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Annual Report on the ASSET Project's Head Start Family Financial Capability Pilot:

2014–2015

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Abstract

This report presents results from a mixed-methods evaluation of the second year of a pilot financial-capability intervention with Head Start families in the St. Louis metropolitan area. The intervention combines savings incentives and one-on-one coaching with 10 hours of financial education on debt management, banking, budgeting, and credit. The report analyzes data on 217 adult participants in Head Start families, 55 Head Start staff who received the intervention, and administrators and staff who implemented the intervention at Head Start sites. Most of the 217 participants are female (95%), African American (62%), and between the ages of 25 and 44 (77%). Results from Year-2 quantitative data suggest that participants' understanding of core financial concepts, financial attitudes, and financial behavior increased after participation. Qualitative results indicate that participants gained insight on finding available subsidies, making financial goals, and achieving those goals. The financial coaches report positive interactions during coaching sessions, and many participants have achieved their goals. Coaches also indicate that they will continue to volunteer.

Key words: ASSET Project, benefits calculator, child well-being, family well-being, budgeting, credit, financial capability, financial education, Grace Hill Settlement House, Head Start, Individual Development Accounts, savings, United Way of Greater St. Louis, Urban League of Metropolitan St. Louis, vulnerable families, Youth In Need, YWCA Metro St. Louis.

Economists suggest that the effects of rising financial inequalities and low savings are exacerbated by pressure to keep up with growing consumption fueled by increased access to credit. This complex dynamic continues to create a vulnerable environment for families around the world, including families in the United States (Lusardi, 2011; Van Treeck, 2012). Poverty undermines the well-being of many families with young children and has been particularly detrimental since the Great Recession (December 2007–2009 in the United States). A new report from the Annie E. Casey Foundation (2015) identifies signs of improvement in the economic positions of many low-income families but suggests that there has been an increase in the actual prevalence of children living in neighborhoods of concentrated, deep poverty; 14% of children now live in such neighborhoods. Even families that have annual incomes near the poverty line ($24,250 for a family of four) will likely have difficulty meeting such needs as housing, transportation, and child care (Annie E. Casey, 2015; Murphey, Cooper, & Forry, 2013). However, programs like the ASSET (Access, Savings, Support, Education, and Training) Project may help because they include connecting families to available subsidies. The qualitative results from Year 1 of the ASSET Project suggest that participation increased some parents' knowledge about access to available resources, including food, housing, and child care. These are important commodities for reducing risk of poor outcomes for children (Curley & Robertson, 2014).

There has also been a growing global awareness that financial literacy positively affects financial choices but that there is a gender gap in financial knowledge (Baker & Dylla, 2007; Bucher-Koenen, Lusardi, Alessie, & Van Rooij, 2014). Survey data from the United States and several European countries show that levels of financial knowledge are consistently lower among women than among men (Bucher-Koenen et al., 2014). The gaps are even more apparent among other groups: Levels of financial knowledge are lower among the young than among older adults, lower among unmarried women than among married counterparts, and lower among people with low levels of education than among counterparts with higher levels of education. These differences suggest that low levels of financial knowledge have negative long-term impacts on financial security, particularly on the financial security of women (Bucher-Koenen et al., 2014; Lusardi, & Mitchell, 2008). Despite the gender gap in financial knowledge, people in the United States indicate that they have high confidence in their understanding of financial concepts (Bucher-Koenen et al., 2014). This is troubling because it points to two areas of vulnerability: inadequate financial knowledge and a lack of awareness that such knowledge is needed to assure a financially secure future. These findings suggest that financial education and asset-building strategies continue to be important (Bucher-Koenen et al., 2014; De Bassa Scheresberg, Lusardi, Yakoboski, 2014).

Research has also found evidence that financial education and Individual Development Account programs have positive effects on personal and family well-being. Examples of these benefits include improvements in future orientation, self-efficacy (Sherraden & McBride, 2010), household financial stability (Grinstein-Weiss et al., 2008; Leckie, Shek-Wai Hui, Tattrie, Robson, & Voyer, 2010; Mills, Lam, DeMarco, Rodger, & Kaul, 2008), and educational outcomes (Gale, Harris, & Levine, 2012; Leckie et al., 2010; Mills et al., 2008). Results from Year 1 of the ASSET Project provide insight into participants' views on their financial status, on important skills, such as budgeting and banking, and on knowledge of credit reports (Curley & Robertson, 2014). Consistent with our current understanding of promising programs and features, the ASSET Project offers a savings match, financial education, and incentives that encourage participants to save and to think about future financial decisions (Johnson & Sherraden, 2007). Results from Year 2 have deepened our understanding of the challenges faced by women from low economic backgrounds when they make financial choices for their families. The results have also expanded our comprehension of financial education's benefits. The results provide valuable information about pathways to financial capability for some of our most vulnerable families.

The Head Start ASSET Project

The ASSET Project involves collaboration among the United Way of Greater St. Louis and Head Start centers located in the St. Louis area. Funding for the project has been provided by the Citi Foundation. The Head Start ASSET Project's primary goal is to increase the financial capability of Head Start families located in the St. Louis metropolitan area. There is flexibility for Head Start centers to implement the financial education classes in a manner responsive to their cultural setting while maintaining fidelity to key components. The intervention has five key components:

1. Benefits calculator and basic budgeting: Entry-level screening is provided for 12 state benefits, and participants receive a 15-minute household budgeting session.

2. Financial education: Five 2-hour classes cover topics such as budgeting, debt management, banking, saving, and credit. An online option is available for those unable to attend the group classes.

3. Budget and credit counseling: A midpoint budget and credit counseling session provides a review of participants' credit report, suggestions for increasing income and decreasing expenses, and help in creating an action plan. Additionally, an Asset Check-In occurs as a group event that combines reflection and celebration with an explanation of the next two components of the program: financial coaching and saving. If participants have not yet opened a savings account, they open one after the event so that they can save monthly toward their $200 goal.

4. Financial coaching: Participants receive one-on-one coaching with a trained volunteer after completing the other program components listed above. The coaching is intended to provide support and encouragement, enabling participants to reach the savings goal.

5. Small-dollar matched saving: The project offers to match up to $200 in savings by each participant (2:1 match; i.e., savings of $200 + match of $400). After they have completed the program, participants may use the matching funds to repay debt or to start children's savings accounts.

Enrollment for the first year of the project began in August of 2013 and continued through November of the same year. Fall recruitment for the second year began in August 2014 and ended in November of 2014. There was also a spring recruitment in 2015: It started in January and ended in March. As of summer 2015, 247 adults have been recruited (130 for the first year and 117 for the second year). However, 30 of those recruited did not start the program. Thus, this report presents analyses of data on 217 adults who are members of a Head Start family and enrolled in the pilot. In Year 2, the pilot expanded to allow enrollment by Head Start staff, and this report presents a separate analysis of data from 55 staff members who have participated in the intervention.[1] All participants have been recruited from five St. Louis–area Head Start agencies, which operate program sites through nine hubs: Grace Hill Settlement House (two hubs), Urban League of Metropolitan St. Louis, Youth in Need St. Louis City, Youth in Need St. Charles, Youth in Need Wentzville, Youth in Need Warrenton, Kingdom House, and YWCA Metro St. Louis. The evaluation details the intervention and examines participant outcomes.

As of this writing, 27 members of the 130-member Year-1 cohort have successfully completed the program. The remaining 103 participants dropped out before they completed all five components. Currently, there are 46 active participants from the 117 recruited for the Year-2 cohort, 24 others from this cohort have successfully completed the program, and 47 have dropped out. Some of the issues related to attrition are discussed in the qualitative section of this report.

The effects of the intervention's components are assessed as participants move through the intervention. (For more information on the components, please see the appendix: The ASSET Project Overview). Participants complete a pretest assessing their level of financial education before they begin the financial education classes, and they complete a posttest at the end of the five 2-hour program classes. In addition, participants take part in a Financial Capability Survey that assesses their financial knowledge, financial attitudes, and financial behaviors. The survey is administered at three

[1] For the sake of convenience and to avoid confusion, we refer to people included in the interviews and focus groups as *respondents* or *staff participants*. We use *participants* or *parents* to refer to participants who are members of Head Start families.

different points: The baseline is completed when participants sign up for the program, and the follow-up is completed before they begin Components 4 and 5 at the Asset Check-In. The final wave of the survey is administered after participants complete their savings goal and use the funds they receive through the savings match. Through interviews and focus groups, the evaluation also collects qualitative data from program administrators, Head Start staff, and parent participants. In addition to providing information on best practices and challenges, these interactions generate recommendations concerning implementation.

This report presents findings from the evaluation of Year 2 of the intervention. The first section, Participant Profile, discusses demographic information on participants and data collected from the baseline Financial Capability Survey. We report on the outcomes of participants who have completed the first three components and on those of participants who have completed the program. The data on outcomes are drawn from the pretest, the posttest, the follow-up wave of the Financial Capability Survey, and the final wave of that survey.

The second section, Project Implementation, reports on the interviews and focus groups. This section also discusses comments from the volunteer coaches and highlights their suggestions for ways to improve the program. During the 6 to 12 months after participants complete the financial education classes, coaches provide one-on-one encouragement to help participants achieve their savings goal.

Participant Profile

Demographic information

Table 1 presents baseline demographic information on all participants. The majority of the ASSET Project's 217 participants are female (95%), African American (62%), and between the ages of 25 and 44 (77%). Approximately one fifth (21%) of the participants report that they are married, and 57% indicate that they have never been married. Students comprise 17% of the group. Less than half of participants (46%) are employed; 45% are unemployed.

Sources of income vary among the 217 participants; however, all participants met the Head Start program's income eligibility guidelines. A child is eligible for Head Start if the income of his or her family is below the federal poverty line or if the family receives benefits from such programs as Temporary Assistance for Needy Families and the Supplemental Nutrition Assistance Program (commonly known as food stamps). Children from homeless families and children in foster care are also eligible. Table 2 provides financial demographics. As mentioned above, 46% of participants are employed and so derive at least some of their income from a paycheck. Over half (54%) of the participants receive benefits from the Supplemental Nutrition Assistance Program, and 19% receive Temporary Assistance for Needy Families. Supplemental Security Income and Social Security Disability Insurance provide income to 16%. Although 19% report income from child support, it is often an unreliable source of income.

Outstanding debt is reported by 82% of participants. Credit cards, cell phones, and student loans are the most frequently reported sources of debt: 26% report that they have credit card debt, 25% report that they have debt related to cell phones, and 38% report that they have student loan obligations. Research indicates that the burden of education debt affects all income levels but that

Table 1. Participant Demographics (*N* = 217)

Characteristic	%	*N*
Gender		
Male	3	8
Female	95	206
Transgender	1	1
Missing	1	2
Ethnicity		
African American	62	134
Caucasian	23	49
Hispanic	12	27
Other	2	4
Missing	1	3
Age groups		
18–24 years old	18	38
25–44 years old	77	167
45 years and older	4	9
Missing	1	3
Marital status		
Never married	57	123
Married	21	46
Separated	7	15
Divorced	6	14
Widowed	2	4
Missing	7	15
Employment		
Employed	46	100
Unemployed	45	98
Disabled	4	10
Retired	1	1
Missing	4	8
Student		
Yes	17	37
No	78	170
Missing	5	10

Table 2. Financial Demographics (percentages, *n* = 217)

Financial Category	%
Source of income	
Paycheck	46
Temporary Assistance for Needy Families	19
Supplemental Nutrition Assistance Program	54
Supplemental Security Income or Social Security Disability Insurance	16
Child support	19
Unemployment	4
Other	11
Missing	7
I currently have outstanding debt	82
Type of debt	
Home	15
Car	21
Student loans	38
Pawnshop	6
Title or payday loan	18
Credit card	26
Cell phone	25
Utilities	8
Other	21
Missing	6

Table 3. Banking, Saving, Credit, and Taxes (percentages, *N* = 217)

Statements	Yes	No	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Missing
I understand how banks and credit unions work			19	34	27	13	5	2
I know how to save money			15	30	28	16	10	1
I know how to access my free credit report	41	52						7
I know my credit score	22	70						8
I know how to build good credit	31	62						7
Do you know where to get your taxes done free?[a]	38	56						5
Do you know about the EITC?[a]	38	54						8
Do you usually receive the EITC as part of your tax refund?[a]	40	48						12

Note. EITC = Earned Income Tax Credit.

[a]Question added during the second cohort recruitment (*n* = 87).

low- and middle-class African American students incur a higher proportion of the debt than do their White counterparts. This is because support from aid and scholarships has declined as growing numbers of these students have entered higher education (Grinstein-Weiss, Perantie, Taylor, Guo, & Raghavan, 2015).

Financial knowledge

Financial knowledge is defined as the understanding of how to accumulate, manage, and invest money for the purpose of making informed decisions about one's current and future financial situations. Several questions in the Financial Capability Survey assess participants' financial knowledge. The results are discussed below.

Table 3 presents results on participants' self-reported knowledge of banking, saving, credit, and taxes. The data come from the baseline wave of the Financial Capability Survey. Half of the participants indicate that they understand how banks and credit unions work (53% strongly agree or agree), and 45% express confidence (strongly agree or agree) that they know how to save money. Credit knowledge is somewhat more limited: 41% of participants report that they know how to access a free credit report, but only 22% know their actual credit score because it has to be obtained through another process that involves a fee. About two thirds (62%) of the participants indicate that they do not know how to build good credit.

Three new questions concerning participants' knowledge of the Earned Income Tax Credit (EITC) were incorporated into the Financial Capability Survey in the fall of 2014. The EITC is a tax benefit for low- and moderate-income families. Several studies identify the positive effects of the credit, which is found to encourage employment and lift families out of poverty (Dahl & Lochner, 2012; Hoynes, 2014; Hoynes, Miller, & Simon, 2013). A little over a third of the participants (38%) know about the EITC, and 46% report that they usually receive EITC. The Internal Revenue Service (2015) states that approximately 21% of the people who qualify do not file for the EITC. Education

Table 4. Paired Sample *t* Tests for Change in Pretest and Posttest (n = 103)

Paired Samples	Mean		SD
Pretest	10.42		4.40
Posttest	16.27		2.99
Change in mean		5.9	
Paired *t* test		14.60**	

**$p \leq .001$.

and awareness are necessary if the credit is to benefit those who are eligible for it. The ASSET Project provides participants with information on tax credits for which they may be eligible.

Table 4 shows the results from the financial knowledge survey conducted before the financial education classes (pretest) and the same survey conducted after participants completed the sequence of classes (posttest). As of June 30, 2015, 103 participants have completed all five classes. Test responses are assigned scores, and 20 points are possible for each test. Higher scores indicate greater levels of financial knowledge. As reported in Table 4, the mean score from the pretest is 10.42 and that from the posttest is 16.27: a 5.9 point difference. Results from a paired-sample *t* test reveal that the two mean scores are statistically different ($p \leq .01$). The difference indicates that participants' financial knowledge increased significantly over the 5-week period in which they took the ASSET Project's financial education classes.

Financial attitudes

Financial attitudes are one's feelings and opinions about one's financial knowledge, financial needs, and financial future. These attitudes shape financial behavior.

Participants' self-reported financial attitudes are illustrated in Table 5. The top panel summarizes attitudes concerning money management. About a third of the participants report that they manage their money well (37% strongly agree or agree), and 37% indicate that they do not manage it well (strongly disagree or disagree). Over half of the participants say that they could use help tracking both their income (52% strongly agree or agree) and expenses (57% strongly agree or agree). In addition, stress over financial situations is common (77% strongly agree or agree) and preparedness for emergencies is low (13% strongly agree or agree). The effects of financial stress on health are well documented. For example, research finds that both psychological and physical health are affected by indebtedness (Jessop, Herberts, & Solomon, 2005), which is associated with obesity (Münster, Ruger, Ochsmann, Letzel, & Toschke, 2009). Other research indicates that struggling to make mortgage payments is associated with depression and other mental health issues (Cannusico et al., 2012).

Attitudes related to banking and saving are also summarized in Table 5. A little more than half of participants indicate that having an account with a bank or credit union will help them reach their financial goals (55% strongly agree or agree). Only 20% strongly agree or agree that they do a good job saving and paying themselves first; 58% strongly agree or agree that they feel stressed about saving money. Some of the lack of confidence and saving-related stress may be attributed to lack of knowledge about saving: Only 45% strongly agree or agree that they know how to save money (see Table 3).

The reported attitudes about credit (Table 5) reflect participants' views on their understanding of the issue. Sixty-two percent strongly agree or agree that they need help accessing their credit report, and

Table 5. Financial Attitudes (percentages, *N* = 217)

Category	Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree	Missing
Money management						
I manage my money well	8	29	26	19	18	2
I need help tracking my income	22	30	20	13	6	9
I need help tracking my expenses	24	33	17	9	8	9
I feel stressed about my financial situation	46	31	13	5	4	1
I feel prepared to handle a financial emergency	5	8	14	34	38	1
Banking, financial services, and saving						
I feel that having a bank or credit union account will help me reach my financial goals	24	31	28	7	8	2
I do a good job saving and paying myself first	8	12	30	27	21	2
I feel stressed about saving money	28	30	20	13	7	2
Credit						
I need help accessing my credit report	33	29	11	13	8	6
I need help accessing my credit score	35	27	11	11	9	7
I need help improving my credit	63	22	6	1	2	6
Financial support and financial coaching						
I need help managing my debt	44	36	11	4	3	2
I need help improving my financial situation	56	35	5	1	1	2
I need someone to talk to about my financial situation	39	34	17	4	4	2

the same percentage of participants strongly agree or agree that they need help accessing their credit score. Eighty-five percent strongly agree or agree that they need help improving their credit. The percentage of participants who report needing help with credit issues is higher than the percentage reporting lack of knowledge in this area: 52% of participants say that they do not know how to access their free credit report, and 62% state that they do not know how to build good credit (see Table 2). These results suggest that lack of knowledge and lack of ability to access the resources may together function as a barrier to building good credit.

Finally, Table 5 summarizes responses to statements that explore attitudes toward financial support and coaching. The results overwhelmingly show that participants feel they need help in all areas: 91% strongly agree or agree that they need help to improve their financial situation, 80% strongly agree or agree that they need help to manage their debt, and 73% strongly agree or agree that they need someone to talk to about their financial situation. As discussed below, the coaches in the ASSET Project report positive interactions with participants and indicate that the coaching component seems to help participants reach their goals.

Attitudes on future planning and orientation are summarized in Table 6, which shows additional results from the Financial Capability Survey. Half of participants (50%) report that they plan on obtaining education beyond a high school diploma, and 83% indicate that their financial situation will be better in the future. Participants' assessments of their children's future are also positive: 82% of parents expect their children to receive an education beyond a high school diploma, and 85% think that their children's financial situation will be better than theirs in the future.

Eighty-five percent strongly agree or agree that they need help improving their credit.

Table 6. Future Planning and Orientation (*N* = 217)

Response	%
Future planning and orientation: participant	
What is the highest level of education you plan to complete?	
Less than high school	17
High school diploma or general equivalency diploma	25
Technical or vocational school	11
2-year community or junior college	15
4-year college or university	16
Graduate or professional school	8
Undecided	5
Other	1
Missing	2
Moving forward, my financial situation will be	
Better in the future	83
About the same in the future	7
Worse in the future	8
Missing	2
Where do you see yourself in 5 years?	
Financial security	32
Owning a home, car, or business	30
Advancement in career or working in ideal field	19
Graduating or attending school	14
Other	5
Missing	11
What is the one goal that you want to achieve to make your life better?	
Better money or time management	45
Graduating or attending school	23
Advancement in career, or working in ideal field	18
Owning a home, car, or business	12
Other	3
Missing	20
Future orientation: children	
Do you think college is important for your children?	
Not that important	7
Helpful but not necessary	8
Absolutely necessary	84
Missing	1
What is the highest level of education you expect your children to complete?	
Less than high school	7
High school diploma or general equivalency diploma	7
Technical or vocational school	2
2-year community or junior college	7
4-year college or university	43
Graduate or professional School	30
Undecided	2
Missing	2
When your child is grown, do you think that his or her financial situation will be	
Better than yours	85
About the same as yours	5
Worse than yours	9
Missing	1

Table 7. Financial Behaviors (percentages, N = 217)

Statement	Yes	No	Always	Sometimes	Rarely	Never	Missing
Money management and financial preparedness							
I keep a written record of my income			20	20	22	32	6
I keep a written record of my expenses			16	27	16	34	7
I pay my bills on time			19	51	8	15	7
I use check cashing services			8	17	10	61	4
I have an emergency fund in case of a financial emergency?	9	90					1
I had an unexpected expense within the last year that I had difficulty paying	56	37					7
Saving							
I am able to work toward my savings goal			12	27	27	29	5
I have a written plan to achieve my savings goal	17	78					5
Banking and financial services							
I use reloadable prepaid cards			10	16	13	59	2
I have direct deposit	44	55					1
I have a checking account	60	39					1
I have a savings account	49	50					1
Within the past 6 months, I have reviewed my credit report	18	76					6

The final items on financial attitudes solicit participant responses to two open-ended questions: "Where do you see yourself in 5 years?" and, "What is one goal you want to achieve to help make your life better?" We have identified four themes in the responses: financial security; owning a car, home, or business; advancement in a career or working in the ideal field; and graduating or attending school. In response to the question about where they see themselves in 5 years, 32% of participants state that they will achieve financial security; 30% say that they will own an asset, such as a home, car, or business; 19% foresee advancement in their career or working in their ideal field; and 14% anticipate advancement in their education.

The second open-ended question asks participants to identify the *one* goal that, if achieved, would improve their life. Forty-five percent indicate that they would choose to be better at money management. This corresponds with participants' responses to the open-ended question above regarding future financial security: 32% indicate that they foresee financial security. The parallel suggests that participants realize the importance of sound financial choices for future success. The second most commonly chosen goal is academic: 23% indicate that graduating from or attending school will improve their lives. Other participants mention career advancement, working in their ideal field (18%), and asset ownership (12%).

Financial behavior

Financial behavior is defined as engagement in financial activities, and it involves choices that one makes about one's financial situation. These choices are based on the individual's knowledge and attitudes as well as on the available financial services.

Table 7 summarizes participants' reports on money management and financial preparedness. The reports come from the Financial Capability Survey. Twenty percent say that they always keep a written record of their income, but 32% say that they never do. Only 16% always keep a record of their expenses, and 34% never do. Although only 19% report that they always pay bills on time, 51% say that they sometimes do. These correspond with other results on participants' attitudes about

Table 8. Methods of Paying Expenses (percentages, *N* = 217)

Means	Daily Expenses (e.g., gas, groceries, bus fare)	Monthly Expenses (e.g., rent, utilities, phone bill)
Cash	71	54
Debit card	54	41
Check	4	12
Money order	3	24
Online	2	8
Payroll deduction	0	0
Credit card	5	4
Electronic benefit transfer card	30	6
Other	1	4
Missing	1	2

whether they need help tracking income and expenses: 52% agree or strongly agree that they need help tracking income, and 57% agree or strongly agree that they need help tracking expenses (see Table 5). Viewing results from Tables 5 and 7 together improves understanding of why 77% of participants may experience stress about their financial situation. Only a small percentage of participants (9%) report having funds set aside for a financial emergency. That may explain why 56% of participants report that they had difficulty paying an unexpected expense within the year prior to survey. It suggests that they could have more easily paid an unexpected expense if they had had an emergency fund. These results are further supported by another finding: 72% of participants strongly disagree or disagree with the statement that they feel prepared to handle an emergency. Given that participants in the ASSET Project have low incomes, these responses are not surprising. Many low-income households teeter daily on the edge of financial hardship.

Table 7 also reports on the use of several banking and financial services. Almost half of participants (44%) report using direct deposit, and 60% report that they have a checking account. Approximately half of the participants report having a savings account (49%), yet only 17% have a written plan for achieving a savings goal and only 12% report that they are always able to work toward their goal. Fifty-one percent report that they only sometimes pay their bills on time. This could be due in part to unexpected expenses for participants (56% of participants had an unexpected emergency within the year prior to the survey) and may suggest that, if a financial emergency occurs, many participants have to use resources designated for other expenses. The unexpected outlay leaves them without means to pay their everyday expenses. In the ASSET Project, the two most commonly reported reasons for lacking a checking account are that participants do not have enough money (10%) and that they owe money to a bank or credit union (8%). Lack of trust in banks and credit unions (5%) is also reported as a reason for not having an account (results not shown).

The Financial Capability Survey provides information on how participants pay their living expenses: 71% say that they pay daily expenses with cash, and 54% say that they use a debit card. For monthly expenses, 54% report using cash and 41% report using a debit card (Table 8). These results again show the limited extent to which participants use banks and financial services despite the fees associated with money orders and check cashing services.

In summary, most participants are African American women between the ages of 25 and 44. Approximately half (57%) have never been married. Eighty-two percent of participants carry some outstanding debt; student loans are the most commonly reported source of debt (reported by 38%

Table 9. Paired Sample *t* Tests for Change in Baseline and Follow-up Survey Scores

Outcome	Mean		SD
Financial knowledge (*n* = 50)			
Baseline survey	5.74		2.02
Follow-up survey	7.94		1.96
Change in mean		2.20	
Paired *t* test		6.65**	
Financial attitudes (*n* = 32)			
Baseline survey	13.88		6.19
Follow-up survey	22.84		9.00
Change in mean		8.97	
Paired *t* test		5.67**	
Financial behavior (*n* = 47)			
Baseline survey	11.57		3.42
Follow-up survey	16.36		3.76
Change in mean		4.79	
Paired *t* test		8.61**	

**$p \leq .001$.

of participants), with credit-card and cell-phone debt coming in second and third (respectively, 26% and 25% report such debt). Results from the financial-education pretests and posttests indicate that the sessions were helpful, and posttest scores indicate that participants increased their knowledge of financial issues. The mean score from the posttest (16.67, range = 0–20) is over 6 points higher than the mean pretest score (10.42; range = 0–20). Moreover, participants' responses concerning financial attitudes show an understanding of where they need help to increase their financial knowledge and assets. Approximately a third reveal that they do not manage their money well (37% strongly disagree or disagree with the statement), and only 13% strongly agree or agree that they feel prepared to handle a financial emergency. Finally, participants' responses to the financial behavior items seem to show that they lack knowledge and face other barriers such as low incomes and limited access to resources. These barriers impede their ability to improve their financial situation. Fifty-six percent report that they had trouble paying an unexpected expense within the prior year, and only 12% indicate that they are always able to work toward their savings goal.

Comparison of Results from the Baseline and Follow-Up of the Financial Capability Survey

Originally, participants were scheduled to complete the Financial Capability Survey every 6 months. However, because participants move through the intervention's components at their own pace, staff have found it challenging to administer the survey on a consistent schedule. At this writing, 35% (*n* = 74) of the 217 participants have completed the follow-up survey, which is administered before they begin the financial coaching component. In this section, we compare data from the baseline and follow-up surveys to identify changes occurring between the survey waves. To assess levels of knowledge within each category (financial knowledge, financial attitudes, and financial behavior), we assign a value between 0 and 4 to each response. Higher scores indicate more positive outcomes. We calculate composite scores for each category by summing the scores from all items in that category. Results from paired-sample *t* tests identify differences between the mean baseline scores and the mean follow-up scores. As Table 9 shows, the results from those tests reveal a statistically significant increase in the mean scores for financial knowledge (2.20), financial attitudes (8.97), and financial behavior (4.79). The change in the financial attitude scores—the largest change of the three—suggests that ASSET Project participants are gaining knowledge about financial information, adjusting the way they think about finances, and acting differently.

In addition to the aggregate results presented above, several other findings point to noteworthy changes between the baseline and follow-up waves of the survey. Table 10 summarizes the reported means by which participants pay their day-to-day and monthly expenses. The biggest changes between the two waves are the decreases in the percentages of participants using cash for daily and monthly expenses. There is also a noteworthy decline in the percentage of participants using money orders for monthly expenses as well as increases in the percentages using checks and online payment for monthly expenses. A closer examination reveals that the percentage of participants with checking accounts grows slightly between surveys (from 70% to 78%), and this might add to the reported increase in the use of online payment and checks for monthly expenses. It might also be that participants find it easier to keep track of expenses if they use checks or online services. As we discuss below, participants indicate that learning to track expenses by keeping and recording receipts is a valuable part of the curriculum.

Table 10 also summarizes changes in participants' outstanding debt between the two surveys. Although the overall percentage did not change (82% report having debt in both surveys), there are declines in the percentages of participants reporting several categories of debt. Specifically, there is an 11-point decrease in the percentage of participants reporting debt from title or payday loans, a 7-point decrease in the percentage reporting debt owed to pawnshops, and a 4-point decrease in the percentage reporting debt from credit cards. Again, these changes may suggest that the financial education classes help participants to make positive financial choices in managing their debt and to avoid extra costs and fees. The possibility finds support in the qualitative results (discussed below): Comments made during focus-group discussions indicate that participants found the financial education to be helpful in their efforts to develop coping strategies and to confront barriers.

Three items in the Financial Capability Survey ask participants to report on their knowledge of the EITC and on how they use it. The percentage of participants responding affirmatively to each of the three questions is higher in the follow-up survey than in the baseline (see Table 10), and the increases are considerable: In the follow-up, 76% report knowing where to get their taxes done for free (up from 40% in the baseline) and 87% know about the EITC (up from 36%). The percentage of participants who put their refunds in savings is higher in the follow-up (36%) than in the baseline (25%).

Table 11 examines the changes in participants' financial stress and preparedness. Results indicate that participants' feelings of stress decreased and the percentage with emergency funds increased after exposure to the ASSET Project's financial-education classes. A paired-sample t test examines the changes in mean scores, revealing a significant difference between the baseline (M = 3.50; SD = 3.48) and follow-up stress scores (M = 3.59; SD = 2.62; t[60] = 4.31; p = 0.00). The difference indicates that participants' feelings of stress decreased significantly between the two surveys. As noted above, physical and mental health are adversely affected by financial stress.

I have an emergency fund in case of a financial emergency

	Yes	No
Baseline	12	87
Follow-up	24	74

Table 10. Means of Paying Expenses, Outstanding Debt, Income Tax Knowledge, and Refund Use

Method	Baseline Survey (Yes)	Follow-up Survey (Yes)
Means of paying expenses		
Day-to-day expenses (*n*)	71	74
% cash	65	60
% debit card	59	58
% check	1	1
% money order	3	4
% online	4	4
% payroll deduction	0	1
% credit card	7	7
% electronic benefit transfer card	18	19
% other	1	0
Monthly expenses (*n*)	72	74
% cash	50	36
% debit card	44	46
% check	13	16
% money order	19	12
% online	13	20
% payroll deduction	0	1
% credit card	4	0
% electronic benefit transfer card	4	11
% other	3	6
Outstanding debt (*n*)	67	72
% with outstanding debt	82	82
Type of debt (%)		
Home	16	13
Car	28	25
Student loans	34	38
Pawnshop	8	1
Title or payday loan	25	14
Credit card	30	26
Cell phone	31	29
Utilities	12	8
Other	25	23
Income tax knowledge and refund use (*n*)	52	50
Question (% responding affirmatively)		
Do you know where to get your taxes done free?	40	76
Do you know about the EITC?	36	87
Do you usually receive the EITC as part of your refund?	49	64
Refund use (% responding affirmatively)		
Pay bills	71	72
Put in savings	25	36
Spend on something else	33	36
Pay toward debt	49	48
% owns checking account	70	78

Note. Unless otherwise specified, results are presented in percentages.

Table 11. Participants' Financial Stress and Preparedness (percentages, *n* = 74)

Statement	Yes	No	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Missing
Baseline survey								
I feel stressed about saving money			24	28	19	16	10	3
I feel stressed about my financial situation			46	30	11	8	3	3
I feel prepared to handle a financial emergency			1	11	10	35	41	3
I have an emergency fund in case of a financial emergency	12	87						1
I had an unexpected expense within the past year that I had difficulty paying	58	27						15
Follow-up survey								
I feel stressed about saving money			18	26	20	18	16	3
I feel stressed about my financial situation			27	31	18	14	10	1
I feel prepared to handle a financial emergency			5	14	31	28	19	3
I have an emergency fund in case of a financial emergency	24	74						2
I had an unexpected expense within the past year that I had difficulty paying	61	27						12

Table 12. Participants' Perseverance (percentages, *n* = 74)

Statement	Very much like me	Mostly like me	Somewhat like me	Not much like me	Not like me	Missing
Baseline survey						
I finish what I begin	27	27	22	7	3	15
I am a hard worker	61	20	3	0	1	15
I don't give up easily	45	26	14	0	1	15
I can solve even the hardest problems if I try	32	31	14	5	3	15
Follow-up survey						
I finish what I begin	41	22	19	3	3	14
I am a hard worker	69	15	2	0	1	14
I don't give up easily	54	19	11	0	3	14
I can solve even the hardest problems if I try	45	27	11	3	1	14

Table 12 summarizes baseline and follow-up reports on participants' perseverance. In both waves, the survey asked participants to indicate their level of agreement with each of four statements, and many who chose "mostly like me" as a response option in the baseline select "very much like me" in the follow-up. Again, results from a paired-sample *t* test indicate that the baseline perseverance scores (M = 12.73; SD = 3.04) differ significantly from the perseverance scores recorded at the follow-up (M = 13.69; SD = 2.36; $t[61] = 3.05$; $p = 0.00$). It appears that participants' motivation and confidence in financial decision making increase as their financial knowledge grows. The qualitative data suggest that the discussions among peers in the program play an important role in building participants' confidence.

Comparisons of participants' baseline and follow-up responses suggest that the ASSET Project has several positive effects on participants, at least in the short term. Although these results should be

Table 13. Paired Sample *t* Tests for Change in Baseline and Final Survey Scores

Outcome	Mean		SD
Financial knowledge (n = 18)			
Baseline survey	6.00		2.14
Final survey	8.50		1.86
Change in mean		2.50	
Paired *t* test		4.16**	
Financial attitudes (n = 16)			
Baseline survey	18.38		8.23
Final survey	28.69		10.40
Change in mean		10.31	
Paired *t* test		4.16**	
Financial behavior (n = 6)			
Baseline survey	13.33		3.56
Final survey	20.00		3.52
Change in mean		6.67	
Paired *t* test		3.49*	

*$p \le .01$; **$p \le .001$.

examined with caution, they indicate that the project is successful and has the potential to continue providing important benefits to the population it serves.

Comparison of Results from the Baseline and Final Waves of the Financial Capability Survey

As of this writing, only a small number (n = 30) of participants have completed the final wave of the Financial Capability Survey. Table 13 presents a preliminary summary from comparisons of baseline and final results for each of the three main financial categories. These results indicate that positive outcomes persist. In each of the three areas, the mean follow-up score is significantly higher than the score from the baseline: The financial knowledge score increases by 2.50 points, the financial attitudes score increases by 10.31 points, and the financial behavior score increases by 6.67 points.

Comparisons of Staff Participants and Nonstaff Participants

As mentioned above, 55 Head Start staff members enrolled in the Asset Project during Year 2. The change enables staff to take advantage of the project's benefits and to better support the nonstaff participants. The racial and gender characteristics of the staff participants are similar to those of the other 217 participants. A majority of participants in both groups are African American and female. However, some observed differences are summarized in Table 14. All of the staff participants are employed, but only 46% of the nonstaff participants report that they are employed, and 50% of nonstaff participants report only part-time employment. In general, the staff participants are older and more are married.

The demographic differences may translate to advantages: Staff participants may have greater access to resources and opportunities. Such advantages might also help staff to score more positively in the surveys. As we note above, research suggests that levels of financial knowledge are lower among young unmarried women with low levels of education than among men with similar characteristics, and this difference could have negative implications for the long-term financial stability of those women (Bucher-Koenen et al., 2014; Lusardi & Mitchell, 2008). Data from the baseline survey

Table 14. Staff and Nonstaff Demographics (percentages)

Characteristics	Nonstaff	Staff
Gender		
Male	3	4
Female	95	92
Transgender	1	4
Missing	1	0
Ethnicity		
African American	62	58
Caucasian	23	22
Hispanic	12	11
Other	2	4
Missing	1	5
Age		
18–24 years	18	4
25–44 years	77	57
45 years and older	4	37
Missing	1	2
Marital status		
Never married	57	29
Married	21	33
Separated	7	9
Divorced	6	18
Widowed	2	2
Missing	7	10
Employment status		
Employed	46	100
Full time	50	98
Part time	50	2
Missing	4	0
N	217	55

suggest that, compared with nonstaff counterparts, more staff participants are inclined to choose institutional options for paying expenses: 33% of staff participants report paying monthly expenses online, but only 13% of nonstaff participants report this; 26% of staff participants and 13% of nonstaff participants report paying monthly expenses with checks; 66% of staff participants report paying such expenses with debit cards, but 44% of nonstaff participants report this. The percentage of staff participants reporting debt at the baseline is higher than the percentage of nonstaff who report this (91% of staff vs. 82% of nonstaff). These differences could reflect differences between staff and nonstaff participants in the levels of access to resources and financial products.

Table 15 shows the results of paired-sampled *t* tests that examine changes between the baseline and follow-up surveys. It presents those results for staff and nonstaff participants. Results are shown for five categories. The first three are the aggregate categories: financial knowledge, financial attitudes, and financial behavior. The two other categories reflect respondents' attitudes about personal stress and perseverance. Across all categories, the overall results indicate that the mean scores of staff participants and nonstaff participants increased between the two surveys. However, a closer examination reveals some differences. With the exception of those for financial knowledge, the mean baseline scores of staff participants are higher than those of nonstaff participants. At the baseline, the mean financial-knowledge score of staff participants was 5.47 whereas that of nonstaff participants was 5.74. The difference was not statistically significant.

Table 15. Paired-Sample *t* Tests for Change in Baseline and Follow-up Survey Scores for Staff and Nonstaff Participants

	Staff Participants			Nonstaff Participants		
Outcome	*N*	Mean	SD	*N*	Mean	SD
Financial knowledge	19			50		
Baseline survey		5.47	2.39		5.74	2.02
Follow-up survey		9.21	1.27		7.94	1.96
Change in mean		3.74			2.20	
Paired *t* test		6.65**			6.65**	
Financial attitudes	23			32		
Baseline survey		15.78	6.32		13.88	6.19
Follow-up survey		29.91	9.16		22.84	9.00
Change in mean		14.13			8.97	
Paired *t* test		7.05**			5.67**	
Financial behavior	17			47		
Baseline survey		14.82	3.25		11.57	3.42
Follow-up survey		20.00	2.45		16.36	3.76
Change in mean		5.18			4.79	
Paired *t* test		6.46**			8.61**	
Stress	24			61		
Baseline survey		3.67	2.28		3.59	2.62
Follow-up survey		7.25	2.97		3.34	3.48
Change in mean		3.58			1.75	
Paired *t* test		5.22**			4.31**	
Perseverance	25			62		
Baseline survey		13.48	2.02		12.73	3.04
Follow-up survey		13.96	2.11		13.70	2.36
Change in mean		0.48			1.00	
Paired *t* test		1.33			3.05**	

**$p \leq .001$.

Furthermore, the change in the mean scores in four of the five categories are higher for staff participants than for nonstaff participants. For example, the mean financial attitudes score among staff participants increases by 14.13 points between the baseline and follow-up surveys, and that among nonstaff participants increases by 8.97 points over the same period. The mean stress scores are about the same for the two groups at baseline (3.67 for staff vs. 3.59 for nonstaff). Between the waves, however, staff participants' mean score increases approximately twice as much as that of nonstaff participants (3.58 for staff vs. 1.75 for nonstaff). This difference could be related to the low rate of employment among the nonstaff participants and to the stress of financial insecurity. Only in the perseverance category are the scores of nonstaff participants better than those of staff participants. The change in the mean perseverance score of staff participants is not significant, whereas the mean score of nonstaff participants increases to a statistically significant degree between waves (0.48 for staff vs. 1.00 for nonstaff). The difference between the groups suggests that the ASSET Project's positive effects may give nonstaff participants hope.

As suggested above, staff participants differ from nonstaff participants. Staff are older and more financially secure. They seem to have more financial knowledge, and they are more connected to institutional resources. Because of their unique position as both facilitators and participants, they understand the barriers that participants face but they also have access to resources for overcoming those barriers. The differences should provide a good foundation for successfully guiding nonstaff participants through the Asset Project components.

Project Implementation: Successes and Challenges in Year 2

Individual interviews and focus groups with administrators, Head Start staff, parents, and coaches provide information about the success and challenges in Year 2. Interviews and focus groups were audio recorded and transcribed verbatim. Utilizing a constructivist approach for coding the data (Charmaz, 2005), the research team drew upon themes identified in responses during Year-1 coding: strengths, challenges, organizational implementation, programmatic implementation, specific benefits, and new ideas (Curley & Robertson, 2014, p. 15). Several new, emic concepts emerged from the analysis of Year-2 qualitative data. One of these is the *priority of providing for children and families*. It represents parents' reflections on providing for their children and family members, on how that priority influences their decisions, and on the ways in which the priority affects progress toward financial goals. This new theme is particularly relevant for understanding why women from low socioeconomic backgrounds make certain financial choices and how financial education programs can be responsive.

Recruitment, participation, and consistency with Head Start goals

Strengths

Head Start staff participants have shared very positive reflections on Year 2. They indicate that the ASSET Project's goals are consistent with the Head Start mandates concerning self-sufficiency, life skills education, and empowerment. During the project's first year, recruitment was one of several struggles. There was an unavoidable delay in federal funding, the federal sequestration occurred, and Head Start staff lacked understanding of the project's goals and value. We find no mention of funding concerns or misunderstanding of project goals in the Year-2 qualitative data, and recruitment went more smoothly in Year 2. Participating Head Start sites report that they recruit in several ways. Family-support staff recruit parents during the initial Head Start intake process, during parent meetings, and during one-on-one interactions as parents drop off or pick up their children. Administrators acknowledged that there was initial resistance by staff to adding a new program but indicated that the attitude shifted to become more positive by the end of the educational classes. An administrator at one Head Start center states that she was "voluntold" to recruit and help organize the program's implementation. However, each center identifies at least one staff member as an ASSET Project liaison, asking the individual to facilitate parental involvement and success in the program.

> I've learned so, so much. I save money in my savings. I fixed my bank account. I took a look at my credit report for the first time ever, and I saw things on there. I just took steps toward financial freedom.
> —Head Start parent

The administrator indicates that she initially felt a little unprepared but that the process worked very well. She reports that she organized the program as a family opportunity, inviting participation by mothers, fathers, and grandparents involved in the care of their grandchildren. To facilitate participation, her center provides child care and dinner on evenings when the project's events are held. She acknowledges that each family may receive only one savings account and match but also notes that all adult caregivers may participate in the financial education classes. Consequently, one mother has participated alongside her grandmother, and another grandmother participates because she is her grandchild's primary caregiver. Participants in one center's focus group report that this diversity of experience has been particularly enriching. Similarly, respondents at other locations report feeling that the social support of a group is important. At one center, the Head Start staff participant noted that a group of immigrant parents signed up together because they felt they could support and encourage each other. Participants share ways to integrate the financial education and savings strategies. Both staff and parents indicate that the informal discussion is important for maintaining full participation.

Parents mention several reasons for choosing to participate in the program, including the opportunity to learn about budgeting, saving, and credit. Acknowledging that they have a problem with money, several parents indicate that they want to learn more so that they will be able to provide for their children and set an example. Others recognize that poor spending habits and misunderstanding about budgeting have contributed to a debt problem they want to resolve. A group of parents who are recent immigrants reports that they wish to better understand the U.S. financial system. Some parents identify goals: buying a home, saving for their children's college education, and starting a business. They say that their motivation to achieve these goals and encouragement from others in the group keep them engaged in the project.

Challenges

Respondents in interviews and focus groups note several recruitment challenges, including the lack of participation by fathers—an issue also faced in other Head Start program recruitment efforts—and attrition from the project. Comments by administrators, staff, and parents suggest that attrition from the ASSET Project's pilot may be attributed to several factors, including the length of time between registration and the start of the first class, difficulties with transportation, child care issues, and the absence of a clear understanding of the project's goals. Staff and parents say that the project's content may be another reason for attrition. The first session includes the welcome, introductions, review of ASSET program content, and rules about incentives and the savings match and the education content about tracking spending/budgeting. United Way staff attends the first session to give a welcome and review the program overview and incentive rules.

That discussion is too remedial for some. For example, one staff member notes: "They really started with opening a bank account, you know, the basics." Staff members report that some participants benefit from the first session but that others desire more advanced information and receive reassurance about subsequent sessions. However, there is a perception that some people dropped out of the project for this reason. This perception and associated comments reflect a concern about *requiring* everyone to take this basic first class. That concern was shared with United Way staff who administer the ASSET Project. After becoming aware of the concern in the spring of 2015, the United Way staff began to review content and develop new, more engaging approaches for the first session.

Interview and focus-group participants from several centers also express concern that so few fathers participate in the project, and this is consistent with patterns of participation in other Head Start activities. Several staff mention that they know of at least one father who started the program but has not completed it. Some observe that fathers may feel particularly insecure about acknowledging a lack of financial literacy. The prevailing attitude is that men know more; it holds that they should be able to earn and manage money in order to provide for their children. Participation in financial education classes might marginalize their role in the family.

Head Start staff were also included in recruitment efforts and participated in the online option for educational classes. Participation with this group increased in Year 2. The online classes were the primary option for staff because some expressed concerns about the small-group, center-based program and about discussions that might involve sharing personal information with the parents of Head Start children in their care. They worried that group participation might disrupt the staff–client relationship, but staff wanted to be included in the project and to gain the financial knowledge. Although some staff sat in on the parent groups, the online option helped to address confidentiality concerns.

> I didn't know that there was assistance for rental issues. I didn't know that that was out there.
> —Head Start participant

During the ASSET Project's recruitment effort, staff used the benefits calculator with parents, often incorporating it into the entry assessment and family goal-setting meeting or incorporating it into the first class. As they did in Year 1 (Curley & Robertson, 2014), participants in Year 2 offer mixed comments about the usefulness of the calculator. A few participants report that their families were unaware of the available resources and that some of the information from the calculator was inaccurate. Head Start staff speculate that some of the inaccuracies may be due to gaps in the financial information provided by participants. Some staff suggest that the calculator produced inaccurate information because it lacks current details on the public assistance programs offered in Missouri. However, staff indicate that parents appreciate the graphic printout produced after information is entered into the calculator: They note that the printout clearly illustrates parents' spending habits.

Another important challenge is the erosion of state support for case management and particularly for assistance with applications to access such benefits as child care subsidies. Although Head Start staff can help parents determine their eligibility for benefits offered by several state programs, applying for those benefits can be time consuming and complicated. Administrators and staff note that state budget reductions have removed caseworkers from accessible neighborhood offices, eliminating an important relationship-based resource. Although parents can access information by calling a state-sponsored phone number, it is difficult to get a response. One participant characterizes the available assistance: "You don't get any information. There is an 800 number you can call, but they give you the runaround so much it is ridiculous." Head Start staff suggest that many parents just give up and, for example, opt not to enroll their child in Head Start because they cannot pay the nominal fees required in some programs without the child care subsidy. Inability to obtain eligible benefits is an issue in efforts to build the assets of vulnerable families. Such benefits are important elements in the framework that enables family stability. They are especially important during times when children's healthy growth and development must be supported.

Human support and relationship building is meaningful for achieving the maximum benefit

Several parents opt to take the classes online because the needs of their children make it difficult to attend the ASSET Project's educational classes. One parent has a newborn baby and appreciates that flexibility. However, participants indicate that learning from others is an important aspect of the project. One parent expresses the point:

> I learned a lot from the ladies. Just being able to interact and have conversations and see exactly what everyone was going through. And to see what works for them—what worked best. Some may be a lot older and a lot wiser than me on certain areas. I felt that … the things that we talked about really hit me more than just the book work.

Interview and focus-group participants indicate that several items in the financial education curriculum are impactful. In particular, they discussed items on tracking expenses by keeping and recording receipts, establishing a budget, shopping for bargains, building an emergency fund, borrowing money, managing debt, and paying yourself first by saving. Although these participants value the content in the financial education classes, they emphasize the importance of the resulting discussions. Participants in those discussions share neighborhood resources, coping strategies for confronting barriers, and ways to encourage success. Head Start staff support this camaraderie. We note above that some centers provide child care and dinner for the entire family to encourage the participation of all adults in the household. In addition, some centers provide transportation, and others offer translators for parents with language barriers. Such strategies are important for maintaining a welcoming, relaxed atmosphere.

Coaches' perspectives on relationship building

Parents participated in the focus groups after completing the financial education classes but prior to receiving the financial coaching, and they generally anticipate a positive relationship with their coaches. Results from a focus group and survey with coaches highlight that most coaches met with their parent participant several times, frequently in person, and for 30 minutes or longer. All of the parent participants who connect with their coaches do so after completing their financial education classes. This suggests that the relationships with coaches are impactful for parents. Volunteer coaches also have been helpful in advocating for parents and in connecting them to other resources. For example, one coach reports that it was challenging to find a bank willing to open a savings account for a recent immigrant, and the coach has pursued a number of options. Another coach reports that a participant's particular circumstances influenced the direction of coaching: Once the coach understood that the participant is a grandmother parenting her grandchild, the coach realized that the participant needed more information about ways to save for retirement. Most volunteer coaches indicate that their experiences have been positive and report that their connections with the participants have been helpful. The majority indicate that they would like to continue to volunteer for another year. Their reflections support our sense that relationship building is a valuable part of the coaching sessions and that it contributes positively as participants move toward their goals.

Building relationships through technical assistance from United Way staff

The project implementation support provided by United Way staff effectively shows the importance of technical assistance for successful implementation and for building another network of communication between Head Start centers. Members of the ASSET support staff are available by phone, are a familiar presence at the Head Start sites during the financial education classes, and are very approachable for Head Start staff and parents. They have provided technical assistance with recruitment and have met with Head Start staff to discuss the project. To facilitate relationship building and problem solving, United Way organizes periodic meetings of all Head Start staff leading the ASSET Project at their centers. Head Start staff frequently mention that they can call the United Way contacts with questions, and they appreciate this accessibility. This suggests that a human support network and relationship building contribute to the success of the project.

Prioritizing their children and families

Year-2 results underscore the importance of a prevailing value expressed by participants: prioritizing the well-being of children and families. Participants report that this value affects their decisions and ability to achieve their financial goals. Much of the discussion around this value pertains to the very real challenges of balancing competing needs for affordable child care, housing, food, transportation, clothing, and other maintenance essentials. Some parents receive support from family members through shared living arrangements, babysitting, or additional resources; others receive very little. One parent's comments illustrate such challenges:

> My mother didn't give me a dime. She didn't watch my child. She didn't pick up my child. She didn't do any of that. She didn't drop me off at work or pick me up. I got on that bus. I got myself in classes. I found a babysitter. I put my child in Head Start. If Head Start were not there, what would she [my child] do?

The comments underscore how access to extended family resources, or lack thereof, can affect parents' and children's stability. If parents lack family support, community resources are essential. These experiences were influential in the financial choices of many parents, and they frequently mention their desire to buy for their children items that their parents may have been unable to provide for them. Reflecting a pressure to consume, they also express the desire to make certain that their children have the same things as other children, even if that means purchasing expensive brand-name items. Participants in parent focus groups often communicate this. Comments by one

> That envelope system that the instructor introduced. Put money in the envelope and once the envelope is empty—stop spending. It made a difference because I stopped using my debit card. Then, Christmas time, I had a conversation with my kids and explained. I told them I'm not going to give you money. You can give me coupons for things. That came directly from this class. Things like, "'I'll sweep the basement," or, "wash the clothes," or, "massage your feet." Didn't cost them a dime. Those things were more valuable to me than anything they could buy at the store. And they really got excited about it. And now they're planning on doing the same thing for Valentine's Day for my sister and mom. And the jar—each one of them got their own jar—now they're saving money with change instead of asking.
> —Head Start parent

parent capture it succinctly: "It's a guilt thing. We don't want them to go without." However, the pressure to give their children things frequently pushes parents to spend their money on short-term goals instead of saving it. Many parents mention that the group structure of the ASSET Project's financial education is helpful because group members offer strategies for distinguishing *needs* from *wants*. Such strategies enable them to make better use of what they have. One parent stated: "I used to be so bad that all the clothes would be dirty, and I would just go buy some new clothes. You start to realize that they don't really need it."

Learning to say no to their children, extended family members, and friends is another challenge mentioned by parents prior to the financial education classes. One parent reports that she has been able to earn as much as $600 a day in supplemental income by doing hair at home, but she indicates that keeping the money has been a challenge: "By the time my mom calls me, my sister calls me, my daughter's father calls me, and by the time they get through saying what they want, I'm looking at about $300!" Parents say that their children are in the habit of making similar requests during every outing. They ask the parent to buy something or to go to a fast-food restaurant. However, after participating in the ASSET Project's classes, parents have strategies for declining requests from their children, family members, and friends. In most cases, the strategy involves explaining that the money is allocated for some other specific purpose such as the family's emergency fund, children's clothes, or another financial goal. Parents' comments reflect a growing confidence in their ability to make sound financial choices when under pressure to do otherwise.

Specific benefits in Year 2

Respondents in Year 2 report experiencing some of the same benefits reported by participants in Year 1. These benefits include assistance in identifying resources; the benefits calculator's graphic printout on spending habits; the educational content on banking, budgeting, paying yourself first, paying bills on time to avoid penalties, saving, loans, using credit cards, and credit reports; and the savings match incentive. Recent immigrants mention the importance of the program for helping them navigate the U.S. banking system and understand typical financial expectations. A number of parents indicate that they now have sufficient information to make progress toward purchasing a home. One parent reports that she was able to qualify for a lower interest rate on a car loan when making a new purchase because participation gave her knowledge on ways to improve her credit score. Several parents indicate that, because of participation in the financial education classes, they have started a small business or might do so in the future.

Another important benefit of participation was observed during Year 1 and is even more apparent in Year 2: Participation in the small group dynamic that is part of the financial education classes encourages parents' confidence in making financial decisions. Participants frequently mention the benefits of peer encouragement, through which participants share strategies. They also mention the importance of praise from peers for successes. The importance of peer encouragement is

> When people invite me to things now, I say, "Look, I don't have the finances right now. We can take a rain check. We can look for something that's free." There's a lot of that in St. Louis.
> —Head Start parent

even mentioned by parents who began the financial education online and subsequently began attending the classes at Head Start sites. One parent reports that, when she is invited to go out with friends, she feels she can be honest about her finances and suggest free activities.

Recommendations

The following section highlights key ideas emerging from comments by Head Start staff and parents. These may be helpful for ongoing improvement of the ASSET Project.

Continue to develop relationships and peer support across the implementation spectrum

The importance of relationship building and the human connection has been apparent in the financial education classes, with the coaching, and with the technical assistance provided by United Way. Parents indicate that they benefit from the group interactions, particularly the suggestions and support from their peers. They also express appreciation for the openness and approachability of the teachers and United Way support staff. Even parents who started the financial education classes online indicate that they appreciate the interactions with the group and that such interactions are integral to the classes. The enlistment of parents who successfully complete the intervention may be helpful. They might recruit new participants, share stories of their successes, and thereby serve as mentors. They also note that this so-called train-the-trainer approach is consistent with Head Start strategies for parental empowerment.

> I really learned the importance of paying your bills on time. That was one thing that was killing me last year. You get stuck with the late fees and penalties, and that stuff adds up. When I calculated, I had spent over $200 extra just by not paying my bills on time. So me and my husband set up this app that will tell you that you have 3 days to pay this bill … and it's really helpful.
> —Head Start parent

Head Start staff also note their appreciation of United Way technical assistance and the input from staff from other Head Start locations. Although there was some confusion about project details at some centers, ongoing communication that is frequent and responsive to differing communication patterns at diverse centers will help eliminate gaps. Also, given the successful participation of Head Start staff in the ASSET Project components during Year 2, developing opportunities to expand staff participation in subsequent years is important. Increasing awareness of the online option and offering a separate series of classes just for staff may be helpful. However, respondents generally agree that staff benefit from participation and that nonstaff participants can benefit if staff share their life experiences.

Increase flexibility of program structure and expand collaboration with other centers to maximize enrollment

The current implementation approach grants each Head Start center flexibility in how the program is implemented and how program funds are used to support parent participation. Comments from

Head Start staff suggest that this flexibility is important, and implementation has differed slightly across centers. One offers the program during the evening, presenting it as a family night out. Project resources provide a simple dinner for the families and child care for all the children in the family—not just the children enrolled in Head Start. This site does not reimburse participants for transportation to ASSET Project activities, such as the financial education classes, because they are held at a time when parents normally pick up their children. The site welcomed two parents who came from another center but were unable to attend a session at that center because of schedule conflicts. Some centers provide the transportation and child care stipends directly to parents. Other centers utilize staff for child care because the program is offered when Head Start is in session. It was also noted that, to prevent attrition, the space for the meeting should be comfortable and conducive to engaged conversations. This flexibility, along with the opportunity to share ideas on how to utilize the resources in a manner that maximizes participation, continues to be important for program implementation and sustainability. Ongoing communication and coordination between the centers in the scheduling of the program is important and might also include offering participants a weekend option at the Head Start center or another location in the community.

Additional opportunities for flexibility can be found in the means of delivering the financial education curriculum. Several participants express appreciation for the online option, which they were able to use for at least the first few weeks. For example, a new mother completed the first few classes online shortly after the birth of her child. As we note above, there has been concern that participants dropped out because the first module was not challenging enough. However, United Way staff have responded by revising content and adding two new educational activities to make the first class more engaging. They hope that these revisions will convince participants to continue attending.

Also, participants identify several different approaches to increasing participation by fathers in Year 3. One suggestion is to hold a separate fathers' group or to incorporate such a group into the monthly male-involvement meeting. Another suggestion is to split the financial incentive for parents living in separate households, giving each parent his or her own account.

Continue to connect parents' family values to the educational program, their financial decisions, and future orientation

Parents' comments consistently highlight their challenges in prioritizing financial goals for their families over immediate demands by children and extended family members. They indicate that group support is critical for helping parents recognize alternatives and resist pressure to spend. A prominent theme throughout the focus group discussions has been participants' deep commitment to children and family as an important source of strength. This source of strength

> I feel motivated. I feel more positive as far as reaching my goals that I set. And I look at a lot of things as far as long term rather than short term now. Sometimes I had gotten into the realm of thinking for the moment. I never thought or looked over things in a yearly or annually or beyond perspective, and now I do.
> —Head Start parent

could be recognized in the curriculum and discussed in a manner that continues to build participants' capacity for future orientation. Including vignettes that are based on real-life experiences might be one way to generate discussion on core educational concepts and strategies, particularly strategies enabling participants to persist in pursuit of goals despite outside pressure. It might be helpful to provide more information on alternative savings options that offer flexibility while meeting a variety of family needs. For example, the Roth IRA and the new myRA could be used to accumulate resources for children's education as well as for the retirement of a parent or grandparent. Ongoing research is needed to understand what motivates women from low socioeconomic backgrounds to persist with financial education strategies and how researchers can respect and validate unique cultural choices that sustain families.

A condensed refresher course at some point in the future would also be helpful. This course could provide a quick recap of what has been learned but also present new information to expand their growing financial knowledge. Suggested topics include alternative ways to save for college or retirement, investments, guidance on starting a business, financial education for elders, and an expansion of the financial education module on tax information.

Adopt intentional solutions for barriers to participation

> You could look at it as a form of imprisonment when you're financially irresponsible. It's a form of imprisonment. Because it ruins your credit, it holds you back. Sound familiar? The equation is the same. You're crippling yourself, stifling yourself … in prison. It holds you back. The bottom line is that it's not a good feeling..
> —Head Start parent

Program enrollment went more smoothly in Year 2 than in Year 1, but it is also important to monitor project components as the program is unfolding. Doing so enables project staff to intervene with parents, understanding why they do not enroll or why they miss classes. Such follow-up facilitates adjustments during the academic year. Head Start staff note that their encouragement to persist often helps parents to remain enrolled. This is important because such gentle nudging is associated with the likelihood of retention (Duggan et al., 2000; Hebbeler & Gerlach-Downie, 2002). These connections might be facilitated by the caseworker, coach, parents who have completed the intervention, and currently enrolled parents.

For example, Head Start staff and coaches continually field questions about when the match is provided, how it may be used, and what types of bills are acceptable. There was also the suggestion that, to encourage fathers' participation, the match might be split between a coparenting father and mother not living in the same household. During enrollment, it would be helpful to provide a card that lists the options for the match. Recent immigrants continue to encounter challenges: They report confusion about which banks and credit unions allow them to open savings accounts and about the documentation required. Monitoring such barriers toward success during the financial education discussions is important for timely intervention. Easy access to technical assistance will continue to be helpful, as will opportunities to brainstorm about innovative solutions for these types of issues.

Conclusion

Quantitative results from baseline Financial Capability Survey suggest that many of the parents begin the intervention with considerable stress about their financial situations. They lack knowledge of budgeting concepts and of ways to access such essential financial offerings as appropriate banking products and their credit report. They are not confident in their financial skills. Yet, their goals suggest hope that they can achieve a better future for themselves and their children. At the end of Year 2, scores from the financial education posttest indicate that knowledge of basic financial concepts, including knowledge of budgeting, debt management, saving, basic banking, and credit, increased among Head Start participants during their participation in the ASSET Project. A large decrease in the percentage of participants with debt from title and payday loans indicates that participants are learning not only about reducing debt but also about which debt is most costly. Another important finding concerns stress reduction: Results from a paired *t* test suggest a statistically significant difference in the mean scores between the baseline survey and the follow-up survey. This indicates that participants' perception of financial stress declined between the two surveys.

Also during Year 2, every effort has been made to encourage participation by Head Start staff. This has been done to increase access to the intervention's educational benefits. A comparison of staff participants and parent participants shows that the average age, the rate of marriage, and the rate of employment are all higher among the former. Staff participants score higher on financial knowledge, financial attitudes, and financial behavior. They also have more positive scores on perseverance and financial stress; however, the parents' scores at the follow-up are all higher than those from the baseline survey. Additionally, the change in the parents' mean perseverance score is statistically significant, but the change in mean among staff participants is not. These results lend strength to the idea that staff participation could positively influence the parents. We suggest that this influence is facilitated through support and guidance.

Qualitative findings indicate that accessible technical assistance is important for addressing the questions of staff and parents as well as for maximizing participants' chances of reaching successful outcomes. Through that assistance, participants gain insights about ways to use subsidies and other resources, develop financial goals, and persist in pursuit of those goals. Immigrant participants unfamiliar with the U.S. banking system report that the financial education classes are very important for their adjustment. Specific benefits mentioned by all participants include the ability to coordinate resources, track spending, and integrate new strategies that prioritize long-term financial goals in managing requests from their families. In one case, these strategies have allowed a participant to pay off all of her credit card debt. However, equally important is the sense of empowerment that participants frequently mention; they indicate that they feel more confident about their finances, their ability to approach a banker and request the best products, and their control over the financial future. Participants

> And a lot of it is just unknown. Saying, "I don't know. I'm intimidated by what I don't know. I've never known." Some of it is intimidation, some of it is embarrassment, some of it is lack of confidence, and some of it is … what it is, to say the least. To me, that's the part that we need to demystify, and once we cross that threshold, it's only success on the other side.
> —Head Start parent

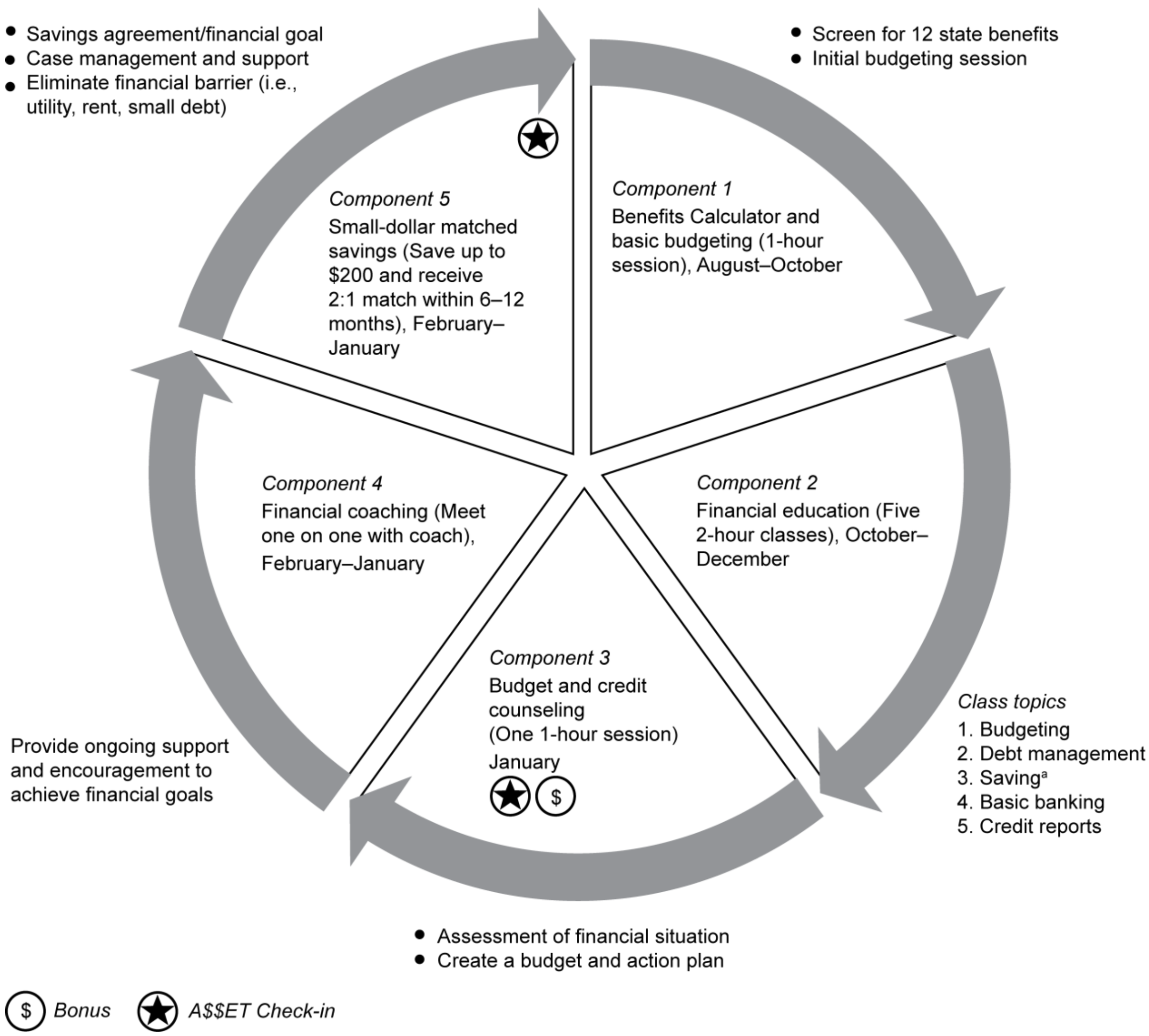
also suggest that it would be helpful if they had access to an advanced or refresher course after completing the ASSET Project financial-education classes. This might be provided in a 2-hour or daylong session.

The second year of this project has provided important information on the implementation of a multifaceted asset-building intervention. This includes insights into the importance of technical assistance, recruitment and retention efforts, educational support, and problem solving. The results add to the growing body of knowledge in this field and suggest that more research would be helpful to understand the ripple effect of the program on participants' family members and friends. Subsequent results will help researchers determine which components are the most effective for participants and their communities.

> Realizing that you have choices, and you can look into the credit card companies, find out what their rates are. That made me feel better, learning all the different things I'm going to need to do to purchase a house, and realizing that I do have options. That was the best thing I learned, and it helped to motivate me.
> —Head Start parent

Appendix

The ASSET Project Overview: United Way Head Start Family Financial Capability Pilot Project



Source: United Way of Greater St. Louis (2013). Adapted with permission.

Note: Prescreen eligibility requirements include (1) enrollment in Head Start, (2) completion of needs assessment or family partnership agreement, (3) set a financial goal, and (4) Financial Capability Survey.

[a] Earn $50 gift card by completing financial education series and credit counseling, and by maintaining resource binder. Network with peers, share progress toward savings goals, financial resources, presentations, incentives, and recognition; complete follow-up survey (Financial Capability Survey).

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