Assets for Independence Act Evaluation: Phase 1 Implementation

Final Report

October 5, 2001

Prepared for
Mr. Sheldon Shalit
Administration for
Children and Families
U.S. Department of Health
and Human Services
370 L'Enfant Promenade, S.W.
Washington, DC 20441

Prepared by
Michelle Ciurea
Alexandra Blain
Donna DeMarco
Hong Ly
Gregory Mills, Project Director

Abt Associates Inc.
55 Wheeler Street
Cambridge, MA 02138

Table of Contents

Acknowledgments

This research was conducted under a cooperative agreement (No. 90XS0016/01) with the Administration for Children and Families (ACF), U.S. Department of Health and Human Services. The authors of this report wish to acknowledge the assistance provided by the following ACF staff: Sheldon Shalit and Richard Saul of the Office of Community Services (OCS) and Larry Wolf of the Office of Policy Research and Evaluation (OPRE). John Tabori of PeopleWorks Incorporated, the technical assistance contractor to OCS, also assisted by providing grantee-reported data on AFIA program characteristics. We also wish to recognize the cooperation of the program staff who were interviewed for this study in the five selected AFIA programs, those operated by: Community Services Agency (Reno, NV); Mercy Housing (Sacramento, CA); Mt. Hope Housing Company (Bronx, NY); Social Development Commission (Milwaukee, WI), and YWCA of Greater Pittsburgh (Pittsburgh, PA).

Executive Summary

This report describes the activities undertaken during Phase I of the congressionally-mandated evaluation of the Assets for Independence Act (AFIA), which Abt Associates is conducting under contract to the U.S. Department of Health and Human Services. The Act provides grants to qualified organizations to establish individual development accounts (IDAs) for low-income individuals. The savings deposited into these accounts are matched, through a combination of federal and nonfederal funds, when program participants withdraw their savings for home purchase, business capitalization, and postsecondary education.

During the Phase I period, October 2000 through September 2001, significant progress occurred in the two components of the evaluation, the non-experimental impact study and the process study:

- ***Non-experimental impact study***: This research includes a multi-wave longitudinal survey of a randomly selected national sample of 600 AFIA program participants to assess the effects of program participation on low-income savings, asset accumulation, and other aspects of family well-being. The participant outcomes will be measured versus a comparison group of AFIA-eligible nonparticipants, using data from the Survey of Income and Program Participation (SIPP) conducted by the U.S. Census Bureau. ***During Phase I, clearance from the U.S. Office of Management and Budget (OMB) was obtained for the survey of AFIA program participants.***

- ***Process study:*** This research includes site visits each year by Abt Associates staff to five or six selected AFIA programs. During these visits, interviews are conducted with program coordinators, program associates, and representatives of financial institutions to understand how programs have been implemented, how they operate, and how program features may affect participant outcomes. ***During Phase I, visits were conducted to five IDA programs that received AFIA funding through the initial (Fiscal Year 1999) program grants.***

This Executive Summary focuses first on the non-experimental impact study. The latter portion of the Executive Summary--plus Chapters Two and Three of the body of the report--focus on the process study.

Non-experimental Impact Study: OMB Clearance of the Participant Survey

As noted earlier, the survey of AFIA program participants will provide panel data on participant outcomes that, in conjunction with SIPP data on AFIA nonparticipants, will provide the basis for estimating program impacts. Members of the survey sample will be interviewed in three waves, at the 12th, 24th, and 36th months after the account opening date. (The sample will be selected from among those AFIA participants nationwide who opened accounts during calendar year 2001.)

Because the participant survey constitutes a structured data collection activity with reporting burden on more than nine respondents, it required OMB clearance.

OMB clearance was provided on September 25, 2001. In approving the participant survey, OMB established several terms of clearance that call for the following changes to the plans for data collection and analysis:

- For the purpose of testing the effectiveness of different approaches to providing incentive payments, the survey sample will be randomly divided into two subgroups. During Wave One, the members of one subgroup will receive their $35 incentive payment after completing the interview. The members of the other subgroup will receive a $10 incentive payment with their advance letter (mailed to them prior to the interview month) and $25 after completing the interview. Whichever method is found to yield a higher response rate will then be adopted for all sample members during Waves Two and Three.

- In addressing the issue of selection bias that arises inherently in non-experimental impact studies, alternative approaches to propensity score matching will be considered. These alternatives will go beyond the previously proposed use of earned income tax credit (EITC) participation as an indicator of the likelihood AFIA participation and may include, for example, the presence of a checking account or savings account as another basis for the propensity scoring.

- A separate subanalysis will be conducted of geographically matched samples of participants and nonparticipants in metropolitan statistical areas. This will enable a more rigorous test of program impacts among metropolitan residents, by accounting more explicitly for the effects of geographic location.

The survey will be implemented under Phase II of the evaluation, with the first interviews conducted in January 2002.

Process Study: First-Round Site Visits

The remainder of this Executive Summary presents the findings from the first round of visits to selected AFIA-funded programs.

The major findings of the first-round site visits are as follows:

- ***The crucial challenge facing AFIA program grantees is to find the right fit between the program's basic requirements and the capacities of the operating organization, its partners, and its intended clientele, within the constraints of available funding.***
- ***The five visited programs, selected to encompass a range of operational models, indeed differ greatly in their organizational structures and philosophies and in their operational approaches to major program activities: targeting, recruitment, and screening; case management; and financial education.***

- ***These programs exemplify the tradeoffs that exist between (a) serving needier individuals within the program-eligible population – ones who might not otherwise succeed in saving and accumulating assets, but who require intensive support services to do so – versus (b) serving more members of the program-eligible population with fewer program services.***

The first-round visits, conducted for the "process study" component of the national AFIA evaluation, have indicated the diversity of approaches that organizations have taken in implementing and operating their AFIA programs. The visits also pointed to key features of programs and their clientele that may later help explain participant outcomes. Our findings, as summarized below and as detailed in Chapter Three of this report, highlight the challenges that AFIA grantees have faced in their early program experience.

The following five AFIA program sites were visited:

- Community Services Agency, Reno, Nevada (the "Reno site");
- Mercy Housing, Sacramento, California (the "Sacramento site");
- Mt. Hope Housing Company, Bronx, New York (the "Bronx site");
- Social Development Commission, Milwaukee, Wisconsin (the "Milwaukee site"); and
- YWCA of Greater Pittsburgh, Pittsburgh, Pennsylvania (the "Pittsburgh site").

These sites were selected from among those receiving AFIA grants from fiscal year (FY) 1999 funds. They were selected, in consultation with HHS program staff, on the basis of geographic dispersion, urban/rural location, and type of organization and population served.

Our on-site research consisted of two-day visits to each program during May and June 2001. We conducted in-depth interviews with program staff, as well as with any others involved in program operations, such as the staff of the programs' financial partner. At each site, we also conducted participant interviews, both one-on-one and in groups of up to 20.

(1) Diversity of AFIA programs

Diversity marks almost every aspect of the AFIA programs that we visited: their client populations, their strategies for recruitment, case management, financial education, and their philosophical approaches to setting and enforcing program rules. Each AFIA program site represents a distinctive configuration of program elements – i.e., recruitment, case management, and financial education – that are common to all AFIA programs and to all IDA programs in general.

The program diversity suggests that AFIA programs can – and perhaps *should* – take a variety of forms. Some programs, for example, provide intensive, personalized support to participants. Others take approaches that, implicitly or explicitly, tend to weed out all but the most motivated. Both can serve their participants well. There is no one optimal model for an AFIA program.

There is also a downside to the individuality that marks AFIA programs. Because programs are small and often little known outside of sponsoring organizations' existing constituencies, many individuals who could benefit from them may never know of their availability. Even when an individual does come within the purview of an AFIA program, its particular features may not be appropriate for his or her needs.

(2) Organizational Structure and Philosophy

In many important respects, AFIA programs reflect the organizations that operate them. Each organization puts its own "stamp" on its AFIA program – on the types of individuals that it tends to attract, the financial literacy curriculum, its approach to case management, and the program requirements that it imposes.

For all visited programs, the AFIA grantee is a nonprofit organization. However, there is one program – the Pittsburgh program – in which the predominant institution is the financial partner, Dollar Bank. This bank is unusually proactive in outreach to, and services for, low-income residents.

(a) ***The one visited program operated by a financial institution was very different from those operated by social service organizations.*** Even though this program represents only one example, and the bank involved is not typical, it is an informative example of how an AFIA program with strong bank involvement (a "bank-oriented" program) might differ from others. We see the key differences as follows:

- ***In the bank-oriented AFIA program, IDAs are viewed more as a financial product rather than as a program with ongoing support services.*** Dollar Bank views IDAs as one financial instrument among many, as a product that has the potential to attract mortgage business from a previously untapped market. This is in contrast to the common view by the social service community of IDAs as a "program" for personal empowerment and transformation. The bank's view shapes its expectations of individuals; a "successful" IDA account is one that turns into an accepted mortgage application within a reasonable length of time. The bank's view also shapes the services provided – technical homeownership information and extensive credit repair services, but little (if any) case management.
- ***Bank-oriented programs are likely to attract a different population than those recruited by social service agencies.*** A bank-oriented program is likely to place more emphasis on "casting a wide net" to reach a broader clientele, but then screening applicants to ensure that only those likely to become mortgage-ready are accepted.
- ***Bank-oriented programs may be capable of operating at a larger scale – but for a different population.*** Because of the absence of case management and a less personalized approach, bank-oriented programs may well be "leaner" administratively. In contrast, AFIA programs operated by social service organizations may end up being accessible to fewer people, but may reach more individuals "at the margins" – those who can succeed at asset acquisition, but only with program support.
- ***Banks may be unlikely to want IDAs to be used for purposes that do not promote bank business.*** The original Dollar Bank program was designed only for home ownership, so

this is the only option available to AFIA participants. To the extent that home purchase and business startup have greater loan potential than post-secondary education, banks may choose to restrict IDAs to these uses.

(b) ***Programs vary in their leniency or stringency, according to organizations' philosophies.*** A program can be lenient or stringent in several respects: (1) the minimum deposit required; (2) attitude toward participants' unrealistic aspirations; (3) tolerance for emergency withdrawals; (4) tolerance for inactive accounts, or participants who appear unlikely to attain their saving goal; and (5) how closely saving deposits are monitored. One consequence of a relatively "lenient" program design may be a higher number of inactive accounts (because more individuals are accepted who may not succeed). Another might be saving requirements that are unrealistically low for the asset in question, especially for home purchase in tight housing markets.

(c) ***"Piggybacking" IDA program components onto existing program components can have mixed results.*** For the most part, the sites developed the components of their AFIA programs specifically for these programs. One site stands in contrast. The Pittsburgh site integrated AFIA program elements into the pre-existing activities of the three partner organizations. Recruitment was to be conducted by the housing authority, case management by the YWCA, and financial education and credit counseling through Dollar Bank's pre-existing homeownership program. This strategy has met with mixed success. Although some elements appear to be working well, others are not. The result is a program that appears fragmented and incohesive.

In contrast, at the other organizations, developing the case management and financial education components specifically for the IDA program involved substantial startup costs, but resulted in centralized, more cohesive program elements.

(d) ***The administrative requirements of AFIA programs may make them difficult to implement for small organizations with a limited funding base.*** AFIA-specific administrative costs are not easily measured, but the anecdotal evidence suggests that such costs are extensive. Uniformly, program staff noted that organizations must find other sources besides AFIA administrative funding. Most of the visited sites possessed the resources to cover startup and administrative expenses. Some have been able to subsidize their AFIA program from other internal sources.

The challenges of covering administrative expenses can be particularly acute for organizations affiliated with multi-site grantees. In these cases, the AFIA administrative funds are divided among many organizations, but each one must independently incur the "front-end" administrative costs of implementing an IDA program.

(3) Targeting, Recruitment, and Screening

The participant populations of the visited sites vary dramatically. This is not surprising, as each organization targeted the clients that it felt best equipped to serve.

(a) ***AFIA programs do not "sell themselves." Substantial effort and thought are required to conduct a successful recruitment initiative.*** This finding was common across sites. Program staff also agreed, however, that “once you get over that initial hump and get positive word of mouth, an IDA program *can* sell itself.”

(b) ***A variety of recruitment approaches can be effective.*** The visited sites offer examples that both targeted recruitment and "mass marketing" can work well. Targeted recruitment aimed at a “known” population, such as the organization's client base, can be efficient because less effort is expended on those who turn out to be ineligible. However, this approach will reach fewer people. Mass outreach to the general public casts a wider net, but more individuals may be ineligible, requiring more effort to screen them out.

(c) ***Participant screening occurs at several levels and undoubtedly affects outcomes.*** The outcomes that will be observed in AFIA programs will depend in large part on the characteristics of the individuals enrolled. The participant profile is itself importantly determined by: AFIA-mandated eligibility criteria; applicant self-selection (as each program may tend to inherently attract some types of people more than others); and agency selection (screening criteria imposed by the administering organization). The latter two types of selection are subtle and complex.

Anecdotal evidence suggests very strongly that self-selection definitely occurs in AFIA programs, perhaps most notably with respect to motivation. Individuals who enroll in an AFIA program probably already possess a relatively high level of motivation to improve their situation in life. How programs are structured can influence the degree to which participants self-select. For example, imposing a burdensome application process, lack of support services, and stringent program rules will probably result in a program comprised of individuals who are very motivated, with low subsequent dropout. In contrast, providing extensive support and lenient program requirements may allow the less motivated to enter, but with expectedly higher dropout.

Selection of individuals who possess certain characteristics can also occur by the agency. Most of the organizations have an “open-door” policy in which any eligible applicant is accepted. Even so, agency selection can be *implicit* and very powerful – for example, in its focus on one target population (such as refugees) over another.

(4) Case Management

Case management is a core element of most IDA programs. Traditionally the types of organizations that have operated IDA programs have been social service agencies – organizations that are strongly oriented to providing case management. How they do so is as varied as the organizations themselves. In the future, other types of organizations that are not oriented to case management – such as financial institutions – may increasingly begin to operate IDA programs. How will this change the “flavor” of IDA programs? The examples of our process study sites offer some interesting insights.

(a) ***Programs vary greatly in their emphasis on case management.*** Two of the visited sites, Milwaukee and Pittsburgh, offer minimal case management. Their example suggests that intensive case management may not be essential – if the program is composed of accountholders who have the wherewithal to succeed on their own. At the Milwaukee site, the non-intensive nature of the case management stems at least in part from the fact that the target population, refugees, is so motivated that little case management is needed. At the Pittsburgh site, the lack of case management reflects the operational approach of the financial institution (Dollar Bank). The interviewed participants in this program did not express a desire for more case management – but this site also has a fairly high number of inactive accounts. This may indicate that some participants are indeed "falling through the cracks."

(b) ***Intense, personalized case management can make a difference for individuals "at the margin."*** Case management can have a significant effect on the type of individuals who stay, and possibly succeed, in an AFIA program. Minimal case management can weed out individuals who need support, perhaps resulting in a participant population quite different than intended. Although a program that offers little case management can support a larger caseload, the program may end up serving clients who are 'self-starters' and might have done equally well without the program. In contrast, intensive case management can make the crucial difference for some individuals at the margins. Offering such support may limit the number of clients who can be served, but may permit the program to serve a needier segment of the community.

In short, both approaches can achieve results – but the affected populations are likely to differ in size and description. Whether a program aspires to serve a needier population is an important *strategic* decision that should be made after a thoughtful assessment of the fit between the target population's needs for case management and the support that a program can realistically offer.

(c) ***Program support is especially important at the beginning of an individual's participation.*** Because attrition can be very high in the initial stages of entering an AFIA program, program staff strongly felt that the need for intensive case management is greatest at the beginning of an individual's participation. Many programs have found that "hand-holding" at that stage is worth the effort – even if this means, for example, having a staff member accompany a participant in going to the bank to open an account.

(d) ***The tone and apparent effectiveness of case management hinges on interpersonal relationships.*** The personal style of program staff can matter greatly in motivating participants and sustaining their commitment to the program. With respect to case management specifically, the personality of the case managers appears important for programs that are structured to provide high levels of one-on-one support. In contrast, a relatively impersonal program may be easier to staff and to institutionalize, but it will tend to attract participants who can do well with minimal support.

Organizations should therefore be very careful about whom they assign to the critical "front-line" positions that involve direct contact with AFIA participants. Where the target population includes those of different cultures, cultural sensitivity is of paramount importance.

(5) Financial Education

The type of financial education received by AFIA participants differs widely across programs. In general, there are three components to financial education: financial literacy, credit counseling, and asset-specific education. All the sites offered these components to some degree, but the configurations and intensity varied widely.

(a) ***Excellent financial education can take a number of forms.*** The type of financial education that is most appropriate depends on the specific needs of the participant population. The financial literacy component varied greatly in length, approach, and content. We saw examples of financial training that ranged from a highly technical approach ("How to buy a home") to a more holistic "life skills" approach ("What does money mean to you"). Both were well received and seemed to meet participants' needs. The important factor seems to be tailoring the financial literacy curriculum to the needs of the specific target population. For example, some populations may need a curriculum aimed at promoting a savings mindset, while others (e.g. refugees) already possess this and may need practical information about how the American financial system works.

(b) ***Credit counseling is a component of all visited AFIA programs, but the intensity varies widely and may be of varying usefulness.*** The credit counseling offered among these sites ranges from a one-hour examination of one's credit report with the IDA coordinator (and referral to more extensive credit repair services in the community) to a comprehensive credit counseling program with a bank credit counselor that can last as long as two years. It is too early to know whether these varying approaches are adequately addressing the needs for credit repair.

(c) ***The quality of the financial literacy training appears to vary.*** It is uncertain whether weak training will hinder participant success. At several of the visited sites, participants were satisfied with the quality of the financial training they had received. At other sites, participants criticized the financial education they had received. At this early stage, it is unclear whether weak financial education hinders such participants. As with case management, the answer appears to depend on the nature of a program's client population.

Several elements appear to be essential for participants to adopt the habit of regular savings: not only strong financial incentives and accurate information (the "tools"), but also the belief that their asset goal is attainable (the "mindset"). Some participants enter AFIA programs already possessing the mindset and perhaps also the resourcefulness to obtain the information from other means. But where they do not, financial education can play a role in both respects. Conducted well, it empowers individuals to believe they can succeed and arms them with the information they need to navigate the financial system successfully.

The body of this report is organized as follows. Chapter One provides background information on the Act and on the national AFIA evaluation. Chapter Two provides descriptive information about the five visited programs, comparing them to all others receiving AFIA grants in the first year of funding availability, fiscal year (FY) 1999. Chapter Three provides in detail the findings from the site visits. Appendices A and B contain the interview guides used in conducting the visits.

I. Background

This chapter provides an overview of the Assets for Independence Act (AFIA) and the congressionally-mandated national AFIA evaluation.

A. Overview of the Assets for Independence Act

The Assets for Independence Act (AFIA, Public Law 105-285, enacted on October 27, 1998) provides federal funding for a series of state and local individual development account (IDA) programs. IDAs are personal savings accounts that enable low-income persons to combine their own savings with matching public or private funds to purchase homes, start or expand businesses, advance their education, or purchase other assets that will promote economic self-sufficiency. The Act provides for grants to qualified non-profit organizations (including low-income credit unions and certified community development financial institutions) to conduct five-year demonstration projects under which non-federal sources contribute at least one-half of the project funds. (Indiana and Pennsylvania, having previously enacted large state-funded IDA initiatives, also qualify as grantees.) The Act is administered federally by the Office of Community Services (OCS) of the U.S. Department of Health and Human Services (HHS).

To receive AFIA funding, an IDA program must comply with the following guidelines:

- Participants either must have incomes at or below 200 percent of the poverty level, must be income-eligible for the earned income tax credit (EITC), or must be receiving benefits or services under a state's Temporary Assistance for Needy Families (TANF) program. Participants must also have assets of less than $10,000 (excluding the value of one's primary dwelling and one motor vehicle).
- To receive matching funds on their savings, a participant must use the account for home purchase, post-secondary education, or business capitalization. The participant's deposits must be from earned income.
- Matching rates can range from $0.50 to $4 per dollar saved, with non-federal funds providing one-half or more of the matching contributions.

Of the grant funds provided to a qualified entity, the uses of the federal grant are constrained by the following limits:

- Up to 15 percent of the grant funds are earmarked for non-match program costs: evaluation, economic literacy training, and administrative costs.[1]
- Of the 15 percent set aside, at least 2 percent must be devoted to program evaluation, up to 5.5 percent may be used for case management, budgeting, economic literacy, and credit counseling, and the remainder (typically, 7.5 percent) may be used for

[1] This represents an increase from the previous 9.5 percent as a result of recent technical amendments to the Act

administrative functions (program management, reporting requirements, recruitment and enrollment of participants, and monitoring).

The Act authorized $25 million for each of five fiscal years (FY 1999 through 2003). The annual appropriation approved by the Congress was $10 million for FY 1999, $10 million for FY 2000, and $25 million for FY 2001. In September 1999, OCS awarded 40 grants (totaling $9.4 million) from FY 1999 funds; these first grantees included 38 local non-profit organizations, plus the states of Indiana and Pennsylvania. In September 2000, OCS then awarded grants to 25 additional organizations (totaling $4.6 million), plus supplemental grants (totaling $2.1 million) to 14 of the 25 recipients in the first funding cohort.

A specified portion of the annual appropriation is earmarked for evaluation. For the first two years (FY 1999 and FY 2000) the evaluation set aside was 2 percent of the annual appropriation. Beginning with FY 2001, the evaluation set aside was amended to be "not more than $500,000" of the annually appropriated amount.

B. Overview of the Evaluation

Section 414(a) of the Act called for a national evaluation of AFIA demonstration projects to be carried out by an independent research organization under contract to HHS. Abt Associates was selected by HHS to conduct the first-year design phase of the national evaluation, which was completed in August 2000.[2] The Final Report of the design phase described data collection and analysis activities that would meet the Congressional evaluation mandate. These activities were organized under the following research areas: program and participant tracking and monitoring, a process study, an experimental impact study, a non-experimental impact study, in-depth participant interviews, and a benefit-cost study.[3] With the evaluation funding provided by the Act, activities have now been implemented by Abt Associates in two of these areas: the process study and the non-experimental impact study. These activities are described below.

Process Study

The process study will provide a comprehensive picture of the development, planning, start-up, and on-going operations of selected AFIA programs. It will help HHS staff understand how the programs work and the factors influencing effective operations. In describing how clients interact with program staff and receive program services, the process study also will help interpret the findings of the non-experimental impact study (described later below).

At its core, the process study examines how AFIA policies are implemented. The primary intent is to understand how AFIA programs are organized and operated and what factors influence these aspects

[2] The Center for Social Development of Washington University in St. Louis was a subcontractor to Abt Associates during the design phase.

[3] See Gregory Mills, Michael Sherraden, et al., "Assets for Independence Act Evaluation: Design Phase Final Report," Abt Associates Inc., Cambridge, Mass., and Center for Social Development, Washington University in St. Louis, August 9, 2000.

of the site.[4] The secondary intent is to shed light on the effects of IDA program structure, design, and operations on program results and outcomes. Whereas the impact study will try to assess empirically whether IDA participants are better off, the process study will describe the program services provided at different AFIA sites and will help explain the observed patterns of participant outcomes.

The process study has four basic objectives:

- to describe the goals of the AFIA legislation and the program features it requires;
- to document and assess the implementation of the AFIA by selected grantees;
- to compare and contrast the experiences of the grantees in establishing their IDA rules and procedures and operating program sites; and
- to help interpret the findings from the impact study.

The value of the process study goes beyond what it tells us about the dynamics of change at any one site. It can also illustrate the variety of program models that evolve under AFIA. Existing research into IDA programs – for example, from Abt Associates' study of asset accumulation initiatives (sponsored by the U.S. Department of Agriculture) and the ongoing evaluation of the American Dream Demonstration – indicates that current IDA programs are quite diverse. For example, programs may vary significantly in the strictness with which staff monitor and enforce the requirements of program participation (e.g., minimum deposit amounts, frequency of deposits, attendance at counseling and training sessions). To the extent that programs vary on these and other important features, it is important to ask whether these differences appear to influence participant outcomes. Of course, without an experimental design in each site, we cannot definitively attribute caUSlity to the program. What we observe in the process study, however, can serve to narrow and sharpen our focus on those aspects of the program that appear to offer the most plausible explanation of effects.

A process study that traces the development of selected IDA programs over time can also provide valuable lessons for other IDA programs. It may identify issues that were found to be problematic across all sites or only under certain conditions. For example, establishing relationships with financial institutions, or devising procedures for efficient verification of account use, may prove to be more difficult (and/or may take longer) than sites anticipated. The lessons learned about how sites overcame these challenges (or the implications of not overcoming them) would be extremely useful to both current and future sites and may have policy implications, to the extent some policy elements appear to promote or impede success.

[4] "**Grantees**" are organizations that applied for and received AFIA funds. "**Sub-grantees**" are established or funded by grantees to oversee or operate specific IDA programs. Grantees or sub-grantees may deliver IDA services through single or multiple "**sites**." A "site" is thus the most disaggregated level at which a single IDA program is administered – that is, the lowest level at which the same IDA policies are implemented (i.e., the same program, eligibility, and participation rules). As such, a site will be defined as a sub-grantee in most cases.

Non-experimental Impact Study

The non-experimental impact study will address three of the "factors to evaluate" identified in Section 414(b) of the Assets for Independence Act. Specifically, this portion of the evaluation will assess:

- the savings rates of individuals in the demonstration project[s] based on demographic characteristics including gender, age, family size, race or ethnic background, and income;
- the effects of incentives and organizational or institutional support on savings behavior; and
- the effects of individual development accounts on savings rates, home ownership, level of post-secondary education attained, and self-employment, and how such effects vary among different populations or communities.

The first of these factors calls for an analysis of savings patterns among AFIA participants, in relation to their own demographic and economic characteristics. The second and third factors call for a comparison of the patterns of savings and asset purchases among AFIA participants with the patterns among nonparticipants.

For this evaluation component, the planned data collection activities will provide three years of longitudinal data on a national sample of program participants that is comparable with panel data on program-eligible nonparticipants within the general population, as collected by the Census Bureau through the Survey of Income and Program Participation (SIPP). To estimate the effects of IDA participation on savings and asset purchases, multivariate statistical techniques will be employed to account for observable differences between participants and nonparticipants on individual background characteristics and other contextual factors.

The primary program effects that this analysis will assess are as follows:

- increase in savings – the increase in the amount of interest-bearing assets held at financial institutions (including IDA balances) as a percentage of household income[5];
- increase in homeownership – the increase in the percentage of individuals who own their primary residence;
- increase in postsecondary education – the percentage of individuals who have advanced their postsecondary education;
- increase in self-employment – the increase in the percentage of individuals who are self-employed.

A series of secondary effects will also be examined, as follows:

- increase in home equity – increase in amount of equity in one's own home less the amount of mortgages on one's own home;

[5] Interest-earning assets held at financial institutions include the following: savings accounts, money market deposit accounts, certificates of deposit, and interest-earning checking accounts.

- increase in earned income – increase in the amount of monthly household income derived from employment, including self-employment; and
- reduction in consumer debt – decrease in the amount of unsecured liabilities and vehicle loans.

The process study and the non-experimental impact study are complementary. The impact analysis will provide estimates of the effects of IDA incentives. Although the impact study can indicate whether IDAs affect participant savings and asset accumulation, the impact estimates themselves will not explain why and how those effects occur. The process study will indicate the dynamics of program-client interactions and suggest the underlying basis of the observed participant outcomes.

II. Comparative Site Profiles

This chapter provides descriptive information about the five visited programs comparing them to all others receiving AFIA grants in the first year of funding availability.

A. Introduction

The unit of analysis for the process study is the AFIA program *site*. In many instances grantees operate IDA programs at multiple sites, and these sites may be quite different from each other in their organizational designs and operating practices.

Site Selection

For the first-round visits reported here, we selected sites from among all AFIA grantees that received funding from the fiscal year (FY) 1999 appropriation. The sites were selected on a purposive basis, with the aim of illustrating a range of program characteristics and operating environments. As a first step, we excluded from consideration the following categories of sites:

- Sites from the two "grandfathered" state-level grantees (Indiana and Pennsylvania), because they need not conform to the same statutory rules as all other AFIA-funded programs; and
- Sites with fewer than 10 opened accounts during July-December 2000, as such programs were collectively responsible for a very small proportion of all AFIA program participants.[6]

Following these exclusions, site selection was then based on the following criteria:

- program size (number of accounts opened);
- type of location (central city, suburban, or rural);
- program age;
- type of agency (government, education, community-based organization, or other); and
- type of IDA project (single-agency or multi-site).[7]

We classified sites according to these features and attempted to select sites that illustrated variation on these characteristics. Site selection was made in consultation with HHS staff and the AFIA technical assistance contractor.

---

[6] In subsequent rounds of site visits, similar exclusions will be made annually at the time of site selection, based on the most recent data reported by grantees to HHS on their number of opened accounts.

[7] Of the 121 program sites in the FY 1999 cohort, 21 are single-agency sites. The remaining 100 program sites correspond to 17 multi-site grantees.

In succeeding years we will use a selection and visitation strategy that captures both grantee cohort differences and longitudinal program changes. Sites may well vary between cohorts, as the AFIA program may attract different types of grantees in each succeeding application year. Such cohort differences may significantly affect the outcomes observed among participants in the survey sample. We thus will want to assess whether differences exist between grantee cohorts and if so, what are their implications for AFIA program operations. Accordingly, we will select sites from multiple grantee cohorts, from FY 1999 to FY 2002. (Note that only the first two of these cohorts, FY 1999 and FY 2000, will be represented in the participant survey to be conducted for the non-experimental impact study.)

It is likely that each program site will progress through several stages of development within its five-year project period. The most significant changes will probably occur within the first three years, as programs make start-up adjustments and then approach a steady state. Thus, we will generally follow each selected site for a total of two years, consisting of two annual visits conducted in the second and third year of program operations. The first-round visit focuses on establishing a baseline understanding of the site and its activities. The second-round visit will seek to document changes that have occurred to baseline conditions in the interim period.

Site Visit Procedures

For each selected site, the visit consisted of in-person interviews with four types of respondents: program coordinators, program associates (front-line staff), accountholders, and representatives from financial institutions. This information was supplemented by a review of grantees' funding applications, progress reports, and program data reported by grantees to the technical assistance provider, as appropriate.

After the five study sites were selected, we sent each site a cover letter explaining the study, describing what it would involve for them, and identifying a contact person on the Abt Associates staff if they had questions. This was followed by a telephone call to arrange a convenient time for the site visit, typically two to three weeks in advance.

A single interviewer generally conducted each site visit. The exception to this was the first visit, conducted in May 2001 by two interviewers to ensure standardization of procedures at the subsequent sites. The visit to each site was composed of the following major elements: interviews with AFIA program staff (the coordinator and one or more associates), interviews with representatives of financial institutions, group interviews with selected accountholders, and observation of program services provided (such as financial literacy classes).

Interviews with program staff were conducted using semi-structured interview guides, separately developed for program coordinators and program associates. The interview guides are presented in Appendices A and B. Their use ensured that interviews were conducted consistently across sites. Individual questions in the interview guides for the site visits were constructed to provide direction to respondents, but not to restrict responses. Many questions had open-ended probes to encourage further discussion of the topic. Despite the structured design of the instrument, the interview itself was conducted in an informal and relaxed manner. Interviewers became sufficiently familiar with the interview protocol as to be comfortable addressing topics in an alternative order that the interviewee might prefer.

Two types of respondents were targeted for the program staff interviews: AFIA program coordinators (or directors) and AFIA program associates (or front-line staff). These respondents provided relevant descriptions of the AFIA program from different perspectives. In addition, certain topics were covered only with one respondent type or the other, depending on whether the topic was more policy or implementation oriented. Coordinator interviews took approximately 2 hours to conduct on average, with associate interviews requiring about 75 minutes on average.

We attempted to schedule the site visits in order to view IDA support services such as financial literacy classes, peer group meetings, or “follow-up” classes (e.g. classes on home maintenance or small-business management). We anticipated that viewing these program activities first-hand would importantly contribute to our understanding of each program studied. The financial education component and support services are commonly regarded by staff as integral to motivating participants. It is also apparent that programs vary substantially in these aspects.

We also arranged informal group interviews with selected accountholders to obtain their perceptions of the AFIA program. These interviews enabled us to learn about participants’ motivation for entering the program and their experiences in establishing and maintaining a regular pattern of saving. To minimize the burden on both the accountholders and program staff in arranging such interviews, we normally conducted them before or after a scheduled meeting that accountholders were attending (such as a financial literacy class) and kept the interviews brief and informal.

Finally, while on site we also conducted interviews with representatives of partnering financial institutions. We looked to these interviews to document how such institutions manage AFIA accounts and their motivation for doing so. These interviews also tended to reveal factors that either promoted or hindered the participation of financial institutions in AFIA programs.

B. Site-by-Site Descriptions

The process study sites are described below. Exhibit 2-1 summarizes key features of their AFIA programs.

Exhibit 2-1: Major Program Characteristics of Sites Visited

Characteristic	Community Services Agency	Mercy Housing	Mt. Hope Housing Company	Social Development Commission	YWCA of Greater Pittsburgh
Region/location	West (Reno, NV)	West (Sacramento, CA)	East (Bronx, NY)	Midwest (Milwaukee, WI)	Midwest (Pittsburgh, PA)
Urban/rural	Urban/Rural	Urban/Rural	Urban	Urban	Urban
Type of organization	Multi-service social service agency. Single-site grantee.	Housing company. Single-site grantee.	Housing company. Single-site grantee.	Multi-service social service agency. One organization within a multi-site grantee (WISCAP)	Multi-service social service agency. Single-site grantee.
AFIA grant award	$70,719	$79,500	$138,257	$31,000	$300,000
Number of AFIA accounts funded	32	90	83	28	140
Grant award per funded account	$2,210	$883	$1,666	$1,107	$2,143
Number of AFIA accounts opened (at time of visit)	30	57	45	20	45
Percentage of funded accounts opened	94%	63%	54%	71%	32%
Target population	Latinos, African-Americans, female-headed households	Recent immigrants, female-headed households	Latinos, African-Americans, refugees, female-headed households, TANF recipients	Bosnian/Serbian, Laotian, and Hmong refugees	Public housing residents and Section 8 tenants
Allowable uses	Homeownership/ small business/ education	Homeownership/ small business/ education	Homeownership/ small business/ education	Homeownership/ small business/ education	Homeownership
Number of financial institutions	3	3	1	1	1
Match rate	1:1	2:1	2:1	2:1	4:1
Maximum savings period	3 years	2 years	3 years	2 years	5 years
Deposit required for account opening	$25	$20	$25	$10	$10
Minimum monthly deposits	$10	$10	$30	$10	$10
Maximum amount eligible for match	$4,800	$800	$1,500	$1,000	$1,000
Maximum match amount	$4,800	$1,600	$3,000	$2,000	$4,000
Number of non-AFIA IDA programs	2	4	1	1	0

Community Services Agency
Reno, NV

This program is notable for its approach to recruitment. After initial difficulties recruiting, what has emerged is a participant population composed largely of CSA's internal constituency of existing clients and even staff members. This creates a strong element of peer support among participants, since many of them already know each other. It also delivers its financial literacy component in a unique way that involves rotating the teaching obligations among three banks in a continuous cycle of classes.

Organization and Community

The Community Services Agency (CSA) was founded in 1965 to promote self-sufficiency through initiatives in the areas of human services, economic development and affordable housing. CSA is one of the largest human service agencies in Northern Nevada, second only to the United Way of Northern Nevada. It is staffed by over 60 employees.

CSA began as a human service agency and ventured into housing development with the creation of Community Services Agency Development Corporation (CSADC) in the 1980s. To date CSADC has developed eleven projects consisting of over 1,000 affordable housing units throughout Nevada. In addition to housing development, CSA also provides a variety of other human services. These include Operation Head Start, home purchase assistance (down payment and closing cost assistance), energy efficiency rehabilitation assistance, educational and employment services for at-risk youth, entrepreneurial assistance, and emergency assistance for welfare to work participants.

The AFIA program appears to have catalyzed a number of other IDA programs in the area. CSA initiated a pilot computer purchase IDA for sixteen employees in which savings of $750 were matched 1:1 by CSA. The organization is also in negotiations with insurance companies to start an insurance IDA program in which insurance companies will match beneficiary contributions for deductible payments and for dependents.

The community served by CSA is primarily composed of Latinos, African-Americans, and female-headed households.

AFIA Program

The AFIA program serves both rural and urban communities in Reno and neighboring communities. The program has three allowable uses: homeownership, micro-enterprise, and post-secondary education.

The target population consists of families participating in the Head Start program who meet the federally established poverty income level. CSA also targets low-income families who occupy its low-income housing units. CSA has over 1,000 units throughout the state of Nevada occupied by families earning 60 percent or less of the area median income. CSA is notable in the high proportion of its participants (94 percent) who are at or below the poverty level. After initial difficulties reaching out to the low-income, primarily Latino population, what has emerged is a participant population consisting largely of people already affiliated in one way or another with CSA – primarily clients of other CSA programs, or staff members.

The AFIA program has 32 AFIA-funded accounts available. The match rate is 1:1. The maximum savings deposit is $4,800, with a maximum match of $4,800 over a 3-year period. Thirty accounts were opened as of June 2001. Monthly deposits are required, ranging between $10 and $100.

Financial Partners

Three banks are involved in this IDA program. The principal bank is Wells Fargo. It administers all of the open AFIA accounts. Two other banks are involved: US Bank and Bank of America. They also hold some of the match funds. The three banks deliver the financial literacy training on a rotating basis.

Due to a solid existing relationship, forging the financial partnership was straightforward. Wells Fargo holds most of CSA assets for other programs administered by CSA.

CSA partners with local organizations to provide asset specific training for IDA accountholders. They include Consumer Credit Counseling, Nevada Small Business Development Center (NSBDC), Bank of America, US Bank, and Wells Fargo. Consumer Credit Counseling provides credit counseling and offers an 8-hour homebuyer course to accountholders free of charge in Spanish and English. At the end of the course, participants receive a certificate valid for one year that may reduce the amount of private mortgage insurance and may provide other first-time homebuyer assistance. NSBDC provides guidance and information on starting a small business from providing a business idea and capitalization to customer service and product development. Wells Fargo, US Bank, and Bank of America each provide financial literacy training on a rotating basis.

Mercy Housing
Sacramento, CA

Organization and Community

Mercy Housing California is a housing and community development organization. It operates resident services programs at affordable housing sites in urban and rural areas throughout the state of California. Established over 20 years ago, Mercy Housing California builds, manages, and owns affordable housing for low-income families. The work of Mercy Housing California includes affordable rental housing, community development, family self-help homeownership, property operations, and resident services such as education, economic advancement, youth services, health services, and senior services. The community and economic development programs focus on community empowerment and family self-sufficiency. It also offers a job training and placement program for welfare recipients and low-income individuals.

AFIA Program

The Developing Real Economic Assets Mutually (DREAM) IDA program was established at Mercy Housing California's Sacramento office (formerly Rural California Housing Corporation) to complement existing economic independence programs. These include job skills training and job development, technical assistance with small business start-ups, and referrals to affordable home-ownership programs.

AFIA funds 90 accounts. The match rate is 2:1. The maximum savings amount is $800 with a maximum match of $1,600 over 2 years. The original target population consisted of residents of properties the organization owns or manages, but this was subsequently expanded to the general public.

Two organizations are involved in the operation and marketing of this IDA program: Mercy Housing California and the Sacramento Valley Organizing Community (SVOC). The SVOC is a faith-based community-organizing group that has partnered with Mercy Housing California in the past. For example, Mercy Housing California manages 25 Welfare-to-Work IDA accounts for SVOC clients. SVOC provides access to employment, housing, health care, citizenship, and microlending resources. It dedicates a small percentage of the time of one of its community organizers to work on recruitment for the AFIA program, in conjunction with Mercy Housing staff.

Of the 90 AFIA-funded accounts, 57 are reserved for Mercy Housing California and 33 for SVOC. At the time of our site visit, 53 of the 57 accounts reserved for Mercy Housing California had been filled, and 4 of the 33 accounts reserved for SVOC had been filled.

Mercy Housing California also operates four other IDA programs in addition to the AFIA-funded one. These include a program for the SVOC Welfare-to-Work Alumni Association; the Sacramento Federation of Program Operators' Project SEED IDA program; the Sacramento Mutual Housing Association IDA Program; and the Individual Development and Empowerment Account Program. Together, its five IDA programs account for over 200 accounts. They are managed by two full-time staff members and a VISTA volunteer.

Financial Partners

Mercy Housing California is affiliated with three banks for the AFIA program: California Bank & Trust (CBT), Washington Mutual, and Feather River State Bank. All fees are waived. CBT holds all of the match money as the principal financial partner. Washington Mutual and Feather River State Bank are smaller banks in more remote rural locations. They were brought in primarily because accountholders desired contact with a local branch. Participants receive economic literacy and asset acquisition training provided and designed by Mercy Housing California program staff or a partnering organization. Guest speakers are invited periodically.

Mt. Hope Housing Company
Bronx, New York

Organization and Community

Mt. Hope Housing Company ("Mt. Hope") was established in 1986 by community leaders hoping to reverse the lack of investment and massive abandonment of the area's rental housing stock in the 1970s and 1980s. It was created to provide affordable housing for its community's low and moderate-income families. Mt. Hope presently owns 1,200 housing units in 29 buildings and manages 1,000 units. The Company has expanded to offer many more services besides housing. It now provides services related to health care, family services, employment, recreation, and education. It has developed community facilities such as a community thrift shop, the Mt. Hope Primary Care Center, the Job Resource Center, a community garden, and the Home Maintenance Training Center. It has approximately 70 employees.

The local neighborhood – an urbanized, largely Latino area of the South Bronx – is low-income but not devoid of financial institutions. It was considered by interview respondents to be fairly well served by various banks and credit unions. For example, 80 percent of the IDA accountholders have checking accounts, and 40 percent have savings accounts. Also, many have direct deposits of paychecks and IDA deposits.

AFIA Program

Mt. Hope has AFIA funding for 83 IDA accounts, with 45 opened as of May 2001. The match rate is 2:1. The minimum opening deposit of $25. The savings period is 6 months to 3 years. There are three allowable uses: homeownership, microenterprise, and post-secondary education. At the time of our site visit, two withdrawals had been made, both for home purchase, and a third was pending.

Mt. Hope targets residents of the South Bronx, with priority given to residents of the portion of the target area defined as Community District 5, and families with children. Much of the local population is Latino and African-American, with large proportions of female-headed households.

At the time of our site visit, the AFIA program was operated by two individuals: a full-time program manager, and a VISTA IDA volunteer. Oversight of the program was maintained by the Vice President of Community Development. In June 2001 the program manager departed and the Company began a search for her replacement.

Mt. Hope established a previous homeownership IDA program in 1996 under a program offered by the Federal Home Loan Bank of New York. In 1998, cognizant of the difficulty of affording real estate in the New York City market, it expanded allowable uses to computer purchase and retirement. This program also serves a higher-income population (80 percent of area median income). Mt. Hope still maintains this program, which has ten accounts.

Financial Partner

Mt. Hope's financial institution is Bethex Federal Credit Union, a community development credit union that specializes in serving low-income local residents. Bethex consists of an Executive Director, who founded the credit union 31 years ago, and fewer than 10 full-time and part-time staff, about half of whom are workfare recipients. An IDA VISTA volunteer administers the IDA accounts. The relationship between Mt. Hope and Bethex is a long-standing and close one. Mt. Hope donates office space for Bethex in one of its properties; it has substantial company deposits there; and a Mt. Hope representative has traditionally served on the Bethex Board. Therefore, it was natural that Mt. Hope selected Bethex as its AFIA financial partner.

Originally, Bethex was to assume the lead in developing and delivering the financial literacy component in addition to holding the accounts. However, a philosophical difference over the financial literacy curriculum, and Bethex's limited staff availability, led to Mt. Hope's assuming the lead on that component of the program. Bethex's role is now simply as financial repository of the accounts.

Social Development Commission
Milwaukee, WI

This AFIA program is notable for the unusual target population, refugees, whose needs and savings behavior is in many ways different from the traditional low-income populations served by most other AFIA programs. The refugees are highly motivated to succeed in this program; savings deposits are typically in the range of $200 per month.

Organization and Community

The Social Development Commission (SDC) is a community action agency in operation since 1963. With about 350 staff members and an annual budget of $31 million, SDC serves 200,000 people in over 30 programs. The range of services provided is quite diverse. These include Headstart, senior meal program, tax preparation assistance site, victim assistance, energy assistance, education and training, youth development, and business development.

SDC's service area includes all of Milwaukee County. Milwaukee is the largest city in the state of Wisconsin, with a population of approximately 600,000. The executive offices of SDC are located in the heart of the downtown area, next to the Grand Avenue Mall. SDC operates over 25 programs in various locations all around Milwaukee County, including a Southside Neighborhood Service Center. Most of the AFIA participants come from urban (but not the inner city) areas of Milwaukee.

SDC is a sub-grantee of the Wisconsin Community Action Program Association (WISCAP), an umbrella organization. WISCAP is the professional network, or trade association, of Wisconsin's sixteen Community Action Agencies, the United Migrant Opportunities Services, the Coalition of Wisconsin Aging Groups, and the Foundation for Rural Housing. The sixteen Community Action Agencies work with each other and WISCAP to provide economic opportunities to low-income people across the state. The organization works to design, establish, and manage statewide antipoverty programs. Services are provided at the local level, while WISCAP provides overall management for statewide programs.

WISCAP has had experience with IDA programs before AFIA. Two member agencies, ADVOCAP and the Community Action Coalition for South Central, had previously established IDA programs. One of these, the ADVOCAP IDA program, established in 1995, was one of the first IDA programs in the nation and participates in the national American Dream Demonstration. In addition, WISCAP and ten of its member organizations, including SDC, operate IDA programs funded in part by the Office of Refugee Resettlement (ORR). Under the ORR program, which is targeted to refugees, qualified IDA uses include the purchase of an automobile or computer, and home repair.

SDC was particularly interested in establishing an AFIA program because it helped round out SDC's mission to help the poor of Milwaukee move out of poverty through asset-building. The AFIA program fits well with another initiative SDC is planning to launch in 2001: a community-wide initiative entitled the Milwaukee Asset Building Coalition, whose goal is to improve individual net worth through EITC and educational services including financial literacy and asset building. Elements of this initiative include promotion of the Earned Income Tax Credit and provision of tax preparation services, and asset building opportunities such as IDAs.

AFIA Program

WISCAP's AFIA grant was for $500,000 to fund a total of 453 IDA accounts. This grant was divided between fifteen organizations, with SDC receiving $31,000 to fund 28 IDA accounts. An additional 19 accounts are currently being allocated to SDC because of an internal reallocation from other WISCAP sub-grantees. The allowable uses are homeownership, micro-enterprise, and post-secondary education/job-training.

The match rate is 2:1. The minimum monthly deposit required is $10 but most of the participants deposit much larger than required. The maximum total saving per household is $1,000, resulting in a maximum match of $2,000 over 2 years. At the time of our site visit, 20 accounts had been opened. SDC also operates an ORR-funded IDA program that has 25 slots. At the time of our site visit, two participants had completed the AFIA-funded program. One used the funds for home purchase, the other for education.

The target group for this program is refugees. About 80 percent of the participants are refugees, primarily Bosnian Serbians, Laotians, and Hmong. Outreach has been primarily through two faith-based institutions, a Serbian Orthodox church and a Buddhist temple. SDC plans to expand the program to serve many more clients, including its traditional low-income clients, when it launches the Milwaukee Asset Building Coalition later in 2001.

Financial Partner

SDC's financial partner is Wells Fargo Bank, which had taken over Northwest Bank, with whom SDC had had an existing relationship. What convinced the bank to participate was its solid relationship with SDC and the custodial feature of the IDA accounts. According to Wells Fargo, the bank does not receive Community Reinvestment Act (CRA) credit for this program. Participants open up a standard passbook savings account, but all the monthly fees and minimum balance requirements are waived.

The financial literacy training is delivered in small groups or sometimes one-on-one by SDC staff. Many of the refugees already understand the importance of savings and the concept of net worth. They need help, however in understanding how American financial institutions work. Moreover, instead of credit repair, they need help in establishing a credit history. Participants who need more intensive assistance are sent to the "Get Checking" program offered by local organizations such as the Consumer Credit Counseling Services, SDC, and University of Wisconsin Extension School. This program arose out of concern over the numbers of Milwaukee residents who were not eligible for bank accounts. Participants who complete the program and who have settled their debt problems are presented with a certificate that allows them to open a checking account at a participating bank or credit union.

YWCA of Greater Pittsburgh
Pittsburgh, PA

This program is noteworthy in the way that AFIA program elements have been adapted from existing asset-building programs dispersed across three organizations. It is also unusual in terms of the bank's strong, even dominant, role.

Organization and Community

This AFIA program is a partnership between three organizations: the YWCA (the AFIA grantee), the Housing Authority of the City of Pittsburgh (HACP), and Dollar Bank. It was the HACP that convened the AFIA partnership. The AFIA program is targeted to clients of the HACP, specifically, public housing residents and Section 8 tenants. The HACP convened the partnership because it felt that the IDA incentives would complement its own self-sufficiency and homeownership promotion efforts. It had previous relationships with both the YWCA and Dollar Bank although the two had not worked together before. The YWCA is under contract to the HACP to provide case management for the HACP's Family Self-Sufficiency (FSS) Program. Dollar Bank had been under contract to the HACP since 1998 to offer its homeownership training course, *Mission: Homeownership*, to HACP clients.

Established over 100 years ago, the YWCA of Greater Pittsburgh provides a range of services related to affordable housing and self-sufficiency. TANF recipients comprise a major segment of the target populations for its programs. Its housing program portfolio includes a housing counseling program and a tenant-training program. Other programs include case management for the FSS program, Bridge Housing, YWCA Homes Inc. (a subsidiary corporation for low-income rental housing development), and Ujima House (permanent housing for formerly homeless families). It also operates a number of job training and employment placement programs, as well as programs aimed at reducing girls' involvement in gangs.

The HACP currently operates about 7,500 housing units in the city. It also provides a number of social and economic programs, including an academic youth camp and mentoring program, a job program for teens, a bank teller training program, and summer maintenance training program.

Dollar Bank is prominent locally with respect to its outreach to low-income communities. It is considered a lender in responding to the Community Reinvestment Act. For example, its Credit Enhancement Program provides mortgage counseling and credit counseling for low-income individuals. Since 1991 approximately 1,100 individuals have enrolled in this program, and 323 have purchased homes. Among the AFIA accountholders, 81 percent have checking accounts, and 54 percent have savings accounts.

AFIA Program

The AFIA program was incorporated into Dollar Bank's existing *Mission: Homeownership* program. The program consists of a homeownership course and personalized credit counseling. Thus, the *Mission: Homeownership* program consists of two groups of participants: AFIA participants and its traditional participants – those with incomes less than 80 percent of the area median income. Upon completion, the latter may receive grants up to $3,000 from Dollar Bank for down payments. All completers of *Mission: Homeownership* are obliged to apply for their mortgages at Dollar Bank.

Responsibilities were to be divided among the partner organizations as follows. Grant administration would be handled by the YWCA as the grantee. Its FSS caseworkers would also provide IDA case management. Dollar Bank would provide financial education as part of its *Mission: Homeownership* program, and would maintain the accounts. The HACP would take the lead in recruiting, using its existing channels (HACP newsletters, residents' meetings, etc).

The program is targeted to Section 8 tenants, public housing residents and other low-income families (earning 80 percent of AMI or less). Also targeted are families paying at least $350 out-of-pocket in monthly rent and all residents of public housing units facing federally mandated demolition under Section 202. This group is almost entirely made up of families with children.

The match rate is 4:1. The maximum saving per household is $1,000 with a maximum match of $4,000 over five years. The minimum monthly deposit is $10 per month. Forty-five accounts had been opened at the time of our site visit, out of 140 funded slots. Four individuals had purchased homes, and 16 were in the process of doing so. Approximately 17 accounts were considered "dormant" (had not shown activity).

The staff members involved in the AFIA program are as follows. At the YWCA, two FSS caseworkers conduct case management, under the day-to-day supervision of a manager responsible for both the AFIA and the FSS programs. General oversight is provided by the YWCA's director of housing programs. At the HACP, one individual is responsible for AFIA issues among his many other job responsibilities. At Dollar Bank, one staff member provides the financial literacy training and credit counseling for all *Mission: Homeownership* participants (over 200 individuals) although a second staff member had been hired and was being trained at the time of our site visit. Supervision is provided by a bank Vice President.

C. Comparisons with Other AFIA Grantees

The process study sites were not chosen to be representative of the entire cohort of fiscal year 1999 grantees, but rather to illustrate variations in features such as target populations and operational characteristics. To put our findings from those sites in context, it is useful to compare some of the key features of the process study sites with those of the entire cohort. These data are presented in Exhibit 2-2. The data are drawn from information provided by the AFIA grantees to PeopleWorks, the AFIA technical assistance contractor to HHS. Each characteristic presented in the table is summarized below.

Exhibit 2-2: Characteristics of Process Study Sites Compared to All Fiscal Year 1999 Grantees

Characteristic	Community Services Agency Reno, NV	Mercy Housing Sacramento, CA	Mt. Hope Housing Bronx, NY	Social Development Commission Milwaukee, WI	YWCA Pittsburgh, PA	FY 1999 Cohort
Gender						
Female	94%	78%	85%	59%	100%	84%
Male	6%	22%	15%	41%	0%	16%
Ethnicity						
African American	0%	39%	62%	0%	92%	41%
Asian	0%	0%	0%	35%	0%	1%
Caucasian	17%	24%	5%	0%	4%	37%
Hispanic	71%	29%	33%	0%	0%	9%
Otherb	12%	8%	0%	65%	0%	12%
Unknown	0%	0%	0%	0%	4%	0%
Age (years)						
Under 18	6%	0%	0%	0%	0%	3%
18-35	70%	47%	62%	40%	44%	53%
36-55	24%	53%	38%	60%	40%	40%
56 or older	0%	0%	0%	0%	4%	3%
Unknown	0%	0%	0%	0%	12%	1%
Marital Status						
Single	29%	24%	81%	27%	73%	51%
Married	59%	29%	9%	53%	4%	21%
Separated/Divorced/Widowed	12%	47%	5%	20%	19%	27%
Unknown	0%	0%	5%	0%	4%	1%
Families with Children Under 18						
One or more children under 18	94%	98%	100%	90%	90%	86%
No children under 18	6%	2%	0%	10%	10%	14%
Residence						
Rural area	6%	14%	0%	0%	0%	27%
Suburban area	6%	26%	0%	0%	0%	9%
Urban area, not inner city	88%	20%	0%	100%	70%	31%
Inner city	0%	40%	100%	0%	30%	33%

Exhibit 2-2: Characteristics of Process Study Sites Compared to All Fiscal Year 1999 Grantees (cont'd)

Characteristic	Community Services Agency Reno, NV	Mercy Housing Sacramento, CA	Mt. Hope Housing Bronx, NY	Social Development Commission Milwaukee, WI	YWCA Pittsburgh, PA	FY 1999 Cohort
Employment Status						
Full-time	59%	65%	86%	73%	73%	57%
Part-time	23%	27%	14%	14%	8%	23%
Unemployed	6%	0%	0%	0%	0%	2%
Homemaker/Student/Retired	12%	8%	0%	13%	15%	18%
Unknown	0%	0%	0%	0%	4%	0%
Income Level (% of federal poverty level)						
Less than 100	94%	43%	24%	0%	31%	39%
101 to 150	6%	47%	43%	27%	48%	46%
151 to 200	0%	10%	33%	73%	21%	15%
Banking Relationships						
With checking accounts	53%	71%	80%	28%	81%	49%
With savings accounts	29%	69%	40%	[a]	54%	38%
Has credit card	6%	57%	60%	[a]	60%	28%
Account Characteristics						
Percent of AFIA funded accounts opened	53%	54%	23%	61%	37%	25%

Source: Unpublished tabulations of program data, as submitted by AFIA grantees in their Annual Progress Reports for 2000 and as summarized for HHS by PeopleWorks Inc., 2001.

[a] Other – data unknown
[b] Other includes Native Americans, Pacific Islanders, Hawaiians and for the Milwaukee site reflects a significant refugee population.

Gender. As with other IDA programs nationwide, the AFIA program clientele is primarily female. Women comprise fully 84 percent of the AFIA participants. This is also true for all of our process study sites, although the numbers vary by site. Accountholders are almost exclusively female at both the Pittsburgh site (100 percent) and the Reno site (94 percent). In contrast at the Milwaukee site women account for 59 percent of all account holders. This reflects the distinctive nature of the targeted refugee population in that program.

Ethnicity. African Americans are the predominant ethnic group served by the Pittsburgh site (92 percent) and the Bronx site (62 percent). The Reno site has a heavy concentration of Hispanic clients (71 percent). The Milwaukee site has a large number of Other (65 percent) and Asian (35 percent) participants, in keeping with its focus on refugees. The Sacramento site has a fairly even split among the African American (39 percent), Hispanic (29 percent), and Caucasian (24 percent) participants.

Age. The most common age bracket for AFIA accountholders is, not surprisingly, the prime working years 18 to 55. The Reno site was the only visited site with accountholders under the age of 18 years (6 percent). Pittsburgh was the only visited site with accountholders over the age of 56 (4 percent).

Marital status. Overall, most accountholders in the 1999 cohort are unmarried, either single (51 percent), or separated, divorced, or widowed (27 percent). About one-fifth (21 percent) of IDA accountholders are married. Marital status varied greatly by site. Two sites, Bronx and Pittsburgh, had very high proportions of unmarried accountholders (over 90 percent). At the Reno and Milwaukee sites, in contrast most accountholders were married (59 percent and 53 percent, respectively). In Sacramento, nearly one-half of accountholders (47 percent) were either separated, divorced, or widowed.

Families with children under 18. In each of our five sites, 90 percent or more of the accountholders had at least one child under the age of 18. This was slightly above the average for the 1999 cohort (86 percent).

Residence. In the overall 1999 cohort, the accountholders are fairly evenly divided among rural areas (27 percent), urban areas-not the inner city (31 percent), and inner city (33 percent), with a small suburban share (9 percent). In contrast, most of our study sites serve urban populations. The Sacramento site has the most diverse geographical mix and is the only site that serves a notable share of suburban accountholders (26 percent).

Employment status. Most accountholders in both the 1999 cohort and our study sites are employed full-time (57 percent for the cohort). Among the visited sites, the percentage employed full-time was highest in the Bronx site (86 percent).

Income level. Variations in income among the sites are interesting in view of what they imply about the capacity of participants to save. The range is substantial. One site, the Milwaukee program, draws most of its participants from the upper end of the eligible income distribution; nearly three-quarters (73 percent) of its accountholders have incomes between 151 and 200 percent of the poverty level. The Bronx and Pittsburgh sites drew between one-third and one-fifth of their accountholders from this segment of the income distribution. In contrast, nearly all accountholders at the Reno site (94 percent) had incomes at or below the federal poverty level. Similarly, almost half of the Sacramento participants (43 percent) are drawn from this lowest end of the income spectrum. In three sites (Sacramento, the Bronx, and Pittsburgh), the heaviest concentration occurs in the middle income stratum (101 to 150 percent of poverty level).

Banking relationships. With the exception of the Milwaukee site, which serves a refugee population, the process study sites have relatively more "banked" accountholders than the cohort overall. In the overall 1999 cohort, fewer than one-half of the accountholders had checking accounts (49 percent) or savings accounts (38 percent), and only about one-quarter had credit cards (28 percent). Four of the sites (all except Milwaukee) had higher shares of accountholders with checking accounts – as high as 80 percent for Bronx and Pittsburgh participants. The prevalence of savings accounts and credit cards was also higher than the cohort average for three organizations – the Bronx, Sacramento, and Pittsburgh sites. The prevalence of savings accounts and credit cards was quite low among Reno accountholders. Data were unavailable for the Milwaukee site on these items.

Percent of funded accounts opened. Overall for the cohort, only 25 percent of the funded account slots have been opened. Our sites are atypical in this respect, by design. (One of our selection criteria was a relatively high level of operational activity.) Indeed, four of our five study sites have a higher percentage of accounts opened than the cohort average: Milwaukee (61 percent), Sacramento (54 percent), Reno (53 percent), and Pittsburgh (37 percent). The Bronx site is close to the overall cohort average with 23 percent of its funded accounts opened.

III. Site Visit Findings

This chapter presents in detail the findings from our first-round site visits to the five selected AFIA programs. Our findings illustrate the variety of AFIA program models that are taking shape. In describing the issues facing these early grantees, our findings also suggest the policy issues that may emerge as the IDA field evolves.

All of the programs visited were in an early operational phase. Although some of the visited programs are still refining certain aspects of their operations, they have all progressed beyond an initial startup phase. Most respondents felt that the hard work of program design and development was behind them. They could speak of approaches that had been tried and changed, and of lessons learned along the way. At each program, some participants had already attained their savings goal and made matched withdrawals. Interviewed accountholders at each site spoke eloquently of the importance of the program to them. To some observable degree, the programs are thus accomplishing what they set out to do.

The programs were doing so in very diverse ways. The crucial task for program administrators appears to be finding the right fit between the IDA program, the organization, and the clientele; that is, ensuring that the IDA program fits well with the organization's mission and strengths and with the capacities of participants.

In the remainder of this chapter, we describe our findings with respect to organizational structure and philosophy; targeting, recruitment, and screening; case management; financial education; and, finally, the ways in which our findings suggest emerging policy issues.

A. Organizational Structure and Philosophy

In many important respects, AFIA programs reflect the organizations that operate them. Each organization puts its own "stamp" on its AFIA program – on the types of individuals that it tends to attract, the financial literacy curriculum, its approach to case management, and the program requirements that it imposes. To better understand the programmatic differences among the visited AFIA programs, it is important to first examine the organizations. Following is a brief descriptive overview of their key features.

- ***Of the five organizations studied, two are nonprofit housing companies (the Bronx and Sacramento organizations), and three are social service organizations (the Pittsburgh, Reno and Milwaukee grantees).*** The housing companies own and operate a number of affordable-housing properties. Both of them attempt to tap into this natural constituency – residents – for their IDA programs. Interestingly, neither organization limits the authorized use of IDAs to home purchase or even tries to promote home ownership above the other uses.
- ***All of the process study sites, including the housing companies, are multi-service organizations.*** They view their mission broadly, as community development or self-

sufficiency, and offer a range of services to those ends, including child care assistance, employment and training, business development, emergency assistance, and youth development. They had been attracted to IDAs because they felt that IDAs would complement these broader missions.

- ***All of the organizations are large and well established in their communities***. Staff size ranged from 60 at the Reno site to 350 at the Milwaukee site. They have all been in operation 15 years or more. Each organization has a good understanding of its constituency and has a considerable track record operating a wide variety of programs. In short, none of these are organizations struggling to "find their way."

- ***Four of the organizations are single-site AFIA grantees.*** The Milwaukee organization, SDC, is a sub-grantee of a larger, multi-site grantee, WISCAP. Thus, it received only a portion of the grant awarded to WISCAP. That $500,000 grant was split among fifteen organizations, resulting in $31,000 for SDC – substantially less (on a per-account basis) than the grant awards for the single-site grantees in our process study.

- ***Prior experience with IDA programs varied.*** The Reno site had no previous experience with IDA programs. The Bronx site, Mt. Hope Housing Company, operated (and is still operating) its own IDA program. It had established the First Home Club in 1996 under the aegis of the Federal Home Loan Bank of New York. In 1998 it was expanded to include other uses besides home purchase (e.g. computers, retirement). Mt. Hope still operates this program, which has ten accountholders. It was able to apply some of the lessons learned (e.g. about the challenges of recruitment, the need for supportive case management, and the difficulty of home purchase in the expensive New York City area) from this experience to its AFIA program. Although the Pittsburgh grantee had no previous experience operating an IDA program, its financial partner, Dollar Bank, has substantial experience operating a homeownership promotion program that contain elements similar to an IDA program, such as savings plans, financial literacy, and credit counseling.

- ***Two grantees, in Sacramento and Milwaukee, operate other IDA programs that had been developed roughly concurrently with the AFIA-funded programs.*** The Milwaukee grantee operates a 25-account IDA program funded by the Office of Refugee Resettlement (including the AFIA-funded slots, it has funding for 72 accounts). The Sacramento grantee operates five IDA programs totaling 225 accounts. Program staff at both organizations felt that the existence of these other IDA programs created enough of a "critical mass" to make the startup investment of time and effort worthwhile.

- ***Three of the organizations have only one financial partner; two have multiple partners.*** The Reno grantee has relationships with three banks. One holds the AFIA accounts, and the other two provide some portion of the match funds and provide the financial education on a rotating basis with the first bank. The Sacramento grantee also has relationships with three banks, each of which holds some AFIA accounts. Two of these are small rural banks that were included to give participants in rural areas better bank access. The role of the two rural banks is limited to maintaining accounts.

- ***All five organizations have a "natural" financial partner; typically, a financial institution with whom a relationship already existed.*** Most of the banks became involved for one (or both) of two main reasons: the sponsoring organization had leverage with the bank by virtue of its deposits there; and they saw IDAs as opportunity to reach the unbanked population and obtain business from future homeowners and entrepreneurs.

- ***The role of IDA partners varies***. The role of financial institutions varies. At some sites, the financial institution merely maintains the accounts (the Bronx and Milwaukee sites). At others, the financial institutions are involved in providing the financial literacy training (the Reno site), and/or assisting with outreach (the Sacramento site). At the Pittsburgh site, the bank provides the financial literacy training and in many respects is perceived to have the dominant role in the IDA program, as detailed later. At the Sacramento site, a partner organization, the Sacramento Valley Organizing Community (SVOC), operates a parallel IDA program. The two Sacramento organizations, Mercy Housing and SVOC, divided the AFIA-funded account slots between them (57 for Mercy Housing and 33 for SVOC). Some functions are centralized: Mercy Housing tracks all accounts, the same bank maintains all accounts, and all participants attend the same financial literacy training. But SVOC conducts its recruitment and case management independently.

Following are our principal findings with respect to the ways in which organizational structure and philosophy shape AFIA programs.

The one visited program that is operated with very strong involvement by the financial institution was very different from those operated by social service organizations. For all visited programs, the AFIA grantee is a nonprofit organization. However, there is one program – the Pittsburgh site – in which the predominant institution is the financial partner, Dollar Bank. Among those interviewed, there was a common understanding that Dollar Bank had true "ownership" of the program, even though the AFIA grantee was the YWCA. Staff at each partner organization involved, as well as the participants themselves, called it "Dollar Bank's IDA program." This perception seems to stem from the fact that the AFIA program was largely incorporated into an IDA-like program already operated by Dollar Bank.

Dollar Bank had been operating a homeownership promotion program for low-income individuals called *Mission: Homeownership.* The program is targeted to individuals with incomes less than 80 percent of area median income. Upon completion of a homeownership education course and credit counseling, individuals can receive grants of up to $3,000 from Dollar Bank toward a down payment. AFIA participants now attend the same financial literacy classes and receive the same credit counseling as *Mission: Homeownership* clients. The only difference is that the AFIA participants receive case management through the YWCA, and their eligibility is determined by AFIA regulations. AFIA participants and all other *Mission: Homeownership* clients are required to apply for their mortgages through Dollar Bank.

Thus, even though Dollar Bank is not the AFIA grantee, we consider this a bank-oriented program. It differs in many respects from the other four visited programs. These differences are suggestive of the ways in which AFIA programs operated by financial institutions tend to differ from those operated by social service organizations. However, it is important to bear in mind that Dollar Bank is probably not representative of all banks. It is a local – some would claim a national – leader in community involvement; it also offers a range of products and services for low-income savers and conducts aggressive outreach to low-income communities.

Therefore, even though the Pittsburgh program is only one example, and has an unusual financial partner, it is nonetheless an informative example of how a bank-oriented AFIA program might differ from others. We see the key differences as follows:

- ***In a bank-oriented AFIA program, IDAs are viewed as a "product" rather than a "program."*** Dollar Bank views IDAs as one financial instrument among many. This is in contrast to the common view by the social service community of IDAs as a "program" for personal empowerment and transformation. Dollar Bank views IDAs as a product that has the potential to attract mortgage business from a previously untapped market. This shapes the program in fundamental ways. It shapes the bank's expectations of individuals; a "successful" IDA account is one that turns into an accepted mortgage application within a reasonable length of time. It also shapes the services provided – technical homeownership information and extensive credit repair services, but little (if any) case management.

- ***Bank-oriented programs are likely to attract a different population than those recruited by social service agencies***. A bank-oriented program, with little emphasis on case management, will place more emphasis on screening applicants to ensure that only those likely to become mortgage-ready are accepted. Dollar Bank has neither the capability nor the desire to provide case management. It has relatively little tolerance for maintaining accounts that it feels are not likely to turn into successful mortgage applications. Accepting individuals into the program who are unlikely to become mortgage-ready within the time frame of the AFIA grant merely ties up match money that could be used for other individuals. The participant population in a bank-oriented program is therefore more likely to be composed of focused self-starters. "We cherry-pick from the neediest population," said one individual affiliated with the program.

- ***Bank-oriented programs may be capable of operating at a larger scale – but for a different population.*** Because of the absence of case management and a less personalized approach, bank-oriented programs may well be "leaner" administratively. In contrast, the provision of case management may limit the number of individuals that social service organizations can serve effectively. Both approaches can be effective in their ways, but there is a tradeoff. IDA programs operated by social service organizations may end up being accessible to fewer people, but may reach more individuals "at the margins" – those who can succeed at asset acquisition, but only with program support.

- ***Banks may be unlikely to want IDAs to be used for purposes that do not involve bank business***. The original Dollar Bank program was designed only for home ownership, so this is the only option available to AFIA participants. To the extent that home purchase and business startup have greater loan potential than post-secondary education, banks may choose to restrict IDAs to these uses.

Programs vary in their leniency or stringency, according to organizations' philosophies. A program can be lenient or stringent in several respects: (1) the minimum deposit required; (2) attitude toward participants' unrealistic aspirations; (3) tolerance for emergency withdrawals; (4) tolerance for inactive accounts, or participants who appear unlikely to attain their saving goal; and (5) how closely saving deposits are monitored. One aspect of this is the position that a program takes with respect to what may be accountholders' unrealistic aspirations. What if an individual with severe credit problems insists on aiming for homeownership? What if the amount that an individual can set aside each month is insufficient to meet his or her goal? The approach a program takes in these instances varies widely, according to the philosophy of the organization, and will no doubt affect program outcomes. The Bronx site provides a good example. Although it admits all eligible applicants, the program does gently guide certain individuals away from the homeownership goal. It does this partly because the very high cost of New York City real estate makes homeownership unattainable for most people in the AFIA-eligible income bracket. (In fact, for this reason program staff wished that the income guidelines were pegged to area median income rather than the federal poverty level.) It also discourages homeownership as a goal if an individual has credit problems so severe that they would be unlikely to qualify for a mortgage in the duration of the program. In such cases, program staff suggest that the accountholder explore the educational or business-startup goals instead. However, if such an individual insists on striving for homeownership, the program would not prohibit it.

In contrast, Dollar Bank, which has a large role in the Pittsburgh program, feels strongly that the IDA program should impose more stringent constraints. Specifically, it was concerned that a lenient program design would allow too many people to enroll who were unlikely to ever become mortgage ready. It felt that the minimum deposit ($10/month) was too low to sustain a realistic down payment in the Pittsburgh housing market. (The minimum deposit had been set in recognition of participants' low incomes, rather than down payment requirements.) It was especially concerned that, at the time of our site visit, there were approximately 17 accounts (out of 62 ever opened) showing very little activity. The bank was concerned that these inactive accounts' claim on match funds was tying up money that could be used for "productive" accounts. At the time of our visit, the bank wished to raise the minimum monthly deposit from $10 to $40 and to restrict admission to individuals that are, or could become, mortgage-ready during the time frame of the program. As a bank, it feels that it (rather than a social service agency) is best qualified to assess a person's mortgage potential, and it does not wish to tie up match money in accounts that are unlikely to "graduate" to mortgage applications. Dollar Bank had succeeded in imposing this screening criterion at the time of application. (Screened-out individuals would be referred to other Dollar Bank programs while they repair their credit, until they become "IDA-ready.") The bank also succeeded in raising the minimum monthly deposit. In the future, it will be interesting to track whether inactive accounts become a problem, especially among programs whose requirements are relatively lenient.

"Piggybacking" IDA program components onto existing program components can have mixed results. For the most part, the sites developed the components of their IDA programs specifically for the IDA programs. One site stands in contrast. The Pittsburgh site integrated IDA program elements into the pre-existing activities of the three partner organizations. Recruitment was to be conducted by the Housing Authority of the City of Pittsburgh (HACP). Case management was to be conducted by the YWCA in the context of its existing case management work for the HACP's Family Self-Sufficiency (FSS) program. Financial education and credit counseling were to be provided by Dollar Bank as part of its pre-existing homeownership program. (Details of these arrangements are provided in the respective sections of this report.) This strategy has met with mixed success. The HACP lacks the capacity to sustain a major recruitment effort, so Dollar Bank has incorporated the IDA program into its recruitment drive for its broader homeownership program. Case management appears to suffer because the FSS caseworkers are already overworked. The financial education component appears to work fairly well, largely because a smoothly-running system had already been developed. It has proven fairly straightforward to simply allow more individuals (the AFIA participants) to attend the classes. What has resulted, however, is a program that is fragmented and incohesive.

The Milwaukee site plans to include their IDA program in the Milwaukee Asset Building Collaborative, an initiative that involves partnerships with other Milwaukee organizations. This initiative is expected to start in late 2001.

In contrast, at the other organizations, developing the case management and financial education components specifically for the IDA program involved substantial startup costs, but resulted in centralized, more cohesive program elements. At least one organization, the Bronx grantee, is investigating expanding its well-regarded financial education curriculum to other programs.

The heavy administrative requirements of AFIA programs may make them difficult propositions for small organizations with a limited funding base. AFIA-specific administrative costs are not easily measured, but the anecdotal evidence suggests that such costs are extensive. This echoes the findings of other research in the IDA field.[8] The program costs are difficult to quantify from available information for several reasons. First, it is common for staff salaries to be covered by multiple funding sources, and staff members are typically unfamiliar with the amount derived from each source. Cross-site comparisons of administrative costs for a given type of organization (e.g. the sponsoring organization) are deceptive because tasks are split differently between organizations in different programs. For example, at one site, the financial education component may have been developed by a bank at one site, and by the social service agency at another. Financial institutions either do not track such expenses specifically, or are reluctant to share this information.

The anecdotal evidence is compelling, however. Uniformly, program staff noted that organizations must find other sources besides AFIA administrative funding. The visited sites have had to marshal a variety of funding sources to compensate. In this respect, the size and diversified nature of the sponsoring organization can be crucial, because it determines whether it is able to do so. Fortunately, most of the process study sites possessed the resources to cover startup and administrative expenses. Some have been able to subsidize their AFIA program with other internal funds. For example, at the Bronx grantee organization, a portion of the IDA manager's salary is paid by a different internal program account. The sites leveraged other external sources of funding as well. In at least one case, that of the Sacramento site, the AFIA program simply operates at a staffing level that is very low. (This organization operates five IDA programs with two part-time staff members and a VISTA volunteer.)

The challenge of covering administrative expenses was particularly acute for the organization affiliated with a multi-site grantee. The experience of WISCAP's sub-grantees is illustrative. WISCAP's administrative funding from the AFIA grant had to be divided between all the affiliated organizations, but each one had to incur all the costs (e.g. of developing the financial literacy component, purchasing MIS IDA, etc). Specifically, each sub-grantee received $3,000 in AFIA administrative funding. This barely covered the cost of purchasing the management information

---

[8] See, for instance, Gregory Mills, et al., Evaluation of Asset Accumulation Initiatives: Final Report, Abt Associates Inc., Cambridge, Mass., February 2000.

system, MIS IDA, much less any other administrative expenses. The necessity of purchasing the new SPSS software (to replace MIS IDA) is going to be a challenge for many sites.[9]

These five AFIA programs were little known within their communities. Our impression, confirmed by program staff and participants, is that AFIA programs are little known outside of the constituencies of the sponsoring organizations. Several reasons may account for this. First, the IDA field is nascent. Second, most AFIA programs are small in size. In some cases, organizations are actually reluctant to publicize their programs too widely for fear of being unable to accommodate potential applicants. This concern seems ill-founded, as organizations typically have difficulty filling even the few account slots that they do have.

B. Who Participates: Targeting, Recruitment, and Screening

The participant populations of the process study sites vary dramatically. This is not surprising, as each organization targeted the clients that it felt best equipped to serve. But participants also vary in unobservable characteristics such as motivation. According to program staff, it is these unobservable characteristics, even more than income level, that affect an individual's success at saving.

Our principal findings with respect to targeting, recruitment, and screening are presented below.

AFIA programs do not "sell themselves." Substantial effort and thought are required to conduct a successful recruitment initiative. Program staff at all visited organizations noted that low-income individuals, upon learning about IDAs, tend to perceive such programs as too good to be true. This skepticism stems in part from a healthy wariness toward fraudulent-sounding "get-rich-quick" schemes. Many people are also distrusting of mainstream financial institutions, having had either no experience or bad experiences with them. These factors present considerable hurdles to outreach and recruitment.

Although the AFIA staff uniformly agreed that initial recruitment can be quite difficult, they were also quick to note that, in the words of one program staff member, "once you get over that initial hump and get positive word of mouth, an IDA program *can* sell itself." There was general agreement that after some critical mass of program success has been reached, word of mouth is the most cost-effective recruitment method. In fact, a few program administrators deliberately conducted their program to ensure some early success stories – for example, by recruiting those likely to succeed or by encouraging savings goals that were relatively easy to attain – knowing that such successes would bring others into the program.

Most of the organizations drew their IDA participants primarily from the populations with which they were already working. This was true for three of the five programs studied. The Bronx grantee, for example, formally targets all eligible Bronx residents, but most accountholders are drawn from its own client base or from those referred by its partner organizations. The Pittsburgh program targets

[9] The inability to cover the administrative costs may be having a detrimental effect on some AFIA programs. Although it was beyond the scope of our study to examine other WISCAP sub-grantee sites, it appears that some are struggling to establish and maintain their AFIA programs, with inadequate administrative funding as a possible complicating factor.

recipients of housing subsidies, specifically Section 8 tenants and public housing residents. This is the client base of the Housing Authority (HACP), which initiated the AFIA grant application and remains one of the integral partners of the program. This is a "natural" target population insofar as the grantee, YWCA, works with some of these clients through its administration of the HACP's Family Self-Sufficiency program, while the HACP refers others. As the third example, the Reno site targets families participating in its Head Start program and residents of its low-income housing properties.

Two of the organizations, however, are working with populations essentially new to them. The Milwaukee site deliberately reached out to the refugee population. It selected this target population because it had received an Office of Refugee Resettlement (ORR) grant to establish an IDA program, and it felt that there would be good synergy between the IDA programs funded by ORR and AFIA. Approximately 80 percent of its AFIA-funded IDA program participants are refugees, drawn from three major groups: Bosnian Serbs, Hmong, and Laotians. Working with this population required the hiring of staff members who were familiar with these groups, as discussed later.

The Sacramento grantee is also working with a new population – low-income residents within the general public – because poor recruitment results led it to change its original strategy. Initially, it targeted its own and its partner's client populations (residents of rental properties owned by the grantee, Mercy Housing, and clients of SVOC, its partner organization). Because this approach yielded few accounts, however, Mercy Housing has since opened the program to all local eligible residents through general advertising. The organization had to develop additional selection criteria (e.g. the date the application was received, the number of dependent children, and how well developed was the statement of personal savings) but has been very pleased with the results of the advertising effort.

Recruitment varied in difficulty. Three organizations – the Bronx, Reno, and Sacramento grantees – experienced some difficulties in recruitment. The Bronx and Reno grantees overcame initial difficulties by adopting bilingual program administrators (in reaching out to Latino households) and by relying less on "mass" recruitment methods (described below). The Sacramento grantee resolved the problem by enlarging its target population, opening the program to the general public. The other two sites, Milwaukee and Pittsburgh, did not experience major problems in recruitment.

There are no patterns that appear to explain the difficulty or ease of recruitment. One factor that undoubtedly plays a role is the size of the target population. Some target populations may be too small to sustain a critical mass of eligible, interested households. Another factor, as described below, is the appropriateness of the recruitment method for the particular target group.

There were two general approaches to recruitment, targeted and "mass" recruitment. Each one can be effective. *Mass* recruitment refers to the use of media aimed at large populations or the general public, as through newspaper ads, radio spots, and flyers. A *targeted* approach aims at a smaller, well-defined population and typically relies heavily on existing relationships – for example, by drawing on the existing client base or using partner organizations for referrals.

Three organizations started with a mass approach and gradually settled on a more targeted strategy. The Reno site, CSA, is a good example. Initially, it conducted outreach by handing out flyers and attending local community board meetings. However, because these methods produced a low response rate, it changed its strategy, now drawing almost exclusively on the internal CSA community of staff members and existing clients. It utilizes primarily word of mouth. The Sacramento and Bronx grantees also experimented with “mass” recruitment methods before settling on more targeted approaches that relies on word of mouth and other referrals. The Bronx grantee relies on referrals from its partners and also draws from its own client base (residents of its housing properties). The Milwaukee grantee conducts outreach through staff members’ connections to two religious institutions, a Serbian Orthodox Church and a Buddhist temple.

Two of the organizations have had success with mass recruitment methods, however. The Sacramento grantee initially used a targeted approach – presentations and notices to residents of its housing properties – but this resulted in only 25 accounts in five months. The organization subsequently opened up the program to all local residents and placed an ad in a local newspaper. The response was tremendous – nearly 400 phone inquiries for the remaining 32 slots.[10] In the Pittsburgh program, one effective recruitment method is the mass outreach conducted by the financial partner, Dollar Bank, for its *Mortgages for Mothers* program. These are typically one-day, highly publicized public events targeted to low-income women for the purpose of publicizing Dollar Bank’s several programs aimed at low-income savers, including the IDA program.

An interesting case is SVOC, Mercy's partner at the Sacramento site. Originally, SVOC planned to target individuals from one of its properties, Villa Jardin. SVOC also planned to fund its accounts with projected profits from Villa Jardin. The property was not profitable, however. Additionally, its residents were not responsive to the IDA program. As a result, SVOC was able to deliver only 45 percent of the matching funds originally pledged. SVOC is currently working with Mercy Housing to revise the recruitment strategy and pick a new target population for SVOC's accounts. SVOC's preference, however, is to provide the matching funds for the unfunded accounts before they resume recruiting efforts.

Certainly recruitment aimed at a “known” population, such as the organization's client base, can be better targeted. Less effort is expended in reaching those who may turn out to be ineligible. But this obviously reaches fewer people. Outreach to an “external” population casts a wider net, but many of them may be ineligible. One organization, the Bronx grantee, has developed a useful system that tracks its “hit rate” – the *AFIA-eligible* share of applicants attracted to the program through various recruitment methods. It has found this information very useful for program management and for making strategic decisions about recruitment methods in which to invest.

Staff members who are knowledgeable about the culture of the target population can make recruitment much more effective. The Bronx grantee, which is located in a heavily Hispanic area, initially struggled in attracting and keeping IDA participants because its staff members did not speak Spanish. The situation changed markedly with the addition of an IDA manager and a coordinator

[10] SVOC, Mercy's partner at the Sacramento site, originally planned to target individuals from one of its properties, Villa Jardin. SVOC also planned to fund its accounts with projected profits from Villa Jardin. The property was not profitable, however. Additionally, its residents were not responsive to the IDA program. As a result, SVOC was able to deliver only 45 percent of the matching funds originally pledged. SVOC then worked with Mercy Housing to revise the recruitment strategy and pick a new target population for SVOC's accounts.

who are both bilingual. (At the same time, the organization also became more sophisticated in its ability to target recruitment.) The Milwaukee site credits its recruitment success among refugees to staff members' personal credibility with the respective populations. One of the IDA coordinators was related to an elder at a Serbian Orthodox church; the other had contacts to the Hmong population through a local Buddhist temple. In both cases, the endorsement of a trusted source within the local community was essential to attracting refugees into the program.

Participant screening occurs at several levels and undoubtedly affects outcomes. Obviously, the outcomes that will be observed in AFIA programs will depend in large part on the characteristics of the individuals enrolled. Who is enrolled is determined by screening at several levels:

(1) Screening according to AFIA-mandated eligibility criteria;

(2) Self-selection (the IDA program may inherently draw some types of people more than others, resulting in an applicant pool that shares certain characteristics); and

(3) Agency selection (screening criteria imposed by the administering organization).

The first type of screening – according to AFIA-mandated eligibility requirements – is the most straightforward, and all of the process study sites complied with it. The other two types of selection are much more subtle and complex. They are under the control of programs to a large extent, and they can occur explicitly or implicitly. Anecdotal evidence suggests very strongly that self-selection definitely occurs in IDA programs, perhaps most notably with respect to motivation. Individuals who enroll in an IDA program probably already possess a relatively high level of motivation to improve their situation in life. How programs are structured can influence the degree to which participants self-select. For example, imposing a burdensome application process, lack of support services, and stringent program rules will probably result in a program comprised of individuals who are very motivated, with low subsequent dropout. In contrast, providing extensive support and lenient program requirements may allow the less motivated to enter, but with expectedly higher dropout.

The comparison between the Pittsburgh and Bronx programs is illustrative in this regard. The Pittsburgh program offers little case management and relatively few support services. It also allows only home purchase. Participants in that program are, almost by definition, individuals who had determined their goal (homeownership) in advance of joining the program and were capable of sustaining the commitment with little program support. In contrast, some of the other programs – the Bronx site, for example – appeared to attract individuals who were less focused. Extensive counseling and case management permits a more exploratory attitude, and there appears to be extensive personal support if one falters. This would tend to encourage (or rather, not discourage) individuals who might drop out of a more stringent program.

High program success rates (measured by attainment of savings goals) may be due to self- or agency selection that resulted in a "likely to succeed" participant population – or to intensive support, that allows a greater variety of individuals to succeed.

Selection of individuals who possess certain characteristics can also occur by the agency, either implicitly or explicitly. At the time of our site visit, Dollar Bank, which plays a large role in the

Pittsburgh program, had just prevailed in imposing an additional selection criterion: an applicant's potential to become mortgage-ready within the timeframe of the program. This was the only example of explicit agency selection. The other four organizations do not weigh personal characteristics in selecting applicants. The staff in these programs felt that efforts to pre-screen applicants were probably not worth it, for two reasons. First, the typical application process demands so much of individuals that it automatically eliminates all but the most motivated. Second, the most important predictor of success in their view – motivation – is unobservable anyway.

Most of the organizations have an "open-door" policy in which any eligible applicant is accepted. Even so, agency selection can be *implicit* and very powerful – for example, in its focus on one target population over another. An example is SDC, whose selection of refugees as a target population appears to have resulted in a participant population that is highly motivated and driven to succeed. By targeting this group, SDC has implicitly selected for participants possessing those traits.

The importance of selection criteria, whether deliberate or not, whether explicit or implicit, is enormous. In determining the participant population, it affects the intensity of recruitment and case management required, the type of financial education that is most appropriate, and a host of other program parameters. It also can be expected to have a major effect on the observed participant outcomes and program impacts.

C. Providing Support and Accountability: Case Management

Case management is a core element of many IDA programs. Activities that we consider to comprise case management include: orientation (including explanation of program rules and expectations), counseling about appropriate goals and savings strategy, account monitoring, referrals to resources in the community, support services (for example, child care during and transportation to financial education classes), and assistance with any personal issues that affect accountholder's ability to participate successfully in the program.

Traditionally the types of organizations that have operated IDA programs are social service agencies – organizations that are strongly oriented to providing case management. How they do so is as varied as the organizations themselves. In the future, other types of organizations that are not oriented to case management – such as financial institutions – may increasingly begin to operate IDA programs. How will this change the "flavor" of IDA programs? One indication is given by the example of the Pittsburgh site, in which the financial partner has a large role. How does the intensity and approach to case management affect participants' experience in an AFIA program? The examples of our process study sites offer some interesting insights.

Programs vary greatly in their emphasis on case management. Two of the visited sites, Milwaukee and Pittsburgh, offer minimal case management. Their example suggests that intensive case management may *not* be essential – *if* the program is composed of accountholders who have the wherewithal to succeed on their own. At SDC, the non-intensive nature of the case management stems at least in part from the fact that the target population, refugees, is so motivated that little case management is needed. In this program, case management consists of having a staff member available to answer participants' questions. It has little to do with the traditional support services offered by SDC. The program participants we interviewed did not feel a need for more case management.

At the Pittsburgh site, the paucity of case management is a perhaps-unintended effect of the way in which the program is structured. In neither case does it appear – based on the early anecdotal evidence – that the absence of case management is hindering participants' progress toward their savings goals. One caveat to this might be the 17 inactive accounts at the Pittsburgh site. Some may argue, as the financial partner does, that these participants were ill-suited for the program at the outset. Others may argue that these participants experienced difficulty because they did not receive adequate support.

Finally, there is the example of the Sacramento site, which also provides little case management. This is due primarily to staffing shortfalls. There are only two part-time staff members and a VISTA volunteer to manage 225 accounts in five different IDA programs. (The two part-time staffers have most of the client contact; the VISTA volunteer works primarily on larger institution-wide issues, such as expanding IDA availability to other company locations.) In this program, the interviewed participants mentioned minimal case management as a shortcoming. They noted the need for more peer support, more information about other local resources to help them attain their goals, and more in-person asset-specific training.

In conclusion, the record is mixed with respect to the need for case management. It appears to depend primarily on the characteristics of the participant population. It is too early to gauge the effect that case management may have on participant outcomes. From this early experience, however, it appears that case management may not be essential if the participant population is already highly motivated and "self-sustaining." If the participant population is needier, failure to provide correspondingly intense case management can result in individuals who do not progress in the program, or else "silently" drop out. This should serve as a caution to organizations as they consider whether to institute or expand AFIA programs. Many organizations, excited at the ways in which IDAs can help their constituencies, might be tempted to institute AFIA programs without first assuring that case management resources are adequate for the needs of their target population. Similarly, it can be a mistake to attempt to expand IDA programs at a pace that outstrips the organization's realistic ability to serve all participants.

Intense, personalized case management can make a difference for individuals "at the margin." Case management can have a significant, if indirect, effect on the type of individuals who stay, and succeed, in an AFIA program. Minimal case management can weed out individuals who need support, perhaps resulting in a participant population quite different than what was intended. Intensive case management can make the crucial difference for some individuals at the margins.

An illustrative example is the Bronx site. This program offers perhaps the most intensive case management of the visited sites. A bilingual IDA coordinator helps applicants complete the application, provides the orientation, often walks enrollees to the credit union and accompanies them while they open up the account, and checks in by telephone monthly to see how participants are doing. Orientation sessions are offered at night if that is most convenient for applicants. Dinner and childcare are provided at the financial literacy classes. Accountholders are also warmly encouraged to drop by with questions or concerns, or just to say hello. If someone anticipates an upcoming cash need, the AFIA coordinator helps him or her to brainstorm ways to resolve it without imperiling their savings plan. The atmosphere this creates is personal and nurturing. Indeed, program participants at this site uniformly commented that they feel well cared for and supported. "I never feel lost or that I'm falling through the cracks. The staff really cares about me," said one.

Such an approach seems particularly appropriate for IDA populations composed of many individuals "at the margin" – that is, those for whom strong program support may well determine whether they develop and maintain a pattern of regular saving. However, it is clearly time intensive. Offering such personal service, at a given staff size, would constrain the number of AFIA accounts that an organization could manage. Offering such support may serve fewer clients, but may permit the program to serve a needier segment of the community. In contrast, a program that offers little case management can support a larger caseload, but one comprised primarily of people who are 'self-starters' and might have done equally well without the program. In short, both approaches can achieve results – but the affected populations are likely to be quite different in size and description. Whether a program aspires to serve a needier population is an important *strategic* decision that should be made after a thoughtful assessment of the fit between the associated requirements for case management and the support that a program can realistically offer.

Attrition can be very high in the initial stages of entering an AFIA program, and intensive program support is accordingly especially important at the beginning of an individual's participation. Programs were surprisingly uniform in their estimation of the share of potential participants that drop out at each key juncture. In their experience, approximately one-half of interested individuals drop out at each of the initial steps of the program. That is, of those who inquire about an AFIA program, roughly one-half actually apply. Of those who apply, one-half come in for orientation. Of those who attend an orientation session, approximately one-half open an account or attend financial education classes. Of these, approximately one-half complete the classes and actually make any regular deposits. These estimates do not even include the subsequent "staying power" of participants over the duration of the program.

Program staff strongly felt that the need for intensive case management is greatest at the beginning of an individual's participation. Many programs have found that "hand-holding" is worth the effort. Staff members at Dollar Bank (affiliated with the Pittsburgh program), the Reno site, and the Bronx site often physically accompany accepted applicants to the financial institution to open their AFIA accounts. All began doing this when they observed that long lags – often of months – occurred between the time applicants were accepted into the program, and when they made their first deposit; some never did so, effectively dropping out of the program before even making the first deposit. The extra time required to help participants open bank accounts, program staff felt, paid off in terms of getting them started quickly on their savings.

"Piggybacking" IDA case management onto existing case management services can create difficult tradeoffs. In principle, "piggybacking" of support services can conserve resources and create synergy between the various programs offered by an organization. It can also create a situation, however, in which IDA case management is no one's priority, and where IDA case management effectively falls through the cracks.

The example of the Pittsburgh site is illustrative. In this three-organization partnership, AFIA case management was assigned to the grantee organization, the YWCA, which was already providing case management for the Family Self-Sufficiency (FSS) program. Case management for AFIA accountholders was added to the job responsibilities of caseworkers working with FSS participants. Problems arose in several respects, however. First, the FSS caseworkers' caseloads were already so high that they are often unable to meet with their FSS clients more often than quarterly. Second, many AFIA accountholders are not FSS participants; therefore the relationship is a superficial one, typically not extending to more than a brief mandatory orientation session. Finally, the AFIA program is perceived to belong to Dollar Bank, rather than the YWCA, leaving some AFIA participants confused as to why the YWCA caseworkers are involved at all. Clearly, combining AFIA case management onto a pre-existing program structure demands that sufficient additional resources be allocated for the task, and that it be accorded equal priority with other case management activities.

Informal peer support can provide mutual support and accountability as compelling as formal case management. The example of the Reno site is instructive in this respect. The intensity of formal case management at this site falls somewhere in between the extremes noted earlier. The many IDA participants who participate in the grantee's other programs also receive program-specific case management from those other caseworkers. The role of the IDA coordinator is to conduct orientation sessions and to contact accountholders if she notices a lapse in deposits. Client contact is more sporadic and less personal than at the Bronx site.
What is notable about this site is the strong *informal* element of accountability and support. This can be as compelling, or even more so, than the formal case management. Because most AFIA accountholders are already clients (or staff members) of the grantee's other services, they see each other regularly and offer each other informal support and encouragement – as well as demanding accountability if someone is tempted to lapse in his or her savings plan. Quarterly sessions at which outside speakers make asset-specific presentations also provide a forum for peer interaction and support. (For example, during our site visit we attended a presentation by a local bank and a small business development center on starting a business.) Accountholders noted that they were energized by these sessions and welcomed the chance to exchange tips with fellow participants.

For the most part, such peer support did not occur at the other visited sites. Although some programs are considering ways to add a peer support component, it did not yet exist formally or informally at any of the other sites. It is clear, however, that such a network might prove useful. Many of the program participants that we interviewed used the occasion of our group interview to share experiences, tips, and moral support. At one group interview, respondents traded tips on choosing a home contractor. Many were pleasantly surprised to discover that others' experiences were so similar to their own. ("I thought I was the only one going through that!" was a common remark.) Everywhere, newcomers to the AFIA program were inspired and energized by those who were close to attaining their goal.

An informal support network is more likely to occur in programs that are composed of groups internal to an organization (such as existing clients of the Reno grantee or fellow church- and temple-goers at the Milwaukee site), rather than those composed of less cohesive groups of individuals. The tradeoff, of course, is that the program is less accessible to those who are not part of the internal community in the first place.

The tone and apparent effectiveness of case management hinges on interpersonal relationships. Organizations should be very careful about whom they assign to the critical "front-line" positions that involve direct contact with AFIA participants. Where the target population includes those of different cultures (such as the Hispanic community in the Bronx or the Serbian and Southeast Asian refugee community in Milwaukee), cultural sensitivity is of paramount importance.

Both the Bronx and Milwaukee sites attributed a large part of their success to having identified staff persons who were credible with the respective target groups. The importance of this factor for recruitment has been discussed previously. It applies equally strongly with respect to keeping participants engaged after enrollment. For example, the Bronx site's IDA coordinator, who has most of the direct client contact, is a VISTA volunteer who, like many of the enrollees, is a Latino workfare recipient. The organization has found that participants are more likely to discuss problems or concerns with someone who literally and figuratively speaks their language.

Even beyond cultural issues, however, it is clear that the effectiveness of functions that require client contact is personality-driven. At Pittsburgh's Dollar Bank, for example, attrition rates varied widely between two financial trainers delivering the same curriculum. Close attention to staffing the front-line positions in an AFIA program is particularly important in view of the skepticism with which many individuals approach IDA programs in the first place.

The staff-client interpersonal dynamics of AFIA programs makes institutionalizing them difficult. The challenge of developing programs that endure beyond any one individual is not unique to AFIA programs. Rather, it is characteristic of many non-profit organizations. With high turnover and strained resources, such organizations often find programs are strongly affected by the strengths and weaknesses of the individual staff members operating them. Even in organizations that are large and stable (as were all of our process study sites), specific programs such as AFIA programs can be small and therefore quite fragile. Because departures of key staff members may well affect program quality at any of the sites, we view our findings from these site visits as preliminary. Only time will tell if program strengths survive the individuals who developed them.

Functions where personality especially seems to matter are those that involve direct contact with participants, such as recruitment, case management, and the delivery of financial education. With respect to case management specifically, the personality of the case managers may be particularly important for programs that are structured to provide high levels of one-on-one support. In contrast, a relatively impersonal program may be easier to institutionalize, but it will tend to attract individuals who can do well with minimal support.

D. What Participants Learn: Financial Education

The type of financial education received by AFIA participants differs widely across programs. In general, there are three components to financial education: financial literacy, credit counseling, and asset-specific education. All the sites offered these components to some degree. These are discussed separately below.

Program staff and participants alike, at every single site, remarked that the most important step is to help convince participants that they can succeed. Many individuals remarked on the profound transformation that occurs when someone who did not believe he or she could ever attain an asset, begins to realize that it *is* within their reach. Some individuals enter AFIA programs already possessed of this attitude. For many others, however, the first task is to help participants attain this self-confidence.

The financial literacy component varied greatly in length, approach, and content. Each site has a "core" financial literacy component. Typically (with one exception, described below) this is classroom-based. Content and approach varies dramatically as well, ranging from a generalized, life skills approach (the Bronx site) to strictly technical information (the Pittsburgh site). Most sites had developed the financial literacy component in-house; only one site (Pittsburgh) utilizes a curriculum developed by an outside organization – the homeownership training curriculum developed by the Fannie Mae Foundation. Sometimes it is delivered by program staff, other times by staff of the financial institution. Each site's financial education component is described briefly below.

At the Bronx site, financial education component consists of 8 weekly sessions, delivered by the grantee's own staff. The original intent was to have the financial partner, a credit union, develop and deliver the financial literacy component. However, the grantee's staff felt that it was not rigorous enough. They redesigned the curriculum, culling the best from a variety of financial literacy curricula obtained by their own research. The result is a two-month intensive curriculum. It is focused primarily on life skills, beginning with an examination of what money means to each person and progressing to money management, investment basics, defining wealth (net worth and personal finance), credit counseling, financial tools (stocks, bonds), setting up financial goals, and adopting healthy financial habits. Dinner and childcare are offered during the sessions. The program staff continually reassesses and refines the curriculum after each round is completed.

Participants had nothing but praise for this course. Many spoke of how the course compensated for the financial basics that they had never learned while growing up. Further, its holistic approach seems to have catalyzed many participants to reflect not just on their spending patterns but also on their life priorities. One participant spoke for others in describing that the course prompted her to reassess how she spends her time, her relationships, her diet, and a number of other quality of life issues.

At the Sacramento site, the financial education component consists of six monthly sessions on basic money management. The IDA coordinator developed and conducts the classes. The class currently covers assets, money management skills, credit and debt, financial planning, and the distribution of wealth. The interviewed participants generally enjoyed it, but wished that it could be longer and more in-depth, and cover more topics, such as retirement and investing in the stock market and mutual funds.

At the Reno site, the financial literacy component consists of a bilingual (Spanish/English) curriculum designed by Wells Fargo Bank for the IDA program. Unlike the other financial literacy courses, this one has no clear-cut start and finish. The classes cycle perpetually, allowing participants to enter and exit the training course as they wish until they complete all the classes. Classes are conducted on a rotating basis by the three financial institutions. The schedule has been changed to a less intensive one. (Originally the 2-hour classes were held three times a week every week of the month, for a total of 24 hours per month. Bank staff was unable to keep up with that demanding schedule, however, so the course was stretched out to 8 class hours per month, consisting of classes offered twice a week for two weeks out of every month.) In July 2001 one of the banks dropped out of the rotating teaching arrangement because of staffing shortfalls, leaving that task to the remaining two banks. This arrangement offers flexibility, but with some lack of cohesion (because the course has no fixed start and end) and the potential for redundancy (as material previously covered is repeated for the benefit of class members who did not attend earlier classes).

At the Pittsburgh site, the financial education consists of five weekly homeownership training sessions conducted by Dollar Bank. The course is open to participants in all of Dollar Bank's low-income homeownership promotion programs. Each class of approximately 50 thus includes some non-IDA participants. Although all attendees share a common goal – homeownership – the course is not IDA-specific. The bank uses a curriculum developed by the Fannie Mae Foundation, which is quite technical. It focuses on how to purchase a home rather than on life skills. Participants at the class we attended seemed engaged and energized, and the interviewed participants who had completed the course spoke highly of it.

The Milwaukee grantee tends to customize its financial literacy component more than the other groups. The organization felt this was necessary because of refugees' different levels of knowledge and English proficiency. (Some participants require a translator.) The training is normally delivered in small groups, but sometimes on an individual basis rather than classroom-style. Instead of emphasizing concepts like money management – most participants already have such skills – the program focuses on providing information about how the U.S. financial system works. If participants need more intensive financial literacy training, they are referred to the "Get Checking" program, a four-session financial literacy course aimed at helping participants become eligible for checking accounts. The course is conducted by a coalition of 13 local organizations, including the grantee, banks, and educational institutions. Grantee staff delivers the financial literacy component.

Credit counseling is a component of all five AFIA programs, but the intensity varies widely. Credit counseling would appear to be an essential part of an IDA program. After all, without a good credit record, at least two of the allowed asset purchases, homeownership and business capitalization, are virtually impossible. The range of credit counseling offered includes: a one-hour examination of one's credit report with the IDA coordinator (the Bronx site); an 8-hour credit counseling session with the Consumer Credit Counseling Service, a national HUD-certified organization (the Reno site); and a comprehensive credit counseling program with a bank credit counselor that can last as long as two years (the Pittsburgh site).

By far the most rigorous credit counseling program is the Dollar Bank program at the Pittsburgh site. It consists of monthly meetings with a bank credit counselor, who also provides the financial literacy training; thus, a relationship develops between the clients and the counselor/trainer. The program is part of Dollar Bank's commitment to all participants in its various homeownership programs that successful completion of their savings and credit repair plans will result in a Dollar Bank mortgage.

Among the other sites, the Sacramento grantee conducts a brief credit check in-house and refers participants who need it to Consumer Credit Counseling Service for a more in-depth assessment. In

Milwaukee, the issue for most of the refugee population is establishing credit, rather than credit repair. Accordingly, staff assists the clients to apply for (and wisely use) credit cards, establish bank accounts, or obtain car loans.

It is too early to know the extent to which these approaches are adequately addressing the need for credit repair. Simply becoming aware of one's credit history can be a powerful insight for people who were unaware of its importance. But the insight alone may not be enough unless credit is actually successfully repaired. It is an open question whether the brevity of some of the credit counseling provided can do more than provide a basic awareness. Although all the visited programs at a minimum provide referrals to credit counseling resources, it remains to be seen whether participants follow up on these. An interesting question in future years will be to examine whether poor credit impedes some otherwise-successful IDA participants from attaining their goals.

Asset-specific training is less well-defined than other financial education components. For most of the organizations, asset-specific training consists of referrals to partner agencies. The exception is the Reno grantee. As previously discussed in the context of case management (peer support), the Reno grantee, CSA, provides asset-specific seminars on a quarterly basis to keep participants engaged. At the Pittsburgh program, because homeownership is the only allowed use, the core financial education component is itself asset-specific. At the visited sites, program staff were the least well versed about this aspect financial education, perhaps because most participants are not yet far enough along in their programs for it to be relevant. It may be that the question of asset-specific training becomes more pressing as more participants approach asset purchase.

Anecdotal evidence suggests that the quality of the financial literacy training varies. At the remaining three sites, there are indications that the financial education could be improved. Participants at one site, for example, felt that the financial education was "shallow" and needed to cover more topics, in more depth. The Reno site's arrangement of rotating the delivery of financial education between three banks was seen as being fragmented and incohesive. As with case management, perceptions of quality had much to do with the personalities of individual trainers. This reinforces the point that IDA programs need to hire carefully the individuals who will have direct client contact.

There is no single optimal approach to financial education. The type of financial education that is most appropriate depends on the type of participant population. Participant populations vary enormously across programs, and this affects the types of financial education that is most appropriate. At one extreme, for example, is the Milwaukee grantee's refugee population. For the most part, these individuals are extraordinarily motivated and driven. It is not unusual for participants to take on two jobs to help save toward their goal. The average deposit per participant is approximately $200 per month. Further, many of them had been solidly middle class in their home countries and already possess a mindset oriented to asset accumulation. The task, therefore, is not so much to "sell" them on the idea of saving, or to teach the basics of money management, but rather to provide practical information on how the American financial system works. Their needs are not so much for credit repair as for information on how to establish credit in the first place.

These findings are consistent with emerging evidence that the IDA savings behavior of refugee populations is quite different from that of other low-income populations. For example, the Iowabased Institute for Social and Economic Development (also a fiscal year 1999 AFIA grantee) notes that its refugee IDA participants save an average of nearly $80 per month (in contrast to a monthly average of approximately $25 for IDA programs which are part of the American Dream demonstration). As with SDC, ISED and other organizations receiving IDA grants for refugees through ORR have found that "IDAs for refugees are less about developing savings behavior and more about helping them mainstream into the local economy." [11]

For more traditional types of low-income groups, program staff felt that financial education should not only provide practical information about how to attain specific assets, but also promote awareness of the importance of saving, money management, and a sound credit record. Participants themselves often commented that they had simply never been taught these things when they were growing up, but that these issues are taken for granted in middle class households. Thus, for certain types of AFIA participants, the paramount task of financial education is to create an asset-building attitude, if it did not exist before, and then to provide the practical information.

Participants at two sites – the Bronx and Pittsburgh – uniformly praised the financial education they had received. Interestingly, these represent two very different approaches – one generalized and oriented to enhancing life skills (Bronx), the other narrowly defined and technical (Pittsburgh). Perhaps the most significant factor is that in each case, the financial education was tailored to the constituent population, and was consistent with other aspects of the IDA program. The Bronx grantee's program is intensely supportive and personalized – the model of IDAs as a "program." It is not surprising that the financial education would emphasize an exploration of life values and the development of general financial skills. The Pittsburgh program, in contrast, appears to be designed for focused individuals who have already defined their goal and merely seek assistance in attaining it – the model of IDAs as a "product." Here, the curriculum is about how to navigate successfully the process of home purchase.

The testimony of satisfied participants leaves no doubt that strong financial education produces many benefits. It can help some individuals attain their goal and become informed consumers – but does weak financial education hinder them? At this early stage in the programs, it is impossible to tell. As with case management, the answer appears to depend on the nature of a program's client population. Several elements appear to be essential for successful asset accumulation by the poor: strong financial incentives and accurate information (the "tools") and the belief that the goal is attainable (the "mindset"). Some participants enter AFIA programs already possessed of the mindset, and resourceful enough to obtain the information from other means. But where they do not, financial education can have a role to play in both respects. Conducted well, it empowers individuals to believe they can succeed and arms them with the information they need to navigate the financial system successfully. It can also, as we have seen, promote introspection about one's life priorities, which can effect personal transformations that go far beyond the financial realm. We look to later examinations, when AFIA programs have accumulated more experience, to allow us to better assess the significance of financial education in helping achieve asset accumulation for large numbers of people.

[11] Information provided via email dated July 18, 2001 by Jason Friedman, Institute for Social and Economic Development, on the IDA listserve, *idanetwork@cfed.org*.

E. Issues for Future Consideration

The first-year site visits reported here have provided many insights into the issues that are affecting grantees' development of AFIA programs. The site visits were also provocative in suggesting the key policy issues that may emerge as programs mature and as the IDA field expands. These include:

- ***What is the appropriate income level to target?*** Targeting those with incomes that are "too high" may result in funds being expended on those who may succeed even without assistance. Targeting individuals whose incomes are "too low" may result in a participant population that is very demanding of program support, and may not succeed anyway. The task for policymakers will be to strike an appropriate balance. Some AFIA program staff have suggested that this may mean a target population with higher incomes than AFIA now allows. Others have suggested that income eligibility be keyed to area median income, as this is more linked to the costs of the respective assets in various locations. (For example, in New York City, even those who are substantially above the poverty level may still be unable to afford a home.)
- ***What factors are most important in determining individuals' successful completion of an AFIA program?*** Program staff are uniform in suggesting the most important factor is a client's motivation, more important than income level. Future attention should focus on whether program completion rates bear this out, and if so, how programs should select the "right" individuals for an IDA program.
- ***What are the tradeoffs involved in having AFIA programs operated by various types of institutions?*** Because AFIA specifically requires that grantees be public or non-profit organizations, it is not likely that many AFIA-funded programs will be operated by, for example, financial institutions. But where financial institutions play a relatively large role, it would be interesting to examine whether, and how, this affects the nature of AFIA programs.
- ***Are IDAs more effective as a financial "product" or as a "program" with support services?*** How does this affect the type of individuals that an AFIA program attracts and serves? How does this affect who succeeds in an AFIA program? Our site visits suggest that both versions can result in strong programs that help individuals – but *which* individuals they help, and how they do so, varies.
- ***What is the appropriate level of stringency to impose in program requirements?*** Do lenient requirements (e.g. low monthly deposits) help struggling individuals, or lead to higher rates of inactive accounts? How does the leniency or stringency of program requirements shape individuals' ability to complete an AFIA program?
- ***Are there other factors within a program's control that could prevent even successful savers from attaining their goals?*** For example, can a weak credit counseling component become a barrier to successful program completion?
- ***What are the tradeoffs involved when organizations attempt to "scale up"?*** One challenge for AFIA programs, and for IDA programs generally, is reaching important numbers of people. How do large-scale programs differ from those that serve small numbers of enrollees?

We look to future rounds of site visits to help answer some of these questions.

Appendix A

Survey of AFIA Program Participants: Survey Instrument

Survey of AFIA Program Participants: Survey Instrument

Explanatory note:

The items included in the survey instrument are drawn primarily from the Survey of Income and Program Participation (SIPP), to maintain comparability with data available on AFIA-eligible nonparticipants in the 1996 SIPP panel. Additionally, some items have been drawn from the questionnaire now used by Abt Associates in its experimental evaluation of the American Dream Demonstration (ADD) of individual development account programs.

In the proposed survey instrument that follows, there are notations next to many items indicating their source in either the SIPP core module, SIPP topical modules, or the ADD questionnaire. These notations, as follows, are for reference only:

- American Dream Demonstration Follow-up Survey Instrument, June 2000, which is indicated as "ADD."
- Core Instrument for the Survey of Income and Program Participation (SIPP), 1993, which is indicated as "1993-Question Number."
- Core Instrument for the Survey of Income and Program Participation, (SIPP), 1996, which is indicated as "Variable Name-Page Number."
- Topical Model for the Survey of Income and Program Participation (SIPP), 1996, which is indicated as "Topical Module Wave-Variable Name Page Number."

Note that the wording of questions on some basic demographic characteristics, such as race and ethnicity, differs from the design adopted by the Census Bureau for the 2000 Census. This has been done to ensure comparability with the data from the 1996 SIPP panel.

Those questions that pertain to unchanging characteristics of the respondent will be asked only at Wave One, as indicated by "Wave One only" in parentheses following the question.

The following abbreviations also appear on the instrument:

DK–Don't know
RF –Refused

Survey of AFIA Program Participants

Introduction:

Hello, my name is ______. I'm calling from Abt Associates in Amherst, Massachusetts. We are conducting a study on individual development accounts, or IDAs, and I'd like to ask you some questions about your participation in the (PROGRAM NAME) IDA program, as well as some questions about yourself, your family, and your financial situation. Your answers to all of the questions will be confidential. The interview will take about 40 minutes, and we will send you $35 for completing the interview.

Household and Accountholder Basic Demographics

1. Including yourself, how many people are living in your household? (ADD)

NUMBER OF PEOPLE: __________
DON'T KNOW .... -1
REFUSED .... -2

2. How many of these people living in your household are adults, age 18 and older? (ADD)

NUMBER OF ADULTS: __________
DON'T KNOW .... -1
REFUSED .... -2

3. Are you…? (ADD) (Wave One only)

Male 1
Female 2

4. What is *[your]* current marital status? (MS-36)

Married 1
Widowed 2
Divorced 3
Separated 4
Never Married 5
DON'T KNOW .... -1
REFUSED .... -2

5. Which of the following categories best describes *[your]* race? (Newrace-42) (Wave One only)

White	1
Black	2
American Indian, Aleut, or Eskimo	3
Asian or Pacific Islander	4
Other	5
DON'T KNOW	-1
REFUSED	-2

6. What is *[your]* origin or descent? (Origin-43) (Wave One only) [PROMPT, IF NECESSARY, FROM FOLLOWING LIST]

Canadian	1
Dutch	2
English	3
French	4
French-Canadian	5
German	6
Hungarian	7
Irish	8
Italian	9
Polish	10
Russian	11
Scandinavian	12
Scotch-Irish	13
Scottish	14
Slovak	15
Welsh	16
Other European	17
Mexican	20
Mexican-American	21
Chicano	22
Puerto Rican	23
Cuban	24
Central American	25
South American	26
Dominican Republic	27
Other Hispanic	28
African-American/Afro-American	30
American Indian, Eskimo, Aleut	31
Arab	32
Asian	33
Pacific Islander	34
West Indian	35
Another group not listed	39
American	40
DON'T KNOW	-1
REFUSED	-2

6A. In what year were you born? (ADD) (Wave One Only)

YEAR OF BIRTH________

REFUSED……...-2

Accountholder Educational Status

The next few questions are about your education.

7. What is the highest level of school *[you* have*]* completed or the highest degree received? (Educa-39)

Less than 1st grade... 31
1st, 2nd, 3rd, 4th grade 32
5th or 6th grade 33
7th or 8th grade 34
9th grade 35
10th grade 36
11th grade 37
12th grade, no diploma 38
High school graduate (diploma or GED) 39
Some college but no degree 40
Diploma or certificate from a vocational, technical trade or business school 41
Associate degree in college – occupational/vocational program 42
Associate degree in college – academic program 43
Bachelor's degree 44
Master's degree.. 45
Professional School degree 46
Doctorate degree.. 47
DON'T KNOW..-1
REFUSED..-2

8. *[Were you]* enrolled in school, either full time or part time during *[the past 12 months]*? (Include any regular school, such as elementary, high school, or college, or any vocational, technical, or business school.) (1992-1-1Q.29a)

Yes, full-time 1
Yes, part-time 2
No (SKIP TO Q.12).. 3
DON'T KNOW (SKIP TO Q.12) ....-1
REFUSED (SKIP TO Q.12) ....-2

9. At what level or grade *[were you]* enrolled? (1993-1-1Q.29c)

Elementary grades 1-8 1
High school grades 9-12 2
College year 1 3
College year 2 4
College year 3 5
College year 4 6
College year 5 7
College year 6 8
Vocational school 9
Technical school 10
Business school 11
DON'T KNOW .... -1
REFUSED .... -2

10. During the past 12 months:

10A. What was the cost of your tuition and fees? (1993-Topical Module-5-Q.4a)

$__________________
NONE 0
DON'T KNOW .... -1
REFUSED .... -2

10B. What was the total cost of your books and supplies? (1993-Topical Module-5-Q.4b)

$__________________
NONE 0
DON'T KNOW .... -1
REFUSED .... -2

10C. Did you live away from home while attending school? (1993-Topical Module-5-Q.4c)

YES 1
NO (SKIP TO Q.11) 2
DON'T KNOW (SKIP TO Q.11) .... -1
REFUSED (SKIP TO Q.11) .... -2

10D. What was the total cost for room and board while away at school? (1993-Topical Module-5-Q.4d)

$__________________
NONE 0
DON'T KNOW .... -1
REFUSED.. -2

11. Please tell me if you received any of these types of educational assistance during the past 12 months. (1993-Topical Module-5-Q.5a)

		YES	NO	DK	RF	IF YES: AMOUNT
a.	The GI Bill?	1	2	-1	-2	$__________.00
b.	Other veterans' educational assistance programs? Include survivors and dependents, vocational rehabilitation and post-Vietnam veterans' assistance.	1	2	-1	-2	$__________.00
c.	College work study program?	1	2	-1	-2	$__________.00
d.	A Pell Grant?	1	2	-1	-2	$__________.00
e.	A Supplemental Educational Opportunity Grant—SEOG?	1	2	-1	-2	$__________.00
f.	A National Direct Student Loan—NDSL—or Perkins Loan?	1	2	-1	-2	$__________.00
g.	A Stafford Loan or Guaranteed Student Loan—GSL?	1	2	-1	-2	$__________.00
h.	A Parent Loan for Undergraduate Students—PLUS—or Supplemental Loan for Students—SLS?	1	2	-1	-2	$__________.00
i.	Assistance from your employer?	1	2	-1	-2	$__________.00
j.	A fellowship or scholarship?	1	2	-1	-2	$__________.00
k.	A tuition reduction?	1	2	-1	-2	$__________.00
l.	Anything else, other than assistance from relatives and friends, including the JTPA training program, Income Contingent Loan, or anything else?	1	2	-1	-2	$__________.00

Accountholder Employment Status:

Now we have some questions on employment.

12. During the *[past month]*, did *[you]* have a job or business, either full-time or part-time, even for only a few days? (1993-1-1Q.1)

YES (SKIP TO Q.14)	1
NO	2
DON'T KNOW	-1
REFUSED	-2

13. What was the main reason *[you]* could not take a job during those weeks…? (1993-1-1Q.2d)

Already had a job	1
Temporary illness	2
School	3
OTHER (SPECIFY)____	4
DON'T KNOW	-1
REFUSED	-2

SKIP TO Q.33.

Employment Information and Income

14. You said *[you]* worked during the *[past month]*. *[Were you] …?* (1993-2Q.1a)

Working for an employer only	1
Self-employed only (SKIP TO Q.25)	2
Both worked for an employer and was self-employed	3
DON'T KNOW (SKIP TO Q.25)	-1
REFUSED (SKIP TO Q.25)	-2

15. How many different employers did *[you]* work for during *[the past month]*? (1993-2Q.1b)

1 employer	1
2 employers	2
3 or more employers	3
DON'T KNOW	-1
REFUSED	-2

16. What is/are the name(s) of the employer(s) for whom *[you]* worked during *[the past month]*? (Enter all employers). (1993-2Q.2a)

EMPLOYER 1 NAME: ____

EMPLOYER 2 NAME: ____

EMPLOYER 3 NAME: ____

ASK Q.17 THROUGH Q.24 FOR EACH EMPLOYER

17. What kind of business or industry was (name of company or business)? (1993-2Q.2a)

TYPE OF BUSINESS: ______________________________

18. Is it mainly… (1993-2Q.2c)

Manufacturing.. 1
Wholesale trade 2
Retail trade.. 3
Some other kind of business 4
DON'T KNOW .... -1
REFUSED.. -2

19. What kind of work *[were you]* doing on this job? For example, electrical engineer, stock clerk, typist, farmer. (1993-2Q.2e)

TYPE OF WORK: ______________________________

DON'T KNOW .... -1
REFUSED.. -2

20. How many hours per week did *[you]* usually work at this job? (1993-2Q.4)

HOURS PER WEEK: ____________
NONE 1
DON'T KNOW .... -1
REFUSED.. -2

21. *[Were you]* paid by the hour on this job? (1993-2Q.5)

YES... 1
NO (SKIP TO Q.23) 2
DON'T KNOW (SKIP TO Q.23) .... -1
REFUSED (SKIP TO Q.23) .... -2

22. What was *[your]* hourly pay rate at the end of last month? (1993-2Q.6)

HOURLY RATE OF PAY: $_____________
DON'T KNOW .... -1
REFUSED.. -2

SKIP TO Q.24.

23. IF NOT PAID HOURLY: *[In the past month],* how often *[were you]* paid on this job? (1993-2Q.7a)

Once a week	1
Once each two weeks	2
Once a month	3
Twice a month	4
Unpaid in family business or farm	5
Some other way (specify)________________________________	6
DON'T KNOW	-1
REFUSED	-2

24. The next question is about the pay *[you]* received from this job during *[the last month]*. We need the most accurate figures you can provide. Be sure to include any tips, bonuses, overtime pay, or commissions. What was the total amount of pay that *[you]* received before deductions on this job in *(the past month)*? (1993-2Q.8a)

AMOUNT: $ ______________________

NONE	
DON'T KNOW	-1
REFUSED	-2

IF Q.14 = 1, SKIP TO Q.33.

Self-Employment Information and Income

25. What was the name of *[your]* business/professional practice/farm? (1993-2Q.1a)

NAME OF BUSINESS: ____

DON'T KNOW	-1
REFUSED	-2

26. What kind of business was this? (1993-3Q.1b)

KIND OF BUSINESS: ____

DON'T KNOW	-1
REFUSED	-2

27. Is it mainly…? (1993-2Q.1c)

Manufacturing	1
Wholesale trade	2
Retail trade	3
Some other kind of business	4
DON'T KNOW	-1
REFUSED	-2

28. What kind of work *[were you]* doing at this business? (1993-2Q.1d)

TYPE OF WORK: ____

29. How many hours per week did *[you]* usually work at this business? (1993-2Q.1f)

HOURS PER WEEK: _____________
DON'T KNOW ....-1
REFUSED..-2

30. Was *[your]* business…? (1993-2Q.4b)

A sole proprietorship, or 1
A partnership 2
DON'T KNOW ....-1
REFUSED..-2

31. Aside from *[you]* were any other members of this household owners or partners in this business? Which ones? (1993-2Q.5a)

PERSON 1 _________________
PERSON 2 _________________
PERSON 3 _________________

32. The next question is about the income *[you]* received from this business during *[the last month]*. We need the most accurate figures you can provide. Be sure to include any tips, bonuses, overtime pay, or commissions. What was the total amount of income that *[you]* received from this business in *(the past month)*? (1993-2Q.8a)

AMOUNT: $ _____________________
NONE ....
DON'T KNOW ....-1
REFUSED..-2

Household Income: Major Means-Tested Program Benefits

33. *[In the past month],* did *[you or* anyone *in your household]* receive any Food Stamps? (Pwfsyn-153)

YES.. 1
NO (SKIP TO Q.35)... 2
DON'T KNOW (SKIP TO Q.35)...-1
REFUSED (SKIP TO Q.35)...-2

34. *[In the past month],* what was the amount of Food Stamps *[you or anyone in your household]* received …?: ENTER (N) FOR NONE/NO MORE. (Fsamt15-190)

AMOUNT: $ ___________
DON'T KNOW .... -1
REFUSED... -2

35. *[In the past month],* did *[you or anyone in your household]* receive public assistance payments-formerly known as AFDC or ADC (Patyp-155) and now sometimes known as TANF?

YES.. 1
NO (SKIP TO Q.37) 2
DON'T KNOW (SKIP TO Q.37) .... -1
REFUSED (SKIP TO Q.37) .... -2

36. [*In the past* month*], h*ow much did *[you or anyone in your household]* receive from public assistance payments, not including food stamps? ENTER (N) FOR NONE/NO MORE. (Adcamt15-171)

AMOUNT: $__________
DON'T KNOW .... -1
REFUSED... -2

37. In the past month, were you covered by Medicaid?

YES.. 1
NO 2
DON'T KNOW .... -1
REFUSED... -2

38. In the past month, were you covered by any other public assistance program that pays for medical care?

YES.. 1
NO 2
DON'T KNOW .... -1
REFUSED... -2

39. How about the (child/children) in your household. Were they covered by Medicaid or some other public assistance medical program at any time in the past month?

YES.. 1
NO 2
DON'T KNOW .... -1
REFUSED... -2

Now I would like to ask you a few questions about last year's income taxes.

40. During the past year, did you claim an earned income credit on your Federal income tax return? (Wave 4 Topical Module – Tax027-17)

YES 1
NO (SKIP TO Q.42) 2
DON'T KNOW (SKIP TO Q.42) .... -1
REFUSED (SKIP TO Q.42) .... -2

41. What was the amount of earned income credit claimed? (Wave 4 Topical Module – Tax028-17)

AMOUNT: $___________
DON'T KNOW .... -1
REFUSED .... -2

42. Are your living quarters… (Coverage-Tenure – 18)

Owned or being bought by you or someone in your household (SKIP TO Q.45). 1
Rented for cash 2
Occupied without payment of cash rent 3
DON'T KNOW .... -1
REFUSED .... -2

43. Is this residence in a public housing project, that is, is it owned by a local housing authority? (Coverage-Pubhse-19)

YES 1
NO 2
DON'T KNOW .... -1
REFUSED .... -2

44. Is the federal, state, or local government paying part of the rent for this residence? (Coverage-Gvtrnt – 19)

YES 1
NO 2
DON'T KNOW .... -1
REFUSED .... -2

Household Assets and Liabilities: Interest-Earning Assets at Financial Institutions

These next questions concern assets and liabilities. In answering these questions, please do not include any amounts that you have in your individual development account, or IDA.

45. As of (LAST MONTH), did you—or did you and your (wife/husband) together—hold any savings in …?

		YES	NO	DK	RF
a.	Regular passbook savings accounts?	1	2	-1	-2
b.	Money market deposit accounts?	1	2	-1	-2
c.	Certificates of deposit?	1	2	-1	-2
d.	Interest-earning checking accounts?	1	2	-1	-2

46. (ASK IF Q.45a = 1:) As of (LAST MONTH), what was the total amount that you—or you and your (wife/husband) together—had in regular passbook savings accounts?

AMOUNT: $_________
DON'T KNOW (ASK Q.46A) .... -1
REFUSED.. -2

46A. (IF Q.46 = -1, ASK:) Was it …?

Less than $500 1
$500 to $1,000 2
$1,001 to $5,000 3
More than $5,000.. 4
DON'T KNOW .... -1
REFUSED.. -2

47. (ASK IF Q.45b = 1:) As of (LAST MONTH), what was the total amount that you—or you and your (wife/husband) together—had in money market deposit accounts?

AMOUNT: $_________
DON'T KNOW (ASK Q.47A) .... -1
REFUSED.. -2

47A. (IF Q.47 = -1, ASK:) Was it …?

Less than $500 1
$500 to $1,000 2
$1,001 to $5,000 3
More than $5,000.. 4
DON'T KNOW .... -1
REFUSED.. -2

48. (ASK IF Q.45c = 1:) As of (LAST MONTH), what was the total amount that you—or you and your (wife/husband) together—had in certificates of deposit?

AMOUNT: $_________
DON'T KNOW (ASK Q.48A) .... -1
REFUSED.. -2

48A. (IF Q.48 = -1, ASK:) Was it …?

Less than $500 1
$500 to $1,000 2
$1,001 to $5,000 3
More than $5,000.. 4
DON'T KNOW .... -1
REFUSED... -2

49. (ASK IF Q.45d = 1:) As of (LAST MONTH), what was the total amount that you—or you and your (wife/husband) together—had in interest-earning checking accounts?

AMOUNT: $_________
DON'T KNOW (ASK Q.49A) .... -1
REFUSED.. -2

49A. (IF Q.49 = -1, ASK:) Was it …?

Less than $500 1
$500 to $1,000 2
$1,001 to $5,000 3
More than $5,000.. 4
DON'T KNOW .... -1
REFUSED... -2

Household Assets And Liabilities: Home Ownership

IF Q.42 ≠ 1, SKIP TO Q.57.

50. The next questions are about housing costs. Which persons in this household are the owners of this home? ENTER NAME OF PERSON(S) IN HOUSEHOLD WHO OWN HOME. ENTER (N) FOR NONE/NO MORE. ((Wave 3 Topical Module – Howner-26)

Person 1 ________________________________
Person 2 ________________________________
Person 3 ________________________________
Person 4 ________________________________
DON'T KNOW .... -1
REFUSED... -2

51. When was this home purchased? (Wave 3 Topical Module – Hbuy-26)

Month: ________
Year: _________
DON'T KNOW .... -1
REFUSED.. -2

52. What is the current value of the property; that is, how much do you think it would sell for on today's market if it were for sale? (Include rental properties attached to or located at this residence). (Wave 3 Topical Module – Propval-31)

AMOUNT: $ ______
DON'T KNOW .... -1
REFUSED.. -2

53. Is there a mortgage, home equity loan, or other debt on this home? Include rental properties attached to or located in the residence. (Wave 3 Topical Module – Hmort-26)

YES.. 1
NO 2
DON'T KNOW .... -1
REFUSED.. -2

54. Altogether, how many mortgages, home equity loans, or other debts are there on this home? If respondent reports "0" enter "N" for None. (Wave 3 Topical Module – Nummort-27)

NUMBER: ______
DON'T KNOW .... -1
REFUSED.. -2

55. How much principal is currently owed on the first mortgage or loan? (Wave 3 Topical Module – Mor1pr-27)

AMOUNT: $______
DON'T KNOW .... -1
REFUSED.. -2

56. What was the amount of the mortgage (loan) when it was obtained or last refinanced? If the mortgage was assumed, give the original amount of the mortgage. (Wave 3 Topical Module – Mor1amt-28)

AMOUNT: $______
DON'T KNOW .... -1
REFUSED.. -2

REPEAT Q.55 and Q.56 FOR ALL THE OTHER MORTGAGES/LOANS UP TO THREE.

Household Assets And Liabilities: Motor Vehicles

57. Does anyone in this household own a car, van, or truck, excluding recreational vehicles (RV's) and motorcycles? DO NOT INCLUDE LEASED VEHICLES OR COMPANY CARS AS BEING OWNED BY THE RESPONDENT. (Wave 3 Topical Module – Autoown-35)

YES 1
NO (SKIP TO Q.60) 2
DON'T KNOW (SKIP TO Q.60) .... -1
REFUSED (SKIP TO Q.60) .... -2

58. How many cars, trucks or vans are owned by members of this household? DO NOT INCLUDE LEASED VEHICLES OR COMPANY CARS AS BEING OWNED BY THE RESPONDENT. (Wave 3 Topical Module – Autonum-35)

NUMBER OF MOTOR VEHICLES: _______________
DON'T KNOW .... -1
REFUSED.. -2

FOR EACH VEHICLE, ASK:

	VEHICLE 1	VEHICLE 2	VEHICLE 3	VEHICLE 4
59A. What is the model year of this vehicle? (A1YEAR-36)	___________ DK ....-1 RF ....-2	___________ DK ....-1 RF ....-2	___________ DK ....-1 RF ....-2	___________ DK ....-1 RF ....-2
59B. What is the make of this vehicle? (A1MAKE-36)	___________ DK ....-1 RF ....-2	___________ DK ....-1 RF ....-2	___________ DK ....-1 RF ....-2	___________ DK ....-1 RF ....-2
59C. What is the model of this vehicle? (A1MODEL-37)	___________ DK ....-1 RF ....-2	___________ DK ....-1 RF ....-2	___________ DK ....-1 RF ....-2	___________ DK ....-1 RF ....-2
59D. How much is currently owed for this vehicle? (A1AMT-37)	$___________ DK ....-1 RF ....-2	$___________ DK ....-1 RF ....-2	$___________ DK ....-1 RF ....-2	$___________ DK ....-1 RF ....-2

Household Assets And Liabilities: Consumer Debt

60. As of *[last m*onth], did you—or you and your (wife/husband) together—owe any money for… (Wave 3 Topical Module – ALJD-16)

	YES	NO	DK	RF
a. Store bills or credit cards?	1	2	-1	-2
b. Educational loans?	1	2	-1	-2
c. Car loans?	1	2	-1	-2
d. Loans obtained through a bank or credit union, other than home equity loans?	1	2	-1	-2
e. Medical bills not covered by insurance?	1	2	-1	-2
f. Money owed to private individuals?	1	2	-1	-2

61. (ASK IF CORRESPONDING ITEM IN Q.60=1) As of [*last month*], how much was owed for…(Wave 3 Topical Module – ALJDA-16)

		DK	RF
a. Store bills or credit cards?	AMOUNT: $________	-1	-2
b. Educational loans?	AMOUNT: $________	-1	-2
c. Car loans?	AMOUNT: $________	-1	-2
d. Loans obtained through a bank or credit union, other than home equity loans?	AMOUNT: $________	-1	-2
e. Medical bills not covered by insurance?	AMOUNT: $________	-1	-2
f. Money owed to private individuals?	AMOUNT: $________	-1	-2

Accountholder program services

62. Now I'd like to find out about services or benefits that you may have received through the agency that provides your individual development account, or IDA. During the past year, did you or a member of your household receive any of the following services from the agency that provides your IDA?

	YES	NO	DK	RF
a. Social services, including help with transportation, getting food, obtaining ID cards, or dealing with medical emergencies?	1	2	-1	-2
b. Welfare-to-Work or Work First program services, including job readiness, job search, and job retention services?	1	2	-1	-2
c. Medical services, including the medical clinic, eyeglass clinic, or help with health insurance?	1	2	-1	-2
d. Child care?	1	2	-1	-2
e. Child development program services, including FirstStart, HeadStart?	1	2	-1	-2
f. Learning Lab, including GED, literacy, life skills, and English-as-a-second-language classes?	1	2	-1	-2
g. Free tax preparation program?	1	2	-1	-2
h. OTHER (SPECIFY)____________________	1	2	-1	-2

The next several questions are about your participation in the IDA program itself.

63. During the past year, did you participate in general financial education provided by the IDA program?

YES (SKIP TO Q.64) 1
NO 2
DON'T KNOW .... -1
REFUSED .... -2

63A. For how many hours? [PROMPT, IF NECESSARY: Was it less than 10 hours? (RECORD "5".) Was it 10-20 hours? (RECORD "15".) Was it 20-40 hours? (RECORD "30".)]

NUMBER OF HOURS: ____
DON'T KNOW .... -1
REFUSED .... -2

64. During the past year, did you participate in training related specifically to the kinds of purchases that you can make with your IDA funds?

YES	1
NO (GO TO Q.66)	2
DON'T KNOW (GO TO Q.66)	-1
REFUSED (GO TO Q.66)	-2

65. IF YES, ASK: What types of specific training did you receive? Was it…

	YES	NO	DK	RF	Q.65A IF YES, ASK: During the past year, how many hours of training did you receive?
a. Related to buying a home?	1	2	-1	-2	______ HOURS
b. Related to starting a business?	1	2	-1	-2	______ HOURS
c. Related to getting postsecondary education?	1	2	-1	-2	______ HOURS
d. Related to other financial issues? (SPECIFY:) _______________	1	2	-1	-2	______ HOURS

66. In a typical month, about how many hours do you spend in activities directly related to the IDA program? Please include time spent going to IDA classes or meetings, doing homework, going to the bank to make IDA deposits, and any other time related specifically to the IDA program.

NUMBER OF HOURS: ______	
DON'T KNOW	-1
REFUSED	-2

67. Of this number of hours that you spend participating in the IDA program in a typical month, how many hours did you spend in direct contact with program staff, either in person or by telephone?

NUMBER OF HOURS: ______	
DON'T KNOW	-1
REFUSED	-2

68. Overall, how easy or difficult has it been to participate in the IDA program? Would you say

Very easy	5
Somewhat easy	4
Neither easy nor difficult	3
Somewhat difficult, or	2
Very difficult?	1
DON'T KNOW	-1
REFUSED	-2

69. I'd like to know about the things that may have made it easier for you to use your IDA. How much do you agree or disagree with the following statements? For each statement, answer strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree.

	STRONGLY AGREE	AGREE	NEITHER AGREE NOR DISAGREE	DISAGREE	STRONGLY DISAGREE	DK	RF
a. You have liked the financial institution you use for your IDA	1	2	3	4	5	-1	-2
b. Your IDA account has seemed secure.	1	2	3	4	5	-1	-2
c. Your IDA has earned enough interest.	1	2	3	4	5	-1	-2
d. The match rate for your IDA has been adequate.	1	2	3	4	5	-1	-2
e. You have wanted to save for a certain goal.	1	2	3	4	5	-1	-2
f. You have liked the rules about taking money from your IDA.	1	2	3	4	5	-1	-2
g. The IDA classes have helped you to save.	1	2	3	4	5	-1	-2
h. Your family and friends have encouraged you to save.	1	2	3	4	5	-1	-2

70. Next, I'd like to know about the things that may have made it harder for you to use your IDA. How much do you agree or disagree with the following statements? For each statement, answer strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree.

	STRONGLY AGREE	AGREE	NEITHER AGREE NOR DISAGREE	DISAGREE	STRONGLY DISAGREE	DK	RF
a. Saving hasn't been that important to you	1	2	3	4	5	-1	-2
b. Saving takes too long; the goal has seemed too far away.	1	2	3	4	5	-1	-2
c. It's been hard to resist temptations to spend money.	1	2	3	4	5	-1	-2
d. Your family and friends have often asked you for money.	1	2	3	4	5	-1	-2
e. All or most of your money has gone to buy "necessities."	1	2	3	4	5	-1	-2
f. You could have saved a little but not enough to make a difference.	1	2	3	4	5	-1	-2
g. You have not liked the rules about taking money from your IDA.	1	2	3	4	5	-1	-2
h. You've been worried about losing your government benefits if you saved too much.	1	2	3	4	5	-1	-2

71. Have you been able to make deposits into your IDA during the past year?

YES (ASK Q.72) 1
NO (GO TO FUTURE CONTACT FORM) 2
DON'T KNOW (GO TO FUTURE CONTACT FORM) .... -1
REFUSED (GO TO FUTURE CONTACT FORM) .... -2

72. (IF YES, ASK:) I'd like to understand the aspects of your financial situation that enabled you to make deposits into your IDA during the past year. How much do you agree or disagree with the following statements? For each statement, answer strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree.

You've managed to set aside money for your IDA during the past year because:

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	DK	RF
a. Your income increased.	1	2	3	4	5	-1	-2
b. You paid off some debts or lowered your interest charges.	1	2	3	4	5	-1	-2
c. You borrowed from other family members or friends.	1	2	3	4	5	-1	-2
d. You bought things at lower prices than before.	1	2	3	4	5	-1	-2
e. You managed to do without things that you otherwise would have bought.	1	2	3	4	5	-1	-2

73. (IF Q.72e = 1 or 2, ASK:) Which of the following things did you do without?

	YES	NO	DK	RF
a. Movies and other leisure activities?	1	2	-1	-2
b. Cigarettes or alcohol?	1	2	-1	-2
c. Eating out?	1	2	-1	-2
d. Eating pre-prepared foods at home?	1	2	-1	-2
e. New clothing?	1	2	-1	-2
f. Doctor or dentist visits?	1	2	-1	-2
g. OTHER (SPECIFY)______________________________	1	2	-1	-2

74. Overall, how positively or negatively has the IDA program affected you? Would you say. . . (ADD)

Very positively?	1
Somewhat positively?	2
Little effect either way?	3
Somewhat negatively?	4
Very negatively?	5
DON'T KNOW	-1
REFUSED	-2

Future Contact Form

This interview is part of an ongoing study of Individual Development Accounts. In a year from now, we will contact you again to see how things are going. My final question today is about how to contact you in case you move before the next interview. This information will be kept in a locked file, separate from your interview answers. Think of two relatives who do not live with you but who, a year from now, would definitely know where you live even if you move between now and then. This could be your parents, your (husband's/wife's/partner's) parents, a brother or sister, an adult child, or a favorite relative you keep in touch with. Who are two relatives who will know where you are?

IF NONE, ASK FOR BEST FRIENDS OR OTHER PEOPLE WHO WILL KNOW.

NAME:____

RELATIONSHIP:____

ADDRESS:____
(NUMBER) (STREET) (APT. #)

____
(CITY) (STATE) (ZIP)

HOME PHONE #:____________ ______________________________
(AREA CODE) (NUMBER)

WORK PHONE #: ____________ ______________________________
(AREA CODE) (NUMBER)

NAME:____

RELATIONSHIP:____

ADDRESS:____
(NUMBER) (STREET) (APT. #)

____
(CITY) (STATE) (ZIP)

HOME PHONE #:____________ ______________________________
(AREA CODE) (NUMBER)

WORK PHONE #: ____________ ______________________________
(AREA CODE) (NUMBER)

THOSE ARE ALL THE QUESTIONS I HAVE. THANK YOU FOR PARTICIPATING IN THIS SURVEY!

NOTE: KEEP THIS FORM SEPARATE FROM COMPLETED QUESTIONNAIRE.

RECORD RESPONDENT'S ID NUMBER: ______________________________

Appendix B:

Process Interview Guides

Guide A: First-Round Interview Guide -- Coordinators

Respondent name: ___________________________	Title: ______________________________
Organization: ____	
State: ______________________________________	Phone number: _____________________
IDA program name: ____	
Interviewer name:____________________________	Date: ______________________________

Introduction

[DESCRIBE PROJECT, INTERVIEWING ORGANIZATION, AND INTERVIEW]

A. Respondent Background

Before we start discussing the IDA program, I'd like to take a moment to learn a little bit about you and your own relationship to the program.

A.1. How would you describe your role in relation to the [IDA PROGRAM NAME]?

A.2. When did you first begin working on this program? (PROBE: Was the program just getting started then?) Approximately what portion of your work week do you now spend dealing with (program name)?

A.3. Could you briefly describe your other job responsibilities apart from those related to the program -- just a sentence or two is plenty.

A.4. What other services does your organization provide, in addition to [IDA PROGRAM NAME]? What kinds of people participate in these other programs?

B. Organizational structure

B.1. How many organizations are involved in the operation of your IDA program?

B.2. *What sort of legal entity is each of these organizations (e.g., not-for-profit (501)(c)(3) organization, State or local government agency, tribal government)?

B.3. Excluding financial institutions, what other public agencies and private organizations are involved in the program's operation (including all whose cooperation is required to operate the program effectively)?

B.4. Please describe each agency's or organization's role in the program's operation.

B.5. *What financial institutions are involved?

B.6. *Is this financial institution Federally insured?

B.7. What was involved in getting financial institutions involved in the program initially? What factors were most important?

C. Program background & development

C.1. Did [ORGANIZATION] have an IDA program prior to receiving AFIA funding?

C.1.1. (If yes:) When was that effort started? When was the first account opened?

C.1.2. About how many accounts had been established at the time that you secured AFIA funding? [NOTE: From here, all remaining questions pertain to the AFIA-funded program]

C.2. What if any challenges did the AFIA-supported IDA program face in its initial development period (prior to accounts being opened)? (PROBE: Did any significant issues, obstacles, or problems arise in gaining the participation of financial institutions, cooperation with other agencies, or buy-in from other stakeholders?)

C.3. When did the program become operational? (i.e., when were the first accounts opened?)

C.4. What challenges did the IDA program face in its startup period (after the first accounts were opened)? (PROBE: Did any issues arise in outreach to potential applicants, training of participants, relationships with banks or other partners?)

C.5. Did any difficulties arise with respect to. . .

C.5.1 Outreach to potential applicants?

C.5.2 Relationships with banks or other partners?

C.5.3 Case management?

C.5.4 Developing the educational component?

C.6. Is this program serving the number of account holders it was funded to serve?

C.6.1. If not, what are the reasons for this in your mind?

C.6.2. Do people not know about the program?

C.6.3. If they do know about the program, do they believe it will help them?

C.7. Did individuals enroll in the program [received financial literacy training] and not open an account?

C.7.1. If so, what reasons did they cite?

C.7.2. What other reasons, if any, did you perceive?

D. Account activity levels

D.1. Approximately how many accounts are open now? (An approximation is fine.)

D.2. What is the total level of funds in the AFIA-funded IDA accounts now?

Source	*Amount*
Deposited Amount	
Match funds	
Total	

D.2.1. These figures are as of what date?

D.3. Please give me a sense of the savings patterns you have observed so far. What is the "typical" size of deposits? How frequently are these usually made? (PROBE: if there is no "typical" pattern, please give me a range).

D.4. Approximately how many account-holders have made withdrawals for allowable uses to date?

D.5. What is the total level of funds that have been withdrawn to date from the AFIA-funded accounts?

Source	*Amount*
Deposited Amount	
Match funds	
Total	

D.5.1. These figures are as of what date?

D.6. What have been the uses for which these funds were withdrawn?
PROBE: Approximately how many withdrawals were for. . .

Use	*Number*
Home ownership	
Business startup	
Education and training	
Emergencies	
Other uses	

D.7. Approximately how many participants who opened accounts have left the program without completing it? (i.e., quit or were dropped from the program due to withdrawals or lack of participation.)

D.8. What is the full-time equivalent number of staff people working on the IDA project? How many of these people work at organizations other than your own? (PROBE: That is, how many people work on the project and what percentage of a 40-hour week do each of them typically spend on it?)

E. Federal grant

E.1. Who was directly involved in securing Federal funds for the IDA program?

E.2. What is the total level of Federal AFIA funds you have secured for the IDA program?

E.2.1. What is your AFIA grant amount?

E.2.2. For how many years are these Federal funds guaranteed?

E.3. For what have you used these funds to date? What amounts have been used:

E.3.1. To match deposits into IDAs?

E.3.2. To help participants obtain the skills and information necessary for using IDAs (e.g., economic literacy, budgeting, and counseling)

E.3.3. To administer the project?

E.3.4. To participate in monitoring and evaluation activities?

F. Other funds

F1.1. Please give me a sense of how the AFIA funding fits into the context of other IDA funding your organization receives. What funding is currently available to you from these sources?

Source (type)	Amount	Purpose of funds (e.g. match, administration	Level of funding for each purpose ($ amount, % share)	Time period over which this funding is available
1. AFIA		a. b. c.	a. b. c.	
2.		a. b. c.	a. b. c.	
3.		a. b. c.	a. b. c.	

F.2. How adequate would you say are the administrative resources you have available from all these sources for the IDA program?

F.2.1. If you feel administrative funding is no adequate, what could be done additionally, or better, with more such funding? What are the consequences of insufficient administrative funding for your IDA program?

G. Participant eligibility

G.1. Who is eligible for the program? (PROBE: How does financial eligibility for TANF and EITC affect an individual's eligibility for the IDA program?)

G.2. When assessing applicants to the IDA program , does your organization look for a particular type of person, or for certain characteristics? If so, why are these considered important? (PROBE for traits that the program might be screening for: for example, motivation, family support, level of need.)

G.3. Is anyone ever considered *inappropriate* for this IDA program (beyond those who are simply ineligible)? If so, what types of people? For what reasons would someone be considered inappropriate?

G.4. What is the maximum applicants can hold in assets (excluding the value of the primary dwelling unit and one motor vehicle owned by the household)?

G.5. What additional screens or eligibility assessment do you perform on applicants who pass the income and asset related criteria?

G.6. How are potential participants informed about the existence of your IDA program? (PROBE: What use, if any, do you make of program brochures, media advertising, or caseworker referrals from other program services?)

G.6.1. How effective do you think this overall strategy has been in "getting the word out" to potential participants?

G.6.2. Which component(s) do you think were most effective? Least effective? What changes would you make if you could?

H. Qualified uses of IDAs

H.1. What types of purchases or investments can IDAs be used for?

H.2. At what point after the initial deposit is made can a withdrawal be made?

H.3. Does the program allow for emergency withdrawals?

H.3.1. For what circumstances are emergency withdrawals permitted?

H.3.2. What funds can/cannot an individual withdraw for these emergency purposes?

H.4. After making an emergency withdrawal, does a participant need to repay the funds in order to continue participating?

H.4.1. Is there a time period within which the funds must be repaid in order to remain eligible for the match funds?

H.5. Can IDAs or IDA funds be transferred to eligible family members (such as a spouse or dependent child)? In what circumstances?

I. Matching provisions

I.1. Do you place any restriction on the type of funds that can be deposited into an IDA? (PROBE: Does it have to be earned income?)

I.2. What is the match rate that an account-holder receives?

I.2.1. Of that, what is the match rate paid by AFIA funding? By other sources?

Source of funding	*Match rate*
1. AFIA	
2.	
3.	

I.2.2. Does the match rate differ for different families (e.g., families with higher or lower incomes)?

I.3. When or how often are matching deposits made from your Federal funds?

I.4. When or how often are match deposits made from your non-Federal funds?

I.5. Is there any restriction placed on the amount of Federal match funds in any one IDA account? What is the restriction per individual? Per household?

I.6. Do you co-mingle the participants savings with the matching money in a single account, or keeping the matching money in a separate but parallel account?

J. Reporting and evaluation

J.1. Do you submit progress reports to the US Department of Health and Human Services? How often? What do they contain?

J.2. Do you report separately to any other funding organizations? What information do they require? How often?

J.3. Do you engage in any self-evaluation activities? Please describe them.

J.4. Have you established any performance goals for the IDA program or individual staff? (PROBE: for example, milestones for recruitment, savings goals, or withdrawals.) If yes, what are they? How do you track them?

K. Effects

K.1. Understanding it may be too early to tell yet, are you seeing any evidence of the following:

K.1.1. Effects on participant savings behavior?

K.1.2. Different effects on savings by members of different demographic groups (e.g., gender, age, family size, race or ethnic background, and income)?

K.1.3. Effects on homeownership rates?

K.1.4. Effects on post-secondary education attained?

K.1.5. Effects on self-employment / business startup?

K.1.6. Economic/self-sufficiency effects on participants? (reduction in public assistance)

K.1.7. Civic effects on participants (voting, school involvement, community involvement, etc.)?

K.1.8. Social or psychological effects on participants? (future-orientedness, feelings of self-efficacy, motivation, other behavioral changes)

K.1.9. Family stabilization effects on participants? (parenting behaviors, marital status, domestic violence)

L. Observations

L.1. Do you think the program is serving as many people as it could? Is the program underused, or is it operating at "full capacity"? Please explain.

L.2. What have been the main issues or obstacles to getting eligible people to participate? (e.g., low income, trust issues, barriers to employment, inexperience with bank accounts, limited outreach/information)

L.3. Have you noticed any general patterns or trends in participants' savings behavior? (IF NO RESPONSE, PROBE: e.g., poor people's ability to save, people making deposits regularly vs. in lump sums – like at tax time)

L.4. What type of person tends to succeed in this IDA program? What type of person tends not to succeed?

L.5. Looking outside the IDA program for a moment, what do you see as the primary factors that have shaped the program's results? (IF NO RESPONSE, PROBE: e.g., welfare reform, the local economy, housing market)? How have these factors influenced your work?

L.6. Which aspects of the IDA program do you feel are most appealing to clients? Which are the least appealing?

L.7. Are there any significant unresolved issues or obstacles with respect to the administration of the program? (PROBE: Are there any issues involving state or federal policy, participation by banks or other groups?)

L.7.1 In your judgement, what is the effect of these unresolved issues on your operations?

L.8. What works less well? What would it take to improve it?

L.9. Is there anything else that I have missed that you think is important to understanding the IDA program?

Thank you for your time!

Guide B: First-Round Interview Guide -- Associates

Respondent name: ________________________	**Title: ___________________________**
Organization: ____	
State: ___________________________________	**Phone number: ___________________**
IDA program name: ____	
Interviewer name:_______________________________	**Date: _____________________**

Introduction

[DESCRIBE PROJECT, INTERVIEWING ORGANIZATION, AND INTERVIEW]

A. Respondent Background

Before we start discussing the IDA program, I'd like to take a moment to learn a little bit about you and your own relationship to the program.

A.1. How would you describe your role in relation to the [IDA PROGRAM NAME]?

A.2. When did you first begin working on this program? (PROBE: Was the program just getting started then?) Approximately what portion of your work week do you now spend dealing with (program name)?

A.3. Could you briefly describe your other job responsibilities apart from those related to the program -- just a sentence or two is plenty.

A.4. What other services does your organization provide, in addition to [IDA PROGRAM NAME]? What kinds of people participate in these other programs?

B. Program operations

B.1. Who conducts the initial check that the applicant is eligible for the program? How? What is involved in determining eligibility?

B.2. Please describe the mechanics of establishing an account. Specifically, what are the necessary steps to be taken by: (1) the participant? (2) the caseworker? (3) other program staff? and (4) the financial institution?

B.3. Please describe the process of making deposits. Is anyone else besides the account-holder and the bank involved in making deposits? If so, how?

B.4. How are account balances monitored? By whom? How often?

B.5. Please describe any IDA-related training that participants receive:

B.5.1. Is there a 'financial literacy' training component? If so please describe it: What is the curriculum? How many class sessions are there? How long is each session? How many students are typically involved?

B.5.2. Is there a purchase-specific training component? (e.g., a component specific to purchasing a home or starting a small business)

B.5.3. Is there any other training or counseling component (e.g., credit counseling, financial planning, career counseling, general counseling)? If so, please describe.

B.6. Please describe the mechanics of making eligible withdrawals for an approved purchase. What are the roles of (1) the account-holder, (2) the bank, (3) caseworkers, (4) other program staff, and (5) any others. (PROBE: Is there a formal process for verifying that a withdrawal will be used for an allowable purpose?)

B.7. What happens if an account-holder decides to stop participating in the program (or is asked to leave)? What is involved?

C. Participant interactions

C.1. How do most participants first get involved with the IDA program? (PROBE: How do they learn about it? From where are they referred?)

C.2. How many times does a staff member (or partner agency staff member) typically meet with individuals before they open their IDA accounts?

C.2.1. What is discussed at these meetings?

C.2.2. What is the character of these meetings? (PROBE: How many of these meetings are one-on-one?)

C.3. Is anyone ever considered inappropriate for this IDA program (beyond those who are simply ineligible? If so, what types of people? For what reasons would someone be considered inappropriate?

C.3.1. How does your organization handle such cases? (PROBE: for example, would they be turned away, or referred to another organization's IDA program, or told to apply again later?)

C.4. How many times does a staff member (or partner agency staff member) typically meet with a participant after they open their IDA account?

C.4.1. What is typically discussed at these meetings?

C.4.2. What is the character of these meetings? (PROBE: How many of these meetings are one-on-one?)

C.4.3. Are meetings generally held according to a regular schedule? How often?

C.4.4. Are the meetings held at the request of the participant?

C.4.5. What do participants tend to want to meet about?

D. Effects

D.1. Understanding it may be too early to tell yet, are you seeing any evidence of the following:

D.1.1. Effects on participant savings behavior?

D.1.2. Different effects on savings by members of different demographic groups (e.g., gender, age, family size, race or ethnic background, and income)?

D.1.3. Effects on homeownership rates?

D.1.4. Effects on post-secondary education attained?

D.1.5. Effects on self-employment/business startup?

D.1.6. Economic/self-sufficiency effects on participants? (reduction in public assistance,

D.1.7. Civic effects on participants (voting, school involvement, community involvement, etc.)?

D.1.8. Social or psychological effects on participants? (future-orientedness, feelings of self-efficacy, motivation, other behavioral changes)

D.1.9. Family stabilization effects on participants? (parenting behaviors, marital status, domestic violence)

E. Observations

E.1. Do you think the program is serving as many people as it could? Is the program underused, or is it operating at "full capacity"? Please explain.

E.2. What have been the main issues or obstacles to getting eligible people to participate? (e.g., low income, trust issues, barriers to employment, inexperience with bank accounts, limited outreach/information)

E.3. Have you noticed any general patterns or trends in participants' savings behavior? (IF NO RESPONSE, PROBE: e.g., poor people's ability to save, people making deposits regularly vs. in lump sums – like at tax time)

E.4. Looking outside the IDA program for a moment, what do you see as the primary factors that have shaped the program's results? (IF NO RESPONSE, PROBE: e.g., welfare reform, the local economy, housing market)? How have these factors influenced your work?

E.5. Which aspects of the IDA program do you feel are most appealing to clients? Which are the least appealing?

E.6. What are some of the major unresolved issues or obstacles with respect to the administration of the program? (PROBE: Are there any issues involving state policy, state-level administration, local-level operations, participation by banks or other groups?)

E.6.1 In your judgment, what will it take to resolve these issues?

E.7. Have there been unexpected developments in, or consequences of, this program? Please describe.

E.8. In your opinion, what works particularly well in this program?

E.8.1. What works less well? What would it take to improve it?

E.9. Is there anything else that I have missed that you think is important to understanding the IDA program?

Thank you for your time!