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Effects of Participating in an Asset-Building Intervention on Social Inclusion

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Abstract

Effects of Participating in an Asset-Building Intervention on Social Inclusion

The United States is arguably one of the richest countries in the world. However, poverty is still an issue of great concern. This observation suggests the need for more innovative interventions to reduce severe need and create terms for meaningful participation of vulnerable individuals in economic, political, and social exchange. Using a sample of IDA program participants (N=840), who were randomly assigned to a control and experimental group, this study explores the relationship between an asset-building intervention and social inclusion from the human capabilities perspective. Results reveal a significant relationship between participating in an IDA program and social inclusion. Although modest, these results provide a useful framework for examining factors that may affect an individual's capacity to move from vulnerability into enhanced economic, political and social participation. They also point to a role for policy and asset-building programs in effort to empower vulnerable individuals and groups.

Key Words: Asset-building; Capacity; Poverty; Social Exclusion/Inclusion; Vulnerability; Welfare

Effects of Participating in an Asset-Building Intervention on Social Inclusion

An overview of the issue

Traditionally, welfare policies in the United States have relied on income and consumption-based interventions to relieve deprivation among vulnerable individuals and households. For the most part, these policies are humane and justifiable; however, they are not sufficient in that they lack the capacity to empower individuals and households and move them out of poverty. The way out of poverty for the majority of people in poverty may not be through income transfers and consumption but through saving and asset accumulation (Sherraden, 2001). In the past few decades, there has been growing concern about the level of marginalization currently experienced by vulnerable groups, and unequal distribution of wealth (Bynner, 2001; Paxton, 2001; and Rank 2004).

Although no single intervention has yet emerged, one innovation resulting from this is the asset perspective of welfare benchmarked by Sherraden (1991). Under Sherraden's approach the use of income and the consumption capacity of a household as an indicator of household welfare is inadequate. Alongside a number of measures, including income, Sherraden proposed asset ownership, through IDA programs[1], a social development intervention designed to enable people with limited economic resources and opportunities to acquire and accumulate long-term productive assets. Thus, creating

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[1] An IDA is a special saving accounts targeted at the poor (mainly those under 200 percent of the federal-poverty guideline). In these programs, the poor are encouraged to save. The deposits in IDAs are matched (the match rate ranges from 1:1 to 6:1). The matched savings can be used for investing in any of the following assets: micro-enterprise, home ownership, post-secondary education, or retirement (Sherraden, et al. 2000 provide a detailed description of each of these programs).

opportunities for vulnerable individuals and households to participate in economic, political, and social exchange. Indeed, there is growing interest in both asset ownership and asset-building initiatives and how these may impact the welfare of vulnerable individuals and households (McBride, Lombe, & Bervely, 2003; Paxton, 2001; and Sherraden, 2001).

Although IDAs and similar interventions may be seen as part of the emerging "capital investment welfare state", representing a shift towards market-based and private investment (see for example Quadagno, 1999); the principle behind IDAs does not discount the role of traditional public support mechanisms in the welfare of vulnerable individuals and families. Rather, proponents of IDAs seek to extend institutional supports for asset accumulation that are available to the non-poor to vulnerable individuals and households (see McBride et al., 2003; Sherraden, 1991).

Using a sample of IDA program applicants who were randomly assigned to a control and experimental group (N=840), the main question advanced by this study is: does participating in an IDA – an asset-building program – enhance inclusion of vulnerable individuals and households? This question deserves attention in that IDA programs, as a social development intervention, are fairly new; it is therefore important to gain an understanding of the relationship between participating in an IDA program and social inclusion. More broadly, this study may contribute to the current knowledge base of asset-building interventions and vulnerability, thus, informing future inquiry on merits, if any, of IDAs and similar programs.

Conceptual Definitions

Social Inclusion

The origins of the social exclusion/inclusion discourse are somewhat obscure. The concept may have originated in French Republican rhetoric in the 1960s and 1970s. During that period, social exclusion designated the shameful and visible condition of people living on the fringe of economic advancement. The discourse began to gain prominence in policy and political debates as well as in academia at the beginning of the 1990s with the emergence of 'the new poor'; referring to persons previously well integrated into mainstream society who had slipped to the margins due to new and multiple forms of disadvantage, e.g., precarious jobs, unemployment, cultural alienation, immigration, weakening of familial networks, and loss of status. The concept of social inclusion/exclusion implies the existence of two distinct groups, one being socially included, and the other not sharing the characteristics of the first group, hence, excluded from whatever the first group has access to (Mayes, 2001).

Broadly defined, social exclusion is seen as the failure of one or more of the four institutions that integrate individuals and groups into the societal community. These include: democratic institutions, which promotes civic integration; the labor market, which facilitates economic integration; the welfare state, which promotes social and civic integration; and the family and other social networks, which foster integration into the local community (Bhalla & Lapeyre, 1999). Social inclusion, on the other hand, is said to be an agenda for dealing with the consequences of social dislocation, whose primary concern is the creation and maximization of opportunities for meaningful participation of

vulnerable individuals/groups in economic, social, and political exchange under conditions which enhance their well-being and individual capabilities (Bhalla et al., 1999; Democratic Dialogue, 1995; Room, 1999). The latter definition is utilized for the purposes of this discussion.

Asset-based Perspective of Welfare

The assets perspective of welfare was introduced by Sherraden (1991), who proposed asset-based welfare, through an IDA program, as an approach that would enhance individual and household welfare. He focused specifically on savings and investments in homeownership, microenterprise development, and post-secondary education. As currently structured, an IDA is not simply a savings account in that it draws from institutional theory and emphasizes the role of institutions in influencing saving and other outcomes. Indeed, IDAs provide a "program bundle"[2], including match money, restrictions on allowable assets purchases, financial and asset specific education, as well as support, to program participants (McBride et al., 2003). The institutional characteristics of an IDA program are significant to its operations because they define the access, information, support, and incentives for program participants.

An IDA program can be viewed as an intervention with potential to promote social inclusion in that: (1) the program makes the saving process available to a vulnerable individual for whom this process is not readily available; (2) it enhances saving and asset accumulation through program structures that provide support and call attention to the benefits associated with saving and asset accumulation; (3) participating

in an IDA program, in itself, may be important to the process of social inclusion because it has potential to expand an individual's social network, and influence her/his choices and opportunities for economic, political and social participation.

Some Empirical Evidence of Effects of Participating in an Asset-building program

Factors that have shaped Asset-building

Traditional strategies to relieve need and promote inclusion have relied heavily on income transfers, consumption, and job training initiatives aimed at facilitating entry/reentry into the labor market (Lister, 1998; Silver, 1995). Two key considerations underlie these approaches. The first is the belief that the basic right of a citizen is the right to food and shelter suggesting a societal obligation to ensure a minimum level of consumption for its disadvantaged members. The second is the idea that paid work provides the individual not only with income but also with symbolic value, the feeling that he/she is engaged in something worthwhile and therefore stabilizes the link between the individual and society (Sen, 1993; 1997). Existing evidence points to a number of shortcomings in these interventions. In the case of income maintenance and consumption-based schemes, evidence suggests that although these interventions have managed to smooth consumption, halt acute poverty and extend social rights, including health care and housing, to vulnerable individuals and households, they have not been very effective in offsetting the negative effects of vulnerability (Bhalla et al., 1999; Jonsson, 1999). Neither have they been effective in fostering inclusion.

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[2] The characteristics of an IDA may vary from one program to another. In general, participants receive financial training, or information, incentives in the form of match money, and some form of facilitation (Schreiner et al., 2001)

In relation to job training initiatives, evidence indicates that these initiatives may have reduced unemployment rates considerably (Jonsson, 1999; Lister, 1998). However, it is not clear how effective they are in empowering vulnerable individuals given that a significant number of job-training program graduates end up in low-skill jobs where they are exposed to marginalization on a daily basis (Lister, 1998). This is especially true for women, young people, and ethnic minorities in the formal labor market. Although by definition such groups are integrated into the labor market, they continue to experience exclusion within it; this threatens the very social cohesion the intervention is designed to promote. In addition, by focusing on the unemployed, job-training initiatives fail to address the institutional mechanisms that marginalize workers within the labor market. They also fail to address the plight of hardworking men and women who struggle to eke out a living in low-paying jobs (Newman, 1999).

For the most part, the policies outlined in this discussion are humane and justifiable; however, they are not sufficient in that they lack the capacity to empower individuals/households to move themselves out of poverty. Moreover, there is some evidence to suggest that social development occurs over time through asset accumulation and investment in education, career development, etc. (see, e.g., Boshara, 2001; Shapiro & Wolff, 2001; Sherraden, 1991).

It's important to acknowledge that asset-building policies, e.g., tax incentive deductions for contributions in retirement accounts and mortgage interest payment incentives, do exist. Also, under the current political leadership that espouses an ownership society, it is likely that the push towards asset-based policy will continue.

However these policies do not often reach the poor because they operate primarily through tax expenditures.[3] Further, the asset limits inherent in means tested programs discourage saving and asset ownership by the poor on welfare and those working. It's common knowledge that some means tested programs deny income supports to individuals and households with assets at even modest levels. In short, the poor are penalized if they save or own assets. In their current form, therefore, asset-based policies have the potential to exacerbate inequality in that significant segments of vulnerable populations are left behind. Asset ownership through IDAs and similar programs may reduce vulnerability by extending asset-building mechanisms to vulnerable individuals and households (Sherraden, 1991; McBride et al., 2003).

Some Empirical Evidence

Previous research has explored the role that asset ownership may play in reducing vulnerability (Lombe, 2004; Yadama, & Sherraden, 1996). Other studies have focused on saving behaviors of vulnerable individuals and households (Moore, Beverly, Schreiner, et al., 2001; Schreiner, Sherraden, Clancy, et al., 2001). However, there is dearth of research examining the relationship between participating in an asset-building intervention and social inclusion. Despite this, there are several reasons to expect that a positive relationship between these variables may exist. The likely explanation for this is that when people own assets or are engaged in asset building activities, they internalize the feeling that they have a "stake" in society, and therefore they cognitively pay greater

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[3] The poor are less likely to own a home, have investments, or have retirement accounts, where most asset-based policies are targeted; the poor are also likely to have little or no tax incentives for asset accumulation.

attention and participate more in economic, civic and political activities (Lombe, 2004; McBride et al., 2003; Sherraden, 1991).

In fact, findings from a study by Moore and associates (2001), assessing perceived effects of participating in an IDA program, seem to support these assertions. Specifically, these scholars report that over 60% of respondents indicated that participating in an IDA program had positively impacted their lives. Respondents also indicated a positive effect on their relationships with family and neighbors; an increase in community involvement; and enhanced respectability. Another study (see Lombe, 2004) indicates that participating in a saving and asset-building intervention had positive effects on social inclusion. An evaluation of another progressive asset development initiative, Cash Counseling Demonstrations[4] reveals that vulnerable persons can save to accumulate assets that are essential for improved social functioning (see Dale, 2004 for details of this study).

Moreover, asset-building through IDAs has been gaining momentum both within and outside the United States (Edwards & Mason, 2003). Within the United States, this approach has received bipartisan support in federal and state legislation. The 1996 "Welfare Reform Act" included IDAs as a state option.[5] In 1998, the Assets for Independence Act (AFIA), authorized $125 million to be used in account matching and limited administrative funds for an IDA demonstration over a five-year period. Current estimates are that at least 500 IDA programs have been developed in 49 states since 1991

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[4] This study analyzed data from the original programs in the Demonstration: Arkansas, Florida, and New Jersey (Dale, 2004)

(Edwards et al., 2003). The asset-building approach has also received attention in Canada, Taiwan, Uganda, and the United Kingdom where pilot programs are emerging. For example, two asset-based policies were announced by the British government in 2001: the Child Trust Fund, aimed at ensuring all British children reach adulthood with an asset and Saving Gateway, which is focused on asset accumulation among low-income households (H.M. Treasury, 2001; Paxton, 2001).

Indeed, if as indicated by the evidence reviewed, participating in an asset-building intervention, affects vulnerability – even at modest rates – then part of the answer to the question of how to escape vulnerability and enhance participation in activities that are central in the life of ones community, e.g., economic, political and social exchange, may be to encourage vulnerable individuals and households to save and accumulate assets, through asset-building interventions.

Theoretical Perspective

Few studies, if any, have empirically assessed the relationship between asset-building initiatives and social inclusion using a longitudinal research design. In fact, much of the work in this area has been a theoretical until recently when scholars have begun to stress the need to introduce a theoretical perspective to the understanding of inclusion and exclusion (Bhalla et al., 1999; Room, 1999; Silver, 1995). Various theories have been used to explain factors that may influence inclusion or participation in the life of a community. These include theories related to citizenship: social order, insider/outsider, and specialization; and ones related to human and social capital

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[5] Under this arrangement, states could use funds from block grants for matched savings accounts for vulnerable individuals and households without counting the savings towards prevailing established asset

(Coleman, 1994; Silver, 1995). While these theories have been useful in highlighting the role of the state and various forms of capital in determining social participation, they do not adequately address the role of assets and asset-building interventions in influencing social inclusion. This study utilizes the human capabilities approach, drawing on a liberal philosophical orientation. This perspective views individual and household welfare in terms of what people are able to do and become in order to attain a valued functioning (Brandolini & D'Alessio, 1998; Nussbaum, 1995; Poggi, 2003; Sen, 1993).

In its present form human capabilities approach has been popularized by Sen (1987; 1993) and more recently by the works of Nussbaum (e.g., Nussbaum, 1995; 2003). These scholars suggest a broader conceptualization of welfare, emphasizing among other things; opportunities, freedoms, and commodities available to the individual. They posit that attaining adequate functioning or "leading the life one has reason to value" is enhanced by capabilities and the commodity set or goods and services an individual can draw upon.

Applied to this study, the theory takes on a narrower more specific focus and suggests that participating in an IDA program has potential to influence social inclusion by creating an opportunity for a vulnerable individual and household to save, and accumulate assets through program structures that support these behaviors. Further, by connecting a vulnerable individual to a number of resources, including financial and a social network of support, participating in an IDA program may impact an individual's choices and opportunities for economic, political and social participation.

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limits in means tested programs (Edwards & Rist, 2001).

Research Hypothesis

The study sets out to assess whether or not participating in an IDA program will have a positive effect on social inclusion. The study also uses a series of descriptive analyses to determine how effectively the IDA program in question is in reaching vulnerable individuals and households.

Methods

Data Description

The study uses data from two primary sources: the Management Information System for Individual Development Accounts (MIS IDA), and a longitudinal experimental research conducted at an IDA site in Tulsa, Oklahoma. Both datasets are part of the American Dream Demonstration (ADD), the first national policy demonstration promoting saving and investment among poor individuals and households. Starting from 1997 through 2003, ADD followed over 2,000 poor families at 14 community-based program sites within 13 host programs across the United States (for details see Schreiner, et al., 2001). The Corporation for Enterprise Development (CFED) in Washington DC designed and guided ADD, while the Center for Social Development (CSD) at Washington University conducted much of the research and collected data through MIS IDA[6], a computer software designed by CSD to track program and participant characteristics as well as all IDA saving transactions for ADD participants

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[6] MIS IDA generates a comprehensive database on program and participant characteristics. IDA staff record five types of data in MIS IDA: account-structure parameters at the start of the program, socio-economic data on participants at enrollment, monthly cash-flow data from account statements, monthly inputs and expenses, and intermittent events.

(N=2,351). The saving transaction data were obtained from depository financial institutions and as such are highly accurate.

In ADD, low income individuals (mainly those under 200 percent of the federal-poverty threshold) were encouraged to save in special subsidized accounts – IDAs (see Table 1 for demographic characteristics of ADD participants). The deposits in IDAs were matched by funds from either a public or private source. The match rate for the program yielding data for this study was 2:1 for homeownership, and 1:1 for all other asset goals. The Matched savings could be used for investing in any of the following: microenterprise development, homeownership, or post-secondary education (see Schreiner, et al., 2001 for a detailed description of each of the programs in ADD). Data used in this study are from an IDA site based in Tulsa, Oklahoma: Community Action Program of Tulsa County (CAPTC). They cover saving transactions of ADD participants from 1998 through 2003.

The reader should note that ADD participants are not a typical sample from a public assistance population. Respondents are both self-selected, because they volunteer to participate in the program, and are program selected, because of eligibility criteria they are required to satisfy. Also, compared to the overall U.S. population below 200 percent of the poverty line, ADD participants are more likely to be female and African-American. They are also likely to be single, never been married, more educated, and more likely to be employed (Schreiner et al., 2001). This pattern reflects the sample for this study, which is drawn from the population served by the community programs in ADD- the working poor.

INSERT TABLE 1 HERE

The experimental data were colleted by ABT Associates, using a sample of qualified program applicants who were active participants in CAPTC. These were randomly assigned to a control and experimental group (N=1,103). The experimental group (n=537) was enrolled in the IDA program while the control group (n=566) was not. The survey was administered to respondents at three time periods: the first administration was conducted immediately after assignment and follow-up surveys conducted at 18, and 48 months intervals (October 1998 to September 2003). A total of 1,103 respondents completed the first wave, which was administered through face-to-face interviews. The second wave of the survey was mainly administered through telephone interviews and has a response rate of 85 percent, suggesting that a total of 933 respondents (n=461 in the experimental; and n=472 in the control) completed this wave of the survey. Telephone interviews were again used to collect data for wave three, which was completed by 76 percent of the respondents (N=840). Of these, 412 respondents were in the experimental group and 428 in the control group. The survey contains about 200 items, most of which are measured at the nominal or ordinal level. Variables such as age and financial savings are measured at the ratio level (ABT Associates, 2004).

The study sample

As is the case with most longitudinal surveys, some respondents who participated in the first Wave of the survey were lost in subsequent waves, II and III. Across the three waves, this study has a dropout rate of 24 percent. To deal with this challenge, an

investigation of attrition was conducted. The missing cases did not indicate a pattern. Also, reasons for respondent dropout are not indicated. It could have resulted from factors such as subject attrition, subsequent refusal to participate, participants moving or interview error (ABT, 2004). A dropout rate of 24 percent, for a longitudinal survey conducted over a five-year period with a low-income sample, is within the accepted range (Allison, 2002; Downey & King, 1998). Therefore, the final sample for this study consists only of respondents who completed the three waves of the survey (N=840). For our analyses we focus mainly on respondents in the experimental group – which is the group enrolled in the IDA program (N=412).

Measurement of variables

IDA participation only reflects one aspect of participating in an IDA program, the level of savings outcomes – Average Monthly Net Deposit (AMND). AMND, defined as the net deposit per month for the period in which the participant is engaged in the IDA program is the primary measure of saving outcomes in an IDA program because it correlates with a participant's savings and controls for length of participating in the program (Schreiner et al., 2001). This variable is taken from the depository financial institutions used by IDA program participants; hence, reflects an accurate representation of saving outcomes in an IDA program. For this study, AMND is lagged from waves 1 through 3, representing a participant's performance in the IDA program for the total contact period (see Schreiner et al., 2001, for a detailed description of this variable).

Social inclusion is an outcome variable measured on three dimensions. In line with studies assessing inclusion/exclusion, this measure is conceptualized in terms of the

key areas of functioning or participation in the life of any given community: economic, political, and social (see for e.g., Room, 1995). Items on these dimensions are taken from the survey and are each coded as 0 indicating non participation in a given dimension and 1 indicating participation. An overall measure of social inclusion (theoretical range 0-29) is created from items on each of the three dimensions. Ten items reflect the economic dimension: ability to make ends meet and ability to afford basic needs, e.g., food, clothing, and medical care, etc. An index of economic participation is created from these items (theoretical range is 0 to 10). Three variables assess political participation. They include questions asking the respondent whether she/he has voted in an election, called or written to a public official, and, or supported a candidate for public office. An index of political participation is created from these items (theoretical range is 0 to 3). Social participation is categorized as a respondent's involvement in her/his community and relationship with members of her/his community (16 items). An index of social participation, whose theoretical range is 0 to 16, is created from these items.

Although the operationalization of items on these three dimensions appears to be conceptually sound and consistent with the definition of social inclusion established in this and similar studies (see e.g., Bhalla et al., 1999; Room, 1995), a Gronbach's alpha was conducted to assess how well items on each of these measures reflect single unidimensional latent constructs. The scales demonstrated acceptable reliability, with the sample of ADD participants: economic participation ($\alpha = .73$); political participation ($\alpha = .45$); social participation ($\alpha = .74$).

Statistical Analyses

A series of univariate statistical procedures are performed to describe and summarize certain aspects of the data, e.g., gender, age, and ethnicity. Following this, bivariate analyses are performed to examine the relationship between study variables. A series of independent samples t-test is used to assess differences in social inclusion between the experimental and control groups. A paired samples t-test is used to assess social inclusion overtime, at Waves I (immediately following the enrolment of the experimental group in an IDA program), and III (48 months after the first administration of the survey). To understand the overall impact of participating in an IDA program on social inclusion, multiple regression is utilized. This procedure involves regressing the dependent variable at Wave III on each set of independent variables, while controlling for baseline effects of the dependent variable in each model. A number of demographic variables including gender, age, race/ethnicity, marital status, welfare use, household composition, educational attainment, employment status, and asset ownership are also entered in the models as controls.

The reader should note that preliminary analyses conducted provided modest variation between the control and experimental groups on the study variables. Moreover, respondents in both the control and experimental conditions were active participants in the Community Action Program of Tulsa County (CAPTC), thus creating possibilities for contamination of the control and experimental groups. Therefore, regression procedures are only conducted with respondents in the experimental group because the control group

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was not enrolled in the IDA program during the contact period (1998 through 2003).
This part of our analysis is based on the pre-test and post-test research design.

Prior to the analysis of main effects, a series of preliminary multivariate analyses
are performed to examine the study variables for evidence of collinearity as well to assess
the extent to which, assumptions of regression are met. An inspection of the scatterplots
of the error terms and predictor variables suggest the relationships are within the
acceptable range; linearity, normality, and homoscedasticity are assumed. Zero-order
correlations calculated among the independent variables in each model did not revealed
evidence of multicollinearity (correlations were in the range of .40).

Findings

Descriptive Statistics

Socio-demographic characteristics of the sample reveal that the majority of the
respondents are female at 80 percent. By race/ethnicity, 47 percent are Caucasian, 40
percent African Americans, 2 percent Hispanic, and 7 percent are Native Americans.
About 3 percent identify themselves as other. Age ranges from 18 to 72, with a mean of
36.5 and a standard deviation of 10 years. In terms of marital status, 41 percent are
single (never been married), 26 percent are married, 31 percent are divorced or separated,
while 3 percent are widowed. About half of the respondents (53%) live in households
with at least two children under the age of 17 whom the respondent is legally responsible
for. Over half of households in this sample are headed by one adult (59%). The majority
of the respondents (83 percent) have mid-range education, high school and some college
education.   Ninety-nine percent are employed full time and work about 37 hours per

week, for an average monthly income of $1,468. About 43 percent receive some form of public assistance.

Control and Experimental Group: Difference in Study Variables

Findings from the independent samples t-tests examining the difference in study variables between the experimental and control group indicate that respondents in the experimental group report higher scores on the measures of economic, political and social participation as well as the social inclusion index at wave III. However, these results were not significant.

Experimental Group: Change in Study Variables Overtime

Results of the series of paired samples t-tests assessing change in study variables over time for respondents in the experimental group are presented in Table 3. These results reveal a significant difference on the social inclusion index (t=4.21, df=347, p=0.00), economic participation (t=-5.15, df=374, p=0.00), and political participation (t=-2.32, df=360, p=0.02) over time. However, social participation appears to be constant across the two time periods (see table 2).

INSERT TABLE 2 HERE

Regression Analysis: Effects of IDA Participation on Social Inclusion

Results pertaining to the hypothesis advanced are presented in Table 3.0 through 3.3. The regression analysis conducted to examine the relationship between participating in an IDA program – Average Monthly Net Deposit (AMND) – and the social inclusion index produced a significant model [F(11,287)=18.82, p=0.00], and explains 41 percent of the variance in the dependent variable. Regression coefficients reveal that, controlling

for baseline effects of the dependent variable four variables: AMND (b=2.22E-02, t=3.14, p=0.00), welfare use (b=-0.96, t=-3.32, p=0.00), income (b=5.70E-02, t=4.28, p=0.00), and children under the age of 17 whom the respondent is legally responsible for (b=0.66, t=2.78, p=0.01) are significantly related to the dependent variable.

Results of the second regression model, economic participation regressed on the IDA participation variable, indicate a significant model [F (11,288)=25.46, p=0.00]. The overall model accounts for 49 percent of the variance in economic participation. Regression coefficients reveal that, controlling for baseline effects of the dependent variable, only three variables: AMND (b=1.85E-02, t=4.59, p=0.00); welfare use (b=-6.90E-01, t=-4.19, p=0.00); and income (b=4.37E-04, t=5.64, p=0.00) make a significant contribution to the prediction of the dependent variable.

Findings from the third model, political participation regressed on the IDA participation variable (AMND), indicate a significant model [F (11,360)=11.27, p=0.00]; suggesting that the variables in the model together predict political participation and explain 26 percent of the variance in the dependent variable. Regression coefficients indicate that, controlling for baseline effects of the dependent variable, only three variables: age (b=7.94E-03, t=1.93, p=0.05); education (b=0.13, t=3.41, p=0.00); and income (b=3.32E-5, t=1.99, p=0.05) make a significant contribution to this model.

Results of the procedure examining the relationship between social participation and IDA participation (AMND) produced a significant model [F (11,357)=14.64, p=0.00], and explains 31 percent of the variance in the dependent variable. Regression coefficients reveal that, controlling for baseline effects of the dependent variable, only

two variables: welfare use (b=-0.34, t=-2.25, p=0.03) and children under the age of 17 whom the respondent is legally responsible for (b=0.26, t=1.94, p=0.05) are significantly related to the dependent variable.

INSERT TABLE 3 ABOUT HERE

Discussion

For the overall sample, results from our preliminary analyses, failed to indicate a significant relationship between participating in an IDA program and social inclusion; begging the question do IDAs really work for vulnerable individuals and households? We answer this question by looking only at the experimental group which, in fact, is the group that was enrolled in the IDA program and hence; the focus of the hypothesized relationships. This study finds a positive relationship between participating in an IDA program and social inclusion. We note that participating in an IDA program is significantly related with the index of social inclusion and the economic dimension of participation; underscoring findings of previous studies which have documented a positive relationship between participating in an IDA program and perceived economic, and social functioning (Lombe, 2004; McBride et al., 2003). This finding is also consistent with the basic proposition advanced by the human capabilities approach; that by connecting a vulnerable individual to an asset-building structure and social network, participating in an IDA program may influence an individual's opportunity to accumulate assets as well as enhance her capacity for economic, social and political participation.

In general, our findings are somewhat obscure and provide only partial support for the hypothesized relationships. Participating in an IDA program is not associated

with the political and social dimensions. This could be because participation in an IDA program may be perceived to be oriented towards economic outcomes because the program offers an opportunity to save and accumulate assets. Hence, a program participant may feel more confident to engage in economic activities. The observed results could also be attributed to the fact that compared to economic effects, political and social effects may take time to be realized. In fact, this observation is consistent with findings from previous research reporting modest social and civic effects of IDA participation (McBride et al., 2003).

The lack of association between IDA participation and the social dimension may also be explained by the working behavior of respondents in this sample. As observed, most respondents (99%) work an average of 37 hours a week; hence time spent on IDA related activities, e.g., 12 to 18 hours a week of financial and asset specific education, may have an inverse effect on social participation. This observation is inline with results of studies which have indicated a social cost associated with participating in IDAs and similar programs, especially among low-income individuals (see for example, Lombe et al., forthcoming; Ssewamala, 2004).

Our results also find that certain respondent characteristics, such as age, household composition, and income, are related to social inclusion. For example, welfare use is inversely associated with both economic and social participation while income is positively related to economic and political participation. We also make two rather obvious observations: higher levels of education and age, being older, are significantly associated with political participation; the presence of children in the household is related

to social participation. These observations may have important implications for program design.

Some limitations are also noted. First is the issue of operationalization of social inclusion. As observed, items measuring this construct are not well developed. As such, measured variables may not adequately represent all aspects of social inclusion, for example, the measure of political participation has low reliability ($\alpha = .45$). Additionally, measures used in this study utilize a checklist format; hence do not adequately capture the duration and intensity of a respondent's economic, political, or social participation. Further, the sample used for this study, although randomly assigned to the experimental and control groups, was drawn from a self and program-selected group of individuals. Therefore, selection bias might be an issue in terms of generalizability. Moreover, the reader should note that respondents in both the control and experimental conditions were active participants in the IDA program providing data for this study – Community Action Program of Tulsa County (CAPTC) – thus creating possibilities for contamination of the control and experimental groups.

Conclusion

Participating in an IDA program, according to this study, appears not to have an effect on the social and political dimension of participation. However, this variable is significantly related to economic participation and the index of social inclusion. Despite their small effect size, these are important outcomes for vulnerable individuals and households and point to the desirability of innovative practices in addressing the issue of social inclusion. Development of innovative practices may require a shift in the

paradigm through which vulnerability has been conceptualized. Guided by the knowledge that social exclusion may result from a combination of factors, such as gender (being female), ethnicity, household composition, and lack of opportunity; fostering inclusion may require interventions that create and maximize opportunities for vulnerable individuals and households to participate in the life of their communities. Asset ownership, through IDAs and similar programs, may be one such innovation. Indeed, this approach is consistent with current thinking in social work, which advocates incorporating a social development perspective in social work practice and scholarship.

Also, our results point to the need for IDAs and similar programs to take into account the special needs of women and people of color in interventions to foster social inclusion. As observed, respondents in this study work an average of 37 hours and spend about 12 hours a week on IDA related activities; some consideration may be given to how IDA programs have been structured and how this may impact a participant's involvement in her community. Further, the sample used for this study is not a typical sample from a public assistance population, respondents are more educated, and more likely to be employed; hence, this study provides mixed results to challenge Bates and Servon's contention that IDAs and similar strategies do not address the problems of urban poverty for the 'underclass' (1996).

In conclusion, we underscore the fact that our study does not provide an exhaustive assessment of the hypothesized relationship; however, it does establish a foundation for examining factors that may affect an individual and household's capacity to move from vulnerability into increased economic, political and social participation.

It's our hope, that this study will inspire further research effort that incorporates variables used in the current study to inform the development of innovative policy and interventions that have potential to both empower and provide viable options for meaningful participation in socioeconomic and political exchange.

Table 1. ADD Population vs. General low-income

Characteristic	ADD	Poverty
Gender		
	80	59
	20	41
Race/Ethnicity		
African	44	16
	40	64
	9	16
	7	4
Marital Status		
Never Married	47	28
	22	42
Divorced, Separated or Widowed	28	30
Education		
No High School	15	31
High School Diploma or	25	11
Attended	37	6
College Degree	23	52
Employment		
Employed Full-	58	31
Employed Part-	27	11
	15	58
Either Checking or Savings Account	77	67

Source for Low-income Population Data: Sherraden et al., (2000). Saving Patterns in

IDA Programs. Center for Social Development, George Warren Brown School of Social Work, Washington

University in St. Louis. Using data from the ninth wave of the 1993 Survey of Income and Program

Participation (SIPP).

[a]Low-income population is defined as the general US population that is at or below

200% of poverty line.

Table 2. Experimental Group: Change in Study Variables Over Time (n=412)

Variable	t	df	pvalue
Economic participation	-	347	0.00*
Political participation	-	360	0.02
Social participation	0.25	358	0.78
Social inclusion	4.21	347	0.00**

*p<0.05   **p<0.01

For this analysis we use the paired samples t-test to compare changes in Study variables from Waves I to III

Significant changes are indicated by an asterisks

Table 3.0 Social Inclusion Regressed on IDA Participation

Variable	b	s	t	p-
Constant	4.59	1.27	3.62	0.00**
Educatio	-	0.16	-	0.89
Rac	-	0.13	-	0.96
Marital	7.93	0.22	0.37	0.71
Ag	3.06E-	0.02	1.61	0.11
Gende	7.11	0.45	0.16	0.88
Incom	5.70E-	0.00	4.28	0.00**
Welfare	-	0.29	-	0.00**
Adult in	0.23	0.17	1.83	0.06
Children in	0.66	0.24	2.78	0.01**
AMND	2.22E-	0.01	3.14	0.00**
Baseline	0.54	0.05	11.21	0.00**
R^2	0.41			
F	18.82			
df	11;287			

*p<.05   **p<.01

Not : b=Unstandardized regression coefficients; se=Standard error

Table 3.1 Economic Participation Regressed on IDA Participation (n=412)

Variable	b	s	t	p-
Constant	2.02	0.65	3.10	0.00**
Educatio	2.40E-	0.09	0.26	0.80
Rac	-5.92E-	0.08	-	0.44
Marital	-	0.13	-	0.96
Ag	5.87E-	0.01	0.53	0.59
Gende	-3.33E-	0.26	-	0.90
Incom	4.37E-	0.00	5.64	0.00**
Welfare	-6.90E-	0.17	-	0.00**
Adult in	-	0.15	-	0.09
Children in	0.14	0.08	1.69	0.09
AMND	1.85E-	0.00	4.59	0.00**
Baseline	0.47	0.04	10.82	0.00**
R^2	0.49			
F	25.46			
df	11;288			

*p<.05   **p<.01

Not : b=Unstandardized regression coefficients; se=Standard error

Table 3.2 Political Participation Regressed on IDA Participation (n=412)

Variable	b	s	t	p-
Constant	6.43E-	0.24	0.03	0.98
Educatio	0.13	0.04	3.41	0.00**
Rac	-2.65E-	0.03	-	0.94
Marital	9.34E-	0.10	0.93	0.35
Ag	7.94E-	0.00	3.41	0.05*
Gende	1.78E-	0.11	0.02	0.99
Incom	3.32E-	0.00	1.99	0.05*
Welfare	-8.75E-	0.07	-	0.18
Adult in	-1.44E-	0.05	-	0.76
Children in	8.21E-	0.05	1.52	0.13
AMND	-1.12E-	0.00	-	0.46
Baseline	0.39	0.05	8.49	0.00**
R^2	0.26			
F	11.27			
df	11,360			

*p<.05   **p<.01

Not : b=Unstandardized regression coefficients; se=Standard error

Table 3.3 Social Participation Regressed IDA Participation (n=412)

Variable	b	s	t	p-
Constant	1.19	0.60	1.99	0.05*
Educatio	0.11	0.09	1.17	0.24
Rac	-	0.08	-	0.98
Marital	8.71	0.25	0.35	0.73
Ag	1.26E-	0.01	0.12	0.90
Gende	0.18	0.27	0.68	0.49
Incom	5.11E-	0.00	1.25	0.21
Welfare	-	0.16	-	0.03*
Adult in	-	0.11	-	0.90
Children in	0.26	0.13	1.94	0.05*
AMND	-4.58E-	0.00	-	0.22
Baseline	0.50	0.05	10.41	0.00**
R^2	0.31			
F	14.64			
df	11;357			

*p<.05   **p<.01

Not : b=Unstandardized regression coefficients; se=Standard error

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