

**Financial Links for Low-Income People
(FLLIP): Final Evaluation Report**

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Executive Summary

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This report presents findings on program outcomes from a two-year evaluation of training offered through the Financial Links for Low-income People (FLLIP) program. It includes analyses of the training output delivered at the evaluation sites; pre-training and post-training financial knowledge levels of program participants; participant satisfaction with the training; and behavior changes reported by a sample of FLLIP participants after training was completed.

The study findings demonstrate that FLLIP served an economically disadvantaged and ethnically diverse training audience that had very limited financial knowledge before training. Participants increased knowledge significantly after training, and also reported substantial changes in financial behaviors. Satisfaction with the training was consistently high. These and related findings are summarized in the following sections, and background is presented on the FLLIP program and the evaluation methods used. An earlier companion report, Financial Links for Low-Income People (FLLIP): An Evaluation of Implementation and Initial Training Activity (Anderson, Scott, and Zhan, 2002), focused upon FLLIP implementation processes.

What Is FLLIP and How Is It Unique?

- FLLIP provides financial management training to persons with incomes up to 200% of the federal poverty level in many Illinois communities. The program was developed and is monitored by the FLLIP Coalition, which is a statewide collaboration of state and local agency officials, human service advocates, bankers and other business sector participants, private foundations, and other interested parties. The training is delivered through contracts with community agencies and organizations, with program coordination and technical assistance provided through the Sargent Shriver National Center on Poverty Law.
- While FLLIP parallels many financial management training programs for low-income persons, it has several unique aspects. Unlike most programs, FLLIP includes sites that combine Individual Development Accounts with financial management training (IDA sites), as well as sites that include only financial management training (education-only sites). Study participants at the IDA sites received \$2 in program matching funds for each \$1 they saved for identified purposes, up to a maximum of \$2,000 in matched funds. In contrast, trainees at education-only sites received few tangible training incentives. Because participants at both IDA and education-only sites attended 10-12 hours of training that used the same curriculum, comparisons between IDA and education-only training approaches are possible.
- All study sites used an interactive financial management curriculum developed by the University of Illinois Extension in collaboration with the FLLIP Coalition. This curriculum

stresses the active engagement of participants in learning activities, and it is written at a level that accounts for the limited educational backgrounds of many trainees.

- FLLIP developed strong linkages with Illinois Department of Human Services (IDHS) state and local staff, which led to the participation of many Temporary Assistance for Needy Families (TANF) recipients in the program. IDHS also allowed recipients to count FLLIP participation as an acceptable work activity for TANF eligibility purposes.

Evaluation Methods

- The evaluation, which was funded by IDHS and conducted at the School of Social Work at the University of Illinois at Urbana-Champaign, assessed the performance of the FLLIP program in 16 program sites (3 IDA sites and 13 education-only sites). These sites represent a mixture of Chicago, suburban Cook County, and Downstate Illinois locations.
- The findings in this report are based on four distinct research activities. First, aggregate data on the training delivered, completion and non-completion rates, and reasons for non-completion were obtained from monthly reporting forms submitted by the agencies providing training. Second, data on the demographic, social, and economic characteristics of participants were obtained from program application forms. Third, project staff developed a 48-item financial knowledge test, which participants completed both before and after training. This allowed analyses of pre and post-training knowledge, and of related knowledge changes. Finally, a follow-up telephone survey was conducted with a sample of 159 FLLIP graduates to assess changes in financial behavior related to completion of the program.

Training Delivered, Completion Rates, and Non-Completion Reasons

- A total of 1,198 participants began training at the 16 evaluation sites, and 822 or 68.6% graduated. Of the graduates, 652 attended education-only sites and 170 attended IDA sites.
- 85 sessions were conducted at education-only sites during the study. An average of 11.8 participants enrolled in these sessions, with 7.7 completing training. The average number of persons beginning and completing sessions improved from the first to the second study year. These improvements may reflect greater experience with training contractor selection and participant recruitment, as well as implementation of performance-based contracts.
- Slightly under one-third (31.4%) of those who enrolled in FLLIP did not complete training. Non-completion rates were nearly three times higher at education-only sites (35.1%) versus IDA sites (12.4%). This probably is related to the fact that IDAs provided powerful financial incentives, in that participants had to complete training to receive the matched savings accounts. In addition, IDA participants were both more educationally and economically advantaged than education-only participants (see section on participant characteristics).
- IDA sites had the dual goals of training completion and purchase of an asset, and 64.9% of IDA participants accomplished both of these goals. An additional 22.7% completed the training but did not purchase an asset.
- Follow-up contacts were reported for 135 persons who dropped out of training. The most common reasons for non-completion were conflicts with work or other training programs

(37.7% of those contacted); and child care, transportation, and family problems (28.1%). Smaller subsets of respondents indicated that they found the training schedules inconvenient (8.1%), or else were uninterested in or dissatisfied with the training (7.4%).

What Are the Characteristics of FLLIP Participants?

- FLLIP succeeded in its goal of serving economically disadvantaged persons, including both the working poor and persons receiving public assistance. The median monthly income of participants was only \$800, and three-fifths were unemployed when they entered training. About one-fourth of participants were receiving TANF benefits. Only 25.4% of participants had a savings account, and 40.1% had a checking account.
- FLLIP served diverse racial and ethnic groups, and participants presented significant training challenges in terms of their educational background and English-speaking abilities. About one-half of trainees were African American, and 18.1% were Latino. About one-fourth of participants spoke primarily a non-English language, with 60% of these speaking Spanish and 13 different non-English primary languages reported. Nearly one-third of participants had not completed high school, and 56% had not attended college.
- Participants at IDA sites generally were better off both economically and educationally than participants at education-only sites, indicating that inclusion of education-only sites in FLLIP extended training to a much more disadvantaged segment of the low-income population than is likely to occur in programs that focus solely on IDAs.

Participant Satisfaction with Training and Perceptions of Knowledge Improvements

- Nearly all FLLIP graduates rated the quality of training and the performance of the trainers as either “excellent” or “good”, with 71.8% rating the quality of training and 80.9% rating the trainer performance as “excellent”. Assessments of the curriculum and the training delivery methods also were consistently positive.
- A substantial subset of education-only participants (29.6%) indicated that the training material was too difficult. Those who spoke a primary language other than English were far more likely to find the training material difficult (64.7% for non-primary English speakers versus 9.8% for primary English speakers).
- The follow-up survey of 159 FLLIP graduates found that substantial majorities believed that FLLIP improved their knowledge about the following content areas: money traps or poor financial practices (96.9% of respondents agreed); employment or government benefits (86.3%); saving money (98.1%); investing (82.5%); benefits of using banks or credit unions (92.5%); interest rates (97.5%); proper use of credit (96.3%); purchasing different types of insurance (83.8%); taxes and tax credits (83.1%); preparing and following a household budget (95.0%); and building consumer skills and taking consumer action (88.7%).

Pre-training Knowledge Levels and Knowledge Gains after FLLIP Training

- A pre-training test completed by 640 persons entering FLLIP revealed low levels of initial financial knowledge. Even though the test was designed to measure basic financial concepts, participants on average answered only 53.9% of test items correctly before training.

- Pre-training knowledge was found to be inadequate in each of five content areas considered important to financial well-being: public and work-related benefits, savings and investing, banking practices, credit use and interest rates, and awareness of predatory lending practices. Average percentages of correct responses were particularly low for the public and work-related benefits (45.6%) and savings and investing (47.4%) content areas.
- Average pre-training knowledge levels were significantly lower for education-only participants than for IDA participants, both overall and in each of the five content areas. Overall, education-only participants answered an average of only 49.0% of items correctly, as compared to 69.0% for IDA participants. Those with limited education, Latinos, and those who were non-primary English speakers had lower pre-training knowledge levels.
- 287 graduates completed post-training knowledge tests at education-only sites. The average post-training knowledge score for education-only site graduates was 68.2%, an increase of nearly 20 percentage points in test scores over the pre-training levels. Statistically significant knowledge improvements were found in all five of the knowledge content areas.
- Because of data collection problems, only estimates of the knowledge gains experienced by IDA participants could be made. Such estimates indicate that IDA participants increased average test scores by 5 to 23 percentage points.

Changes in Financial Behavior after FLLIP Training

- Follow-up survey respondents reported improving their budgeting and payment practices after completing FLLIP training. For example, 84.0% indicated that they did a better job of keeping track of their expenses, and 83.5% said that they had changed their household budgeting practices in important ways.
- Participants reported changes in the types of financial institutions they used after completing training. For example, among those who previously did not have accounts when training was completed, 37.8% reported opening a new checking account and 33.6% opened a new savings account. In addition, 55.7% said that they used currency changes less after completing training, and 40.0% reported that they used payday loans less.
- Among the one-third of respondents that had credit cards, 82.4% thought they did a better job of managing these credit cards after completing training.
- Nearly 35% of respondents said they had started receiving or had applied for government benefits they learned about in FLLIP training, and over two-thirds of these actually had started receiving benefits. In addition, 17.7% of those who had worked at any time since training indicated that they had begun receiving job benefits they learned about in training.
- Nearly three-fourths of respondents said that they had been able to save more in a typical month after receiving training. IDA participants were not significantly more likely to report that they could save better after training than education-only participants were.

- Only 6.3% of respondents had purchased a home since completing training, but 31.6% had begun saving toward a down payment. In addition, just over one-fifth of respondents had made a major home improvement.
- Not including buying a home, 35.4% of respondents reported making at least one long-term financial investment after training. 28.5% reported beginning to save for retirement.

Implications and Recommendations

- Given the limited knowledge about financial matters among those who entered training, the findings support the need for additional programs to financially educate low-income persons. In light of the hard-to-serve training audience reached by FLLIP, the knowledge gains and reported behavior changes of participants are encouraging, and suggest solid potential for both the FLLIP training approach and the curriculum.
- The finding that FLLIP participants lacked knowledge about public and work-related benefits should be of particular concern, because of the importance of public programs in supporting the work efforts and well being of low-income persons. We recommend the development of curricula on low-income benefits tailored to the jurisdictions in which training is presented.
- While low-income persons at times are viewed monolithically, the diverse characteristics of FLLIP participants suggest the need to tailor financial curricula and delivery methods according to the characteristics of trainees. Translations of training materials into Spanish and other languages, as well as recognition of the potential relevance of varying cultural practices, appears especially important in this respect. Likewise, immigrant populations may require very basic orientations to U.S. financial institutions. Given the unsuccessful past educational experiences of many trainees, experimenting with approaches that incorporate empowerment principles in curriculum selection and presentation also merit attention.
- FLLIP is to be commended for extending training into disadvantaged neighborhoods, and to hard-to-serve groups such as TANF recipients. The collaboration between the FLLIP Coalition and IDHS in counting training as a TANF work activity warrants replication. In addition, many state and local human service agencies have increasingly focused on developing supports for the working poor as TANF caseloads have decreased. Including publicly funded financial management training as one such support service for the working poor deserves consideration. Furthermore, as training is extended to more difficult audiences, the provision of child care and transportation support is likely to be very important in encouraging participants to complete training.
- While considerable attention has focused on the development of IDA program models, our findings indicate that this approach may target resources on relatively advantaged low-income persons. Models such as the FLLIP education-only sites that extend training to particularly disadvantaged low-income subgroups should receive further attention.
- Program retention is a significant challenge in training programs such as FLLIP, especially as training is extended to more hard-to-serve individuals. In training models not incorporating IDAs, efforts should be made to provide tangible participation incentives. Experimentation with varying levels and types of incentives would be a useful starting point in more clearly determining how such incentives may affect both program retention and learning.

Chapter 1: Introduction and Background

This report presents findings from a two-year evaluation study of the financial management training offered through the Financial Links for Low-income People (FLLIP) program. The study examined FLLIP in terms both of program outcomes and the process of program implementation. An earlier report, Financial Links for Low-Income People (FLLIP): An Evaluation of Implementation and Initial Training Activity (Anderson, Scott, & Zhan, 2002), focused upon initial FLLIP implementation processes. It provided information on successful training and participant recruitment strategies employed by program staff as they implemented FLLIP, as well as problems encountered. The intent of this earlier report was to use initial FLLIP experiences to guide program development as implementation of the program proceeded.

The present report provides a final assessment of outcomes at FLLIP evaluation sites over the two-year study period (September 2001 – August 2003). It includes analyses of the training output delivered at the evaluation sites; characteristics of participants; pre-training and post-training financial knowledge levels of program participants, and related knowledge gains; participant satisfaction with the training sessions; and behavior changes reported by a sample of FLLIP participants after training was completed.

The FLLIP program is unique in that it includes some sites that couple financial management training with the provision of Individual Development Accounts (IDAs), while other sites only offer financial management training. In addition to assessing overall FLLIP performance, an important focus of this report therefore is to interpret differences in results at sites that offer these two variations in training approaches.

The report is organized according to these different evaluation activities. We begin by describing both the development and distinguishing characteristics of FLLIP, and also present a brief review of literature on financial management training for low-income persons in order to provide a broader context for this evaluation. In Chapter 2, we present an overview of the FLLIP evaluation project and the methods utilized in various evaluation activities. Chapters 3-6 then provide analyses of FLLIP training activities and participant characteristics (Chapter 3), pre- and post-training knowledge levels (Chapter 4), training satisfaction (Chapter 5), and behavior changes (Chapter 6). Based on these findings, the concluding Chapter 7 offers implications and recommendations for the further development of financial management training targeted at low-income audiences.

What Is the FLLIP Program and How Is It Unique?

A description of the FLLIP program is useful in establishing the context for the evaluation project. FLLIP provides financial management training to persons with incomes up to 200 percent of the federal poverty level through contracts with community agencies and organizations, which will hereafter be referred to as “community contractors”. The program was developed and is monitored by the FLLIP Coalition, which involves a statewide collaboration of state and local agency officials, human services advocates, bankers and other private sector participants, private foundations, and other interested parties. The FLLIP Coalition is coordinated by the Sargent Shriver National Center on Poverty Law (NCPL) under the direction of the FLLIP Coordinator (Dory Rand). The Illinois Department of Human Services (IDHS) has been an active partner in the development of FLLIP, and has provided funding both for the operation of FLLIP and for the evaluation of the program.

The FLLIP program falls within the rubric of a large number of financial management training and IDA programs that have emerged across the United States in recent years (see following section on “Background and Previous Research on IDAs and Financial Management Training”). However, several aspects of FLLIP are unique and of interest from a program evaluation standpoint. First, unlike most programs, FLLIP includes some sites that combine IDAs and financial management training (IDA sites), while other sites include only financial management training (education-only sites). The one common feature at these two types of sites is that all participants must attend financial education program (FEP) training in order to complete the program. At education-only sites, participants complete a 12-hour FEP training package, while IDA participants receive 10 hours of FEP training and 6 hours of asset-specific training. The assessment of this FEP training is the principal purpose of this evaluation. Separate evaluation activities are focusing on the level of savings of IDA participants, as well as the purposes for which such savings are used (Davy, 2004).

The participants at IDA and education-only sites face dramatically different incentives for participation. IDA participants receive \$2 in matching funds from the program for each \$1 they save for identified purposes, up to a maximum of \$2,000 in matched funds. The savings must be used for a first-time home purchase, home improvements, automobile purchase or repairs, paying for postsecondary education, or a small business start-up or expansion. To receive the matching funds, the participant must complete both the FEP training and the six hours of asset specific training, and make monthly savings deposits from earned income into the IDAs. Participants have up to two

years to complete the training and to save for asset purchases, but may graduate upon completing these requirements after a minimum of six months in the program.

In contrast, education-only site trainees generally receive few, if any, financial incentives for participation. Rather, this education-only model follows an extended education approach that is common in many other financial education programs, in that it assumes that the intrinsic rewards of becoming more educated about financial matters will be sufficient to motivate citizens to participate. While sites vary in the training schedules they employ, trainees generally complete the training in one month or less.

One exception to the lack of tangible participation incentives in education-only sites concerns participants who also are Temporary Assistance for Needy Families (TANF) recipients. Because of the support and active involvement of IDHS staff in the FLLIP coalition, IDHS agreed to include FLLIP participation as one of many activities allowable in meeting TANF work requirements. FLLIP participants who receive TANF thus benefit by fulfilling a requirement necessary to receive TANF. In addition, IDHS agreed to subsidize TANF recipients for child care and transportation costs they incur while attending FLLIP training sessions.

Because the same financial management training curriculum is used for the FEP in both types of sites, interesting comparisons are possible between the IDA and education-only sites. The evaluation study included 3 IDA sites that provided the combined IDA and training intervention, and 13 that offered only financial management training. To the best of our knowledge, this is the first evaluation project that has compared the delivery of the same financial management curriculum across these two

different program approaches. The sites included represented a mix of Chicago, suburban Cook County, and downstate Illinois locations.

A second interesting feature of FLLIP is that all sites use an interactive financial management curriculum. This curriculum, which has two subsets of training modules entitled All My Money (Chan, et al, 1997, revised 2001) and Your Money and Your Life (Chan, et al, 2001), provides a wide variety of financial management training topics. The All My Money curriculum was developed prior to FLLIP by staff from the University of Illinois Extension. These staff then collaborated with the FLLIP Coalition in the development of the Your Money and Your Life curriculum, as well as in revisions to the All My Money training modules. All of the modules stress the active engagement of participants in learning activities, and the curriculum uses language geared toward a fifth grade reading level. In addition, unlike most financial management curricula, a training module on public benefits available to low-income persons is included (Rand, 2004).

Trainers for the program are hired by the community contractors. All trainers are required to attend training organized by the FLLIP coalition on how to deliver the curriculum. These “train the trainer” sessions include both an orientation to the curriculum and to the interactive methods emphasized in training delivery.

Because the curriculum includes much more information than can be delivered during the 10 - 12 hours of FEP training offered through FLLIP, a decision was made to require each evaluation site to deliver a subset of materials referred to as the “core” curriculum. This approach was seen as important from an evaluation standpoint, as it allowed for the common measurement of participant knowledge on selected financial management concepts both before and after training across sites. Table 1 provides a

Table 1: Financial Management Topics Included in FLLIP Core Curriculum

Day 1: Financial Goals and Needs; Checks and Checking Accounts	Day 3: (cont.)
Budget and spending choices	Saving when you don't have a dime to spare
Deciding what is most important to you	Possible places to put your money
Understanding needs versus wants	Noncommercial places to get more information about saving and investing
Your future – what does it look like?	Tips for saving and investing
The printed check and cashing a check	Day 4: Managing Debt and Avoiding Money Traps
What can be good or bad about having a checking account?	Putting your bills in order
Deciding whether to have a checking account	Knowing your bills
Banking terms	Debt collection
Bank account or currency exchange?	Minimum payment traps
Choosing a checking account	Strategies to control debt
Writing a check	Fixed/flexible payment scheduling
How to use ATMs and debit cards	The envelope budgeting system
Day 2: Understanding Credit and Handling Credit Problems	Comparing interest rates
Discussion of credit rates and definitions	Costliness of payday loans
Should you use credit?	How to figure a payday loan APR
Figuring your credit limit	Renting-to-own
Establishing a credit record	Deciding where to borrow money
Using credit wisely	Understanding your buying habits
Are you using too much credit?	Buying emergency card
What to do if you can't pay bills	Day 5: Choosing Insurance; Learning about Job Benefits
Credit term definitions	Insurance protection against risk
Getting out of debt	Understanding insurance terms
Day 3: Using Financial Institutions; Making Money with Money	Choosing insurance wisely
Choosing a financial institution	Guide to possible job benefits
Identification needed to open an account	Comparing job benefits
Opening an account	Examining your job benefits
Differences between credit cards and debit cards	Day 6: Tax and Benefit Information
Electronic banking	Understanding public and work related benefits
Loans	Earned Income Tax Credit
Steps towards financial security	Understanding your pay check and pay stub
	Free help with preparing taxes

summary of the content areas included in the core curriculum. All sites were provided with a summary of this core curriculum, as well as the specific lessons and exercises in All My Money and Your Money and Your Life related to each topic. While the core curriculum information provided to FLLIP community contractors suggested the sequencing of information into various training days or sessions, community contractors did have discretion to organize this curriculum in other ways. In addition, community contractors were told that they could present other financial management material if they had time after delivering the core curriculum.

A third program feature is that FLLIP employs a highly decentralized strategy of program development and training delivery in several important respects. For example, the sites included in the evaluation included a diverse mix of local governmental and non-profit social service agencies, faith-based organizations, and agencies with experience in investment or tax counseling. Sites also were given considerable discretion with respect to how they delivered the core curriculum, and several sites recruited bankers, financial management specialists, and other community experts to provide at least a portion of the training. Likewise, community contractors had flexibility in the hours at which they scheduled the training, and the manner in which they divided the training across individual classes. In addition, community contractors had complete discretion in how they recruited participants into the program, as long as participants met the income eligibility guidelines of 200 percent or less of the poverty level. All of these variations are interesting in terms of providing a range of experiences in interpreting program successes and challenges.

Finally, despite these decentralized aspects of program development and delivery, community contractors had several common responsibilities. First, they recruited the FLLIP trainers for their site, and assured that these trainers were adequately prepared to deliver the training. Second, community contractors conducted all recruiting of participants to the program, and developed recruiting strategies and materials for this purpose. Third, FLLIP community contractors were responsible for organizing the FEP curriculum into a twelve-hour training package, delivering this training, and monitoring the progress of program participants. Those sites involved in FLLIP program evaluation also collected data related to FLLIP evaluation activities, including tests of participant knowledge both before and after training and reasons participants did not complete training. In addition, the three FLLIP sites that included IDA accounts provided six hours of asset-specific training, and also were required to monitor savings efforts by IDA participants. Finally, community contractors reported to the FLLIP Coalition on program progress and problems, including reports on recruiting and training activities.

Background and Previous Research on IDAs and Financial Management Training

It is useful to place FLLIP in the context of a growing number of programs designed both to improve savings opportunities and the financial management practices of low-income citizens. This section briefly describes the impetus for these recent program developments, and also provides initial research results on the effectiveness of such strategies. In addition, the review points to selected questions on which research has been limited, and details how the FLLIP evaluation will address some of these limitations.

We first should note that the recent focus on improving the financial behavior of low-income consumers is part of a broader movement to improve financial knowledge and behavior among all consumers. Financial management training programs for diverse audiences have mushroomed in recent years, with estimates indicating that up to two-thirds of existing programs were established in the 1990's or later (Vitt, et al., 2000). The training has been sponsored by a wide range of organizations, and partnerships between banks, community agencies and other have been considered especially important in developing viable programs (Vitt, et al., 2000). The governmental role in such programs also has increased substantially, as reflected both by participation in funding efforts and the 2004 creation of the new federal Financial Literacy and Education Commission (Rand, 2004).

Financial literacy has been defined as “the ability to read, analyze, manage, and communicate about financial conditions that affect material well-being” (Vitt, et al., 2000, p. xii). Cutler and Devlin (1996) have argued that financial literacy consists of both knowledge and confidence dimensions. Financial training programs have in turn attempted to affect each of these dimensions, with the belief that doing so will lead to improvements in financial behavior. However, the linkages between these dimensions and actual behavior have not been well established empirically to date (Braunstein & Welch, 2002).

The Impetus for IDAs and Financial Management Training for Low-Income Persons

Compared with middle class and higher income Americans, low-income persons save much lower portions of their income and accumulate fewer assets, which contributes

to much greater wealth inequality than income inequality in the U. S. (Bernheim & Scholz, 1993; Carney & Gale, 1999; Corporation for Enterprise Development, 2004; Haveman & Wolff, 2001; Oliver & Shapiro, 1995; Wolff, 1995). Low savings results partially from the fact that low-income persons have few resources, as their limited available incomes are needed to meet basic survival needs. However, the lack of financial-related knowledge, limited access to mainstream institutions, and the failure of public policies to provide savings incentives for the poor also undermine savings efforts (Boshara, 2001; Beverly & Sherraden, 1999; Caskey, 2001; Sherraden, 1991).

These shortcomings serve to reinforce low incomes, and consequently to restrict economic mobility. Therefore, it is important to examine the effects of both financial education and savings incentives on the economic well being of low-income families. This is especially true for persons currently or formerly involved with the welfare system, because recent program changes have served to severely constrain the receipt of cash benefits. Most notably, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) represents a fundamental change in the delivery of cash welfare to low-income families (U.S. Congress, 1996). Major changes under PRWORA included the end of a federal entitlement to cash assistance, the imposition of work requirements and time limits, and the devolution of welfare decision-making responsibility to the states. In this changing program environment, new strategies to help welfare recipients become self-sufficient are being tested. Public programs that enable the poor to obtain financial knowledge and to save exemplify such strategies.

Evidence Related to Financial Management Needs of Low-Income Persons

Consumer surveys of the general population have found that low-income persons are less financially knowledgeable than those with higher incomes (Bernheim 1994; 1998; Jacob, Hudson, & Bush 2000; Rhine, Toussaint-Comeau, Hogarth, & Greene 2001). However, these surveys are of limited use in low-income financial needs assessments, because they focus on financial concerns that are most prominent among middle and higher income respondents. Unfortunately, there have been no large-scale assessments specifically targeted on ascertaining the financial information needs of low-income consumers (Brobeck, 2002).

Both research and program experience have partially compensated for these limitations by suggesting specific areas in which low-income persons may benefit from improved financial knowledge. For example, public income assistance and support services programs are of critical importance to the economic well being of low-income persons. Yet, studies have shown that benefits such as food stamps, Medicaid, child care subsidies, and the Earned Income Tax Credit (EITC) consistently are underused, and that lack of knowledge is a contributing factor (Anderson, 2002; Bartlett & Burstein, 2004; Ellwood, 1999).

Previous research also has shown that low-income persons are much less likely to have bank accounts than those with higher incomes (Jacob, Hudson, & Bush, 2000). In part, households without accounts simply lack money (Caskey, 2001), but they also may overestimate the cost of owning an account or underestimate the cost of using alternative financial services such as check cashers or currency exchanges (Hogarth & Lee, 2000). In addition, low-income persons have been found to be less trusting of banks, to lack

convenient geographic access to banks, or to be unfamiliar with banking services (Carr & Schuetz, 2001; Caskey, 1997; Lyons & Scherpf, 2003). These problems may be especially endemic among immigrant and minority groups (Osili & Paulson, 2004).

Low-income persons also have a growing need to understand credit card use, because credit cards were aggressively marketed to low-income consumers during the 1990's (Brobeck, 2002; Manning, 2000). Unfortunately, high credit card debt often has resulted. In 1995, 57 percent of households with incomes below 150 percent of the poverty level had at least one credit card, and low-income credit card users were much more likely to have high credit card debt to income ratios than other users (Bird, Hagstrom, & Wild, 1999).

An important subset of low-income consumers further may be enmeshed in what has been termed a bifurcated U.S. financial system, in which poor persons in distressed communities lack access to mainstream financial institutions and consequently must rely on fringe financial services (Avery, Bostic, Calem, & Canner, 1997; Carr & Schuetz, 2001; Caskey, 2003). This not only limits the experiential learning that occurs when persons use mainstream financial services, but also results in susceptibility to payday and refund anticipation loans, pawning, and other predatory lending practices (Consumer Federation of America & National Consumer Law Center, 2002; Fox, 1999; Rhine, Toussaint-Comeau, Hogarth, & Greene, 2001).

The limited access to non-financial community institutions in many distressed neighborhoods also may exacerbate these financial problems (Anderson, Zhan, & Scott, 2004). Such community-based institutional shortcomings may be accompanied by

inadequate informal social networks, which are another important mechanism for transmitting information about a wide range of economic opportunities (Wilson, 1996).

Effects of Financial Education on Low-Income Persons

While low-income persons have been found to be less financially educated than the general population, Americans in general are not very educated about financial matters (Bernheim, 1994; 1995; 1998). These recognized deficiencies have stimulated the development of programs for diverse audiences, especially in employment and school settings. While evaluations of most such programs have been quite limited (Braunstein & Welch, 2002), the following sections synthesize some evaluation results from programs for the general population and for those targeted at low-income audiences.

Programs for the General Population

Several studies of employer-based financial management programs have been promising. For example, using national surveys of households and employers, two studies have found that employees were more likely to participate in and contribute to retirement savings when their companies provided financial training (Bernheim & Garret, 1996; Bayer, Bernheim & Scholz, 1996). These studies also found that the positive links between financial training and savings were strongest among non-highly compensated employees. Several other studies similarly indicate that financial training positively impacted the personal financial practices of employees (Clark & Schreiber, 1998; Garman et al., 1999; Godwin & Carroll, 1986).

Financial education also has been stressed in many secondary schools (Bernheim, Garret, & Maki, 2001). Studies have reported that school-based financial training has had positive impacts on the financial knowledge and attitudes of youth (Barrese, Garner, &

Thrower, 1998; Boyce et al., 1998; Peterson, 1992). Financial behavior changes of teens also have been reported after their participation in school financial planning programs (Boyce et al., 1998; Danes, Huddleston-Casas, & Boyce, 1999; Matthew Greenwald & Associates, Inc., 1999). These financial behavior changes included developing budget plans and establishing savings habits. Bernheim, Garrett, and Maki (2001) further have indicated that participation in a financial education curriculum during high school may raise savings rates when youth reach adulthood.

Programs Targeted at Low-Income Persons

One of the limitations of employer-based and school-based programs is that they do not target low-income persons specifically. Low-income people have relatively high unemployment rates, and are frequently employed in small companies and in unstable jobs. In addition, low-income youth are more likely to drop out of high school. As a result, low-income persons may have limited access to employer and school-based financial education programs unless special outreach and targeting efforts are made.

Recognition of such limitations has led to an increasing number of financial education programs targeted at low-income persons (Jacob, Hudson, & Bush, 2000). These programs generally are provided by social service and community-based organizations, Cooperative Extension Systems (CES), or Consumer Credit Counseling Agencies (CCCA). Some early evaluations have indicated that these programs significantly improved financial knowledge and behaviors, such as savings, credit use, and budgeting of low-income participants (DeVaney et al., 1996; Hirad & Zorn, 2001; Hogarth & Swanson, 1995; Shelton & Hill, 1995; Varcoe & Wright, 1991). Results of some other studies, however, are less encouraging (Marlowe, Godwin, & Maddux, 1995;

Mallach, 2001). For example, Marlowe, Godwin, and Maddux (1995) found insignificant effects of financial training targeted at the poor. The methods used in many early studies have been limited and have included small samples, so widely varying differences in findings are not surprising.

The Emergence and Growth of IDAs

Individual Development Account (IDA) programs have received particular attention as a model of financial knowledge development and asset building for low-income families. IDAs provide low-income persons with incentives and an institutional structure for asset building. Account holders accrue matching funds as they save, and then make purchases for assets, with the intent of promoting long-term well being and financial self-sufficiency. Assets for which purchases can be made vary among programs; examples include a home, home repairs, post-secondary education, or micro-enterprise development. IDA programs also incorporate financial management training as a requirement of receiving the matched savings incentives (Sherraden, 1991; Sherraden, Page-Adams, & Johnson, 1999).

Support for IDAs as a strategy to encourage savings for the poor is growing. There currently are over 200 community IDA programs either underway or in the planning stages nationally (Edwards and Gunn, 2002). The American Dream Demonstration (ADD), which is the first national IDA policy demonstration, included 14 programs across the United States. As of December 31, 2001, ADD had 2,364 participants, and average monthly net deposits were \$19 (Schreiner, Clancy, & Sherraden, 2002).

Evaluation evidence from the ADD suggests that, controlling for participant and program characteristics, the number of hours of general financial education was positively related to the average monthly deposits of participants, up to a limit (Clancy, Grinstein-Weiss, & Schreiner, 2001). That is, deposits increased significantly with each hour of training received up to 8 hours, at which point additional training did not result in further increased savings (Schreiner, et al., 2001). The ADD evaluation study is the first quantitative examination of the effects of financial education hours on savings outcomes in a structured savings program for the poor.

Remaining Research Issues and the Relevance of the FLLIP Evaluation

In summary, research evidence to date has suggested that the low-income population may need financial management training in several substantive areas. In addition, results from program evaluations have indicated that training can result in improved financial practices. Nonetheless, research to date has been limited in important respects, and many questions require additional attention. This section briefly considers several such questions, and discusses how the FLLIP evaluation addressed these concerns.

First, there has been no comprehensive needs assessment of the financial information needs of the low-income population. Rather, financial management training has proceeded based largely on anecdotal evidence and selected indicators of financial knowledge deficiencies. The FLLIP evaluation responded by developing a test intended to measure the knowledge of low-income program participants across a wider range of content areas than previously has been attempted. While this is a useful step in extending

efforts to learn about the needs of low-income consumers, additional research could usefully develop a more comprehensive needs assessment in this respect.

Second, there is very little information available about the characteristics of low-income persons who attend financial management training programs, or about how these characteristics may affect both curriculum needs and potential gains from training. This is an important shortcoming, because the low-income population is diverse and financial training participation generally is voluntary. Factors such as race, educational levels, and cultural background may affect the information needs of training participants, as well as the training strategies that may be most useful. The FLLIP evaluation addressed these issues by collecting considerable demographic, social, and economic data on program participants, and by analyzing the relationships of these characteristics to pre- and post-training financial knowledge levels.

Third, some programs have analyzed whether financial management training has resulted in selected financial behavior changes, and findings in this respect have been promising. However, most studies have been limited by very small sample sizes. In addition, few programs have measured knowledge gains on financial matters that can be directly attributed to training participation, and no studies have measured the relationship between knowledge gains and subsequent behavior changes. The FLLIP evaluation benefited from having a larger sample than has been available from most previously reported research. In addition, by administering pre- and post-training knowledge tests, assessments of knowledge gains attributable to training participation can be made. While the FLLIP follow-up survey parallels many other evaluations in its reliance on self-reported behavior changes after training, open-ended questions that probe for specific

actions provide more detailed information than has been available in most earlier studies.

Finally, as previously mentioned, there has been no published research that compares different approaches for delivering financial management training. Because FLLIP included both IDA and education-only program sites, comparisons between these two approaches were possible in the FLLIP evaluation. Such comparisons are especially important in understanding the effect of program models on the composition of training audiences, as well as the impact of participation incentives on program participation and retention.

Chapter 2: Methodology

Overview of the FLLIP Evaluation Project

The analyses presented in this report address four primary objectives. First, the FLLIP Coalition was interested in ascertaining aggregate levels of training provided by the community contractors, as well as program graduation and dropout rates. Second, given that FLLIP was presented at diverse sites and community-based participant recruitment was emphasized, determining the characteristics of FLLIP participants was considered important. Third, the evaluation was intended to assess pre-training knowledge levels of FLLIP participants, knowledge changes that occurred after FLLIP training was received, and subsequent behavior changes. Fourth, the evaluation ascertained client perspectives on satisfaction with and usefulness of the training, as well as opinions about how the training could be improved. Because FLLIP is the first program of which we are aware to include both IDA and education-only training approaches in the same program, a related objective of the evaluation project was to assess differences in program participation and outcomes between these approaches.

The data collection sources and methods employed in pursuit of these evaluation objectives are described in the following sections. We first briefly describe the structure of the evaluation project.

FLLIP Evaluation Project Structure

The FLLIP Evaluation Project was conducted by faculty and staff at the School of Social Work, University of Illinois at Urbana-Champaign, in cooperation with the FLLIP Coalition. Funding for the evaluation was provided by the Illinois Department of Human Services, and a Request for Proposal process was used to select the project evaluators.

The initial plan was to assess FLLIP activity across eight FLLIP sites that had agreed to participate in the evaluation, with three of these being IDA sites and five education-only sites. However, three of the participating education-only sites discontinued program participation during the first year of the study, and training attendance at some other sites did not meet initial projections. Consequently, a decision was made to add other education-only sites to the evaluation so that information on greater numbers of these participants could be obtained. A total of eight additional education-only sites agreed to participate, so the evaluation ultimately includes data from the three IDA sites and 13 education-only sites.

Aggregate Training Activity Analysis

Analysis of aggregate training activity provided at FLLIP sites over the two-year period is based primarily on monthly program reports submitted by the community contractors. These reports provide information on the number of training sessions held at each site during the month, as well as the number of participants who began and completed each session. Because sessions conducted at IDA sites extended over a longer time period, the monthly reports were not useful in generating total training enrollments and dropout rates at these sites. Consequently, a supplementary e-mail survey was conducted with the IDA sites for this purpose.

In addition, the monthly reports list the participants who dropped out of each session, and provide information on the reasons participants offered for dropping out. This latter information was collected through follow-up telephone calls that community contractors made to persons who failed to complete the training; FLLIP contracts

required that evaluation sites attempt three such telephone contacts with each person who did not complete training.

Most of this monthly reporting information was entered into an Excel file, and then used to develop aggregate data on the amount of training provided, average session sizes, and program graduation and drop-out rates. The reporting on reasons for program non-completion was open-ended, so project staff developed a classification of non-completion reasons based on a review of responses.

Characteristics of FLLIP Training Participants

Each participant that entered FLLIP training first completed an application form. This application provided a wide range of information on the demographic, social, and economic characteristics of participants. It also included address and telephone information, which was used for contacting FLLIP graduates in later follow-up telephone surveys. The application form is included as Appendix A.

Community contractors informed FLLIP applicants about the evaluation project at the time they applied for services, including both the pre- and post-training knowledge tests and the follow-up survey. They assured applicants that participation in FLLIP evaluation activities was voluntary; applicants that were willing to participate signed an informed consent form. Only those who signed these forms are included in the analyses presented in this report.

The application information was entered into an SPSS data file; these data are used to describe the characteristics of FLLIP participants and to compare IDA and education-only participants. Because individual identifying information was included, the participant background information later could be merged with results from pre- and

post-training knowledge tests and follow-up survey results on participant financial behaviors for education-only site participants (see following sections for descriptions of these data sources). Unfortunately, due to data collection problems at the IDA sites, this capability did not exist for most IDA participants (see following section on data limitations, pages 26-29).

Evaluation of Pre-training Knowledge, Knowledge Changes, and Behavior Changes

Pre- and Post-training Knowledge Tests

The evaluation of pre-training knowledge and changes occurring after training was based on analyses of a test of financial management knowledge administered to FLLIP participants before and after they completed training. The test was designed to measure financial management knowledge specifically related to the training that participants received. It was developed by evaluation project staff based on a thorough review of the FLLIP core curriculum.

Project staff developed an initial set of 150 questions. This set subsequently was reduced to a final total of 48 items after review by FLLIP Coalition members and community contractors, as well as field testing of an initial version of the survey instrument. The reduction in the number of test questions resulted primarily from the desire of the FLLIP Coalition and community contractors to limit the amount of training time devoted to testing.

The test was structured to be completed within 20-30 minutes during the initial and final training sessions. The final questions were selected in a manner to allow analysis of five content areas emphasized in the core curriculum: predatory lending and poor financial practices; public and work-related benefits; saving and investing; basic

banking practices; and credit use and interest rates. The knowledge survey items are shown in Appendix B.

The testing served two principal purposes. First, to the extent that knowledge prior to training was limited, results of the pre-test would provide an indicator of the need for the training. Second, pre-training test scores could be compared to post-training scores to measure knowledge changes associated with the FLLIP training.

Both the pre- and post-training knowledge test results were entered into an SPSS file. The basic procedure was to code responses to each question as “correct” or “incorrect”, so that total test scores as well as scores on each of the five content areas could be analyzed. At the education-only sites, participants provided their names on both the pre- and post-tests. Consequently, assessments of pre- and post-training knowledge gains can be made at the individual level. Because most pre-training tests received from IDA sites did not include names, the linking of pre- and post-test results was not possible for these participants. Therefore, only more crude estimates of knowledge changes can be made for IDA sites.

A total of 640 participants completed usable pre-training knowledge tests, while 375 completed the post-tests. For those who completed both pre-tests and post-tests, analysis of the length of time between the tests was conducted. The average time between tests was 22.5 days, which is consistent with the fact that training at education-only sites generally was completed within one month.

Follow-up Survey with FLLIP Program Participants

To ascertain whether participants that completed the FLLIP training subsequently changed their financial management behavior in selected ways, a follow-up telephone

survey was administered to FLLIP graduates after training completion. The intent was to interview as many of these graduates as possible within 6-12 months of training completion. This time period was considered sufficient to allow graduates to incorporate desired behaviors into their financial lives, as well as to provide perspective on the training they had received.

The survey was developed by evaluation project staff in consultation with the FLLIP Coalition. It included questions designed to determine whether participants had engaged in selected financial behaviors, such as opening a bank account or obtaining new program benefits. The survey also asked graduates if the FLLIP training had increased their knowledge about many specific financial practices, and about their confidence in managing various financial matters. The survey is included as Appendix C.

The survey was administered by the Survey Research Office (SRO) at the University of Illinois at Springfield. A data file containing the addresses and telephone numbers of FLLIP graduates was prepared by evaluation project staff. This information had been obtained through the program applications completed by all participants. SRO staff then sent a letter to FLLIP graduates indicating that a follow-up survey was being conducted and that they would be called soon. The letter also stated that participants would be paid \$10 for the completion of an interview. The survey instrument was translated into Spanish, and a Spanish-speaking interviewer was employed for follow-up contacts with Spanish-speaking respondents.

Follow-up survey contacts were attempted with 351 FLLIP participants that completed a post-training knowledge test and had provided adequate contact information.

A total of 159 participants completed these surveys, representing a response rate of 45.3%. The average length of the interviews was 30 minutes.

The follow-up survey responses were entered into an SPSS data file, which was merged with the data on the pre- and post training knowledge tests and the background characteristics of participants. Analysis indicated that the follow-up survey was completed an average of 294.6 days, or about 10 months, after participants graduated from FLLIP.

Analyses also were conducted to determine if those FLLIP graduates that responded to the follow-up survey differed in significant ways from those that did not respond. No significant differences between follow-up respondents and non-respondents were found with respect to gender, age, number of children, family income, TANF status, or employment status.

However, differences on several other variables were statistically significant and suggest that the follow-up sample differed in some important respects from the total pool of FLLIP graduates. In particular, respondents were significantly more likely than non-respondents to have reported English as their primary language (85.5% for respondents versus 63.5% for non-respondents). Correspondingly, respondents were more likely than non-respondents to be African American or Caucasian, and less likely to be Latino. Respondents also were better educated, and had significantly higher post-training knowledge scores (77.8% average correct for respondents versus 67.5% for non-respondents). Finally, respondents were significantly less likely than non-respondents to be married (19.4% of respondents versus 33.5% of non-respondents).

Satisfaction with FLLIP Training

One basic measure of training effectiveness is the level of satisfaction expressed by participants who complete training. At the conclusion of each training session, all participants who completed training were asked twelve questions designed to assess participant satisfaction. These questions were asked as part of the post-training knowledge test, and are shown in Appendix D. Closed questions asked for an overall rating of the training content and instructor performance (excellent, good, fair, or poor), as well as about levels of satisfaction with specific aspects of the training. In addition, open-ended questions asked training participants what they liked best about the training and what they thought most needed to be improved.

The closed questions were coded and entered into the SPSS data file containing information on participant characteristics, knowledge levels, and follow-up survey data. Responses to the open questions were reviewed to ascertain themes related both to the benefits of training and areas of needed improvement. In addition, comments that exemplified such themes were identified to provide more concrete illustrations of the perspectives of participants.

Summary of FLLIP Evaluation Data Sources and Data Limitations

As the preceding discussion suggests, the number of participants for which data are available for analysis varies according to the evaluation data source used. Although these differing numbers will be provided in tables throughout the report, Table 2 summarizes the number of cases available for different analyses. Several observations can be made from the table. First, the largest number of cases is available for pre-training knowledge analyses and descriptions of participant characteristics. As would be expected,

the data set available to analyze knowledge changes is substantially smaller than the set available to analyze pre-training knowledge. This results primarily from loss of cases through program attrition. Finally, the follow-up surveys were conducted with only a subset of those that completed training, so this data set contains the fewest cases.

Several limitations in the data should be noted. Most problematic of these stems from the fact that training was begun at the IDA sites while the knowledge test still was being refined. This resulted in two problems. First, most IDA participants completed a field test version of the knowledge test that later was revised based on field testing experience. The final version of the 48-item test contained seven items that were substantially different from the field test version. As a result, analyses in this report will be restricted to 41 questions that were included on both the field test and final versions of the knowledge test unless otherwise indicated.

Table 2. Summary of Participants Numbers for Various Analyses

	TOTAL	EDUCATION- ONLY SITES	IDA SITES
Participant characteristics	634	509	125
Pre-training knowledge	640	496	144
Post-training knowledge	375	287	88
Training satisfaction	387	299	88
Follow-up survey	159	114	45

A related second problem was that those IDA participants that completed the field test version of the test generally did not provide their names. Linking pre-training and post-training knowledge results at the individual level therefore is possible only for a small number of IDA participants, while it is possible for nearly all education-only site participants. As a result, while precise calculations of knowledge changes after training can be made for education-only site participants, cruder estimation techniques are required to measure knowledge changes for IDA participants (see Chapter 4, page XX for further elaboration).

Another data limitation results from compliance with procedures to assure that study participation was voluntary. Consistent with human subjects procedures developed through the Institutional Review Board at the University of Illinois at Urbana-Champaign, individual level data were collected only for FLLIP participants that completed informed consent agreements. An unknown number of participants at FLLIP evaluation sites chose not to be included in the evaluation, so our data only are representative of those FLLIP participants that voluntarily participated. It is not possible to determine if persons that chose not to participate in the evaluation differed in any systematic respects from those who did participate.

Finally, our original intent was to measure as many indicators of financial behavior as possible both before the training and in the follow-up surveys after training was completed. The source of information for pre-training behavior was to be FLLIP application forms. Unfortunately, due to time and resource constraints, only limited behavioral information could be included on the application form. Further, because application information was completed in a decentralized manner at the program sites,

the applications contained inconsistent or incomplete information on many items. Consequently, the follow-up survey relied more than originally intended on questions that asked participants to retrospectively assess how the training affected subsequent behavior. While such questions provide much useful information about behavior changes viewed as attributable to FLLIP, a fuller set of measures of actual behaviors before and after the training would be desirable.

Despite these limitations, the data set constructed through this project is one of the larger ones that has been developed to measure the knowledge of low-income persons about financial matters. Further, data sets linking pre- and post-training knowledge information have not been reported on in the financial management training literature. The data available through the FLLIP evaluation project consequently can extend understanding about the financial knowledge of low-income persons in many important ways.

Chapter 3: FLLIP Training Activity and Participant Characteristics

This chapter summarizes the amount of FEP training provided at FLLIP evaluation sites between September 2001 and August 2003, including the number of training sessions held and the number of program graduates and drop-outs. In addition, comparisons are made concerning program activity during the two program years comprising the evaluation period, and data are presented on average class sizes. We also discuss more limited contractor reported data on the reasons that some program participants failed to complete training. Finally, data on the characteristics of persons who attended the FLLIP training are presented, and comparisons of participants at IDA and education-only sites are made.

Aggregate Training Activity at FLLIP Evaluation Sites

Table 3 presents summary information on the total number of persons who began and completed FLLIP training during the evaluation period, based on monthly reports submitted by the FLLIP contractors. Participants were considered to have completed or graduated from the FLLIP FEP program if they completed at least 10 hours of training. The table shows that 822 persons completed the training at evaluation sites, with 652 of these being education-only site participants and 170 IDA participants. The overall completion rate for those who began the training was 68.6%, while the corresponding program dropout rate was 31.4%.

The training completion rate was considerably higher at the IDA sites (87.6%) compared to the education-only sites (64.9%). These differences may result from several factors, including differences in the characteristics of participants at IDA and education-only sites (see pages 41-44 for a discussion of these differences). It also should be

stressed that the incentive for participation was much greater at IDA versus education-only sites. That is, IDA participants were required to complete the training in order to receive program matching funds for amounts they had saved for an asset purchase. In comparison, only TANF participants at the education-only sites were provided with a tangible participation incentive, in that involvement in the training was a countable work activity for TANF purposes. TANF participants also were eligible for child care and transportation subsidies related to attending the classes.

Table 3. Number of Persons Who Started and Completed FLLIP FEP Training: September 2001-August 2003

	EDUCATION-ONLY	IDA	TOTAL
Started training	1,004	194	1,198
Completed training	652	170	822
Completion rate	64.9%	87.6%	68.6%
Dropout rate	35.1%	12.4%	31.4%

The education-only and IDA sites also varied substantially in the manner and time sequencing used to provide training. At education-only sites, participants generally completed training within a one-month period, so it is possible to track monthly and yearly training activity patterns. In comparison, IDA sites tended to stretch training over many months, partially because of the view that this would keep participants engaged in

more structured activities as they worked toward their IDA savings goals. Consequently, monthly and even yearly completion patterns are not particularly useful in assessing the IDA sites, nor are data on average class sizes.

Table 4 presents a breakdown of FLLIP training activity at education-only sites over the two years of the evaluation project. Several interesting observations can be made from these data. First, a total of 85 training sessions were held at education-only sites during the evaluation period, with a training session defined as the provision of twelve hours of training to a single set of participants. Of these, 27 occurred during the first year of the project and 58 during the second year. Sites had flexibility in how they structured this training, but a common pattern was to provide two-hour classes once or twice a week over a three-four week period. Sessions were provided at various times of the day and in the evenings, as well as occasionally on weekends.

Second, the data show that an average of 11.8 participants began each session, with an average completion rate of 7.7 participants. This completion rate was slightly below the ten graduates per session that the FLLIP coalition had set as a program objective. Third, training activities at evaluation sites increased considerably during the second year of the project. This increase resulted primarily because new evaluation sites were added to increase the size of the evaluation sample. However, it also can be seen that both average beginning class sizes and completion rates increased during the second year. For example, the average number of persons completing each session grew from 6.0 in the first year to 8.4 in the second year, and the completion rate increased from only 56.2% in the first year to 68.5% in the second year.

Although our data do not allow a definitive assessment of the reasons for these improvements, it is likely that program administrative changes played a role. For example, based on initial program experiences, the FLLIP Coalition developed increasing expertise in selecting agencies with the capabilities to productively carry out the training. In addition, the FLLIP Coalition initiated performance-based contracts during the second year of the project, with a portion of contract reimbursements tied to graduation rates.

Table 4. Number of Persons Beginning, Completing, and Dropping Out of FLLIP Training at Education-only Sites: September 2001– August 2003

	2001-02	2002-03	Total
Number of training sessions	27	58	85
Number of participants beginning training	290	714	1,004
Number of participants completing training	163	489	652
Number of persons dropping out of training	127	225	352
Average number of persons per session (beginning)	10.7	12.3	11.8
Average number of persons per session (completing)	6.0	8.4	7.7
Estimated training completion rate	56.2%	68.5%	64.9%
Estimated dropout rate	43.8%	31.5%	35.1%

The IDA sites provided both 10 hours of the FEP training and six hours of asset-specific training to participants. When coupled with the longer time period over which training sessions were completed, the IDA training activity is not strictly comparable to education-only sites. In addition, IDA sites had the goal of encouraging participants to save, and then to purchase an asset after training was completed.

Table 5 summarizes training enrollment and completions at the IDA sites, and includes summary information on the number and percentage of IDA participants who subsequently purchased assets. The table shows that nearly 65 percent of those enrolled in the training at IDA sites both completed the training and then purchased an asset. An additional 22.7 percent completed the training but did not purchase an asset, while 12.4 percent did not complete the training. As previously mentioned, a separate evaluation was undertaken to determine both the value and nature of asset purchases made by IDA participants (Davy, 2004).

Table 5. Training Enrollments, Completions, and Asset Purchases at FLLIP IDA Sites: September 2001– August 2003

	NUMBER	PERCENTAGE OF ENROLLEES
Enrolled in training	194	100.0
Completed training and purchased asset	126	64.9
Completed training but did not purchase asset	44	22.7
Did not complete training	24	12.4

Reasons for Not Completing the Training

As part of their reporting requirements, FLLIP community contractors were asked to follow-up with participants who did not complete the training to determine why they had not finished. Community contractors were asked to make at least three follow-up calls for this purpose, and to include the results of such attempts in monthly reports to the FLLIP Coordinator. Evaluation staff reviewed these reports, and coded the reported reasons for non-completion.

Because such monthly reports were completed consistently only at the education-only sites, the following analysis excludes IDA sites. We should also note that this information was collected only for persons who attended at least one class, as opposed to also including those who applied for the training but never attended.

There also are several limitations in this information on non-completion reasons. First, agencies did not always include a list of persons that corresponded exactly with the aggregate number of persons who were reported as not completing training. For example, while the monthly reporting data shown in Table 4 indicate that 352 persons did not complete training sessions at the education-only sites, only 309 individuals were identified. Further, some contractors did not consistently attempt to contact those who did not complete training, and they also often experienced difficulties in reaching those who they tried to contact. As a result, reported reasons for not completing training could only be determined for 135 persons, or 38.4% of the number reported as not finishing training at education-only sites. These data collection problems collectively limit our ability to determine the most prevalent reasons for dropping out of the FLLIP program, as it cannot

be ascertained whether those reached in follow-up calls are representative of the broader pool of participants who failed to complete the training.

Nonetheless, Table 6 presents information on the reasons for non-completion reported by those participants with whom follow-up contacts were successful. As indicated by the bold row headings in the table, the reasons most often fell into three broad categories. The most common reasons offered pertained to conflicts with work or other training programs; 37.7% of those contacted reported a job or alternative training-related reason.

A second group of reasons for non-completion, which was reported by 28.1% of those contacted, pertained to non-work related problems participants experienced that compromised their program participation. Most important in this category were child care or transportation problems (9.6%) and health or mental health problems (9.6%). In addition, 6.7% of the respondents reported various personal or family problems that interfered with training participation.

Third, a smaller subset of respondents (15.5%) expressed dissatisfaction with the training. There were two principal reasons for this dissatisfaction. First, 8.1% reported that the training sessions had not been offered at times that were convenient to them. Second, 7.4% of those contacted indicated that they were not interested in the training content, or that they had been dissatisfied with the classes they attended. It should be noted that many sites made extensive efforts to schedule sessions at times convenient to most participants. However, given both the irregular and often shifting work schedules of many low-wage workers, as well as the child care and other family responsibilities facing

participants, the reported difficulties related to scheduling by this subset of participants are not surprising.

Table 6. Reasons Offered by Participants for Not Completing FLLIP Training at Education-Only Sites

REASON	NUMBER (N = 135)	PERCENTAGE OF ALL PERSONS REPORTING NON- COMPLETION REASONS
Conflicts with work or other education		
Work conflicts with training	18	13.3%
Found new job or returned to previous job	15	11.1%
Looking for job	6	4.4%
Attending other educational program	12	8.9%
Non-work related problems limit ability to attend		
Health or mental health problem	13	9.6%
Child care or transportation	13	9.6%
Family or personal problem	9	6.7%
TANF eligibility issues	3	2.2%
FLLIP training related		
Inconvenient training time	11	8.1%
Dissatisfaction or lack of interest in the training	10	7.4%
Miscellaneous		
Began training late	8	5.9%
Moved	6	4.4%
Other	11	8.1%

In addition to the information on non-completion reasons described above, community contractors were asked to report the number of training hours completed by each participant who failed to graduate. Of the 309 individuals listed by the contractors as not completing the training, this information was provided for 275, or 89%. The hours of training completed by this group ranged from 0.5 to 8.75, with an average of 4.15 hours. Given that 10 hours of training were needed to graduate from FLLIP, it can be seen that on average those who failed to complete the training were slightly less than half-way to graduation when they ended participation.

Characteristics of FLLIP Training Participants

Each participant entering the FLLIP program was asked to complete a standard application that included a variety of demographic and economic information (See Appendix A). These applications were sent to evaluation project staff for entry into an SPSS data file. This section presents data on the characteristics of FLLIP participants obtained from the applications. In addition to presenting information on the characteristics of all FLLIP participants, we provide separate breakdowns for those served at IDA and education-only sites.

Demographic Characteristics

Table 7 includes basic demographic data on FLLIP participants. The table shows that the large majority of FLLIP participants were women (86.0%). Only 22.7% of FLLIP trainees were married, and the majority (52.7%) never had been married. Most (60.3%) were single parents, and the average number of children for participants was 1.8 (not shown in table). FLLIP served a variety of age ranges, with most trainees (62.1%)

Table 7: Demographic Characteristics of FLLIP Participants

	Total (n = 634)	IDA Sites (n = 125)	Education-only Sites (n = 509)
<u>Gender</u>			
Male	14.0	16.8	13.4
Female	86.0	83.2	86.6
<u>Race</u>			
African American	50.9	53.6	50.3
Latino or Hispanic	18.1	5.6	21.2
Caucasian	24.0	33.6	21.6
Other	5.5	4.8	5.7
<u>Primary Language</u>			
English	75.2	92.0	71.1
Spanish	14.5	0.8	17.9
Other	9.5	5.6	10.4
<u>Age</u>			
Less than 20 years	7.7	0.0	9.6
20 to 29 years	35.0	26.4	37.1
30 to 39 years	27.1	42.4	23.4
40 to 49 years	15.3	20.8	13.9
50 to 59 years	4.7	3.2	5.1
60 years and over	3.3	0.8	3.9
<u>Marital Status</u>			
Single (never married)	52.7	42.4	55.2
Married	22.7	25.6	22.0
Separated	7.1	8.0	6.9
Divorced	10.6	23.2	7.5
Widowed	2.2	0.0	2.8
<u>Parental Status</u>			
No children	19.4	0.8	24.0
One child	25.6	34.4	23.4
2 to 3 children	40.9	52.8	37.9
4 or more children	10.4	11.2	10.2

Note: Due to small amounts of missing data, most cells will sum to less than 100 percent and most estimates may have a slight downward bias.

falling in the 20- to 39-years age range. The average age for FLLIP participants was 33 (not shown in table).

FLLIP served a diverse racial and ethnic population, and also provided considerable training to persons with limited English-speaking abilities. Slightly over half (50.9%) of the participants were African American, and 18.1% were Latino. Nearly one-fourth of the training at evaluation sites was presented to persons with a primary language other than English, with 14.5% reporting Spanish as their primary language and 9.5% other non-English languages. Twelve primary non-English languages other than Spanish were reported by FLLIP participants, including Russian, Assyrian, Yugoslavian, Urdu, Serbian/Croatian, Sinhales, Indonesian, Lithuanian, Romanian, Bulgarian, and French.

Education and Economic Characteristics

While the educational background of FLLIP participants varied considerably, most participants (56.0%) had a high school education or less (Table 8). In fact, nearly one-third (31.4%) of all participants had not completed high school or a GED program.

While FLLIP eligibility requirements stipulated that participants must have incomes of 200 percent or less of the poverty level, available data suggest that the income of most FLLIP participants fell well below this level. The application forms included self-reported income for all participants. However, this data often contained inconsistencies or presented interpretational problems, so we analyzed income data for only 445 cases. For these, average monthly family income was only \$1,067, and median monthly family income was only \$800 (not shown in Table 8). This would equate to annualized average and median income levels of \$12,804 and \$9,600, respectively. In

comparison, the poverty rate for a family of three in 2002 was \$15,020. These data clearly demonstrate that FLLIP was meeting its goal of targeting services on a low-income audience, and in fact successfully extended services to audiences with large numbers of persons in poverty. In addition, consistent with FLLIP's goal of collaborating with IDHS local offices, about one-fourth (25.1%) of participants were TANF recipients.

Table 8: Levels of Education, Employment, TANF Receipt, and Bank Use for FLLIP Participants Who Completed Training Prior to July 2002

	Total (N=634)	IDA Sites (N=125)	Education-only Sites (N=509)
<u>Education</u>			
Less than high school	31.4	12.0	36.2
High school or GED	24.6	20.8	25.5
Attended college	22.2	38.4	18.3
Graduated junior college	6.2	8.0	6.1
Graduated college	7.9	17.6	5.8
Attended graduate school	2.5	0.8	3.1
<u>Employment Status</u>			
Employed	38.8	98.4	24.2
Unemployed	59.5	1.6	73.7
Receive TANF	25.1	0.8	31.0
Have checking accounts	40.1	77.6	30.8
Have savings accounts	25.4	64.8	15.7

Note: Due to small amounts of missing data, most cells will sum to less than 100 percent and most estimates may have a slight downward bias.

Table 8 also shows considerable variation in the employment status and use of mainstream financial institutions by FLLIP participants. The employment status of FLLIP participants was fairly evenly divided, with 38.8% employed at the time of entry into the program and 59.5% unemployed. A large portion of FLLIP participants had limited on-going relationships with banks, with only 40.1% having checking accounts and 25.4% having savings accounts upon program entry.

Differences in Participant Characteristics between IDA and Education-only Sites

Further examination of the data in Tables 7 and 8 reveals that FLLIP education-only and IDA sites served subsets of the low-income population that differed in several important respects. In general, education-only sites provided training to more diverse and disadvantaged audiences. In terms of the demographic characteristics shown in Table 7, it can be seen that both IDA and education-only sites served roughly comparable percentages of African American participants. However, education-only site participants were much more likely to be Latino and to have a primary language other than English.

Similarly, low percentages of FLLIP participants were married at both types of sites (25.6% at IDA sites and 22.0% at education-only sites). However, education-only site participants were more likely to never have been married than IDA participants (55.2% versus 42.4%), while IDA participants were more likely to be divorced (23.2% versus 7.5% for education-only participants). While the large majority of participants at both types of sites had children, education-only only sites served a substantial minority without children (24.0%) while IDA sites did not (0.8%). The data on age of participants appear fairly consistent with these differences in marital and parental status. In particular,

education-only sites served a slightly younger audience, with higher percentages of participants in the less than 20 years old and 20-29 year old age groups.

Participants at education-only and IDA sites varied even more dramatically in terms of educational and economic characteristics. While only about one-third (32.8%) of IDA participants had a high school education or less, 61.7% of education-only site participants had such limited education (Table 8). Education-only sites were much more likely to serve TANF recipients (31.0% versus 0.8% at IDA sites).

IDA participants also generally had substantially higher incomes than education-only participants. For example, the average monthly family income for IDA participants was \$1,668, nearly double the \$857 monthly average for education-only participants. Median monthly income differences between the two groups were even greater (\$1,747 for IDA participants versus \$521 for education-only participants).

Nearly all (98.4%) IDA participants were employed when they completed FLLIP applications, as compared to on 24.2% of education-only site participants (Table 8). This large difference in employment status was partially a function of the FLLIP program design, in that the individual savings needed to generate IDA matching funds were required to be earned (Rand, 2004). In comparison, there were no earnings-related requirements for education-only participants. IDA participants also had more established linkages with banks. For example, 77.6% of IDA participants had checking accounts and 64.8% had savings accounts, as compared to only 30.8% with checking accounts and 15.7% with savings accounts among education-only site participants.

In summary, analysis of the application data reveals that education-only and IDA sites served substantially different audiences from within the low-income population,

with education-only site participants generally more disadvantaged. This should not be surprising, given the somewhat different goals and related recruiting strategies at these two types of sites. In particular, with their emphasis on asset accumulation goals, IDA sites needed participants with reasonable prospects of being able to save in the immediate future. In comparison, education-only sites had no such requirements, and also were strongly encouraged to develop recruiting arrangements with IDHS offices so that TANF recipients could participate. These different programming emphases translated into differing recruiting strategies at the education-only and IDA sites, which in turn resulted in very different training audiences. For a fuller discussion of differences in recruiting strategies at the education-only and IDA sites, see our interim report on FLLIP program implementation (Anderson, Scott, & Zhan, 2002).

Chapter 4: Pre-training and Post-training Financial Knowledge Levels

This chapter reports on the financial knowledge of FLLIP participants both before and after they completed training. The source of data for these analyses is a 48-item test that was administered to participants at the beginning of the first training class and again at the completion of the final training class; the knowledge test is presented in Appendix B. As discussed in Chapter 2, the test was developed by the evaluation project based on consultation with the FLLIP Coalition. It was designed to measure basic knowledge about financial content included in the core curriculum. In addition, the intent was to determine knowledge levels across five content areas considered important to the economic well-being of low-income persons: predatory lending, public and work-related benefits, savings and investing, banking practices, and credit use and interest rates.

All completed tests were sent to FLLIP evaluation staff for entry into an SPSS data file. Because of some initial data collection problems (see Chapter 2, page 27), only 41 of the 48 items were used in the analyses presented in this chapter. Evaluation staff coded each of these test items to indicate whether or not it had been answered correctly. Both pre- and post-training test scores then were calculated for participants, as were scores for each of the five content areas. Changes in scores from pre-test to post-test also were calculated for all individuals for whom scores could be linked, which included nearly all education-only participants but only a small number of IDA participants (for further discussion of this issue, see Chapter 2, page 28). Because the test data were merged with the data from client application forms, it also is possible to conduct analyses of how knowledge scores were related to participant characteristics.

Knowledge Levels of FLLIP Participants Before Training

Table 9 presents pre-training knowledge results for FLLIP participants, and also compares how average knowledge levels varied between participants at IDA and education-only sites. The data show that, on average, participants entering training answered only 53.9% percent of the pre-test items correctly. We again should emphasize that the knowledge test was constructed to measure only basic levels of financial knowledge in each content area, and consisted exclusively of true-false and multiple choice items on which the guessing of correct answers was possible. Consequently, the low average knowledge levels found before training suggest that FLLIP in general reached participants who were very uninformed about basic financial practices.

Table 9 also shows that pre-training knowledge deficiencies existed across each of the five content areas. Because there are relatively few questions in each content area, and the difficulty of questions within each area may vary somewhat, strict comparisons of average knowledge levels between the content areas may be misleading. Nonetheless, the low levels of participant knowledge about both public benefits and savings and investing are notable. That is, FLLIP participants averaged only 45.6% correct responses on questions about public and work-related benefits, and only 47.4% percent correct responses on savings and investing questions.

Education-only participants had significantly lower average pre-training knowledge scores than IDA site participants, both overall and in each content area. Education-only participants averaged only 49.0% correct responses overall, as compared to 69.0% correct responses by IDA participants. The largest difference in average scores between IDA and education-only participants was in the area of banking practices (59.5%

average correct responses for education-only participants versus 86.4% for IDA participants). This finding is consistent with data from the application forms indicating that education-only participants were much less likely to have checking and savings accounts than IDA participants (see previous section discussion in Chapter 3, page 43).

Table 9: Average Correct Responses on the Pre-training Knowledge Test, by Financial Content Areas and Type of Training Site

	NUMBER OF TEST ITEMS	AVERAGE NUMBER AND PERCENTAGE CORRECT		
		All Participants (N=640)	Education-only (N=496)	IDA (N=144)
All Items	41	22.1 (53.9%)	20.3 (49.0%)	28.3 (69.0%)
<u>Content Area:</u>				
Predatory lending	6	3.7 (61.3%)	3.4 (57.8%)	4.6 (76.6%)
Public and work-related benefits	8	3.7 (45.6%)	3.3 (41.4%)	4.8 (60.2%)
Saving and investing	10	4.7 (47.4%)	4.3 (42.8%)	6.3 (63.3%)
Banking practices	5	3.3 (65.5%)	3.0 (59.5%)	4.3 (86.4%)
Credit and interest rates	8	4.8 (60.1%)	4.5 (56.7%)	5.8 (72.1%)

Note: All differences between education-only and IDA site participants are significant at the .001 level.

Despite the significantly lower knowledge levels of education-only participants, it is noteworthy that IDA participants also exhibited substantial knowledge gaps in most financial management categories. Only in the banking practices content area did average pre-training knowledge levels among IDA participants exceed 80 percent. Similar to the education-only participants, IDA participants had their lowest average correct response rates in the public and work-related benefits (60.2%) and savings and investing (63.3%) content areas.

Knowledge Changes After FLLIP Training

As previously mentioned, all FLLIP participants who completed training were asked to complete the knowledge test again at the end of the final training session. This allows comparisons of the knowledge levels of FLLIP participants before and after the training. For education-only site participants, pre-training and post-training knowledge results could be linked consistently at the individual level. However, as discussed in Chapter 2 (see pages 28), such individual-level linking was not possible for most IDA participants. As a result, we present data on knowledge improvements separately for the education-only and IDA participants in the two sections that follow. For education-only participants, knowledge improvement results are based on the knowledge changes calculated for each participant. For IDA sites, cruder estimates of group knowledge changes are made based on the average pre-training and post-training knowledge levels of all IDA participants.

Knowledge Improvements among Education-only Participants

Table 10 summarizes pre-training and post-training knowledge levels for education-only site participants who completed training, as well as the extent to which

knowledge improved overall and in each of the five content areas. We should note that usable post-training tests were received for only 287, or 57.9%, of the 496 education-only participants who completed pre-tests. This lower number of post-training tests is not surprising, given the substantial numbers of persons who began but did not complete the training (see Chapter 3, pages 30-33).

Table 10: Knowledge Improvement by Education-only Site Participants After Completing FLLIP Training, by Financial Content Area

	NUMBER OF TEST ITEMS	AVERAGE NUMBER AND PERCENTAGE CORRECT (N = 287)		KNOWLEDGE IMPROVEMENT (AVERAGE NUMBER CHANGE)
		Pre-training	Post-training	
All knowledge items	41	19.9 (48.5)	28.2 (68.2)	8.3
<u>Content Area</u>				
Predatory lending practices	6	3.2 (54.1)	4.7 (78.9)	1.5
Public and work related benefits	8	3.3 (40.8)	5.3 (66.7)	2.1
Savings and investing	10	4.3 (42.4)	6.3 (62.9)	2.1
Banking practices	5	2.9 (57.2)	3.7 (73.6)	0.8
Credit use and Interest rates	8	4.5 (56.1)	5.8 (72.2)	1.3

Note: N = 287. Knowledge improvements are all significant at the .001 level.

The data demonstrate that overall participant knowledge increased significantly after the training. The average percentage correct increased from 48.5% on the pre-tests to 68.2% on the post-tests. While even the post-test knowledge levels remained fairly low, this represents an average increase of 8.3 additional questions answered correctly, or a gain of nearly 20 percentage points in financial knowledge test scores.

The data also show that education-only site participants experienced significant knowledge gains in each of the five financial management content areas. When differences in the total number of test items in each content area are taken into account, the knowledge improvements were fairly consistent across the content areas. It is noteworthy that the greatest average percentage improvement was made in the public and work-related benefits categories, with average correct responses rising from 40.8% to 66.7 %.

Knowledge Improvements among IDA Participants

As previously mentioned, our data do not allow the consistent linking of pre-training and post-training knowledge tests for IDA participants. Consequently, only aggregate comparisons of average knowledge levels for persons who completed the pre-training and post-training knowledge tests can be made. Table 11 makes three such comparisons. The first row of the table simply calculates the average pre-test scores for all IDA participants who began training and average post-test scores for all who completed training, and then compares the difference in these average scores. That is, the average pre-training score for the 144 IDA participants who began the training was 69.1%, and the average post-test score for the 88 who completed training was 83.2%. This represents a gain of 14.1 percentage points in test scores.

Unfortunately, the above method does not account for differences that may exist between those who only completed the pre-test versus those who completed both pre- and post-tests. That is, while we know that 56 persons who completed pre-tests did not complete the post-tests, we cannot determine how this subgroup of persons scored on the pre-test. If they tended to score lower than the group average on the pre-test, any change from pre- to post-change using the entire group averages would be inflated. This is a common problem associated with differential attrition in training programs, in that those with the greatest problems (or lowest test scores in this case) may be more likely to drop out.

To adjust for this possibility, we calculated two additional averages that result in the range of possible knowledge improvements that could have actually occurred, depending on which participants did not complete post-tests. Assuming that the 56 persons who completed the pre- but not post-tests had the *lowest scores* on the pretest and are therefore excluded from the comparison, the second row of Table 12 presents pre- to post- test score changes for the remaining participants. This substantially raises the pre-test averages for the remaining group, and as a result, an average of only 5 percentage points would have been gained from pre- to post-test. In contrast, the third row of the table assumes that the 56 persons with the *highest* pretest scores did not complete post-tests. If these pre-test scores are excluded, the pre-test average scores are much lower and there would have been a 23-percentage-point gain from pre- to post-test. Because we have no way of determining which persons who completed the pre-test did not complete the post-test, the only conclusion we can make with confidence is that the pre- to post-test gain ranged from 5% to 23% for IDA participants.

Table 11. Estimates of Knowledge Improvements by IDA Participants

	AVERAGE PERCENTAGE OF CORRECT RESPONSES		CHANGE IN PERCENTAGE CORRECT
	Pre-Training	Post-Training	
All participants (based on 144 pre-tests and 88 post-tests)	69.1%	83.2%	14.1%
Method eliminating the lowest pre-test scores	78.2%	83.2%	5.0%
Method eliminating the highest pre-test scores	60.2%	83.2%	23.0%

Relationships between Participant Characteristics and Pre- and Post- Training

Financial Knowledge

Further analyses were conducted to determine whether pre-training knowledge levels varied according to selected participant characteristics, as well as whether such characteristics appeared to affect what was learned from the training. These analyses first examined bivariate relationships between each selected participant characteristic and pre-training knowledge scores. Then, regression analyses were conducted to determine which characteristics affected both pre-training knowledge levels and knowledge change when other characteristics were controlled.

Participant Characteristics and Pre-training Knowledge Levels

Bivariate relationships with pre-training knowledge scores were determined for the following characteristics: gender; race; marital status; education; English as primary language; employment status; TANF status; home ownership; whether has a bank

account; whether has filed federal tax returns; and whether has any debts. These analyses examined simple correlations between each of these characteristics and pre-training knowledge scores.

Several variations in pre-training knowledge scores resulted from this analysis. Among the most interesting of these concerned the lower pre-training knowledge levels of persons with a primary language other than English. Three categories were defined for this analysis: English primary language, Spanish primary language, and other primary language. English primary speakers scored significantly higher than the other two groups, with an average pre-test score of 57.7% correct. In comparison Spanish primary language speakers answered only 35.5% of the items correctly on average, and other language primary speakers answered only 26.6% correctly.

We should note that many of the primary Spanish speakers received a Spanish translation of the test, while other primary language speakers took the test in English. Unfortunately, it is not possible to determine how much of the difference in average scores for these three groups resulted from language difficulties for the non-English groups, as opposed to actual differences in knowledge. Our best guess is that both factors were operating at some level, although the relative effect of each is not clear.

There also were significant differences in pre-training knowledge scores according to the educational levels of participants. In particular, those with less than a high school diploma or GED averaged only 44.0% correct responses on the pre-test, as compared to 52.1% for those with a high school diploma or GED and 57.8% for those with at least some college.

There were several other variables on which significant pre-training knowledge differences were found. For example, Latinos had significantly lower pre-training scores than African American or Caucasian participants, which is not surprising given the previously discussed primary language differences. Married participants also had significantly lower pre-training knowledge scores than those who were never married or previously married. The importance of experience with financial and governmental institutions was reflected by the fact that those with a bank account and those who had filed federal tax returns had significantly higher knowledge scores than their counterparts without these characteristics. Similarly, experience with debt also was positively related to knowledge scores; those who reported having any debts scored significantly higher on average than participants without these characteristics.

We also conducted a regression analysis to elaborate upon the bivariate relationships by isolating the effects of individual variables relative to the influence of other variables. By doing so, we can identify which of the participant characteristics best predict pre-training knowledge scores when all characteristics are considered simultaneously. This analysis was completed only on education-only participants who had complete information on each of the variables ($n = 252$). The resulting model was statistically significant and explained a substantial amount of the variance in pre-test scores ($R^2 = .52$).

The primary language variable remained an important predictor of pre-test scores, with Spanish and other primary language participants having lower test scores than Caucasians even when other factors were controlled. Education also was a significant predictor, with those having a high school diploma or GED or who had some

postsecondary education having higher scores than those who had not completed high school. African American participants and women had significantly lower scores than their Caucasian and male counterparts. In addition, those with more children in the household, who had a bank account, and who had filed a tax return had significantly higher knowledge levels.

Participant Characteristics and Post-training Knowledge

Repeated measures analyses (ANOVA) were conducted to determine if those with different characteristics increased knowledge after the training, and if such changes varied significantly according to the selected characteristics. The variables included in this analysis were gender, race, marital status, education, English as primary language, employment status, TANF status, home ownership, whether has a bank account, whether has filed federal tax return, and whether has debts. These analyses were conducted only for participants with linkable pre- and post-test scores, as well as complete information on each of the characteristics examined (n = 163).

The results indicated that knowledge scores increased significantly for all participant subgroups analyzed. However, those with selected characteristics showed significantly greater knowledge gains from the training than others. In particular, Hispanic participants showed greater knowledge gains than other racial groups, and those with a primary language other than English also had higher knowledge gains. In addition, participants who did not have bank accounts and those who had not filed tax returns improved their knowledge more than their counterparts who had previous experience in these respects.

To examine which participant characteristics were significantly related to knowledge changes controlling for other factors, we conducted a regression analysis using post-training regression scores as the dependent variable. Because we included pre-training scores as a control variable, the regression in effect examines characteristics associated with knowledge gains from the training. The resulting model was significant, and the $R^2 = .66$. English primary speakers showed significantly greater knowledge increases than non-English primary speakers, but when language was controlled Hispanics increased scores more than other racial groups. Participants who were high school graduates and those who had attended some college showed greater knowledge increases than those who had not completed high school. Finally, significantly smaller knowledge changes were found for married participants than for those who were never married or previously married. All other comparisons of knowledge changes by participant characteristics were insignificant in the regression.

Summary of Relationships between Participant Characteristics and Knowledge

The bivariate and regression analyses show that pre-training financial knowledge varied significantly by several participant characteristics. Of particular interest were the significantly lower pre-training scores for those with non-English primary languages, African Americans, and those with low levels of education. These characteristics may suggest important targeting considerations in the development of further training targeted at low-income audiences.

The analyses of knowledge changes are encouraging in the sense that FLLIP participants experienced significant knowledge gains regardless of their characteristics. It also is interesting that Hispanics demonstrated greater knowledge gains than other racial

groups, but those with non-English primary languages experienced smaller knowledge increases than primary English speakers. As might be expected, those with higher educational levels also increased knowledge more, which again suggests the difficult challenges of working to improve the knowledge of persons with poor educational backgrounds.

Chapter 5: Participant Satisfaction with FLLIP Training

One basic measure of training effectiveness is the level of satisfaction expressed by participants who complete training, as well as their perceptions about the programs benefits and limitations. At the conclusion of each training session, all participants who completed training were asked twelve questions designed to assess participant satisfaction. These questions were asked as part of the post-training knowledge survey, and are shown in Appendix D. Ten of these questions were closed, while the other two were open-ended and asked what participants liked best about the training and what could be done to improve it. These questions form the core content for the assessment of participant satisfaction with training presented in the following sections.

Time constraints limited the number of post-training satisfaction questions that could be asked of graduates during the final training session. It also was considered desirable to obtain participant perspectives on the training after time had passed, in that subsequent experience with financial matters could affect satisfaction with various aspects of the training. We consequently included a set of questions in the follow-up telephone surveys that was intended to assess whether participants viewed the training as helpful in improving knowledge about selected financial issues. These results are presented at the conclusion of this chapter.

Post-training Participant Satisfaction Results

Closed Question Responses

Table 12 presents closed question training satisfaction data for the 388 participants who completed training satisfaction surveys during their final training session. Nearly all participants rated both the quality of the training and the performance

Table 12. Participant Satisfaction with FLLIP Financial Training (n = 388*)

	Excellent	Good	Fair	Poor
<u>Overall Evaluation of Training & Trainer</u>	%	%	%	%
Overall, how would you rate the quality of the training received?	71.8	26.4	1.8	0.0
Overall, how would you rate the job the trainer did in presenting the training?	80.9	17.5	1.6	0.0
	Agree a Lot	Agree Some	Disagree Some	Disagree a Lot
<u>General evaluation of FLLIP training</u>	%	%	%	%
The training was boring.	4.1	11.4	19.1	65.4
Not much was gained by taking this training.	7.5	8.8	15.6	68.1
<u>Evaluation of the curriculum</u>				
The training material will help me in managing my finances.	80.6	17.3	1.3	0.8
The training material was too difficult.	9.1	15.5	16.9	58.5
<u>Evaluation of Training Delivery Methods</u>				
The activities and exercises used helped me to understand financial management ideas.	77.6	19.6	2.3	0.5
I would have learned more if other Ways of teaching were used.	7.6	13.1	19.1	60.2
<u>Evaluation of the instructor</u>				
The instructor understood the training material very well.	89.9	10.0	0.5	0.5
I think the trainer did a good job of teaching.	93.0	5.7	1.0	0.3

* 388 represents the maximum number of responses for these questions. For some questions, there were small amounts of missing data, so actual response numbers for the questions in the table range from 382 to 388.

of the trainer either as excellent or good. Excellent ratings were very high, with 80.9 percent of participants rating trainer performance and 71.8 percent rating the quality of training as excellent.

Results from two additional general evaluation questions also revealed considerable satisfaction with the training. First of all, participants were asked if they agreed that “not much was gained by taking this training”, and 83.7% disagreed at least some (68.1% disagreed a lot and 15.6% disagreed some). Nearly 85% also disagreed with the statement that “the training was boring” (65.4 disagreed a lot and 19.1% disagreed some).

Participant assessments also were positive about selected aspects of the curriculum, the methods used to present it, and the performance of trainers. With respect to the curriculum, 97.9% agreed “the training material will help me in managing my finances” (80.6% agreed a lot and 17.3% agreed some). Opinions about the difficulty of the training curriculum were more diverse. While 75.4% of participants indicated that the material was not too difficult, nearly one quarter (24.6%) thought that it was.

Further analysis established that evaluations regarding the difficulty of the training materials were significantly related to the primary language spoken and educational level of participants. In particular, 64.7% of those who spoke a primary language other than English thought that the training materials were too difficult, as compared to only 9.8% for primary English-language speakers. Differences according to educational level were less dramatic. While 28.6% of participants with less than a high school degree and 28.2% of those with a high school degree or GED indicated that the

training materials were too difficult, only 15.9% of trainees with some postsecondary education thought this was the case.

These findings on the difficulty of training materials are especially noteworthy given that FLLIP had tailored the training at a basic level, used language targeted at those with limited reading skills, and translated materials into Spanish. This underscores the continuing challenge to simplify training materials on often-complex financial issues, to translate curricula into a variety of languages, and to understand the initial knowledge levels and varying cultural learning styles of diverse audiences.

In assessing the methods through which the training was delivered, participants appeared to value participatory learning. Over 97% of participants agreed at least some that “the activities and exercises used helped me to understand financial management ideas” (77.6% agreed a lot and 19.6% agreed some). Most participants (79.3%) also disagreed with the statement that “I would have learned more if other ways of teaching were used”. Nonetheless, we should note that about one-fifth (20.7%) indicated at least some agreement with this statement, which suggests the need for continued experimentation with a variety of teaching methods.

Finally, two questions were intended to elaborate upon participant perceptions of trainer performance, and positive assessments in this respect were very high. First, nearly all participants agreed at least some that “the instructor understood the training material very well”. Similarly, 98.7% agreed at least some that “the trainer did a good job of teaching”. It also is noteworthy that for both of these items, the vast majority of respondents agreed with the statements “a lot” (89.9% and 93.0%, respectively).

Tables 13 and 14 provide a comparison of training satisfaction responses for education-only and IDA sites. In general, the positive patterns of training satisfaction discussed for the total sample are similar for those who attended IDA versus education-only sites. However, there were some interesting differences. IDA and education-only participants differed most on responses to “the training material was too difficult” question. Only 7.9% of IDA participants agreed with this statement, as compared to 29.6% of education-only participants. This large difference is consistent with the fact that education-only trainees were much more likely than IDA participants to be non-English primary speakers, to have less education, and to have lower pre-training knowledge levels.

There also were differences between these two groups in terms of assessment of the curriculum and of training methods. The education-only participants rated the activities and exercises used in training more highly, as 80.3% strongly agreed that these were helpful in understanding financial management ideas (compared to 68.2% for IDA sites). However, somewhat paradoxically, they also were more likely to agree that “I would have learned more if other ways of teaching were used” (23.1% of education-only participants agreed at least some, versus 12.8% of IDA participants). Our data do not allow us to determine the reasons for these differences, but there are several possibilities. One interpretation is that education-only site respondents especially valued the hands-on exercises, and would have liked to see them used even more extensively. Given their lower average knowledge scores, it also is possible that education-only participants were more likely to struggle with selected aspects of training; they therefore may have believed that other techniques would have enabled them to better grasp materials.

Table 13. Participant Satisfaction with FLLIP Financial Training at Educaton-only Sites (n = 299*)

	Excellent	Good	Fair	Poor
<u>Overall Evaluation of Training & Trainer</u>	%	%	%	%
Overall, how would you rate the quality of the training received?	71.9	26.1	2.0	0.0
Overall, how would you rate the job the trainer did in presenting the training?	78.6	19.3	2.0	0.0
	Agree a Lot	Agree Some	Disagree Some	Disagree a Lot
<u>General evaluation of FLLIP training</u>	%	%	%	%
The training was boring.	4.4	10.1	17.4	68.1
Not much was gained by taking this training.	8.1	8.8	14.1	69.0
<u>Evaluation of the curriculum</u>				
The training material will help me in managing my finances.	82.9	15.1	1.3	0.7
The training material was too difficult.	10.4	19.2	17.8	52.5
<u>Evaluation of Training Delivery Methods</u>				
The activities and exercises used helped me to understand financial management ideas.	80.3	16.7	2.7	0.3
I would have learned more if other ways of teaching were used.	9.5	13.6	17.3	59.7
<u>Evaluation of the instructor</u>				
The instructor understood the training material very well.	90.0	8.7	0.7	0.7
I think the trainer did a good job of teaching.	92.6	6.1	1.3	0.0

* 299 represents the maximum number of responses for these questions. For some questions, there were small amounts of missing data, so actual response numbers for the questions in the table ranges from 295 to 299.

Table 14. Participant Satisfaction with FLLIP Financial Training at IDA Sites (n = 88*)

	Excellent	Good	Fair	Poor
<u>Overall Evaluation of Training & Trainer</u>	%	%	%	%
Overall, how would you rate the quality of the training received?	71.3	27.6	1.1	0.0
Overall, how would you rate the job the trainer did in presenting the training?	88.4	11.6	0.0	0.0
	Agree a Lot	Agree Some	Disagree Some	Disagree a Lot
<u>General evaluation of FLLIP training</u>	%	%	%	%
The training was boring.	3.4	15.9	25.0	55.7
Not much was gained by taking this training.	5.7	9.1	20.4	64.8
<u>Evaluation of the curriculum</u>				
The training material will help me in managing my finances.	72.7	25.0	1.1	1.1
The training material was too difficult.	4.5	3.4	13.6	78.4
<u>Evaluation of Training Delivery Methods</u>				
The activities and exercises used helped me to understand financial management ideas.	68.2	29.5	1.2	1.1
I would have learned more if other ways of teaching were used.	1.2	11.6	25.6	61.6
<u>Evaluation of the instructor</u>	%	%	%	%
The instructor understood the training material very well.	89.7	10.3	0.0	0.0
I think the trainer did a good job of teaching.	94.3	4.6	0.0	1.1

* 88 represents the maximum number of responses for these questions. For some questions, there were small amounts of missing data, so actual response numbers for the questions in the table ranges from 86 to 88.

Finally, while overall satisfaction with the trainer was similar for both groups, IDA participants were more likely to rate their trainer as excellent (88.4% versus 78.6%). In comparison, education-only participants were more likely to strongly agree that the training materials would help them with managing their finances (82.9% versus 72.7%). This latter difference is not surprising, given that education-only participants were less financially educated than IDA participants at the beginning of the training.

In summary, these training satisfaction findings indicate that the training content, delivery methods, trainer preparation, and trainer presentation all were positively evaluated by FLLIP participants that completed training. It is important to note that 31.4% of those who began the FLLIP training dropped out (see Table 3 on page 31), and that the training experiences and satisfaction of persons who completed training may differ in meaningful ways from those who did not. Nonetheless, the high level of satisfaction among low-income FLLIP participants completing a 10-12 hour package of training is a notable accomplishment.

Open-ended Training Satisfaction Responses

In addition to the information presented above, training participants were asked to indicate what they liked best about the training and what area of training they thought most needed to be improved. These open-ended responses were coded according to the reasons or thematic content provided. In addition, quotes that reflected particular themes were selected to better illustrate the content of these responses.

Most Helpful Aspects of Training. Nearly all graduates answered the open-ended question regarding what they liked best about the FLLIP training, and many offered

multiple reasons that the training had been helpful. These responses are summarized in Table 15.

Table 15: Most Helpful Aspects of FLLIP Training (Open-coded Responses)

REASON	FREQUENCY (N=347)*	PERCENTAGE OF RESPONDENTS*
<u>Learning about:</u>		
Basics of saving and budgeting	143	41.2%
How to best use credit	49	14.1%
Banking practices	41	11.8%
Taxes	34	9.8%
Insurance	31	8.9%
Investing	15	4.3%
How to finance a home	8	2.3%
Annual Percentage Rates (APR)	7	2.0%
Predatory lending	5	1.4%
Format of instruction	5	1.4%
Instructor	5	1.4%
Other reasons	120	34.6%

*A total of 347 graduates indicated that at least one aspect of training was helpful. All response categories offered by at least 5 respondents are presented separately, while others are grouped as “other reasons”. Because respondents often offered more than one reason, the percentage column adds to well over 100%.

Consistent with FLLIP program objectives, obtaining basic information about budgeting and savings was easily the most frequently mentioned helpful aspect of the training. In many instances, these respondents suggested a variety of basic ways that the

training had been helpful, and the low levels of initial financial knowledge also were evident in many responses. Following are some illustrative comments.

“A lot of very basic information, very useful to our lives.”

“Everything. Being that I’m just starting off, it helped me a lot to see what choices I should and shouldn’t do so that I don’t fall for the scams and mess everything up.”

“What I found most helpful were all the budgeting tips – to stop and think about how and what you’re spending your money on. How important it is to have good credit and what to do, since I have not so good credit. And of course all the terms I didn’t know.”

“I feel a lot better about money now with these classes. It makes me think before I spend.”

“It was very interesting, learning new things about different areas we went over from A to Z. Information was very powerful when you don’t know where to go for help or who to call with your complaints.”

“It informed me better about preparing my monthly budget better, and having some money left over for savings. I also learned about which is the best way to invest my money better on mutual funds. This was a very informative class.”

“All of the course helped me out a lot. I learned about loans, credit cards, predatory lenders, car insurance, scams, and how to prevent fraud.”

“I know more about financial management. I knew nothing about budgeting or taxes.”

“I learned how to save money, how to file my taxes correctly, what stocks, bonds and investments are, and the best way to make for my future. Do’s and don’t for everything.”

“It was real good to learn more about the way I handle my money, but the thing that grabbed me was the part on discipline and organizing, and also the part about taxes.”

“I received knowledge and information about different financial institutions, insurance, and other government agencies that I didn’t previously know. It was put in terms that I could understand.”

“Overall, everything taught in the class was very helpful and interesting.”

“This training was very important to me. It improved my understanding. Thank you.”

In addition to these general comments and those that emphasized a variety of beneficial training aspects, graduates also frequently emphasized a specific content area that they had learned about. As Table 16 shows, many different aspects of learning were mentioned, with credit use, banking practices, taxes, and insurance most commonly emphasized. The following comments suggest the variety of specific financial content areas that graduates articulated.

“I found out that I can lower my life insurance monthly payments by talking to the insurance people today [who had been guest speakers].”

“I learned how to get out of debt, plus how to stop using credit cards to pay off other credit card debt.”

“I learned that I could settle a past due bill with a creditor.”

“I learned about what creditors could and couldn’t do, and that you should not avoid them [but rather] explain your situation. I also learned to track everything I spend.”

“Training helped me understand how to use credit and how to protect your credit by paying your bills on time.”

“The overall thing is about the check writing, because I didn’t know how to write a check or how to record it in the back of the book.”

“Helped me learn how to open accounts at the bank and know about services, and how much fees are per month [for bank accounts].”

“Learning about the different things that different banks have.”

“Learning about IDA accounts and visiting the bank.” [Note: this class had visited a bank as part of the training].

“I found out how to compare interest rates at different banks before I first open up an account. I also learned a lot of information about tax returns.”

“I received a better understanding about what tax credits are due me and what I qualify for.”

“Learned a lot about filing taxes and amounts available for tax credits for single low-income people.”

“I found out how to get my taxes done for free.”

Finally, while most respondents emphasized substantive aspects of the training as being most helpful to them, a small number mentioned either the instructor or the format of the training. It should be noted that the frequencies of comments regarding the instructors presented in Table 16 probably understate the enthusiasm that many graduates had for their trainers. This appears likely because, in responding to the other open-ended question on what needed to be improved, graduates often followed responses of “nothing” with positive assessments of their trainers (see following section). Nonetheless, those who mentioned trainer or training format issues as most helpful emphasized factors such as the knowledge of the trainer, the positive interpersonal treatment they had received, the group activities, and that the material had been presented in an understandable fashion. These trainer and training format issues are reflected in the comments below.

“The trainer was extremely knowledgeable, so he was able to answer all (or most) of the questions. He was also able to explain the information, using examples that were understandable.”

“The teacher made the class fun and interesting.”

“The instructor made the class very interesting and expressed herself in a down to earth manner which most people could relate to. Also, we learned from each other’s life experiences which everyone was willing to share.”

“The politeness, being treated with respect - not a failure for not paying or managing money.”

“What I found to be most helpful is the ideas that the group contributed and everyone’s experiences.”

“The instructor gave many real life examples that made the information easier to understand.”

“The information and handouts complimented each other, making it easy to apply to my own life.”

“The hands-on example forms to complete yourself to get the point on how to do the activities.”

How FLLIP Training Could Be Improved. The high level of satisfaction with the FLLIP training was reflected in comments about what could be done to improve the training. As shown in Table 16, by far the most common response was that no changes were needed (49.4% of respondents). In addition, the next most common response was that longer or additional training sessions were needed (14.9%), and the third most frequent response was that more advanced material should be covered (2.9%). The responses indicating that no changes were needed often were accompanied by very positive statements about the training. The following are only a few examples of those who thought no changes were needed, or that more extensive classes would be helpful.

“The trainer did a good job and the work he prepared was excellent and I wouldn’t change a thing.”

“The teachers are so nice and kind that I hate that the program has to stop, because I enjoy the service.”

“Nothing. All of my questions were answered. The instructors were very nice, patient, and educated, and also were truthful.”

“I feel that the classes should be longer than the weeks we had – I could stand to learn more.”

“Can you offer more extended classes? I don’t want to quit learning.”

Table 16: How FLLIP Training Could Be Improved (Open-coded Responses)

SUGGESTION	FREQUENCY (N=316)*	PERCENTAGE OF RESPONDENTS*
No changes are needed	156	49.4%
Longer or additional class meetings	47	14.9%
Cover more advanced material	9	2.9%
Use more visual aids	8	2.5%
Instructor-related improvements	7	2.2%
Use more or better handouts	6	1.9%
More practical exercises	5	1.6%
Use more supplemental activities	5	1.6%
Other reasons	82	25.9%

*A total of 316 graduates responded to this question. All response categories offered by at least 5 respondents are presented separately, while others are grouped as “other reasons”. Because respondents often offered more than one reason, the percentage column adds to well over 100%.

As Table 16 suggests, there were no common suggestions for improving the training. Nonetheless, several suggestions were well articulated and merit consideration as training programs such as FLLIP continue to be refined. For example, a few participants felt that tying the training to other activities in the community would be useful. This could include visits to banks, which were carried out at some sites, or referring participants to other agencies.

The variable needs of trainees also were noted by some participants, which probably contributed to comments both suggesting a slow speed of training and more

advanced content. In response to this problem, one graduate recommended using the pre-training knowledge tests to group participants by knowledge level, and another mentioned discussing the specific needs of the trainees before training was presented. It should be noted that FLLIP intended for program sites to operate in this manner, but this practice needed to be modified in evaluation sites so that the core curriculum could be delivered consistently for measurement purposes.

Several of these themes for improving the training are illustrated by the following comments.

“Give more handouts about community resources and services related to the training.”

“A list of credit reporting agencies, local banks, and other types of agencies should have been provided. A period of questions and answers also seems to be helpful. A possible job list or list of educational programs could have been offered at the conclusion of training.”

“The suggestion is to classify better the classmates, because if there is a student who has lower English, it will stop the class.”

“I speak little English, and sometimes I got frustrated because I couldn’t express my ideas.”

“Curriculum based on actual class participants. Do the pretest, then group classes together (if possible) by what they need or are lacking. That way class topics are necessary and applicable.”

“I would have liked to see several case studies on a low to moderate income scale, i.e., if a person saved only \$10 per week how the interest would compound in 5-20 years. Also more goal setting – immediate, medium, and long range goals for saving and financial planning.”

Follow-up Survey Responses on Perceived Knowledge Improvements

The follow-up survey of FLLIP graduates included more detailed questioning on whether respondents believed that FLLIP had improved their financial knowledge about a

variety of financial matters. The results presented in Table 17 demonstrate that at least four-fifths of respondents either strongly agreed or agreed some that FLLIP had been helpful in improving knowledge in each of the financial areas included in the follow-up survey. Strong agreement was particularly high in terms of perceived knowledge improvements on saving money (80.0% strongly agreed), proper use of credit (78.8%), preparing and following a household budget (77.5%), money traps and poor financial management practices (75.0%), and benefits of using banks and bank accounts or credit unions (72.5%). Collectively, these findings indicate that participant opinions about the value of FLLIP training remained very positive in surveys conducted an average of 10 months after training was completed.

**Table 17: Participant Perspectives on Selected Areas of Knowledge Improvement
Related to FLLIP Training**

	PERCENTAGE OF RESPONDENTS (N=159)			
	WHO:			
<i>Did the FLLIP training improve your knowledge about:</i>	Strongly Agree	Agree Some	Disagree Some	Strongly Disagree
Money traps or poor financial management practices	75.0	21.9	2.5	0.6
Employment-related or government benefits	51.3	35.0	11.3	1.3
Saving money	80.0	18.1	1.9	0.0
Investing money	50.0	32.5	8.8	6.3
Benefits of using banks and bank accounts or credit unions	72.5	20.0	6.9	0.6
Interest rates	56.9	30.6	10.0	0.6
Proper use of credit	78.8	17.5	1.9	1.3
Purchasing different types of insurance	51.3	32.5	13.1	1.9
Taxes and tax credits	48.1	35.0	11.9	3.8
Preparing and following a household budget	77.5	17.5	3.8	0.6
Building consumer skills and taking consumer action	54.1	34.6	6.3	1.9

Chapter 6: Changes in Financial Behavior After FLLIP Training

Completion

This chapter presents findings from a telephone survey conducted with a sample of 159 FLLIP graduates an average of 10 months after they completed training (see Chapter 2, pages 23-25, for details of the survey methods). The general purpose of the survey was to obtain the perspectives of graduates about the usefulness of the FLLIP training, after they had subsequent experiences with financial matters.

More specifically, the intent was to determine if respondents had changed various financial behaviors as a result of completing the FLLIP training. In addition, the survey asked respondents to assess whether the FLLIP training had improved their knowledge of selected financial issues (see Chapter 5, pages 73-74, for presentation of these knowledge-related findings).

Reported Behavior Changes of FLLIP Graduates

Because of the lack of available information on participant financial behaviors prior to training, our assessment of behavior changes related to the FLLIP training relies primarily on retrospective self-reports of graduates. In particular, respondents were asked if they had changed selected financial behaviors after completing the FLLIP training. By specifically linking the questions on behavior changes to the FLLIP training, the intent was to tie respondent perceptions as closely as possible to the training received. In addition, asking respondents about their experiences relative to a defined point in time has been shown to enhance the quality of answers (Fowler, 1996). Nonetheless, retrospective assessments such as these generally are less precise than pre-post measures of desired behaviors. For most questions on which respondents indicated that their

behavior had changed, we consequently included open-ended follow-up questions that asked them to identify the specific changes they had made.

Tables 18-24 present findings from the questions on reported behavior changes. The findings are grouped into four categories of behaviors that were emphasized in the FLLIP training: (1) household budgeting and bill-paying practices, (2) savings and asset accumulation, (3) use of mainstream financial institutions and credit, and (4) access to government and work benefits.

Household Budgeting and Bill-Paying Practices

Table 18 summarizes survey responses to questions related to household budgeting and bill paying. The table shows that 84.0% of follow-up respondents stated that they thought they were doing a better overall job of keeping track of their expenses since completing the FLLIP training. Further, 83.5% of respondents indicated that they had changed their household budgeting practices in important ways. A smaller but still substantial percentage (64.6%) reported changing the ways in which they paid their bills.

Those who indicated that their household budgeting practices had changed were asked to identify one or two specific changes they had made. As shown in Table 19, a wide array of changes consistent with the FLLIP training content were mentioned by respondents. Nearly 30 percent of respondents indicated that they spent only on necessities, or else that they spent less in general. Changes in shopping practices were the next most commonly mentioned response (27.6%). Many different types of changes in shopping practices were reported by these respondents, including buying less expensive food, shopping with a list, comparison shopping, shopping less often, buying bulk

supplies, avoiding brand names, buying items on sale, and eating before grocery shopping.

Four other types of household budgeting changes were mentioned by at least 10 percent of those respondents who said they changed budgeting practices after the FLLIP training (Table 19). These included better documenting spending, bills, or savings (15.0%); saving more (14.2%); budgeting for the first time or else using envelope budgeting (12.6%); and paying bills either more timely or before incurring other expenses (10.2%). It should be noted that envelope budgeting is a particular type of budgeting technique that was taught in the training sessions.

Table 18: Percentage of Respondents Reporting Changes in Household Budgeting and Bill Paying after FLLIP Training Completion (N = 158)

FINANCIAL PRACTICE	YES*	NO*
Have done a better overall job of tracking expenses	84.0% **	3.8%
Have changed household budgeting in important ways	83.5%	15.8%
Have changed the ways that bills are paid	64.6%	34.8%

* Because of a small number of “don’t know” or “refused to answer” responses, the percentages for each question will add to slightly less than 100%.

** On this question, 84.0% of respondents answered with a definitive “yes”, while an additional 10.1% answered “kind of” or “sort of”.

Table 19: Reported Ways in which Respondents Changed Household Budgeting

Practices (N=127)

	NUMBER*	PERCENTAGE OF ALL RESPONDENTS WHO INDICATED A CHANGE *
Spent only on necessities/spent less	38	29.9%
Improved shopping practices	35	27.6%
Documented spending, bills, and saving	19	15.0%
Saved more generally or for emergencies	18	14.2%
Budgeted for the first time/used envelope budgeting	16	12.6%
Paid bills more timely or before other expenses	13	10.2%
Improved credit use	6	4.7%
Reduced telephone costs	4	3.1%
Cooked at home instead of eating out	3	2.4%
Opened bank accounts	3	2.4%
Have been more careful with credit	3	2.4%
Have reduced energy costs	3	2.4%
Other reasons	17	13.4%

*A total of 127 graduates responded to this question. All response categories offered by at least 3 respondents are presented separately, while others are grouped as “other reasons”. Because respondents often offered more than one reason, the percentage column adds to well over 100%.

The nearly two-thirds of FLLIP participants who reported changing their bill-paying practices after FLLIP also were asked what specific changes they made. Paying bills on time was the most common response to this open-ended question, with 38% of respondents indicating such improvements (Table 20). In addition, nearly one-third (32%) of respondents stated that they had changed the methods they used to pay bills, with many different types of changes reported. Most prevalent among these were paying by check (10%), direct withdrawal payments (8%), and paying online (6%).

Table 20: Reported Ways in which Respondents Changed Bill Paying Practices after FLLIP Training (N=100)

	NUMBER*	PERCENTAGE OF ALL RESPONDENTS WHO INDICATED A CHANGE *
Paid bills on time	38	38%
Changed method or form of bill paying	32	32%
Paid more or made more than minimum payments	14	14%
Kept record of bills	6	6%
Changed budgeting practices	5	5%
Paid bills before other spending	4	4%
Paid portion of all bills	5	5%
Established payment plans, bill consolidation, or hired someone to pay bills	5	5%
Other reasons	2	2%

*A total of 100 graduates responded to this question. All response categories offered by at least 3 respondents are presented separately, while others are grouped as “other reasons”. Because respondents often offered more than one reason, the percentage column adds to well over 100%.

Nearly one-fourth (23%) of respondents reported that they had made changes with respect to the amount of payments they made, or the priority they gave to bill paying. These included persons who simply stated they were paying more toward bills or else making more than the minimum payment amounts (14%), as well as those who said they were paying a portion of all bills (5%) or else paying bills before spending for other purposes (4%).

Savings and Asset Accumulation

The follow-up survey included several questions designed to determine whether FLLIP graduates had changed their savings patterns since completing training, as well as whether they had made other investments or engaged in selected asset accumulation strategies. Because saving and asset accumulation are such an important component of IDA programs, we also compared responses to these questions for IDA and education-only site participants.

Nearly three-fourths (74.7%) of follow-up survey respondents reported that they had been able to save more in a typical month after completing the FLLIP training (Table 21). Interestingly, IDA graduates were only slightly more likely than education-only participants to report that they could save more in a typical month, and these differences were not statistically significant (80.0% versus 72.6%). Respondents also were asked whether they had been able to save any money in the last three months, and 63.2% of respondents indicated that they had. Again, differences in the percentages of IDA and education-only participants in responses to this question were insignificant.

Those respondents who said they had been able to save more in a typical month were then asked why this had been the case. Table 22 summarizes these open-ended

responses. Respondents most often mentioned some change in their spending practices as contributing to their increased ability to save (46.7%). Most prevalent in this respect were perceived improvements in “spending on needs rather than wants”, which had been a focus of the training curriculum (24.3% of respondents). Others mentioned shopping and spending less in general terms, avoiding eating out, and shopping at sales or using coupons. Over a third (35.5%) of these respondents reported that changes in budgeting practices contributed to their increased savings, and 13.1% mentioned some basic change in their financial behavior such as being more careful or setting priorities. Finally, 17.8% mentioned the training they had received, or related learning.

Table 21: Percentage of Respondents Reporting Savings and Asset Accumulation Practices after FLLIP Training (N = 158)

FINANCIAL PRACTICE	YES*	NO*
Saved more in a typical month	74.7%	23.4%
Saved any money in last three months	63.2%	35.5%
Purchased a home	6.3%	93.7%
Began saving for down payment for home	31.6%	67.7%
Made major improvement to home	21.5%	76.6%
Made long-term investment other than home purchase	35.4%	64.6%
Began saving for retirement	28.5%	70.3%
Purchased insurance	19.6%	79.1%

*Because of a small number of “don’t know” or “refused to answer” responses, the percentages for each question will add to slightly less than 100%.

Table 22: Reported Reasons Why Respondents Had Been Able to Save More after Completing Training (N=107)

	NUMBER*	PERCENTAGE OF ALL RESPONDENTS WHO INDICATED A CHANGE *
Changed spending practices	50	46.7%
Changed budgeting practices	38	35.5%
Training or learning related	19	17.8%
General changes in financial behavior	14	13.1%
Opened or increased use of bank account	5	4.7%
Obtained a job or received raise	4	3.7%
Other reasons	18	16.8%

*A total of 107 graduates responded to this question. All response categories offered by at least 3 respondents are presented separately, while others are grouped as “other reasons”. Because respondents often offered more than one reason, the percentage column adds to well over 100%.

Respondents also were asked several questions related to home purchases and improvements. While only 6.3% of respondents reported that they had purchased a home since completing the training, 31.6% stated that they had begun saving for a down payment (Table 21). Further, 21.5% indicated that they had made a major improvement to their home since completing the training. The only significant difference between IDA and education-only participants on these questions was that IDA respondents were much more likely to report having saved for a down payment (53.3% for IDA versus 23.0% for education-only respondents).

Two other questions were asked related to savings and investments. First, 28.5% stated that they had begun saving for retirement since completing FLLIP (Table 21), and

IDA participants were significantly more likely to report this than education-only participants (46.7% versus 21.2%). Second, 35.4% of respondents said that they had made at least one long-term financial investment other than a home purchase since completing the training. These respondents were asked what type of investments they had made, and automobile purchase was easily the most frequent response (57.7% of those making investments). Purchasing stocks, mutual funds, or 401k plans (15.4%), education for themselves or a relative (17.3%), and opening a business (5.8%) were the next three most common responses.

Finally, 19.6% of survey respondents indicated they had purchased at least one type of insurance that they learned about during the FLLIP training (Table 21). A follow-up question asked these respondents what type of insurance they had purchased. Life insurance was purchased by slightly over half (51.6%) of those who bought insurance, followed by car (19.4%) and medical insurance (19.4%).

Use of Mainstream Financial Institutions and Credit

The follow-up survey asked respondents about their banking practices after FLLIP, their use of selected fringe financial services, and their management of credit. These results are presented in Table 23. For those who did not already have accounts, the data show that about 37.8% opened a new checking account, and 33.6% opened a new savings account. In addition, 19.0% reported that they had changed a checking or savings account (19.0%) they already had after completing training. Further analysis of responses to these three questions revealed that 44% of respondents had either opened a new account or changed an existing one after completing training. In comparison, 26.4% already had accounts and made no subsequent changes, while 29.6% remained unbanked.

Table 23: Use of Banks, Fringe Financial Services, and Credit Card Management by

Respondents after FLLIP Training (N = 158)

FINANCIAL PRACTICE	YES ^A	NO ^A
Opened new checking account	37.8% ^b	62.2% ^b
Opened new savings account	33.6% ^c	66.3% ^c
Changed an existing checking or savings account	19.0%	76.6%
Used currency exchanges less often	55.7%	29.1%
Used payday loans less often	39.9%	39.9%
Improved management of credit cards	82.4% ^d	15.7% ^d

^a Because of “don’t know” or “refused to answer” responses, the percentages for each question may add to less than 100%.

^b Because 60, or 31%, of respondents already had a checking account, percentages are calculated based on the 98 respondents who did not have accounts when they completed training.

^c Because 42, or 26.6%, of respondents already had a savings account, percentages are calculated based on the 116 respondents who did not have accounts when they completed training.

^d This question was asked only of respondents who said they had credit cards (n=51).

Table 23 also shows that substantial numbers of follow-up survey participants reported decreases in the use of fringe financial services, or else improved credit card management. In particular, 55.7% indicated that they used currency exchanges less often after completing training, and 39.9% reported that they used payday loans less often. The 32.3% of respondents who said that they had credit cards were asked if they had improved their management of these cards after training, and 82.4% stated that they had.

Access to Government and Work-Related Benefits

A final area of questioning pertained to whether those who graduated from FLLIP obtained government or work-related benefits after training. Table 24 shows that 24.1%

of follow-up respondents reported they had begun receiving some type of government benefit or tax credit that they had learned about during FLLIP training. In addition, 14.3% of the respondents who had not begun receiving new benefits had applied for them; this is equal to 10.7% of all respondents. Taken together, 34.8% had either begun receiving or applied for new benefits they learned about in the FLLIP training. In response to a follow-up question on what benefits they had received or applied for, the most common response was the Earned Income Tax Credit (EITC). Slightly over one-fourth (25.9%) of those who said they had received or applied for benefits mentioned the EITC, and an additional 20.3% mentioned the child care credit or other tax credits. The only other benefits mentioned by at least three respondents were food stamps (5.6%) and housing assistance (5.6%).

Only 13.3% of respondents reported receiving job benefits they had learned about in training. Given that some FLLIP participants had not worked at any time since completing training, receipt of such job benefits also was determined only for those who had worked. Among this subset of graduates, 17.7% indicated that they had begun receiving benefits they learned about in the training. Beginning participation in a 401k retirement savings plan was the most common job benefit mentioned, with 44.4% of those who responded to an open-ended follow-up on job benefits received specifying this benefit. Health insurance was mentioned by 27.7% of those who received job benefits, while no other specific benefit was reported by over two respondents.

Table 24: Access to Government and Work-Related Benefits Learned about in FLLIP Training (N = 158)

	YES ^A	NO ^A
Started receiving government benefits or tax credits	24.1%	75.3%
Applied for government benefits or tax credits	14.3% ^b	84.0% ^b
Started receiving job related benefits	13.3%	86.1%

^a Because of “don’t know” or “refused to answer” responses, the percentages for each question will add to less than 100%.

^b This question was asked of only those respondents who had not already received benefits (n=119).

Chapter 7: Implications and Recommendations

This two-year evaluation of the FLLIP program was intended both to assess overall program outcomes and to identify issues to consider as agencies implement financial management programs. We conclude by highlighting the most important study findings and their implications, and by providing related recommendations for financial management training development and implementation.

Affirming the Financial Education Needs of Low-Income Persons

The belief that low-income consumers lack basic financial knowledge has been an important impetus for the development of training programs such as FLLIP. However, empirical evidence to support this contention has been sketchy and often anecdotal. The findings from the FLLIP evaluation make an important contribution by more extensively analyzing pre-training knowledge of FLLIP participants.

The findings demonstrate that knowledge about financial matters was quite limited among those low-income persons who chose to enter training. These low knowledge levels were found despite the fact that the knowledge test developed for FLLIP was intended to measure very basic financial concerns. Further, substantial knowledge deficiencies were found across each of the five content areas on which financial knowledge was measured. These findings therefore support the program development attention to educating low-income persons that has emerged in recent years and is emphasized by FLLIP.

The finding that FLLIP participants lacked knowledge about public and work-related benefits should be of particular concern to those who develop financial training programs targeted at low-income audiences. Public benefits may be more important to

the economic well being of low-income persons than to other financial training audiences, because persons with low-incomes have few slack resources. In addition, public benefits such as medical coverage, child care, and selected tax credits are targeted at the low-income population.

As a result, developing specialized training materials on public benefits is necessary when focusing on low-income audiences. This task is made more difficult by the fact that, as services increasingly have devolved to the state and local levels of government, benefits and associated program rules commonly vary across jurisdictions. For training on public benefits to be most useful, it therefore is imperative for training programs to develop an understanding of local benefit eligibility requirements and rules, and to then tailor curriculum content accordingly. It also would be useful to develop handouts or booklets for trainees that clearly describe available public benefits and how to access them.

Participant comments about the most helpful aspects of the training additionally serve to reinforce the need for training in several other content areas emphasized by FLLIP. Most notable in this respect was the appreciation expressed by participants for learning about very basic budgeting and savings principles. The training focus on credit use, information on banks and other financial institutions, predatory lending, and insurance all appear worthwhile in light of participant assessments of the training.

The Promise of Financial Management Training for Low-Income Audiences

In assessing FLLIP training impacts, the fact that the program operated with disadvantaged participants in many difficult neighborhoods must be considered. In this context, the outcome results from this study are promising. Beginning with a new

curriculum, many agencies without prior experience in financial training presentation, and a diverse mix of trainees, FLLIP demonstrated positive results both in terms of financial knowledge gains and changes in financial practices.

With respect to financial knowledge, participants at both IDA and education-only sites experienced significant gains both overall and in each content area emphasized by the training. Such improvements may be an important initial step in improving financial practices, given the very low average pre-training knowledge levels of participants and the basic nature of financial information provided through the training.

We should note that, at least among education-only site participants, post-training knowledge remained quite low (the average score on the post-tests was 68.2%). This suggests the need for continued experimentation with alternative training approaches. For example, FLLIP attempted to provide considerable content in the 12-hour period allotted for the training. It would be useful to determine whether knowledge gains would vary if similar content were provided over a slightly longer training period.

FLLIP graduates attributed many subsequent changes in financial practices to the training they received through FLLIP. These included improving budgeting practices, obtaining public benefits, opening checking and savings accounts, and decreasing the use of fringe financial services. These findings were buttressed and enriched by responses to open-ended questions about the specific changes made in financial practices. While identifying such specific changes represents an improvement over many earlier studies, more precisely measuring behavior changes remains an important challenge. Pre- and post-training measures of selected financial behaviors using consistent instruments and time frames would be one useful approach, and the measurement of behaviors over a

longer time period also would be useful in better understanding the long-term effects of such programs.

Continued efforts to modify both the training content and delivery methods to respond to the differing needs of subsets of the low-income population also merit attention. The FLLIP experience clearly illustrates the diversity of audiences that may emerge if financial management training is made widely available to low-income persons. As a result, discussing training needs with participants during initial sessions may be a useful strategy for improving the applicability of training content for different groups. Using pre-training knowledge tests such as those implemented in this study likewise may be helpful in assessing needs before training begins. In addition, trainers should carefully assess the receptiveness of training audiences to varying delivery methods, as the preferences of those with differing educational backgrounds and cultures may differ.

Working with Disadvantaged and Diverse Audiences: Implications for Curriculum Development and Training Delivery

While the low-income population at times is viewed rather monolithically, the diverse characteristics of FLLIP participants suggest several targeting and curriculum issues in developing financial management training for low-income audiences. Our analyses comparing pre-training and post-training knowledge levels according to differing participant characteristics are especially pertinent in this respect. For example, those with limited education, Latinos, and those who were non-English primary speakers had lower pre-training knowledge levels than their counterparts. Despite the fact that FLLIP developed training curricula tailored to those with limited education, and also

translated materials into Spanish, those with limited education and non-English primary speakers showed lower knowledge gains when other factors were controlled. When coupled with the likelihood that low-income persons with these characteristics may be among those most reluctant to access available financial institutions and public services, refining strategies to target financial management training on these sub-groups is particularly important.

This targeting focus presents accompanying challenges for curriculum development and training delivery. For example, considerable creativity is needed to simplify sometimes complex financial concepts to encourage trainee participation and learning. In addition, the probability that large numbers of persons in such audiences will have experienced past classroom difficulties speaks to the need to establish a classroom environment that encourages trust and alleviates fears about classroom failures. The FLLIP curriculum and the educational practices developed at many sites have made important progress in addressing these issues by simplifying training content and engaging participants in educational activities (see our interim report (Anderson, Scott, & Zhan, 2002), for a further discussion of FLLIP training implementation). As the development of financial training programs proceeds, additional attention to these and related concerns is needed. Experimenting with training approaches that involve participants in decision-making about both training content and training activities may be one useful approach for creating a sense of empowerment consistent with broader program goals of encouraging self-sufficiency.

The findings regarding low pre-training knowledge levels among Latinos and non-primary English speakers suggest several implications in developing training for

such groups. First, depending on the extent to which English-speaking skills are undeveloped, translating financial management curricula is critical in maximizing the learning that will occur. Second, more research and program experimentation is needed to explore the usefulness of incorporating culturally sensitive variations into both training content and training approaches. Finally, especially in working with groups of recent immigrants, very basic orientations to American banking systems, governmental programs, and other institutions may be a necessary first step. Obviously, each of these points indicates the need to involve ethnically diverse curriculum planners and trainers in program development and training delivery.

IDA Versus Education-only Training Approaches

The findings of significantly higher pre-training knowledge levels for IDA versus education-only participants likewise have important program development implications. The higher IDA pre-training knowledge levels resulted partially from the recruitment of a relatively well off segment of the low-income population at IDA sites (for an elaboration of recruiting differences at IDA and education-only sites, see our interim report on FLLIP (Anderson, Scott, & Zhan, 2002)). These findings are consistent with research findings from the American Dream Demonstration indicating that IDA participants were better educated and more likely to be employed and tied to financial institutions than the general low-income population (Schreiner, Clancy, & Sherraden, 2002).

This is not intended to imply that IDA sites were inappropriately targeting participants from within the low-income population, as these sites needed to recruit low-income persons with reasonable savings prospects so that matching program funds could be earned. Nonetheless, the education-only sites clearly were serving a more

disadvantaged clientele. Education-only participants had lower education levels and more limited English-speaking skills, lower incomes, were less likely to be employed or have existing contacts with financial institutions, and were more likely to be TANF recipients and minority group members. It therefore is not surprising that they had lower pre-training knowledge levels.

FLLIP thus extended training provision to a much more disadvantaged segment of the lower income population than is likely to be served by programs that focus solely on IDAs, or by programs that do not aggressively market training in the most disadvantaged neighborhoods. Particularly noteworthy in this respect was the inclusion of substantial numbers of TANF recipients in the training, as well as training provision to large numbers of minority group members. FLLIP's emphasis on accommodating the training to non-primary English speakers also was unusual, and is to be commended.

These findings on IDA versus education-only pre-training knowledge differences pose interesting choices regarding the relative emphasis that should be given to developing these two types of program models. While IDA programs provide strong incentives for participation and convey greater benefits to participants, they are much more expensive to operate than education-only programs and hence can serve fewer participants with comparable funding amounts. In addition, because of the need for participants to save personal income to generate program matching funds, IDA programs tend to target a subgroup of the low-income population that is better off educationally and financially. In comparison, especially if program administrators target disadvantaged neighborhoods and develop good working relationships with TANF offices and other programs for low-income persons, education-only approaches are likely to serve a

broader low-income audience at a lower cost. While these two different programming approaches can be pursued simultaneously, efforts to target training on those participants with the greatest needs deserve particular attention.

The Challenge of Program Retention

The data on program completions and non-completion reasons present a critical challenge in developing effective financial training for low-income audiences. While non-completion rates declined somewhat as program experience grew, about 31% of those who entered training failed to complete it. This is not a problem unique to FLLIP, as high dropout rates are common in many training programs. FLLIP drop-out rates also should be viewed in the context of the program's aggressive efforts to provide services in disadvantaged neighborhoods, and to extend training to hard-to-serve groups such as TANF recipients.

These substantial dropout rates, and the reasons participants offered for not completing training, suggest several program development implications. For example, many participants indicated that new work schedules, job searches, and other training had conflicted with FLLIP and resulted in non-completion of the training. Therefore, flexibility in scheduling may be especially important in facilitating training completion. Several FLLIP sites had experimented with variable schedules designed in response to participant schedules, and also allowed those who experienced conflicts to attend subsequent sessions to make up classes. More consistent implementation of such approaches may be helpful in reducing program drop-out rates.

Support service barriers or family problems also were reported as reasons for non-completion by substantial numbers of participants. As training programs target services at

low-income persons in disadvantaged communities, such difficulties are to be expected. FLLIP was successful in negotiating with IDHS to obtain child care and transportation reimbursements for participants. However, this help generally was not available for non-TANF participants. If retention is to be maximized as financial management training programs for this audience proliferate, planners would be well-advised to budget funds for child care and transportation allowances. While this obviously adds to program costs, it may allow an increase in successful training completion by high-risk individuals.

The provision of participation incentives appeared crucial to successful FLLIP completion, and further experimentation with alternative incentives therefore is warranted. Despite being provided with the same FEP training curriculum, education-only site participants were nearly three times as likely to drop out of training as IDA trainees. These differences are partially attributable to the fact that IDA sites generally served a more educationally and economically well-off segment of the low-income population. However, it also appeared that the powerful incentives for participation at IDA sites - the matched savings accounts - were influential in the higher completion rates experienced at these sites.

In contrast, few consistent tangible incentives were provided to education-only participants. TANF recipients could count participation in FLLIP training toward required TANF "work activities" and receive child care and transportation subsidies. All FLLIP graduates also received a certificate of completion, and most FLLIP sites held modest graduation ceremonies. Some of the education-only sites offered additional incentives such as access to free or low-cost bank accounts for those who completed training, calculators or other products related to financial management, and gift

certificates or small deposits into starter accounts. Even these fairly small incentives seemed very well received by many graduates, but these incentives clearly were much less influential than the substantial financial incentives provided at IDA sites.

Some may argue that the quality of the training product should be sufficient to entice entry into and retention in training. However, the educational limitations, poor English skills, and other problems faced by many FLLIP trainees often compromise attendance even at sessions people consider useful. It consequently seems reasonable to experiment with the provision of additional and more universal participation incentives to improve training retention at financial training programs such as FLLIP. Because the provision of additional incentives was optional and not consistent across sites, FLLIP did not attempt to measure the effects of those additional incentives. Further research could examine the impacts of different levels and types of incentives on recruitment, graduation rates, satisfaction, and behavior changes.

The Importance of State and Community Collaboration in Refining Financial Management Training Approaches

Because differing aspects of financial management training require specialized expertise from persons with different backgrounds, collaboration between a variety of community actors is invaluable. Participants may include financial planners, bankers, university extension and adult education specialists, social workers and other agency personnel, human services advocates, private foundation officials, and others. Particularly in developing training for low-income audiences, the involvement of state and local social services agencies may be especially important.

FLLIP was very successful in developing and nurturing such collaborative arrangements, and its program experiences therefore offer some useful program development directions. For example, the negotiation between the FLLIP Coalition and IDHS to count the training as a TANF work activity warrants replication. Similarly, as many state and local human service agencies have increasingly focused on developing supports for the working poor as TANF caseloads have decreased, including publicly funded financial management training as one such support service for the working poor deserves consideration. As training is extended to these more difficult training audiences, the provision of child care and transportation support is likely to be very important in encouraging participants to complete training.

In addition to the involvement of human services agencies, the involvement of university extension services and adult education programs has considerable promise in extending financial management training to low-income audiences. These educational institutions often have considerable experience in providing financial education, and also frequently serve lower income clientele. In addition, both have considerable physical infrastructure that simplifies the provision of training. University extension services also tend to have county offices across the state, which can facilitate development of a statewide training network.

Finally, the collaboration of numerous community actors is important in developing marketing and outreach strategies to encourage low-income persons to attend training. Our earlier report (Anderson, Scott, & Zhan, 2002) found that marketing the training was very difficult, and that the involvement of many referral sources often was necessary to generate sufficient numbers of training participants. FLLIP initiated

contracts in very disadvantaged neighborhoods with community agencies that were knowledgeable about the populations in those areas. FLLIP also provided training to community agencies about the Community Reinvestment Act to help agencies leverage bank support for the financial training. While this approach requires experience in selecting contractors with adequate training expertise and other resources, it can facilitate community support for the training as well as participant willingness to attend. Such agencies also often are familiar with other service agencies and institutions in the community and, hence, are in the position to recruit participants.

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Appendix A:

FLLIP Financial Education Program **Participant Application Form**

Return completed applications to: Dory Rand, National Center on Poverty Law, 205 W. Monroe Street, 2nd Floor, Chicago IL 60606.

Please note: All personally identifiable information requested on this application form will be kept confidential within the FLLIP Financial Education Program, partner organizations, and evaluators. Much of the personal and financial information collected on this form is necessary only for evaluation purposes.

Personal Information (Primary Applicant)

Name: _____ Social Security No.: ____ - ____ - _____

Street: _____ Apt #: _____

City: _____ State: ____ Zip Code: _____

Home Phone: (____) _____ Work Phone: (____) _____ Pager: (____) _____

Cell Phone: (____) _____ Email: _____

Gender: Female Male Date of Birth: ____ (mo.) / ____ (day) / ____ (year)

Ethnicity: African American Caucasian
 Latino or Hispanic Asian, Pacific Islander
 Native American Other (*please specify*: _____)

Highest Level of Education Completed (check one box only):

- | | |
|---|--|
| <input type="checkbox"/> Grade K through 5 | <input type="checkbox"/> Grade 6 through 8 |
| <input type="checkbox"/> Grade 9 through 12 | <input type="checkbox"/> High School Diploma or GED |
| <input type="checkbox"/> Attended college | <input type="checkbox"/> Graduated junior college (2 year) |
| <input type="checkbox"/> Graduated college (4 year) | <input type="checkbox"/> Attended graduate school |

How did you hear about the *FLLIP Program*? _____

Do you have any special needs the *FLLIP Program* staff should know about? _____

What is the primary language spoken in your household? _____

If the primary language is not English, is English also spoken? _____

Emergency Contact Information

Please list a relative or friend who would definitely know how to contact you, even if you move.

Name: _____ Phone: (____) _____
Street: _____ Apt #: _____
City: _____ State: _____ Zip Code: _____

Household Information

Note: "Household" includes (1) your financial dependents, such as your dependent children, (2) anyone you depend on financially, such as your parents, and/or (3) anyone with whom you are financially interdependent, such as your spouse or partner.

How many adults (18 years old and older) currently live in your household? _____

How many children (under 18 years old) currently live in your household? _____

Do you have any children who are under age 5? Yes No

Marital status: Single (never married) Married Separated
 Divorced Widowed

Income Information

Please list the combined gross income (before taxes and other deductions) of all household members.

<u>Category</u>	<u>Last Month</u>
Employment (wages/salary)	\$ _____
Self-employment (selling things you make, doing laundry, sewing, childcare, etc.)	\$ _____
Cash benefits (TANF, AABD, SSI, Social Security, Unemployment or Veterans Benefits)	\$ _____
Pensions or retirement income	\$ _____
Investment income (interest/dividends)	\$ _____
Child support/Alimony payments	\$ _____
Other (please specify: _____)	\$ _____

Are you currently receiving:

TANF cash benefits Yes No

KidCare Yes No

Section 8/public housing Yes No

Help from the government or an agency with child care Yes No

Employment Information

Do you currently have a job for pay? Yes No

(If yes) Do you have a single job, or more than one job? one job more than one job

About how many hours do you work in a typical week? _____

What is your hourly pay rate on your job (main job if you have more than one job)? _____

Are you currently enrolled in school or in a training program? Yes No

In the last two years, or 24 months, about how many months have you worked full or part-time? _____

Assets & Liabilities

Please list the combined assets and liabilities of all household members 18 years and older.

Assets and liabilities:

(Circle one)

Do you own a vehicle? *Yes* *No* Fair Market Value of each vehicle: \$ _____
 Number of vehicles owned: _____ Amount owed on vehicle loan(s): \$ _____

Do you own a home? *Yes* *No* Value of each home: \$ _____
 Number of homes owned: _____ Amount owed on mortgage(s): \$ _____

Do you have a checking account? *Yes* *No* Amount in account: \$ _____

Do you have a savings account (other than an IDA)? *Yes* *No* Amount in account: \$ _____

Do you owe money to friends or family? *Yes* *No* Total amount owed: \$ _____

Do you have past due household bills? *Yes* *No* Total amount past due: \$ _____

Are you carrying a balance on credit card(s)? *Yes* *No* Total amount of balances on cards: \$ _____

Do you have student loans that you owe money on? *Yes* *No* Amount of money owed: \$ _____

Do you have any medical bills that you owe money on? *Yes* *No* Amount of money owed on medical bills: \$ _____

Do you owe any money for taxes (from previous years) *Yes* *No* Amount of tax money owed: \$ _____

Did you file a federal income tax return last year *Yes* *No*

Please list all other debts you have not listed on the previous page. For each debt that you list, please include the amount that you owe.

Thinking back over the past three months, have you been able to save any money? Yes No

(If Yes) How much have you saved in the last three months? _____

Thinking back over the last month, how many times have you done each of the following things:

- Gone to a pawn shop _____
- Used a currency exchange _____
- Used a bank _____
- Borrowed money from family members or friends _____

Applicant Personal Statement

Please explain why you are interested in participating in the *FLLIP Financial Education Program*. (Please write on the back if you need more space.)

Co-Applicant Information

If there is no co-applicant, please go to the “Applicant Certification” section at the top of the next page.

Co-Applicant Personal Information

Name: _____ Social Security No.: ____ - ____ - _____

Home Phone: (____) _____ Work Phone: (____) _____ Pager: (____) _____

Cell Phone: (____) _____ Email: _____

Gender: Female Male Date of Birth: ____ (mo.) / ____ (day) / ____ (year)

Ethnicity: African American Caucasian
 Latino or Hispanic Asian, Pacific Islander
 Native American Other (*please specify*: _____)

Highest Level of Education Completed (check one box only):

- | | |
|---|--|
| <input type="checkbox"/> Grade K through 5 | <input type="checkbox"/> Grade 6 through 8 |
| <input type="checkbox"/> Grade 9 through 12 | <input type="checkbox"/> High School Diploma or GED |
| <input type="checkbox"/> Attended college | <input type="checkbox"/> Graduated junior college (2 year) |
| <input type="checkbox"/> Graduated college (4 year) | <input type="checkbox"/> Attended graduate school |

Co-Applicant Employment Information

Does this person currently have a job for pay? Yes No

(If yes) Does this person have a single job, or more than one job? one job more than one job

About how many hours does this person work in a typical week? _____

What is the hourly pay rate on this job (main job if she/he has more than one job)? _____

Is this person currently enrolled in school or in a training program? Yes No

In the last two years, or 24 months, about how many months has this person worked full or part-time? _____

Applicant Certification

My signature below certifies that all information provided on this application is accurate and complete to the best of my knowledge.

Signature: _____ Date: _____

For Office Use Only

Date received: _____ Application reviewed by: _____

- Application complete
- Interview scheduled: _____

Participant start date: _____

- Paper file established
- Data entered in MIS

**Appendix B: Pre- and Post-training Knowledge Surveys Administered to
Participants in FLLIP Evaluation Sites**

I am going to read many statements to you. Some of these statements are true and others are false. Please either check or put an X in the box that shows whether you think the statement is true or false. If you really have no idea whether the statement is true or false, check the “Don’t Know” box.

	TRUE	FALSE	DON'T KNOW
1. All banks provide the same interest rates on their savings accounts.			
2. Creditors sometimes will reduce your minimum payments or interest if you talk with them.			
3. Envelope budgeting is a system for setting aside the amount of money you will spend for different purposes.			
4. Paying all bills on time is the best way to establish a good credit record.			
5. You do not need to record ATM withdrawals and deposits in your checkbook.			
6. If you get health care insurance through your job, you can pay to continue your health insurance for at least 18 months when you lose your job.			
7. You may use a debit card to withdraw more money than you have in your bank account as long as you pay it back later.			
8. If you buy disability insurance, you will receive the same amount of money you got while working if you become disabled.			
9. Rapid refund services usually charge a higher fee for preparing your tax returns than government and community programs do.			
10. Buying an item through rent-to-own plans usually costs less overall than buying the same item with a bank loan.			

	TRUE	FALSE	DON'T KNOW
11. Loans that allow no interest for a certain period often have very high interest rates later.			
12. Door-to-door salesmen have the best deals on insurance.			
13. Predatory lending means taking unfair advantage of consumers who need to borrow money.			
14. Currency exchanges usually charge less than banks for cashing checks and other financial services.			
15. Payday loans usually have low interest rates.			
16. Employers sometimes will contribute to your Savings when you invest in retirement plans.			
17. You should save three or more months of living Expenses before you begin investing.			
18. You can build large savings over time by making small Reductions in your weekly spending.			
19. Using credit is a good way to pay overdue bills.			
20. A debit card is used to take money from your bank account electronically.			
21. In Illinois, there is a program to help low-income parents pay for child care.			
22. A mortgage payment is money that you invest in stocks and bonds.			
23. The Child Tax Credit is a government benefit you can receive if you have a child under 13.			
24. The Earned Income Tax Credit (EITC) is a government payment that rewards people for working.			
25. You must owe income taxes in order to receive the Earned Income Tax Credit (EITC).			

	TRUE	FALSE	DON'T KNOW
26. You can lose TANF benefits if you receive the Earned Income Tax Credit (EITC).			
27. It is legal to drive a car in Illinois without automobile insurance.			
28. Knowing the annual percentage rate (APR) for a loan is a good way to compare loans with different repayment periods.			
29. A loan with a 3% monthly charge is a better deal than a loan with a 20% APR.			
30. Taking out a small loan or opening a department store charge account can help you build a good credit rating.			
31. Compounding means additional interest you receive when you re-invest earlier interest you have earned.			
32. Credit bureaus keep track of how people pay their bills.			
33. You can count on regular growth in your money when you invest in the stock market.			
34. Family leave benefits allow employees to take unpaid time off from work after they have a child.			
35. You only can receive Medicaid if you also receive Temporary Assistance for Needy Families (TANF) benefits.			
36. The rate of return on your money is the amount that you earn on your savings and investments.			
37. Investments usually are less risky than savings accounts.			
38. Tax deferred savings accounts allow you to save money while putting off some tax payments until a later date.			
39. In the long run, savings accounts usually have a higher rate of return than investments.			

Please circle the letter next to the answer that you think is the best answer to each of the following questions. If you really have no idea what the best answer is, circle the letter next to the “Don’t Know” answer.

40. Before you can save, you need to:

- a. pay bills on time
- b. pay credit cards in full each month
- c. buy needed insurance
- d. set up an emergency fund
- e. all of the above
- f. none of the above
- g. don’t know

41. Which of the following practices often take advantage of people who have little money:

- a. savings accounts
- b. pawning items
- c. investing in mutual funds
- d. none of the above
- e. all of the above
- f. don’t know

42. Interest is:

- a. money you pay a lender as part of a loan repayment
- b. money you earn on savings and investments
- c. both of the above
- d. neither of the above
- e. don’t know

43. You can save money on insurance by:
- a. taking a smaller deductible
 - b. using group insurance
 - c. neither of the above
 - d. both of the above
 - e. don't know
44. The following things may affect the amount you pay for your auto insurance:
- a. sex
 - b. driving record
 - c. location of your home
 - d. none of the above
 - e. all of the above
 - f. don't know
45. In order to set up a household spending plan, you need to:
- a. purchase a computer
 - b. decide which of your debts are most important to pay
 - c. talk with a financial planner
 - d. none of the above
 - e. all of the above
 - f. don't know
46. Which of the following services often are available to people who have checking accounts?
- a. direct deposits of pay checks
 - b. use of ATM cards
 - c. direct payments of bills
 - d. all of the above
 - e. none of the above
 - f. don't know

47. The fees that you pay for a checking account may be based on:
- a. the amount of money you keep in the account.
 - b. the number of checks you write
 - c. either of the above
 - d. neither of the above
 - e. don't know
48. In choosing where to open a checking or savings account, you should think about:
- a. interest rates
 - b. minimum balance requirements
 - c. fees for services
 - d. all of the above
 - e. none of the above

THANK YOU!

Appendix C: Follow-up Telephone Survey Administered to Sample of FLLIP Graduates

Note: This survey was completed using Computer Assisted Telephone Interviewing (CATI). To ease review of the survey content, it has been edited and re-formatted for presentation in this appendix.

Assessment of Training Usefulness

I would like to begin by asking you some questions about how useful you thought that the financial education training was to you in various ways. First of all,

1. Overall, how helpful did you find the financial education training to be?

Very useful Somewhat useful A little useful Not at all useful

2. What did you learn from the training that was the most useful in your life?

3. What could have been done to make the financial education training more useful to you?

4. Next, we'd like to know how helpful you think the financial education training was in improving your knowledge in the following types of areas.

	Very helpful	Somewhat helpful	A little helpful	Not at all helpful
A. First, for improving your knowledge about money traps or poor financial management practices, do you think the training was:				
B. Benefits you might be eligible for from your employer or the government				
C. Saving money				
D. Investing money				
E. Benefits of using banks and bank accounts or credit unions				
F. Understanding of interest rates				
G. The proper use of credit				
H. Purchasing different types of insurance				
I. Understanding taxes and tax credits				
J. Preparing and following a household budget				
K. Building consumer skills and taking consumer action				

5. Now, I want to talk with you about whether or not you have made any changes in how you manage your money since you completed the financial education training.

	Yes	No
A. Overall, do you think you are doing a better job of keeping track of your expenses since you completed the financial education training?		
B. Did you open a checking account for the first time after completing the financial education training?		
C. Did you open a savings account for the first time after completing the financial education training?		
D. Did you change a checking or savings account you already had after completing the financial education training?		
<p>E. Did you start receiving any government benefits or tax credits that you learned about in the financial education training?</p> <p>[If yes], what benefits did you start receiving?</p> <p>_____</p> <p>[If no], Have you applied for any benefits you learned about in the financial education training?</p> <p>[If yes], What benefits did you apply for?</p> <p>_____</p>		
<p>F. Did you start receiving any job benefits that you learned about in the financial education training?</p> <p>[If yes], what types of job benefits did you start receiving?</p> <p>_____</p>		

	Yes	No
<p>G. Did you purchase any type of insurance that you learned about in the financial education training?</p> <p>[If yes], what type of insurance did you purchase?</p> <p>_____</p>		
<p>H. Did you change the way that your household budgets your money in any important ways?</p> <p>[If yes], Could you tell me one or two specific ways that you have changed your household budgeting?</p> <p>_____</p>		
<p>I. Have you been able to save more money in a typical month than you were able to save before you received the financial education training?</p> <p>[If yes], What is the major reason that you have been able to save more money?</p> <p>_____</p> <p>[If no], What is the major reason you have not been able to save any more money?</p> <p>_____</p>		
<p>J. Have you purchased a home since completing the financial education training?</p>		
<p>K. Have you started saving toward a down payment on a home since completing the financial management training?</p>		
<p>L. Not including buying a home, have you made at least one long-term financial investment since completing the financial education training? Here we have in mind such things as saving for education or retirement, buying a car, starting a business, purchasing stocks or bonds, or investing in mutual funds.</p> <p>[If yes], what type of investment did you make?</p> <p>_____</p>		

	Yes	No
<p>M. Have you made a major improvement to your home since completing the financial education training? Here I have in mind such things as putting in new windows, new roofs, or painting.</p> <p>[If yes], what type of home improvement did you make?</p> <p>_____</p>		
<p>N. Have you started saving for retirement since completing the financial education training?</p>		
<p>O. Have you used currency exchanges less often than you did before receiving the financial education training?</p>		
<p>P. Have you used payday loans less often than you did before receiving the financial education training?</p>		
<p>Q. Have you changed the way you pay you bills?</p> <p>[If yes], How have you changed the way that you pay your bills?</p> <p>_____</p>		

6. Do you have any credit cards?

Yes _____ No _____

[If yes], Do you think you have done a better job of managing your credit cards since completing the financial education training?

Yes _____ No _____

7. Next, I would like to ask you a few questions about how confident you are about some financial and work issues. I'm going to read several kinds of issues. In thinking ahead to the next 12 months, I'd like to know how confident you feel about each of them.

	Very confident	Somewhat confident	A little confident	Not at all confident
A. First, how confident are you that you can do a good job managing whatever money you have? Would you say you are:				
B. Earn enough money to support yourself or your family well?				
C. Find or keep a job that will last?				
D. Be able to save some money in the next year?				
E. Will not be taken advantage of by persons lending money or offering credit?				
F. Know what types of insurance coverage you need?				
G. Be able to afford the insurance coverage you need?				
H. Be able to obtain the government benefits you are eligible for?				
I. Make good use of the services offered by banks or credit unions?				

	Very confident	Somewhat confident	A little confident	Not at all confident
J. Be able to purchase the things that are most important to your family?				
K. Be able to understand credit reports?				
L. Be able to pay bills on time?				

8. In thinking ahead to the next year, what if any money-related matter concerns you the most?

9. Now I would like to ask you some questions that are meant to find out what you know about some money management issues. Please tell me whether you think each of the following statements is true or false. If you really have no idea what the answer is, simply say that you don't know.

	True	False	Don't know
a. The first statement is: Buying an item through rent-to-own plans usually costs less overall than buying the same item with a bank loan. Is this statement true or false?			
b. Predatory lending means taking unfair advantage of consumers who need to borrow money.			
c. If you buy disability insurance, you will receive the same amount of money you got while working if you become disabled.			

	True	False	Don't know
d. Employers sometimes will contribute to your savings when you invest in retirement plans.			
e. The Child Tax Credit is a government benefit you can receive if you have a child under 13.			
f. You can lose TANF benefits if you receive the Earned Income Tax Credit, sometimes called the EITC.			
g. Family leave benefits allow employees to take unpaid time off from work after they have a child.			
h. You should save three or more months of living expenses before you begin investing.			
i. Compounding means additional interest you receive when you re-invest earlier interest you have earned.			
j. The rate of return on your money is the amount that you earn on your savings and investments.			
k. Tax deferred savings accounts allow you to save money while putting off some tax payments until a later date.			
l. Knowing the annual percentage rate (APR) for a loan is a good way to compare loans with different repayment periods.			
m. A loan with a 3% monthly charge is a better deal than a loan with a 20% APR.			
n. Taking out a small loan or opening a department store charge account can help you build a good credit rating.			

- o. The fees that you pay for a checking account may be based on:
- a. the amount of money you keep in the account
 - b. the number of checks you write
 - c. either of the above
 - d. neither of the above
 - e. don't know

Now I would like to ask you some questions about your current employment situation.

10. Do you currently do any work for pay? Yes _____ No _____

[If no] When was the last time you did any work for pay? _____

[If yes] Do you have one job, or more than one job?

one job more than one job

11. About how many hours do you work in a typical week? _____

12. What is your hourly pay rate or salary on your job (main job if more than one job)?

13. **[If more than one job]** About how much do you earn in a typical week on jobs other than your main job?

14. Are you currently enrolled in school or in a training program? Yes _____ No _____

[If yes] What type of school or training program are you enrolled in?

[If yes] Is this a full-time or a part-time program?

Full-time _____ Part-time _____

15. Have you ever applied for a new job since completing the financial management training?

Yes _____ No _____

[If yes] Thinking about the most recent time you applied for a new job, did the employer require you to authorize a check of your credit when you applied?

Yes _____ No _____

16. About how many different jobs for pay have you had since completing the financial education training?

17. **[If had more than one job since financial education]** The last time that you changed jobs, did your hourly wage or salary rate:

a. increase b. decrease c. stay the same

18. **[If had more than one job since financial education]** The last time that you changed jobs, did the average number of hours you work in a week:

a. increase b. decrease c. stay the same

19. Since you completed the financial education training, have you been employed either full-time or part-time every month?

Yes _____ No _____

[If yes] Well, could you tell me which of the following best describes you since you completed the training:

- (1) You worked all the time
- (2) You worked some of the time, but not all of the time
- (3) You haven't worked since you completed training

[If no to 19] Which of the following best describes the jobs you have had since you completed the financial education training?

- (1) You have worked full or part-time in some months, but have had some periods of unemployment
- (2) You have never Worked
- (3) Other

20. Have you had a spouse, partner, or child living with you who has worked consistently and contributed to your household income since you completed the financial education training?

Yes _____ No _____

Family Background Information

Now I would like to ask you just a few questions about your family.

21. How many adults 18 years old and older currently live in your household?

22. How many children under 18 years old currently live in your household?

23. How old is your youngest child who currently live with you? _____

24. Which of the following best describes your current marital status?

Married

Living with a partner

Separated

Divorced

Widowed

Never married

Income, Assets, and Debts

Next, I would like to ask you some questions about your current income, assets, and debts. I should remind you that all of this information is confidential, and we would just like the best estimates that you can give us.

25. Please tell me about how much income you and all household members who live with you received last month from each of the following sources, before any taxes were taken out.

Category	Amount last month
a. About how much did you and all other household members receive last month from wages or salaries?	
b. Self-employment earnings such as from selling things you make, doing laundry, sewing, child care, and the like?	
c. Cash benefits such as TANF, AABD, SSI, Social Security, unemployment or veterans benefits?	
d. Pensions or retirement income, including railroad retirement benefits?	
e. Investment income like interest or dividends?	
f. Child support or alimony payments?	
g. Food Stamps?	
g. Other?	

26. Since you completed the financial education training would you say that your overall income in a typical month has:

- a. Gone up a lot
- b. Gone up a little
- c. Stayed about the same
- d. Gone down a little
- e. Gone down a lot

27. In the months since you completed the financial education training, would you say that your income from month to month was:

- a. Usually about the same each month
- b. Changed a little from month to month
- c. Changed a lot from month to month

28. Since you completed the financial education training, would you say that your overall expenses in a typical month have:

- a. Gone up a lot
- b. Gone up a little
- c. Stayed about the same
- d. Gone down a little
- e. Gone down a lot

29. In the months since you completed the financial education training, would you say that your expenses from month to month have been:

- a. Usually about the same each month
- b. Changed a little from month to month
- c. Changed a lot from month to month

30. In the months since you completed the financial education training, has anyone you owed money to done things to collect this money, such as calling your home about the money that you owe, filing a lawsuit against you, or garnishing your wages?

Yes _____ No _____

[If yes] What action did they take? _____

31. Are you currently receiving:

TANF cash benefits	Yes	No		
KidCare	Yes	No		
Medicaid	Yes	No		
Section 8/public housing	Yes	No		
Help from the government or an agency with child care	Yes	No		
Supplemental Security Income (SSI) for yourself	Yes	No		
Supplemental Security Income (SSI) for one or more of your children	Yes	No		

32. Next, I'm going to read several kinds of assets or debts that you asked about when you applied to be in the training program. Please give me your best estimates on your current assets or debts for each of the following areas.

Asset or debt	Yes	No	Amount
<p>a. The first is: Do you own a vehicle?</p> <p>[If yes] What is the fair market value of each vehicle you own? That is, how much could you sell your vehicles for?</p> <p>[If yes] How much do you still owe on any loans you may have on any of your vehicles?</p>			
<p>b. Do you own a home?</p> <p>[If yes] (1) What is the value of your home?</p> <p>(2) What is the amount you still owe on the mortgage for this home?</p>			

Asset or debt	Yes	No	Amount
<p>c. Do you have a checking account?</p> <p>[If yes] About how much do you currently have in the checking accounts you have?</p>			
<p>d. Do you have a savings account other than an IDA account?</p> <p>[If yes] How much do you currently have in the savings accounts you have?</p>			
<p>e. Do you have an IDA account?</p> <p>[If yes] About how much do you currently have in the IDA account?</p>			
<p>f. Do you have any other money in savings or investments?</p> <p>[If yes] About how much do you currently have in these other savings or investments?</p>			
<p>g. Do you owe money to family members or friends?</p> <p>[If yes] About how much do you currently owe to family members or friends?</p>			
<p>h. Do you have past due household bills?</p> <p>[If yes] About how much do you owe in household bills that is past due?</p>			
<p>i. Are you carrying a balance on any credit cards?</p> <p>[If yes] About how much are the current total balances on all of your credit cards?</p>			

Asset or debt	Yes	No	Amount
j. Do you have student loans that you owe money on? [If yes] About how much do you currently owe on all student loans?			
k. Do you have any medical bills that you owe money on? [If yes] About how much do you currently owe on medical bills?			
l. Do you owe any money for taxes from previous years? [If yes] About how much do you owe on taxes from previous years?			
m. Do you have any other debts? [If yes] About what is the total amount you owe in these other debts?			

33. Thinking back over the past three months, have you been able to save any money?

Yes _____ No _____

[If Yes] How much have you saved in the last three months? _____

34. Thinking back over the last month, how many times have you done each of the following things:

Gone to a pawn shop _____

Used a currency exchange _____

Used a bank or credit union _____

[If used bank or credit union] Have you used a bank or credit union for anything other than using an ATM with an Illinois Link card?

Yes _____ No _____

Borrowed money from family members or friends _____

35. I want to thank you for taking the time to talk with me. Before we end the interview, I have one final question: Do you have any advice for people operating financial management programs, so that they are the best possible programs?

Appendix D: Training Satisfaction Items Administered to FLLIP Graduates

The final set of questions below asks your views about the financial management training you have just completed. To assure that you can be comfortable in offering your honest opinions, I will leave the room while you answer these questions. I would like a volunteer who would be willing to read the questions aloud, collect the completed forms, and put them into this addressed envelope. I then would like to the volunteer to seal the envelope and write her name across the seal. This assures that your answers will not be seen by anyone other than project researchers. I will mail the sealed envelope to the researchers immediately after the class is completed. [The trainer should select a volunteer at this point and then leave the room until the final questions are completed and the activities are collected].

1. Overall, what did you find most helpful about the training you just completed?

2. What do you think could be done to improve the training?

3. Overall, how would you rate the quality of the training you received?

Excellent ____ Good ____ Fair ____ Poor ____

4. Overall, how would you rate the job the trainer did in presenting the training?

Excellent ____ Good ____ Fair ____ Poor ____

5. The training material will help me in managing my finances.

Agree a lot ____ Agree some ____ Disagree some ____ Disagree a lot ____

6. The instructor understood the training material very well.

Agree a lot ____ Agree some ____ Disagree some ____ Disagree a lot ____

7. The activities and exercises used helped me to understand financial management ideas.

Agree a lot ____ Agree some ____ Disagree some ____ Disagree a lot ____

8. The training material was too difficult.

Agree a lot ____ Agree some ____ Disagree some ____ Disagree a lot ____

9. I think that the trainer did a good job of teaching.

Agree a lot ____ Agree some ____ Disagree some ____ Disagree a lot ____

10. The training was boring.

Agree a lot ____ Agree some ____ Disagree some ____ Disagree a lot ____

11. Not much was gained by taking this training.

Agree a lot ____ Agree some ____ Disagree some ____ Disagree a lot ____

12. I would have learned more if other ways of teaching were used.

Agree a lot ____ Agree some ____ Disagree some ____ Disagree a lot ____