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An Evaluation of the Success of Saving-Growing Personal Assets Project: Individual Development Accounts for People with Developmental Disabilities

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EXECUTIVE SUMMARY

Introduction

Few IDA programs have targeted individuals with disabilities, particularly individuals with developmental disabilities. However, there is a growing national trend, with programs in California, New Hampshire (World Institute on Disability, 2002), and presently New Jersey that focus on improving the financial security of individuals with disabilities. Allies Inc., an organization based in New Jersey, whose goal is to assist individuals with disabilities, developed and implemented an IDA program called the *Success of Saving Growing Personal Assets Project (SOS)*. The primary objectives of this program were to:

- Develop a savings club for participants.
- Provide financial education to all participants.
- Provide peer support and financial counseling periodically.

Methods

An evaluation of the SOS program was performed using multiple methods. First, information was gathered on the program, including its challenges and benefits. Second, a participant questionnaire was developed and administered to participants at the end of their financial education sessions. Finally, an advisory council questionnaire was distributed to all members.

Results

- A few challenges arose in the initial implementation of the program but with the assistance of the advisory council, the perseverance of the program director, and help from other stakeholders, the program was completed successfully.

- The majority of SOS participants were satisfied with the location and size of the classes.
- Most participants experienced some psychological, economic, and social impact due to the SOS program.
- Advisory council members felt that the program was effective in achieving its goal, with one of the biggest successes being the exposure it gave to participants to the world of finance.

Conclusion

At every level of participation (i.e., advisory council member, SOS participant), the reaction to the SOS program was positive and encouraging. There were several challenges but overall the program was a success. Its impact was clearly shown in the results of the participant survey and the response from the advisory council. The SOS program may be just the beginning for many of these individuals in reaching financial independence, but its effects were unmistakable.

An Evaluation of the Success of Saving-Growing Personal Assets Project: Individual Development Accounts for People with Developmental Disabilities

Introduction

Individual Development Accounts (IDAs) are subsidized savings accounts designed to assist individuals, particularly those with low income, save at an increased rate. Unlike other savings accounts, individuals accrue matches to their savings, which can range from 1:1 to 2:1, or higher. Additionally IDAs are more flexible in that they can be used for a variety of goals such as buying a first home or starting a small business (Schreiner, Clancy, & Sherraden, 2002).

IDAs are typically implemented by community-based organizations in collaboration with financial institutions that provide a variety of funding sources. Thus far, IDAs have typically been used by organizations that assist low-income families by helping them establish a strong financial future by building assets. In exchange, individuals in these IDA programs are required to attend classes on such financial topics as how to make a budget and how to manage your IDA (Schreiner et. al, 2002; McBride, Lombe, & Beverly, 2003). Therefore, IDAs not only help individuals save money but they also allow individuals to be more financially savvy.

In addition to low-income families, IDA programs have also benefited recent refugees, youth in disadvantaged urban and rural schools, and the working poor (World Institute on Disability, 2002). Few IDA programs have targeted individuals with disabilities, particularly individuals with developmental disabilities. However, there is a growing national trend, with programs in California, New Hampshire (World Institute on Disability, 2002), and presently New Jersey that focus on improving the financial security of individuals with disabilities.

Success of Saving (SOS) Program

Allies Inc., an organization based in New Jersey, whose goal is to assist individuals with disabilities, developed and implemented an IDA program. The *Success of Saving Growing Personal Assets Project* (SOS) was established in response to the growing need of individuals with disabilities to increase resources and therefore, economic independence.

The objectives of the SOS program include:

- Developing a savings club for participants.
- Providing financial education to all participants.
- Providing peer support and financial counseling periodically.

Participants attended four financial education sessions that lasted 1 to 2 hours. Sessions were led by a Community Development Specialist from Sovereign Bank and the topics included: banking, budgeting, checking, and loans/credits. Additionally, participants were assisted in opening a savings account. Savings deposits were matched \$2 to \$1 by Allies, Inc., with participants having a minimum deposit of \$10 and a maximum deposit of \$47 monthly.

Potential participants were recruited from several agencies in New Jersey that served individuals with developmental disabilities. The recruitment process included flyers, company/agency events, and networking. A total of 20 individuals with varied developmental abilities participated in the SOS program.

An advisory council was created to assist in the design and implementation of the SOS program. This advisory council met three times within the span of the program, with additional assistance provided via e-mail and telephone on an as-needed basis. Program leaders looked to the advisory council on decisions about recruitment, program content, and evaluation.

Methods

The evaluation of the SOS program was performed using multiple methods. First, information was gathered on the program, including its challenges and benefits. Second, a participant questionnaire was developed and distributed to participants at the end of their financial education sessions. Finally, an advisory council questionnaire was distributed to all members.

The participant questionnaire¹ included questions on socio-demographics such as age, gender etc., as well as questions on participant's program satisfaction. Additionally, the questionnaire also gauged information on any psychological, economic, and social impact the SOS program had on their lives (see Appendix A for a copy of the questionnaire). Of 20 participants in the SOS program, half completed the evaluation survey.

The advisory council questionnaire included questions on program effectiveness, leadership, and program value (see Appendix B for a copy of the questionnaire). Additionally, the questionnaire asked for suggestions on sustainability and replication of the SOS program. Since many of the advisory council members collaborated in implementation, any information they offered was clearly beneficial for the continuation of the SOS program.

Results

SOS Program Process

A few challenges arose in the initial implementation of the program. Recruitment was slow but interest in program participation quickly grew when Allies, Inc. looked beyond their own agency and recruited individuals from other community based organizations. However, in recruiting from several agencies throughout New Jersey,

¹ Certain portions of the participant questionnaire were adapted from the Center for Social Development.

sessions that at first were going to be conducted in one location needed to take place in two locations: Hamilton and Somerville. Fortunately space was available and the financial educator was able to conduct sessions in both locations. As you might imagine, conducting the sessions in two locations increased attendance considerably.

It was also difficult to decide on a curriculum that would be most beneficial to individuals with developmental disability attending a financial literacy class. With the help of the advisory council and the knowledge and ability of the financial educator, a curriculum was developed and successfully implemented. To help with some difficult portions of the curriculum, particularly the activity sections, additional assistance was recruited to provide more individualized training.

Other difficulties that were encountered included the lengthy process involved in completing savings account forms for all participants and transportation for some participants to the actual sessions. These difficulties were overcome as a result of the perseverance of the program director and the assistance of certain agencies that helped with transportation. Even with these challenges, the SOS program was launched and completed successfully.

SOS Program Effects – Participant Perspective

Participant Characteristics

The majority of participants were white, unmarried women who lived with one adult and no children. The average age was 38 years old, and most had attended high school or had some other type of education. With regard to income, the majority of participants worked part-time (n = 8), earning less than \$1000 per month (n = 9). Aside from a job, these participants had one other source of income, and for the majority (n = 6), this source was Supplemental Security Income (SSI).

Most of the participants had few assets. Those that did have assets mentioned a savings account, checking account, or both. Only one person said that he/she had a vehicle and another person said that he/she owned a home. Liabilities for these individuals included mostly regular household bills, credit card debts, and medical bills. No one had past due bills or business loans or other serious liabilities.

Accounts for these individuals were opened at the beginning of entering the SOS program, and that usually was January or February 2005. The majority saved the maximum amount, which was \$47 per month. The intended use of their savings varied: three people said they were going to use the account to start a small business; three said home repairs; one mentioned retirement; and the remainder said they would purchase a trip, a computer, or other shopping item.

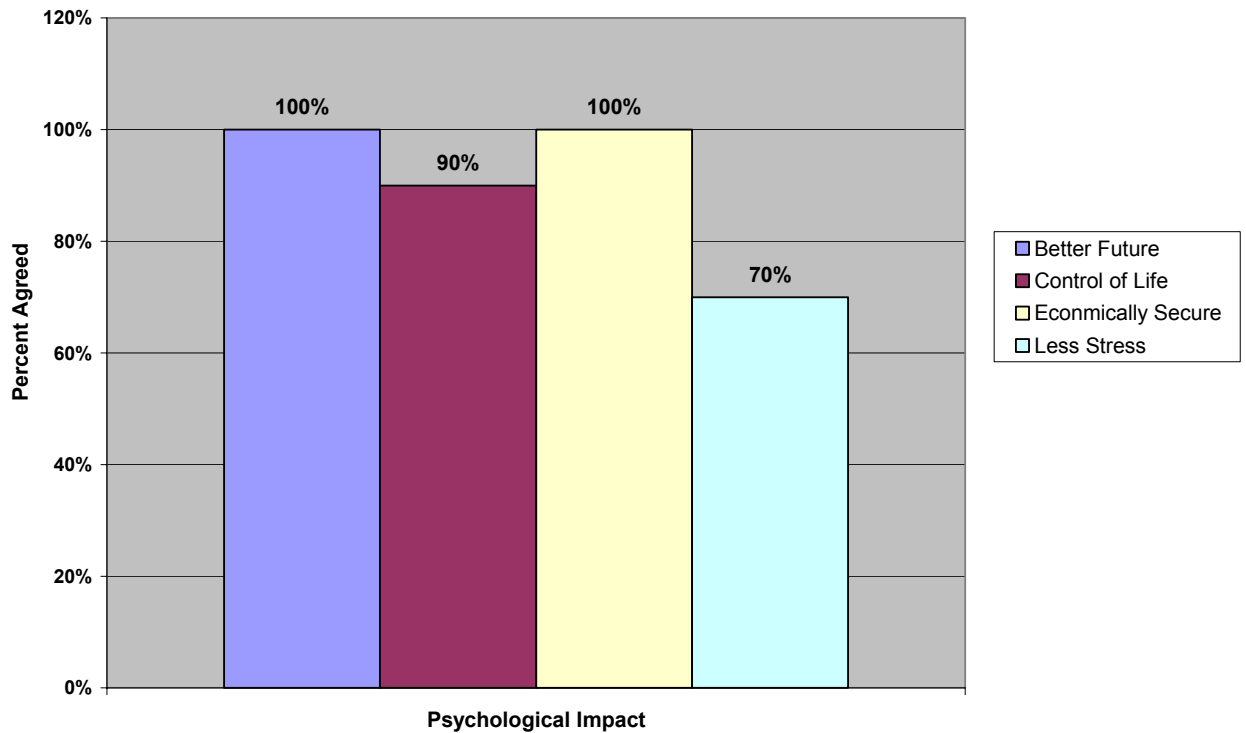
Participant Program Satisfaction

The majority of participants were satisfied with both the location and size of the training classes. A few felt the classes were too crowded and although they found the financial educator helpful, some felt they did not receive enough one-on-one guidance. They mentioned that they could have benefited with more individualized instructions, additional instructors or speakers, and more classes. One participant stated, *“I would like to see more classes. It would be nice to have a bigger match in the money. Have more speakers on certain subjects.”* Several individuals made similar statements, with one even suggesting web camera classes that would reduce traveling and have more of a variety of classes.

Overall, however, participants enjoyed the financial literacy classes and stated that they had learned a lot. One participant stated it very succinctly, *“I’ve learned a lot on how to save. I’ve learned how to budget my money.”* Clearly, even a minimal amount of information has made a considerable difference to these individuals in providing guidance with their financial futures.

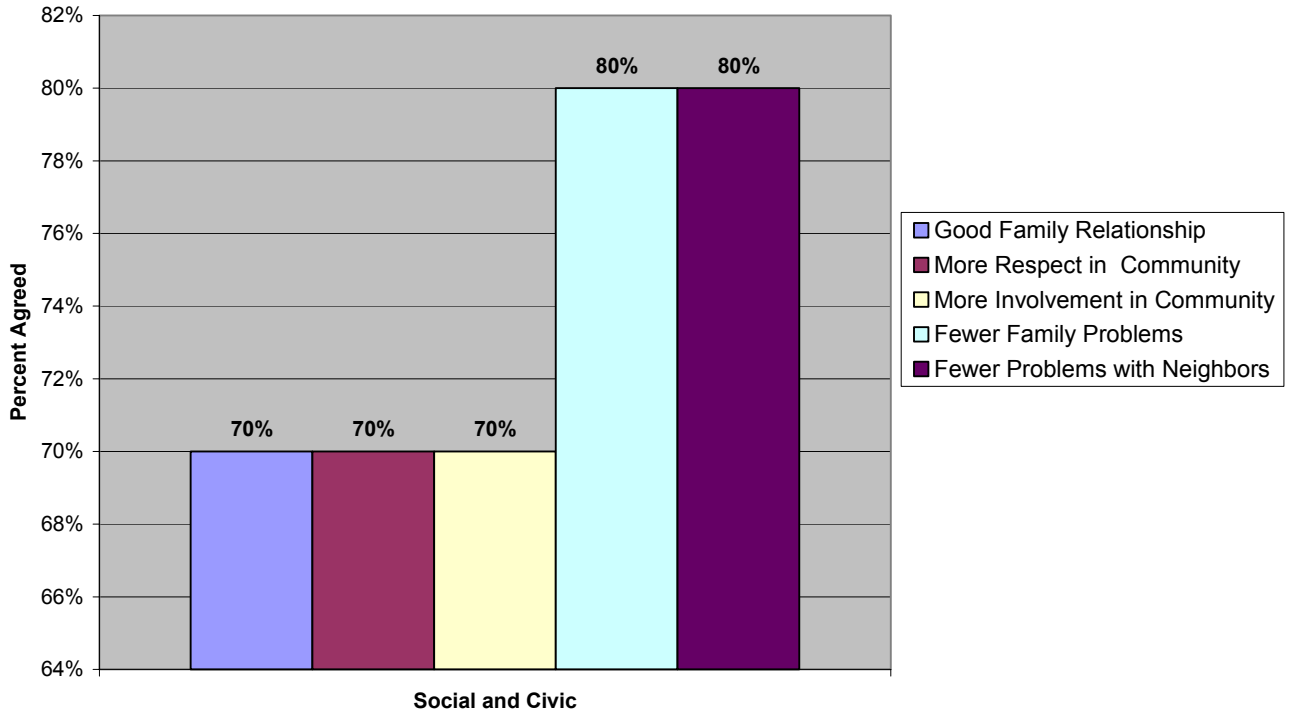
Participation in the SOS program has also made psychological, economic, and social impact on these individuals. As seen in Figure 1, all participants felt more confident about their future (n=10) and more economically secure (n=10). Additionally, an overwhelming majority felt more in control of their lives and less stressful about the future.

Figure 1: Psychological Effects of Participating in the SOS Program



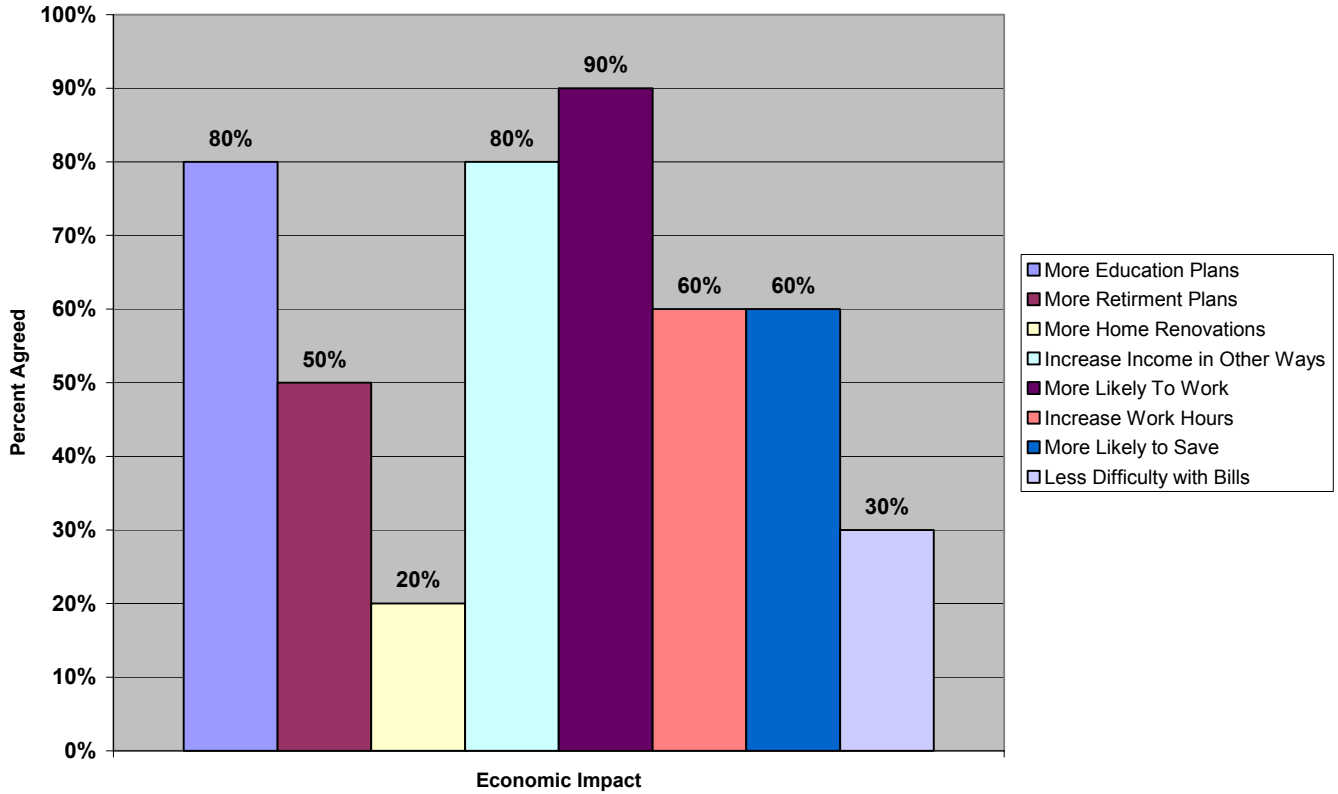
More than half of participants reported that they had improved in certain areas of social and civic activity. As seen in Figure 2, the majority of participants reported better family relationships with fewer problems, more community involvement and respect, and fewer problems with neighbors. However, some did suggest that family and community relationships were already strong before participation in the SOS program occurred, but program participation and having a savings account gave them more confidence in their interaction with friends and family.

Figure 2: Social and Civic Effect of Participating in the SOS Program



Economic effects due to SOS program participation varied depending on the type of effect in question. For example, few participants reported more home renovations and less difficulty paying household bills (see Figure 3). This was mainly because few participants had those problems to begin with, so few agreed that this was an improvement. As expected, 90% of participants reported that they were more likely to work, and 80% reported that they were more likely to increase their incomes in other ways because they were in the SOS program. This actually validates one of the purposes of the SOS program, which is to increase independence and economic self-sufficiency. Although not as many as expected, the majority (n = 6) did report that they were more likely to save, another key objective of the SOS program and IDAs in general.

Figure 3: Economic Effects of Participating in the SOS Program



SOS Program Effects – Advisory Council Perspective

The goal of the advisory council was to guide the implementation of the SOS program. The council consisted of two financial and banking advisors, a state department official knowledgeable of IDAs, and two professionals in the area of evaluation and disabilities. Collaboratively, these individuals assisted in the planning, design, and administration of the SOS program. Most felt that the SOS program was effective in achieving its goal and felt one of the biggest successes was the opportunity this program gave to participants by exposing them to the world of finance and preparing them for future financial needs. The advisory council found the program effective, valuable, and was extremely satisfied with the leadership.

Advisory council members acknowledged that funding for the expansion and sustainability of the program would be difficult, though not impossible. Funding should be sought from local banks and credit unions as well as certain federal and state departments. A thriving program can be achieved if it emphasizes partnerships with public, private, and nonprofit sectors.

Discussion

At every level of participation (i.e., advisory council member, SOS participant), the reaction to the SOS program was positive and encouraging. Compared to results from other evaluations of IDA programs, this program equaled, and in some areas surpassed, those results. For example, in an evaluation of IDA programs conducted by the Center for Social Development (McBride, Lombe, & Beverly, 2003), 59% of participants agreed that they were more likely to work, compared to 90% in the SOS group. Additionally, while the Center's results showed that 61% of participants reported trying to increase their income in other ways, 80% of the SOS group reported the likelihood of this activity. Of course, these differences may be partly due to the group size. The number of SOS participants is significantly lower than participants in the Center's group, but proportionally, these results show that the SOS group is moving in a positive direction. A look at the long-term effects of the SOS program may be beneficial to see if this positive effect is sustained after several months.

The majority of participants suggested expanding the number of sessions included in the program and covering more areas as well as repeating some previously learned materials so that it can be better absorbed. This may be a challenge due to the increase in resources needed for this to occur, but it should be kept in mind when refining the design of the SOS program. Furthermore, if these individuals continue to participate in an IDA program, it would be beneficial and improve financial self-sufficiency if what is learned can be refreshed.

Conclusion

Although there is a growing trend in bringing IDA programs to individuals with disabilities, this is one of the few programs that have specifically targeted individuals with *developmental* disabilities. There were several challenges but overall the program was a success. Its impact was clearly shown in the results of the participant survey, but it is even more evident in this statement made by one of the participants who for a long time had felt discouraged about his financial situation: “*I feel good about the future. I care about the future now.*” The SOS program may be just the beginning for many of these individuals in reaching financial independence, but its impact on psychological well being is unmistakable.

References

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