

# Research Background Paper

**Experience in the American Dream Demonstration:  
Lessons for Monitoring  
in a Children and Youth Savings Account Policy Demonstration**

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## INTRODUCTION

This paper draws on experience from the data-collection process in the American Dream Demonstration (ADD) of Individual Development Accounts (IDAs) to make recommendations for the design of monitoring of savings in a Children and Youth Savings Account Policy Demonstration (CYSAPD). In ADD, thirteen community-based organizations were funded through the Corporation for Enterprise Development (CFED) to design, implement, and run IDA programs serving low-income people.

Developed by the Center for Social Development (CSD), a monitoring system known as MIS IDA is used to collect participant- and program-level data at each sponsoring organization in ADD. *Monitoring* means recording basic characteristics of participants and programs as well as recording monthly cash flows through the accounts of each participant. Over the course of the four-year demonstration, CSD has collected MIS IDA data every six months from the sponsoring organizations to produce monitoring reports of the ongoing research. Results are in Sherraden *et al.*, 1999, Sherraden *et al.*, 2000, and Schreiner *et al.*, 2001.

Experience from monitoring in ADD offers a wealth of lessons for the design of monitoring and evaluation in CYSAPD. This paper focuses on issues in two main areas: program design and administration, and data collection.

## PROGRAM DESIGN AND ADMINISTRATION

Design must be constrained to some degree because monitoring and the associated monitoring instrument cannot accommodate infinite and arbitrary variation. There are three sources of constraints: (1) What policy and research questions do we want the demonstration to address? (2) What are the budget and other administrative or program-implementation constraints? (3) What are the monitoring/information-system constraints?<sup>1</sup> Following are program design and administration issues regarding monitoring in CYSAPD.

**Establish a match structure compatible with the demonstration.** In ADD, some sponsoring organizations attempted to use match structures that were incompatible with the structures assumed in the demonstration and, therefore, incompatible with the monitoring system. In CYSAPD, the monitoring system selected must be compatible with all program-design specifications of the demonstration.

**Restrict the use of collaboratives.** Collaboratives are defined as a group of organizations each running their own IDA program, but operated through one sponsoring organization. For monitoring purposes, information is collected as a single data set from the sponsoring organization.

With a collaborative, the assumption is that each organization within the collaborative has similar program design, but this is not likely to be the case. For example, programmatic

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<sup>1</sup> For further discussion of management information systems, see Clancy, Johnson, and Schreiner, "Savings Deposits, Match Structure, and Management Information Systems: Implications for Research on CYSAPD."

information may differ among the multiple IDA programs such that the collaborative cannot really be viewed as a single program. The data-collection ability and effort varies among members of a collaborative, making the data incomparable, even though the analysis must assume that the data is of uniform quality. Thus, for CYSAPD, collaboratives are not recommended at the experimental sites.

If collaboratives are permitted for other sites, all partners (not only the sponsoring organization) should agree to the terms of a CYSAPD contract. It is also important to specify from the outset what monitoring information will be the responsibility of the sponsoring organization and what will be collected by the partner organization(s).

**Staffing.** In ADD, sponsoring organizations must make hard choices about whether to spend time serving participants or managing data for evaluation. As might be expected, monitoring tends to take a back seat to other responsibilities. One option may be for the evaluation itself to hire a person to work at the experimental sites to manage monitoring and other CYSAPD evaluation methods.

**Develop an action plan for staff turnover.** In ADD, turnover of full-time staff involved in data collection has been high—often annual or even more frequently—and with each change, monitoring suffers. In some instances, turnover has occurred because Vista volunteers have been responsible for data collection in MIS IDA. One way to mitigate the setbacks suffered when staff change would be to require a written plan stating how work will be transitioned and what training and/or assistance from outside sources will be needed. In addition, sponsoring organizations should not purposely place known short-term personnel (such as Vista volunteers) in charge of data collection.

**Implement electronic transfer of savings data.** Using the current version of MIS IDA, sponsoring organizations either manually input each participant's monthly savings information, or, simply electronically import savings data from their bank. Manual data entry is both time consuming and introduces an opportunity for mistakes. CAPTC (the experimental site in ADD, and thus the site most likely to resemble the two experimental sites in CYSAPD) states that they would be unable to manage their ADD data without this function. Once enrollment is over, this monthly key-punching is the most time-consuming part of data management for the sponsoring organizations.

It is recommended that CYSAPD data-entry responsibilities be minimized. If MIS IDA is selected as the information system, an electronic transfer of savings data must be required of the experimental sites. Electronic data feeds from banks are also strongly encouraged for the non-experimental sites because of the increased efficiency and accuracy.

The optimal situation is to eliminate the tracking of savings data from the responsibilities of the sponsoring organization. Clancy (2001) proposes the use of a college savings plan program manager's services in CYSAPD to achieve this optimum. Whatever the monitoring system, careful design is required for the method to enter or transmit financial data.

**Connect funding to contract fulfillment.** Similar to ADD, the CYSAPD contract agreement will include an outline of monitoring responsibilities of the sponsoring organization. The first step to ensure contract fulfillment is to spell out data-collection responsibilities completely and explicitly, and the second step is to have a mechanism in place for when commitments are broken. Specific data-collection requirements might include: “On a monthly basis, enter financial statements and check data condition by using quality-control product (ie. MIS IDA QC); Send cleaned data files to the evaluator 45 days after each calendar quarter, etc.” Continued receipt of CYSAPD funds ought to be conditional on successful completion of data-collection and research commitments.

In ADD, CFED requested semi-annual progress reports from the sponsoring organizations. Such reports might also include questions directed to the organizations and the researchers about data quality and reporting to ensure that data-collection responsibilities are being fulfilled.

## **DATA COLLECTION**

Data collection is costly in terms of the time of participants, program staff, and research staff. In ADD, data collection for the monitoring research was conducted in the field by staff of the IDA programs, then aggregated by the research staff at CSD. Understanding the additional burdens that data collection creates on an organization, it is important to reduce this effort to the extent possible for CYSAPD. Experience in ADD argues for a more simplified process to collect participant and program data, and provides lessons for concentrating data-collection resources on the types of data with the greatest pay-offs. Four current MIS IDA data-collection categories are noted, followed by recommendations for change in CYSAPD. Clancy, Johnson, and Schreiner (2001) address collection of savings data (monthly cash flows).

- Program design (initial design, and changes to design through time)
- Program costs
- Participant characteristics and participant income, assets and liabilities (at enrollment and changes through time)
- Hours of economic education

**Track program design changes qualitatively.** In ADD, program design varied among programs, and it also varied through time for a given program (except at the experimental design site where program design could not be changed). The idea was to allow programs to adjust as they learned. This is a worthy principle, but experience in ADD suggests that design changes in a given program often lead to different understandings of program rules among program directors, staff, participants, etc. Like ADD, the program-design data should be collected in writing at the time a sponsoring organization is selected for CYSAPD, but perhaps a qualitative system for reporting is the best method to collect accurate program changes through time (for example, through on-site visits or a semi-annual telephone survey).

Although the demonstration should be flexible enough to allow for design alterations, changes must be documented and clearly communicated to all parties involved. Design flexibility is a distinct issue from clear communication and consensus on changes.

Program-design changes detract from what we can learn from the demonstration (even if perfectly tracked and known) for both policy and research purposes, so changes are not allowed at the experimental sites. In CYSAPD, it is recommended that any unforeseen necessary alterations to program design at the experimental sites be documented in writing and approved by the evaluation team before changes are communicated to participants and staff.

**Limit collection of program costs.** Most non-profit organizations do not have cost centers, so cost data for the IDA programs run by the non-profit organizations are likely to be inaccurate. In ADD, sponsoring organizations have a difficult time distinguishing ADD costs from all other IDA program costs. Therefore, it is recommended that cost data be collected only at the experimental design sites, with cost-benefit analysis.

**Tailor participant characteristics to CYSAPD.** ADD targets adults; the current proposal for CYSAPD focuses on two groups, one that starts with children at age 3, and one with teens as they enter the eighth grade. Since MIS IDA currently includes questions targeted to adults, a revised set of questions will be needed that are relevant to the younger ages. Since participant characteristics vary between children (the three year-old-group) and youth (the eighth-grade group), two different instruments may be required.

Examples of possible CYSAPD participant characteristics which are not in MIS IDA are:

- Ethnicity of child and parent(s)
- Gender of child
- Employment of child and parent(s)
- Education (exact grade level of child, not a range as in ADD, and attainment of parent(s))
- Participation in extracurricular (school) activities
- Additional variables related specifically to children and youth

**Do not collect data on the values of assets and liabilities.** CSD collected asset and liability information from all of the ADD participants but found the data to be incomplete and sometimes unreliable (financial data is always very noisy, and participants in any case are reluctant to reveal the information). Often participants simply do not know these values. For monitoring CYSAPD, the lesson is to ask at enrollment only about the presence of different assets and liabilities, but not their value. For example, “Do you (or your family) own a car, a home, a computer, etc.”, “Do you have a car/home mortgage?”, and “Do you have student debt?”

**Do not collect updates after enrollment.** In ADD, staff members spent considerable time and expense collecting and entering data on income, assets, and liabilities both at enrollment and periodically after enrollment. The idea was to use this to measure “new savings” through time. In CYSAPD, changes in demographics are best measured through the experimental research method and programs should be spared this expense as part of the monitoring research.

**Track financial education through experimental design method.** Sponsoring organizations in ADD are required to collect financial-education data covering hours of sessions attended. Financial-education data, because they are event-driven, are not always collected without external reminders.

In CYSAPD, it is recommended that financial-education information be collected at the experimental design sites only, through the survey questions and/or alternative data-collection methods. Beverly and Clancy (2001) review key dimensions for research on financial education for CYSAPD.

**Keep monitoring and survey data distinct at the experimental sites.** The questions in the monitoring instrument will likely differ from the questions collected through the surveys associated with the experimental design. In ADD, there was overlap in some questions asked. In an effort to eliminate asking questions of participants twice, an attempt was made in the field to enter data into MIS IDA that was collected from the baseline experimental design survey. Unfortunately, some of the questions used for impact measurement were not exactly the same as the questions used for monitoring.

Thus, as much as possible in CYSAPD, careful distinctions should be made between data collection for monitoring and data collection for impact measurement. If some data collected for impact measurement are to be used for monitoring, then the questions used should be identical and the collector should be the same.

## **SUMMARY**

Based on experience gained from monitoring ADD, recommendations are noted to inform the CYSAPD monitoring process. Designers of CYSAPD can take advantage of lessons from ADD to achieve greater efficiencies for the next demonstration of IDAs.

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