

# Advancing the Asset-Building Research Agenda

## Proceedings of the AFI Research Forum

**AFI 2010 Conference and Learning Academies**

**Convened by the Office of Community Services in the  
U.S. Department of Health and Human Services**

**Washington D.C. • July 30<sup>th</sup>, 2010**



## Introduction

The AFI Research Forum, hosted by the Administration for Children and Families, Office of Community Services was held on Friday, July 30, 2010 from 9:00 a.m. to 3:00 p.m. at the Capital Hilton in Washington D.C. The session brought together policy makers, researchers, and practitioners to focus on emerging innovations in the asset building field while thinking about future directions and research priorities for AFI and the asset building field more generally. This event provided an opportunity to discuss lessons learned from the experience of AFI and non-AFI IDA programs and to identify areas for further demonstration and research.

The purpose of the meeting was to:

- Explore emerging innovations and policies in the asset building field;
- Identify and discuss broad research priorities and opportunities that HHS and other funders and researchers might pursue;
- Brainstorm available data that could be used as a resource for asset building researchers, including data that could be collected by OCS; and
- Discuss strategies for ensuring that relevant data, including AFI-specific data, are accessible to researchers.

This document compiles the content of the Research Forum into a resource for participants and non-participants. The structure of the document reflects the sessions of the Research Forum, which organized discussion of the topics above into two sessions:

1. Innovations in Asset Building
2. Review of the Asset Building Research Agenda

Each session included brief presentations that outlined innovative IDA programs and/or research initiatives, followed by roundtable discussion among forum participants. For each session, this document provides short summaries of the presentations and a synopsis of the roundtable discussion.

The objective of this memo is to document the ideas shared during the sessions so that the reader can appreciate and consider the issues raised by forum participants. The memo is inclusive of the ideas generated during discussion, as the forum was intended to provide a venue for brainstorming and the cross-pollination of ideas across participants. As a result, the inclusion or exclusion of any single idea or issue does not reflect the opinions of AFI administrators or the collective position of forum participants.

Following this introduction, the second section of this memo presents the content of the Innovations in Asset Building session, providing short summaries of each presentation and an overview of the issues raised in the roundtable discussion. The third section presents similar information for the Review of the Asset Building Research Agenda session.



## Innovations in Asset Building

The first part of the forum agenda centered on recent innovations in the asset building field. This portion of the meeting opened with three brief presentations, outlining various innovations in asset building research and practice that are currently underway.

### Overview of Presentations

The following presentations highlighted innovations in asset building:

***SaveNYC: A New Approach to Tax Time Savings, presented by Commissioner Jonathan Mintz*** of the New York City Department of Consumer Affairs. Commissioner Mintz began with an overview of the strategic priorities of the NYC Department of Consumer Affairs Office of Financial Empowerment (OFE), which include researching and developing safe and affordable banking and asset-building products in partnership with financial institutions. Research by OFE found that more than 400,000 households in NYC were unbanked, and that the accounts offered at local financial institutions did not meet the needs of low-income families (e.g., with unaffordable monthly fees). OFE also looked at what products and factors help people save and used this information to design the \$aveNYC Pilot Program, which tests a scalable model that combines tax credits/refunds with matched savings and builds on principles of behavioral economics. Through this program, low-income participants can open a savings account while completing their taxes at a VITA site by depositing a portion of their EITC or tax refund into the account. If the money remains in the account for a year, it is matched at 50% (up to \$500). The Center for Community Capital at UNC Chapel Hill is conducting a quasi-experimental evaluation of the pilot. Commissioner Mintz presented initial findings from the first three years of the pilot. More than 2,100 people have opened \$aveNYC accounts and participation has grown every year. The average income of participants is \$17,500, and 78% have dependent children. A quarter of participants were unbanked before joining the program. The match cap was doubled in the second year, and average savings nearly doubled as well, from \$387 in 2008 to \$666 in 2010. In the first cohort, 80% of participants saved for a full year and received matching funds. The majority (82%) reported spending their savings on emergencies or unexpected expenses - the \$aveNYC account provided a financial cushion. More than half of the 2008 and 2009 participants are still saving, and a quarter participated in \$aveNYC for a second time. Commissioner Mintz noted several key policy implications from the \$aveNYC pilot: 1) Match incentives can induce even very low-income people to save; 2) tax refunds provide a unique opportunity to transform intentions into savings; and 3) flexible savings uses are key. The \$aveNYC pilot will soon be tested in several other communities around the country.

***Hope Accounts for Women: Creating Transformational Approaches to Rural Health Disparities, presented by Salli Benedict*** of the UNC Center for Health Promotion and Disease Prevention. Ms. Benedict introduced the HOPE Accounts for Women project which merges a matched savings account with an obesity prevention intervention. In the four rural North Carolina counties where the program is piloting, over 70% of the population is overweight or obese. Ms. Benedict and her team have been working in these communities for over 10 years, conducting community-based participatory research and designing interventions to meet community-identified needs. Community members raised concerns about the correlation between poverty and health risk factors. This input initially led to the development of the HOPE (Health, Opportunities, Partnerships, Empowerment) Works and Threads of HOPE projects and, most recently, the HOPE Accounts for Women project. HOPE Accounts is a randomized control trial with over 400 African American and Native American women. The intervention for the treatment group includes HOPE circle meetings providing social support, financial education, health education, physical activity skills building, and a matched savings account (1:1 match up to \$600) that can be used for education, job skills, and small business development. The evaluation will measure weight loss, physical activity, fruit and vegetable intake, savings activity, financial literacy, and psychosocial outcomes such as depression and goal setting. The evaluation will also consider inadvertent potentially negative effects of saving, such as a participant deciding to stop going to the gym in order to save more money. Ms. Benedict noted that because this is funded through an NIH Challenge Grant and not an AFI grant, HOPE Accounts participants may jeopardize their government benefits by saving money, since North Carolina policy only allows the exemption of AFI-funded IDA matched savings from asset limits of means-tested benefits. This creates a challenge for recruitment. Ms. Benedict identified several research and



policy implications from the HOPE Accounts pilot, including 1) developing more “alternative IDA” programs in public health; 2) building stronger collaborations between micro enterprise, asset building, and economic policies such as living wage standards; and 3) collaborations/ exchanges with international groups with similar needs and interventions.

***Building Assets for Fathers and Families - AFI Grantees Helping Non-Custodial Parents Build Assets, presented by Sam Elkin*** of The Lewin Group. Mr. Elkin presented on the new Building Assets for Fathers and Families project, a collaboration between the Office of Community Services (OCS) and the Office of Child Support Enforcement (OCSE) within the Administration for Children and Families. Noncustodial fathers have traditionally been underserved by poverty reduction programs, including AFI. This project is an effort to include more low-income noncustodial parents in IDA programs and also help grantees and families address the unique complications that child support brings to the asset building process. The project includes an expert discussion group, knowledge development goals, training and technical assistance, and pilot testing at up to 10 sites. Pilot demonstrations will build local partnerships between asset building organizations (AFI grantees), Child Support agencies, and/or fatherhood programs. The goals of the pilot demonstrations are to: 1) understand service delivery issues through on-the-ground experience; 2) explore the feasibility of creating sustained connections; 3) understand what technical assistance would help such connections; 4) test innovative alternatives to traditional asset building offerings; 5) identify best practices; and 6) inform policy decisions. Demonstrations might incorporate program components such as cross training among staff from child support, asset building, and fatherhood programs, financial education tailored to child support issues, connecting noncustodial parents to the banking system, providing incentives to noncustodial parents for achieving benchmarks (e.g. saving, completing financial education), and matched savings to support activities with children. The project team will conduct site visits at the demonstration sites, draft lessons learned and analyze some basic outcomes from the program and participants. In addition, a few of the sites will be supported with money from a Child Support Section 1115 grant, which will provide the ability to waive some of the Child Support rules and conduct a more thorough implementation evaluation. Early lessons include that the asset building and child support fields have mission overlap and can learn a lot from each other, that noncustodial parents are a diverse group but many are very disadvantaged, and that child support programs have more flexibility than asset building programs often realize.

## Discussion Points Generated

Following these three presentations on current innovations in asset building, the floor was opened for facilitated discussion among participants. The discussion addressed the following key questions:

- In what ways can we merge IDAs with other programs to better benefit low-income individuals?
- What can the asset building field learn from the innovations like the ones we heard about today?
- How can we use the information we have learned from these innovations to target a broader population for IDA use?
- What are the implications of these innovations for research?

This conversation generated the following discussion points and topics for further exploration in the area of innovation in asset building research:

- **Links between asset building and other fields.** Multiple opportunities exist to link asset building to work in other fields, in both practice and research. Possibilities include partnering with existing health-focused programs, linking health data to asset building research, partnering with schools in order to target children and youth early in life, and linking with data and programs through the Department of Labor. Other possibilities include partnering with immigration and naturalization services, using tax records, and exploring the situations of returning military personnel in conjunction with asset building. Asset building researchers might also explore links between AFI administrative data, federal survey data, and other resources.

- **Capturing moments of opportunity.** The \$aveNYC program capitalizes on a moment of opportunity, recruiting participants at tax time when low-income households have a sum of money they could put into savings. Asset-building initiatives should seek to capitalize on these moments when they arise. In addition to identifying and responding to moments of opportunity, asset building proponents should consider the possibility of priming participants for moments of opportunity. It may be the case that early interventions are necessary to help some individuals prepare for participation in an asset building program.
- **Financial product design.** There is a role for researchers to play in the design of financial products in the asset building field. Researchers often have a tendency to stay out of the product development process and leave the design work primarily to financial institutions. However, researchers may have the best knowledge of what types of products and which product designs work or do not work with various populations.
- **Exploration of individual differences in savings needs and behaviors.** Research is necessary to understand the needs of several special populations, such as persons with disabilities, youth, and immigrants with respect to participation in asset building. For example, persons with disabilities may require an expansion of the purchases that allow use of IDA funds, such as the inclusion of assistive technologies that have a substantial impact on well being. Youth participants may similarly benefit from using AFI funds to purchase laptops for educational use. Among immigrant populations, saving for English language courses and/or for the costs of the naturalization process might be considered as eligible uses for IDA funds.
- **Child outcomes.** A recurring topic of conversation for attendees was child outcomes -the impact of asset accumulation for the children of asset building program participants. Forum participants noted the need for more research in this area as well as a need to target children and youth for participation in asset building programs from a young age.
- **Incentives.** Additional research is necessary to understand the types of incentives that work with respect to various populations served by asset building initiatives. Simple incentives, such as a “thumbs-up” symbol on monthly IDA statements when participants meet their monthly goals, may have substantial impacts. An example is the lottery-based IDA models that are being experimented with in Los Angeles and Michigan. The lottery-based IDA model presents an innovative way to incentivize saving that may work better for some individuals than the incentives traditionally incorporated into IDA programs. Forum attendees noted the importance of incentives to savings behavior, as well as variation in the effectiveness of different types of incentives for different participants. More research is necessary to understand the relative effectiveness of alternative incentive mechanisms.
- **Long-term outcome exploration.** Throughout the innovations discussion, the need for research on the long-term impacts of asset accumulation was another recurring topic of conversation. Attendees also noted the need for conducting longitudinal research in order to explore these long-term impacts over time and strengthen the current body of research on asset building.

## Review of the Asset Building Research Agenda

The second half of the forum focused on the advancement of asset building research, identifying gaps in current research literature and priorities for the asset building research agenda. The session included brief presentations on new and innovative research initiatives, followed by roundtable discussion that assessed the asset building research literature and identified places for future contributions.

### Overview of Presentations

***Well-Being of Arkansas and New Mexico IDA Participants: A Longitudinal Study***, presented by **Kameri Christy-McMullin and Marcia Shobe** of the University of Arkansas School of Social Work. Dr. Christy-McMullin and Dr. Shobe described their quasi-experimental, longitudinal study with 904 people in three study groups: 1) IDA participants in Arkansas and New Mexico, 2) a comparison group of non-participants, and 3) program leavers. The study began in 2006 with the collection of baseline data, and Wave 2 was collected by 2008. Waves 3 and 4 are being collected now. The study examines the relationship between assets and well-being, comparing asset purchasers with non-participants and program leavers. Drs. Christy-McMullin and Shobe will look at whether assets contribute to general health, mental health, self-efficacy, economic strain, and social support, controlling for demographics, human capital, and income. The researchers are also looking at how self-selection into an IDA program may influence well-being. Early findings from baseline (Wave 1) data reveal that IDA participants had significantly higher levels of education, employment, homeownership, business ownership, non-IDA savings, reported health, and social supports than non-IDA participants. However, IDA participants also reported significantly higher levels of economic strain than non-participants. At Wave 2, the program leavers looked very similar to the non-participants. They noted that African Americans exited the program in disproportionate numbers in Arkansas (but not in New Mexico), and they hope to look into this further and consider possible retention efforts.

***Weathering the Storm: Have IDAs Helped Low-Income Homeowners Avoid Foreclosure?*** presented by **Ida Rademacher** of CFED. Showcasing a report of the same name recently released by CFED and The Urban Institute, Ms. Rademacher presented findings from a study examining whether going through an IDA program impacted loan terms and foreclosure rates. CFED and The Urban Institute worked with six IDA programs to create an aggregate data set of 831 IDA participants who used their matched savings to purchase a home between 1997 and 2007. Combining administrative data from the programs on the purchase date, address, demographics, income, loan type, and loan terms with county property records, researchers were able to compare IDA homebuyers with other low-income homebuyers on economic and demographic characteristics, loan terms, and foreclosure rates. In order to examine differences in demographic characteristics and loan terms, they used the Home Mortgage Disclosure Act (HMDA) data base to construct a comparison group of nearly 260,000 low-income homebuyers who purchased homes in the same counties during the same years as the IDA-participant sample. They found that IDA participants are more likely than other low-income homebuyers to be minority and female, suggesting that IDA programs expand homeownership opportunities to these groups. IDA homebuyers were also more likely than the comparison group to receive government-insured loans and much less likely to receive a high interest rate or subprime loan. To examine differences in foreclosure rates, they constructed another comparison group with mortgage performance data obtained from NeighborWorks America, using loan value and borrower's credit score to approximate the IDA-participant sample. Looking at first mortgages obtained in the same counties and months as the IDA-participant sample, they grouped the comparison sample into three groups based on loan amount and credit score. The IDA homebuyers had significantly lower foreclosure rates; they were one-third to one-half less likely to have experienced foreclosure than homebuyers in the three comparison groups. Findings suggest that IDA programs are beneficial to low-income homebuyers and help create successful and sustainable homeownership outcomes. Ms. Rademacher also discussed implications for future research including disaggregating the effects of each part of IDA treatment on outcomes, building capacity of IDA organizations to track data that would help examine long-term asset retention, considering home equity and other wealth outcomes beyond asset retention, and expanding access to national and proprietary data sets on net worth, foreclosure, business ownership, and equity.

**Review of Individual Development Account Research, presented by Erica Zielewski** of ACF/OPRE. Ms. Zielewski presented an overview of literature in the field of IDA research, based on the “Evaluation Design for the Next Phase Evaluation of the Assets for Independence Program: Literature Review” document written by Urban Institute and the Center for Social Development at Washington University, St. Louis. This document was distributed as preparatory reading for this meeting, and Appendices B1-4 were included in the meeting packet as a useful guide to existing research on IDAs and asset building. Ms. Zielewski noted that research in this field generally falls into two categories: measuring the overall effect of IDA program participation and measuring the effect of specific program design features. Ms. Zielewski noted what research has found in five common outcome categories: 1) assets and debt; 2) economic outcomes; 3) civic, psychological, and social outcomes; 4) long-term outcomes; and 5) comparison of costs and benefits. She also reviewed research focusing on program design features such as financial education, match rates, match caps, savings targets, use of direct deposit, peer mentoring groups, length of savings period, and organization type. There are still several critical gaps in the literature, including long-term outcomes, though she noted that the forthcoming American Dream Demonstration Wave 4 data will help to address this issue. She also noted that additional research is needed to better understand civic, psychological, social, and economic outcomes, as well as program design features that have not yet been studied in depth.

### Discussion Points Generated

Discussion of the asset building research agenda occurred at two points during the Research Forum. Prior to the presentations, participants met in small groups to discuss existing gaps in the research literature and to identify priorities for future research. For these discussions, participants were posed with the following three questions:

- Currently, what are the gaps in asset building research?
- Are there specific outcomes and/or data sets we haven’t yet utilized that should be utilized in the future?
- What are the top three priorities for the asset building research agenda?

Following the presentations, participants reconvened as a large group for a roundtable discussion. In addition to the previous questions, the facilitated discussion addressed the following key questions:

- What do we currently know about IDAs and their impacts based on research?
- What do we still need to learn about IDAs and their impacts?
- How do we avoid the contamination of data when implementing an experiment on IDAs?
- What are the important outcomes to measure with regard to the impacts of IDAs?

This dialogue generated the following discussion points on furthering the asset building research agenda:

- **Advances in research design and implementation.** Advances in experimental and quasi-experimental research designs provide new opportunities for causal inference regarding the impact of asset building programs. Participants highlighted a need for longitudinal research to track long-term outcomes over time, as well as the difficulties associated with constructing and maintaining treatment and control groups for longer-term studies.
- **Gaps in current asset building research.** The current body of asset building research contains multiple opportunities for research to make new contributions to knowledge. Gaps in the literature include research into:
  - The long-term outcomes of participation in asset building programs, the outcomes of asset-builders’ children, and the causal link between asset accumulation and resultant well-being.
  - The differences in asset building attitudes and behaviors among various groups and special populations (e.g., persons with disabilities, youth, and men). Questions for research include which financial products

and strategies work and for which populations (e.g., high touch versus low touch interventions), what are the predictors of success and barriers to asset accumulation in different groups, and what incentives to save are most effective for specific subpopulations.

- Additional places for future research include how people personally allocate their assets, the dynamics of household income and spending, the effects of engagement in asset building programs on the use of public assistance, the implications of creating incremental steps in asset building, and the potential of forecasting formulas.
- **Asset building outcomes that need further exploration.** Several types of outcomes generated attention and discussion as meriting further research and exploration:
  - Financial indicators - the occurrence of bankruptcy, program participant payment history, credit scores, and debt to income ratios.
  - Emergency withdrawals - the uses of emergency withdrawals, particularly whether emergency withdrawals provide a source of funds that might not otherwise have been available to participants.
  - Health indicators - measures of program participant well-being. Some health indicators may already be available in various data sources and additional information may need to be collected in the future.
  - Index measure of financial well-being - Several participants conversed about the possibility of creating a reliable and valid index of financial well-being. Such a measure could be validated and used to compare outcomes across studies.
- **Potential data sources for asset building researchers.** Multiple data sources exist that might provide opportunities for additional research on asset-building. Data sourced mentioned during the roundtable discussion include: 1) AFI administrative data housed in the MonAFI and AFI<sup>2</sup> data collection and management systems (if cleaned); 2) credit data; 3) Longitudinal Employer-Household Dynamics (LEHD) administrative data; 4) Medicaid data; 5) IRS data; 6) wealth data in the American Community Survey (ACS); 7) wealth data in the Current Population Survey (CPS); 8) Health and Retirement Study (HRS) data; 9) Home Mortgage Disclosure Act (HMDA) data; and 10) Financial Industry Regulatory Authority (FINRA) data.
- **Communication between researchers, policy makers, and practitioners.** Increased communication between researchers, policy makers, and practitioners in the field of asset building carries the potential to improve the relevance of available research to the decisions facing policy makers and practitioners. Participants highlighted the need for further brainstorming to improve communication across all parties in order to improve the timeliness and use of research in decision-making.



## Appendix A: Forum Participants

Salli Benedict, UNC Center for Health Promotion and Disease Prevention  
Kameri Christy-McMullin, University of Arkansas School of Social Work  
Donna DeMarco, Abt Associates Inc.  
Steven Dow, Community Action Project of Tulsa County (CAPTC)  
Sam Elkin, The Lewin Group  
O. Emre Ergungor, Federal Reserve Bank of Cleveland  
Vikki Frank, Credit Builders Alliance (CBA)  
James Gatz, HHS/ACF Assets for Independence  
Laurie Graham, UNC School of Social Work  
Michal Grinstein-Weiss, UNC School of Social Work  
Sharon Henderson, Prosperity Works  
Clinton Key, UNC School of Social Work  
Edmund Khashadourian, Opportunity to Assets  
William Lapp, Earned Assets Resource Network (EARN)  
Norm Leckie, Social Research and Demonstration Corporation (SRDC)  
Gretchen Lehman, HHS/ASPE  
Josh Leopold, Abt Associates Inc.  
Benjamin Miller, ICF International  
Jonathan Mintz, New York City Department of Consumer Affairs  
Tina Morris-Anderson, North Carolina Department of Labor  
Carole Norris, ICF International  
Michael Pergamit, The Urban Institute  
Canta Pian, HHS/ASPE  
Ida Rademacher, Corporation for Economic Development (CFED)  
Dory Rand, Woodstock Institute  
Trina Shanks, University of Michigan School of Social Work  
Marcia A. Shobe, University of Arkansas School of Social Work  
Irene Skricki, Annie E. Casey Foundation  
Jonathan Spader, Abt Associates Inc.  
Thomas Storch, Context, Inc.  
Andréa Taylor, UNC School of Social Work  
James Thurston, The Lewin Group  
Sandra Venner, Brandeis University Institute on Assets and Social Policy  
Kasey Wiedrich, Corporation for Economic Development (CFED)  
Anne Yeoman, AFI Resource Center  
Erica Zielewski, ACF/OPRE



## Appendix B: Forum Agenda

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|-------------|--|
| 8:30-9:00   | Registration   |
| 9:00-9:10   | Opening Remarks<br><i>Donna DeMarco - Abt Associates</i><br><i>Michal Grinstein-Weiss - University of North Carolina</i>   |
| 9:10-9:25   | Introductions  |
| 9:25-10:15  | Innovations in Asset Building<br><i>Facilitator: Andréa Taylor - University of North Carolina</i> <ul style="list-style-type: none"><li>• \$ave NYC: A New Approach to Tax Time Savings<br/><i>Speaker: Commissioner Jonathan Mintz - New York City Department of Consumer Affairs</i></li><li>• Hope Accounts - Bridging the Gap Between Economic Status and Health<br/><i>Speaker: Salli Benedict - University of North Carolina Center for Health Promotion and Disease Prevention</i></li><li>• Building Assets for Fathers and Families - AFI Grantees Helping Non-Custodial Parents Build Assets<br/><i>Speaker: Sam Elkin - Lewin Group</i></li></ul> |
| 10:15-10:30 | Break  |
| 10:30-11:15 | Facilitated Discussion: Implications of Innovations on Future Research/Policy Making<br><i>Facilitators: Donna DeMarco - Abt Associates</i><br><i>Michal Grinstein-Weiss - University of North Carolina</i>  |
| 11:15-11:45 | Review of Asset Building Research<br><i>Speakers: Erica Zielewski - HHS</i><br><i>Michal Grinstein-Weiss - University of North Carolina</i><br><i>Donna DeMarco - Abt Associates</i>   |
| 11:45-1:00  | Working Lunch: Small group discussions on priorities for the asset building research agenda  |
| 1:00-1:45   | Expansion of Asset Building Research Agenda<br><i>Facilitator: Clinton Key - University of North Carolina</i> <ul style="list-style-type: none"><li>• Well-Being of Arkansas IDA Participants - A Longitudinal Study<br/><i>Speaker: Kameri Christy-McMullin - University of Arkansas</i></li><li>• Have IDAs Helped Low-Income Homeowners Avoid Foreclosure<br/><i>Speaker: Ida Rademacher - CFED</i></li><li>• Grant Utilization - Using Data to Improve Project Outcomes<br/><i>Speaker: Jonathan Spader - Abt Associates</i></li></ul>   |
| 1:45-2:45   | Facilitated Discussion: Advancing the Asset Building Research Agenda<br><i>Facilitators: Donna DeMarco - Abt Associates</i><br><i>Michal Grinstein-Weiss - University of North Carolina</i>  |
| 2:45-3:00   | Wrap-Up - Final Thoughts   |