SEED RESEARCH REPORT

IN-DEPTH INTERVIEWS WITH YOUTH

Do Assets Affect Well-Being?
Perceptions of Youth in a Matched Savings Program

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Saving for Education, Entrepreneurship, and Downpayment (SEED) is a national policy, practice, and research initiative to test the efficacy of progressive, universal children's savings accounts. National SEED partners are CFED, the Center for Social Development, the New America Foundation, the University of Kansas School of Social Welfare, and the Initiative on Financial Security of the Aspen Institute. The Center for Social Development and the University of Kansas plan and implement SEED research with guidance from a Research Advisory Council. Funding for SEED comes from the Ford Foundation, Charles and Helen Schwab Foundation, Jim Casey Youth Opportunity Initiative, Citigroup Foundation, Ewing Marion Kauffman Foundation, Charles Stewart Mott Foundation, Richard and Rhoda Goldman Fund, MetLife Foundation, Evelyn and Walter Haas, Jr. Fund, and the Edwin Gould Foundation for Children.

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Saving for Education, Entrepreneurship, and Downpayment (SEED) is a policy, practice and research initiative to test the efficacy of universal and progressive asset-building accounts for children and youth. National SEED partners are CFED, the Center for Social Development, the University of Kansas School of Social Welfare, the New America Foundation, and the Initiative on Financial Security of the Aspen Institute.

Twelve community based organizations in the United States and Puerto Rico operate children and youth savings programs as part of SEED. The SEED initiative rests in large part on the dedication and hard work of staff at:

Beyond Housing/NHS, *St. Louis*

Boys and Girls Clubs, *Delaware*

Cherokee Nation, *Oklahoma*

Foundation Communities, *Austin, TX*

Fundacion Chana Goldstein y Samuel Levis, *San Juan, Puerto Rico*

Southern Good Faith Fund, *Arkansas*

Harlem Children's Zone, *New York*

Juma Ventures, *San Francisco*

Mile High United Way, *Denver*

OLHSA, Inc., *Pontiac, MI*

People for People, Inc., *Philadelphia*

Sargent Shriver National Center on Poverty Law, *Chicago*

The study discussed in this report involved in-depth interviews with youth participants from Juma Ventures in San Francisco, California. Juma staff contributed a great deal of time and energy to this study. Thirty-three young people participated in the study, and their willingness to share early savings experiences in SEED will be central to the success of the larger initiative.

Edward Scanlon at the University of Kansas (KU) School of Social Welfare is the lead researcher for this study. He developed the interview guide with assistance from other SEED researchers at KU and the Center for Social Development. Margaret Sherraden provided especially important feedback. Christine Robinson, a member of the SEED Research Advisory Council, also provided a particularly helpful review of the interview guide. Data from Margaret Clancy's SEED account monitoring study at the Center for Social Development was essential in drawing the sample of Juma youth to be interviewed. Andrea Buford, Kenneth Dawn, and Jennifer Wheeler Brooks were talented and diligent interviewers. Jennifer Wheeler Brooks also helped analyze the data.

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SEED Research at KU
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Introduction

One of the most compelling areas of inquiry in the literature on asset based social welfare focuses on the effects of asset holding on psychological, behavioral, and social outcomes. In *Assets and the Poor* (1991), scholar Michael Sherraden raised the provocative notion that holding assets changes one's cognitive schemas, thereby increasing future orientation, long-term thinking and planning, and self-efficacy. From this perspective, asset based social welfare policies have the capacity to shape personal well-being and social behaviors in ways that make intergenerational exits from poverty more likely.

Empirical tests have provided some support for Sherraden's thesis, but many studies to date have used large data sets to examine correlations between current asset holding and a variety of outcomes indicative of well-being. Relatively few of the studies examine whether asset acquisition, particularly in the context of a planned asset building program, results in new thoughts, behaviors, knowledge, or attitudes for participants. The Saving for Education, Entrepreneurship, and Downpayment (SEED) initiative provides an opportunity to conduct rigorous research on Sherraden's propositions on asset effects.

SEED is a national policy, practice, and research initiative designed to test the efficacy of universal and progressive accounts for children and youth. Asset-building policies and programs that use matched savings accounts to help people of modest means build resources for long-term social and economic development have emerged in the US and in a number of other countries in recent years, following Sherraden's (1991) proposal for a system of universal accounts opened at birth with progressive funding. SEED is the first systematic effort to create and test matched children's savings accounts (CSAs) in the United States.

There are currently twelve community based organizations operating children and youth savings account programs across the country and in Puerto Rico as part of SEED. The first full year of SEED programming was 2004, and the longest-lasting components of the initiative are scheduled to end by 2013. Eleven of the twelve community-based organizations are opening 50 to 75 accounts for children or youth, and offering financial education and support services to accountholders and/or their parents. A large, pre-school program is the twelfth SEED site, and the location of a quasi-experiment involving longitudinal research with more than 700 parents of Head Start children. SEED will also include a universal CSA model using an experimental design, to commence in the coming year in the state of Oklahoma.

The research component of the initiative has been coordinated by scholars from the Center for Social Development and Washington University and the University of Kansas School of Social Welfare. The multi-faceted research project includes quantitative and qualitative studies. One of the qualitative studies involved in-depth, semi-structured interviews with participants ages 14 to 20 at Juma Ventures in San Francisco. This report explores youth perceptions of the ways in which they have been impacted by the process of saving and acquiring assets in SEED.

Literature Review

Sherraden's *Assets and the Poor* (1991) introduced the concept of asset based social welfare and specified a theory of asset effects. Sherraden contrasted income and asset based social welfare, arguing that while income support policies allowed the poor to meet basic needs, income alone did not shape thinking or behavior in ways that would help achieve long-term developmental goals. Sherraden suggested that building assets could result in a change in cognitive schema, altering the way people think about self, world and future. Asset building was posited to increase people's capacity to make human capital investments, take strategic risks, think more optimistically about the future and, ultimately, shape choices and behaviors that would enhance social well-being.

Specifically, Sherraden suggested that assets: (1) provide greater household stability (2) create long-term thinking and planning (3) lead to effort in maintaining assets (4) lead to greater development of human capital (5) provide a foundation for taking risk (6) increase personal efficacy and sense of well-being (7) increase social status and connectedness (8) increase community involvement and civic participation and (9) enhance the well-being and life chances of offspring.

In recent years, literature reviews on asset effects have been published which summarize findings from empirical studies examining the relationship between asset holding and various forms of well-being (for example, Scanlon & Page-Adams, 2001). The effects of asset holding on psychological, social, and behavioral outcomes have all been studied empirically.

Psychological and Behavioral Outcomes. A variety of studies have examined psychological and behavioral indicators of well-being that are associated with asset holding and relevant to the study at hand. These include future orientation and personal efficacy, life satisfaction, and reduced stress.

Future orientation and self efficacy are related concepts, and these have been examined in multiple studies. Using data from the National Survey of Black Americans, Clark (1997) found homeownership to be associated with higher levels of future orientation. Yadama and Sherraden (1996) found future orientation to be associated with asset holding, and Moore and her colleagues (2001) found that participants in an adult demonstration of matched savings accounts were more confident about the future and felt more in control of their lives. Greater planning and thoughtfulness about the future are also indicated by findings that suggest asset holding is associated with reduced smoking (Pugh, Power, Goldblatt, & Arber, 1991; Yadama and Sherraden, 1996) seat belt use, less risky investing (Frantantoni, 1998), the development of educational plans (Moore et al, 2001), and the likelihood of planning for retirement (Moore et al, 2001).

Perhaps not surprisingly, those who hold assets have been found to report greater levels of life satisfaction. Life satisfaction is a well-studied concept which has been found to be associated with contentment and happiness. Scanlon (1998) found that, controlling for education and income, African American homeowners report higher levels of life satisfaction than similar renters. Rohe and Stegman (1994) compared participants in a US homeownership program with a matched control group of renters and found that the homeowners had higher levels of life satisfaction. Potter and Coshall (1987) report similar findings in their study of housing residents in South Wales.

Asset holding has also been found to reduce a sense of economic stress. Subjective indicators of economic stability are associated with asset holding, as assets seem to provide a cushion or safety net. Page-Adams and Vosler (1996) find that homeowning reduces subjects' perceived economic strain, while Domowitz and Sartain (1999) find that homeowners are less likely to declare bankruptcy than similarly indebted renters. Assets may simply provide an additional reserve of funds that reduce the likelihood of economic strain. Or perhaps the knowledge that one has assets, regardless of amount and planned use, leads to reduced psychological strain and fear regarding the adequacy of income and other economic resources.

Social and Interpersonal Outcomes. A number of studies have examined the impact of asset holding on family functioning. Marital stability appears to be enhanced by asset holding. For example, South and Spitze (1986) controlled for a variety of factors and found that homeowners are less likely to divorce than non-homeowners. This finding is consistent with studies by Hampton (1982), Galligan and Bahr (1978), Cherlin (1977), Bracher et al (1993) and Page-Adams (1995). However, most of this empirical literature is correlational and merely demonstrates an association between assets and marital stability. It may be that homeowership is an outcome of marital stability, rather than vice versa, or that there is a reciprocal relationship between the two.

A variety of studies have indicated that the off-spring of asset holders are more likely to complete school (Aaronson, 2000; Green and White, 1997), delay child birth (Green and White, 1997) , and benefit from intergenerational transfers of wealth (Henretta, 1984; Mulder and Smits, 1999). While these are important outcomes that could be interpreted to suggest enhanced family functioning, these studies do not directly explore the quality of relationships among family members. One of the few studies to do so is the work by Moore and colleagues (2001) which found that IDA owners are more likely to report good relationships with family members than control group members.

The social and civic involvement of asset holders has also been explored empirically with mixed findings. A number of studies indicate that homeowners are more likely to be involved in their communities, particularly in terms of neighborhood associations and voting at the local level (Kingston and Fries, 1994; Rohe and Stegman, 1994b; Perkins, et al, 1990; Saunders, 1990; Guest and Oropresa, 1986). However, other studies find that involvement does not extend beyond these levels in community participation, and friendship networks don't appear to be significantly different between homeowners and renters (Rohe and Basolo, 1997; Rossi and Weber, 1996; Rohe and Stegman, 1994b, Fischer et al, 1977). In this area, as well as the others reviewed here, both more research and more rigorous research are needed.

Methods

Research Questions and Interview Guide. In this paper, we focus on two of the research questions that guided our in-depth interviews with SEED youth. First, how do youth perceive the effects of asset building in matched savings accounts on their social, psychological, and behavioral functioning? And, second, how do youth perceive the effects of the SEED program on their social, psychological, and behavioral functioning?

An interview guide was developed that concentrated on six main topics: (1) the background and financial experiences of youth and their families (2) facilitators of, and barriers to, saving in SEED (3) perceptions of the savings program (4) savings patterns (5) perceived effects of saving and program participation and (6) goals and plans for the future. The guide included suggested questions in each topic area, but interviewers were given latitude to deviate from the guide when it would enhance the quality or depth of the conversation. Thus, the specific follow up questions and probes were unique to each interview in the tradition of qualitative inquiry. For this report, we focus on the youths' responses to the questions posed on perceived effects of saving and program participation, and ensuing conversations with the interviewers. Findings from other parts of the study are reported elsewhere (Scanlon, Brooks & Adams, 2006).

Research Site. Twenty-five of the interviews with youth were conducted at the Juma offices in San Francisco's financial district. The other five interviews took place at Burton High School, one of the organizations that referred participants to the Juma SEED program. Interviews lasted from 45 to 90 minutes, and were audio recorded. Parental consent forms were obtained when respondents were under 18 years old, and respondents received $35 to thank them for the time it took to participate in the study. We had basic demographic and savings history information for each of the young people we interviewed though our research partnership with researchers from the Center for Social Development who are conducting the SEED account monitoring study. This data helped guide certain aspects of the interview, making it possible for interviewers to choose the most appropriate follow-up questions and probes given the individual circumstances of each respondent.

Sampling. We conducted interviews for this study in two stages, first piloting the interview guide and data collection process with six participants and then returning to Juma to complete 27 additional interviews. The sample for the pilot study was selected purposively to include relatively high and relatively low savers, based on median savings for SEED participants at Juma. Six months after the start of the program, median savings was $30.15. Those participants who had saved 150 percent of the median were placed in a "high-saver" category, and those saving less than 80 percent of the median were considered "low-savers." Three high saving and three low saving youth were randomly selected to participate in the pilot study. After securing informed consent, five of the six were interviewed. One selected interviewee cancelled his appointment with the researchers, and was replaced by a participant with similar demographic and saving characteristics.

When we returned to Juma to complete interviews, we again stratified the sample and chose respondents with low, median and high levels of saving. Median savings in February 2005 was $48.15, and participants were stratified into three groups which included those saving less than 80 percent of the median, those saving 81 to 150 percent of the median, and those saving more than 150 percent of the median. During the interview process when selected youth missed their interviews, substitute respondents with similar characteristics were interviewed instead. At transcription, three of the audio tapes were inaudible, or nearly so. This resulted in a final sample of 30 youth, comprised of 13 high savers, 7 median savers, and 10 low savers.

Data Analysis. We used the qualitative software program ATLAS.ti in data analysis. Following transcription of the audio taped interviews, the data was entered into ATLAS.ti. Formal analysis began with a set of deductive coding categories based upon savings theory, asset effects theory, and findings from earlier case studies of matched savings programs. We then coded the transcripts line by line using an open coding technique to develop additional codes in an inductive manner as we analyzed the data. This process transformed the original code list iteratively. Two researchers who had been on the interview team worked together on coding themes so that inter-rater reliability could be assessed regularly. The lead researcher developed the thematic categories working deductively and inductively in the iterative manner described above. The second analyst did not construct new codes, but worked from the coding list of the lead researcher. The lead researcher read all of the interviews and cleaned the coded data, eliminating those codes that were not applied to any narrative data, and merging duplicative codes. The analysts worked together to assess reliability in our identification of themes, coding, and interpretations.

Groups of codes that are related conceptually, and respondent characteristics that are shared, are sometimes referred to as “families” in qualitative data analysis. We developed families of codes that collectively addressed key questions and concepts. Families of codes were also developed which linked high and moderate saving respondents in one family, and low saving respondents in another family. For major conceptual questions, matrices were developed to aid in analysis. The matrices allow for ideas to be developed inductively and to help organize explanatory frameworks. At other points, theoretical frameworks, such as Sherraden’s (1991) theory of asset effects, helped to guide the analysis. This report, then, reflects understandings derived deductively from theoretical concepts. Further, by also using inductive reasoning to analyze narrative data that did not necessarily fit existing theory, we also developed new ideas about asset effects as perceived by the SEED youth we interviewed.

Findings

In order to explore our research questions, interviewers queried youth about perceived changes in their thinking and behavior. The interviews included questions like: (1) What does this money in your account mean to you? (2) Are there ways, good or bad, that your SEED savings have changed your outlook or the way you do things? (3) Have you made any changes in your life -- even small ones -- since you began your SEED account? For this question, prompts include asking about spending, saving, lifestyle, habits thinking, use of time, and self-image and future orientation. (4) Did the SEED account influence these changes in any way? How? (5) Have your SEED savings affected your family in any way?, and (6) The fact that you have this savings account -- do you think it has any effect (or will have an effect) on your neighborhood or community? Finally, we asked whether any aspect of the program, such as the financial literacy classes, had prompted any changes in their lives.

The idea that holding a savings account would lead to psychological, behavioral, or social changes was initially puzzling to a number of the youth. Several early comments during the interviews indicated that respondents had not experienced any changes as a result of their SEED accounts. As the discussions continued and evolved, 12 of the 30 SEED participants we interviewed continued to report no perceived impacts. The remaining 18 youth in our sample identified some behavioral, cognitive, or interpersonal effects of SEED participation. From the comments of those 18 respondents, we had 62 total responses that suggested some psychological, behavioral, or social impacts from SEED. The following themes emerged from the interviews, and we report those themes that resonated most frequently first. The perceived effects include (1) fiscal prudence (2) self-image (3) future orientation (4) sense of security and (5) financial knowledge. The youth did not generally perceive that savings participation had impacts on either family or community functioning.

Fiscal Prudence. The asset effect literature has indicated that accumulating assets tends to make individuals more careful about their spending and savings behavior, and less likely to purchase items impulsively. The theme of learning to be more thoughtful about spending and cautious in consumption decisions emerged in the interviews, with 14 youth noting such cognitive and behavioral changes. When asked if she had made any changes in her life since starting her SEED account, Rosio noted that she is less likely to withdraw money for frivolous purchases:

> Definitely the way I spend money. In my own account, my other savings account, I only take out money, like, if I need to, like to help my mom buy groceries or something.

Similarly, consider the following exchange with Fernando, in which he noted that he had to live with some sacrifices in order to reach his savings goals:

> Interviewer: Are there times when you had to sacrifice for things? Did you feel like you were sacrificing when you saw those things you wanted but didn't buy?
>
> Fernando: Yeah. Because inside I wanted it, more clothes or have the money to buy accessories or shop or go to the movies or buy food.

> Interviewer: So you had to kind of disappoint yourself?
>
> Fernando: Yeah, had to, basically. Because I think if you're spoiled, you'll just spend whatever, you won't care about saving money for the future because you'll always have that money, but you never know that. So since I wasn't getting a lot of money and I think…I actually…every time I got money, that was something big for me. And, basically, I thought in my mind what I could save this money for, to buy something in the future or something good that I'm going to be happy for. So I put that money in the bank.

Caution in withdrawing money, and sacrificing for purchases were two ways youth expressed their increased fiscal prudence. Youth frequently spoke in terms of how holding the SEED account helped them differentiate “needs” from “wants”. For example as Blanca talked about trying to reign in her desire to buy shoes and clothes—something she had begun to do since starting the SEED account. When asked how SEED participation had affected her, she mused “…having a savings account and saving money…now I look at things and I think, ‘do I really need it or do I just want it?’”. Gerald had a similar comment, noting that he was learning to delay gratification:

> Yeah, like, when I need something but I don’t really NEED it, but I want, it, I sacrifice and I won’t spend money…I’ll wait until I have a lot of money...where it wouldn’t affect as much as it would if I didn’t have the money.

Reducing impulsivity in spending is also a theme that emerged from these interviews suggesting increased fiscal prudence. Many of the youth spoke of impulsive spending on purchases such as clothes, shoes, and fast food, and indicated that the SEED account helps to remind them to think before acting. Consider Blanca’s comment:

> It’s like, you know, you’re right in line and you’re about to pay for it and then you’re like ‘okay, what am I gonna get out of it’….I do it a lot. My friends are rich and they’re like ‘c’mon, money is meant to be spent’ and I’m like ‘I know but I don’t have a lot right now so I’ll save it’.

Sacrificing, distinguishing between wants and needs, learning to delay gratification, and decreasing impulsivity in consumption all emerged in the interviews in support of the idea that asset building is associated with increased fiscal prudence. The practice of saving, and the presence of the SEED account appears to be a strong cognitive trigger for youth, reminding them to think differently about spending decisions. There are also indications from the youth interviews that spending behaviors may be changing in line with these cognitive changes.

Self-Image. Several of the youth we interviewed (n=13) reported that participation in SEED impacted how they perceived themselves. Ten of these respondents viewed the impacts as positive, and provided some insight as to why their accumulation of assets enhanced their view of themselves. Expressions such as “proud of myself”, “feeling good”, “really happy about my savings” were commonly heard from youth. This varied by amount of savings, however, with three moderate or low level savers indicating negative views of self associated with saving difficulties. The other respondents said that they did not think SEED had any impact on their self esteem, either positively or negatively.

One group of participants made a number of unabashedly positive comments about enhanced self esteem. One high saver, Amy, notes that saving has improved her sense of self-confidence and that she has developed pride in her independent efforts:

> Because…you know it just makes…it makes me feel actually more confident because I see friends who get all their money from their parents, in general, and they don't have a second thought about it, and…this is an independent thing I'm doing without my parents and I made the money myself and I'm saving it myself. So that, like, gives me more pride.

Similarly, Manny is feeling good about himself because he is engaging in behaviors that demonstrate a sense of looking to the future. He told us:

> Yeah, it makes me feed good that I have money that I can use for something that's going to help me out in the future.

A small number of youth reported that their failure to accumulate savings had made them feel badly about themselves. Three of the respondents indicated that the inability to meet a stated goal, or concern that successful saving in the SEED account was essential to future goal attainment, actually increased negative self appraisal or worry. Andy, a moderate saver, commented to us about his early savings experience in SEED:

> I feel guilty because, like, my mom told me I had to be responsible for myself and this is, like, one of those responsibilities because it was in my name but on my account...this one is, like, only in my name and I think I should have done better…saving more money. From looking at it now….I think I wasn't really good at handling my money well.

Angela also noted that she felt bad about her inability to participate at higher levels. Throughout her interview, she made a number of critical statements about herself, and when asked why SEED was important to her, replied:

> Because it's going to pay for at least year of the university. And that's very important for me because…if I lose this opportunity and I'm dumb enough to not finish this, and in junior year I need money and I don't have it…then I am going to feel very depressed.

Negative impacts on self-esteem for those who are less successful at accumulating assets in SEED are clearly an unintended consequence of the program. However, another interpretation of this might be that such self-appraisals are a necessary form of dissonance that could help low savers to begin depositing more frequently, in an effort to make personal goals and behaviors consonant with one another.

Future Orientation. A consistent finding in the asset effects literature is that holding assets enhances individuals' sense of future orientation and planning. Among the SEED youth, 10 rather diverse respondents reported that SEED savings had increased their tendency to think about the future, particularly their financial and educational goals. Hong, age 19, immigrated to the US in 2000. She told us that saving for SEED has prompted her to think about how she might accumulate enough money to study abroad during college. Farah, a 19 year old Pakistani immigrant stated that having the SEED account reminds her that "…I have a responsibility that each month I have to get to the bank and make a deposit". Gerald, a 16 year old, also noted that having the SEED account made him think about college:

> Yeah, it makes me work harder….the more I work, the more money I'll put in my account and it will be less money that I will have to spend in college...if I wasn't in this program, I don't think I'd be thinking about college right now, I would just be thinking about graduating and then when I graduate, I would be lost.

For others, accumulating money shifted their focus to the future because they had begun to think about how they might spend it. Consider Amy's response when we asked her if SEED had changed her view of the future:

> Yeah, definitely…because, okay, I'm saving this money and what is it for? Well, like, 'when am I gonna use it' and, like, 'where am I gonna be when I use it?'

One respondent felt that the SEED program had improved her future orientation in more general ways than simply financial or educational goal setting. Niesha, an 18 year old, thought that she had learned something about impulse control:

> I think I've kind of matured because it's like I handle situations differently and sometimes before I make, you know, a choice, I think about it before I do it.

The increased tendency to think about the future often was related to the youths' anticipation about what the money in their SEED accounts would buy. For some, excitement about consumption appeared to enhance their sense of future orientation while for others, future thinking seemed limited to their desire to use the accounts for a specific purpose.

For a substantial number of respondents, though, the very act of saving served as a prompt or reminder that the future was closer than they had previously thought. This occurred for them often because their accounts symbolized how they might use the money in the future, or simply because the act of saving had begun to reinforce the idea that they needed to think about financial or educational goals. In one case, participating in SEED had clearly helped a respondent develop a future orientation that she could generalize to situations other than those financial or educational goals one might readily associate with participation in an asset building program.

Sense of Security. Sherraden's (1991) contention that assets have the ability to enhance people's sense of security also has some empirical support, and our findings concur. Among the respondents we interviewed, eight youth spoke about the sense of security they experienced from having a SEED account. Comments such as "making things easier", "feeling like I have something to fall back on" and "able to worry less" suggested that having savings contributed to reduced anxiety about the future. This theme was more pronounced among the moderate and low level savers (n=6), which may suggest that these lower saving participants had fewer resources in their lives beyond SEED to help promote a sense of security.

Matched savings accounts seem to be especially valued by the youth we interviewed for their ability to reduce anxiety about having insufficient savings for educational or emergency uses. Rosio told us "Well, it makes me feel safe, you know. It's, like, something to lean on, when you know you have something when (otherwise) you feel you have nothing." When we asked Gerald if he would continue saving after the SEED program ended, he replied:

> Yeah. Because I'll be able to spend. I mean, I wouldn't be, like, on a tight budget so I wouldn't have to be worried about, like, if I need money for books or something…I think it would help me not to worry.

Even those who had not yet saved, or who had saved small amounts, spoke of the value of the accounts in promoting a sense of security. When we asked respondents if they imagined that having balances in their SEED accounts would impact them in any way, we heard comments supporting this "safety net" aspect of savings:

> You know if I had, like ...I know that I have money for college, I'll be feeling more secure and I'll be concentrating on my education…my school work…instead of just, oh, working out there, like, for a couple of hours a day. (Lucy)

> If I had saved more? Yeah, because then I wouldn't be worrying too much about, like, scholarships and 'where am I going to get the money for college now?' (Jen)

To summarize our findings on this point, the youth we interviewed for this study appear to have an enhanced psychological sense of security that they perceive as being related to their participation in the SEED program. That we heard about this effect more frequently from youth with relatively less savings suggests the importance of asset building programs, especially for low resource youth.

Financial Knowledge. Eleven participants in the Juma SEED program who participated in these interviews reported gains in knowledge about financial matters. These participants perceived that financial knowledge outcomes were the result of Juma's financial education offerings for SEED participants rather than the matched savings accounts or asset accumulation.

The Juma program requires all participating youth to attend two financial education workshops, and also offers a financial incentive for the completion of 26 online financial education modules. As reported elsewhere (Scanlon, Brooks & Adams, 2006), the youth we interviewed did not particularly enjoy the financial education component of the SEED program. However, they acknowledged learning from workshops, and enjoying the opportunity to interact with people they had never met before.

Hong noted that they were “kind of interesting and fun” and stated that they were valuable because “…they know about things you don’t know: financial things, investing, things like that”. She went on to tell us:

> I think this program has helped me to know what savings is like. Like those other options, online banking, I learned to save, like ways to eliminate some expense that I don’t need, how to protect my future. Learned about bonds and stuff.

Jen also noted that participating in the workshops had increased her financial knowledge:

> Interviewer: Since you began the … SEED program, have there been any changes in your life that maybe made you look at savings differently?
>
> Jen: Yeah, when I went to the, you know the little meetings they have where they teach you about stuff, and I saw like how credit cards, you can manage your credit cards and all that, I got very interested in that and it made me look at it differently.

Blanca was one of the most articulate in her appreciation of the knowledge gained in the workshops. She was impressed with the information provided about homeownership and establishing good credit:

> And then, you have classes that help you know how to save up money. If you’re buying…if you’re renting and are going to buy a house, they’ll help you about leasing programs, like your rights and the rights of other people if you’re going to have roommates and stuff. And then they also have classes for, like, they had a class about credit, like how to start good credit, how to be careful with some credit cards because some of them trick you and they tell you to, like, read the fine print because it really, they always try to hide something from you. And also that, what did they tell me…they told me that if you waste $1000 on your credit card, overall you’re going to be paying that $1000 plus interest in two years, five years, or something like that, so it’s awful better to just keep credit cards for emergencies only, and if you’re going to buy something, like $1000 or $500, make sure that you’re going to have that money, like, next week or next month.

It’s interesting to note, that while our questions and probes were focused more generally on financial education, all of the statements made by youth about increased financial knowledge were related more directly to their experiences with SEED workshops and on-line offerings. From these interviews, there is evidence that a number of SEED youth think they are gaining financial education through their participation in the program, but there is little support for the notion that having a matched savings account is perceived by youth as leading directly to increased financial knowledge.

Family Interactions. The interview team was interested in whether participant's thought that SEED was affecting their family relationships. Building on the finding by Moore and colleagues (2005) that participation in an asset building program had improved family relations as perceived by adult savers, we expected that SEED youth might report improved family relations, or increased interaction with parents and siblings around financial matters. Further, in analysis of other data from this study, we found that parental involvement such as providing money for deposits, reminding youth to save, driving them to the bank to make deposits, or making deposits on their behalf facilitated saving by SEED participants at Juma Ventures (Scanlon, Brooks & Adams, 2006).

In light of these earlier findings, it was somewhat surprising that the vast majority of the youth (n=26) we interviewed either expressed a great deal of certainty that their participation in SEED had *not* changed their family relationships, or made no comments at all on this topic when it came up in the interviews. Often, these perceptions were voiced in comments about their SEED accounts being their "own thing", perhaps reflecting a sense that the accounts helped them feel more independent. A small number of youth, however, did note some changes in family relations, particularly in their tendency to talk with their parents about future educational plans.

Among the many youth who said that SEED had not changed their relationships or interactions with family members, most either simply replied "no" or seemed puzzled that we might think that savings accumulation was related in any way to their family lives. Comments heard typically reflect Jacqueline's statement: "No, I think it's just my own thing". This sort of statement was frequently heard, and generally seemed to reflect the idea that the account was private, an endeavor that youth saw as a personal project. Perhaps this contributes to the sense of achievement and self-pride that many youth appear to feel they have gained through SEED. If the accounts were perceived as "family projects" we may have heard fewer comments indicating a sense of personal accomplishment. Further, the responses of the majority of youth we interviewed may simply be related to the typical developmental processes of establishing autonomy and independence in adolescence and young adulthood.

Among the four youth who identified changes in family life, two themes emerged: (1) family pride in their ability to save and (2) increased family discussion about finances and future educational goals. One of the youth who spoke of receiving positive affirmation was Amy, whose grandfather was proud of her success in saving:

> My dad thinks it's really cool. My grandpa, too. He loves bringing it up…sometimes he's like, 'she's got an account and it doubles her money!'

Other youth made comments about increased family discussion about financial matters generally, or about their educational goals. When we asked Kim whether she talked to her family about her SEED account, she told us:

> Yeah, but I don't really talk to them so much about my account. I talk to them about their credit cards, their mortgage, and, you know, like, interest rates and things like that, and I try to…I'm just trying to get a little insight on what it's like to be an adult and have these responsibilities and pay these bills, and, you know, how credit cards work and how their mortgage works and all that. I do it for understanding. I ask for understanding. Not to, you know what I'm saying, find out how much money they have in their pockets, but just to understand, you know, 'what exactly are you paying for?'

Similarly, Gerald and his parents are talking with one another more about educational goals and opportunities for the future:

> Interviewer: …since you've had this account, do you … talk more with your mother about money or about your SEED account, or…?
>
> Gerald: Yeah, like we usually talk about college, how much it's going to cost. I have books and stuff from different colleges and we look at how much we have to spend, how much I would have to raise for college.

These last two examples of youth interacting more with family is a positive outcome for this small sub-group of the SEED youth we interviewed. This increased interaction appears to indicate that a few youth have an enhanced sense of the future, and are sharing their goals and interests with their families. It is plausible that the respondents who reported changes in family relations are experiencing something akin to "family future orientation" as a result of SEED participation.

Community Involvement. SEED interviewers also explored whether youth perceived that savings accumulation had resulted in increased community involvement. Our interest in this comes from Sherraden's theoretical work on asset effects, as well as the rather extensive literature on increased civic participation as an effect of asset holding. However, 28 of the 30 respondents said that SEED did not have an impact on their community participation, often noting that others did not know about their accounts or that their community involvement was entirely separate from their participation in the SEED program.

Two respondents responded affirmatively, though, saying that they had been motivated to participate in other social programs and had benefited from meeting people at the SEED workshops. Hong told us that she enjoyed meeting people that she otherwise would not know by getting involved in the SEED workshops, while Jen felt that the SEED program had inspired her to research other social programs that could help her achieve her goals:

> Yeah, since I joined SEED I've been, like, I've been more involved. Like, okay, I'm involved with this now and I could get involved in this other thing that could also benefit me, you know? So I have been more involved.

To summarize findings on community participation, there was very little indication from this study that SEED was perceived by the youth as impacting their involvement in the larger community. We did these interviews relatively early, when participants had been saving in SEED accounts for a limited amount of time. It may be that different findings on asset building and community involvement would emerge from studies done after a longer time in a matched savings account program. It's also possible that financial savings, unlike homeownership, does not have an impact on civic or social participation. Further, our findings on very limited effects of SEED on community involvement may simply be indicative of the developmental realities of the age group that was the focus of this study. The relationship between assets and community participation may differ dramatically for youth and adults.

Discussion and Implications

The purpose of qualitative studies in SEED is to build richer and more nuanced understandings of saving for children and youth, and the effects of asset building on children and their families. In SEED research, multiple methods are being used so that we can ask some questions that require quantitative approaches and other questions that require qualitative approaches. In qualitative studies like this one, in which sampling is not random and standardized measures are not used, findings are not meant to be generalized. Caution should always be taken in transferring knowledge generated from qualitative work to populations beyond the study participants. The value of this study is that it provides insight into how young people perceive the effects of a structured saving and asset building program. Understanding the experiences and perceptions of SEED youth in some depth is key to our overall knowledge base about saving and asset building, and important in planning future research on asset effects for young people.

The qualitative study that is the basis for this paper was carefully designed and rigorously conducted, and our analysis of youth responses was both comprehensive and detailed. Youth interviewed for this study made more than 60 comments regarding their perceived effects of SEED on social, psychological and behavioral outcomes of interest for scholars and practitioners in asset based social welfare endeavors. It is noteworthy that such effects were perceived by youth relatively early in the program, and when account balances were modest.

In analyzing the data, we began deductively by reviewing the theoretical and empirical literature on asset effects. Among the effects that were suggested by our review, those that emerged from the interviews with some frequency were fiscal prudence, self-image, future orientation, sense of security, and financial knowledge. These findings offer some support to propositions that asset building may be associated with outcomes in these areas of life. The youth perceived only minimal effects of SEED on their family relationships and community involvement.

Increased fiscal prudence was the strongest perceived effect to emerge from analysis of our in-depth interviews with youth, with almost half of the youth noting that their caution in spending and interest in saving had grown since they joined SEED. The youth talked about decreased impulsivity in spending, a new ability to distinguish between "needs" and "wants", and learning how to deal with feelings of disappointment in having to forego buying things that they want. This finding offers some support for Sherraden's proposition that asset building leads to changes in cognitive schema. The youth in this study appear to be developing new cognitions about the future which are, in turn, impacting behavior, even in the context of the powerful draw of consumer items marketed aggressively to their age group. Interestingly, the empirical literature on asset effects has not discussed this sort of self-restraint as an outcome of interest, although some studies have indicated that asset holders have lower levels of debt, which may suggest fiscal prudence. Others might see this perceived effect as evidence of future orientation, but here it is offered as a discrete category, separating the *behavior* of acting prudently from the concept of *thinking* differently about the future. This could be a useful contribution to theory building on asset effects.

The second most common group of comments indicating perceived asset effects had to do with increased future orientation. A sizeable number of youth reported that SEED was helping them to imagine a future with new educational or occupational options. This finding is consistent with Sherraden's proposition on future orientation and mirrors results from prior studies. For some youth, their comments about future orientation seemed to overlap with an enhanced sense of hope associated with their SEED accounts. These cognitive changes, in which assets stimulate thinking about educational and career opportunities, offer one possible way that asset building may lead to enhanced social and economic well-being for youth as they become adults.

An enhanced self-image, generated by pride of accomplishment in savings was noted by one-third of the respondents in this study. Again, previous empirical literature has indicated that enhanced self esteem is associated with asset holding. Perhaps of most interest were the respondents who indicated that their failure to save had reduced their feelings of self-esteem. This is clearly an unintended impact, but it does raise concern about a potential limitation of asset based social welfare. Asset building policies and programs that rely heavily on the individual effort, initiative, and sacrifice of participants may not be as effective for lower income people as for those with more resources.

As we report elsewhere, analysis of additional data from this study suggests that SEED participants at Juma Ventures from families with higher incomes were more likely to be high savers relative to their lower income counterparts (Scanlon, Wheeler, & Adams, 2006). Lower resource youth may be blaming themselves for their failure to save without an awareness that higher savers tend to have more financial and other kinds of support from caregivers. This points to the need to structure national asset based welfare policies in a highly progressive fashion. Otherwise, matched savings accounts are likely to result in inequalities similar to those we see in the income and wealth distributions for our nation as a whole.

For about one-forth of the youth we interviewed, SEED accounts generated a sense of financial security even in cases where account balances were low. This finding is consistent with previous studies indicating that people with assets have lower levels of perceived economic strain than those without assets. Encouragingly, low savers were far more likely to mention financial security in relationship to their SEED accounts, perhaps reflecting the lack of other resources that could help them feel financially secure. Such accounts may be especially important in contributing to a sense of financial security for those who have very limited opportunities to accumulate assets in other ways.

Fiscal knowledge was a perceived effect of SEED for a substantial number of the young people we interviewed, although this effect was seen as the result of financial education rather than the matched savings accounts. Perhaps this is not surprising, although our initial thoughts were that having an asset building account may, in and of itself, stimulate curiosity and learning about financial matters. While this may be occurring, the SEED youth we interviewed did not make comments suggesting that the process of saving had stimulated such interest or learning. This finding does suggest the importance of financial education as a component of matched savings account programs.

Our analysis here suggests that changes in family structure related to SEED participation were quite minimal. Youth seemed to view the accounts as “their own thing”, and reported that they rarely shared information about them with caregivers or other family members. This is a bit perplexing at first glance, given findings that we report elsewhere on the role that parents play in facilitating youth savings (Scanlon, Brooks & Adams, 2006). Perhaps this is a reflection of the youth’s developmental stage, a time of life where autonomy from family is paramount. Among adult asset holders, empirical studies suggest enhanced family relations. Asset effects theory may need to be specified differently for adolescents and young adults, and more research is required to test propositions about the effects of asset building on family relationships for youth.

We found almost no support for the notion that youth would experience increased involvement in community or civic affairs as a result of SEED participation. The empirical literature that associates asset holding with increased social and political participation is almost exclusively focused on the effects of homeownership in adulthood. Homeownership may have quite different effects than financial savings, and some of the increased civic involvement associated with it is likely generated by a desire to protect property values. Here, we were studying youth with matched savings accounts who had been saving for a limited period of time. It is perhaps not surprising that we found very limited support for the proposition regarding asset effects on community involvement. As theoretical and empirical work in this area evolves, it may be possible to specify and test models of asset effects that differ on the basis of type of asset and age of asset holder.

Finally, it is important to remember that the youth perceptions of effects discussed here were reported after a limited time in the program and modest asset accumulation. More research on asset theory is needed to determine whether effects grow stronger over time, or whether effects increase as assets accumulate. We also need additional studies on if and how people’s perceptions of asset effects differ by age and change with age.

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