CSD Working Paper

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CSD Working Paper 05-25

2005

Center for Social Development

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ACKNOWLEDGEMENTS:

Saving for Education, Entrepreneurship, and Downpayment (SEED) is a policy, practice and research initiative to test the efficacy of a national system of incentivized asset-building accounts for children and youth. SEED is organized, administered, and studied by a group of national partners including CFED, the Center for Social Development (CSD) at Washington University, the University of Kansas (KU) School of Social Welfare, the New America Foundation, and the Initiative on Financial Security of the Aspen Institute.

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

Beyond Housing/NHS, *St. Louis*
Boys and Girls Clubs, *Delaware*
Cherokee Nation, *Oklahoma*
Foundation Communities, *Austin*
Fundacion Chana Goldstein y Samuel Levis, *San Juan, Puerto Rico*
Harlem Children's Zone, *New York*
Juma Ventures, *San Francisco*
Mile High United Way, *Denver*
OLHSA, Inc., *Pontiac, Michigan*
People for People, Inc., *Philadelphia*
Shriver National Center on Poverty Law, *Chicago*
Southern Good Faith Fund, *Arkansas*

The pilot 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. Six young people participated in the pilot, and their willingness to share early savings experiences in SEED was central to the success of the larger qualitative study involving in-depth interviews with 30 youth.

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 CSD. Christine Robinson, a member of the SEED Research Advisory Council, also provided feedback that was particularly helpful in developing the interview guide. Data from the SEED account monitoring study by Margaret Clancy and her colleagues at CSD was essential in drawing the sample of Juma youth to be interviewed. Edward Scanlon and Deborah Adams wrote this report.

The SEED initiative is funded by the Ford Foundation, Charles and Helen Schwab Foundation, Jim Casey Youth Opportunity Initiative, Citigroup Foundation, Ewing Marion Kauffman Foundation, Charles Steward Mott Foundation, Richard and Rhoda Goldman Fund, MetLife Foundation, Evelyn and Walter Haas, Jr. Fund, and the Edwin Gould Foundation for Children. Financial support for in-depth interviews in SEED comes from the Ford Foundation.

In Depth Interviews with SEED Youth: Profiles of Participants in the Pilot Study

Introduction

Saving for Education, Entrepreneurship, and Downpayment (SEED) is a national policy, practice, and research initiative designed to test the efficacy of incentivized asset-building accounts for children and youth. Sherraden (1991) proposed individual development accounts (IDAs) as an asset-building tool to help people save money for long-term social and economic development purposes including going to college, buying homes, and starting small businesses. IDA policies and programs most often involve the use of public and/or private funds to match participant savings. There is a small but growing body of research on IDAs and similar asset-building policies and programs (see, for example, Schreiner, Clancy & Sherraden, 2002; Sherraden, Schreiner & Beverly, 2003; and Sherraden, McBride, Johnson, Hanson, Ssewamala & Shanks, 2005).

Sherraden's (1991) original proposal was for universal, progressive individual development accounts (IDAs) beginning at birth. However, most IDAs in the United States to date have matched the savings of low-income adults. Studies of asset building and asset effects have, likewise, involved adult participants for the most part. Little is known about whether asset-building policies and programs are beneficial for youth participants, or how youth perceive them. SEED is the first systematic effort to create and test incentivized savings accounts for children and youth in the United States.

A primary goal of the SEED initiative is to inform the development of a universal, progressive children's savings account (CSA) in the United States. To this end, twelve community based organizations are currently 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 participants will be saving for approximately four years. Eleven of the twelve community based organizations will open 50 to 75 accounts for children or youth, and offer financial education to accountholders and/or their parents. A large, pre-school program is the twelfth community-based SEED site, and the location of a quasi-experiment involving more than 700 Head Start families.

Three national organizations and two universities are working together to organize, implement, and study SEED with financial support from private foundations. The national partners are CFED, the Center for Social Development (CSD) at Washington University, the University of Kansas (KU) School of Social Welfare, the New America Foundation, and the Initiative on Financial Security of the Aspen Institute.

Researchers from CSD and KU are undertaking multi-method research on the SEED initiative. This paper reports on a qualitative pilot study of youth participants who are involved in the SEED program at Juma Ventures in San Francisco. In-depth interviews with youth participants are designed to help provide a rich understanding of the background and savings experiences of young people in an asset-building program, facilitators and obstacles to saving, and perceived effects of program participation.

Methodology

SEED programs are working with children and youth of various ages. Three of the twelve community-based SEED sites are targeting youth participants in their asset-building efforts. One of those is Juma Ventures, a social enterprise organization that provides employment training and job coaching for low-income youth in San Francisco, California (About Juma, 2005). The SEED program at Juma matches participant savings dollar for dollar. Juma enrolled participants relatively early in the SEED initiative. Other reasons that Juma was selected as the venue for in-depth interviews with youth included their (1) history of smooth program operations including good record keeping, accessible participants, and solid staff-participant relationships; (2) participant willingness to engage in lengthy interviews; and (3) a SEED population which included a sufficient number of both high and low saving teens to make stratified purposive sampling feasible.

An in-depth 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 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.

Pilot interviews were conducted in November 2004. After the six audio taped interviews were completed and transcribed, minor modifications were made to the interview guide in preparation for use with a larger group of interviews with Juma youth. These modifications were based on youth reactions to questions during the pilot interviews and involved re-wording some questions and phrases in minor ways for greater clarity, and adding a few new prompts to help interviewers handle potentially difficult interview topics. The modified guide was used in subsequent in-depth interviews with 24 additional SEED participants at Juma in February 2005. Those interviews are currently being transcribed and coded. Analysis will follow, and the first research report on the larger group of in-depth interviews is expected in spring 2006. In both this report, and the more extensive forthcoming report, fictitious names are used to protect the identities of the young people who participated in this research.

Profiles of SEED Youth with Relatively High Savings

Hong

Family Context and Financial Background. Hong is an 18-year-old woman who immigrated to the US from China four years ago. She currently lives with her mother and father, and a younger sister who is currently 14 years of age. Her father works in a packing plant, and her mother in a restaurant, although in China they had been teachers. Her father had attended college, and her mother has a high school education. Neither of her parents speaks much English. Her father's family still lives in China. Her mother's parents live in the Bay area and owned a store in Chinatown before they retired. Hong's family lives in a rented home in the Sunset neighborhood, and Hong describes the area as quiet and safe but with few stores or other amenities. Her family has moved frequently since they have been in the US because of rent increases. Hong reports that her family has had to struggle because life in San Francisco is expensive. Her family came to enhance her opportunities, but Hong notes that there is tension between her parents because they didn't realize that things would be so expensive and difficult in the US. Medical emergencies have been particularly hard on the family, both emotionally and financially. The family has also struggled because of the parents' difficulties with the English language. Hong's parents would like to open a store in the future, and buy a new car, but these goals seem remote because of the high cost of living. The family is not close to extended family. Hong has worked in the past, but is now in college and is currently not employed so she can focus on her education. Her high school GPA was high, which earned for grant from the state of California covering her tuition. While she does not consider herself employed, Hong continues to earn some money from babysitting and tutoring. At this point, however, she mostly depends on her parents who pay her cell phone and Internet bills and buy most of her food. Her biggest personal expense is clothing, and Hong reports that she loves to shop. She spends money on food as well, going out to eat when she can't eat at home. She currently has a checking account, a savings account, and her SEED account, all of which she has funded with college grant money that was not required for tuition. Hong also has a debit card and a credit card, but tries not to use them.

SEED Program Experiences. Hong learned about SEED when she was involved in a community agency for youth where she was learning how to build a web page. She was attracted to the idea of a program that would teach her how to save and that would keep her from "touching her money." She was also motivated to participate because she thought the account would help her buy books and a computer. A very high saver, she has put money into her account from her jobs as a math tutor, and by transferring money from her school grant that she had been holding in her other savings account. She has made several large deposits, ranging from $40 to $475 and has saved $582 plus benchmark incentives for financial education and high school graduation. Her parents have given her some money, and they have also helped her by reminding her to make deposits and by driving her to the bank. She sometimes finds it hard to remember to make deposits, and reports that her desire to buy clothes and go out with friends are her biggest spending temptations.

Perceived Effects and Future Plans. Hong doesn't perceive that the SEED account has changed her behavior and thinking a great deal. She notes that she thinks about studying abroad, and the SEED program has helped her to realize that she needs more money to do that. While Hong doesn't believe that her behavior has been impacted much by the program, she notes that having money in the SEED account makes her more likely to spend from her other savings account because she doesn't want to lose her match, and she still has consumption needs. Her relationship with her parents has not changed due to SEED, and she finds herself talking less to them about finances as she gets older. Hong is optimistic about the future, and believes that she may go into banking or finance. Aside from studying abroad, she has educational goals of completing college and going to graduate school. Hong is not convinced that she has much control over her future, and thinks that luck makes a big difference in people's lives.

<u>Fernando</u>

Family Context and Financial Background. Fernando is a 17-year-old male who was born in San Francisco to El Salvadoran immigrants. He is a middle child, and has two sisters, ages 23 and 14. His parents came to the US in the 1970s for a better life economically. Fernando's father worked on and off as a busboy when he first arrived in the US. His periods of unemployment resulted in ever deeper debt for the family. Fernando's father decided to go to school and study electronics. He earned a degree and began repairing TVs, VCRs, and stereos. When Fernando's father was about 40 years old, his boss gave him the building in which the business was located. The family now lives in the building, and Fernando's father has full ownership of the business. He also rents the other apartments in the building. Fernando's mother cleans houses. Some of his extended family have also moved to the US. His paternal grandmother is still living, and he has been to El Salvador to see cousins, aunts and uncles. Fernando describes his neighborhood as "noisy, but not that bad" and says that he feels safe there.

The building he currently lives in is the second residence that Fernando's family has owned. They also owned a house when he was very young. His family doesn't talk about money matters very much, but he is aware of their early difficulties and knows about his father's employment challenges in the early years after they immigrated. Now, in addition to the building they own, the family owns "two or three" cars. When household financial decisions are made, Fernando's parents make them jointly after a careful evaluation process. He doesn't know if they have any investments or have saved for retirement.

Now that Fernando is older and works one day a week at a fruit stand, he makes his own purchases, generally without consulting his parents. He is very involved at his high school, participating in Latino Club and the Ambassadors organization, and orienting freshmen to the school. He has done volunteer work in a daycare center and at the library. Fernando has also participated in fundraisers for the American Cancer Society. He is a good student who maintains a 3.0 GPA.

Fernando says that focusing on his goals helps him save money. He thinks of something he would like to buy, and then rewards himself for saving consistently over a period of time. He offered clothing as an example of a reward for saving. Fernando is very careful with his money, and has few expenses because his family still provides money for school, food, phone and Internet. He spends money on his girlfriend, but they are careful not to go out too often. Fernando downloads music rather than buying CDs and doesn't purchase video games. He does pay for most of his own clothing, because his parents think that buying other than the most basic clothing is an extravagance. Most of the money Fernando saves comes from birthday and Christmas gifts, his part-time job, or gifts from his parents "for being good." He often allows himself to keep about half of his gifts for consumption while saving the rest. Fernando has a savings account in addition to his SEED account, which has a balance of about $500. He does not have a checking account, a debit card, or an ATM card.

SEED Program Experiences. Fernando learned of the SEED program from his girlfriend, who participates in GIRLSOURCE, an agency that referred a number of participants to Juma. GIRLSOURCE held an informational meeting and allowed Fernando to attend. As a result, he is the only male referred to the Juma SEED program from GIRLSOURCE. Fernando enrolled in July 2004, but did not make his first deposit until August when he began making relatively large deposits. He worked full time during the summer, saving all of his earnings. Fernando had a strategy of setting a goal, saving up to that goal, and then making a large deposit. He had already reached the maximum amount in his SEED account that could be matched by the program by the time of the interview.

Fernando reports that he was intrigued by the fact that the SEED program was targeted to teens, and by the match structure, noting that he wouldn't have participated without the match. He discussed it with his father first, who was supportive of the idea of receiving the match. His initial goal was to save for a laptop, and he has reached that goal. Fernando said that now he hopes to find another matched savings program that will help him save for a car.

Some of the things that Fernando mentioned as facilitators of saving included his efforts to think about purchases before spending money, getting rides to the bank from his mother, and reminders from both his girlfriend and his mother to make deposits. He noted that other people he is close to, including his friends, father, and other family members, are uninvolved in his saving and SEED participation. No one has asked Fernando to borrow money, and this may be related to the fact that not many people know about his SEED account.

Perceived Effects and Future Plans. Fernando sees the SEED program as helpful, and says that it has made him feel like a more responsible person. His high level of saving makes him feel good about himself, as though he accomplished an important goal. Fernando also says that he feels like he has invested in his future, and the SEED program will let him take advantage of opportunities that he might not otherwise have had. It has also reinforced a sense of prudence. He reports that he was proud to have saved for something that he would use in the future, and the process of saving made him feel more disciplined. SEED has not impacted his relationship with his parents in any way that he can see, and he doesn't spend much time talking to them about money or the account. His involvement in the community has not changed in any way, nor have his relationships with peers except for his girlfriend who has been supportive.

Fernando is highly goal directed, and plans to attend junior college and then finish at San Jose State University. He wants to study business administration and plans to eventually earn an MBA. He feels that he has control over his future, and is optimistic that he will do well. After completing SEED he plans to continue to save, either on his own or in another matched savings program if one is available.

Darrell

Family Context and Financial Background. Darrell is a 17-year-old African American male who currently lives with his mother in a home that she owns. His father and mother are divorced and his father lives in Oakland. He states that his house is in good shape and his neighborhood is safe. His mother works for Wells Fargo and his father works at Radio Shack. Darrell's father also owns his own home.

Darrell is a student at Burton High School, where he earns average grades. He is bored by school and doesn't participate in extra curricular activities. He does not care for most of his teachers and he dislikes his principal. He has several friends, and has contact with his grandmother and some of his aunts and uncles. He has four sisters and a younger half-brother who lives with his father.

While his parents reinforced the importance of saving to him as he grew up, Darrell does not know if his parents save money, invest, or have any retirement accounts. He thinks that his mother may have had some financial difficulties when he was younger, but isn't sure how she resolved them. He believes that she has people she could draw on such as friends or her sisters-if she faced financial problems. She would like to buy a home in Antioch (a suburban area outside of San Francisco), but is waiting until he graduates from high school so he won't have to make new friends.

Darrell's mother opened a savings account for him when he was 13 years old, and still puts money in that account for him. She usually takes any money he gets for his birthday and deposits that in his account. He does not know how much money is in that savings account. Darrell does not have a job, and says that he has very few expenses because his mother buys him clothes and food, and he borrows music and games from friends. When he dates, he doesn't spend much money. He doesn't have a checking account, credit card, debit card, or any outstanding bills.

Seed Program Experiences. Darrell's participation in the SEED account has been relatively steady, with three deposits of $20 each and two months without deposits. Because he is not employed, none of the deposited money was from his own earnings. Darrell has also not completed financial education tasks that however would earn deposits, although he is aware of how to do so. He cannot think of any strategies for making deposits other than "asking friends or family" for money.

Darrell's goal is to go to college, and he was drawn to the SEED program by the possibility of matched savings. He also thinks that it is beneficial to not be able to see or acquire the money, saying "once it's in there I forget about it." Darrell was able to describe the SEED program accurately. He states that saving is not a strain for his mother. He doesn't have any plan to begin adding money of his own, but says that the only barrier he can identify for his own saving would be "if a friend was willing to sell me something I wanted." He does not have friends or family members who try to talk him into lending them money. This may be related to his report that he doesn't discuss the account with anyone except his mother. Darrell doesn't think that his father knows about his participation in SEED.

Perceived Effects and Future Plans. Darrell says that SEED has been positive for him because it is helping him to think about his future more than he has in the past. He wants to attend a local college and hopes that this account can help him save for his education. He doesn't think that SEED has affected his behavior, thinking or attitudes in any other way.

Darrell says that his life goal has always been to play NBA basketball, but he doesn't play any team sports currently. He suggests that his teachers and principal are not nice to him, and he worries that he won't get into college. Darrell says "…to make it in the NBA I am going to have to get noticed in college." He worries that if he doesn't make it into a "good" school, playing professional basketball won't be possible. Knowing that "good" colleges are expensive, he hopes his SEED account will help.

The Moneyskill classes are "okay," according to Darrell, but he admits that he doesn't like to listen to the presenters and usually goes to sleep. He half-heartedly says he intends to begin saving more, and when SEED ends will open another type of account. Consistent with many of his comments, Darrell says that he is not overly optimistic about the future, and feels that he has little control over what happens to him.

Profiles of SEED Youth with Relatively Low Savings

<u>Manny</u>

Family Context and Financial Background. Manny is an 18-year-old Hispanic male who was born in San Antonio, Texas. His parents divorced when he was two years old, and he moved with his mother to the Bay area. His mother raised him, and also raised her younger sister, who is three years older than Manny. They struggled financially, and his maternal grandmother helped them a great deal. His mother worked cleaning apartments and houses, and would often bring Manny along to help her. Manny's mother was eventually diagnosed with bi-polar disorder and is currently taking psychotropic medications.

Manny's father ended up living in Oakland, and was homeless for a period of time. He had been in the Navy and was injured while on duty. Consequently, his father has been dependent on disability payments most of Manny's life. After his mother became ill, Manny moved in with his grandmother for a while, but she lived in a "senior community" and Manny felt out of place. At that point, he moved into his father's subsidized apartment in San Francisco. He sees his neighborhood—San Francisco's Tenderloin District—as somewhat safe, but acknowledges that others might feel scared there. Many people in his building are on drugs and there are a lot of homeless people in the neighborhood. No one in Manny's family has ever owned a home, and his mother just recently bought her first car.

As Manny grew up, he learned the importance of family and friends sticking together for financial survival. He and his friends and family take care of each other, loaning one another money when necessary. His family always had food stamps, subsidized housing, and state funded health insurance, and there was never enough money for savings. His father did encourage him to open a savings account as a teen-ager. He currently pays for many of his own expenses, and has two savings accounts, a debit card, and a checking account. His expenses include his cell phone, hygiene products, laundry, some food, haircuts, and clothes. He doesn't spend money on music, and he works hard to be frugal in his clothing and food purchases. He purchases a subway pass every month. He currently works at the ballparks as an ice-cream vendor through Juma. He doesn't make enough to save a great deal, as the work has been irregular and his hours shorter during football season than baseball season.

SEED Program Experiences. Manny learned about SEED after starting to work in Juma's youth employment program. He was attracted by the matching dollars, but was also interested in the program because he couldn't easily spend the money he saved through SEED. He talked to a number of friends before he made the decision to participate. At first he wanted to buy a house, but soon realized it was an unrealistic goal in the Bay area. Manny then changed his goal to saving for a computer. He was starting to go to a community college, but family and financial pressures resulted in a decision to take just one class, and the computer seems less important now. He has not identified another goal, and didn't mention using his SEED account to help with college expenses.

Manny earned a benchmark deposit soon after he joined SEED for graduating from high school, but then had trouble finding money to deposit on a regular basis. In his third month in the program, he arranged for direct deposit and that has helped him to save a small amount each month since. No one helps Manny save, either by providing cash or indirect supports such as rides to the banks or reminders. Even so, his greatest saving barriers in SEED are his low income and his desire to save simultaneously in a separate account. In that account, he is saving for a turntable, because one of his life goals is to become a DJ. In addition to competing desires to save from a limited income, Manny has many people in his life with whom he shares money when they are in need.

Perceived Effects and Future plans. Manny thinks that SEED participation is important in helping him secure an education. He says "I need to go out and do something. I need…a profession…I'm not going to struggle my whole life." In a sense, it is the educational outcome, rather than SEED per se, that is valuable to him. Manny doesn't perceive there to be other behavioral, interpersonal, or cognitive shifts that have occurred in his life due to SEED participation. When asked whether SEED has helped him to think about the future more, he replies, "Life has helped me think about the future…dealing with the reality of expenses…" The tasks of transitioning to adulthood seem to loom large for him as a low-income youth in a city with an extraordinary cost of living. It is in this context that he experiences SEED as helpful, but does not seem to think that his participation in the program is having a major influence on his thought or behaviors.

Johnny

Family context and financial background. Johnny is a 16-year-old male born in San Francisco to an El Salvadoran father and a Nicaraguan mother who had both immigrated to the US in the 1970s. At age 5, he returned to El Salvador with his father and sisters and stayed there until he was 11 years old. He has an older sister (age 18), a younger sister (age 15) and a younger brother (age 9). He has extended family in both countries, but much of his family is in the US. He is uncertain why his family came to the US. His mother is employed as a housekeeper, and his father owns a couple of buses in El Salvador. Both of his parents had some post-secondary vocational education.

After returning to the US, he lived with mother and says that "we must have moved 100 times." He reports that "something happened" when he was about 13 years old and he was removed from the home and placed in foster care. He now lives in a group home and has limited interaction with his mother. Relationships with extended family are similarly strained. He reports that he was close to his grandmother at one time, but that she no longer trusts him due to "bad behavior" on his part. While he attends a public high school, he doesn't care for it, doesn't get very good grades, and is not involved in any extra-curricular activities.

Financially, Johnny is in a precarious situation. He was raised without much emphasis on saving, which he attributes at least partly to his family's lack of financial resources. Further, his family is more scattered than ever with his younger sister also living in a group home now. His younger brother is the only child in the family who still lives with his mother. Johnny still has some contact with his grandmother who wants Johnny to save some money for the future, but has not been able to help in anyway.

Johnny had been working in Juma's youth employment and training program, but lost that job. He has some expenses including food at school, and clothing that the group home won't buy for him. He also has a cell phone. He likes music and bought himself an Ipod but it was stolen from him at the group home. He has a bus pass, but when he rides the subway he has to fund that himself. His hair is braided, and he pays to have the braiding done. He has no source of income presently, and has no checking account. He has a SEED account, and an account at Wells Fargo opened by an uncle for him a few years ago. He has spent most of the money that his uncle deposited into that account.

SEED Program Experiences. Johnny heard a presentation about SEED accounts from Juma staff, and the match was a motivating factor for him. His initial goal was to buy a computer, but then he started thinking that he wanted to start a business venture. He had arranged direct deposit when he was employed, and was able to save a small amount. He also got a benchmark deposit for financial education through the Moneyskills program. Since he lost his job, he has had difficulty saving because he has no income and he mistakenly thought that his account had been closed.

Johnny won't ask family members for help with deposits because he doesn't think they would trust him not to spend the money before he deposited it. In the past he has had savings and has given it to his older sister to help her cover living expenses. He says he would do the same with the money in his SEED account if necessary, because he "knows she would do the same for him, if she could." Johnny intends to continue trying to save, and hopes that he will get another job soon. He is optimistic that having a job will give him a source of income so that participation in SEED is possible once again.

Perceived Effects and Future Plans. Johnny thinks that the SEED program was initially beneficial for him. Once he heard about the program, it began to make him feel more motivated and he began to think about savings goals. He reports that his hopes were crushed by getting fired from Juma and assuming that his SEED account had been closed. Johnny says that he doesn't think his participation in SEED, or the Moneyskills financial education workshops, have changed him. He does say that the experience with SEED has reinforced what he learned growing up about saving.

Johnny's plans for the future are somewhat unformed. He would like to be hopeful about the future, but he says that many of people in his life including teachers, family members, and counselors don't think he will "amount to much." He has been thinking about a vocational program—something he can "finish in less than a year"—that would have a high certainty of "getting me a job." He is interested in becoming a chef, but he heard out that culinary arts training in the Bay Area costs $45,000 and now feels discouraged about this career goal.

Angela

Family context and financial background. Angela is 18 years old, and was born in El Salvador. She moved to the US when she was four years old. She is the second in a family of three boys and two girls. Her family came to the US to "make a better life for themselves economically." Her mother works as a janitor and her father as a painter. They moved around a bit when she was a child, and she describes most of her neighborhoods as safe. Her parents are divorced and both rent their homes. Her maternal grandparents live in El Salvador, and her paternal grandparents are deceased. Her mother struggled financially as she was growing up, and received some public assistance such as WIC and MediCal. Her mother is remarried, and Angela says that her mother and step-father would like to buy a home, but they are not very hopeful because the cost of living in San Francisco is so high. Angela's mother and father both currently own cars. Her mother saves money and has a savings account, but she does not have any investments. She doesn't know whether her father saves money.

Angela is a student at San Francisco State University and she is studying business. She commutes two hours on the BART to get to classes. She currently lives with her father and brother. She has never saved money, stating that she would be given piggy banks as a child but would usually forget about them. The SEED account is her first effort at saving. She has a checking account and a debit card, but no credit cards. Her expenses include her food, transportation, and clothes. She relies quite a bit on her parents, but hates to ask them for money. Her boyfriend of three years pays for most of her social activities.

SEED Program Experiences. Saving in her SEED account has been challenging for Angela. She was initially drawn to SEED because she was familiar with Juma Ventures and trusted the agency. Also, she thought that the SEED account could help her to finance at least a year of college. Angela was able to save $5 for each of the first two months of participation. After that, she would forget to put in deposits, and found that she didn't have extra money after expenses. Angela describes herself as somewhat disorganized and overwhelmed by all of the tasks she faces as a young adult. As an example, she notes that she hasn't gotten the graduation benchmark from Juma even though she has graduated, simply because she keeps forgetting to send in her diploma. She has been too busy and overwhelmed to complete the Moneyskills classes, even though she knows she would earn additional benchmark incentives if she finished them. She doesn't feel comfortable asking others for money to deposit into her account. Her lack of resources, combined with the "forgetfulness" that seems to be directly related to her busy schedule and long commute, have prevented Angela from accumulating much money in her SEED account.

Perceived Effects and Future Plans. Angela describes SEED as very important to her, because it represents an opportunity to finish college. She states that she will feel badly about herself if she doesn't take full advantage of this chance given to her by Juma. She thinks completing the program would make her feel happy with herself and more responsible. Angela doesn't think that SEED will change her behavior or outlook beyond helping her feel better about herself if she is able to be successful in the program. This kind of change may be significant in Angela's life. She is worried about the future, noting that she doesn't feel confident about graduating from college, or being able to support her self as an independent adult. Further, she knows that she lacks confidence and wonders if she is "smart enough" to succeed.

Discussion

While no conclusive findings can be drawn from a small sample of diverse youth participating in a pilot study, the profiles in this report provide an early glimpse of the various resources, motivations, and social contexts experienced by SEED participants in one program. This brief discussion section offers some thoughts about the tentative themes and categories for coding that have emerged thus far from analysis of the pilot interviews. A preliminary list of coding categories under consideration for use in analysis of the larger set of in-depth interviews with SEED youth is in the Appendix.

Factors that facilitate savings and factors that obstruct savings. As youth participants discussed their family and social backgrounds, and their involvement in SEED, factors that either facilitate or obstruct saving began to emerge. First, youth whose families have low financial resources find saving more challenging. This might seem obvious, but the literature on saving has been conflicted about the extent to which savings is a function of income, with an early IDA study finding that income has only a small effect on the amount of savings participants accumulate (Schreiner, Clancy & Sherraden, 2002). However, the youth participating in the SEED qualitative interview pilot study have indicated that low resources make savings very difficult. Youth who do not receive money from parents or extended family members, and whose employment histories are part-time and frequently interrupted, simply do not have much money to deposit into their SEED accounts.

This is complicated by a second, related factor involving personal expenses. Low-saving youth tend to have greater responsibilities for daily expenses such as transportation, clothing, food, and cell phones, while higher saving youth report that those expenses are covered by parents or other caregivers. Both themes are supported by earlier work which indicates that amount of allowance and spending habits were the most significant predictors of saving among British youth (Furnham, 1999).

Family structure and relationships also seem to be emerging as significant factors related to saving. Youth from two parent families seem to be more able to save. It may be that dual parent family status is a proxy for income. In other words, dual parent families routinely earn more than single parent families and may thus be able to help their children make deposits. But a second trend also appears to be operating; youth who have more positive relationships with their parents seem more motivated to make deposits into their SEED accounts. While six cases can not be the basis for conclusions, in these initial interviews, the higher saving youth report closer, less conflictual relationships with parents. Also noteworthy is that, when questioned about family, most participants chose to discuss only nuclear family relationships. While we expected many youth at Juma to discuss extended family, and probed for such responses, most respondents do not appear to rely heavily on relationships with such family members and do not report much assistance with saving from extended family.

Program characteristics also appear to be significant facilitators of saving. Participants mentioned that they were motivated by several features of IDA program design. First, the match rate motivates participants to save as the return on investment is far greater than they can earn anywhere else, and the return is realized much more quickly. The inaccessibility of their money is also a facilitator. As one respondent said "…this way, I can't touch the money, so I am not tempted to spend it." Finally, direct deposit is extremely helpful for youth who report that they don't notice the money leaving their paychecks or checking accounts, and this makes forgoing consumption feel as though it is less of a sacrifice. Low and high savers responded similarly to questions about the SEED program design, although neither of the low savers used direct deposits, perhaps indicating its usefulness as a savings tool. Overall, the kinds of institutional structures emphasized by Sherraden, Schreiner, and Beverly (2003) appear to be emerging in this study as facilitators of saving.

Perceived effects of SEED and saving. Questions regarding effects of saving initially puzzled some respondents, who appeared to have difficulty understanding why interviewers asked whether holding a savings account had changed their behaviors or attitudes. Upon probing, most respondents responded with statements that suggest they value the account for what it represents to them in terms of their plans for using the account such as buying a computer or paying for college.

Others use language that suggests that the SEED program *has* increased their self worth by making them feel proud of themselves for being "responsible." Some responses indicate that youth see their accounts as enhancing their hopefulness about the future, particularly as it relates to being able to attend college. That is, the hope seems to arise from their ability to pay for tuition and enhance their life opportunities. These findings have also been reported earlier in the asset-development literature (Rohe & Stegman, 1994; Sherraden, et al, 2005). No respondent indicated that relationships with family changed as a result of their accounts, or that SEED increased the likelihood that they would talk to family members about saving. Similarly, no one saw themselves as more involved in community or neighborhood as a result of their SEED participation.

The Juma youth who participated in the pilot study bring different familial, economic, educational, social, and occupational experiences with them that shape their capacities to effectively save and benefit from the program. Analysis of the data from the full sample of 30 youth will provide us with a greater understanding of youth perceptions of factors that influence savings, views on the impact of SEED participation, and hopes and aspirations for the future.

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Appendix

Emerging Coding Categories for Qualitative Analysis

<u>Facilitators of Saving / Barriers to Saving</u>

- Family financial resources
- Youth expenses
- Family structure
- Family relationships
- Match rate
- Inaccessibility of money
- Direct deposit

<u>Perceived Effects / No Perceived Effects of SEED</u>

- Self-esteem
- Hopefulness about future
- Family relationships
- Community involvement
- Attitudes
- Behaviors