

**Improving Recruiting, Graduation Rates, and Bank Linkages
in Financial Training Programs for Low-Income Persons**

Final Report

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Table of Contents

Acknowledgements	3
Executive Summary	4
Introduction	7
Background and Project Objectives	7
Study Methods	9
Project Findings	10
Conclusions and Implications	24
References	26
Appendix A – Pre-Training Survey Instrument	28
Appendix B – Post-Training Survey Instrument	36

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Executive Summary

This brief summary highlights project objectives, accomplishments, and research findings from the research project, *Improving Recruiting, Graduation Rates, and Bank Linkages in Financial Training Programs for Low-Income Persons*. The project was conducted by the School of Social Work, University of Illinois at Urbana-Champaign in collaboration with the Sargent Shriver National Center on Poverty Law. Funding to support all research activities was provided through a grant from Chase.

Objectives. The project was designed to determine whether the provision of small (\$50) payment incentives affected participant recruitment and retention in a prominent Illinois program that targets financial management training to low-income audiences – the Financial Links for Low-Income People (FLLIP) program. In addition, we wanted to obtain a better understanding of both the knowledge and attitudes of low-income persons about selected banking issues, and whether changes in these respects occurred as the result of FLLIP training.

Study Methods. The project obtained the cooperation of four metropolitan Chicago area community agencies to conduct the research: Albany Park Community Center, Chicago Area Project, North Side Community Federal Credit Union, and the YWCA Lake County. Each of these agencies agreed to complete four FLLIP training sessions in conjunction with the project. The sessions consisted of 12 hours of training on banking and other financial management topics using the FLLIP curriculum. No financial incentives for training completion were offered to trainees at the first two sessions at each site, while \$50 payments were offered as incentives to those who enrolled and graduated from the latter two sessions.

Project staff developed surveys to measure both attitudes and knowledge about banks and alternative financial institutions. These surveys were administered by trainers at the sites at the initial training session and at the completion of training. This allowed us to compare whether attitudes and knowledge changed based on the training. The training sites also submitted session reporting forms indicating how many participants began and graduated from the sessions, which allowed us to compare whether there were quantitative differences in recruiting and retention in the incentive versus non-incentive sessions. Finally, at the completion of all training sessions, project staff conducted qualitative interviews with trainers and recruiters from each of the training sites. These interviews were intended to obtain staff perspectives about the usefulness of the incentives, as well as their ideas for better linking financial management training to banks and other mainstream financial institutions.

Findings and Accomplishments

Sessions Held and Participant Characteristics

- A total of 16 FLLIP training sessions were conducted at the four project sites, with 197 participants beginning training and 156 of these graduating. This equates to a 79.2%

graduation rate, which is high for programs of this nature. As planned, eight of these sessions offered the \$50 graduation incentives, while eight other sessions did not.

- The sessions reached a socially diverse and economically disadvantaged audience. About three-fifths (58.6%) of the participants had at most a high school education, and 54.9% had received public cash assistance at some time. About one-third usually spoke a language other than English in their homes, with Spanish being the most common of these languages. Nearly half (48.1%) of the audience was African American, and 37.5% was Hispanic. Consistent with FLLIP program rules, participants had incomes less than 200% of poverty, and almost two-thirds were unemployed at the time of training.
- Participants had varying experiences with banks as training began, and frequently used fringe financial institutions. For example, 59.0% had a checking or savings account, and only 25.0% had ever borrowed money from a bank. In comparison, in the three months before training, 63.7% had used a check casher or currency exchange and 69.5% had borrowed money from family members or friends.

Effects of Incentives on Recruiting and Retention

- The incentives had positive effects on training recruitment, as indicated by higher average starting numbers in the incentive sessions (14.4 participants per session versus 10.3 per session in the non-incentive sessions). Trainers and recruiters also spoke of positive incentive effects on recruiting during interviews after training completion.
 - One unexpected caveat to this positive finding was that trainers and recruiters who conducted Spanish language sessions did not find the incentives as effective. These trainers suggested that factors such as lack of trust and uncertainties about how to cash incentive payments probably diminished the effectiveness of the incentives with these primary non-English speaking groups.
- Graduation rates for those beginning training were comparable for the incentive and non-incentive sessions. However, because more persons began the incentive sessions, total graduation from incentive sessions was considerably higher (90 versus 66). Several trainers indicated that the incentives also had positive effects on attendance and attention.

Attitudes about Banking and Perceived Effects of Training on Financial Behavior

- Trainees often expressed concerns about selected banking issues before training. For example, 44.3% indicated that understanding how to use banks was hard, 52.5% said that banks charge too much for services, and 35.3% believed that banks require customers to put in too much money to open an account. Statistically significant attitude changes were found on many important banking attitudes after training completion. These included questions pertaining to how hard it was to use banks, the costs of banking services, the hours of banking operation, and the safety of ATM machines.

- Attitude changes on several items were more positive for non-English speaking versus English speaking trainees, suggesting the promise of this training for recent immigrants and others with limited English language skills.
- After training, FLLIP graduates were asked whether they would be more likely, about as likely, or less likely to engage in a number of both mainstream and fringe financial practices. Consistent positive perceptions about the impact of training on use of mainstream financial institutions were found. For example, 64.4% indicated they would be more likely to open a new bank account, and about half said they would be more likely to use an ATM machine or electronic banking. In contrast, over four-fifths stated that they would be less likely to engage in each of the following fringe financial practices: use a pawn shop (87.3%); borrow money from a lending or money store (85.4%); buy something through rent-to-own (83.5%); or get a payday loan (88.2%).

Knowledge about Banking Issues

- Analysis of knowledge tests about banks and alternative financial institutions demonstrated that training participants had poor initial knowledge about selected banking issues. As training began, participants on average correctly answered only 51.7% of basic true-false questions about banking and related financial issues.
- Knowledge among those completing training increased significantly, with FLLIP graduates on average answering 73.2% of questions correctly – an average gain of 21.5 percentage points. Knowledge gains were comparable for the incentive and non-incentive sessions.

Conclusions and Implications

- The FLLIP training was successful in improving both knowledge and attitudes with respect to basic banking issues and the use of mainstream versus alternative financial institutions.
- Small payment incentives for training graduation appear promising in terms of stimulating participant recruitment. Combining such payments with other program features, such as linking with banks to provide low-cost bank accounts for those who graduate, merits further experimentation.

Introduction

This report describes study purposes, methods, and findings of the research project, “Improving Recruiting, Graduation Rates, and Bank Linkages in Financial Training Programs for Low-Income Persons”. Chase Corporate Philanthropy provided funding to the School of Social Work, University of Illinois at Urbana-Champaign, to conduct this research. The intent was to examine whether small financial incentives may improve the recruitment and retention of low-income persons who enter financial training, as well as to learn more about their knowledge and attitudes about banking. In carrying out the research, the School partnered with the Financial Links for Low-Income People (FLLIP) program, which at the time was coordinated by the Sargent Shriver National Center on Poverty Law (Shriver Center) in Chicago.

Background and Project Objectives

Low-income persons often lack access to and information about mainstream financial institutions, and consequently are more likely than other population groups to rely on fringe financial agents such as currency exchanges or money lending stores. Many financial management training programs recently have arisen in response, and some have demonstrated promising results in terms of improving the financial knowledge and behaviors of low-income participants. However, difficulties in participant recruitment and retention also have been reported in such programs, and few programs have systematically examined the attitudes and knowledge of their participants about banking issues.

This evaluation project was designed in response to these financial management program implementation difficulties, as well as to obtain information on the banking attitudes and knowledge of low-income persons. In particular, the project objectives were to:

- (1) assess whether the provision of small cash incentives would improve the recruitment and retention of low-income participants in the FLLIP program;
- (2) ascertain the knowledge and attitudes of low-income participants about selected banking issues as they entered training, and then assess whether attitudes and knowledge changed when training was completed; and
- (3) inquire whether training participants may change selected financial behaviors based on the training they received.

Before describing our study methods and findings, we begin by presenting a brief review of literature to place our study in broader perspective.

Banking Use, Attitudes, and Knowledge among Low-Income Families

Access to Banks and Other Financial Services

Low-income households are less likely to have bank accounts than middle class and higher income families (Aizcorbe, Kennickel, & Moore, 2003; Barr, 2004; Berry, 2004; Caskey, 2000;

Dunham, 2001; Hogarth & Lee, 2000). For example, analyzing the Survey of Consumer Finance, Aizcorbe, Kennickel and Moore (2003) found that while only 9% of U.S. households were unbanked in 2001, 20% were unbanked among families whose incomes were in the bottom quintile. Berry (2004) analyzed the 2003-2004 MetroEdge survey of low- and moderate-income households and similarly found that 22% of the survey population was unbanked. As such, low-income families comprise a large proportion of the unbanked population; Barr (2004) indicated that about 83% of unbanked households had annual income below \$25,000.

Lack of access to bank accounts, coupled with limited educational levels and inadequate financial knowledge, leads many low-income people to rely heavily on high-cost and poorly regulated alternative financial sectors such as check cashers, payday loans, title lenders, refund anticipation loans, and pawn shops (Barr, 2004; Consumer Federation of America and National Consumer Law Center, 2002; Fox, 1999; Jacob, Hudson, and Bush, 2000; Rhine, Toussaint-Comeau, Hogarth, & Greene, 2001). For example, Rhine et al (2001) analyzed data from the 2000 Metropolitan Chicago Information Center Survey, and found unbanked households were about 15 percentage points more likely than their banked counterparts to patronize a currency exchange. In addition, unbanked households residing in a low-to-moderate income community were 7.6 percentage points more likely to use a currency exchange than unbanked households residing elsewhere. The high costs of such alternative financial services have been well-documented, with growing practices such as refund anticipation loans and payday loans often carrying triple digit annual interest rates (Consumer Federation of America and National Consumer Law Center, 2002; Fox, 1999; Kennickel, Starr-McCluer, & Surette, 2000). Furthermore, studies have found that many low-income households who have bank accounts still rely on high-cost non-bank providers to conduct much of their financial business (Barr, 2004; Dunham, 2001).

Why Are So Many Low-income Families Unbanked?

The lack of bank accounts limits many low-income families from effectively managing finances and building financial assets, and also makes them especially susceptible to predatory financial practices. A number of studies consequently have examined why so many low-income households are unbanked (e.g., Aizcorbe, Kennickell, & Moore, 2003; Berry, 2004; Caskey, 1997a, 1997b, 2000; Hogarth, Angelov, & Lee, 2004; Hogarth & Lee, 2000; Kennickell, Starr-McCluer, & Surette, 2000). While these studies have analyzed different surveys, a consistent finding is that the most common reasons for being unbanked are related to income and costs (Aizcorbe, Kennickell, & Moore, 2003; Berry, 2004; Caskey, 2000). For example, a large portion of unbanked survey respondents indicated that they did not have a bank account because they “don’t have enough money or savings”, the “minimum balance is too high”, or they “don’t write enough checks to make it worthwhile”.

Berry (2004) further found that explicit barriers to account holding, such as lack of required identification and bad credit history, appeared to be more important in keeping low-to-moderate income families from having bank accounts than “soft” barriers such as feeling unwelcome or not speaking English. This study also found that network factors, including whether friends have bank accounts or whether personal checks are accepted as forms of payment by landlords or local stores, were important barriers to checking account holding among low-income neighborhood residents. Location of bank branches, however, was not a major barrier to account holding (Berry, 2004).

Using the Surveys of Consumer Finance from 1989 to 2001, Hogarth, Anguelov, and Lee (2004) further found that reasons for not having a checking account have shifted from account features (e.g., bank fees) toward human capital reasons (e.g., can't manage or balance accounts) and institutional reasons (e.g., don't like dealing with banks).

Lack of knowledge and information also may be an important barrier to having a bank account. For example, findings from an evaluation of financial management training programs for low-income people in Illinois indicated that the knowledge levels on basic banking practices (such as interest rates, ATM card use, how to open a bank account) among low-income training participants were low (Zhan, Anderson, & Scott, 2006). Furthermore, less educated participants, Latinos, non-English speakers and those who did not own homes had especially low levels of knowledge. Berry (2004) also found that the complexity of opening and managing an account is an important barrier for low-income people without a checking account. In addition, many low-income households who receive public assistance believe that ownership of bank accounts will affect eligibility for these benefits (Caskey (1997; Hogarth & Lee, 2000).

Research findings are inconsistent with respect to how well the unbanked understand the costs associated with banks or alternative financial services. Some studies have indicated that the unbanked might overestimate the cost of owning an account, or conversely underestimate the costs of using alternative financial services such as check cashers or pawn brokers (Hogarth & Lee, 2000). However, other studies have found that low-income people understood these costs well, and that those who chose to use check cashers rather than banks were motivated by convenience (Berry, 2004; Dunham, 2001).

The Present Project

While research has examined the lack of bank use and contributing factors among low-income households, there have been few systematic studies on their knowledge about banks and alternative financial services, or on the effectiveness of financial training programs that aim to improve banking knowledge and related financial practices. In addition, research has been lacking on the impact of financial management training on changing attitudes of low-income persons about banks and alternative financial institutions. Our study addresses these issues by evaluating whether financial training for low-income people improves participant knowledge, changes their perceptions about both banks and fringe financial agents, and increases their likelihood of using mainstream financial institutions.

Study Methods

With the assistance of Dory Rand of the Shriver Center, four FLLIP sites were selected for inclusion in the project. All of these sites were located in the Chicago metropolitan area. The sites included Albany Park Community Center, Chicago Area Project, North Side Community Federal Credit Union, and the YWCA Lake County.

The intent was to provide four training sessions at each of these sites, with a "session" consisting of 12 hours of financial training generally delivered to groups of 10-15 low-income participants. In the first two of these sessions at each site, participants did not receive any financial incentives to participate. In contrast, participants at the latter two sessions received \$50 payments if

they completed training, which were intended to stimulate both training recruitment and retention. Each training site agreed not to offer any other incentives to attend or complete the training, in order to keep conditions other than the \$50 incentive as similar as possible at each site. However, there was variation between the FLLIP sites in that each was responsible for developing its own recruiting materials, including strategies for marketing the \$50 payments for the incentive sessions.

Participants at all sessions were asked to complete surveys at the beginning and completion of the training, which were designed by project staff to measure banking-related knowledge, attitudes, and behaviors. The surveys were administered by FLLIP trainers from the four agencies, and then sent to School of Social Work research staff for data entry and analysis. FLLIP trainers also provided data on the number of persons who began and graduated from each training session. Finally, after all training sessions were completed, project staff interviewed trainers and recruiters who had participated in the project to learn their perspectives about the impact of the financial payments on training recruitment and retention.

The surveys completed by training participants were developed by project staff based on a review of previous financial management and banking surveys, as well as through project staff experience from a previous evaluation of the FLLIP program (Anderson, Scott, & Zhan, 2004). Survey drafts also were sent to staff at the Shriver Center, as well as to trainers at the collaborating training agencies, for review and comment. Because of the expectation that many participants would have low educational levels or poor reading skills, simple language was used throughout the surveys. In addition, a Spanish translation of the surveys was developed. The English language versions of the surveys are included as Appendix A (pre-training survey) and Appendix B (post-training survey).

To assure that all data collection procedures were understood by collaborating agencies, a group training session on data collection procedures was conducted in Chicago by research project staff prior to initiation of the first session. Follow-up instructions and data collection forms then were distributed to each site.

Project Findings

Numbers Trained, Graduation Rates, and Possible Incentive Effects

Training sessions were conducted as planned at all four sites, resulting in a total of 16 training sessions. No financial incentives were offered in eight of these, while participants in the other eight sessions were offered \$50 payments if they completed the training. A total of 197 participants began these 16 sessions, and 156 or 79.2 percent of these completed training (Table 1). This nearly 80 percent overall graduation rate should be interpreted very positively in light of high drop out rates commonly reported in programs of this nature (Anderson, Scott, & Zhan, 2004).

Table 1 suggests two observations with respect to the possible role of the \$50 incentives on training participation at project sites. First, both the numbers of trainees beginning and completing the training were substantially higher in the eight sessions that provided the \$50 incentive. In these incentive sessions, an average of 14.4 participants began training and 11.3 participants completed training, compared to 10.3 beginners and 8.3 graduates per session in the non-incentive sites. This

equates to nearly one and one-half times greater participation in the incentive sessions. It is noteworthy that this higher level of participation in incentive sessions held across all four training sites, although the differences were slight in two of these sites.

Second, Table 1 shows that the graduation rates at the incentive and non-incentive sites were nearly indistinguishable, with 80.5 percent graduating at non-incentive sites and 78.3 percent graduating at incentive sites. Of course, given the higher number of persons beginning training in incentive sites, these comparable graduation rates resulted in considerably higher numbers of graduates at incentive sites. We will discuss possible incentive effects further in a subsequent section that reports on the perspectives of program recruiters and trainers.

Table 1. Summary of Participants Beginning and Graduating from Training Sessions, According to Whether \$50 Graduation Incentive Was Offered

	Began Training		Graduates		Graduation Rate
	Number	Average per Session	Number	Average per Session	
In sessions without \$50 incentive (n=8)	82	10.3	66	8.3	80.5%
In sessions with \$50 incentive (n=8)	115	14.4	90	11.3	78.3%
All sessions (n=16)	197	12.3	156	9.8	79.2%

Characteristics of Training Participants

As with previously reported data on FLLIP training (Anderson, Scott, & Zhan, 2004), the training provided in conjunction with the Chase project targeted an economically disadvantaged and socially diverse audience. Table 2 provides information on the demographic characteristics of training participants at the 16 project sessions, which was obtained from the survey administered at the beginning of training. The training sessions served a largely female (78.1%) audience, and about two-thirds of participants either were never married or else divorced, widowed, or separated. The heavily minority composition of the training audience is shown by the high percentages of African American (48.1%) and Hispanic (37.5%) participants.

Table 2. Demographic Characteristics of Project Training Participants

	Percent of All Persons Beginning Training (n=162)
Male	21.9%
Female	78.1%
Never Married	41.5%
Divorced, Widowed, or Separated	24.5%
Currently Married	34.0%
African American	48.1%
Hispanic	37.5%
Caucasian	8.8%
Asian	3.8%
Other	1.9%
	Median
Median number of children	2
Median age of youngest child	5

Note: The total number of surveys available for presenting these data is lower than the number who actually began training, due to some persons not completing surveys.

Program rules require that all FLLIP participants have incomes at or below 200% of the federal poverty level, but Table 3 shows that training participants often were disadvantaged beyond this basic income criterion. For example, only 36.1% of participants were working at a regular job for pay at the time of the training, and 54.9% were either currently receiving or had previously received cash public assistance. Further, 58.6% had at most a high school diploma or GED, and 35.6 percent had not completed high school. English language difficulties also may be important for large numbers of these trainees, as about one-third reported usually using a language other than English in the home. Spanish was most prominent among the other languages, with 27.5% of participants reporting it as the primary language used at home.

Separate analyses were conducted to determine whether the characteristics of participants entering the incentive and non-incentive sessions were similar. Statistically significant differences between the participants entering these two types of sessions were found for only two of the characteristics shown in Tables 2 and 3. Compared to non-incentive participants, the incentive participants were less likely to be female (70.0% versus 86.3%) and more likely to be working (44.2% versus 28.2%). Differences were minor and not statistically significant on all other characteristics, which leads us to conclude that the groups were roughly comparable on the characteristics considered.

Table 3. Economic and Social Characteristics of Project Training Participants

	Percent of All Persons Beginning Training (n=162)
Currently working at regular job for pay	36.1%
Currently or previously received cash assistance	54.9%
Highest Grade Completed	
Less than high school	35.6%
High school diploma or GED	23.0%
Some college or college degree	41.4%
Language Usually Spoken at Home	
English	61.9%
Spanish	27.5%
Both English and Spanish	5.6%
Other language	5.0%

Note: The total number of surveys available for presenting these data is lower than the number who actually began training, due to some persons not completing surveys.

Selected Financial Practices of Persons Beginning Training

Limited information also was collected in the pre-training survey on both mainstream and alternative financial practices of participants. Table 4 summarizes these results. First, a short set of questions was asked to establish the extent to which participants had experience using banks and credit cards. Nearly three-fifths (59.0%) of participants had a checking or savings account as they began training, and 72.8% had ever had such an account. Slightly over half (54.3%) ever had a credit card, while 25.0% had ever borrowed money from a bank.

Table 4 also shows whether participants had engaged in selected financial practices in the three months immediately preceding training. Use of check cashers or currency exchanges had been quite common (63.7%), as had borrowing money from family members and friends (69.5 percent). Fairly high percentages of trainees also had used a credit card (44.6%) sometime in the prior three months, or had used an ATM card, debit card, or payroll card (59.7%). Smaller but notable minorities of trainees reported using a pawn shop (18.5%), borrowing money from a payday or title

lender or money store (13.8%), or buying something through a rent-to-own contract (15.9%). Separate analyses showed that none of the practices described in Table 4 differed significantly between participants in the incentive versus non-incentive sessions.

Table 4: Selected Financial Practices of Participants at the Beginning of Training (n=162)

	Yes	No
Currently have checking or savings account	59.0%	41.0%
Ever had a checking or savings account	72.8%	27.2%
Ever had a credit card	54.3%	45.7%
Ever borrowed money from a bank	25.0%	75.0%
In the Last 3 Months:		
Have used check casher or currency exchange	63.7%	36.3%
Have used pawn shop	18.5%	81.5%
Borrowed money from a payday or title lender or money store	13.8%	86.2%
Bought something through a rent-to-own contract	15.9%	84.1%
Borrowed money from family or friends	69.5%	30.6%
Used a credit card	44.6%	55.4%
Used an ATM card, debit card, or payroll card	59.7%	40.3%

Attitudes about Banking Issues

One objective of the project was to measure attitudes about banking issues both before and after training. A series of 21 questions was developed for this purpose, which drew heavily from previous research (See Appendix A for the specific questions). Participants were asked whether they agreed a lot, agreed some, disagreed some, or disagreed a lot with each of these questions. Both the pre-training and post-training responses were analyzed, and comparisons of changes in attitudes also were made.

The results presented are for 88 participants who completed both pre-training and post-training surveys that could be definitively matched. The reader will note that this number is substantially lower than the total number of graduates, which resulted from several factors. First, in

compliance with University of Illinois human subjects procedures, participants had the option not to complete the surveys. Second, a small number of trainees began training late, and no make-up surveys were given. Third, to protect trainee anonymity, only initials and years of birth were requested on surveys; in a few cases, pre- and post-training surveys could not be convincingly linked by this method. Finally, and most importantly, trainers at two sites encountered difficulties in properly administering the surveys, resulting in unusable responses.

Tables 5 and 6 present these results, which are organized according to the subject domain that the questions were intended to explore. For simplicity of presentation, the percentages of respondents who either “agreed a lot” or “agreed some” on each attitudinal statement are grouped in these tables. Each table shows the percentage of trainees who agreed with a statement before the training and then after the training, and how much these percentages changed from before to after the training. On questions in which agreement with the statement indicated a difficulty in using banks, a negative percentage point change was expected in the right hand column. On statements that indicated more positive perceptions about bank use, positive percentage point changes were expected.

Table 5 presents attitudinal results on questions pertaining to difficulty in understanding or using banks, location and convenience of banks, and privacy issues. Beginning with attitudes before participation in the training sessions, several observations can be made. First, substantial percentages of respondents indicated difficulties in understanding and using banks, with at least one-fifth of respondents indicating problems on each of the five questions asked. Particularly notable was that 44.3% agreed that understanding how to use banks is hard. Privacy issues also appeared to be important to large numbers of respondents, with 39.3% agreeing that the information required to open a savings account was too personal to share and 31.0% fearing that banks would share their financial information with others. Of the three questions related to location and convenience, the great majority of respondents indicated that there was a bank close to their residence (92.0%) and that ATM machines were a convenient feature of banking (88.6%). However, only 66.3% agreed that banks were open at times that met their needs, indicating that a substantial minority of respondents felt that hours issues affected the convenient use of banks.

Attitude changes in these issue areas following training were consistently in the intended direction, as shown by the right-hand column in Table 5. Most striking was the 27.1 percentage point decline in participant agreement with the statement that “understanding how to use banks is hard”. This suggests that the training was effective in alleviating the concerns of many participants about the difficulties of banking. The other statistically significant change involved attitudes about bank hours, with the percentage agreeing that banking hours met their needs rising from 66.3% to 83.9%.

On only two questions (“too hard to keep track of money in a bank account” and “information needed to open a bank account is too personal to share”) was change after training in an unintended direction, and both of these changes were not statistically significant. It also should be noted that changes on some questions probably are less amenable to training than others, and that substantial change therefore should not be expected. Examples in this respect include questions on whether a bank is located close to the participant’s residence and on whether information needed to open an account is too personal to share.

Table 5: Attitudes about Selected Banking Issues Before and After Training Completion (n=88)

	Before Training	After Training	Percentage Point Change
	% Agreeing “a lot” or “some”	% Agreeing “a lot” or “some”	
Difficulties in understanding/using banks			
Understanding how to use banks is hard	44.3%	17.2%	-27.1*
Language makes it hard to use banks	20.9%	12.6%	- 8.3
Information needed to open an account is complicated	24.1%	20.7%	- 3.4
Banks require information to open account that I do not have	23.5%	19.5%	- 4.0
It is too hard to keep track of money in a bank account	24.4%	26.2%	+ 1.8
Location and Convenience			
There is bank located close to residence	92.0%	95.2%	+ 3.2
Banks are open at time that meet my needs	66.3%	83.9%	+17.6*
ATM machines are convenient to use	88.6%	94.1%	+ 5.5
Privacy Issues			
I am afraid that banks will share my financial information with others	31.0%	30.2%	- 0.8
Information needed to open a bank account is too personal for me to share	39.3%	42.0%	+ 2.7

Note: The responses in this table are for the 88 participants who completed both usable pre- and post-training surveys.

* Changes are statistically significant at the .05 level.

Table 6 presents comparable information for cost/eligibility, banking benefit, and staffing issues. Prior to training, high percentages of respondents agreed with statements indicating that the costs of bank account holding or loans were high. For example, 52.5% agreed that banks charge too much for services, and 50.6% indicated that bank loan rates are too high. In addition, roughly one-third of respondents agreed with statements indicating that banks required customers to put in too much money to open an account and to keep too much in an account.

Participant attitudes about both banking benefits and bank staff were generally quite positive before the training. Nearly 93% agreed that money put in banks was safe, and 81.7% agreed that bank accounts offered benefits that they could not get at currency exchanges, check cashers, or money lending stores. However, only 60.7% agreed that using ATM machines was safe. With respect to staffing, 84.7% agreed that they would be treated well by bank staff, and only 18.1% thought that workers at currency exchanges and check cashers usually were friendlier than bank employees.

There were several statistically significant changes in the attitudes presented in Table 6 after training was completed, all of which support the positive effects of the training on attitudes about banking. Most notable were more positive attitudes about bank costs and eligibility issues. For example, there was a decline of 22.3 percentage points in the percentage of respondents who thought that banks charge too much for services. Similarly, declines of 12.3 to 16.5 points occurred with respect to agreement on statements pertaining to amounts needed to open an account, maintain an account, and cash checks. The percentage of respondents who believed that ATM usage was safe also increased by 15.4 percentage points. In fact, the only questions on which positive attitude changes concerning banking did not exceed 6 percentage points were on those items in which attitudes already were positive before training (“money people put in banks is safe” and the two staffing related questions).

Attitude Differences by Primary English versus Primary Non-English Speakers

Separate analysis of attitudes of primary English speaking versus primary non-English speaking participants (hereafter referred to as English and non-English speakers) suggested that many of the attitude improvements presented in Tables 5 and 6 resulted largely from changes in the non-English speakers. For example, in responding to the question on whether using banks was hard to understand, 24.5% of English speakers agreed before training and 17.0% agreed afterwards. In comparison, 73.0% of non-English speakers agreed with this statement before training, as compared to only 16.3% after training. Similarly, non-English speakers showed notably greater patterns of positive attitude change with respect to questions on language making bank use difficult, banks charging too much for services, banks charging too much to cash checks, and the safety of ATM machines. These changes should be interpreted cautiously because of our small English-speaking and non-English speaking sample size, but nonetheless suggest the promise of financial management training for non-English speakers.

One other interesting difference by primary language pertains to the information needed to open accounts. Both previous research and our interviews with trainers described in a later section indicated that non-English speakers often are fearful or distrustful of banks, partially because of concerns that they do not have proper documentation or that information requested may be used

inappropriately. With respect to the question on whether banks require information to open an account that participants did not have, the percentage of non-English speakers agreeing declined from 42.0% before the training to only 18.7% after training.

Table 6: Attitudes about Selected Banking Issues Before and After Training Completion (n=88)

	Before Training	After Training	Percentage Point Change
	% Agreeing “a lot” or “some”	% Agreeing “a lot” or “some”	
Cost/Eligibility Issues			
Banks charge too much for services	52.5%	30.2%	-22.3*
Banks require customers to put in too much to open account	35.3%	19.8%	-15.5*
Banks make you keep more in accounts than I could afford	30.6%	14.1%	-16.5*
It costs too much to cash checks at banks	19.3%	7.0%	-12.3*
Banks would not lend me money due to bad credit	71.8%	64.3%	- 7.5
Bank loan interest rates are too high	50.6%	44.2%	- 6.4
Banking Benefits			
Money that people put in banks is safe	92.9%	93.1%	+ 0.2
Bank accounts offer benefits I could not get at currency exchanges, check cashers, or money lending stores	81.7%	88.6%	+ 6.9
Using ATM machines is safe	60.7%	76.1%	+15.4*
Staffing Issues			
Will be treated well by bank staff	84.7%	85.4%	+ 0.7
Workers at currency exchanges and check cashers usually are friendlier than bank workers	18.1%	15.3%	- 2.8

Note: The responses in this table are for the 88 participants who completed both usable pre- and post-training surveys.

* Changes are statistically significant at the .05 level.

Perceived Impact of Training on Banking and Credit Card Use

Persons who completed the training also were asked a series of 11 questions designed to measure whether they would change selected financial behaviors as the result of the training they received. These included questions on the expected likelihood of using bank services and alternative types of financial services (See Appendix B for specific questions). A total of 105 FLLIP graduates completed usable survey responses on these questions.

Table 7 presents results from these questions with respect to banking and credit card use. The data show that large percentages of respondents indicated that they were more likely to use selected bank services than before they completed training. For example, 70.9% stated that they were more likely to keep an already established bank account, and 64.4% said they were more likely to open a new bank account. About half indicated that they were more likely to use ATM machines or electronic banking.

Table 7. FLLIP Graduate Opinions about the Impact of Training on Banking and Credit Card Use

	Percentage of Graduates (n=105)		
	More likely than before training to:	About as likely as before training to:	Less likely than before training to:
Open a new bank account	64.4%	21.8%	13.9%
Keep an existing bank account	70.9%	21.4%	7.8%
Use an ATM machine	47.6%	32.0%	20.4%
Use electronic banking	50.5%	21.4%	28.2%
Apply for a loan at a bank	31.4%	31.4%	37.3%
Apply for a new credit card	15.5%	24.3%	60.2%

Note: These questions were asked in surveys administered at the conclusion of training. A total of 105 usable surveys were completed. The number on which percentages were computed for each question varies slightly due to missing question responses.

Interestingly, participants were less inclined to report being more likely than before training to apply for a bank loan or a new credit card. For example, only 15.5% of respondents indicated that they would be more likely to apply for a new credit card than before training, while 60.2% reported that they would be less likely. These findings are not surprising, given that FLLIP sessions include material on better understanding credit and taking steps to obtain good credit ratings. It therefore seems likely that these more cautious opinions about loan usage may reflect information gained from training related to the prudent use of loans and other credit.

The FLLIP training appeared to be very influential in affecting the perceptions of graduates about non-mainstream financial institutions. As shown in Table 8, less 6% of respondents said they would be more likely to use any of the five types of non-mainstream financial practices on which questions were asked. In contrast, at least 83% of respondents said they would be less likely than before training to use the following four financial mechanisms: pawn shop (87.3%), borrow from a money store (85.4%), buy through rent-to-own (83.5%), or get a payday loan (88.2%). While slightly less striking than the above figures, 71.6% indicated that they would be less likely than before training to use a check casher or currency exchange.

Table 8. FLLIP Graduate Opinions about the Impact of Training on Use of Alternative Financial Institutions

	Percentage of Graduates (n=105)		
	More likely than before training to:	About as likely as before training to:	Less likely than before training to:
Use a pawn shop	1.0%	11.8%	87.3%
Borrow money from a lending or money store	2.9%	11.7%	85.4%
Buy something through rent-to-own	2.9%	13.6%	83.5%
Use a check casher or currency exchange	5.9%	22.5%	71.6%
Get a payday loan	1.0%	10.8%	88.2%

Note: These questions were asked in surveys administered at the conclusion of training. A total of 105 usable surveys were completed. The number on which percentages were computed for each question varies slightly due to missing question responses.

Comparisons between persons who attended the incentive versus non-incentive sessions were made for all of the questions shown in Tables 7 and 8. Differences in response patterns between these two groups generally were very small. The only difference of note concerned the perceived likelihood of applying for a bank loan as the result of the training. While only 26.7% of non-incentive participants reported a greater likelihood of applying for a bank loan, 40.0% of incentive participants did so.

Knowledge about Banking and Alternative Financial Institutions

The surveys administered before and after the training also were designed to measure basic knowledge about selected aspects of banking and alternative financial institution use. Project staff built on a knowledge test developed for a previous evaluation of FLLIP for this purpose (Anderson, Scott, & Zhan, 2004), with the primary difference being that the questions for the current project were more narrowly restricted to banking and lending issues.

A total of 23 true-false knowledge questions were developed for inclusion in the survey. These questions were intended to be very basic in nature, and to be directly related to materials that would be covered in the FLLIP training sessions. Simple language also was used, given the expected low educational levels of many participants. The question content included issues related to the costs and benefits of holding bank accounts, specific features of bank accounts, credit and loans, and alternative financial institutions (See Appendix A for specific questions).

Project staff scored each pre and post-training knowledge question and entered it into an SPSS file for analysis. This allowed for assessment of individual level knowledge gains and average scores before and after training and related knowledge changes. Comparisons in knowledge levels between those persons attending incentive versus non-incentive sessions also were calculated.

Average knowledge scores and knowledge changes for the 88 participants who completed both usable pre- and post-training surveys are presented in Table 9. On average, only 51.7% of the questions were answered correctly on the pre-training survey. Average scores on the post-training survey increased to 73.2% correct, representing a statistically significant improvement of 21.5 percentage points. It also can be seen that participants in the non-incentive and incentive sessions began with similar knowledge levels and experienced similar knowledge gains; the differences shown between these two groups are not statistically significant.

Follow-up Interviews with Project Trainers

After the completion of all training sessions, project staff scheduled interviews with trainers and program recruiters from the four project sites. These interviews had two principal objectives. First, we wanted to learn from those most involved with recruiting trainees and conducting the training sessions whether they thought the participation incentives had been effective at their sites. Second, we were interested in determining whether these staff had developed strategies they believed were useful for linking the training with banks.

Table 9. Changes in Knowledge about Banking among FLLIP Graduates

Type of Training Participant	Median Percentage of Correct Responses:		Percentage Point Change
	Before Training	After Training	
All (n=88)	51.7%	73.2%	+21.5*
In non-incentive sessions (n=47)	49.7%	72.5%	+22.8*
In incentive sessions (n=41)	54.1%	74.0%	+19.9*

* Statistically significant at the .05 level.

Interviews were completed with six different staff members at the four sites; these included both trainers and persons who organized and administered the sessions. The interviews were qualitative and opinion oriented, with respondents encouraged to provide their frank opinions about the effectiveness of the incentives. The interviews generally lasted from 30 minutes to one hour.

Effectiveness of Incentives in Recruiting and Retention. Staff varied in their perceptions concerning the effect of the \$50 incentives on recruiting. Each of the staff members involved in English-language classes indicated that the incentives had helped recruiting. In addition to the common view that the incentive simply made the training more desirable to trainees, one respondent added that it may have made the training more appealing to staff at the Illinois Department of Human Services (IDHS), which was involved in referring participants to that agency. This respondent reasoned that such staff may have been more likely to refer clients, due to their perceptions that the incentives would be influential in leading those referred to complete training.

Interestingly, the two staff members who had been involved in classes taught in Spanish did not believe that the incentives had been useful in recruiting. One of these staff thought that the lack of expected impact of the incentives was related both to their size and the means of payment. She indicated that her trainees often were recent immigrants, and that they had difficulty in cashing checks and money orders. Further, both of these staff suggested that the distrust that many recent immigrants have with respect to community agencies and institutions may have mitigated the appeal of the incentives. In addition, one staff person mentioned that her agency recently had hired a new Spanish-speaking trainer, and that it was conceivable that this person simply had not gained the trust of community members at the time when the sessions were offered. The fact that only two staff were involved with primary Spanish speaking audiences suggests that these responses should be interpreted cautiously, but they nonetheless illustrate how a variety of factors may affect whether small financial incentives are effective in stimulating recruiting.

A similar question was asked of staff about the impact of the incentive on retaining those participants who chose to enroll in training. The responses were quite similar, but with some interesting nuances. For example, one staff member who felt that the incentives had affected recruitment was less inclined to believe that they affected retention. She felt this was the case largely because the types of reasons that people typically dropped out of the training, such as family problems or beginning a new job, were more influential than the small financial incentives being offered.

Of the three staff who thought that the incentives had positively affected retention, a common theme was that the incentives led to better attendance because participants wanted to be sure to attend enough sessions to graduate. Attendance gains were seen by one staff member as not only leading to higher graduation levels, but also to reducing agency administrative efforts. That is, better attendance was seen as diminishing the need for make-up classes that the agency typically offered. Two trainers further believed that the incentives led to better attention among those who attended. One of these speculated that this resulted from a greater sense of investment in the training by participants, or the sense that they were being paid and thus should treat the training more like a job.

FLLIP site staff also were asked what other incentives they had found to be useful in encouraging both recruiting and retention, as well as for ideas concerning other incentives that may be useful. The responses tended to fall in four categories. First, some staff reiterated the usefulness of the cash graduation incentives, and two mentioned the desirability of Individual Development (IDA) accounts or similar mechanisms through which banks or agencies provide matching funds for specific purposes if training participants save money. One staff also mentioned that her agency had found it useful to require participants to put down a small deposit that was refundable upon training graduation, as a means of encouraging participant investment and commitment. She suggested that it may be useful to couple these deposits with graduation payments such those made in the current project.

Second, the importance of working through existing groups or agencies was also seen as important to good recruitment. This was viewed not only as a means to get referrals from agencies in which potential trainees already have trusting relationships, but also as a means of getting multiple recruits with common characteristics or experiences. For example, one staff member spoke of the benefits of working with IDHS, in that the participants referred from IDHS often had financial experiences in common that made them more comfortable in talking openly about sometimes sensitive financial matters.

Third, several pragmatic features of the training sessions were seen as influential in encouraging both recruiting and retention. These included good classroom space, flexibility in the timing of sessions given often non-traditional and irregular work schedules, location of training near transportation routes, and on-site child care. Most staff indicated that they provided snacks and drinks at the sessions, and these also were seen as useful in encouraging participation. In addition, providing make-up sessions was seen as useful, as trainees sometimes missed sessions for acceptable reasons.

Finally, the content of the training was viewed as important to recruiting and retention, along with tailoring the specific content to the expressed needs of participants. For example, two respondents mentioned that trainees were especially concerned about learning how they could improve their credit or clear up existing credit or checking account problems, so these trainers had emphasized such content in the sessions. Another trainer stressed the importance of providing handouts, books, and pamphlets to trainees. This not only was viewed as providing reinforcement of training lessons for participants, but also as leading to new referrals as trainees shared this information with their friends.

Related to content was the importance of trainers clearly understanding the purpose of the training and being able to communicate this well both to participants and staff from agencies targeted for referrals. In addition, two staff mentioned that improved efforts to provide greater individualized attention to training participants would be beneficial. One of these suggested individual sessions to better mentor participants on financial issues, while another suggested follow-up contacts at some point after training to determine if participants had encountered subsequent financial issues on which assistance could be provided.

Linkage of Financial Management Training to Banks

All of the training sites had established some linkages with local banks, which most commonly involved having bank personnel come to the sessions and explain banking services. These linkages were seen as useful both in providing good local information on services, as well as in putting a more human face on institutions in which trainees often were distrustful. Some staff also took participants to local banks, again with the purpose of making participants more comfortable in these settings. The one reservation expressed about such attempts to link with banks was that the bank personnel might turn such visits into “sales” talks as opposed to educational sessions; staff therefore suggested that it was important for them to clearly establish the purpose and ground rules for such visits.

Finally, several staff suggested that working with banks to improve services for low-income persons should receive attention in financial management programs. For example, one of the agencies in this project had linked with a bank to provide low-cost checking accounts if participants attended the agency training on banking. Because of the presence of many recent immigrants in her service area, another trainer spoke of the importance of working with banks to accept matricula cards or ITIN numbers instead of Social Security numbers and driver’s license information when opening an account.

Conclusions and Implications

Several conclusions and implications may be drawn from the findings presented in this report. First, our survey findings raise concerns about banking knowledge and attitudes in many low-income neighborhoods. Training participants typically lacked knowledge about basic banking issues as they began training, and also exhibited negative attitudes about many aspects of banking. The findings indicate that the FLLIP training not only was successful in improving knowledge about such banking issues, but also in leading to attitude changes that were more positive towards

banks and other mainstream financial institutions. The perceived likelihood of using banks versus fringe financial services likewise was positively affected by the training.

The impact of the \$50 incentives on training recruitment and retention was positive, although incentive effectiveness appeared to primarily affect recruiting. Recruitment levels at the sites in which the \$50 payments were provided were higher than at sites in which no financial incentives were provided, which in turn resulted in higher numbers of graduates at these sessions. However, graduation *rates* at the incentive and non-incentive sessions were approximately the same, which indicates that the incentives did not appear to affect the probability that one would graduate once they enrolled.

In general, qualitative interviews with FLLIP trainers and recruiters were consistent with these findings on recruitment effects, with most indicating that the incentives had helped their recruiting efforts. Contrary to our quantitative results, some also felt the incentives helped retention, which suggests the need for further study related to this issue.

One area of complexity not expected concerned the potential differential effects of the incentives on English speaking versus non-English speaking audiences. Both staff interviewed at sites providing training in Spanish indicated that the incentives did not affect recruitment, perhaps because lack of trust and potential problems in cashing the payments outweighed their benefits. However, among non-English speakers who completed training, positive attitudes about several important banking issues were more positive than for English speakers. This suggests the promise of training with immigrants and other non-English speaking audiences.

Finally, our interviews with those who provided training and recruited participants suggest that combining small to moderate cash incentives with other program features may lead to improvements in the promising results reported here. Among the many other incentives that could be coupled with cash payments for graduation include linkage to low-cost bank accounts, provision of child care during training, flexible scheduling of sessions, and consistent dissemination of pamphlets or other handouts on financial management topics. It also may be useful to couple such an incentive package with the requirement that participants pay small refundable deposits at the beginning of sessions, as a technique for increasing participant investment in training and corresponding incentives to graduate.

All of these findings should be viewed in the context of agencies providing training in often troubled neighborhoods with participants who have very limited resources. These characteristics complicate the provision of training considerably, so the knowledge gains and positive attitude changes reported here are encouraging given these constraints. Further experimentation with the best methods of providing training, as well as research to measure the effectiveness of varying techniques and incentives, therefore merits the attention of those interested in furthering the financial interests of low-income persons.

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Appendix A

PRE-TRAINING SURVEY ON KNOWLEDGE AND OPINIONS ABOUT FINANCES

Before we start, please tell us the following:

_____ What are the initials to your first and last name (for example, Jane Smith would be JS).

_____ In what year were you born?

_____ What is today's date?

The questions you will be asked today are mostly about banking and other money issues. Whenever a question mentions a bank, it means a bank, a credit union, or a savings and loan association.

We would like to begin by asking some questions about how you handle your money. Please mark an X to show your answer to each of these questions.

1. Do you have a checking or savings account at a bank right now? _____ Yes _____ No

2. Have you ever had a checking or savings account at a bank? _____ Yes _____ No

3. Have you ever had a credit card? _____ Yes _____ No

4. Have you ever borrowed money from a bank? _____ Yes _____ No

Please tell us about how often you have done each of the following things in the last three months. (Put an X in the box that best shows your opinion for each question)

	Never	One or Two Times	More than Two Times
1. Used a check casher or currency exchange			
2. Used a pawn shop			
3. Borrowed money from a payday or title lender or money store			
4. Bought something through a rent-to-own contract			
5. Borrowed money from family or friends			
6. Used a credit card			
7. Used an ATM card, debit card, or payroll card			

The following questions ask whether you know about different financial terms and services. Please tell us if you think each statement is true or false, or if you don't know (Put an X in the box that shows your answer for each question).

	True	False	Don't Know
1. All banks give you the same rate of interest on your savings accounts.			
2. Banks usually charge a lower interest rate on loans than lending stores.			
3. You probably will lose most of the money in your account if a bank goes out of business.			
4. Direct deposit means that you cash your paycheck at the bank as soon as you receive it.			
5. Checking accounts usually allow you to do all of these things: directly deposit paychecks, use ATM machines, and pay bills electronically.			
6. Electronic banking allows you to use funds in your account without going to the bank.			

	True	False	Don't Know
7. Checking account fees sometimes are based on the amount of money you keep in your account.			
8. You may use a debit card to withdraw more money than you have in your account as long as you agree to pay it back.			
9. You can put money into and take money out of your accounts with ATM machines.			
10. Overdrawing your account or bouncing a check means that you write a check for or take out more money than you have in your account.			
11. Loans that allow no interest for a certain period are always a better deal than loans that charge interest right away.			
12. Interest is the amount of money you must pay in addition to the loan amount you receive.			
13. Paying the minimum amount due on a credit card each month is a good strategy for paying off credit card debt.			
14. If you miss a rent-to-own payment, you can lose the rented item and everything you paid for it.			
15. The annual percentage rate or APR is the percentage of loans that a lender approves each year.			
16. Repossession occurs when a creditor takes back an item on which payments are overdue.			
17. Interest charges are applied to your credit accounts only when a monthly payment is skipped.			
18. A loan with a 15% annual interest rate is a better deal than one with a 2% monthly interest rate.			
19. Predatory lending means taking unfair advantage of people who need to borrow money.			

	True	False	Don't Know
20. Buying an item through a rent-to-own contract usually costs more overall than paying for the same item with a bank loan.			
21. Payday loans allow borrowers to get money at low interest rates until paychecks arrive.			
22. Cashing checks at a currency exchange always is cheaper than cashing them through a bank account.			
23. All banks require you to have a Social Security number to open an account.			

We would like to learn your opinions about banks and other financial services – there are no right or wrong answers to these questions. Please let us know whether you agree a lot, agree some, disagree some, or disagree a lot with each of the following statements.

	Agree a Lot	Agree Some	Disagree Some	Disagree a Lot
1. I think I will be treated well by staff if I use a bank.				
2. Understanding how to use banks is hard for me.				
3. The language I speak makes it hard for me to use a bank.				
4. There is a bank located close to where I live or work.				
5. Banks charge too much for their services.				
6. A bank would not lend me money because I have a bad credit rating.				
7. Banks require customers to put in too much money in order to open an account.				

	Agree a Lot	Agree Some	Disagree Some	Disagree a Lot
8. Banks make you keep more money in your account than I could afford.				
9. Banks are open at times that meet my needs.				
10. The money people put in a bank account is safe.				
11. It costs too much to cash checks at a bank.				
12. Interest rates on bank loans are too high.				
13. A bank account offers benefits that I could not get at a currency exchange, check casher, or lending store.				
14. I am afraid that banks will share my financial information with others.				
15. Workers at check cashers and currency exchanges usually are friendlier than workers at banks.				
16. Using an ATM machine is safe.				
17. The information needed to open a bank account is complicated.				
18. The information needed to open a bank account is too personal to share.				
19. Banks require a type of identification to open an account that I do not have.				
20. It is too hard to keep track of money in a bank account.				
21. ATM machines are convenient to use.				

Finally, I would like to ask some questions about yourself.

1. Are you: ___ Male or ___ Female

2. What is the highest grade you have completed in school?

___ 8th grade or less

___ some high school

___ a high school diploma or GED

___ some junior or community college

___ associates degree

___ some education at a four-year college

___ a four-year college degree

___ some graduate education

3. What is your marital status?

___ Never Married

___ Married

___ Divorced

___ Separated

___ Widowed

4. If you are not now married, are you living with a partner (boyfriend or girlfriend, not just a roommate)?

_____ Yes

_____ No

5. Have you ever received TANF, public aid, or welfare cash assistance?

_____ Yes

_____ No

6. What race or ethnicity do you consider yourself? (**Mark ALL THAT APPLY**)

_____ Latino or Hispanic

_____ Black or African American

_____ White or Caucasian

_____ American Indian or Alaskan Native

_____ Asian

_____ Native Hawaiian or Pacific Islander

_____ Some other race or ethnicity (SPECIFY) _____

7. How many children do you have? _____

8. How old is your youngest child? _____

9. What language do you usually speak at home?

_____ English

_____ Spanish

_____ Other (SPECIFY) _____

10. Are you currently working at a regular job for pay?

_____ Yes

_____ No

11. About how many hours did you work for pay last week? (Please put in "0" if you are not working)

_____ hours

12. How much are you paid at your main job? (you can use the pay period below that is easiest for you)

_____ per hour or _____ per day or _____ per week or _____ per month

THANK YOU!

Appendix B

POST-TRAINING SURVEY ON KNOWLEDGE AND OPINIONS ABOUT FINANCES

Before we start, please tell us the following:

_____ What are the initials to your first and last name (for example, Jane Smith would be JS).

_____ In what year were you born?

_____ What is today's date?

The questions you will be asked today are mostly about banking and other money issues. Whenever a question mentions a bank, it means a bank, a credit union, or a savings and loan association.

Based on the training you have received, please tell us which of the following you would be more likely, about as likely, or less likely to do.

	More Likely to Do than Before Training	About as Likely to Do as Before Training	Less Likely to Do than Before Training
1. Open a new bank account.			
2. Keep a bank account I already have.			
3. Use a pawn shop.			
4. Borrow money from a lending or money store.			
5. Buy something through rent-to-own.			
6. Use a check casher or currency exchange.			
7. Use an ATM machine.			
8. Use electronic banking.			

	More Likely to Do than Before Training	About as Likely to Do as Before Training	Less Likely to Do than Before Training
9. Apply for a loan at a bank.			
10. Get a payday loan.			
11. Apply for a new credit card.			

The following questions ask whether you know about different financial terms and services. Please tell us if you think each statement is true or false, or if you don't know (Put an X in the box that shows your answer for each question)

	True	False	Don't Know
1. All banks give you the same rate of interest on your savings accounts.			
2. Banks usually charge a lower interest rate on loans than lending stores.			
3. You probably will lose most of the money in your account if a bank goes out of business.			
4. Direct deposit means that you cash your paycheck at the bank as soon as you receive it.			
5. Checking accounts usually allow you to do all of these things: directly deposit paychecks, use ATM machines, and pay bills electronically.			
6. Electronic banking allows you to use funds in your account without going to the bank.			

	True	False	Don't Know
7. Checking account fees sometimes are based on the amount of money you keep in your account.			
8. You may use a debit card to withdraw more money than you have in your account as long as you agree to pay it back.			
9. You can put money into and take money out of your accounts with ATM machines.			
10. Overdrawing your account or bouncing a check means that you write a check for or take out more money than you have in your account.			
11. Loans that allow no interest for a certain period are always a better deal than loans that charge interest right away.			
12. Interest is the amount of money you must pay in addition to the loan amount you receive.			
13. Paying the minimum amount due on a credit card each month is a good strategy for paying off credit card debt.			
14. If you miss a rent-to-own payment, you can lose the rented item and everything you paid for it.			
15. The annual percentage rate or APR is the percentage of loans that a lender approves each year.			
16. Repossession occurs when a creditor takes back an item on which payments are overdue.			
17. Interest charges are applied to your credit accounts only when a monthly payment is skipped.			
18. A loan with a 15% annual interest rate is a better deal than one with a 2% monthly interest rate.			
19. Predatory lending means taking unfair advantage of people who need to borrow money.			

	True	False	Don't Know
20. Buying an item through a rent-to-own contract usually costs more overall than paying for the same item with a bank loan.			
21. Payday loans allow borrowers to get money at low interest rates until paychecks arrive.			
22. Cashing checks at a currency exchange always is cheaper than cashing them through a bank account.			
23. All banks require you to have a Social Security number to open an account.			

We would like to learn your opinions about banks and other financial services – there are no right or wrong answers to these questions. Please let us know whether you agree a lot, agree some, disagree some, or disagree a lot with each of the following statements.

	Agree a Lot	Agree Some	Disagree Some	Disagree a Lot
1. I think I will be treated well by staff if I use a bank.				
2. Understanding how to use banks is hard for me.				
3. The language I speak makes it hard for me to use a bank.				
4. There is a bank located close to where I live or work.				
5. Banks charge too much for their services.				
6. A bank would not lend me money because I have a bad credit rating.				
7. Banks require customers to put in too much money in order to open an account.				

	Agree a Lot	Agree Some	Disagree Some	Disagree a Lot
8. Banks make you keep more money in your account than I could afford.				
9. Banks are open at times that meet my needs.				
10. The money people put in a bank account is safe.				
11. It costs too much to cash checks at a bank.				
12. Interest rates on bank loans are too high.				
13. A bank account offers benefits that I could not get at a currency exchange, check casher, or lending store.				
14. I am afraid that banks will share my financial information with others.				
15. Workers at check cashers and currency exchanges usually are friendlier than workers at banks.				
16. Using an ATM machine is safe.				
17. The information needed to open a bank account is complicated.				
18. The information needed to open a bank account is too personal to share.				
19. Banks require a type of identification to open an account that I do not have.				
20. It is too hard to keep track of money in a bank account.				
21. ATM machines are convenient to use.				

THANK YOU!