although the average CODEVI salary is higher than the country's minimum wage, such average salary may include overtime hours performed by workers.



29 years old (average)



58% completed 2<sup>nd</sup> fundamental cycle (incomplete high school)



56% of workers are either married or live with a partner



The average household size of a CODEVI worker is 5 members



89% of workers said their household depends on their CODEVI income



24% of workers have a household member also employed at CODEVI



Workers make on average HTG 1,625 per week (approx. US\$ 35)



50% of workers said 3-5 household members depend on their CODEVI income

**Food** is the top expense category for workers. Over two-thirds (68%) of interviewees ranked food as their top expenditure.



**Food**  
68%

The next highest expense category is **education**, with one-third of workers (33%) mentioning this category as a top household expense.



**Education**  
33%

26% of interviewees mentioned **health and medicine** as their highest expense items, making this the third top expense category.



**Health**  
26%



### Financial perceptions and behaviors

The financial literacy program produced important results on workers’ financial perceptions and behaviors. Specifically, it positively affected factors such as the use of savings mechanisms, debt repayment, budgeting, and perceptions around saving capacity, debt management, and ability to respond to unexpected costs.

In regard to **savings mechanisms**, the evaluation found that most interviewed workers (96%) use the CODEVI savings account. This is an important finding considering that only 60% of workers have a personal savings account (i.e., other than the CODEVI savings account) and only 30% said to have a household member who has a personal savings account. These figures show the importance of providing workers with formal and accessible savings mechanisms, removing access barriers, and raising awareness on how to use these financial vehicles and their benefits.



A higher proportion of workers who participated in the financial literacy program (100%) use the **CODEVI savings account** compared to workers who did not participate (92%) in the program.



98% of program participants chose to deposit their vouchers in the CODEVI savings account. However, this figure may have been lower if CES and Grupo M had enforced the program requirement that asked workers to match the voucher amount.



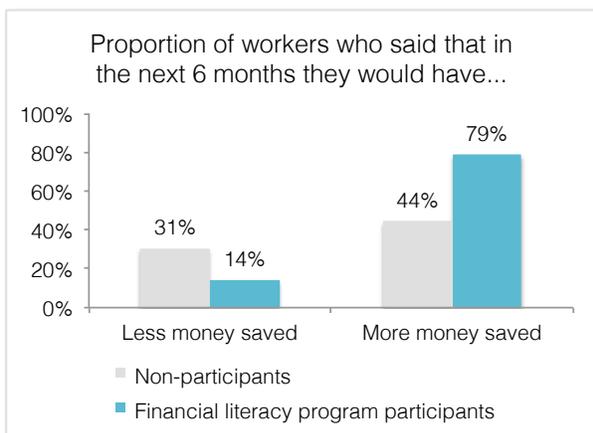
All workers who use the CODEVI savings account make **deposits on a weekly basis** and most of them (75%) deposit **HTG 1-600 (US\$ 1-13)** per week.



Only 25% of these workers make monthly or less frequent withdrawals. A **majority (47%) withdraws money irregularly**, whenever they need to.

As for **perceptions around saving capacity**, a majority of interviewed workers (60%) believed they could save more money in the next six months. This figure is significantly higher among workers who participated in the Worker Well-being intervention. Nearly **80% of financial literacy program** participants believed they could save more money in the next six months compared to 44% of non-participants.

Conversely, the proportion of workers who believed they would be able to save less money in the next six months is higher among non-participants. Only 14% of financial literacy program participants stated they expected to save less money while 31% of non-participants felt the same way.



*"[before the training] I did not have a good understanding of where my money was going. I spent a lot of money in nightclubs and clothing, but I now only spend on what I really need." –Program participant.*



In terms of **debt**, almost half (44%) of interviewed workers had debt and this figure was similar between program participants and non-participants. Over two-thirds of these workers (65%) said their household owes between HTG 1,000 and 10,000 (US\$ 21-212), with most of them (39%) owing between HTG 5,000-10,000 (US\$ 106-212). One-fourth (25%) of interviewed workers owe over HTG 10,000 (US\$ 212).



44%

of interviewed workers said their household currently has debt



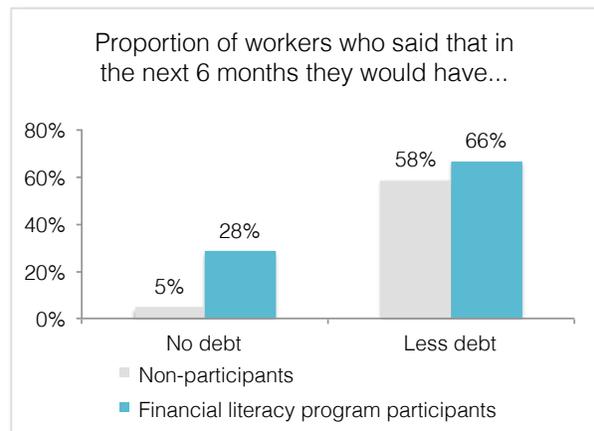
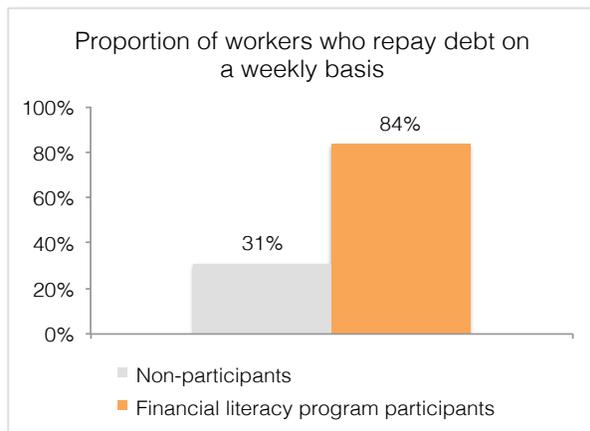
39%

of interviewed workers said their household owes HTG 5,000-10,000 (US\$ 106-212)

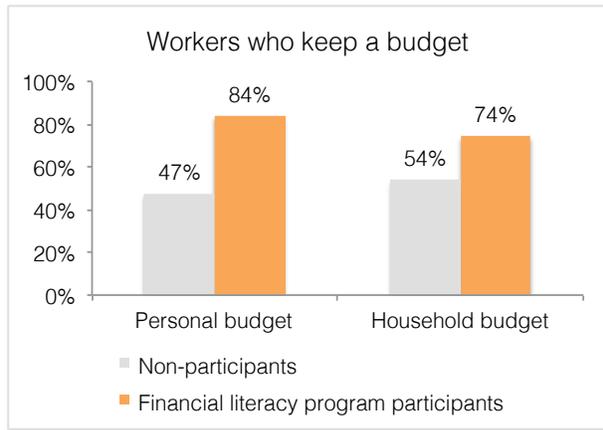
Most interviewed workers (57%) said they repay debt on a weekly basis, while a minority repays it less frequently—20% do so on a monthly basis and 4% on a bi-weekly basis. About 11% said they repay debt when they can. However, there were significant differences in debt repayment behavior between program participants and non-participants: **84%** of workers who participated in the **financial literacy program** repay debt on a weekly basis compared to 31% of non-participants.

The difference in **expectations about having no or less debt** in the following six months was also important between program participants and non-participants. Almost **95%** of workers who participated in the **financial literacy program** were confident that they would have no or less debt in six months compared to 63% of non-participants.

*"I used to take my paycheck every Friday and spend it. Nothing would go toward paying my debts. I now prepare a weekly budget for my expenses to not overspend and leave money for repaying debt."  
—Program participant*

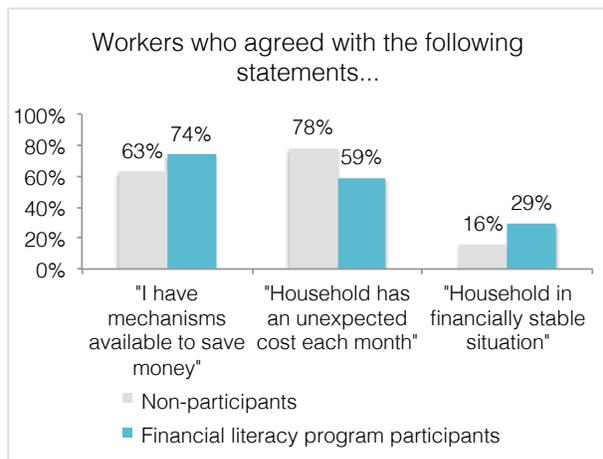


In regard to **budgeting**, almost two-thirds of workers (62%) said they keep a **personal or household budget**. However, this proportion was higher among program participants. About **84%** of workers who participated in the financial literacy program keep a **personal budget** compared to 47% of non-participants. Similarly, **74%** of workers who participated in the financial literacy program maintain a **household budget** compared to 54% of workers who did not participate.



*"What I liked the most about the course was to learn how to prepare a household budget. Now I can see where the money goes and I can save." –Program participant*

In order to further assess **perceptions about financial stability**, workers were asked whether they agree or not with a set of statements on saving mechanisms, unexpected expenses, and the overall financial situation of their household. There were significant differences in perceptions between program participants and non-participants, with program participants having a more positive impression of their financial stability.



The proportion of workers who agreed that they have **mechanisms available to save money** was higher among financial literacy program participants (74%) than among non-participants (63%). Likewise, 29% of program participants agreed that their **household has a stable financial situation** versus 16% of non-participants.

As for having **unexpected costs** on a monthly basis, financial literacy program participants (59%) agreed less with this statement than non-participants (78%).

**Greater opportunity for job promotion** is another benefit of participating in the financial literacy program. According to Grupo M, the human resources department records the participation of workers in the financial literacy program. Training participation is considered as a positive factor to promote workers. Because this evaluation was conducted shortly after the end of the pilot program, there was no information available yet regarding the number of workers promoted.

The **qualitative findings** of the evaluation **validated the quantitative results**. During focus group discussions, workers said they perceived tangible benefits from their participation in the financial literacy program. The following were benefits of the programs, as stated by workers:

- Learning how to keep track of the money that comes in and out of the household, as well as understanding what was really driving expenses. Before the program, workers often had the perception that most of their money was spent on basic items and activities, such as food or health. Once they started tracking their expenses in detail, some realized that a big portion of their income was allocated to non-basic items and activities, such as unnecessary clothing or alcohol



consumption. Others said that recording their income and expenses helped them realize opportunities for income-generating projects or increased savings.

- Understanding their real capacity to undertake debt. Some workers said that having a better sense of their finances helped them realize that they had to dedicate more of their income to repay their debt or that they were not in the financial situation to take on more debt. Others realized that they could save money instead of taking on debt.
- Using the voucher to save for specific purposes. Some program participants saved the voucher in their CODEVI accounts to establish a savings group (*sang* in Creole) with other participants. One worker bought a motorcycle with the group savings and turned it into a motor-taxi, which is producing additional income.
- Making a differentiation between short- and longer-term expenses. Some workers explained that the expense tracking and budgeting strategies learned in the course helped them realize how much they were spending on bad quality products. They learned that sometimes it is cheaper to make a one-time, larger investment in a high quality product than making recurrent smaller investments in less expensive, but lower quality products.
- Taking ownership for their financial situation and improving their perception of their employer. Workers said they often blamed their financial situation solely on their CODEVI income. After the training, they realized that part of the problem was related to not understanding how they were spending their income. Workers also said their opinion of CODEVI improved since they felt that the factory is delivering programs that benefit workers personally and not just professionally.

#### Areas for improvement



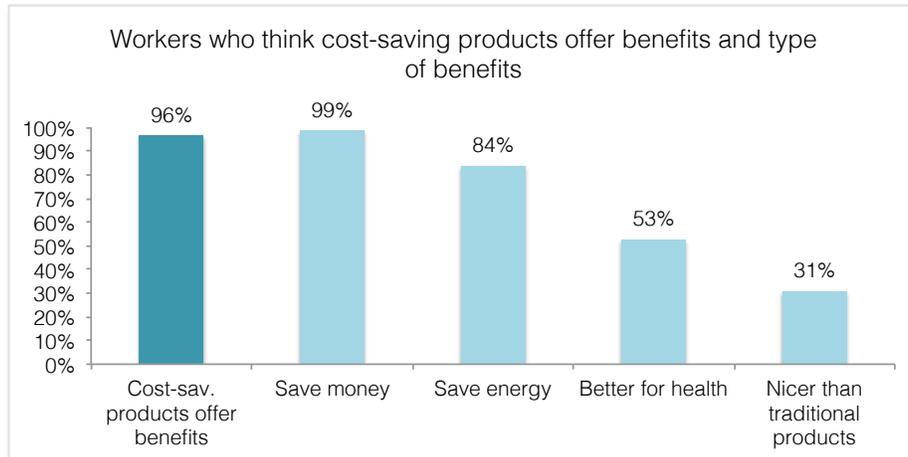
Despite the encouraging results from those that participated in the financial literacy program, findings show that the financial condition of workers is still fragile. For instance, only 8% of workers believed that their household had sufficient income to cover expenses in the six months preceding the interview, while 42% said they could not access HTG 500 within two weeks if they needed the money. This points out to a need for [continued and deeper training](#), as changes in financial behavior require more time and more knowledge to materialize. [This is an important finding given that Grupo M and CES wish to continue and scale up the program.](#)

Interviewed workers recommended offering [alternative training schedules](#) for those who work on Saturdays. This was primarily suggested by workers who joined the financial literacy program, but did not complete it. These workers recognized the value of the program, particularly in regard to saving strategies and household budgeting, but had difficulties fitting the schedule of the course into their work and personal schedules. A worker shared: “Some people only have the weekend to do household chores; others do not live in Ouanaminthe and have to pay transportation to attend the course. So, it is a sacrifice to attend the course over the weekend. I did it at the beginning but others can’t make such sacrifice. If there were alternative schedules, more workers would join the program. To me, the course was very useful and I want to complete it.”



### Use of the cost-saving products and health and financial outcomes

The cost-saving products program led to important health and financial benefits, such as the reduction of household expenses, savings with energy costs (electricity and other light emitting products), and health improvement. Most interviewed workers (93%) knew about the cost-saving products and almost half (47%) had purchased at least one product. A majority of workers (96%) who purchased the products believed the **cost-saving products offer tangible benefits** and almost all of them (90%) believed these **products help reduce costs** when compared to traditional products. In addition to cutting costs, another commonly cited benefit of the products was improving health.



Among workers who believe the cost-saving products have benefits, 95% said they have been able to **save money** through the use of the products. Money saved by using the cost-saving products was often used for:

- ✓ Saving in case of losing job (35%)
- ✓ Paying debt (18%)
- ✓ Covering unexpected medical costs (15%)
- ✓ Getting more education (13%)
- ✓ Home construction (13%)



*“My girlfriend and my children use the solar lamp for studying at night. The lamp also protects us from fires because they no longer need to use candles or kerosene lamps to study.”*  
–Program participant.

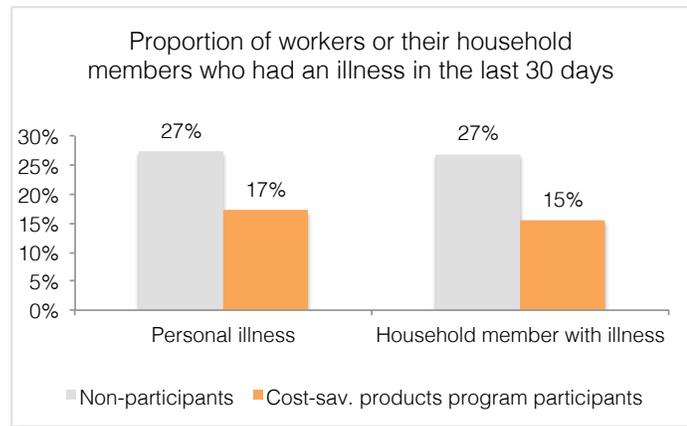
*“We cut expenses. We charge the lamp with sunlight, so we don’t pay electricity or buy as much kerosene. The money I save by using the solar lamp I put in my CODEVI’s savings account.”*  
–Program participant.

In regard to **health**, over one-fifth (22%) of interviewed workers said they had an illness in the 30 days preceding the interview and 20% had a household member with an illness in the prior 30 days. About 45% of interviewed workers said they missed work in the last month due to a personal illness and 20% missed work due to the illness of a household member.



Nonetheless, workers who participated in the cost-saving products program reported less cases of illnesses in the past 30 days than workers who did not participate: 17% of program participants said they had an illness in the last month compared to 27% of non-participants who reported the same.

Similarly, 15% of program participants reported having a household member with an illness in the last month compared to 27% of non-participants.



Among those who reported having a personal illness in the 30 days preceding the interview, the most commonly reported illnesses were: [dysentery](#) (31%), [fever](#) (30%), and [diarrhea](#) (19%). Workers who were absent from work due to a personal illness missed on average 4 days of work.

Qualitative findings are consistent with the quantitative results presented above. Focus group participants named the following as benefits perceived from participating in the cost-saving products program:

- Saving money and energy from utilizing alternative products. Workers frequently mentioned that the substitution of traditional products for light sources, such as candles and kerosene, with solar lamps helped them reduce expenses and resort to traditional energy when the lamps lose charge. Workers also said they used the lamps when electricity was not available. A worker who bought the cook stove said his household reduced the amount of charcoal they normally use.
- Reducing health and accident related risks, such as smoke inhalation and fires. Workers mentioned that the solar lamps are better to read at night than the candle or kerosene flames, as the flickering of the flame tires the eye. Other workers mentioned that the smoke produced by kerosene also affected their eyes and breathing.
- Investing the money saved from using the cost-saving products in other basic needs items and activities. While an important number of workers said they put the money saved into their CODEVI savings plan, others said they now spend it in education for their children or paying off current debt.

#### Areas for improvement



Despite the outcomes produced by the cost-saving products program, findings show that workers still resort to traditional products, which limited the health impact of the program. Only 17 water filters and 41 cook stoves were purchased, representing 1% and 2% of total products sold respectively. As a result, almost no interviewed worker filtered his or her water for drinking or cooking. Workers continue to use traditional and mostly unfiltered sources of water for consumption—e.g., pump, running water at home, or shared well.

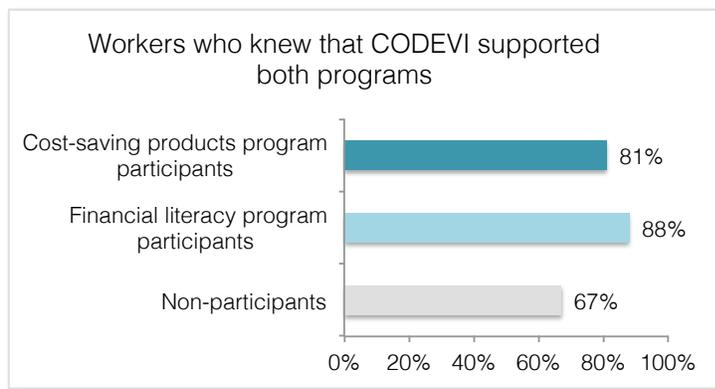
The use of water filters and other water purification strategies is closely tied to social practices and education around hygiene and sanitation. In this sense, [the program may require a complementary awareness-raising component on basic hygiene and sanitation practices](#). [HERhealth is beginning to fill this gap and may lead to improved sales of water filters.](#)<sup>1</sup>

<sup>1</sup> At the time of this assessment, the implementation of HERhealth was too incipient to be included in the evaluation.



## Impact on Business & Vendor Ownership

The main impact of the financial literacy and cost-saving products programs on Grupo M as a business was around workplace satisfaction. Most interviewed workers (82%) knew that Grupo M supported the two programs, though a higher proportion of program participants (financial literacy: 88%; cost-saving products: 81%) were aware of this than non-participants (67%). Of the workers who were aware that Grupo M supported the programs, 91% said their opinion about CODEVI as their employer improved. During interviews, CODEVI management also stated they believed the programs were positively impacting employee perception of their workplace. If sustained in the long-term, increased employee satisfaction could impact productivity rates. However, higher worker satisfaction is unlikely to influence turnover rates, as CODEVI's rate already stands below 1%.



*"I always complained about CODEVI and felt I was working in this place but not seeing any benefit. After this course, I see CODEVI differently."  
–Program participant*

Business processes also changed slightly as a result of the Worker Well-being pilot. While Grupo M was already collecting the business metrics required by the initiative, it previously did so in an isolated way and it did not desegregate the data by gender or by root causes. The exercise of reporting the metrics to LS&Co.

*"I used to not meet my production goals because I felt I was not paid enough. After this training through CODEVI, I realized the problem was in part my spending. I now meet my production goals, make more money, and save more." –Program participant*

has also built a practice among management of bringing these data together and reviewing it for the company as a whole. Grupo M says they will review metrics to take specific actions around management and worker well-being practices in the future.

Irrespective of the impacts of the programs on the business, Grupo M is now committed to continuing and scaling up the initiatives. The implementation process of the social interventions made the need for the programs evident and increased buy-in. Grupo M and CES have agreed to continue their partnership to

scale up the programs, planning to extend the financial literacy training to all Grupo M workers, including those in Santiago, Dominican Republic, and continuing to sell the cost-saving products. Grupo M has also hired one of CES' financial literacy trainers as a full-time employee to lead the financial literacy program internally. This transfer of knowledge between the partner NGO and Grupo M further solidifies the sustainability of the programs.



Lastly, components of the programs' evaluation were also absorbed by Grupo M. MANAUS deployed the workers' survey through a mobile phone application that transfers survey data to an online server in real time. [After seeing the benefits of leveraging technology for data collection, Grupo M became more involved in the evaluation trainings](#) and assigned two representatives to the evaluation activities. Grupo M plans to use the survey technology during CODEVI's worker census and when monitoring their health campaigns.



## Key Lessons Learned

### Areas of Success



- ✓ Working with a local partner who had an existing relationship with the supplier made the process of designing and implementing the programs easier.
- ✓ Having a local partner who moved the programs forward and worked directly with the supplier with limited intervention from LSF increased program feasibility and ownership.
- ✓ CES' expertise in financial literacy training and the organization's ability to offer cost-saving products to workers speeded up the implementation process.
- ✓ Working on the financial literacy program with a supplier that had an existing and successful savings plan (CODEVI's Plan de Ahorros) allowed the programs to leverage these resources and deepen the impact on workers.
- ✓ Grupo M's commitment to corporate social responsibility (CSR) contributed to the success of the programs. As the programs were rolled out, Grupo M strengthened its CSR team by increasing the number of staff dedicated to the Worker Well-being programs.

### Areas for Improvement



- ✓ As Grupo M and CES give continuation and scale up the programs, it is important to note that workers require deeper training to change their financial behavior. Similarly, continuous sales of cost-saving products and implementation of awareness raising campaigns are needed for workers to reap benefits from the products.
- ✓ Worker Well-being needs to be well positioned early on. Initially, the initiative was seen as a "LS&Co. requirement" and the social and business gains were not clear to the supplier. Grupo M continues to have little visibility into what it entails to be a Worker Well-being supplier.
- ✓ In addition to a worker's needs assessment, a supplier's needs assessment may be beneficial to tailor the programs to the needs and expectations of the vendor.
- ✓ The business benefits of Worker Well-being are still not as evident as the social results. LS&Co. should continue to request the business metrics to make the business case. Accordingly, there needs to be better communication about why LS&Co. is requesting these business metrics and how to properly collect them.



## Conclusions

The findings of this external evaluation show that the two pilot programs under the Worker Well-being initiative in Haiti have accomplished key intended results. First, the assessment evidenced the interventions are needed and there is significant interest among workers to participate. Workers and their households rely heavily on the income they make at CODEVI, but at the same time have little understanding about how they spend their money and how to manage expenses, savings, and debt. The interventions also complemented each other, with the cost-saving products offering alternative forms of reducing basic monthly expenses.

Despite the short timeframe of the interventions, the outputs of the programs were significant. In the case of the financial literacy program, participating workers tended to use more savings mechanisms available to them, primarily the CODEVI savings account, than workers who did not participate in the program. Participants also repaid debt more regularly and had a more positive outlook for their future financial situation, including their capacity to save, repay debt, and respond to unexpected costs, than non-participants. As for the cost-saving products program, participating workers reported tangible benefits from the use of the products, such as reducing costs, saving energy, and improving health.

It is important to mention that a number of factors, such as time and cultural practices, limit the benefits of these interventions. For instance, the financial situation of workers is still fragile and the retention of financial knowledge and subsequent changes in financial behavior require more time and more exposure to information to materialize. In the case of the cost-saving products, workers continue to resort to traditional products that, in the long-term, turn out to be expensive and are sometimes unhealthy. This is often due to cultural practices around hygiene and sanitation and not necessarily to the availability or cost of alternative products. This suggests that both interventions may lead to increased benefits if they are sustained in the long-term and complemented with additional information around financial and health practices.

In regard to the business benefits of the interventions, the most important results of the evaluation are around workplace satisfaction. Overall, the perception and opinion of workers about CODEVI improved after the implementation of the two programs. Such perception changed not just because workers felt their employer cared about their professional and personal advancements, but also because workers realized that they could impact their financial situation by reducing expenses and being able to save more money, as opposed to depending only on changes in income levels to save and repay debt. Though it is difficult to observe substantial variations in business indicators in such a short span of time, existing research has shown that there is a correlation between employee satisfaction and productivity rates in the long-term. Irrespective of changes in quantitative business indicators, the benefits produced by the two interventions have been tangible enough for Grupo M to take ownership of the programs and commit to continue and scale them up.

At a more macro level, the evaluation gathered important learnings regarding the importance of promoting the implementation of programs aimed at benefiting workers in LS&Co.'s supply chain. Though there may be some resistance from vendors at the beginning, given that interventions are time- and resource-demanding, the process and outputs of implementing such programs are transformative and their benefits readily noticeable. To ensure the ownership and sustainability of the interventions, it is important to properly communicate the mission and strategic objectives of Worker Well-being, along with its benefits not just for workers but also for the vendor. Finally, a capable and dependable local partner, with expertise in the programs of interest, can be a driving factor for the success of Worker Well-being initiatives around the world.