



# Survey of former IDA Program Participants: How do they fare?

Presented by

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## **EXECUTIVE SUMMARY**

This research contributes significantly to our current understanding of the long-term impact of Individual Development Account (IDA) program participation on the economic, social, and psychological well-being of former participants.

Specifically, the study seeks to answer three specific questions:

1. Does IDA program participation help individuals achieve long-term savings?
2. What factors affect long-term savings?
3. How do successful program participants differ from those who left the program prior to completion?

Made possible through the financial support of the Ohio CDC Association and Ohio State University Extension, a survey of all former IDA program participants of agencies affiliated with the Ohio CDC Association was conducted.

- Eligible respondents were any IDA program participant who had saved in an Individual Development Account since the programs inception in 1999, including successful graduates and former participants who left the program prematurely.
- A total of 465 former program participants were contacted by mail and invited to participate in a paper-and-pencil survey.
- The questionnaire, mailed in April 2007, consisted of 26 questions (19 questions for program dropouts).
- A total of 164 individuals (or 43% of successful contacts) completed the survey.

Key findings are:

1. Compared to program dropouts, successful graduates reported in the survey a higher annual household income, more likely being full-time employed, more likely owning a checking account, an investment account, credit cards, and a mortgage. Importantly, IDA graduates had significantly higher post-program savings than dropouts.
2. Of the respondents who graduated from the IDA program, all but one still owned the home purchased with the IDA funds.
3. Of the respondents who saved for higher education, only two left their educational program without a degree.
4. Three-quarter of respondents who saved to open a small business were able to sustain it.

5. Program graduates reported only slightly higher tenancies towards future orientation, ability to control impulsive behavior, and capability to attain goals. They experienced marginally less financial strain and lifestyle deprivation.
6. The majority of both program graduates and dropouts were the primary financial decision makers for their household.
7. Inquiring about the past and future financial situation, program dropouts reported a significantly more positive outlook toward their financial future.
8. Taking into consideration the demographic, socio-economic, and program-specific measures of the survey, respondents who reported higher household savings, owning a mortgage, and having higher levels of formal education had more likely successfully graduated from the IDA program.
9. Survey participants with higher household savings were, in order of significance, more likely to own an investment account, be white, have graduated from the IDA program, have children under 18 living in their households, be more considerate of the future consequences of their actions, and be employed full-time.
10. Examining predictors of household savings for the group of successful IDA program graduates, higher savings were, in order of significance, related to owning an investment account, being white, experiencing less financial strain, having children under 18 living in their households, being more considerate of the future consequences of their actions, and being unmarried.

These key findings lead to the following recommendations for program development strategies to further household savings after people leave the IDA program:

1. *Provide extra support to minorities and people with job problems.*  
Our findings show that non-white respondents and those with less than full-time employment are less likely to accumulate savings after they left the IDA program.
2. *Teach participants the importance of opening an investment account for long-term savings.*  
Owning an investment account was the most important predictor of post-program household savings. The IDA program providers may consider providing information about employer-sponsored retirement plans and investment accounts at low-cost investment houses during their financial education and counseling sessions.
3. *Emphasize the importance of consideration of future consequences.*  
Respondents who believed certain economic behaviors are worthwhile because of future benefits, even if immediate outcomes are relatively undesirable or even if there are immediate costs, were able to accumulate higher household savings. IDA pro-

grams may develop strategies to train participants the skills to forfeit immediate benefits like convenience or pleasure to achieve more desirable future states.

4. *Teach skills that help cope with situations of financial strain.*

Among successful program graduates, those who had strong feelings of financial strain were less successful in accumulating savings. IDA programs may offer trainings to participants that develop participants’ skills in coping with perceptions of inadequacy with their financial position and with financial concerns and worries.

5. *Encourage formal education.*

A significant predictor of program graduation was the level of formal education. IDA programs may consider providing information about financial aid and economic access programs to their program participants as a part of their regular financial education and counseling sessions.

Limitations of the study:

Only 35 percent of the 465 former IDA program participants of the Ohio CDC Association participated in the here presented survey. Readers need to be aware that our findings may not correctly represent the situation of the whole group of former IDA program participants.

## GOAL AND OBJECTIVES OF SURVEY

This research aims to explain the long-term outcomes of participation in an IDA program by answering three specific questions:

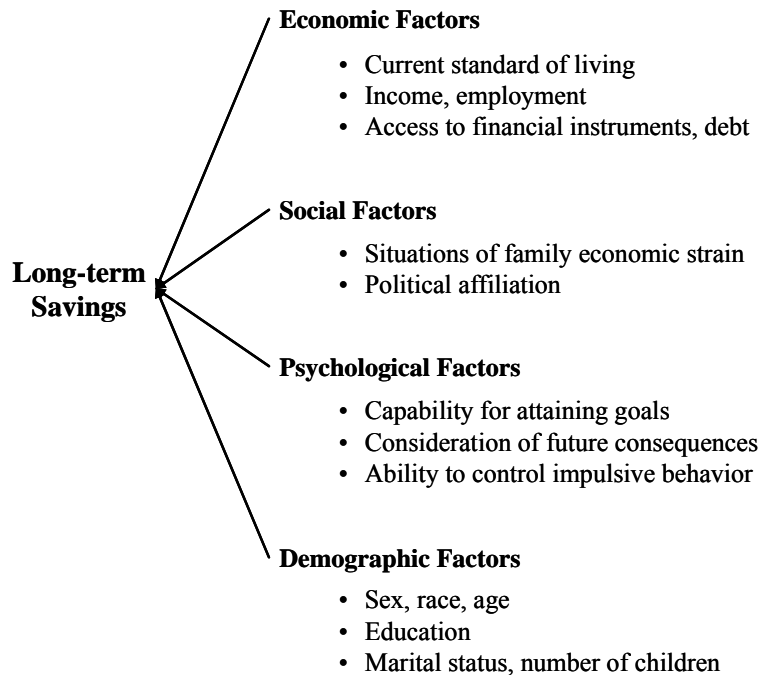
1. Does IDA program participation help individuals achieve long-term savings?
2. What factors affect long-term savings?
3. How do successful program participants differ from those who left the program prior to completion?

This study adapts a model developed by a group of researchers, lead by Michael Sherraden, at Washington University in St. Louis. The model identifies economic, social, and psychological variables that influence the savings success of current IDA program participants. Utilizing this framework, we examine how these factors influence IDA program participants even after they have left the program.

IDA participants who entered the program but left before finishing served as a control group for this study. These so-called “program dropouts” left the program prematurely and, therefore, did not receive a match to their savings.

Figure 1: Study framework

*Economic, social, psychological, and demographic factors are predicted to influence household savings.*



## SURVEY METHODOLOGY

### *Survey invitation*

The survey assessed the financial situation of former IDA participants of programs affiliated with the Ohio CDC Association. This group includes both those who successfully completed the IDA program (“Graduates”) and those who left the program prior to completion (“Dropouts”). The survey sample included 465 individuals, 279 graduates (60%) and 186 dropouts (40%). The survey sample was contacted at four points in time following a common procedure in mail surveys (Dillman 2007):

Table 1: Survey contacts

*The sample was contacted four times by mail.*

Contact	Date	Correspondence	Sender
1.	Week of April 2, 2007	Survey invitation letter	IDA program agencies
2.	April 7, 2007	Questionnaire, two \$1-bill incentive	The Ohio State University
3.	April 10, 2007	Thank-you postcard	The Ohio State University
4.	April 27, 2007	Questionnaire without incentive	The Ohio State University

### *Survey response*

We updated the postal addresses of all 465 individuals by comparing our addresses with the U.S. Postal Service Moving Database. This procedure updates addresses for any participant who has moved within the last five years. It resulted in 142 address updates (31% of the sample). Still, the addresses of 87 individuals in our sample were invalid. This group of former IDA program participants moved without notifying U.S. Postal Service about a new address and was, therefore, not listed in the U.S. Postal Service Moving Database. The incorrect addresses reduced the valid sample to 378 (465 – 87). As presented in Table 2, a total of 164 individuals, 43 percent of those successfully contacted, responded to the survey. Of the respondents, 77 percent were graduates (126) and 23 percent had dropped out of the program before completing it (38).

Table 2: Survey response rate

*The overall survey response rate was 43.4% or 164 responses.*

Measure	All Respondents % (N)	Graduates % (N)	Drop-outs % (N)
Mail sample	465 (100%)	279 (100%)	186 (100%)
Invalid address	87 (18.7%)	36 (12.9%)	51 (27.4%)
Valid sample	378	243	135
Non-response	214 (56.6%)	117 (48.1%)	97 (71.9%)
Response	164 (43.4%)	126 (51.9%)	38 (28.1%)

Note: Pearson Chi-Square: 17.365, p=.001

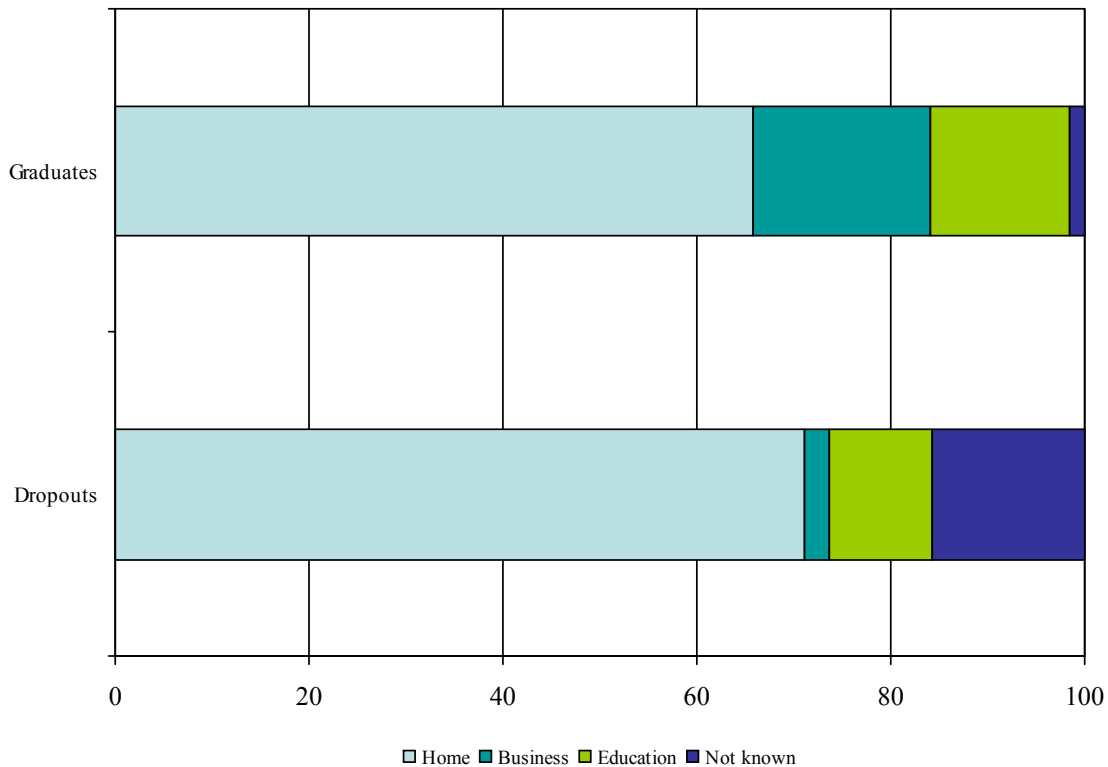
***Asset distribution***

The majority of survey respondents participated in the IDA program with the goal of purchasing a home (G: 66%, D: 71%). Microenterprise and postsecondary education goals played a minor role. Table 3 and Figure 2 illustrate the asset distribution among survey respondents.

Table 3: Asset distribution among respondents  
*Most respondents had saved to purchase a home.*

Measure	All Respondents % (N)	Graduates % (N)	Drop-outs % (N)
Home	67.1% (110)	65.9% (83)	71.1% (27)
Microenterprise	13.4% (22)	14.3% (18)	10.5% (4)
Postsecondary education	14.6% (24)	18.3% (23)	2.6% (1)
Not known	4.9% (8)	1.6% (2)	15.8% (6)
N	164	126	38

Figure 2: Asset distribution among respondents  
*Most respondents had saved to purchase a home.*



***IDA agency affiliation***

Eighteen IDA agencies provided participants for this survey. As listed in Table 4 and illustrated in Figure 3, the five agencies with the highest survey responses were Oikos Community Development Corporation (28), Stark County Out of Poverty Partnership (24), Northwest Ohio Community Action Agency (21), Licking County Coalition for Housing (14), Northwest Ohio Development Agency (14), and CMACO (13).

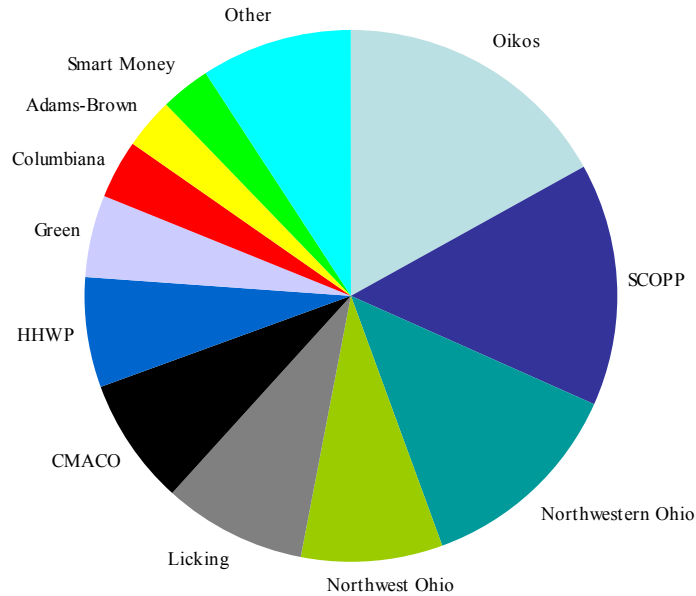
Table 4: Agency presence  
*Eighteen agencies provided IDA programs to participants of the survey.*

Agency (enrollment)	All Respondents % (N)	Graduates % (N)	Drop-outs % (N)
Adams-Brown CEOI	3.0 (5)	2.4 (3)	5.3 (2)
CMACO	7.9 (13)	4.0 (5)	21.1 (8)
Columbiana County Community Action	3.7 (6)	3.2 (4)	5.3 (2)
East Columbus Development Corporation	1.2 (2)	--	5.3 (2)
Gallia-Meigs Community Action	1.8 (3)	2.4 (3)	--
Green Metropolitan Housing Authority	4.9 (8)	3.2 (4)	10.5 (4)
HHWP Community Action	6.7 (11)	7.2 (9)	5.3 (2)
Licking County Coalition for Housing	8.5 (14)	5.6 (7)	18.4 (7)
Logan Metropolitan Housing Authority	2.4 (4)	3.2 (4)	--
Northwestern Ohio Community Action	12.8 (21)	15.9 (20)	2.6 (1)
Northwest Ohio Development Agency	8.5 (14)	10.3 (13)	2.6 (1)
Oikos Community Development Corp.	17.1 (28)	21.5 (27)	2.6 (1)
Pike Community Action	2.4 (4)	3.2 (4)	--
Rural Opportunities Inc.	1.2 (2)	1.6 (2)	--
Stark County Out of Poverty Partnership	14.6 (24)	13.5 (17)	18.4 (7)
Smart Money	3.0 (5)	3.2 (4)	2.6 (1)
N	164	126	38

Note: Pearson Chi-Square = 45.570, p=.000

Figure 3: Agency presence

*The top three agencies with respect to survey responses were Oikos CDC, Stark County, Out of Poverty Partnership, and Northwestern Ohio CAC.*



## DESCRIPTIVE SURVEY FINDINGS

### Demographic characteristics

The demographic characteristics for both the full sample and divided by IDA program graduates and dropouts are presented in Table 5. Highlighted fields indicate variables with significant differences between program graduates and dropouts.

The two groups, graduates and dropouts, were similar with respect to sex, race, age, marital status, number of children under age 18 living at home, monthly income at time of enrollment, and whether or not they moved within the past five years. They also did not differ with respect to holding savings accounts, fixed payments accounts, amount of credit card debt, and political affiliation.

However, the two groups did differ in some significant areas. Graduates had a higher formal level of education, reported a higher annual post-program household income, were more often fully employed, and had higher credit scores at program enrollment. With respect to the owner-

ship of financial products, graduates were more likely to own a checking account, an investment account, credit cards, and a mortgage. Finally, but most importantly, IDA graduates had significantly higher post-program savings than dropouts.

Table 5: Demographic characteristics of respondents  
*Program graduates and dropouts differed with respect to education, income, employment, credit score, use of financial instruments, savings, and length in the program. Significant differences are shadowed in the table.*

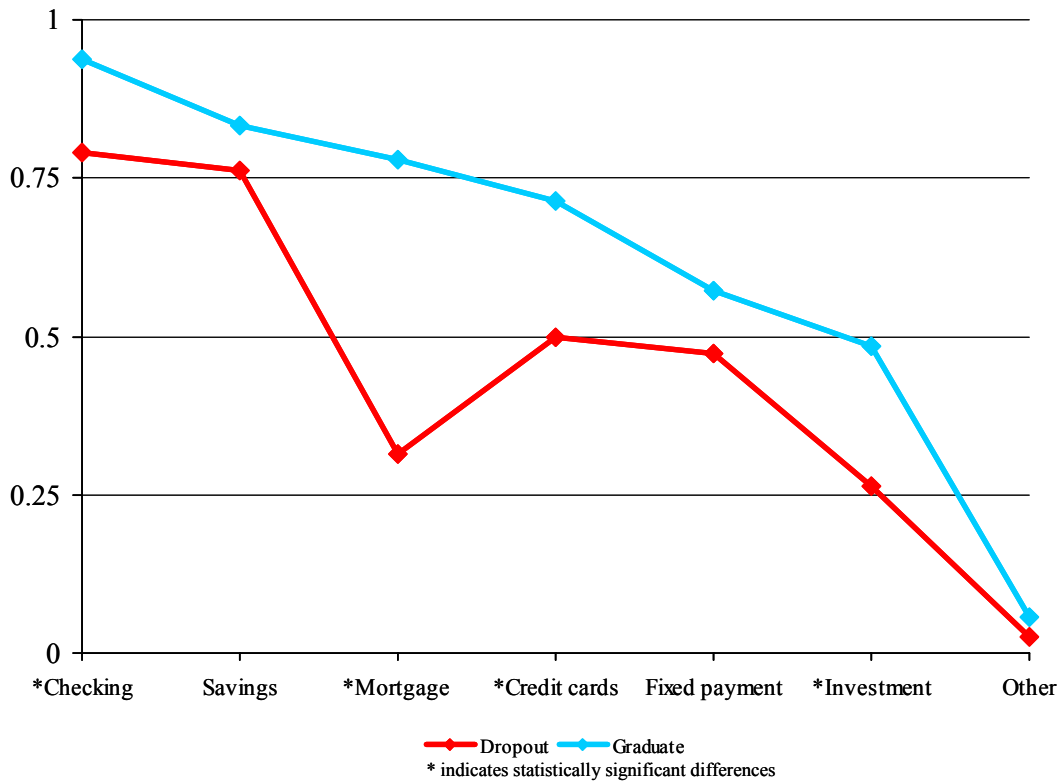
Measure	Range of scale	All Respon-	Graduates	Drop-outs	Test Statistic
		dents			
		Mean (SD)	Mean (SD)	Mean (SD)	
Women (enrollment)	1=yes/0=no	84% (36.6%)	84% (36.7%)	84% (37.0%)	.000 <sup>a</sup> , <i>n.s.</i>
White (enrollment)	1=yes/0=no	47% (50.1%)	49% (50.2%)	39% (49.5%)	1.104, <i>n.s.</i>
Education (enrollment)	1=low/10=high	5.16 (1.418)	5.29 (1.448)	4.71 (1.228)	9.927, p=.026
Age (enrollment)	continuous	3.41 (.933)	3.40 (.922)	3.45 (.978)	.061, <i>n.s.</i>
Married (enrollment)	1=yes/0=no	26% (43.7%)	27% (44.0%)	21% (41.3%)	.534, <i>n.s.</i>
Children under 18 living in (survey)	continuous	1.51 (1.327)	1.48 (1.307)	1.63 (1.403)	.399, <i>n.s.</i>
Monthly income (enrollment)	continuous	\$1,510 (\$786)	\$1,536 (\$824)	\$1,426 (\$645)	.569, <i>n.s.</i>
Annual household income (survey)	1=low/5=high	\$18,000 (\$7,035)	\$20,600 (\$7,890)	\$9,850 (\$3,385)	10.964, p=.001
Moved since program enrollment (survey)	1=yes/0=no	37% (48.3%)	33% (47.3%)	47% (50.6%)	2.486, <i>n.s.</i>
Employment (survey)	1=unable/5=full	4.41 (.996)	4.51 (.874)	4.11 (1.290)	4.882, p=.029
Credit score (N=67; enrollment)	continuous	620 (75)	630 (71)	587 (79)	4.149, p=.046
Financial instruments (survey)					
Checking account	1=yes/0=no	90% (29.8)	94% (24.5)	79% (41.3)	7.405, p=.007
Savings account	1=yes/0=no	82% (38.8)	83% (37.4)	76% (43.1)	.956, <i>n.s.</i>
Investment account	1=yes/0=no	43% (49.7)	48% (50.2)	26% (44.6)	5.946, p=.016
Credit card account	1=yes/0=no	66% (47.4)	71% (45.4)	50% (50.7)	6.167, p=.014
Fixed payment account	1=yes/0=no	55% (49.9)	57% (49.7)	47% (50.6)	1.120, <i>n.s.</i>
Mortgage account	1=yes/0=no	67% (47.1)	78 (41.7)	32% (47.1)	33.662, p=.000
Other	1=yes/0=no	5% (21.6)	6% (23.0)	3% (16.2)	.533, <i>n.s.</i>
Amount of household savings (survey)	1=low/6=high	3.76 (1.925)	4.09 (1.846)	2.66 (1.790)	17.745, p=.000
Amount of credit card debt (survey)	1=low/6=high	3.59 (1.934)	3.60 (1.948)	3.53 (1.913)	2.867 <sup>b</sup> , <i>n.s.</i>
Political party affiliation (survey)	1=Rep./7=Dem.	4.79 (1.981)	4.85 (1.996)	4.58 (1.940)	.542, <i>n.s.</i>
Month of program entry	--	12/1999 to 10/2006	12/1999 to 03/2006	11/2000 to 10/2006	9.069, p=.003

Month of program exit	--	11/2000 to 04/2007	11/2000 to 04/2007	07/2002 to 04/2007	1.007, <i>n.s.</i>
Months in the program	1-58	20.26 (12.293)	21.88 (12.004)	13.01 (8.125)	18.210, p=.000
Months since program exit	0-76	24.44 (15.448)	25.30 (14.558)	21.58 (18.011)	1.703, <i>n.s.</i>
N		164	126	38	

Note: Test Statistic is an ANOVA, Omnibus F Test, except for a) Pearson  $\chi^2$

Figure 4 illustrates participants’ ownership of financial products. Program graduates and dropouts differed significantly in ownership of checking accounts, investment accounts, credit cards, and mortgage accounts.

Figure 4: Ownership in financial products  
*Program graduates and dropouts differed significantly in ownership of checking accounts, investment accounts, credit cards, and mortgage accounts.*



## Asset holdings

Below we describe the assets purchases made by program graduates. We also present the most common reasons dropouts reported for leaving the IDA program.

### *Asset Ownership: Homeownership*

A total of 110 survey respondents sought to purchase a home with their savings (67.1%). Of those 110, 83 graduated from the IDA program (75.5%) and 27 dropped out before graduation (24.5%). Of the graduates, all but one respondent still owns the home they purchased with the IDA funds. Table 6 summarizes the findings.

On average, respondents reported experiencing between one or two housing problems included in our list of twelve possible problem areas. As presented in Figure 5, the five most common housing problems were, in order, damp areas, walls, floors, or foundation; heat or cooling system malfunctions; insufficient space; electrical problems; and leaky roofs.

Table 6: Homeownership

*All but one respondent who saved for a home were able to maintain their home.*

Measure	% (N)
Still own the home (.99 (.110); yes=1/no=0)	
yes	98.8% (82)
no	1.2% (1)
Type of mortgage	
Regular fixed-rate mortgage	51.8% (43)
Habitat for Humanity mortgage	16.9% (14)
Government loans	14.5% (12)
Other	16.8% (14)
Monthly payment (.48 (.510); yes=1/no=0)	
None	1.25% (1)
up to \$500	38.6% (32)
\$500 to \$999	55.4% (46)
\$1,000 or more	4.8% (4)
Hard to pay housing expenses in past year: 4.07 (1.068; 1= every month, 5= never)	
No housing problems	.36 (.483)
Total number of housing problems (continuous)	1.48 (1.572)
Not enough space	.19 (.397)
Noise from neighbors or outside	.12 (.328)
Too dark/not enough light	.06 (.239)
Leaky roof	.14 (.354)
Damage to your home’s foundation	.08 (.280)
Heat or cooling system problems	.20 (.406)
Electrical problems	.19 (.397)

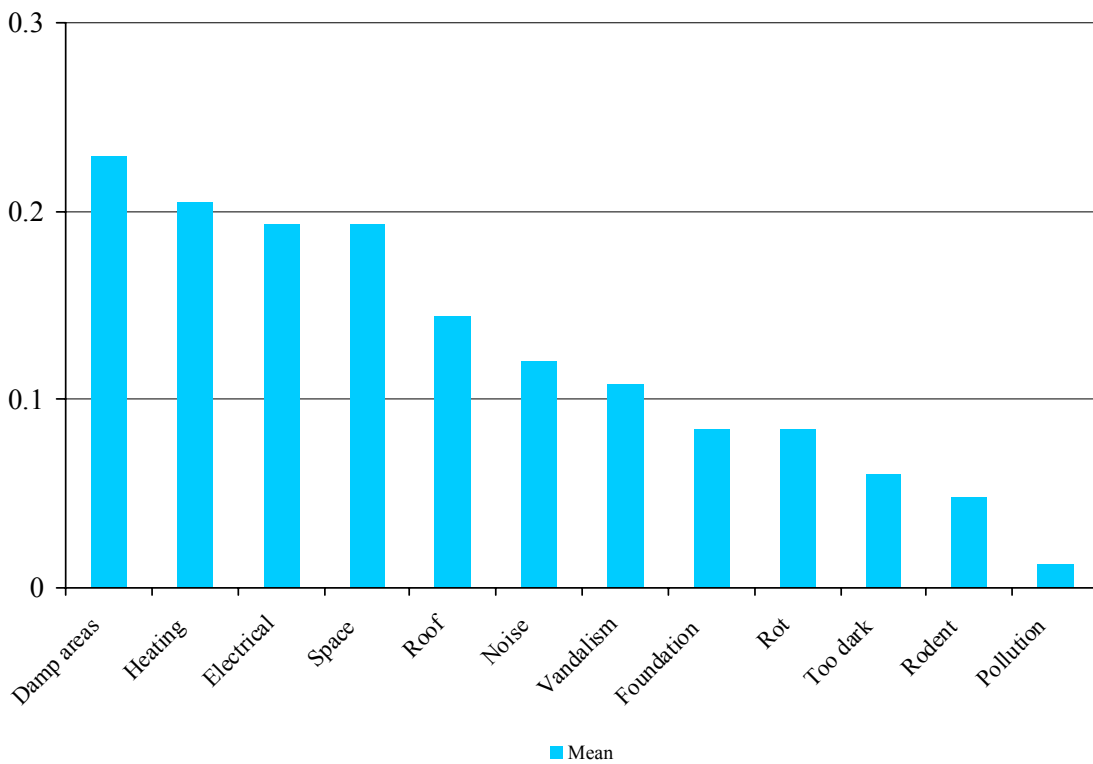
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Cockroach, rat, or other rodent problems	.05 (.215)
Damp areas, walls, floors, or foundation	.23 (.423)
Rot in window frames or floors	.08 (.280)
Pollution, traffic, or industry	.01 (.110)
Vandalism or crime in the area	.11 (.313)

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N=83

Figure 5: Housing problems  
*Respondents reported between one and two housing problems on our list of twelve possible problems.*



***Asset Ownership: Post-secondary education***

A total of 24 respondents used their savings to fund higher education expenses (14.6%). Of those 24 respondents, 23 graduated from the IDA program (95.8%) and 1 dropped out before graduation (4.2%). Of the 23 IDA program graduates, 9 have graduated from school, 12 are still enrolled in their programs and 2 left their educational program without a degree at the time of the survey. The two reasons given were related to the subject matter (poisoning during chemistry home study course) and an inability to combine work, family, and school.

Table 7: Education

*All but one respondent who saved for education did not finish their educational program.*

Measure	% (N)
<b>Still enrolled in the education program (.48 (.511); yes=1/no=0)</b>	
yes	47.8% (11)
no	52.2% (12)
<b>Started educational program (1.83 (.778); 1=during program, 5=within 6 months)</b>	
During the IDA program	34.8% (8)
1 month after completing the IDA program	52.2% (12)
3 months after completing the IDA program	8.7% (2)
6 months after completing the IDA program	4.3% (1)
<b>Pursuing Bachelors degree (.48 (.510); yes=1/no=0)</b>	
Bachelors' degree	47.8% (11)
Graduate degree	17.4% (4)
Associate degree	10.3% (3)
Other	21.7% (5)
<b>Credit hours have you earned: 29 (26; 1=none, 5=60 plus)</b>	
<b>Plan to graduate (2.74 (1.738); 1=graduated, 6=left program)</b>	
Already graduated	39.1% (9)
2007	8.7% (2)
2008	17.4% (4)
2009	17.4% (4)
2010 or later	8.7% (2)
Left program without graduation	8.7% (2)
<b>Hard to pay school expenses in past year (N=17): 3.18 (1.015; 1= every month, 5= never)</b>	

Note: N=23

***Asset Ownership: Microenterprise***

A total of 22 respondents participated in the IDA program to save for a small business venture. Eighteen respondents still owned their small business (78%). Four of the 22 respondents could not sustain their small business (22%), listing personal (husband passed away), customer-related (no or late payments for services), and market-related (bad timing of venture) reasons as the most common causes of business failure. Other reasons were stronger than expected competition, more cash-out flow than in-flow, and higher cost than expected (see Table 8).

Table 8: Microenterprise

*About three-quarters of respondents who saved for a microenterprise were able to maintain their business.*

Measure	% (N)
Still own the small business (.78 (.428); yes=1/no=0)	
Yes	77.8% (14)
No	22.2% (4)
Other kind of money invested	
Did not receive any other money	83.3% (15)
Received a loan from a bank or credit union	16.7% (3)
Level of loan payment (N=4; 1.17 (.383), 1=nothing, 5= \$8,000 or more)	
Nothing	83.3% (15)
Up to \$500	16.7% (3)
Hard to pay business expenses in past year (N=12; 4.00 (1.348) 1= every month, 5= never)	
every month	5.6% (1)
every other month	5.6% (1)
three or four times	5.6% (1)
once or twice	16.7% (3)
not at all	33.3% (6)

Note: N=18

***Asset Ownership: Control Group***

This study’s control group consisted of the 38 respondents who started an IDA program but left the program before completion. Of those 38 individuals, 25 (66%) have not purchased the asset they were saving for in the IDA program. Of the eight individuals who did purchase the asset, all of them have maintained ownership (see Table 9 and Figure 6).

As presented in Table 9 and Figure 6, the main reasons for leaving the IDA program were unforeseen expenses, unpaid bills, or large upcoming expenses. Other reasons for leaving the IDA program were:

- resources-related (“needed a vehicle“; “child support“; “lost my job“; “health problems“; “not enough income to save“),
- time-related (“could not wait so long“),
- program-related (“time and location of class“; “program was terminated“),
- location-related (“moved away“), and
- credit-related (“needed to fix my credit up“).

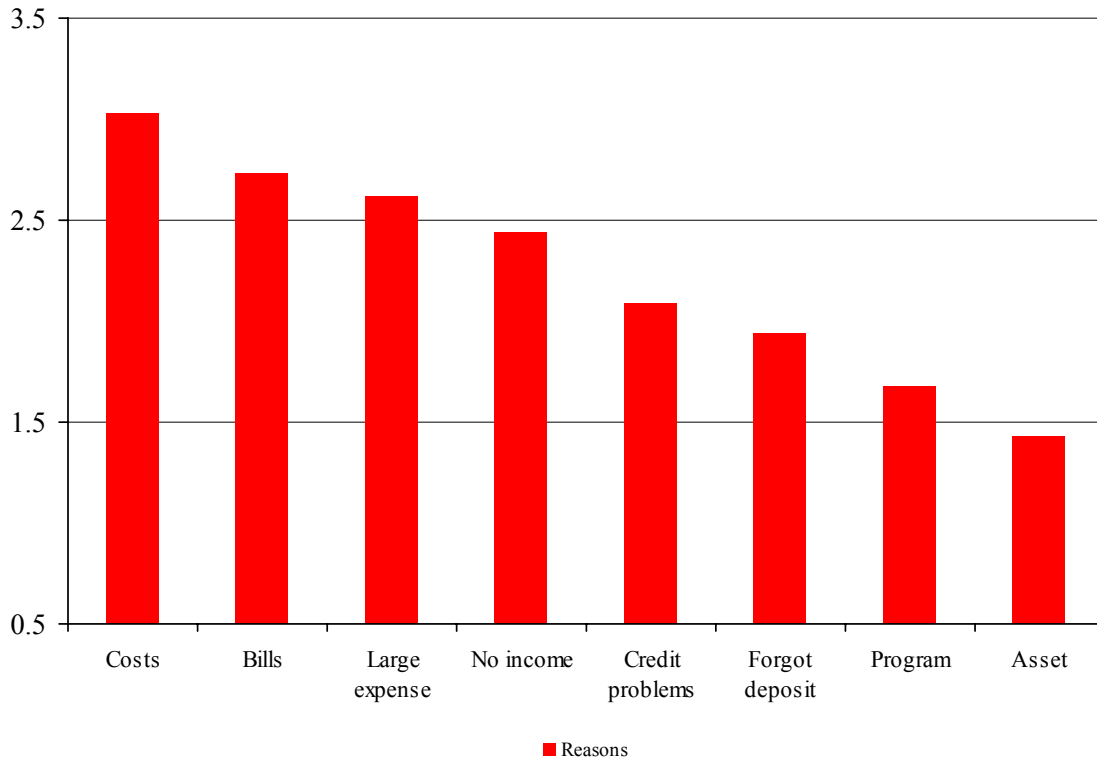
Table 9: Control group characteristics

*The main reasons for leaving the IDA program were unforeseen expenses, unpaid bills, or large upcoming expenses.*

Measure	% (N)
<b>Bought asset since leaving IDA program (.24 (.435); yes=1/no=0)</b>	
Yes	21.1% (8)
No	65.8% (25)
Information missing	13.2% (5)
<b>If yes, still owning the asset (N=8; yes=1/no=0)</b>	
Yes	100% (8)
<b>Reasons for leaving IDA program (range 1=completely disagree to 5=completely agree)</b>	
Costs I did not expect	3.03 (1.678)
Behind with bills	2.74 (1.797)
Large expenses coming up	2.62 (1.724)
No income or was unemployed	2.44 (1.761)
Credit problems that I could not fix	2.09 (1.640)
Forgot to deposit too often	1.94 (1.496)
Program was not what I expected	1.68 (1.249)
Decided not to purchase a home	1.42 (1.062)
Other reason; please specify	4.71 (1.069)

N=38

Figure 6: Reasons for leaving the IDA program (range 1 to 5)  
*The main reasons for leaving the IDA program were unforeseen expenses, unpaid bills, or large upcoming expenses.*



### Measures of financial wellbeing

Below we describe how we examined the different measures of financial well-being. The following measures were collected from both program graduates and dropouts.

#### *Consideration of future consequences*

Respondents’ consideration of future consequences, or, in short, their future orientation, was measured by Strathman et al. (1994) “Consideration of Future consequences” scale. This is a measure of the extent to which people consider distant versus immediate consequences of possible behaviors.

We used the shorter, 10-item scale which has been used in other studies (Webley and Nyhus 2006). The original version has 12 items and a different response format. In the original version, respondents had to indicate the extent to which each statement described them on a scale from 1 (extremely characteristic) to 7 (extremely uncharacteristic). In the version we used, respondents had to indicate the extent to which they agreed or disagreed with the statements, from 1 (com-

pletely disagree) to 5 (completely agree). The response scale was shortened from the original seven (Strathman et al. 1994; Webley and Nyhus 2006) to five items to increase the ease of reading and decrease the grade level of the overall questionnaire (see Table 10).

We further adjusted the wording of the question introduction and the statements to account for lower literacy levels of the survey audience. The statements were introduced with the following sentence: “This question lists some of the ways people plan for the future. For each statement, please circle the number that best matches your situation.” Both sentences have an ease of reading of 71.2, grade level 6.2. The items were as follows:

1. I think about how things can change in the future. I try to influence those things in my everyday life.
2. I often work on things that will not pay off for a couple of years.
3. I am only concerned about the present. I trust that things will work themselves out in the future.
4. In everything I do, I am only concerned about the current results. I am only concerned about the results over the next couple of days or weeks.
5. I am ready to sacrifice in the present to achieve results in the future.
6. I take warnings about the bad results of my acts seriously. I take these warnings seriously even if these bad results would take place in the future.
7. I think it is important to work on things that have major results in the future. I think this is more important than working on things that have current but less major results.
8. I ignore warnings about problems in the future. I think these problems will be fixed before they get critical.
9. I think there is no need to sacrifice things now for problems that lie in the future. I think it will always be possible to fix these problems later.
10. I only respond to problems that are urgent. I trust problems that come up later can be fixed later.

In the scale used by Webley and Nyhus (2006), these statements on a whole were at ease of reading 60.1, grade level 10.2. As revised, on a whole, ease of reading 74.5, grade level 5.9. Each question on its own is now at or below 8.0 grade level. In particular, the repetition of the word “important” was confusing, so it was substituted with the word “major.”

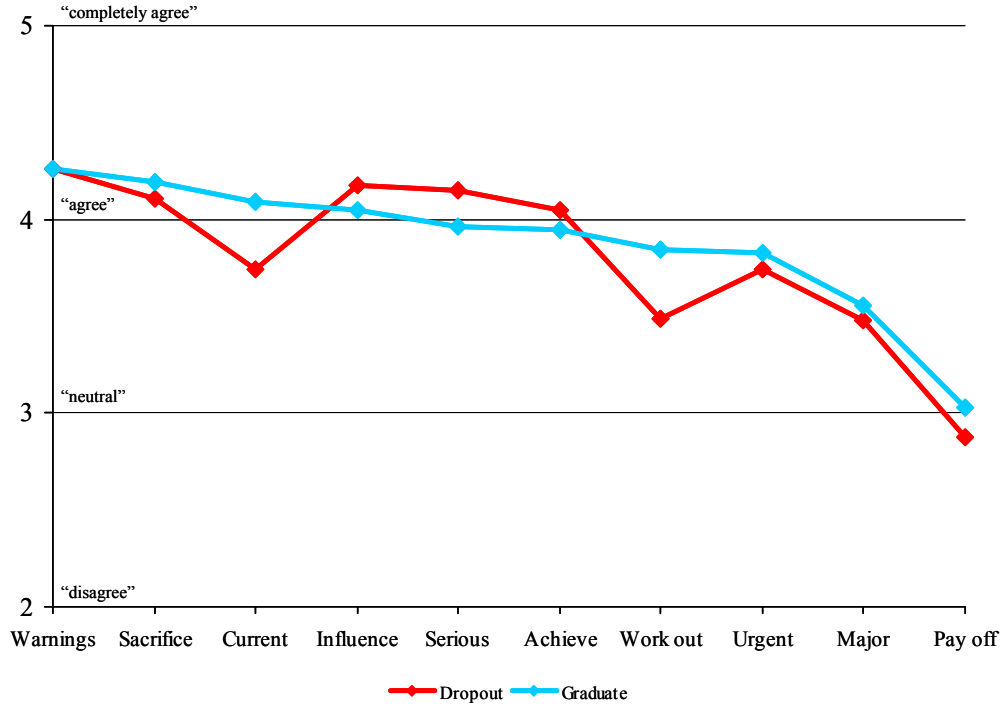
A composite measure was constructed by adding the answers to these 10 statements (with statement 3, 4, 8, 9, 10 reverse coded). The stability of this index was tested by comparing the score obtained by Webley and Nyhus (2006). Compared with this study, the mean levels of our sample’s future orientation (mean: 3.85) was somewhat higher than their sample of young and middle-aged adults (means: 2.87 to 3.06). The scale reliability (Cronbach’s alpha) was reasonable at 0.730 (all responses), 0.719 (program graduates), and 0.760 (program dropouts). The two subsamples, graduates and dropouts, did not differ significantly in the single statements nor the composite measure. Table 10 and Figure 7 document the similarity of responses.

Table 10: Consideration of future consequences  
*Graduates and dropouts did not differ significantly for neither the single statements nor the composite measure of future orientation.*

Measure	All Respon- dents Mean (SD)	Graduates Mean (SD)	Drop-outs Mean (SD)	ANOVA F Statistic
I think about how things can change in the future. I try to influence those things in my everyday life.	4.08 (.920)	4.05 (.915)	4.19 (.942)	.600, <i>n.s.</i>
I often work on things that will not pay off for a couple of years.	2.99 (1.196)	3.03 (1.218)	2.87 (1.128)	.531, <i>n.s.</i>
I am only concerned about the present. I trust that things will work themselves out in the future. (reverse coded)	3.76 (1.213)	3.85 (1.157)	3.49 (1.355)	2.630, <i>n.s.</i>
In everything I do, I am only concerned about the current results. I am only concerned about the results over the next couple of days or weeks. (reverse coded)	4.01 (1.154)	4.09 (1.063)	3.74 (1.390)	2.677, <i>n.s.</i>
I am ready to sacrifice in the present to achieve results in the future.	3.97 (1.042)	3.94 (1.034)	4.05 (1.075)	.314, <i>n.s.</i>
I take warnings about the bad results of my acts seriously. I take these warnings seriously even if these bad results would take place in the future.	4.01 (.962)	3.96 (.945)	4.15 (1.014)	1.208, <i>n.s.</i>
I think it is important to work on things that have major results in the future. I think this is more important than working on things that have current but less major results.	3.53 (1.085)	3.55 (1.049)	3.48 (1.208)	.150, <i>n.s.</i>
I ignore warnings about problems in the future. I think these problems will be fixed before they get critical. (reverse coded)	4.26 (.930)	4.26 (.923)	4.26 (.965)	.001, <i>n.s.</i>
I think there is no need to sacrifice things now for problems that lie in the future. I think it will always be possible to fix these problems later. (reverse coded)	4.17 (1.007)	4.19 (.956)	4.11 (1.165)	.218, <i>n.s.</i>
I only respond to problems that are urgent. I trust problems that come up later can be fixed later. (reverse coded)	3.81 (1.154)	3.83 (1.098)	3.74 (1.332)	.187, <i>n.s.</i>
Future orientation (composite measure; .730, .719, .760 <sup>a</sup> )	3.85 (.578)	3.87 (.554)	3.80 (.656)	.411, <i>n.s.</i>
Time frame with respect to savings <sup>b</sup> )	4.49 (1.716)	4.50 (1.710)	4.45 (1.758)	.031, <i>n.s.</i>
N	164	126	38	

Note: a) Range from 1=completely disagree to 5=completely agree; <sup>a</sup>) Crohnbach’s alpha for all respondents, graduates, and drop-outs; b) Range from 1=couple of days to 7=more than 10 years from now

Figure 7: Consideration of future consequences  
*Graduates and dropouts did not differ significantly for neither the single statements nor the composite measure of future orientation.*



***Ability to control impulsive behavior***

Self-control has long shown to be an important ingredient in regular savings achievement as it influences how well people control impulses, regulate emotions, manage performances, maintain self-discipline, and break out of bad habits (Baumeister 2002). It is also used to assess how self-control predicts consumer behavior. To do this we used the 13-item short form of the trait measure of self-control developed by Tangney, Baumeister, and Boone (2004) reduced by three items. Respondents in survey pretests identified the three items “I am lazy”, “I say inappropriate things”, and “Pleasure and fun sometimes keep me from getting work done” as personally offensive. We decided to delete these items, thus not discouraging respondents from survey completion.

In the original version, respondents had to indicate the extent to which each statement described them, on a scale from 1 (not at all) to 7 (very much). In the version we used, respondents indicated the extent to which they agreed or disagreed with the statements, from 1 (completely disagree) to 5 (completely agree). Response format was changed to parallel the rest of questionnaire and increase the ease of reading.

We introduced this self-control measure with the statement: “This question lists some of the ways people think about how they control their impulses. For each statement, please circle the

number that best matches your situation.” This sentences have an ease of reading of 67.5 and a grade level of 7.5. The items were as follows:

1. I am good at resisting temptation.
2. I have a hard time breaking bad habits.
3. I do certain things that are bad for me, if they are fun.
4. I refuse things that are bad for me.
5. I wish I had more self-control
6. People would say that I have iron self-control
7. I have trouble with my concentration.
8. I am able to work well toward long-term goals.
9. Sometimes I cannot stop myself from doing something, even if I know it is wrong.
10. I often act without thinking through all my choices.

In the original scale, these statements were, on the whole, at grade level 4.7. Revised slightly, the overall reading level reduces to 4.0, ease of reading 76.1. In particular, the word “discipline” was replace with “control” because it repeats the word in the question and is more concrete.

A composite measure was constructed by adding the answers to these 10 statements (statements 2, 3, 5, 7, 9, 10 reversed). We tested the stability of this index by comparing the score obtained with the original study (Tangney, Baumeister, and Boone 2004). Compared with this study, the mean levels of our sample’s self-control measure (mean: 3.51) was somewhat higher than in the original study (means: 3.01 to 3.07). The scale reliability (Cronbach’s alpha) was reasonable at 0.792 (all responses), 0.792 (program graduates), and 0.787 (program dropouts).

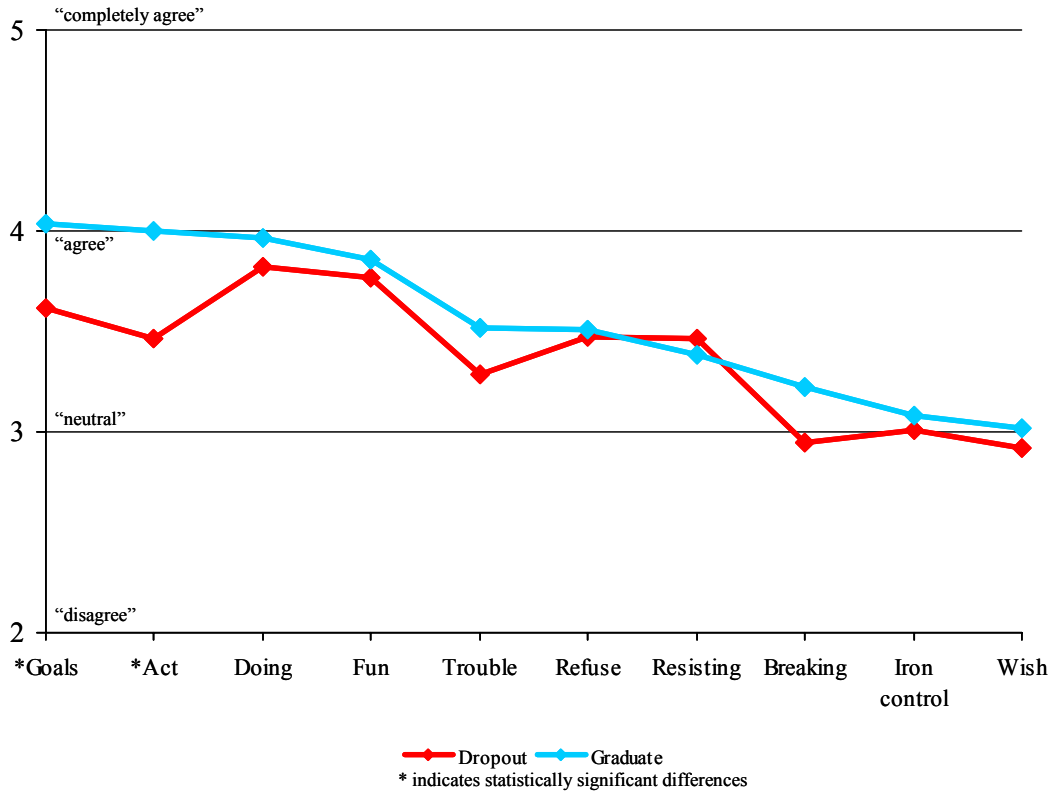
The two subsamples, graduates and dropouts, did not differ significantly for 9 of the 11 items, as shown in Table 11 and Figure 8. Differences were noted for two items: “I am able to work well toward long-term goals.” and “I rarely act without thinking through all my choices (reversed)” For both items, program graduates reported higher self-control than dropouts.

Table 11: Ability to control impulsive behavior  
*Graduates and dropouts differed significantly for two items of the self-control scale. Significant differences are shadowed in the table.*

Measure	All Respondents Mean (SD)	Graduates Mean (SD)	Drop-outs Mean (SD)	ANOVA F Statistic
I am good at resisting temptation.	3.40 (.924)	3.39 (.931)	3.46 (.913)	.191, <i>n.s.</i>
I have a hard time breaking bad habits. (reverse coded)	3.16 (1.140)	3.23 (1.113)	2.95 (1.213)	1.756, <i>n.s.</i>
I do certain things that are bad for me, if they are fun. (reverse coded)	3.83 (1.087)	3.85 (1.053)	3.77 (1.202)	.183, <i>n.s.</i>
I refuse things that are bad for me.	3.50 (1.225)	3.51 (1.195)	3.47 (1.333)	.022, <i>n.s.</i>
I wish I had more self-control. (reverse coded)	2.99 (1.270)	3.02 (1.264)	2.92 (1.306)	.160, <i>n.s.</i>
People would say that I have iron self-control	3.06 (1.100)	3.08 (1.067)	3.01 (1.214)	.144, <i>n.s.</i>
I have trouble with my concentration. (reverse coded)	3.46 (1.289)	3.52 (1.261)	3.28 (1.376)	1.013, <i>n.s.</i>
I am able to work well toward long-term goals.	3.93 (1.010)	4.03 (.906)	3.62 (1.248)	5.174, $p=.024$
Sometimes I cannot stop myself from doing something, even if I know it is wrong. (reverse coded)	3.93 (1.157)	3.97 (1.143)	3.82 (1.211)	.481, <i>n.s.</i>
I often act without thinking through all my choices. (reverse coded)	3.87 (1.183)	4.00 (1.107)	3.46 (1.335)	6.330, $p=.013$
Self-control (composite measure; .792, .792, .787 <sup>a)</sup> )	3.51 (.675)	3.55 (.655)	3.37 (.726)	2.200, <i>n.s.</i>
N	164	126	38	

Note: Range from 1=completely disagree to 5=completely agree; <sup>a)</sup> Crohnbach’s alpha for all respondents, graduates, and drop-outs

Figure 8: Ability to control impulsive behavior  
*Graduates and dropouts differed significantly for two items of the self-control scale.*



### *Capability for attaining one’s goals*

To assess self-efficacy perceptions, respondents completed the self-mastery scale developed by Pearlin and Schooler’s (1978). This seven-item scale assesses the degree to which people perceive themselves as masters of the events that befall them.

Respondents had to indicate the extent to which they agreed or disagreed with the statements, from 1 (completely disagree) to 5 (completely agree). These response options parallel the rest of questionnaire, and were used to increase the ease of reading and decrease the grade level of the overall questionnaire.

We introduced these self-efficacy statements with the sentences: “This question lists some of the personal difficulties people face these days. For each statement, please circle the number that best matches your situation.” The items were as follows:

1. I have little control over the things that happen to me
2. There is really no way I can solve some of the problems I have
3. There is little I can do to change many of the important things in my life

4. I often feel helpless in dealing with the problems of life
5. Sometimes I feel that I am being pushed around in life
6. What happens to me in the future mostly depends on me
7. I can do just about anything I really set my mind to do

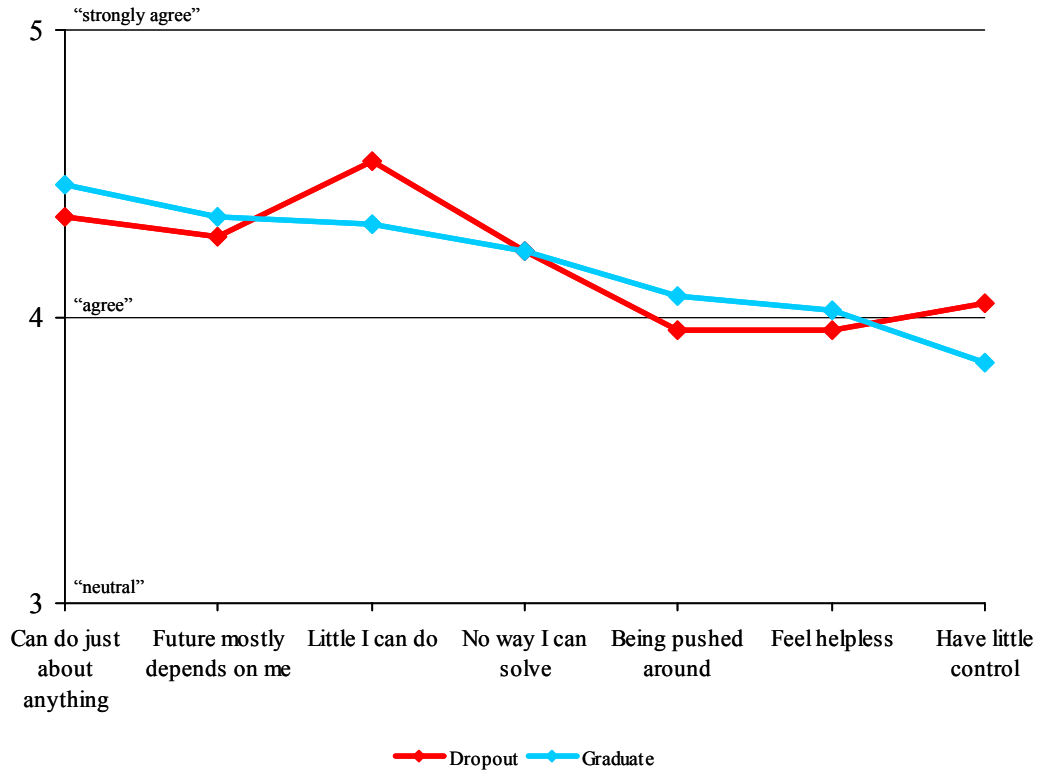
A composite measure was constructed by adding the answers to these seven statements (statements 6, 7 reversed). We tested the stability of this index by comparing the score obtained in the original study (Pearlin et al. 1981). Compared with the original community sample, the mean levels of our sample reached a score of 3.19 for the full sample compared to the original 4.65 to 4.73. The scale reliability (Cronbach’s alpha) was reasonable at 0.755 (all responses), 0.780 (program graduates), and 0.691 (program dropouts).

Table 12: Capability for attaining one’s goals  
*Graduates and dropouts reported similar levels of being capable to reach goals.*

Measure	All Respondents Mean (SD)	Graduates Mean (SD)	Drop-outs Mean (SD)	ANOVA F Statistic
I have little control over the things that happen to me	3.89 (1.113)	3.84 (1.110)	4.05 (1.123)	1.071, <i>n.s.</i>
There is really no way I can solve some of the problems I have	4.23 (1.031)	4.23 (.968)	4.23 (1.224)	.000, <i>n.s.</i>
There is little I can do to change many of the important things in my life	4.37 (.947)	4.32 (.963)	4.54 (.884)	1.545, <i>n.s.</i>
I often feel helpless in dealing with the problems of life	4.01 (1.121)	4.02 (1.058)	3.95 (1.317)	.133, <i>n.s.</i>
Sometimes I feel that I am being pushed around in life	4.04 (1.104)	4.07 (1.056)	3.95 (1.256)	.363, <i>n.s.</i>
What happens to me in the future mostly depends on me (reverse coded)	4.33 (1.102)	4.35 (1.008)	4.28 (1.376)	.100, <i>n.s.</i>
I can do just about anything I really set my mind to do (reverse coded)	4.39 (1.042)	4.46 (.938)	4.35 (1.008)	2.107, <i>n.s.</i>
Self-mastery (composite measure; .755, .780, .691 <sup>a)</sup> )	4.19 (.678)	4.19 (.667)	4.17 (.723)	.017, <i>n.s.</i>
N	164	126	38	

Note: Range from 1=completely disagree to 5=completely agree; <sup>a)</sup> Cronbach’s alpha for all respondents, graduates, and drop-outs

Figure 9: Capability for attaining one’s goals  
*Graduates and dropouts reported similar levels of being capable to reach goals.*



***Family economic strain***

The Family Economic Strain Scale is a reliable and valid instrument for examining perceived economic strain in single-parent and two-parent families (Hilton and Devall 1997). We used the full instrument with its twelve items.

In the original version, respondents had to indicate the extent to which each statement described them on a scale from 1 (never) to 5 (almost always). In the version we used, respondents had to indicate the extent to which they agreed or disagreed with the statements, from 1 (completely disagree) to 5 (completely agree). Again, we changed the response to parallel it with rest of questionnaire and to increase the ease of reading and decrease the grade level of the overall questionnaire.

We introduced the self-control statements with the sentences: “This question lists some of the ways people experience financial strain. For each statement, please circle the number that best matches your situation.” We revised the introduction sentences of the original study completely because they read at grade level 12. The revised sentences read at grade level 8.0. The items were as follows:

1. It is hard for me and my family to live on our present income
2. I have money problems
3. Money problems interfere with my work and daily routine
4. I worry about money
5. Money problems interfere with my relationships with other people
6. I worry about disappointing my children because I can not give them things they want
7. I worry about having money to celebrate holidays and other special occasions
8. I put off family events or trips because of the money
9. I feel frustrated because I cannot afford the education or training I need to get ahead
10. I have to put off getting medical care for family members because of the money
11. I have to put off getting dental care for family members because of the money
12. I feel bad that I can not afford to buy my children the brand name clothing that other children their age are wearing

The scale, revised slightly from the original, has a reading level of 5.8 and ease of reading 72.6. A composite measure was constructed by adding the answers of these twelve statements. We tested the stability of this index by comparing the score obtained with the original study (Hilton and Devall 1997). Compared with this study, the mean level of our sample’s economic strain index (mean: 2.65) was similar to those imputed in the original study (means: 2.41 to 3.61). The scale reliability (Cronbach’s alpha) was high at 0.909 (all responses), 0.909 (program graduates), and 0.903 (program dropouts).

The two subsamples, graduates and dropouts, did not differ significantly for 9 of the 11, as demonstrated in Table 13 and Figure 10. Differences were noted for four items: “It is hard for me and my family to live on our present income.”, “I have money problems.”, “Money problems interfere with my work and daily routine.” and “Money problems interfere with my relationships with other people.” For all items, program graduates scored lower than dropouts, indicating graduates face less financial pressure.

Table 13: Family economic strain

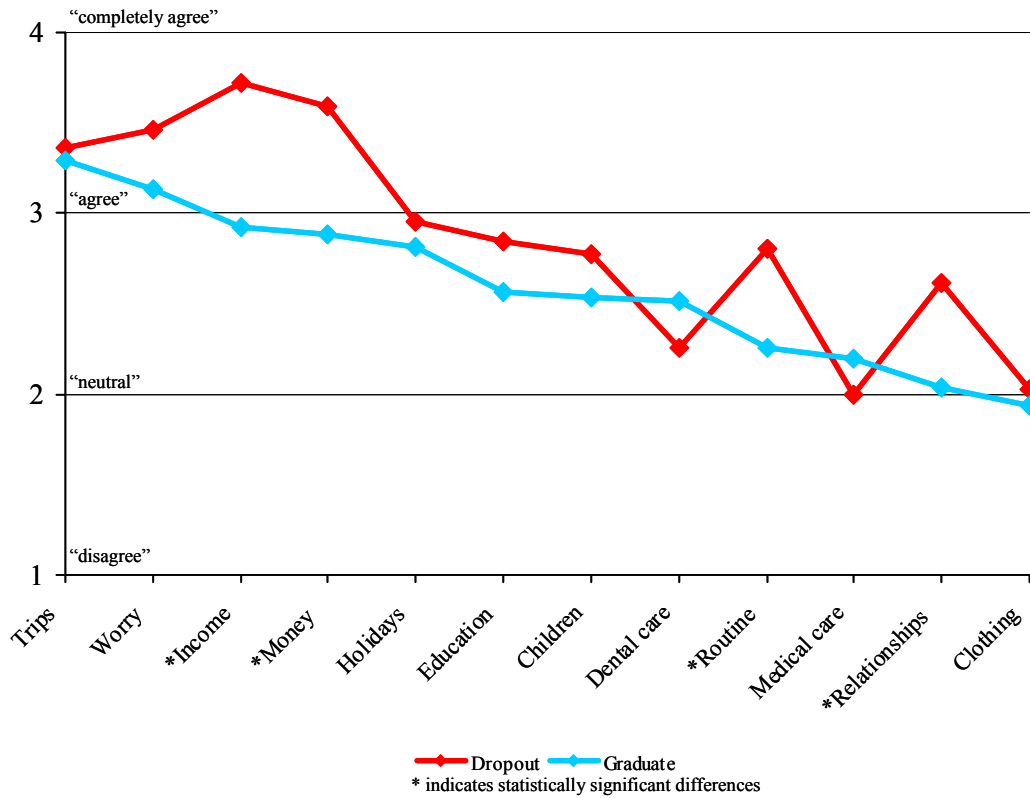
*Graduates and dropouts reported lower levels of financial strain for four of the eleven items. Significant differences are shadowed in the table.*

Measure	All Respondents Mean (SD)	Graduates Mean (SD)	Drop-outs Mean (SD)	ANOVA F Statistic
It is hard for me and my family to live on our present income.	3.12 (1.345)	2.93 (1.321)	3.72 (1.255)	10.878, p=.001
I have money problems.	3.95 (1.328)	2.88 (1.299)	3.59 (1.292)	8.887, p=.003
Money problems interfere with my work and daily routine.	2.39 (1.278)	2.25 (1.261)	2.81 (1.255)	5.681, p=.018
I worry about money.	3.21 (1.377)	3.13 (1.350)	3.46 (1.448)	1.753, <i>n.s.</i>
Money problems interfere with my relationships with other people.	2.17 (1.256)	2.03 (1.150)	2.62 (1.480)	6.566, p=.011
I worry about disappointing my children because I cannot give them things they want.	2.59 (1.418)	2.54 (1.383)	2.77 (1.530)	.803, <i>n.s.</i>
I worry about having money to celebrate holidays and other special occasions.	2.85 (1.455)	2.82 (1.461)	2.95 (1.450)	.246, <i>n.s.</i>
I put off family events or trips because of the money.	3.31 (1.404)	3.30 (1.409)	3.36 (1.405)	.059, <i>n.s.</i>
I feel frustrated because I cannot afford the education or training I need to get ahead.	2.63 (1.478)	2.57 (1.427)	2.85 (1.631)	1.076, <i>n.s.</i>
I have to put off getting medical care for family members because of the money.	2.15 (1.335)	2.19 (1.324)	2.00 (1.376)	.629, <i>n.s.</i>
I have to put off getting dental care for family members because of the money.	2.45 (1.440)	2.51 (1.433)	2.26 (1.464)	.929, <i>n.s.</i>
I feel bad that I cannot afford to buy my children the brand name clothing that other children their age are wearing.	1.96 (1.240)	1.94 (1.236)	2.03 (1.267)	.154, <i>n.s.</i>
Financial strain (composite measure; .907, .909, .903 <sup>a)</sup> )	2.65 (.959)	2.59 (.947)	2.86 (.981)	2.485, <i>n.s.</i>
N	164	125	39	

Note: Range from 1=completely disagree to 5=completely agree; <sup>a)</sup> Cronbach's alpha for all respondents, graduates, and dropouts

Figure 10: Family economic strain

Graduates and dropouts reported lower levels of financial strain for four of the eleven items.



### Experiencing deprivation

Poverty and deprivation are related concepts. People falling below a specified income poverty line also commonly experience deprivation. The concept of deprivation, as it is widely understood, refers to the denial of an opportunity to have or do something (Whelan et al. 2001).

We used a set of eleven items to measure deprivation. The format of the question was intended to inquire about absence and affordability elements of deprivation rather than asking if certain household items were possessed or not (e.g. a microwave, a dishwasher) (Mack and Lansley 1985). Of the eleven items, five items were taken from the European Community Household Panel (ECHP; items 7, 8, 9, 10, 11) and slightly adjusted for U.S. American consumer behavior. In particular, the original item “eating meat, chicken, or fresh fish every second day, if you wanted to.” was replaced with “Eating out at least once a week” to account for the popularity of fast food in the U.S.

The remaining six items of the scale were developed specifically for the presented survey, based on responses received in pre-testing. The goal was to extend the range of items of the ECHP items to concepts of saving, paying bills, purchasing health care (medicine, doctors’ visits), and auto repairs.

In the original version, respondents had to indicate whether the household can afford these items or not on a scale of 0 (no) and 1 (yes). In the version we used, respondents had to indicate the extent to which they could afford the items with responses ranging from 1 (never) to 5 (always). Again, the response scale was changed to parallel the rest of questionnaire, which utilizes 5-item Likert scales throughout.

We introduced the deprivation items with the statement: “This question lists items that relate to your standard of living. Please indicate how often you do have enough money for these items. For each statement, please circle the number that best matches your situation.” The items were as follows:

1. Paying your bills on time
2. Saving some of your money
3. Having money for entertainment (for example, going to the movies, buying CDs)
4. Buying medicine as prescribed
5. Seeing the doctor when needed
6. Fixing your car when needed
7. Keeping your home warm enough
8. Replacing worn-out furniture
9. Buying new, rather than used, clothes
10. Eating out at least once a week
11. Having friends or family over for a meal at least once a month

A composite measure was constructed by adding the answers to these eleven statements. The scale reliability (Cronbach’s alpha) was reasonably high at 0.898 (all responses), 0.914 (program graduates), and 0.824 (program dropouts).

Program graduates and dropouts differed in only one of the items: “paying your bills in time.” Graduates were more likely to successfully manage their money in order to accomplish this task.

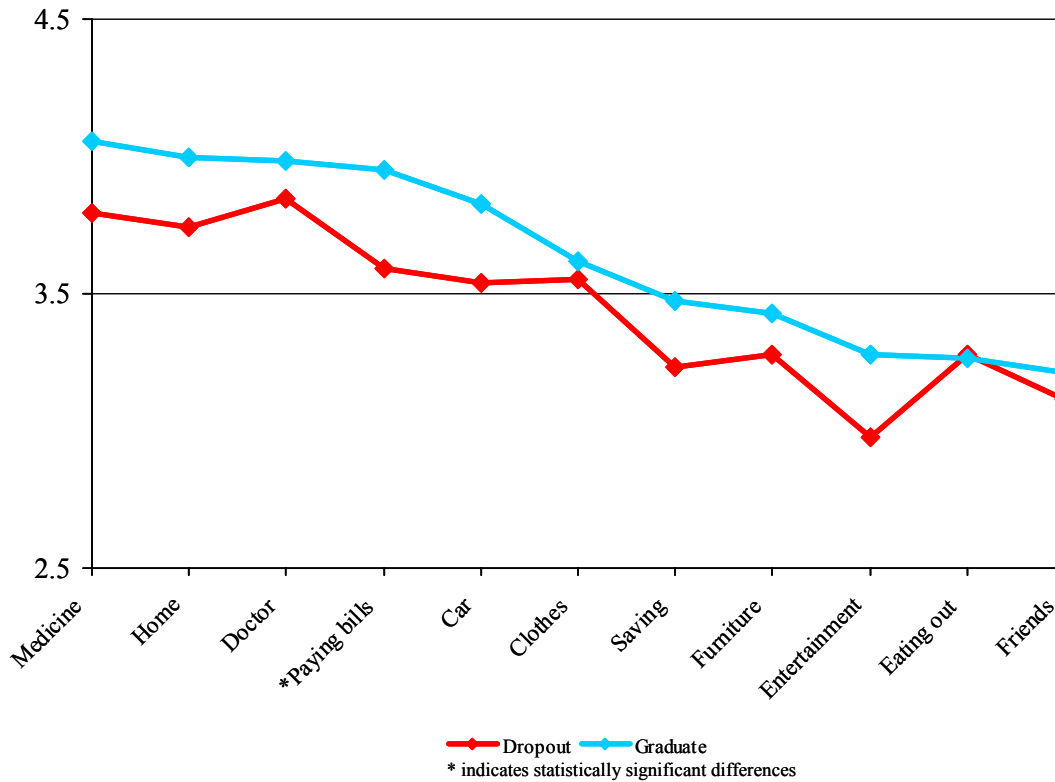
Table 14: Lifestyle deprivation

*Graduates and dropouts differed in only one of the items: “paying your bills in time.”*

Measure	All Respondents Mean (SD)	Graduates Mean (SD)	Drop-outs Mean (SD)	ANOVA F Statistic
Paying your bills on time	3.86 (1.148)	3.95 (1.142)	3.59 (1.141)	2.937, p=.088
Saving some of your money	3.42 (1.138)	3.47 (1.101)	3.23 (1.245)	1.362, <i>n.s.</i>
Having money for entertainment	3.21 (1.063)	3.28 (1.026)	2.98 (1.159)	2.344, <i>n.s.</i>
Buying medicine as prescribed	3.99 (1.236)	4.06 (1.227)	3.79 (1.260)	1.325, <i>n.s.</i>
Seeing the doctor when needed	3.95 (1.247)	3.98 (1.238)	3.85 (1.288)	.354, <i>n.s.</i>
Fixing your car when needed	3.76 (1.217)	3.82 (1.162)	3.54 (1.374)	1.642, <i>n.s.</i>
Keeping your home warm enough	3.94 (1.149)	4.00 (1.100)	3.74 (1.292)	1.464, <i>n.s.</i>
Replacing worn-out furniture	3.39 (1.235)	3.43 (1.186)	3.28 (1.389)	.446, <i>n.s.</i>
Buying new, rather than used, clothes	3.60 (1.162)	3.62 (1.180)	3.55 (1.117)	.094, <i>n.s.</i>
Eating out at least once a week	3.27 (1.210)	3.26 (1.223)	3.28 (1.183)	.004, <i>n.s.</i>
Having friends or family over for a meal at least once a month	3.19 (1.419)	3.21 (1.433)	3.11 (1.392)	.147, <i>n.s.</i>
Standard of Living (composite measure; .898, .914, .824 <sup>a</sup> )	3.59 (.848)	3.64 (.871)	3.44 (.759)	1.568, <i>n.s.</i>
N	164	126	38	

Note: Range from 1=never to 5=always; <sup>a</sup>Cronbach’s alpha for all respondents, graduates, and drop-outs

Figure 11: Standard of living (Range from 1=never to 5=always)  
*Graduates and dropouts differed in only one of the items: “paying your bills in time.”*



### Decision authority

The survey used the following questions to measure a personal authority in making financial decisions: “In your household, who handles daily money matters, such as paying bills?”. Respondents could choose from the following four alternatives: (1) you, (2) your spouse or partner, (3) both of you; and (4) others; please specify. The responses were recoded to fit a binary format of you yourself=1 and you with others or others without you=0.

The majority of both program graduates and dropouts make financial decisions themselves without the help of others.

Table 15: Decision-making authority

*Graduates and dropouts were equally likely to make the financial decisions in their household.*

Measure	All Respondents Mean (SD)	Graduates Mean (SD)	Drop-outs Mean (SD)	ANOVA F Statistic
Daily management (you=1)	.75 (.434)	.72 (.450)	.84 (.365)	2.531, <i>n.s.</i>
N	164	126	38	

***Past and future financial situation***

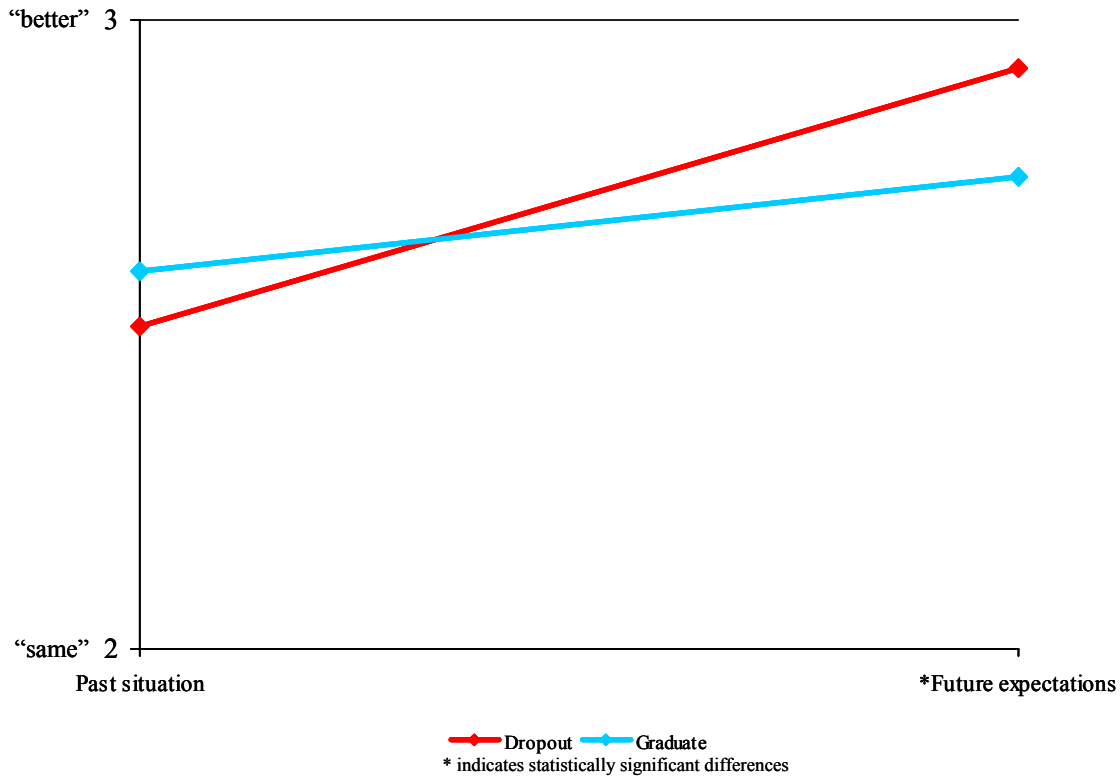
Two questions were used to assess participants’ past and future financial situations. These questions were: “What have your finances been like since you participated in the IDA program?” and “Looking ahead, what do you think your finances will be like in a year?” The respondent could choose from the following three alternatives: (1) better, (2) same, and (3) worse. Only the answers about future expectations differed between graduates and dropouts. Graduates were less optimistic about the future than program dropouts. Table 16 and Figure 12 depict these findings.

Table 16: Overall assessment of financial situation and decision-making authority  
*Dropouts were more likely reporting a positive outlook toward the future.*

Measure	All Respondents Mean (SD)	Graduates Mean (SD)	Drop-outs Mean (SD)	ANOVA F Statistic
Finances since IDA participation <sup>a)</sup>	2.58 (.626)	2.60 (.609)	2.51 (.683)	.574, <i>n.s.</i>
Finances in a year <sup>a)</sup>	2.79 (.463)	2.75 (.503)	2.92 (.270)	4.135, <i>p</i> =.044
N	164	126	38	

Note: Range from a) 1=worse, 2=same, 3=better

Figure 12: Overall assessment of financial situation  
*Dropouts were more likely reporting a positive outlook toward the future.*



## ADVANCED DATA ANALYSES

We utilized several advanced data analysis techniques to examine the cause-effect relationships among the variables.

1. First, we report the results of analyses that explore the predictors of program graduation.
2. Next, we discuss the relationships between respondents’ socio-economic and psychological situation.
3. Finally, we report the results of regression analyses carried out in order to investigate the extent to which socio-economic and psychological measures predict household savings.

### Predictors of program completion

In this section, we detail the predictors of program completion using analyses that included the full sample of survey respondents. Table 17 shows that program completion is related to a number of socio-economic variables and only two socio-psychological variables. Specifically, program graduation is associated with higher educational levels, higher income, full-time employment, ownership of checking, investment, credit card, or mortgage accounts at program enrollment, as well as months spent in the program, and higher household savings at the time of the survey data collection. While program graduation is related to a lower level of financial strain, it is not linked with a positive outlook. The correlation findings in Table 17 indicate the opposite tendency.

Table 17: Correlation coefficients between program graduation and variables associated with participants’ socio-economic and psychological variables

*A number of important variables were positively related to IDA program graduation.*

Educa- tion	Income	Employ- ment	Check- ing account	Invest- ment account	Credit card account	Mort- gage account	House- hold savings	Month in pro- gram	Look- ing ahead	Fin. strain
.174**	.251***	-.171**	.209***	.188**	.191**	.414***	.314***	.317***	-.152*	-.138*

Note: N=164; \*\*\* Significant at  $p < .01$ , \*\* Significant at  $p < .05$ , \* Significant at  $p < .10$ ; Pearson’s correlation coefficient; only significant coefficients shown

Table 18 shows the result of a binary logistic regression analysis conducted in order to investigate the strength of the influence of the socio-demographic and socio-psychological in predicting program completing in a multivariate analysis. Entering all variables at once into the regression analysis, we find that three variables, having a mortgage to pay off, a higher level of household savings and formal education are the most important predictors of program completion. Apart

from this, none of the other variables seems to be important predictors of program completion in the retrospect.

Table 18: Binary regression model for predicting program graduation (full sample)  
*Higher education, having a mortgage, and higher household savings increased the likelihood of being a successful program graduate. Significant predictors of program graduation are shaded in the table.*

	Exp (beta)	Sig.
Type of asset	1.004	0.990
Gender	1.736	0.496
Ethnicity	0.982	0.973
Education	1.562	0.064
Age	0.973	0.923
Marital status	1.237	0.773
Children under age 18	0.800	0.275
Annual household income	0.995	0.990
Employment status	1.155	0.606
Checking account	2.865	0.223
Savings account	0.556	0.371
Investment account	0.599	0.444
Credit card account	0.905	0.876
Fixed payment accounts	1.093	0.876
Mortgage account	8.063	0.002
Household savings	1.725	0.004
Credit card debt	0.914	0.571
Months since survey exit	1.018	0.308
Finances since program	0.983	0.970
Finances in future	0.420	0.253
Self-efficacy	1.723	0.269
Timeframe	0.854	0.284
Future orientation	0.798	0.686
Self-control	1.459	0.417
Decision authority	0.353	0.178
Financial strain	0.831	0.575
Constant	0.223	0.762

Note: Nagelkerke R<sup>2</sup>: .575, Cox & Snell R<sup>2</sup>: .380; Chi-Square: 18.528, p=.000  
\*\*\* Significant at p<.01, \*\* Significant at p<.05, \* Significant at p<.10

Combining the results of Tables 17 and 18, it seems clear that there is a link between program graduation and household savings. At the univariate level, we see that program graduation is associated with a higher income, full-time employment, and ownership in a number of financial accounts. Most importantly, it is related with higher household savings and reduced financial strain. The following paragraphs closer assess the relationship of household saving and program graduation.

## Relationships between respondents’ socio-economic situation and psychological measures

### *Household savings*

Table 19 summarizes the relationship between household savings and variables associated with participants’ socio-economic and psychological situation. We present the findings for both the full sample and divided by IDA program graduates and dropouts.

Several important relationships appear in Table 20. First, little surprisingly, demographic and socio-economic variables, such as household income and respondents ownership of financial accounts, are positively related with household savings. White program participants were also more likely to accumulate savings. Second, a person’s future orientation was the most important psychological variable, and was significantly related to savings for both program graduates and dropouts. This finding is congruent with recent research on the importance of future orientation to the achievement of household savings.

IDA program graduates with higher self-control and self-efficacy yet lower levels of financial strain also showed higher household savings. Lower levels of life-style deprivation, a longer time horizon, and ownership of credit card were also positively linked to savings. Younger graduates were also more likely to save than older ones.

IDA program dropouts show a slightly different pattern of savings predictors. Self-efficacy, self-control, and financial strain were not related with savings for this group. Those dropouts who pay a mortgage, however, were more likely accumulating savings as did those who were employed full-time. Those who recently left the IDA program were less likely to have accumulated post-program savings prior to taking the survey.

Table 19: Correlation coefficients between household savings and variables associated with participants’ socio-economic and psychological situation

*Household savings is positively related with the psychological strength of respondents.*

	Future orientation	Self-efficacy	Self-control	Financial strain	Ethnicity	Income	Savings account	Invest. account
All respondents (N=164)	.353***	.308***	.215***	-.374***	.240***	.401***	.243***	.585***
Graduates (N=126)	.368***	.362***	.223**	-.399***	.165**	.345***	.206**	.584***
Dropouts (N=38)	.331**	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	.370**	.393**	.312*	.487***

Note: \*\*\* Significant at p<.01, \*\* Significant at p<.05, \* Significant at p<.10; Pearson’s correlation coefficient; only significant coefficients shown

- Additional significant correlations for graduates: Deprivation (.168\*), time frame (.274\*\*\*), age (-.152\*), own credit cards (.173\*\*),
- Additional significant correlations for dropouts: Employment (-.402\*\*), months until survey (-.348\*\*), pay mortgage (.388\*\*)

### *Consideration of future consequences*

In general, participants were more likely to consider future consequences if they had stronger self-control, higher levels of self-efficacy, and experienced less financial strain.

Younger program graduates, those who were unmarried, had higher incomes, owned an investment account, or saved for a home were generally more future-oriented. Of course, future orientation among graduates also related to a more positive outlook towards the financial future and longer time horizons for savings.

Program dropouts’ future orientation was not influenced by their savings horizon, income, or ownership of an investment account. However, this group was more likely to consider future consequences if they owned a checking account.

Table 20: Correlation coefficients between the future orientation and variables associated with participants’ socio-economic and psychological situation

*Respondents’ future orientation was positively related with psychological strength and socio-economic well-being.*

	Self- efficacy	Self- control	Financial Strain	Time frame	Income	Checking account	Investment account
All respondents (N=164)	.529***	.531***	-.425***	.222***	.313***	.169**	.247***
Graduates (N=126)	.509***	.470***	-.346***	.266***	.364***	<i>n.s.</i>	.244***
Dropouts (N=38)	.578***	.681***	-.638***	<i>n.s.</i>	<i>n.s.</i>	.315*	<i>n.s.</i>

Note: \*\*\* Significant at  $p < .01$ , \*\* Significant at  $p < .05$ , \* Significant at  $p < .10$ ; Pearson’s correlation coefficient; only significant coefficients shown

- Additional significant correlations for graduates: Financial future (.201\*\*), asset type (.159\*), age (-.155\*), marital status (-.165\*)
- Additional significant correlations for dropouts: none

### *Self-efficacy*

Self-efficacy was positively related with most key socio-economic and psychological variables, but only few similarities appeared between program graduates and dropouts.

With respect to program graduates, those respondents reporting higher levels of self-efficacy also had longer time horizons, more positive financial outlooks for their future and past, higher levels of self-control, higher income, and were more likely to have had an investment account. They also experienced lower levels of financial strain in their families and less serious lifestyle deprivation. They were less likely to be white and or fully employed.

With respect to program dropouts, those respondents reporting higher levels of self-efficacy had more positive outlook for their financial future, higher levels of self-control, and more likely owned a savings account. They were not the ones making the financial decisions in their households and experienced lower levels of financial strain.

In sum, those respondents reporting higher levels of self-efficacy truly seem more able to master financial events in their lives.

Table 21: Correlation coefficients between self-efficacy and variables associated with participants’ socio-economic and psychological situation  
*Respondents’ self-efficacy was positively related with psychological strength and socio-economic well-being.*

	Time frame	Financial future	Self-control	Financial Strain	Income	Checking account	Investment account
All respondents (N=164)	.262***	.257***	.459***	<i>n.s.</i>	.285***	.165**	.298***
Graduates (N=126)	.303***	.233***	.490***	-.483***	.321***	<i>n.s.</i>	.340***
Dropouts (N=38)	<i>n.s.</i>	.490***	.377**	-.451***	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>

Note: \*\*\* Significant at  $p < .01$ , \*\* Significant at  $p < .05$ , \* Significant at  $p < .10$ ; Pearson’s correlation coefficient; only significant coefficients shown

- Additional significant correlations for graduates: Financial past (.211\*\*), deprivation (.195\*\*), ethnicity (-.190\*\*), employment (-.149\*)
- Additional significant correlations for dropouts: Decision authority (-.288\*), owning a savings account (.283\*)

### ***Self-control***

Again, respondents reporting higher levels of self-control seemed more able to successfully manage financial events in their lives.

With respect to program graduates, those reporting higher levels of self-control were also experiencing less serious financial strain, had longer time horizons for building savings, higher income, owning an investment account and a home mortgage.

Similarly, those program dropouts with higher levels of self-control experienced less financial strain and were more likely fully employed. However, self-control was not related to savings horizon, income, investment or mortgage accounts for this group. This is probably a result of the generally low levels in these measures among dropout respondents.

Table 22: Correlation coefficients between the self-control index and variables associated with participants’ socio-economic and psychological situation  
*Respondents’ self-control was positively related with psychological strength and socio-economic well-being.*

	Financial Strain	Time frame	Income	Employment	Savings account	Investment account	Mortgage
All respondents (N=164)	-.419***	.244***	.270***	-.172**	.140*	.193**	.138*
Graduates (N=126)	-.388***	.278***	.292***	<i>n.s.</i>	<i>n.s.</i>	.181**	.149*
Dropouts (N=38)	-.476***	<i>n.s.</i>	<i>n.s.</i>	-.276*	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>

Note: \*\*\* Significant at p<.01, \*\* Significant at p<.05, \* Significant at p<.10; Pearson’s correlation coefficient; only significant coefficients shown

- Additional significant correlations for graduates: none
- Additional significant correlations for dropouts: none

### ***Financial strain***

Finally, the measure of financial strain provided some additional insight in the financial hardship our respondents are experiencing. With respect to program graduates, those reporting higher levels of financial strain had more difficult financial pasts, higher levels of life-style deprivation, a shorter time horizon for savings, lower incomes and less likely owned an investment account. They were also the main financial decision-makers for their families and were less likely to be fully employed. Program dropouts with higher levels of financial strain had experienced a more difficult financial past and future and lower incomes. They were more likely married. For this group, lifestyle deprivation, time frame for savings, decision making, and employment status were not related to financial strain.

Table 23: Correlation coefficients between the financial strain index and variables associated with participants’ socio-economic and psychological situation  
*Respondents’ experience of financial strain was negatively related with psychological strength and socio-economic well-being.*

	Financial past	Deprivation	Time frame	Decision authority	Income	Employment	Investment account
All respondents (N=164)	-.331***	-.197***	-.204***	.187**	-.437***	.186**	-.272***
Graduates (N=126)	-.338***	-.335***	-.244***	.176**	-.434***	.168*	-.275***
Dropouts (N=38)	-.290*	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	-.379**	<i>n.s.</i>	<i>n.s.</i>

Note: \*\*\* Significant at  $p < .01$ , \*\* Significant at  $p < .05$ , \* Significant at  $p < .10$ ; Pearson’s correlation coefficient; only significant coefficients shown

- Additional significant correlations for graduates: Number of children (.164\*), months in the program (.149\*)
- Additional significant correlations for dropouts: Financial future (-.284\*), marital status (.317\*)

### **Predicting household savings**

Regression analysis is the perfect tool to combine all of the measures that we defined in the above sections of the report into one single analysis. We conducted three stepwise-linear (OLS) regression analyses to identify the measures that influence household savings. The results are presented for the full sample and for program graduates.

The number of dropout responses was too small to create meaningful regression results. For the sample of program dropouts, the significance value of the F statistic was larger than 0.10 for each of the three regression steps. The small sample of only 38 cases is ill fitted for multiple regression analysis. According to Tabachnick and Fidell (Tabachnick and Fidell 2001), a rule of thumb for testing b coefficients is to have the number of cases  $N \geq 104 + m$ , where  $m$  = number of independent variables, or 129 for the this regression analysis.

Linear regression analyses allow us to predict the variance in the dependent variables explained by the independent measures, to rank the relative importance of the independent measures, and to assess interaction effects.

With respect to the full sample, the variance explained in household savings by the three stepwise regressions is high. Already the set of demographic and socio-economic variables in the first regression explained 45 percent of the variance in household savings. Respondents reported higher household savings if they were white, unmarried, with higher household income, and holding an investment account.

Adding the program specific variables in the second regression step, the regression results changed slightly, while the first-step results remained robust. In this second step, respondents reported higher household savings, if they were male, white, unmarried, had children under 18, had higher household income, were employed full-time, held an investment account, credit card debt, and had graduated from the IDA program. The latter is the most important finding: those who graduated from the IDA program were more likely to have higher household savings than those who left the program premature ( $p = .007$ ). This finding is consistent even while controlling for all demographic and socio-economic variables.

In the third regression step, we added the psychological variables to the demographic, socio-economic, and program-specific measures in the equation. Controlling for these variables, program graduation remains a highly significant predictor of household savings ( $p = .006$ ). Considering the many variables in the equation, participants with higher household savings were

more likely white, had children under 18, were employed full-time, owned an investment account, were more considerate of the future consequences of their actions, and graduated from the IDA program. Consideration of future consequences was the one psychological variable that most importantly influenced household savings. This regression equation explained the relatively high amount of 53 percent of the variance in household savings.

Table 24: Three-step OLS regression model for predicting household savings (full sample)  
*Graduating from the IDA program is a highly significant predictor of household savings. Significant predictors of household savings are shadowed in the table.*

	1st regression step		2nd regression step		3rd regression step	
	Std. Beta	Sig.	Std. Beta	Sig.	Std. Beta	Sig.
Gender	-0.106	0.129	-0.116*	0.092	-0.103	0.131
Race	0.188***	0.006	0.170**	0.012	0.217***	0.002
Education	0.016	0.816	-0.004	0.950	-0.008	0.910
Age of applicant	-0.045	0.516	-0.054	0.425	-0.035	0.608
Marital status	-0.122*	0.095	-0.121*	0.096	-0.070	0.336
Children under age 18	0.095	0.176	0.118*	0.094	0.120*	0.082
Annual household income	0.171**	0.023	0.128*	0.097	0.066	0.425
Employment status	-0.119	0.108	-0.127*	0.087	-0.122*	0.098
Checking account	0.031	0.655	0.020	0.771	-0.007	0.923
Savings account	0.052	0.430	0.068	0.300	0.069	0.289
Investment account	0.443***	0.000	0.444***	0.000	0.393***	0.000
Credit card account	0.061	0.431	0.040	0.612	0.031	0.691
Fixed payment account	-0.046	0.496	-0.050	0.453	-0.047	0.492
Mortgage account	-0.009	0.916	-0.055	0.535	-0.042	0.627
Credit card debt	0.021	0.778	0.050	0.499	0.075	0.320
Graduate	–	–	0.197***	0.007	0.201***	0.006
Type of asset	–	–	0.103	0.137	0.064	0.346
Months since survey exit	–	–	0.039	0.550	0.019	0.765
Months in program	–	–	-0.041	0.548	-0.016	0.818
Finances since program	–	–	–	–	0.035	0.616
Finances in future	–	–	–	–	-0.008	0.906
Self-efficacy	–	–	–	–	-0.050	0.538
Future orientation	–	–	–	–	0.156*	0.056
Self-control	–	–	–	–	-0.070	0.363
Decision authority	–	–	–	–	0.093	0.173
Financial strain	–	–	–	–	-0.125	0.121
R <sup>2</sup>	.446		.482		.530	
Difference in R <sup>2</sup>	–		.036		.048	
Adjusted R <sup>2</sup>	.389		.413		.441	
Difference in Adjusted R <sup>2</sup>	–		.024		.028	
ANOVA (F statistic)	7.927***		7.045***		5.949***	
	(p=.000)		(p=.000)		(p=.000)	

Note: \*\*\* Significant at p<.01, \*\* Significant at p<.05, \* Significant at p<.10

With respect to program graduates, the explanatory power of the three-step regression analysis was relatively high again. It ranged from 45 percent in the first step to 54 percent in the third step. The result in the third regression step presented household savings of IDA program graduates as correlated to being white, unmarried, having children under age 18, and owning an investment account. Among the psychological variables, a person with stronger future orientation and experiencing less financial strain was more likely having higher savings.

Table 25: Three-step OLS regression model for predicting household savings (graduate sample) *Being white, unmarried, having children under age 18, owning an investment account, stronger future orientation, and less financial strain predicted higher household savings. Significant predictors of household savings are shadowed in the table.*

	1st regression step		2nd regression step		3rd regression step	
	Std. Beta	Sig.	Std. Beta	Sig.	Std. Beta	Sig.
Gender	-0.097	0.236	-0.117	0.155	-0.111	0.171
Ethnicity (1=white)	0.149*	0.066	0.136*	0.093	0.225***	0.008
Education	0.033	0.679	0.031	0.704	0.032	0.693
Age of applicant	-0.084	0.316	-0.110	0.197	-0.079	0.344
Marital status (married=1)	-0.168*	0.060	-0.177**	0.048	-0.153*	0.092
Children under age 18	0.145*	0.090	0.148*	0.091	0.188**	0.030
Annual household income	0.213**	0.013	0.154*	0.090	0.040	0.677
Employment status	-0.104	0.224	-0.117	0.173	-0.099	0.236
Checking account	-0.083	0.308	-0.093	0.256	-0.059	0.460
Savings account	0.029	0.725	0.039	0.627	0.036	0.647
Investment account	0.464***	0.000	0.464***	0.000	0.396***	0.000
Own credit cards	0.147	0.115	0.140	0.149	0.126	0.186
Fixed payment accounts	-0.016	0.843	-0.012	0.886	0.014	0.864
Mortgage	-0.198**	0.043	-0.149	0.158	-0.146	0.154
Credit card debt	0.054	0.533	0.071	0.416	0.124	0.158
Type of asset	–	–	0.134	0.144	0.083	0.358
Months since survey exit	–	–	0.120	0.125	0.097	0.211
Months in program	–	–	-0.055	0.478	-0.003	0.971
Finances since program	–	–	–	–	0.036	0.647
Finances in future	–	–	–	–	0.007	0.923
Self-efficacy	–	–	–	–	-0.028	0.777
Future orientation	–	–	–	–	0.158*	0.085
Self-control	–	–	–	–	-0.032	0.712
Management (you=1)	–	–	–	–	0.088	0.266
Financial strain	–	–	–	–	-0.230**	0.017
R <sup>2</sup>	.446		.466		.541	
Difference in R <sup>2</sup>	–		.020		.075	
Adjusted R <sup>2</sup>	.371		.376		.426	
Difference in Adjusted R <sup>2</sup>	–		.005		.050	
ANOVA (F statistic)	5.909*** (p=.000)		5.187*** (p=.000)		4.705*** (p=.000)	

Note: \*\*\* Significant at p<.01, \*\* Significant at p<.05, \* Significant at p<.10

## QUALITATIVE RESPONSES

This survey is very, very good. It help me a lot. Thank you very much

I want to thank the IDA program, for helping me launch my non-profit business. Currently I've been operating on a very small budget, but the non-profit is just another piece of the puzzle, which is larger then just the non-profit portion. I often tell people how we got started, but one day I will be able to publicly announce on a larger scale on how we got our start, which was through the IDA program. Thank you. May God Richly Bless the IDA Program. *[Signature of respondent]*

This is a great survey to study a wonderful program. The IDA funds helped me get on my feet & get my business running in a tough time for our family. I credit that program for truly giving me a chance to clean up my credit issues & make my finances & business shine! Thanks! *[Signature of respondent]*[smiley face]

It would be good to do a follow up of participants in the IDA program to see if the participants have achieved their goals. It would be good to get a newsletter from participants of their successes and/or failures/mistakes.

I feel that some of these questions were very degrading. Just because someone is poor - it does not mean they are stupid. Some of these questions were very stereotypical.

I am very grateful for the IDA program. I was able to take one class at a time because I have a full time job and a single parent. I was also able to pay tuition for my son to attend private school. IDA program was extremely beneficial to me and I am hoping that it will continue to help the single parenting families that have the ambition. Thank you. *[Signature of respondent]*

I took pleasure in completing this survey particularly due to Smart Money in IDA program. The financial education and personal care I received from this service totally changed my life in every aspect for the better. I believe generational poverty and hopelessness has been defeated by me and the legacy of my children, because of Smart Money IDA services and my own desire to achieve and succeed. The IDA program is an excellent service to help enlighten individuals who want positive changes. The program continues to excel as it reaches out to more and more people. So very grateful for a “brighter future”  
God Bless, *[Signature of respondent]*

I didn't know if I should answer for myself in regards to children questions since I don't have any. If you need answers refer to underlined answers.

I do not make enough money to really save. Someone anonymously opened this IDA account for me. I was not able to save any to contribute. When they quit paying the saving ended. All my \$ goes to everyday living expenses. Good survey.

The survey was too lengthy. Questions related to standard of living. [Having enough money for household expenses, entertainment, medical and dental] could have been combined to 2 to 3 questions. Short-term and long-term goals: This section initiated some thinking on crises and emergencies situations and the need for problem solving. Section on controlling impulses: this section implies moral & values constraints. Please note: “CAMCO” IDA program was phased out. It was hard to get the money I put into the savings and 5/3 Bank would not release the monies until an official from the “CAMCO” program contacted 5/3 Bank to release the monies, which was monies I put in to the account. It took the representative 2 months to release monies (just to call about the account). I was not able to save the monies requires to match the monies needed to attend school. An important question for the survey is: Did you find the IDA program helpful? What type of road bocks did you encounter in the IDA program?

This is a wonderful, wonderful program.

I think that the program should be offered during the day and evening hours and maybe once a month on Saturday. It would be great to have one-on-one sessions so that people would have a better chance of completing the class.

It is timely. The program is empowering and encouraging. I know I need to work on savings more. I hope to incorporate what I have learned back into my life.

I feel the IDA program is a great opportunity for people like myself. Unfortunately I was unable to save as much as I would have liked. Things weren't going well for me so I pulled myself out. If there were something like the IDA program where I am now, I would join once I become employed again.

I am happy to complete this survey and I am happy that people are doing ongoing research on the program. Without the IDA program, I would have had trouble providing a down payment for my home. Now I am a proud homeowner and I share the IDA program with anyone interested. Thank you for researching this program and please share that it is a HUGE success! Thank you.

Section 1, question #3 is worded badly. The question would make more sense or be easier to interpret if stated more simply, i.e. “How often do you have enough money for these items? Always .....Never”

*[Response of Dr. Loibl: This comment is correct. Question 3 in Section 1 included a double negation (“How often do you not have enough money for these items?” Answer: Never ... Always) which confused several respondents. Unfortunately, neither I nor the English language specialist hired to check the reading level of the survey, caught this confusing phrase.]*

The IDA program really help me out a lot because is was my very first time buying a house. If it was not for Habitat for Humanity, I probably would not have known about the program. I am also in college trying to better in order to keep my bills up and on time.

Hi, my name is *[name of respondent]* and I like to thank you, for the time to send me this survey. Yes, I would like to say a few things. The IDA program is great! I learn a lot of things and how

to fix a lot of things. One thing I think would help a lot of people when entering the program is for IDA to offer training for us career training. GED classes, better job training, so they can prepare for the show to get rolling. Because I thought I would have a better way but it's hard trying to go to school. I hold a full time job as an STNA when I should have been a LPN! Thanks. I can't get ahead when I can't get a higher paying job because of my education! You can contact me [*phone number of respondent*] after 10:00.

I feel that the IDA program is a great program and should continue. Some of the questions on this survey didn't apply to my situation. Since I purchased my home using the IDA program, my household has had loss of income. This has put a strain on us financially. Before we had lost income, things were good, and we were able to save. Since the loss of income, we had to spend that savings to get by. The IDA program has nothing to do with the loss of income. The area where I live doesn't have a lot of job opportunities. I appreciated so much all the assistance I received from the program and wouldn't have been able to purchase my home if I had not have participated. I think this is important work and financial literacy is paramount no matter where you are. Thank you for the opportunity to participate in your survey.

The program is needed, but the realtor should not be friends with any one from the program. We were not being worked with. The houses were or are way overpriced. We will not get out what we paid. Older homes are harder to find insurance for. We were lied to about that. We pay a higher rate and had to talk to about 15 companies. Like I said before the punch list wasn't done: ceiling fans were not put in, door locks were not redone, we got one key to the house, feces in and on the outside of toilet, garage-not done. We had to fight to get stairs to basement redone (unsafe, rotted). Trouble was no one looking out for us. The realtor was no help. There should be an outside realtor for the buyers.

This survey made me think about my current situation, Access more budgeting classes; repeat as often as needed. The survey makes you think in terms: Where do I see myself in five years? Where was I five years ago? Where am I now!??... What I need to do to be where I want to be in five years! I need to work harder or I am not going to make it and think more in long-short term goals all the time

They are great! I'm glad to answers your question! Well, I put sign up for sale! We are moving to Kentucky to near my family! Thanks! [*Signature of respondent*]

I wish there was a program for former IDA participants to help with after purchase issues. A support group with links to other programs for home repairs and such would be nice, plus success stories would inspire others to stay on the right track.

Thank-you for your help with my down payment!!! & the two dollars!! [smiley face] Glad I could help.

The IDA program helped me a lot! I probably wouldn't own my own home today if I hadn't been involved with it. I have since married and have improved my income tremendously.

Please note that any financial difficulties paying monthly bills had to do with the jump in oil/heating prices. I figured an average increase of 3% a year and it has been much more than that. While I've also had some problems with my home (currently my bathroom is being redone and living room ceiling fixed from a pipe leaking), I still think my home is wonderful. I am very thankful to the IDA program for helping me get our home. Thank you.

I think those types of programs are wonderful. I was able to complete the IDA program with the moving to work program and this really gave me the opportunity I needed to get to where I am currently and in the future. I believe these programs offer great assistance to those who are scared about improving their way of life. I don't think they will work for everyone's you have to be serious about planning, waiting for long term results, and empowering your future. I learned so much from the required management classes that I still put to use to this day. I am very proud of what I have accomplished for myself and I would like to say thank you for helping me to be able to get to the point I am at and will continue to achieve. *[Signature of respondent]*

Biggest problem is taking care of repairs. Not enough \$\$ to fix major appliances, foundation, rodent, termites, water. Thank you including me! Also, tot really prepared to handle lots like home owners need items like mower, snow shovel, etc. I am not doing well. I love my home but hate this ... daily.

I really liked the IDA program. It helped me with the information I was unsure of as far as buying my own home. We had homeownership classes that helped me with do-it-myself projects that came in handy. I learned about the difference in expenses and debts. I learned how to balance my monthly expenses. I upgraded myself and got another job while in the program that gave me more income for expenses and to save. I love my house; it's spacious, comfortable, and loving. My daughter loves it also. It's nothing like owning your own home. People didn't believe me when I told them that I was going to buy a house. And thanks to the IDA program, they helped make it possible at the young age of 21. With God, all things are possible. Thanks for this survey. It really gave me time to reflect on the good things that God has done for me and with the help of others. Thanks again.

I very much appreciate the program. I know I couldn't have purchased my home without it. I planned out my house payment in such a way that I don't have to be concerned about it going unpaid. I have had concerns about buying gasoline to go to work, car repairs, and when bills become high (like heating in the wintertime). God is good and things are looking better all the time.

Keep this program! I think it's a great program, very informative and a great incentive, matching \$1.00 for \$1.00! Never change that. It could be great if you could match more! Thanks IDA!

The IDA program along with Habitat for Humanity taught me how to budget money and plan for the short-term future, week to week, month to month, and situation to situation. By making me budget in responsibilities that were due later on in the year like water bill every 3 months and license renewal in 12 months. So that those things don't catch us off-guard. The home maintenance gave me confidence to do small repairs around the house so that I wouldn't have to spend

money that was needed for other things. I appreciate Oikos and DOHFH for equipping me with the proper tools to be a successful homeowner. Thank you, *[Signature of respondent]*

- 1) Overall survey good.
- 2) You didn't ask about the IDA application through money receipt process experience. We experienced odd things.
- 3) You didn't ask “problems with home” follow-up questions, e.g., how problems were dealt with or still exist
- 4) Would you recommend IDA?
- 5) Have you made any improvements inside/outside?
  - a) We had to replant more 1200 sq. ft. lawn (2 summers)
  - b) We added a patio of stepping stones that we made by hand mixing cement
  - c) Last spring we made a 70' retaining wall and planted bulbs.
  - d) Children have planted summer garden for 8 years now.
  - e) Neighbors' house being robbed, called 911, stopped other houses being robbed.
  - f) We painted 4 bedroom-house ourselves – people's comments: WOW!!!

The IDA program was/is a great program for first time homebuyers. Though are situation was different as a husband-and-wife couple with excellent credit, we learned valuable information to use and pass on to other. We were fortunate to know the importance of handling your finances carefully and wisely. We were reminded of how we could pay extra on our mortgage principle and cut years off our mortgage. We learned valuable information regarding predatory lending, that was/is very helpful when we get those phone calls from lenders about refinancing. Overall the IDA program has a number of informative times that we appreciate and still us along with pass on to friends, family, and co-workers.

I strongly feel that the IDA program should deal with a bank that will consolidate or combine previous debts for the participants and students; add all large old debts in the beginning to the initial loan amount. It is a suggestion I think the organization needs to consider. Especially if the home purchased is a rehab. and in need of major repairs. There needs to be someone who is sensitive to new, first time homebuyers after the purchase. There should be a group of electricians, carpenters, electricians, plumbers, painters, carpenters, electricians, and black top people at our disposal for free or just one dollar. *[Signature of respondent]* P.S. I was glad to see and use the gift. I would love a thousand dollar gift card from Home Depot or Lowe's.

I think the IDA program is great. If not for them and their resources I wouldn't and didn't have any idea how to purchase a home, how to save money, and how this program helps so much with their contribution (money). I think more advertisement of this program that some people would not be so afraid to make the step of purchasing a home, their home. I had one bad experience that was with the realtor. She just went to make free money, made promises which [illegible] kept. So, I'm still financially strapped, because I have to do the things she did not do.

I do not feel that my being Republican, Democrat etc. is pertinent and actually found the question offensive.

I think that the IDA program is a very helpful and informative program and a lot of 1<sup>st</sup> time homebuyers would benefit from this program. I hope this program will stay enforced to help other families in the future.

You forgot to ask: After going through the IDA program, and completing all workshops, volunteer hours, and quarterly IDA meetings, would you do it all again, knowing what you know now? Yes I would! It was a great experience and I learned to do a lot of things to help myself instead of waiting on someone to give it to me. This is real life. If you want something bad enough you have to work hard to get it!

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## APPENDIX: QUESTIONNAIRE EXAMPLE

The survey consisted of six different questionnaires: three for each asset time two to account for program graduates and dropouts. The questionnaire presented here is the one mailed to program graduates who purchased a home with their savings.

# *Survey of* IDA Program Participants



College of Education and Human Ecology  
Department of Consumer Sciences  
1787 Neil Avenue  
Columbus, Ohio 43210

March 2007

We are studying the IDA program. We hope to make it better. Please help us by answering this survey.

Your experiences and thoughts are important to us. We will keep your answers private. It is O.K. to ask someone else to help you complete this survey.

### 1. How the IDA Program Helped You

What have your finances been like since you participated in the IDA program?

- Better  
 Same  
 Worse

Looking ahead, what do you think your finances will be like in a year?

- Better  
 Same  
 Worse

This question lists items that relate to your standard of living. Please indicate how often you do not have enough money for these items. For each statement, please circle the number that best matches your situation.

	Before the IDA Program					Since the IDA Program						
	Never	1	2	3	4	5	Never	1	2	3	4	5
1	2	3	4	5			1	2	3	4	5	
2	3	4	5				1	2	3	4	5	
3	4	5					1	2	3	4	5	
4	5						1	2	3	4	5	
5							1	2	3	4	5	
6							1	2	3	4	5	
7							1	2	3	4	5	
8							1	2	3	4	5	
9							1	2	3	4	5	
10							1	2	3	4	5	
11							1	2	3	4	5	
12							1	2	3	4	5	
13							1	2	3	4	5	
14							1	2	3	4	5	
15							1	2	3	4	5	

This question lists some of the personal difficulties people face these days. For each statement, please circle the number that best matches your situation.

	Completely Disagree	1	2	3	4	5	Completely Agree
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

### 2. Thinking About the Future

People have short-term goals and longer-term goals when they decide what part of their income to save. Which time frame is most important to you with regard to savings?

- The next couple of days  
 The next couple of weeks  
 The next couple of months  
 The next year  
 The next couple of years  
 The next 5 - 10 years  
 More than 10 years from now

This question lists some of the ways people plan for the future. For each statement, please circle the number that best matches your situation.

	Completely Disagree	1	2	3	4	5	Completely Agree
1							
2							
3							
4							
5							
6							
7							
8							
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50							

This question lists some of the ways people think about how they control their impulses. For each statement, please circle the number that best matches your situation.

	Completely Disagree	1	2	3	4	5	Completely Agree
I am good at resisting temptation.							
I have a hard time breaking bad habits.							
I do certain things that are bad for me, if they are fun.							
I refuse things that are bad for me.							
I wish I had more self-control							
People would say that I have less self-control							
I have trouble with my concentration.							
I am able to work well toward long-term goals.							
Sometimes I cannot stop myself from doing something, even if I know it is wrong.							
I often act without thinking through all my choices.							

### 3. Your Experience with Money Matters

In your household, who handles daily money matters, such as paying bills?

- You
- Your spouse or partner
- Both of you
- Others; please specify: \_\_\_\_\_

This question lists some of the ways people experience financial strain. For each statement, please circle the number that best matches your situation.

	Completely Disagree	1	2	3	4	5	Completely Agree
It is hard for me and my family to live on our present income							
I have money problems							
Money problems interfere with my work and daily routine							
I worry about money							
Money problems interfere with my relationships with other people							
I worry about disappointing my children because I can not give them things they want							
I worry about having money to celebrate holidays and other special occasions							
I put off family events or trips because of the money							
I feel frustrated because I cannot afford the education or training I need to get ahead							
I have to put off getting medical care for family members because of the money							
I have to put off getting dental care for family members because of the money							
I feel bad that I can not afford to buy my children the brand name clothing that other children their age are wearing							

### 4. How You Used Your IDA Savings

This set of questions asks you about the home you bought with your IDA funds. Do you still own the home you bought with IDA funds?

- Yes
- No

Which mortgage did you pick to buy your home?

- Habitat for Humanity mortgage- 20-year fixed term
- USDA mortgage- 33-year fixed term
- CHIP loan- 5-year fixed term, 10-year fixed term
- Government loans (FHA, VA)- 30-year fixed, 15-year fixed, ARM
- Regular fixed-rate mortgage- 30-year, 15-year
- Regular adjustable-rate mortgage- 1/1 ARM, 3/1 ARM, 5/1 ARM
- Interest-only mortgage- 5-year fixed, 7-year fixed
- Convertible ARM

What is was your monthly payment?

- Up to \$500
- \$500 to \$1,000
- \$1,000 to \$1,500
- \$1,500 to \$2,000
- \$2,000 or more

In the past year, how often was it hard for you to pay your home costs? Please include your mortgage, real estate taxes, and costs of upkeep.

- Every month
- About every other month
- Three or four times
- About once or twice
- Not at all
- Not applicable

Here is a list of problems some people have with their homes. Since you bought your home with IDA funds, have any of these problems been serious for you?

- Not enough space
- Noise from neighbors or outside
- Too dark/not enough light
- Leaky roof
- Damage to your home's foundation
- Heat or cooling system problems
- Electrical problems
- Cockroach, rat, or other rodent problems
- Damp areas, walls, floors, or foundation
- Rot in window frames or floors
- Pollution, grime, or other problems caused by traffic or industry
- Vandalism or crime in the area
- None of the above

**Please skip this page of questions if you still own the home you bought with your IDA funds. Please go on and complete this survey by answering the last section, Section 5.**

If you do not own the home anymore, why not? For each statement, please circle the number that best matches your situation.

	Completely Disagree	1	2	3	4	5	Completely Agree
The mortgage payments and other housing costs took too much of my money							
I became divorced							
Illness or lack of work kept me from earning enough money							
I did not have any/did not have enough health insurance and had to pay a large bill							
I had higher monthly payments than I thought							
I had too much debt so that the lender would not hold back on foreclosure							
I did not have enough savings to protect the home							
I did not like the house/the neighborhood and sold it and bought another home							
Other reasons, please specify _____							

**How did you change your ownership?**

- Regular sale
- Repossessed by the creditor
- Short sale
- Other way, please specify \_\_\_\_\_

**When did you change your ownership?**

- Within 6 months after I bought the home
- Within 12 months after I bought the home
- Within 1.5 years after I bought the home
- Within 2 years after I bought the home
- Within 2.5 years after I bought the home
- It was a longer period of time

**Where do you live now?**

- I live in and make payments on a different home
- I rent a house or apartment
- I am staying with family or friends
- I am homeless
- Other situation, please specify \_\_\_\_\_

**Do you plan to buy a home again in the next couple of years?**

- Yes
- Have not decided yet
- No

**5. Questions About Your Financial Situation**

We would like to ask you some questions about your financial situation. Your answers are important. They will help us study the IDA program with more care. Thank you for completing this section.

**Are you now**

- Employed full-time (including self-employment)
- Employed part-time (including self-employment)
- Seeking employment
- Not seeking employment
- Unable to work or disabled

**On average, how much do you owe in credit card debt?**

- None
- \$1-\$499
- \$500-\$999
- \$1,000-\$1,999
- \$2,000-\$3,999
- \$4,000 or more

**How many children under age 18 live with you?**

\_\_\_\_\_ children

**Do you think of yourself as a Republican, a Democrat, or an Independent?**

- Strong Republican
- Weak Republican
- Independent-Learning Republican
- Independent
- Independent-Learning Democrat
- Weak Democrat
- Strong Democrat

**What is your annual household income before taxes? Please include all household members and all sources of income.**

- Less than \$10,000
- More than \$10,000 but less than \$30,000
- More than \$30,000 but less than \$50,000
- More than \$50,000 but less than \$70,000
- More than \$70,000

**What financial products do you own? Please check all that apply.**

- Checking account
- Savings account
- Investment account (for example, 401(k), IRA)
- Credit cards
- Fixed payment accounts (for example, auto loans, appliance loans)
- Mortgage

**How much money do you have in savings and investments?**

- None
- \$1-\$249
- \$250-\$499
- \$500-\$999
- \$1,000-\$1,999
- \$2,000 or more

### *Thank You*

Thank you for taking the time to complete this survey. We very much appreciate your help.

This survey may not have asked all the questions that are important to you. Please use the space below if you would like to tell us more about the IDA program.

We are also interested in your thoughts on this survey. Please also use the space below if you would like to tell us what you thought of this survey.

Thank you for taking time to participate in this important study!  
Please return the survey in the enclosed envelope. You do not need a stamp if you use the enclosed envelope.

You can also send it in your own envelope to:  
Cäzilia Loibl, Ph.D.  
The Ohio State University  
Department of Consumer Sciences  
1787 Neil Avenue, Columbus, Ohio 43210