

# New Jersey Pay It Forward Program

## Overview

In 2022, Social Finance partnered with New Jersey Gov. Phil Murphy, the State of New Jersey, and the New Jersey CEO Council to launch the \$14.8 million New Jersey Pay It Forward Program, which prepares residents for in-demand jobs across industries like health care, IT, and clean energy.

The program provides zero-interest, no-fee loans for residents, especially those without savings or credit histories, to enroll in quality job training. Participants pay no upfront costs and receive living stipends and supportive services. Those who complete their training and get jobs with salaries above a minimum threshold pay back their loans through monthly payments that are no more than 10% of their discretionary income for up to five years. Those who do not manage to find jobs with salaries above the minimum threshold pay nothing.

The New Jersey Pay It Forward Program includes both state funding and corporate philanthropic funding from the businesses on the New Jersey CEO Council.

*“It’s very much about helping populations that have barriers to employment that could not engage in this relatively high cost training. It was an overall idea about, what can we do to help individuals prepare for high growth, in-demand jobs?”*

— David Socolow,  
Executive Director, New Jersey Higher  
Education Student Assistance Authority



## The Work

### Fund structuring.

Collaborated with the State of New Jersey and local employers to develop an innovative financing vehicle that distributes funds to learners, and then recycles student repayments to future learners, creating a revolving pool of workforce training resources.

### Training provider sourcing.

Recruited training providers with strong learner outcomes, including Camden County College, Hudson County Community College, and the New Jersey Institute of Technology.

### Supportive service development.

Worked with training providers to understand learner challenges and then designed an array of supportive services. These services included a non-repayable living stipend, emergency financial assistance, and mental health assistance—to ensure learners could handle life challenges that arose as they pursued their training.

### Active performance management.

Monitoring overall performance to better support partner institutions, improve service delivery, and adapt and evolve the program to achieve student success.

# The Results

190 students were enrolled in the New Jersey Pay It Forward Program's four career tracks—cybersecurity, nursing, HVAC, and welding—as of July 2023 and more than 270 total are expected to be enrolled by the conclusion of 2023.



## Media

[“Governor Murphy, NJ CEO Council, & Social Finance Launch New Jersey Pay It Forward Program to Prepare Students for Good-Paying Jobs in Health Care, IT, and Clean Energy.”](#) State of New Jersey, Office of the Governor

[“Ideas We Should Steal: Training Workers for Well-Paying Jobs.”](#) The Philadelphia Citizen

[“New Jersey Bets on Zero-Interest, No-Fee Workforce Training Loans.”](#) Working Nation

**Learn more about the  
New Jersey Pay it Forward Fund**

## Contact

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# Insights

Key learnings centered on a variety of operational areas surfaced during the development of the New Jersey Pay It Forward Program.

### Financial product and program structuring.

The state, seeking to leverage a financial product subject to clearly defined regulation and aligned with existing education and training provider practices, chose to adopt outcomes-based loans (OBLs). Training providers adapted well to working with OBLs given their experience with traditional student loans. These cascading outcomes seem to indicate that comfort with consumer financial products could be a useful selection lens for training providers. They also indicate that both government partners and training providers are more likely to utilize OBLs than income-share agreements (ISAs).

The program as a whole was structured as a last-dollar resource, meaning that learners are encouraged to pursue more conventional job training funding sources such as Pell grants and Workforce Innovation and Opportunity Act grants before enrolling. This was an intentional choice made to reduce the overall funding burden.

### Industry selection.

Training providers and job training tracks were determined based on local talent demands and policy priorities. Project partners ultimately selected cybersecurity; heating, ventilation, and air conditioning (HVAC); nursing; and welding tracks, increasing the probability of learner success while also reinforcing corporate engagement.

### Stakeholder management.

While convening a large number of stakeholders can pose some challenges, having all of the relevant state agencies and offices at the table—key stakeholders included the Department of Labor, the New Jersey Economic Development Authority, the New Jersey Higher Education Student Assistance Authority, and the Office of the Governor—was extremely valuable, as each stakeholder brought unique programmatic expertise.

### Supportive service demand.

Training providers and students have expressed overwhelming excitement for the living stipend grant. Almost 95% of students opted into receiving these funds at launch. This particular supportive service has generated more interest in the program than any other feature. Additionally, demand for emergency financial assistance surpassed expectations, with housing insecurity and uncovered technology expenses ranking as the most common reasons for pursuing this funding.

### Training provider selection.

Through the training provider due diligence process, the team found that many short instructional programs ranging from 3-6 months offered in the region could not prepare students to earn family-sustaining wages. This required expanding the search criteria to include training providers with programs spanning a year or more. The process also demonstrated that few training providers collect post-graduation earnings or employment data from former learners. This required analyzing multiple data sources to determine graduate earning potential.