

**The United Way of Greater St. Louis  
Individual Development Account Pilot Program  
Research Report**

August 2002

Center for Social Development  
George Warren Brown School of Social Work  
Washington University in St. Louis

# **The United Way of Greater St. Louis Individual Development Account Pilot Program Research Report**

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**August 2002**



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## Preface and Acknowledgements

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Without research, we cannot learn whether Individual Development Accounts (IDAs) are successful, for whom, and under what program circumstances. This analysis of the United Way of Greater St. Louis IDA Pilot Program includes individual and institutional characteristics, so we can say something about both IDA programs and IDA participants in relation to savings performance in IDAs.

We would like to express our appreciation to Wray Clay and Kathy Gardner at the United Way of Greater St. Louis, for introducing IDAs to the St. Louis area, and to Amy Stringer and Grant Porteous for leading the IDA Pilot Program. We are grateful to the host organizations in St. Louis and to the staff who run the IDA programs. For this report, host organization staff used the Management Information System for Individual Development Accounts (MIS IDA) and spent considerable time working with the United Way and the Center for Social Development (CSD) on quality control of data. Their time and effort made this report possible.

At CSD, I am grateful to Margaret Clancy, who managed the project and worked with IDA staff to ensure quality of the data; Mark Schreiner, who led the analysis; and Jenny Kraus who assembled chapters of this report. In analytical approach and format, this report borrows considerably from our latest research report on the American Dream Demonstration (Schreiner et al., 2001).

This is the first systematic study of IDAs sponsored by a United Way organization. As such it offers a somewhat different perspective than the first national study of IDAs, the American Dream Demonstration. Hopefully, more IDA programs at United Ways and elsewhere will be studied in the future to increase knowledge about IDAs and guide program design and public policy.

Michael Sherraden, Director  
Center for Social Development

# Executive Summary

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This is the first systematic study of an Individual Development Account (IDA) program sponsored by a United Way. IDAs are special savings accounts wherein savings are matched for the poor.

While saving is not easy for anyone, it is more difficult for the poor because they have few resources relative to subsistence requirements and they lack access to some public-policy mechanisms, such as tax-benefited retirement accounts, that subsidize saving.

IDAs are designed to increase savings incentives for the poor. Savings in IDAs are matched if used for home ownership, post-secondary education, microenterprise, or other asset uses. Participants also receive financial education and support from IDA staff.

Do IDAs work? Data from this study on the United Way of Greater St. Louis IDA Pilot Program suggest that the poor can save and accumulate assets in IDAs:

- Average monthly net deposits per participant were \$18.87.
- The average participant saved 37 percent of the monthly savings target (matchable amount).
- The average participant made a deposit in 7 of every 12 months.
- With an average match rate of 1.43, participants accumulated about \$550.25 per year in IDAs.

## **The UW IDA Pilot Program**

The United Way of Greater St. Louis, in partnership with community-based implementing organizations and key technical assistance providers, implemented an IDA Pilot Program (UW IDA Pilot Program) to explore one way in which to build assets in low-income households and communities. The UW IDA Pilot Program design was based on nationwide best practices in addition to input from local implementing organizations and technical assistance providers.

## **Data**

This research report contains quantitative data on the UW IDA Pilot Program and participants collected from the Management Information System for Individual Development Accounts (MIS IDA), a system designed and supported by the Center for Social Development at Washington University in St. Louis.

## Participation in the UW IDA Pilot Program

**Enrollment.** A *participant* is defined as someone who enrolled in the program and who had an account statement in MIS IDA. Enrollment in the UW IDA Pilot Program began in June 1999 and as of December 31, 2001 the program had 514 participants.

**Exit.** *Exits* are defined as participants who leave an IDA program without having taken a matched withdrawal. About 13 percent of participants had exited without a matched withdrawal. Thus, as of December 31, 2001, 87 percent of participants were active, although 18 percent had zero or negative net deposits but had not been marked as exited.<sup>1</sup> These and other outcomes will change over time.

## Participant Characteristics

Overall, participants are mostly “working poor” because the UW IDA Pilot Program targets this group. This targeting is probably a large part of the explanation for the high level of education in the UW IDA Pilot Program and for the high proportion of people who had a bank account at enrollment.<sup>2</sup> Among the “working poor,” participants in the UW Pilot Program are more disadvantaged in that they are disproportionately female, never-married, and with children.

**Gender.** There were more females (83 percent) than males (17 percent).

**Age.** The average age at enrollment was 35, with a low of 16 and a high of 67.

**Race/ethnicity.** Participants identified themselves as African-American (81 percent), Caucasian (16 percent), Native American (1 percent), or “other” (1 percent).

**Household type.** Household types were distributed as follows: one adult with children (46 percent), one adult without children (12 percent), two or more adults with children (32 percent), and two or more adults without children (9 percent).

**Education.** The highest grade completed corresponded to less than a high-school diploma (16 percent), a high-school diploma or GED (26 percent), some college but no degree (39 percent), a 2-year college degree (6 percent), a college degree with 2-year or 4-year unspecified (1 percent), or a 4-year college degree or more (12 percent). Most participants (58 percent) attended some college.

**Employment status.** Participants were employed full-time (69 percent), employed part-time (15 percent), unemployed (2 percent), not working (3 percent), a student but not working (1 percent), or a student and working (11 percent). *Not working* includes homemakers, the retired, and the disabled. *Unemployed* includes people who were laid-off and awaiting a call-back or who were seeking employment. Almost 95 percent of participants worked or were students.

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<sup>1</sup> At December 31, 2001, the organization with the largest number of participants had not marked any participant as exited.

<sup>2</sup> Participant characteristics are measured at enrollment.

**Self-employed.** Some participants had a business or self-employment income (7 percent).

**Income/poverty level.** On average in the UW IDA Pilot Program, household income divided by the family-size-adjusted poverty guideline was 115 percent.<sup>3</sup> About 88 percent of participants were under 200 percent of the poverty line.

**Welfare status.** About half of the participants had formerly received AFDC/TANF (51 percent), and some currently receive TANF (7 percent).

**Received SSI/SSDI.** Some participants received Supplemental Security Income or Supplemental Security Disability Insurance (8 percent).

**Received food stamps.** Some participants received food stamps (20 percent). Altogether, 55 percent of participants with non-missing data had received TANF, SSI/SSDI, and/or food stamps at enrollment or before.

**Passbook savings account.** In addition to the IDA, some participants had a passbook savings account (46 percent).

**Checking account.** The majority of participants had a checking account (70 percent). About 37 percent had both a passbook savings account and a checking account. About 80 percent had at least one of the two types of savings accounts, so 20 percent were “unbanked.”

**Direct deposit.** Some participants used direct deposit into the IDA (16 percent).

**Home ownership.** One-third of participants owned a house (33 percent).

**Vehicle ownership.** Over two-thirds owned a vehicle (69 percent).

**Health-insurance coverage.** Over two-thirds of participants had private health insurance or Medicaid (69 percent).

**Life-insurance coverage.** Slightly more than half of participants had life insurance (56 percent).

### **Savings Outcomes in the UW IDA Pilot Program**

Following are the savings outcomes for the UW IDA Pilot Program as of December 31, 2001:

**Gross deposits.** The average participant had participated for 13.3 months and had gross deposits of \$32.97 per month (\$489 total).

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<sup>3</sup> These data omit cases for which total household income is missing.

**Unmatched withdrawals.** About 43 percent of participants made unmatched withdrawals. For participants who made unmatched withdrawals, the average number was 3.6, and the amount removed was \$311.

**Net deposits.** *Net deposits* are defined as deposits plus interest (net of fees) minus unmatched withdrawals. Aggregate net deposits in the UW IDA Pilot Program were \$142,538. Average net deposits for all participants were \$277.

The match dollars that corresponded to net deposits was \$203,320. If all net deposits were used in matched withdrawals, total asset accumulation would be \$345,858. With exits included, this was \$673 per participant; with exits excluded, it was \$777 per participant.

**Average monthly net deposit.** The *average monthly net deposit* (AMND)—defined as net deposits divided by months of participation—was \$18.87. Median AMND was \$10.01. AMND for the 363 participants with positive net deposits at December 31, 2001 was \$26.84. With a match rate of 1.43:1, the average participant in the United Way IDA had accumulated about \$45.85 per month.

**Matched withdrawals.** Approximately 13 percent of the IDA UW Pilot Program participants had a matched withdrawal as of December 31, 2001. The average value of a matched withdrawal per participant with a matched withdrawal was \$651, and the average value of the matched withdrawal plus match per participant was \$1,501. The majority (46%) of matched withdrawals were used for home repair, followed by home purchase (21%).

As of December 31, 2001, 87 percent of the UW IDA Pilot Program participants had not made a matched withdrawal. Of these, 41 percent reported that they intend to buy a home and 22 percent intend to spend it on home repair. Twelve percent each intend to use their IDA for post-secondary education, microenterprise, and car purchase.

**Net deposits as a percentage of the pro-rated match cap.** On average, participants had net deposits of 36 percent of the monthly savings target. At this pace, they will use 36 cents of every dollar of match eligibility.

**Deposit frequency.** On average, participants made a deposit in approximately 7 months per year. Some evidence (Schreiner et al. 2001) suggests that frequent depositors accumulate more savings than infrequent depositors.

**Savings rate.** On average, AMND was 2.2 percent of monthly income (median 0.7 percent).

## **Program and Participant Characteristics and Savings Outcomes**

The following summarized results are derived from multivariate regressions and control for a wide range of program and participants characteristics.



**Match rate.** A central feature of IDAs is the match rate. In regression analysis, a 2:1 match rate was associated with about \$7.00 higher AMND than a match rate of 1:1.

**Gender.** Gender had no statistically significant link with savings.

**Race/ethnicity.** Compared to non-African Americans, AMND was about \$6.00 less for African-Americans. These differences were not due to race/ethnicity *per se* but rather to a constellation of socially produced factors correlated with both race/ethnicity and savings.

**Education.** Compared to those who did not graduate from high school, AMND was \$7.80 and \$8.60 higher for college attendees or 4-year college graduates, respectively.

**Employment.** Employment status (a distinction consisting of full-time and part-time workers, the unemployed, and students) was not significantly associated with savings performance; however, self-employment was associated with saving performance. AMND was \$11 higher for those participants self-employed in a microenterprise compared to those who were not self-employed.

**Receipt of public assistance.** About 55 percent of participants in the UW IDA Pilot Program had received some form of public assistance at enrollment or before. Neither current nor former receipt of public assistance was associated with AMND.

**Income.** The average monthly income compared to the poverty level in the UW IDA Pilot Program was 115 percent (median 104 percent). Income was not associated with AMND. Participants with lower incomes saved at a higher rate (AMND/monthly income).

**Asset ownership.** Ownership of a checking account or a car had no statistically significant link with AMND; however, having a higher passbook savings balance was associated with a slight increase in AMND.

In general, the savings outcome results in the UW IDA Pilot Program are encouraging. At the outset, the median net worth (assets minus liabilities) of participants was \$125. After an average of 13.3 months in the IDA program, they had accumulated assets (savings plus match) of more than \$673. Most said they wanted to purchase or renovate a home. If participants carry out these plans, the greatest impact of the UW IDA Pilot Program may be in enhancing homeownership.

Initial findings from the UW IDA Pilot Program will raise questions, spark debate, and inform IDA practice in St. Louis and elsewhere. The goal of this study is to build knowledge about how IDA programs can be more inclusive, successful, and generate greater benefits.

# **1. IDAs and the United Way of Greater St. Louis**

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A decade ago, Sherraden (1991) suggested that anti-poverty policy should promote not just income and consumption, but also savings and investment. The theory was that the poor could save and accumulate assets if they had opportunities and incentives to do so. Sherraden proposed progressive asset-building policy in the form of Individual Development Accounts (IDAs).

## **Individual Development Accounts**

IDAs are subsidized savings accounts. Unlike other subsidized savings accounts such as Individual Retirement Accounts (IRAs) or 401(k) plans, IDAs are targeted to the poor, provide subsidies through matches rather than through tax breaks, and require participants to attend financial education. Participants accrue matches as they save for purposes which build assets that increase long-term well-being and financial self-sufficiency. Examples of matched uses of withdrawals include home purchase, post-secondary education, and microenterprise. Funds may come from public or private sources, and funding partnerships are common. IDAs are a conceptually simple community-development and public-policy tool that may be adapted to a wide range of applications and circumstances.

Research was built into the design of IDAs in the United States (Sherraden *et al.*, 1995). The first large-scale, national test of IDAs is the American Dream Demonstration (ADD). Over the course of the four-year demonstration, CSD has produced monitoring reports of the ongoing ADD research. The most recent results are in Schreiner *et al.*, 2001. Recognizing the importance of evaluation, the United Way of Greater St. Louis included research in their IDA plans. Chapter 5 of this report compares research results for the United Way of Greater St. Louis IDA Pilot Program with ADD.

## **The United Way of Greater St. Louis**

The United Way of Greater St. Louis, in partnership with community-based implementing organizations and key technical assistance providers, implemented an IDA Pilot Program (UW IDA Pilot Program) to explore one way in which to build assets in low-income households and communities. The UW IDA Pilot Program design was based on nationwide best practices in addition to input from local implementing organizations and technical assistance providers.

In 1998, the United Way of Greater St. Louis committed funds to match participant savings and to support program operation. In 1999, the United Way was awarded a federal grant through the Assets for Independence Act (AFIA).

This research report contains quantitative data on the UW IDA Pilot Program and participants collected from the Management Information System for Individual Development Accounts (MIS

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IDA), a system designed and supported by the Center for Social Development at Washington University in St. Louis.

This report contains data for five organizations in the UW IDA Pilot Program:

- Beyond Housing
- Justine Petersen Housing and Reinvestment Corporation
- SSDN
- The Urban League of Metropolitan St. Louis
- East-West Gateway Coordinating Council

Three additional organizations, Beaumont High School, Catholic Commission on Housing, and Services Toward Empowering People, Inc. were part of the UW IDA Pilot Program but their IDA programs were not as strong, and their data were not available for analysis.

Organization staff members record three types of data in MIS IDA:

- Demographic and socio-economic data on participants at enrollment.
- Monthly IDA cash-flow data from account statements.
- Intermittent events such as attendance at financial-education classes or program exit.

Appendix B provides saving and demographic information by organization.

### Program Characteristics

All UW IDA Pilot Program organizations follow the same general program rules and procedures. The following information summarizes the structure and characteristics of the program.

#### Account Structure

**Savings time frame.** Participants may establish IDA accounts up to three years in length. The minimum length of time a participant may save and still be eligible for match is determined by the successful completion of general and specific economic education, estimated to take six to nine months.

**Match rate.** The match rate is 1:1 for accounts supported solely by the United Way and 2:1 for those supported by the United Way and AFIA.

**Monthly savings target.** Savings of up to \$600.00 per year are eligible to be matched. Participants may save between \$10-\$50 per month toward the purchase of their identified asset. If a participant saves at the maximum rate for a total of three years, the lifetime match cap is \$1,800 plus interest.

**IDA accounts.** Participants deposit matchable dollars in an IDA bank savings account established in his or her name. These accounts are located at a bank selected by each implementing organization for the UW IDA Pilot Program.

### **Matchable Uses**

Pilot program participants may save for homeownership related costs, including purchase, maintenance, repair, or improvement; starting or supporting a microenterprise; purchasing education or job training for self or a dependant; or, buying a car needed to access a family supporting job. Federal AFIA funds may not be utilized to purchase a car or repair a home.

### **Participants**

Enrollment in the UW IDA Pilot Program began in June 1999 and as of December 31, 2001 the program had 514 participants.

**Eligibility.** Participants in the IDA pilot should have incomes no greater than 200 percent of poverty level guidelines or 80 percent of median household income.

### **Financial Education**

Besides matches, a key feature of IDAs is required financial education. Financial education in the UW IDA Pilot Program took two forms, general and asset-specific. The general financial education included topics such as credit/debt management, budgeting, credit repair, borrowing, and personal financial planning. Asset-specific education dealt with the purchase and management of assets with the proceeds of IDA savings and matches. For example, education for home purchase often involved one-on-one counseling to ensure that the participants can demonstrate creditworthiness and potential future income sufficient to repay debt.

## 2. Participant Characteristics

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This chapter describes characteristics of the 514 participants in the United Way IDA Pilot Program as of December 31, 2001.

A *participant* is defined as an enrollee with at least one account statement in MIS IDA. This excludes enrollees who never opened an account and enrollees who opened an account but who did not have an account statement in MIS IDA by December 31, 2001. It includes enrollees who have account statements but who have exited without a matched withdrawal.

Participant characteristics are measured at enrollment. The characteristics of participants in the UW IDA are defined and summarized below and in Table 2.1.

### Participant Characteristics

#### Demographics

**Gender.** There were more females (83 percent) than males (17 percent).

**Age.** The average age at enrollment was 35, with a low of 16 and a high of 67.

**Race/ethnicity.** Participants identified themselves as African-American (81 percent), Caucasian (16 percent), Native American (1 percent), or “Other” (1 percent).

#### Household Composition

**Marital status.** Participants were never-married (62 percent), married (16 percent), divorced or separated (20 percent), or widowed (1percent).<sup>1</sup>

**Household type.** Household types were distributed as follows: one adult with children (46 percent), one adult without children (12 percent), two or more adults with children (32 percent), or two or more adults without children (9 percent). Forty-four percent of participants are single mothers with children.<sup>2</sup>

**Children.** The average number of children was 1.7, and most households (79 percent) have at least one child.

**Adults.** The average number of adults was 1.5, and 58 percent of households have only one adult.

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<sup>1</sup> Marital status is missing for 1 percent of participants who say that they are married but who report only one adult in the household.

<sup>2</sup> The number of adults is missing for the 1 percent of participants who say that they are married but report one adult in the household.

Table 2.1 Participant Characteristics (N = 514)

Demographic		Household Composition <i>continued</i>		Financial <i>continued</i>	
<b>Gender</b>		<b>Adults in Household</b>		<b>Receipt of AFDC/TANF</b>	
Female	83	1	58	Formerly	51
Male	17	2	32	Currently	7
<b>Age</b>		3	7	<b>Received SSI/SSDI</b>	
13 to 19	8	4	3	Yes	8
20s	24	Missing	1	No	89
30s	38	<b>Education and Employment</b>		Missing*	4
40s	23	<b>Education</b>		<b>Received Food Stamps</b>	
50s	6	Did not Complete High School	16	Yes	20
60 to 72	2	Completed High School or GED	26	No	75
<b>Race/Ethnicity</b>		Attended College	39	Missing*	4
African American	81	Completed 2-year Degree	6	<b>Bank Account</b>	
Asian American or Pacific Islander	0	Completed Unspecified Degree	1	Passbook Savings Account	46
Caucasian	16	Completed 4-year Degree or more	12	Checking	70
Hispanic	0	<b>Employment</b>		Both	37
Native American	1	Employed Full-time	69	Either	80
Other	1	Employed Part-time	15	<b>Direct Deposit to IDA Account</b>	
<b>Household Composition</b>		Unemployed	2	Yes	16
<b>Marital Status</b>		Not Working	3	No	81
Never Married	62	Student, not Working	1	Missing*	3
Married	16	Student, also Working	11	<b>Health-Insurance Coverage</b>	
Divorced or Separated	20	<b>Self-employed</b>		Yes	69
Widowed	1	Yes	7	No	27
Missing	1	No	93	Missing*	4
<b>Household Type</b>		<b>Financial</b>		<b>Life-Insurance Coverage</b>	
One Adult with Children	46	<b>Income/Poverty (%)</b>		Yes	56
One Adult without Children	12	0 to 49	17	No	40
Two or more Adults with Children	32	50 to 74	14	Missing*	4
Two or more Adults without Children	9	75 to 99	16	<b>Relationship with Host or Partner Organization</b>	
<b>Children in Household</b>		100 to 124	13	<b>Previous Relationship with Host Organization</b>	
0	21	125 to 149	12	Yes	59
1	26	150 to 174	8	No	41
2	27	175 to 199	7	<b>Referred by Partner Organization</b>	
3	17	200 to 686	11	Yes	27
4	6	Missing	3	No	73
5 or more	3				

## Education and Employment

**Education.** The highest grade completed corresponded to less than a high-school diploma (16 percent), a high-school diploma or GED (26 percent), some college but no degree (39 percent), a 2-year college degree (6 percent), a college degree with 2-year or 4-year unspecified (1 percent), or a 4-year college degree or more (12 percent). Most participants (58 percent) attended some college.

**Employment status.** Participants were employed full-time (69 percent), employed part-time (15 percent), unemployed (2 percent), not working (3 percent), a student but not working (1 percent), or a student and working (11 percent). *Not working* includes homemakers, the retired, and the disabled. *Unemployed* includes people who were laid-off and awaiting a call-back or who were seeking employment. About 95 percent of participants worked or were students.

**Self-employed.** Some participants had a business or self-employment income (7 percent).

## Financial

**Income.** Mean monthly household income of participants in the UW Pilot Program was \$1,425 (figure 2.1). In annual terms, the mean is \$17,100.

**Income/poverty level.** On average in the UW IDA Pilot Program, household income divided by the family-size-adjusted poverty guideline was 115 percent (figure 2.2).<sup>3</sup> About 88 percent were under 200 percent of the poverty line.

**Net worth.** Mean net worth (total assets minus total liabilities) of participants was \$1,359 (figure 2.3).

**Welfare status.** About half of the participants had formerly received AFDC/TANF (51 percent), and some currently receive TANF (7 percent).

**Received SSI/SSDI.** Some participants received Supplemental Security Income or Supplemental Security Disability Insurance (8 percent).

**Received food stamps.** Some participants received food stamps (20 percent). All together, 55 percent of participants with non-missing data had received TANF, SSI/SSDI, and/or food stamps at enrollment or before.

**Passbook savings account** In addition to the IDA, some participants had a passbook savings account (46 percent).

**Checking account.** The majority of the participants had a checking account (70 percent). About 37 percent had both a passbook savings account and a checking account. About 80 percent had at least one of the two types of savings accounts, so 20 percent were “unbanked.”

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<sup>3</sup> These data omit cases for which total income is missing.

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**Direct deposit.** Some participants used direct deposit into the IDA (16 percent).

**Home ownership.** One-third of participants owned a house (33 percent).

**Vehicle ownership.** Over two-thirds owned a vehicle (69 percent).

**Health-insurance coverage.** About two-thirds of participants had private health insurance or Medicaid (69 percent).

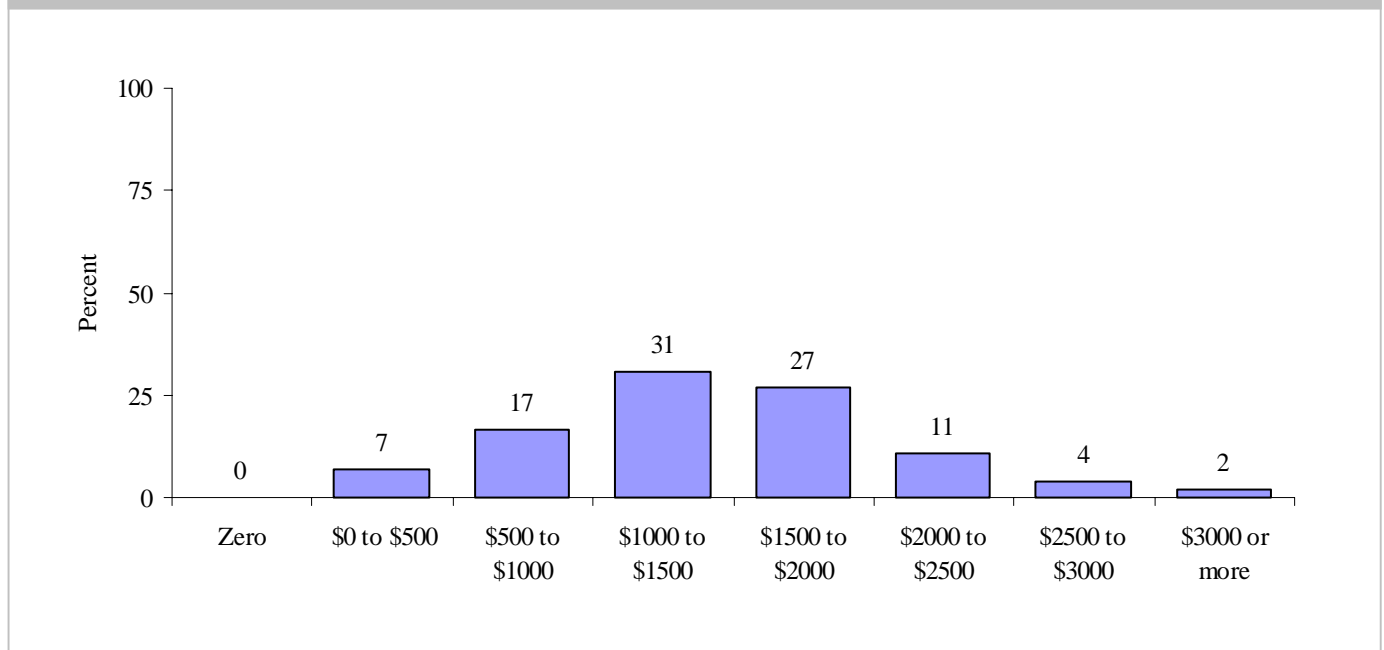
**Life-insurance coverage.** More than half of participants had life insurance (56 percent).

### Relationship with Host Organization or Partner Organizations

**Previous relationship with host organization.** Many participants had received services from the host before the IDA program (59 percent).

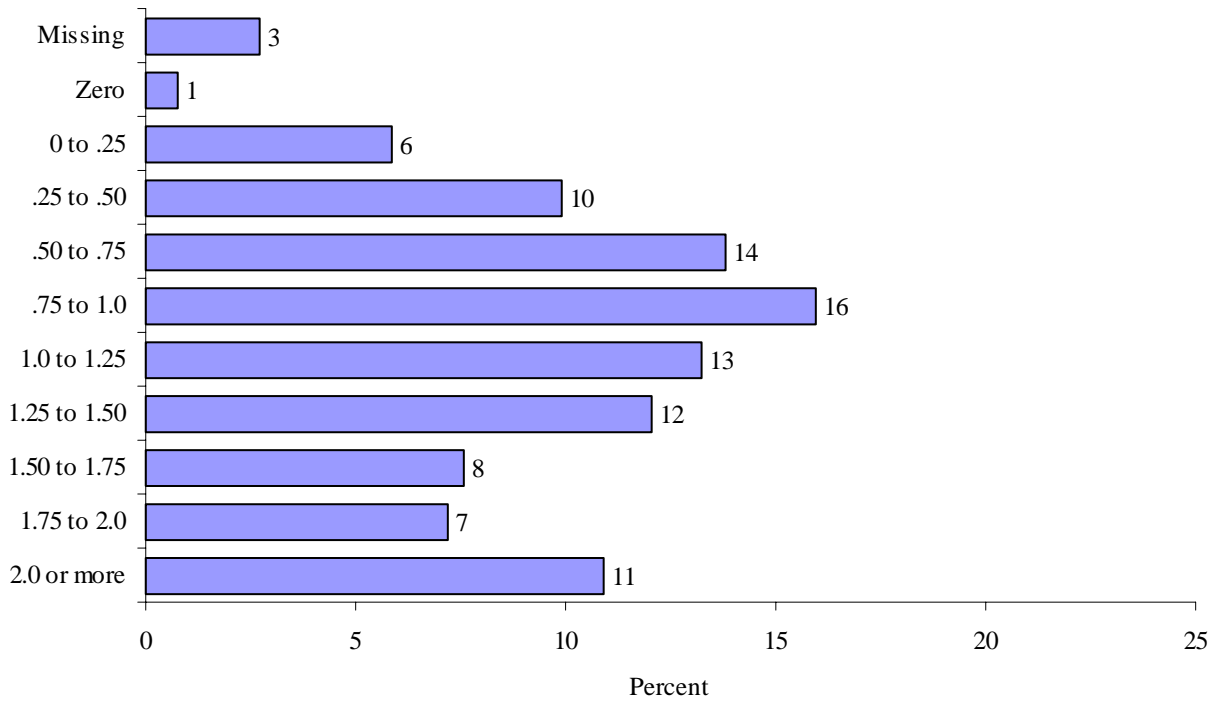
**Referred by partner organization.** Some participants were referred to the IDA program by a partner organization (27 percent).

**Figure 2.1 Distribution of Monthly Income for UW IDA Participants**

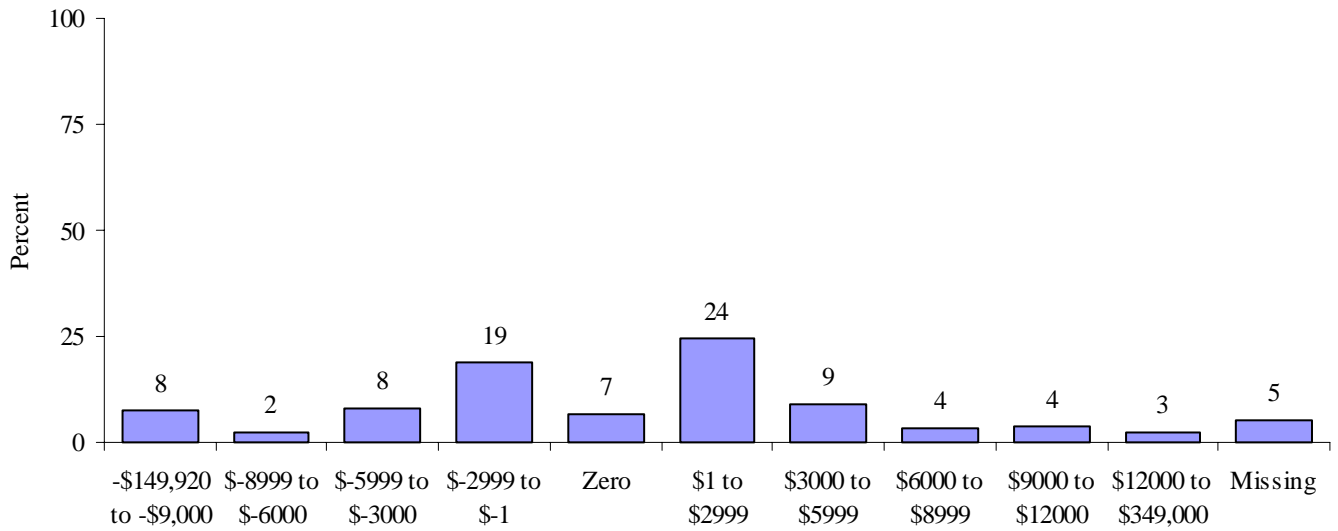




**Figure 2.2 Distribution of Income/Poverty for the UW IDA Participants**



**Figure 2.3 Distribution of Net Worth for UW IDA Participants**



### **3. Enrollments, Deposits, Withdrawals, and Saving Outcomes**

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This chapter presents data from the UW IDA Pilot Program through December 31, 2001, on enrollments, deposits, unmatched withdrawals, matched withdrawals, and the uses of matched withdrawals. These aggregate outcomes matter not only because they suggest how people save in IDAs but also because they may inform efforts to expand access to IDAs. For example, financial intermediaries that might hold IDAs would want to know the likely number, frequency, and size of deposits and withdrawals. Likewise, new IDA programs may use the figures to plan and to set benchmarks.

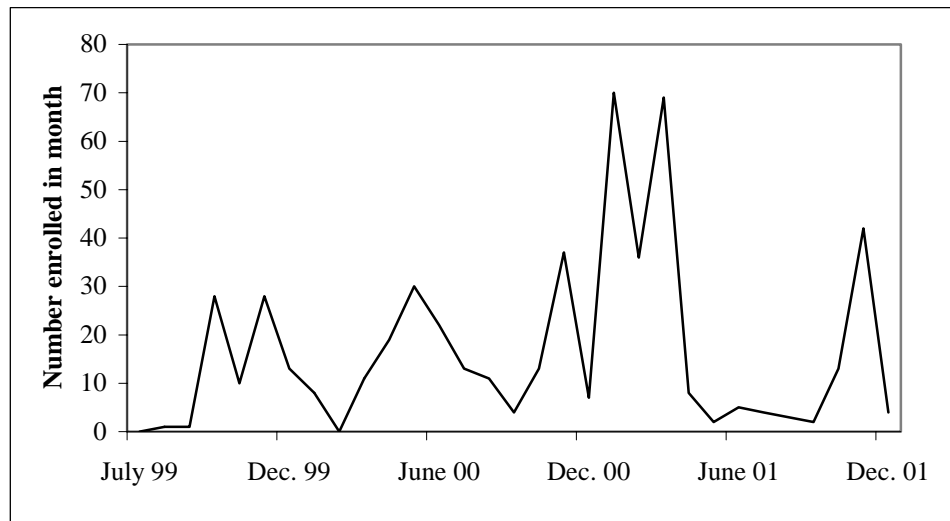
MIS IDA records the following information and savings outcomes for the UW IDA Pilot Program as of December 31, 2001:

- UW IDA has enrolled 514 participants.
- Sixty-eight participants, or 13 percent, had made matched withdrawals.
- About 43 percent of participants had made unmatched withdrawals from matchable balances.
- Net deposits were \$277 for the average participant.
- Net deposits plus match were \$673 per participant.
- Average monthly net deposits per participant were \$18.87 (\$26.84 for the 363 participants with positive net deposits). With an average match rate of 1.43, participants accumulated about \$550.25 per year in IDAs.
- The average participant made a deposit in 7 of 12 months.
- The average participant saved 36 percent of the monthly savings target.
- The savings rate for the average participant was 2.2 percent.

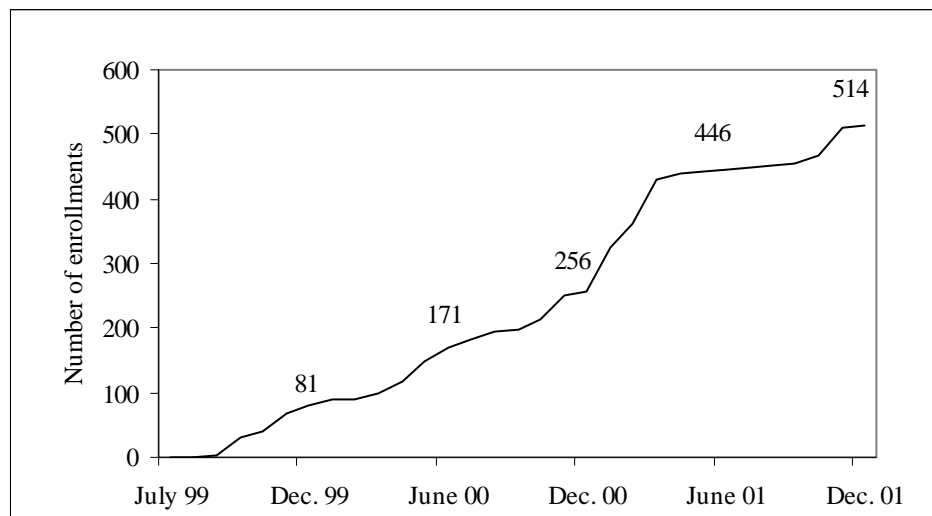
#### **Enrollments**

The UW IDA Pilot Program enrolled approximately half of its participants (258), in 2001 (Figure 3.1). As of June 30, 2000, the cumulative enrollment was 171 and by June 30, 2001, 446 participants were enrolled (Figure 3.2).

**Figure 3.1 Enrollments in the UW IDA (Monthly)**

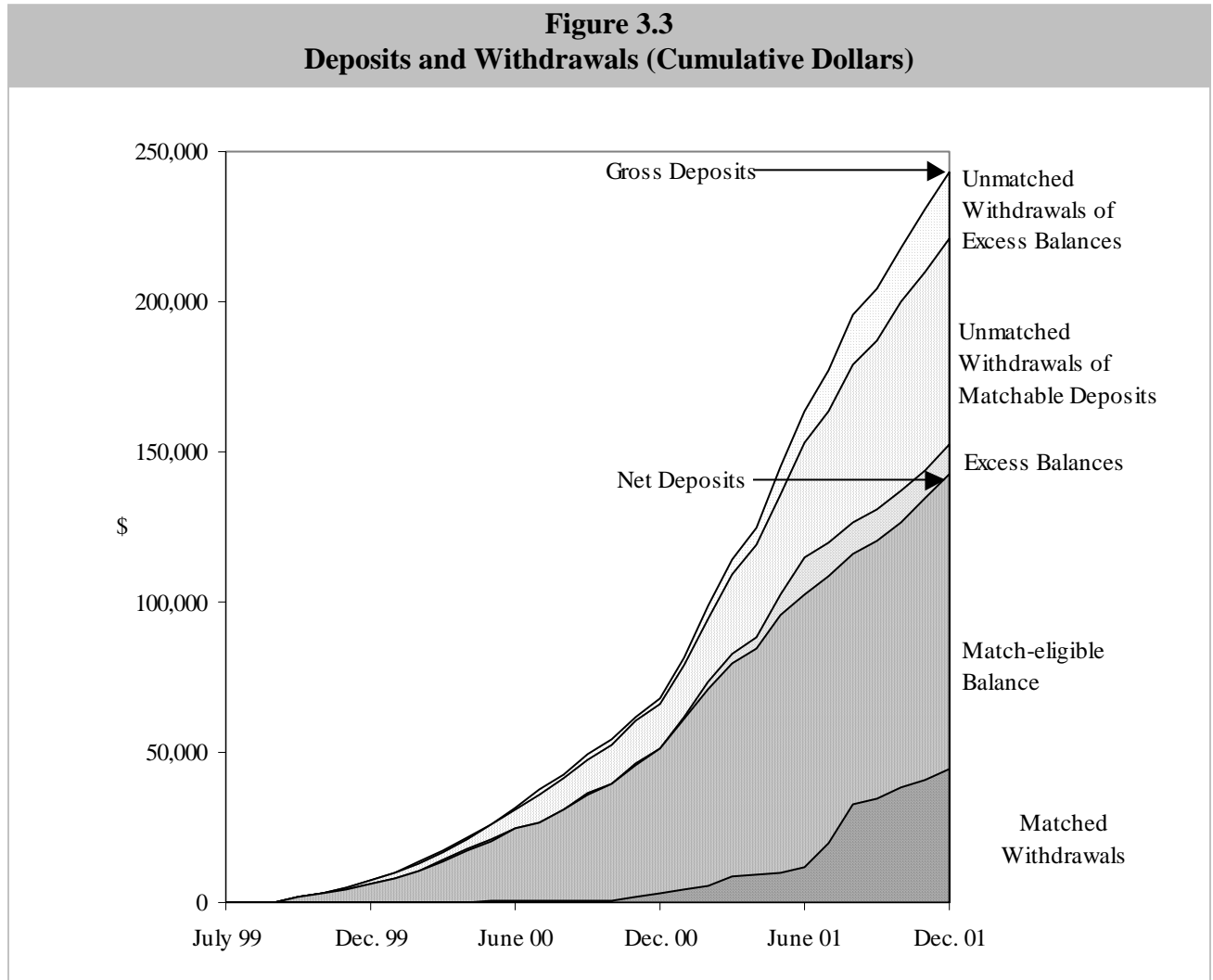


**Figure 3.2 Enrollments in the UW IDA (Cumulative)**



## Deposits

Net deposits in IDAs result from a number of types of cash flows, both deposits and withdrawals. Figure 3.3 depicts cumulative deposits and withdrawals in the UW IDA Pilot Program through December 31, 2001.



*Gross deposits* are defined as cash flows into an IDA, including the interest net of bank fees. As of December 31, 2001, cumulative gross deposits by the 514 participants in the UW IDA Pilot Program were \$243,266 (Figure 3.3 and Table 3.1). All of the participants but seven had made a deposit, and the gross deposit per participant was \$489. The average length of participation was 13.3 months, and the average number of months per year with a deposit was 7 (deposit frequency was 58 percent). Gross deposits per month in all months were \$32.97. Excluding months without deposits, gross deposits per month were \$54.84.

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*Total unmatched withdrawals* are defined as cash flows out of an IDA back to a participant that are not matched. As of December 31, 2001, cumulative unmatched withdrawals in the UW IDA Pilot Program were \$90,930 (Table 3.1).

Table 3.1 Deposits, Withdrawals, and Matches (Cumulative)				
Type of cash flow	Amount		Match	Amount plus Match
Gross deposits		243,266		
Unmatched withdrawals of excess deposits	22,138			
Unmatched withdrawals of matchable deposits	68,792			
Total unmatched withdrawals		(90,930)		
Excess balances		(9,797)		
Net deposits		142,538	203,320	345,858
Match-eligible balance	98,288		145,503	243,792
Matched withdrawals	44,250		57,817	102,067

Total unmatched withdrawals have two components: unmatched withdrawals of excess balances, and unmatched withdrawals of matchable balances.

*Unmatched withdrawals of excess balances* are defined as withdrawals of balances in excess of the match cap. There is no loss of a potential match because excess balances are not matchable. Through December 31, 2001, cumulative unmatched withdrawals of excess balances in the UW IDA Pilot Program were \$22,138 (Figure 3.3 and Table 3.1). About 6 percent of participants made, on average, 1.7 withdrawals of this type, and the average withdrawal was worth \$452 (total \$763; table 3.6).

*Unmatched withdrawals of matchable balances* are defined as cash flows out of an IDA back to a participant that could have been matched but were withdrawn for a non-matchable use. There is a loss of a potential match. As of December 31, 2001, cumulative unmatched withdrawals in the UW IDA Pilot Program were \$68,792 (Table 3.1). Forty three percent of the participants made these withdrawals (table 3.6). This group has 3.6 withdrawals per participant, each with an average value of \$87 (total \$311).

*Excess balances* are defined as balances in excess of the match cap.<sup>1</sup> As of December 31, 2001, excess balances in the UW IDA Pilot Program were \$9,797 (Figure 3.3 and Table 3.1). About 6 percent of participants had excess balances, and the average value for this group was \$306.

<sup>1</sup> For participants with annual match-cap structures, the total match cap increases with each year of participation, so excess balances in month 12 or 24 may become matchable in month 13 or 25.

*Net deposits* are defined as matchable balances, that is, gross deposits minus total unmatched withdrawals. As of December 31, 2001, cumulative net deposits in the UW IDA Pilot Program were \$142,538 (Figure 3.3 and Table 3.1).

The average match rate per dollar of net deposits was 1.43:1, so the match that corresponded to net deposits was \$203,320 (Table 3.1). If all net deposits were used in matched withdrawals, total asset accumulation would be \$345,858. With exits included, this was \$673 per participant; with exits excluded, it was \$777 per participant.<sup>2</sup>

Net deposits have two components: match-eligible balances, and matched withdrawals.

*Match-eligible balances* are defined as balances under the match cap (adjusted for previous matched withdrawals) that may be matched. In the UW IDA Pilot Program as of December 31, 2001, the match-eligible balance was \$98,288 (Figure 3.3 and Table 3.1). The match rate per dollar of these balances was 1.48:1, so the potential match was \$145,503, for a total potential asset accumulation of \$243,792.

*Matched withdrawals* are defined as withdrawals for matchable uses. Cumulative matched withdrawals in the UW IDA Pilot Program through December 31, 2001 were \$44,250 (Figure 3.3 and Table 3.1). The match rate per dollar of matched withdrawals was 1.3:1, so the match disbursed was \$57,817. Cumulative actual asset accumulation through matched withdrawals was \$102,067.

### Matched Withdrawals

Approximately 13 percent of the IDA UW participants had a matched withdrawal as of December 31, 2001. The average value of a matched withdrawal per participant with a matched withdrawal was \$651, and the value of the matched withdrawal plus match per participant was \$1,501 (Table 3.2).

<b>Item</b>	<b>Value</b>
Number of Matched Withdrawals	99
Number of Participants with a Matched Withdrawal	68
Average Value of a Matched Withdrawal	\$447
Percentage of Participants with a Matched Withdrawal	13
Number of Matched Withdrawals per Participant with a Matched Withdrawal	1.5
Value of Matched Withdrawals per Participant with a Matched Withdrawal	\$651
Value of Matched Withdrawals plus Match per Participant with a Matched Withdrawal	\$1,501

<sup>2</sup> Participants will make more deposits and more unmatched withdrawals before the end of the UW IDA Pilot Program, so this figure is not a good estimate of the asset accumulation that will take place.

**Table 3.3 Intended Uses of Matched Withdrawals  
for Participants without a Matched Withdrawal**

Use	Participants (%)
Home Purchase	41
Post-secondary Ed.	12
Microenterprise	12
Home Repair	22
Car	12

**Intended uses.** As of December 31, 2001, 87 percent of the UW IDA Pilot Program participants had not made a matched withdrawal. Of these, 41 percent reported that they intend to buy a home and 22 percent intend to spend it on home repair. Twelve percent each intend to use their IDA for post-secondary education, microenterprise, and car purchase (Table 3.3).

**Table 3.4 Uses of Matched Withdrawals  
for Participants with Matched Withdrawals**

Use	Participants (%)	# of Withdrawals (%)	Value (%)	Value plus Match (%)
Home Purchase	21	15	28	26
Post-secondary Ed.	17	19	9	11
Microenterprise	10	10	10	13
Home Repair	46	51	45	42
Car	6	5	8	8

**Uses of matched withdrawals.** Matches are restricted to withdrawals used to invest in four main assets: a home purchase or repair, post-secondary education, microenterprise or a car. As of December 31, 2001, the majority (46%) of matched withdrawals were used for home repair, followed by home purchase (21%) (Table 3.4).

**Table 3.5 Value of Matched Withdrawals per Participant**

Use	Value (\$)	Value plus Match (\$)	Match Rate	# of Withdrawals
Home Purchase	899	2,580	1.9	1.0
Post-secondary Ed.	402	920	1.3	1.7
Microenterprise	474	1,413	2.0	1.4
Home Repair	489	978	1.0	1.6
Car	623	1,246	1.0	1.2

**Value of Matched Withdrawals.** Table 3.5 shows that, on a per-participant basis, the largest value of matched withdrawals were for home purchase (\$899) and for the purchase of a car (\$623).

Matched withdrawals per participant for post-secondary education were \$402, and for microenterprise they were \$474. Withdrawals for home repair averaged \$489.<sup>3</sup>

Average match rates vary by use (Table 3.5). For matched withdrawals through December 31, 2001, the rate is 2:0 for microenterprise, and 1:1 for home repair and car purchase. The rate is 1.9:1 for home purchase and 1.3:1 for post-secondary education. These patterns probably reflect participation differences in the original UW IDA Pilot Program (1:1 match) and the AFIA-funded program (2:1 match for participants who meet the federal participation guidelines) more than any consistent logic that assigns different match rates to different uses.

### Unmatched Withdrawals

*Unmatched withdrawals* are all funds withdrawn that could have been matched, but were not matched; therefore, there is a loss of potential match funds. This includes funds withdrawn and not matched upon exit from the UW IDA Pilot Program, balances left in an account upon exit (when withdrawn, these funds will not be matched), and funds withdrawn but not matched during participation.

As of December 2001, 43 percent of participants had unmatched withdrawals (3.6 withdrawals per participant with an unmatched withdrawal). The average unmatched withdrawal was worth \$87 (\$311 per participant with an unmatched withdrawal). Total unmatched withdrawals from matchable balances in the UW IDA Pilot Program were \$68,792 (Table 3.6).

<b>Item</b>	<b>Total</b>	<b>From Excess Balances</b>	<b>From Matchable Balances</b>
Value (\$)	90,930	22,138	68,792
Number	836	49	787
Percentage of Participants with a Withdrawal	47	6	43
Average Amount Withdrawn	109	452	87
Withdrawals per Participant with a Withdrawal	3.3	1.7	3.6
Value per Participant with a Withdrawal (\$)	359	763	311

Forty three percent of the participants had unmatched withdrawals from matchable balances in an average of 13.3 months of participation. With an average match rate of 1.43:1, this implies, on average, a cumulative loss of potential matches of about \$445.

<sup>3</sup> As the UW IDA Pilot Program progresses, balances will probably grow, so matched withdrawals per participant—regardless of use—will also increase. This is true both for large, one-time uses and for smaller, possibly repeated uses. Thus, these figures will differ after the UW IDA Pilot Program ends and all participants have made whatever matched withdrawals that they will make.



## Savings Outcomes

Saving and asset accumulation in IDAs are built up from several elements. Deposits and interest increase balances; fees and withdrawals (matched or unmatched) decrease balances. Match rates affect total accumulation, and income affects the level of resources available to be saved.

No single number captures everything about each element. We define six measures to summarize the combined effects of different elements on savings outcomes in the UW IDA Pilot Program: net deposit, net deposits plus match, average monthly net deposits, deposit frequency, net deposits as a percentage of the pro-rated match cap, savings rate. The shaded boxes on the following pages illustrate the six savings outcomes for a hypothetical IDA.

### Net Deposits

*Net deposits* are defined as deposits plus interest (net of fees) minus unmatched withdrawals. The measure includes matched withdrawals, but it excludes deposits in excess of the match cap or after the time cap. Unmatched withdrawals are savings in an IDA account, but they cannot be matched, however, so they are not counted as net deposits.<sup>4</sup>

Net deposits measure assets accumulated in an IDA up to a point in time. Greater net deposits imply greater asset accumulation. The measure does not account, however, for differences in the length of participation, time caps, or the timing of cash flows. The definition of net deposits also ignores the possibility of future unmatched withdrawals from current balances.

Average net deposits in the UW IDA Pilot Program as of December 31, 2001 were \$277 (Table 3.7). The median was \$71.<sup>5</sup> The smallest net deposit was \$-225,<sup>6</sup> and the largest net deposit was \$1702. About 13 percent (69 participants) had exited without a matched withdrawal (and so had zero net deposits), and an additional 18 percent (90 participants) had zero or negative net deposits but had not exited.<sup>7</sup>

Net deposits is not a very useful measure, however, because it does not control for length of participation: all else constant, participants who started sooner will have higher net deposits.

<b>Program</b>	<b>N</b>	<b>Mean (\$)</b>	<b>Median (\$)</b>	<b>Min. (\$)</b>	<b>Max. (\$)</b>
Beyond Housing	74	270	76	0	1,503
Justine Petersen	308	295	83	-225	1,702
SSDN	20	242	95	0	806
Urban League	53	250	0	0	1,106
East-West Gateway	59	230	75	0	1,021
All United Way	514	277	71	-225	1,702

<sup>4</sup> For the same reason, net deposits are zero for participants who exit without a matched withdrawal, even if their account has a balance on exit.

<sup>5</sup> The median has the same number of participants above it as below it.

<sup>6</sup> Overdrafts in bank statements were reported in MIS IDA files by this organization.

<sup>7</sup> All of these cases had made deposits but then had removed them in unmatched withdrawals.

### Savings Outcomes for a Hypothetical IDA

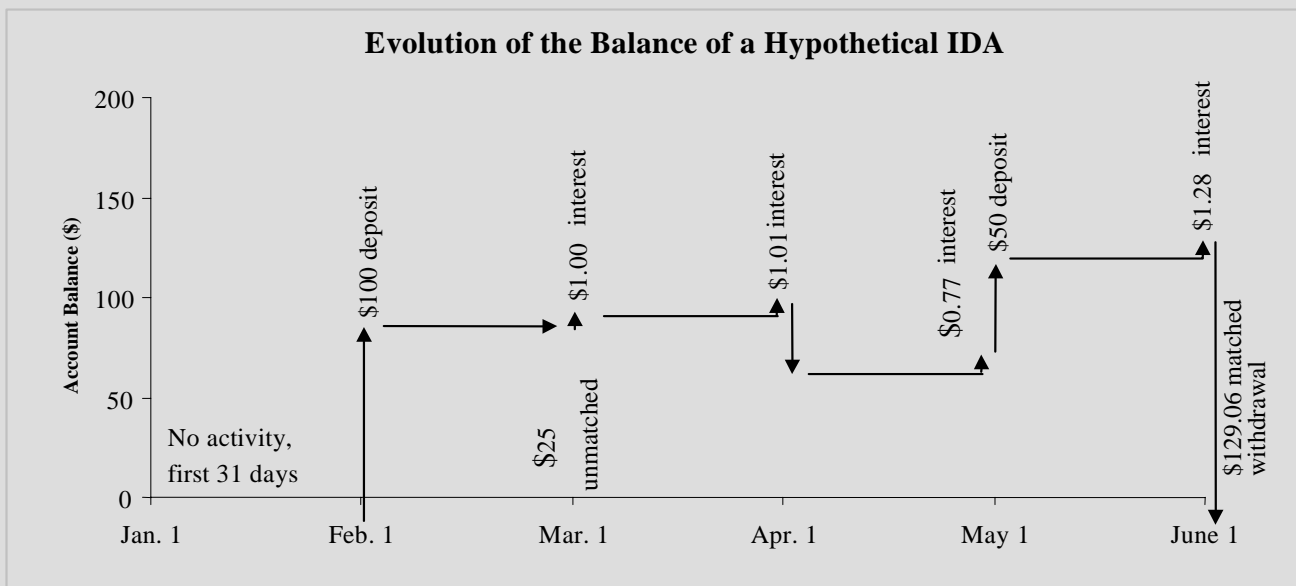
To illustrate the measures of savings outcomes, the table and figure below show cash flows for a hypothetical IDA account and the evolution of the balance, respectively.

The example participant opened the account on January 1. The match rate was 2:1, the match-cap structure was annual, the annual match cap was \$300, the time cap was 12 months, the total match cap was \$300, and there were no fees. The first deposit of \$100 was on February 1. On March 1, \$1.00 of interest (a monthly rate of 1 percent) was credited. (The unrealistically high interest rate of one percent per month is used here only for illustration. The hypothetical example is not meant to represent the typical experience in UW IDA Pilot Program in any way.) On April 1, there was an unmatched withdrawal of \$25 and an interest credit of \$1.01. On May 1, the participant deposited \$50, and \$0.77 in interest was credited. Finally, on June 1, five months after the account was opened, interest of \$1.28 was credited, and the participant closed the account with a matched withdrawal of \$129.06.

In this example, net deposits were \$129.06. This is the sum of deposits (\$100 + \$50 = \$150) and interest (\$1.00 + \$1.01 + \$0.77 + \$1.28 = \$4.06), minus unmatched withdrawals (\$25).

Date	Deposit	Interest	Matched withdrawal	Unmatched withdrawal	Balance
Jan. 1	0.00	0.00	0.00	0.00	0.00
Feb. 1	100.00	0.00	0.00	0.00	100.00
March 1	0.00	1.00	0.00	0.00	101.00
April 1	0.00	1.01	0.00	25.00	77.01
May 1	50.00	0.77	0.00	0.00	127.78
June 1	0.00	1.28	129.06	0.00	0.00
Total	150.00	4.06	129.06	25.00	N/A

Monthly interest is 1 percent, the match rate is 2:1, the total match cap is \$300, and the time cap is 12 months.



## Net Deposits plus Match

*Net deposits plus match* is defined as net deposits plus the corresponding match.<sup>8</sup> Net deposits includes any previous matched withdrawals. This measure tells the asset accumulation that would take place through IDAs if all net deposits were removed in matched withdrawals.

### Example: Net Deposits plus Match

In the hypothetical example, net deposits were \$129.06, and the match rate was 2:1. Net deposits plus match were thus \$387.18, found as  $\$129.06 + 2 \cdot \$129.06$ .

Program	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)
Beyond Housing	74	778	189	0	4,510
Justine Petersen	308	670	182	-450	3,600
SSDN	20	653	286	0	2,417
Urban League	53	528	0	0	2,211
East-West Gateway	59	691	225	0	3,063
All United Way	514	673	189	-450	4,510

The average net deposits plus match in the UW IDA Pilot Program were \$673 and the median was \$189 (Table 3.8). The smallest net deposit plus match was \$-450, and the largest net deposit plus match was \$4,510. ). Cross program comparisons mean little unless they control for cross-program differences. The regression in Chapter 4 does this.

Like net deposits, the measure of net deposits plus match has some drawbacks. It does not control for length of participation, and it depends on the match rate, which is not an outcome of participant behavior but rather an element of the institutional structure set by the program.

## Average Monthly Net Deposit

*Average monthly net deposit* (AMND) is defined as net deposits per month of participation for a participant. AMND is the key measure of savings outcomes in this report. Unlike net deposits, AMND controls for the length of time that a participant has had the opportunity to save. All else constant, greater AMND implies greater asset accumulation.

<sup>8</sup> Of course, some current balances may eventually be removed as unmatched withdrawals.

**Example: Average Monthly Net Deposit**

The example participant was in the IDA program for 5 months. Net deposits were \$129.06, so the average monthly net deposit for this example participant was \$25.81, found as \$129.06 / 5.

Program	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)
Beyond Housing	74	15.45	12.80	0.00	55.68
Justine Petersen	308	19.18	10.05	-17.31	110.55
SSDN	20	15.51	8.73	-0.01	50.00
Urban League	53	21.79	0.00	0.00	108.16
East-West Gateway	59	20.09	7.53	0.00	111.11
All United Way	514	18.87	10.01	-17.31	111.11

For the UW IDA Pilot Program as of December 31, 2001, the average AMND was \$18.87 (median \$10.01). Thus, a year of participation produced net deposits of about \$226. Among the five programs, AMND ranged from a low of \$15.45 to a high of \$21.79 (Table 3.9).

Program	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)
Beyond Housing	53	21.57	18.68	2.29	55.68
Justine Petersen	230	25.86	21.80	0.00	110.55
SSDN	11	28.21	27.95	7.43	50.00
Urban League	26	44.42	50.04	2.29	108.16
East-West Gateway	43	27.57	20.83	0.56	111.11
All United Way	363	26.84	21.71	0.00	111.11

As of December 31, 2001, there were 363 participants with positive net deposits (this figure excludes participants with zero account balances). The average AMND for those participants with positive net deposits was \$26.84. The range among programs was a low of \$21.57 and a high of \$44.42.

**Deposit Frequency**

*Deposit frequency* is defined as the number of months with a deposit divided by the number of months of participation. It shows how steadily a participant saves through time. A participant with a deposit each month has a deposit frequency of 100 percent. As a participant misses months, the measure gets smaller; someone with no deposits at all has a frequency of zero. Deposits of accrued interest are ignored; if not, frequency would be 100 percent for most participants.

**Example: Deposit Frequency**

The example participant made deposits in 2 of 5 months, so deposit frequency was 40 percent.

**Table 3.11 Deposit Frequency by Program  
(Months with a Deposit/Months of Participation)**

Program	N	Mean (%)	Median (%)	Min. (%)	Max. (%)
Beyond Housing	74	49	54	6	100
Justine Petersen	308	66	63	0	100
SSDN	20	51	50	13	92
Urban League	53	43	36	0	100
East-West Gateway	59	54	52	7	100
All United Way	514	59	60	0	100

The mean deposit frequency for the UW IDA Pilot Program was 59 percent and the median was 60 percent. The typical IDA participant made a deposit in about seven of the twelve months. Deposit frequency among the regions varies between 43 percent and 66 percent (Table 3.11).

**Net Deposits as a Percentage of the Pro-rated Match Cap**

*Net deposits as a percentage of the pro-rated match cap* is defined as the ratio of the average monthly net deposits to the monthly savings target. The *monthly savings target* is the total match cap divided by the time cap, that is, the amount that, if deposited each month and not removed as an unmatched withdrawal, would lead to net deposits equal to the lifetime match cap in the month of the time cap.

**Example: Net Deposits as a Percentage of the Pro-rated Match Cap**

For the example participant, the monthly savings target is \$25, found as the match cap of \$300 divided by the time cap of twelve months. Because the average monthly net deposit was \$25.81, the proportion of savings goal was 103 percent, found as \$25.81 / \$25. The participant was slightly ahead of the pace required to use all match eligibility before the 12-month time cap.

**Table 3.12 Net Deposit as a Percentage  
of the Pro-rated Match Cap by Program**

Program	N	Mean (%)	Median (%)	Min. (%)	Max. (%)
Beyond Housing	74	31	26	0	111
Justine Petersen	308	38	20	-35	221
SSDN	20	31	17	0	100
Urban League	53	44	0	0	216
East-West Gateway	59	24	9	0	133
All United Way	514	36	20	-35	221

The measure of net deposits as a percentage of the pro-rated match cap indicates the closeness of actual saving behavior to that which would take full advantage of match incentives. A measure of 100 percent indicates that a participant is on track to use all match eligibility. Measures above 100 percent are possible if deposits are on a pace to exceed the total match cap or if a participant has an annual match-cap structure and has deposited more than would be matched if participation were to end after the current participation-year.

For the UW IDA Pilot Program the net deposits were, on average, 36 percent of the pro-rated match cap, and the median was 20 percent (Table 3.12). That is, the average participant saved 36 cents for every dollar of match eligibility.

### Savings Rate

*The savings rate* is defined as the ratio of the average monthly net deposit to gross monthly household income. It measures the rate at which inflows of resources are converted into IDA deposits.

**Example: Savings Rate**

If the example participant had monthly household income of \$1,250, then net deposits as a percentage of income would be about 2.1 percent, found as \$25.81 / \$1,250.

<b>Program</b>	<b>N</b>	<b>Mean (%)</b>	<b>Median (%)</b>	<b>Min. (%)</b>	<b>Max. (%)</b>
Beyond Housing	74	1.2	0.9	0.0	6
Justine Petersen	299	2.7	0.7	-1.7	86
SSDN	18	1.4	0.9	0.0	5
Urban League	53	1.9	0.0	0.0	13
East-West Gateway	59	1.3	0.6	0.0	8
All United Way	503	2.2	0.7	-1.7	86

The average savings rate for the UW IDA was 2.2 percent, and the median was .7 percent (Table 3.13). The largest saving rate was 86 percent, which is probably caused by someone who understated her/his income or who had unusually low income in the month of enrollment.

## 4. Institutional Characteristics, Participant Characteristics, and Net Deposits

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As discussed in the previous chapter, *average monthly net deposits* (AMND) are defined as net deposits divided by months of participation.<sup>1</sup> AMND is the key outcome measure in this report; greater AMND implies greater savings and asset accumulation in IDAs.

This chapter addresses the links between AMND and the characteristics of institutions and participants. The intent is to increase knowledge about IDAs that might guide program design and public policy.

The key links between AMND and characteristics of programs and participants are:

- Match rate was associated with AMND.
- Race/ethnicity was correlated with AMND. Compared with non-African Americans, AMND was lower for African Americans.
- More education and self-employment were positively associated with AMND.
- Income and former or current receipt of public assistance were not associated with AMND.
- Having a higher passbook savings balance was associated with a slight increase in AMND.
- Previous relationship with the host organization was related to a lower AMND.
- Deposit frequency was positively associated with AMND.

### Data Analysis

The strategy used for this data analysis is identical to that which was used for ADD. Details regarding the theory, analysis strategy, and regression model are in Schreiner *et al.*, 2001.

Given length of participation, AMND depends on deposits net of withdrawals. In turn, net deposits depend on a host of factors. The analysis strategy here is to control for many of these factors through multivariate regression.

Some factors influence net deposits but are not influenced by net deposits. For example, AMND does not affect age, but age may affect AMND. Other factors both influence net deposits and are influenced by them. For example, programs may adjust the hours of financial education in response to saving by participants, and participant saving may be affected by the hours of financial education. Such two-way causation can bias estimates of associations between characteristics and AMND.

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<sup>1</sup> *Net deposits* are gross deposits minus total unmatched withdrawals.

Although the regression includes an unusually large number of controls (2 institutional characteristics and 32 participant characteristics), no regression can control for everything.<sup>2</sup> Unobserved factors omitted from the model, if correlated with both observed factors in the model and with AMND, can impart a bias to the estimates in the model. When possible, we control for unobserved factors correlated with observed factors such as site, gender, race/ethnicity, or asset ownership. For example, the estimated link between gender and AMND reflects not gender *per se* but rather unobserved factors linked with gender.

### Regression Results

Regression estimates the sign (positive or negative), size, and statistical significance of associations between an outcome (AMND) and characteristics assumed to influence the outcome. A regression estimate should approach the true association better than bivariate comparisons because regression controls for associations with more than one characteristic.

The regression tables on the following pages contain the means of the characteristics in the model for non-exits,<sup>3</sup> the estimated changes in AMND (in units of dollars of net deposits per month) given a unit increase in a given characteristic, and the p-value of the estimated change.<sup>4</sup> Although the results are presented in 4 tables, they all come from one regression.

### AMND for Non-exits

The results summarized below are derived from a multivariate regression and control for a wide range of program and participants characteristics.

#### Institutional Characteristics

**Match rate.** A central feature of IDAs is the match rate. In regression analysis (table 4.1), a 2:1 match rate was associated with a \$6.90 higher AMND than a match rate of 1:1.

**General financial education.** All programs in the UW IDA Pilot Program require financial education. The estimated associations between financial education and AMND were statistically significant, but not always in the direction expected. The few participants with no financial education had better savings outcomes per month; perhaps this is because they just joined the IDA program and made a large initial deposit. One to 6 hours of financial education was associated with a \$4.60 increase in AMND, but 7 to 12 hours was associated with a \$1.80 decrease. Overall, it appears that financial education up to a point may increase savings performance, but it could also be that the measurement of this variable is not very accurate or meaningful.

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<sup>2</sup> Control variables were selected if they were expected to influence AMND, appeared in MIS IDA, and had sufficient variation. Including variables for missing data, different attributes of a given characteristic, and non-linear effects, 84 parameters were estimated.

<sup>3</sup> *Exits* are defined as participants who leave an IDA program without having taken a matched withdrawal.

<sup>4</sup> Appendix A discusses mean, change in percentage points, and p-value.



**Unobserved factors correlated with a given site.** Although the regression includes a wide range of characteristics, it cannot control for everything. As a second-best response, it controls for possible links between AMND and unobserved factors correlated with a given site. Unobserved factors include program characteristics (such as the strictness of rule enforcement) and participant characteristics (such as future orientation).

The estimate for Justine Petersen Housing and Reinvestment is set to zero and is the base of comparison. For example, compared with unobserved factors at Justine Petersen Housing and Reinvestment, unobserved factors at the Urban League of Greater St. Louis were associated with a statistically significant increase in AMND of \$24.20 (Table 4.1).

These estimates suggest that unobserved factors correlated with AMND differ systematically across sites. They are control variables, not tests for which program elicits the highest AMND. They do not mean that one program causes its participants to have less AMND than they would at another program. The estimates do depend in part on unobserved program factors, but they also depend on unobserved participant factors and on unobserved factors beyond programs and participants. We do not know the omitted factors, nor do we know how much each one matters.

**Table 4.1 Institutional Characteristics**

Independent variable	Change in \$		
	Mean	Δ\$	p-value
<b>Match rate</b>			
1:01	0.60		
2:1	0.40	6.9	0.01
<b>Match cap</b>			
Monthly savings target	53.3	-1.8	0.13
<b>Hours of general financial education (spline)</b>			
Total hours	4.9		
None	0.05	20.9	0.01
1 to 6	3.93	4.6	0.01
7 to 12	0.98	-1.8	0.03
<b>Program or program/site dummies</b>			
SSDN	0.02	-0.3	0.96
Justine Petersen Housing	0.69		
Beyond Housing	0.12	2.7	0.58
Urban League	0.07	24.2	0.01
East-West Gateway	0.10	72.9	0.07

Means taken over only non-missing observations.

## Participant Demographics

This section describes associations between AMND and participant demographics. These factors are best seen as controls rather than as causes; they are proxies for unobserved factors correlated with both participant demographics and AMND.

**Gender.** Gender was not associated with savings performance (Table 4.2).

**Age.** The relationship between age and AMND is statistically insignificant.

**Marital status.** Marital status had no statistically significant link with AMND (See Table 4.2).

**Number of adults and children.** The number of adults and children did not have a statistically significant association with AMND.

**Race/ethnicity.** We control for race/ethnicity because of its correlation with unobserved factors produced in the social context that may be correlated with AMND. These differences are not due to race/ethnicity *per se* but rather to a constellation of socially produced characteristics correlated with both race/ethnicity and savings. Compared to non-African Americans, AMND was \$5.90 less for African-Americans.<sup>5</sup>

**Table 4.2 Participant Demographics**

Independent variable	Change in \$		
	Mean	Δ\$	p-value
<b>Gender</b>			
Male	0.19		
Female	0.81	-3.5	0.17
<b>Age (spline)</b>	35		
0 to 40 years	33	-0.13	0.40
40 years or more	2	-0.37	0.11
<b>Marital status</b>			
Never married	0.59		
Married	0.17	0.1	0.97
Divorced, separated, or widowed	0.23	1.1	0.64
<b>Household composition</b>	3.2		
Adults (18 or older)	1.5	1.2	0.37
Children (17 or younger)	1.7	-1.0	0.17
<b>Race/ethnicity</b>			
African-American	0.79	-5.9	0.01
Non-African-American	0.21		

## Education and Employment

**Education.** More education (and thus more human capital) might be linked with higher AMND either because education increases financial sophistication and future orientation and/or because education serves as a proxy for these unobserved factors.

Compared to people who did not graduate from high school and holding all the other variables in the model constant, AMND was higher for people who graduated from high school. AMND was between \$7.80 and \$8.60 higher for college attendees and 4-year college graduates, respectively, compared to those who did not graduate from high school (Table 4.3).

<b>Table 4.3 Education and Employment Status</b>			
<b>Independent variable</b>	<b>Change in \$</b>		
	<b>Mean</b>	<b>Δ\$</b>	<b>p-value</b>
<b>Education</b>	1.00		
Did not graduate from high school	0.14		
Completed high school or earned GED	0.26	3.7	0.20
Graduated from 2-year college	0.06	7.5	0.08
Attended college but did not graduate	0.40	7.8	0.01
Graduated from 4-year college	0.14	8.6	0.02
<b>Employment</b>	1.00		
Unemployed	0.02		
Employed, part-time (< 35 hours per week)	0.15	-3.5	0.62
Employed, full-time (> 35 hours per week)	0.70	-5.0	0.46
Student, not working, or not working	0.05	3.0	0.70
Student, also working	0.09	-6.1	0.40
<b>Self-employment in microenterprise</b>			
No	0.93		
Active	0.07	11.1	0.05

**Employment.** Because wages might be saved, our assumption would be that being employed might increase AMND. Employment status (a distinction consisting of full-time and part-time workers, the unemployed, and students) was not significantly associated with savings performance; however, self-employment was associated with saving performance (Table 4.3). AMND was \$11 higher for those participants self-employed in a microenterprise; however, only 7 percent of participants reported self-employment as a source of income (Table 4.4).

<sup>5</sup> Due to small population sizes, we did not test statistical significance for pair-wise comparisons beyond non-African-Americans.

### Public Assistance and Income

As of December 31, 2001, mean monthly household income of participants in the UW Pilot Program was \$1,425 (median \$1,400, table 4.4). In annual terms, the mean is \$17,100.

Recurrent income (consisting of wages, government benefits, pensions, and investments) was 93 percent of total income and had a mean value of \$1,322 (median \$1,352, Table 4.4). About 95 percent of participants received wages, and 19 percent received government benefits. In terms of value, 85 percent of income came from wages, and 7 percent came from government benefits. Intermittent income (self-employment, child support, gifts, and other sources) for participants in the UW IDA Pilot Program was 7 percent of total income and had a mean monthly value of \$105 (Table 4.4).

The typical participant is just above the poverty line; the mean ratio of income to poverty was 1.15 (median 1.04, Table 4.4).

**Table 4.4 Monthly Household Income of Participants by Source**

Income Source	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)	Missing	Participants with an Income Source (%)	Distribution of Total Income by Source (%)
Wages	512	1,231	1,280	0	4,000	2	95	85
Government Benefits	514	81	0	0	1,750	0	19	7
Pensions	514	11	0	0	1,279	0	2	1
Investments	505	1	0	0	385	9	0	0
Recurrent Sources	503	1,322	1,352	0	4,000	11	98	93
Self-employment	514	63	0	0	2,000	0	7	4
Child Support	514	37	0	0	1,226	0	10	2
Gifts	514	1	0	0	500	0	0	0
Other Sources	514	5	0	0	2,000	0	1	0
Intermittent Sources	514	105	0	0	2,000	0	17	7
Total Income	503	1,425	1,400	50	4,000	11	100	100
Income/Poverty	500	1.15	1.04	0.00	4.19	14		

**Table 4.5 Public Assistance and Income**

Independent variable	Change in \$		
	Mean	Δ\$	p-value
<b>Receipt of public assistance</b>			
TANF or AFDC never	0.93		
TANF currently	0.07	4.1	0.27
TANF or AFDC formerly	0.49	-1.3	0.53
No SSI/SSDI	0.92		
Receives SSI/SSDI	0.08	3.8	0.26
No food stamps	0.79		
Receives food stamps	0.21	-0.5	0.86
<b>Household income (\$100/month)</b>			
Recurrent income (spline)	13.5		
0 to \$799	6.3	0.20	0.29
\$800 or more	7.2	0.88	0.18
Intermittent income	1.0	0.16	0.68

Means taken over only non-missing observations.

Household income had no significant association with AMND. In other words, income had little apparent effect on savings behavior in the UW Pilot Program (Table 4.5).

Receipt of public assistance—whether TANF, AFDC, SSI/SSDI, or food stamps either currently or before enrollment—had no statistically significant link to AMND (Table 4.5).

**Table 4.6 Distribution of Assets of Participants by Type**

Asset Type	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)	Missing	Participants with an Asset Type (%)	Distribution of Total Asset Value by Type (%)
Passbook Account	513	173	0	0	7,000	1	46	8
Checking Account	512	263	30	0	5,000	2	70	13
Total Liquid Assets	511	436	114	0	7,200	3	79	21
Home	514	20,196	0	0	140,000	0	33	32
Car	512	4,254	1,500	0	26,000	2	69	42
Business	510	670	0	0	90,000	4	5	3
Land or Property	514	965	0	0	130,000	0	2	1
Investments	513	217	0	0	10,000	1	11	1
Total Illiquid Assets	507	26,277	5,000	0	263,800	7	75	79
Total Assets	504	26,646	5,500	0	267,900	10	89	100
Total Liabilities	490	25,017	6,100	0	256,210	24		
Net Worth	487	1,359	125	-119,040	80,000	27		

### Assets, Liabilities, and Insurance

Median total assets for participants in the UW IDA Pilot Program were \$5,500 (Table 4.6). A few people had very high assets (one reported \$267,900), so the mean (\$26,646) greatly exceeded the median.

**Liquid assets.** Balances at enrollment in passbook savings accounts or in checking accounts may be proxies for financial sophistication, future orientation, or other unobserved factors linked with saving success. Account balances may also be shifted into IDAs. For these reasons, people who own an account when they start an IDA may be expected to save more.

Median liquid assets in the UW IDA Pilot Program at enrollment were \$114 (mean \$436, Table 4.6). About 46 percent of participants had a passbook savings account (in addition to an IDA), and 70 percent had a checking account.<sup>6</sup>

**Table 4.7 Distribution of Liabilities of Participants by Type**

Liability Type	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)	Missing	Participants with a Liability Type (%)	Distribution of Total Liability Value by Type (%)
Home Mortgage	509	17,444	0	0	140,000	5	33	34
Car Loan	505	2,703	0	0	30,000	9	33	18
Business Loan	505	95	0	0	20,000	9	2	0
Land or Property	512	620	0	0	113,000	2	2	1
Family and Friends Debt	514	173	0	0	13,000	0	11	3
Household Bills	514	140	0	0	4,500	0	25	8
Medical Bills	512	325	0	0	35,000	2	19	5
Credit-card	512	1,136	0	0	50,000	2	47	16
Student Loans	514	2,227	0	0	80,000	0	24	15
Total Liabilities	490	25,017	6,100	0	256,210	24	82	100
Total Assets	504	26,646	5,500	0	267,900	10	89	
Net Worth	487	1,359	125	-119,040	80,000	27		

Ownership of a passbook savings account had no statistically significant link with AMND (Table 4.8); however, having a higher balance in the passbook savings balance was associated with a slight increase in AMND.

A checking account may thus proxy for unobserved characteristics—such as having saved in the past or not ending each month broke—linked with saving success. Ownership of a checking account was not associated with an increase in AMND (Table 4.8) and there was no statistically significant link with the checking account balance.

<sup>6</sup> MIS IDA did not record the value of cash on-hand.

**Illiquid assets.** Other than human capital, houses and cars are the chief illiquid assets of the poor. Like liquid assets, illiquid assets may proxy for unobserved factors correlated with higher saving. Illiquid assets, however, are more difficult than liquid assets to shift into IDAs.<sup>7</sup> For the 33 percent of the participants who owned a home, average home value was \$61,200. In addition, the average participant had a car value of \$4,254. For the 69 percent who had a car, the average car value was \$6,165. (Table 4.7). Illiquid assets had no statistically significant link with AMND (See Table 4.8).

**Liabilities.** Requirements for debt service mean that, all else constant, debtors have less resources available to save. Median total liabilities in the UW IDA Pilot Program were \$6,100 (Table 4.7). A few people had very high debts (one reported \$256,210), so the mean (\$25,017) greatly exceeded the median. The average participant had home-mortgage debt of \$17,444. For the thirty three percent of the participants who had a home mortgage, average home-mortgage debt was \$52,860. In addition, the average participant had a car loan of \$2,703. For the 33 percent who had a car loan, the average car loan was \$8,190. (Table 4.7).

Did participants fund IDAs with debt? The data in MIS IDA suggest that it was possible. Participants could borrow, and they had debts on which they could have slowed repayment; however, neither debt nor the value of liabilities had a statistically significant association with AMND (See Table 4.8).

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<sup>7</sup> Implicit shifts are still possible from resources that would have been used for maintenance or for additional investment in illiquid assets.

Table 4.8 Assets, Liabilities, and Insurance

Independent variable	Change in \$		
	Mean	Δ\$	p-value
<b>Liquid assets</b>			
No passbook savings account	0.53		
Owned passbook savings account	0.47	0.3	0.89
Balance in passbook savings account (\$100s)	1.85	0.3	0.02
No checking account	0.27		
Owned checking account	0.73	2.6	0.23
Balance in checking account (\$100s)	2.87	0.1	0.58
<b>Illiquid assets</b>			
Renter	0.62		
Home owner	0.38	4.1	0.30
No car	0.29		
Car owner	0.71	2.8	0.18
Value of illiquid assets (\$100s)	290	0.004	0.54
<b>Liabilities</b>			
No debt	0.18		
Some debt	0.82	-1.1	0.67
Value of liabilities (\$100s)	279	-0.0010	0.88
<b>Insurance coverage</b>			
No health insurance	0.30		
Had health insurance	0.70	2.0	0.37
No life insurance	0.42		
Had life insurance	0.58	-0.7	0.72

Means taken over only non-missing observations.

**Insurance coverage.** The presence of insurance may proxy for future orientation, financial sophistication, or other unobserved characteristics linked with higher saving.<sup>8</sup> In this study, having health insurance or life insurance was not associated with AMND (Table 4.8).

### Enrollment Characteristics

The regression includes some factors related to enrollment and to the length of participation. They are best seen as controls rather than causes.

<sup>8</sup> Some people—especially the poor—also save in the form of cash-value life insurance.



Table 4.9 Enrollment Characteristics			
Independent variable	Change in \$		
	Mean	Δ\$	p-value
<b>Previous relationship with host org.</b>			
No	0.42		
Yes	0.58	-4.9	0.02
<b>Referred by partner organization</b>			
No	0.75		
Yes	0.25	-4.4	0.09
<b>Length of participation (months)</b>			
	13.5		
1 to 6	5.4	1.1	0.29
7 to 12	4.2	0.0	0.95
13 to 18	2.0	-0.9	0.22
19 to 24	1.2	1.2	0.17
24 or more	0.7	-0.3	0.56

**Previous relationship with the host organization.** The prior receipt of services from the host organization may be a proxy for unobserved factors that impede saving. The presence of a previous relationship was related to a \$4.90 lower AMND (Table 4.9).

**Referred by a partner organization.** Like people with a previous relationship with the host, people referred by a partner organization have received some social services, and this may signal something about their unobserved characteristics. The association between being referred and AMND was not statistically significant (Table 4.9).

**Length of participation.** The association between length of participation and AMND was not statistically significant (Table 4.9).

Table 4.10 Characteristics Determined after Enrollment			
Independent variable	Change in \$		
	Mean	Δ\$	p-value
<b>Use of direct deposit to IDA account</b>			
No	0.82		
Yes	0.18	0.8	0.72
<b>Deposit frequency</b>			
Share of months with a deposit	0.64	39	0.01
<b>Planned or actual use of matched withdrawal</b>			
Home purchase	0.47		
Post-secondary ed.	0.12	-0.4	0.90
Home repair	0.30	-1.9	0.56
Microenterprise	0.12	-4.6	0.16

Means taken over only non-missing observations.

### Characteristics Determined after Enrollment

The regression controls for several factors determined after enrollment. Although they may affect saving, saving may also affect them. They are more controls than causes.

**Direct deposit.** The estimated association between direct deposit and AMND was not statistically significant (Table 4.10).

**Deposit frequency.** *Deposit frequency* is defined as the number of months with a deposit divided by the number of months of participation. We suspect that high saving causes frequent saving, in part because making a deposit has transaction costs and because high savers are more likely in more months to have deposits large enough to make these costs worthwhile. We also suspect that frequent saving causes high saving. In months when saving is more difficult, the person who wants to be a frequent depositor is more likely than otherwise to make a greater effort. In the long term, people who set a savings target and then consume the residual are likely to save more than people who set a consumption target and then save the residual.

A unit increase in deposit frequency was associated with a \$39 increase in AMND (Table 4.10). The measure of deposit frequency, however, ranges between zero (no deposits) and unity (a deposit each month), so a unit change is difficult to interpret. This is a large effect, although we cannot untangle each side of the two-way causation.

**Planned or actual use of matched withdrawals.** People who plan to save to buy a house may save more, all-else constant, than people who plan to save for post-secondary education. Thus, planned use may affect saving. Also, some participants enroll without a clear goal for their matched use. If they find that they save a lot, then they may make a larger purchase; if they save less, then they may make a smaller purchase. Thus, saving affects actual use. However, in the UW IDA Pilot Program, AMND had no statistically significant association with any uses (See Table 4.10).

## 5. Conclusions

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The UW IDA Pilot Program is only one example of IDAs, and although, like any IDA program, it has its own particular characteristics, we can examine the results and draw conclusions for the United Way of Greater St. Louis as well as IDA programs and public policy beyond St. Louis.

### **The UW IDA Pilot Program Population**

Before drawing conclusions, it is important to ask whether participants in the UW IDA Pilot Program are like others at or below 200 percent of the poverty line. Participants in the UW IDA Pilot Program are both program-selected (eligibility criteria) and self-selected (voluntary participation). Compared to the U.S. low-income population, the UW Pilot Program participants are better educated, more likely to be employed, and more likely to have a bank account. This pattern reflects the explicit targeting of IDA programs to the “working poor.” Participants in the UW IDA Pilot Program are also more likely to be female and to be never-married. This pattern reflects the types of clients served by the organizations that are running the IDA programs. Thus, compared to others with similar incomes, the UW IDA Pilot Program participants are more likely to be disadvantaged in terms of gender and marital status, but less likely to be disadvantaged in terms of education, employment status, and the use of banks.

An important policy question is who would enroll and save in IDAs if all low-income people were eligible? Unfortunately, the data cannot answer this question. We can say that at least some poor people with the characteristics of participants in the UW IDA Pilot Program are able to save in IDA programs. This does not mean that poor people with different characteristics can or cannot save. As yet, we do not know much about that.

### **Key Findings on Saving Performance and Asset Acquisition**

Research results from the UW IDA Pilot Program, based on data from MIS IDA, show that the poor can save in IDAs. In 5 IDA organizations, 514 participants saved an average of about \$19 per month, equivalent to an average of 36 percent of the monthly savings target. The typical participant made deposits in 7 of 12 months. Given that the average match was 1.43:1, the average participant accumulated resources worth about \$46 per month, or \$550 per year, through IDAs.

Is this a meaningful amount of asset accumulation? The UW IDA Pilot Program participants are not economically advantaged or wealthy. For example, about 51 percent of the UW IDA Pilot Program participants were or had been a “welfare” recipient (AFDC or TANF), and about 67 percent did not own a home. Regarding financial assets, the median passbook saving balance was \$0, and the median checking account balance was \$30. The median net worth (assets minus liabilities) was \$125. Thus, average accumulation of \$550 per year in IDAs represents a fairly large sum of financial assets for the typical UW IDA Pilot Program participant.

The exit (dropout) rate for the UW IDA Pilot Program was 13 percent, and an additional 18 percent had zero or negative deposits but had not been marked as exited. Is this high or low?

We cannot say. However, it would be unrealistic to expect 100 percent success. In many types of programs serving poor people, a success rate of even 50 percent would be considered good.

About 38 percent of the UW IDA Pilot Program participants reported that they intend to or have bought a home, and 26 percent intend to or have spent their IDA on home repair. Overall, it is possible that the UW IDA Pilot Program will contribute to home ownership for as many as 200 low-income St. Louisans.

### **Results from the UW IDA Pilot Program with Some Comparisons to the American Dream Demonstration**

The first major study of IDAs has been of the American Dream Demonstration (ADD). ADD is a demonstration of IDAs in 14 programs across the United States. As of June 30, 2000, ADD had 2,378 participants. Participants in ADD had similar demographic characteristics as the participants in the UW IDA Pilot Project. In both the UW IDA Pilot Project and ADD, participants were mostly female, never-married, and had high levels of education and employment compared to the U.S. low-income population. Participants in this program, however, may be somewhat wealthier than ADD participants. In the UW IDA Pilot Program, a greater share of participants owned a house, owned a car, and/or was covered by health insurance.

Comparison of saving outcomes indicates that the *average monthly net deposit* (AMND)—defined as net deposits divided by months of participation—was lower for the UW IDA Pilot Program participants, about \$19 per month versus \$25 for ADD. In the UW IDA Pilot Program, the monthly saving target was approximately \$50 per month, so the average participant is saving approximately 37 percent of the target. In ADD, participants are saving 67 percent of the monthly savings target, though the savings target is lower. Why do results for the UW IDA Pilot Program appear to be not quite as good as for ADD? We have no way to answer this question. The variation in results could be due to random factors, differences in participants, differences in IDA programs, something about the St. Louis area (such as the local economy overall) or some combination of these factors.

On average, participants in ADD and the UW IDA Pilot Program had the same deposit frequency (7 of 12 months). These results may suggest that the level of savings frequency in the two programs was about the same.

Given identical average number of months of participation (13.3), participants in ADD had a lower rate of unmatched withdrawals compared to participants in the UW IDA Pilot Program. About 37 percent of participants in ADD made unmatched withdrawals, compared to 43 percent of participants in the UW IDA Pilot Program. Why are unmatched withdrawals important? At least some of the money will not be re-deposited, and participants will lose out on the matching funds. The fact that the percentage of unmatched withdrawals is high underscores that long-term saving is difficult for people of low income. This pattern also suggests that at least some IDA participants may be using their accounts for short-term saving, perhaps even as transaction accounts. If this is the case, it would be preferable to open a second account (either saving or checking) that is for short-term deposits and withdrawals. One lesson that we are learning from

research on IDAs is that the poor as well as the rich can benefit from different kinds of financial instruments for different purposes.

### **Institutional Characteristics**

In regression analysis, a one-dollar increase in matching dollars had a large strong link with the level of savings. Controlling for other factors, a match rate of 2:1 was associated with about a \$7 increase in AMND compared to a match rate of 1:1. This result is consistent with economic theory (greater incentives yield more of a behavior). An important program and policy question is how high match rates should be, both for generating deposits and for accumulating assets. The trade off, of course, is stretching matching dollars to cover more participants.

In terms of institutional characteristics, unobserved program differences are strongly correlated with savings outcomes. In other words, IDA programs were associated with variables that were not being measured that were also associated with saving performance of participants (as measured by AMND). This could be anything from variations in enthusiasm of staff to differences in transportation difficulty. More research is needed to specify and measure program factors that may be associated with saving differences.

It is important to note that participants were saving in the five IDA programs included in this analysis. We were unable, however, to include data for three additional UW IDA Pilot Program organizations: Beaumont High School, Catholic Commission on Housing, and Services Toward Empowering People, Inc. Their IDA programs were not as strong, and their data were not available for analysis.

### **Participant Characteristics**

In terms of race/ethnicity, African Americans in UW IDA saved less than non-African Americans, with a statistical difference equivalent to about \$6 in AMND. This difference is not due to race/ethnicity *per se*, but to social factors (e.g., prior experience with saving) that may be associated with race/ethnicity. It is important to note that African Americans were saving in IDAs, and this too has to be considered a success. Indeed, given large discrepancies in asset holding by race in America, where whites on average have about ten times greater net worth than blacks (Oliver and Shapiro, 1995), the savings performance of African Americans in the UW IDA Pilot Program (as well as in ADD) may be considered a very positive outcome. This does not mean, however, that we should be satisfied with these results. Efforts should be made to determine why African Americans save less than non-African Americans in IDAs and to create programs and policy that can reduce or eliminate this shortfall.

People who did not graduate from high school saved less than other education groups. Compared to those who did not graduate from high school, AMND was \$7.80 and \$8.60 higher for college attendees and 4-year college graduates, respectively. This finding might be expected, but here too efforts can be made to target and increase savings performance among those with less education.

Turning to employment, employment status (a distinction of full-time and part-time workers, the unemployed, and students) was not significantly associated with savings performance; however, the self-employed saved more than those not self-employed. We do not know why.

Receipt of public TANF or AFDC, currently or before enrollment, was not associated with savings performance in the UW IDA Pilot Program. In other words, in these research results there is no basis for concluding that past or current welfare recipients cannot save as well as others.

As in ADD, income in the UW IDA Pilot Program had no statistical association with savings amount. Controlling for other factors, those with low income saved as much as those with higher income. This means that those with lower income saved a greater share of their income (AMND/monthly income). Our interpretation is that the institutional characteristics of IDA programs (program rules, matching deposits, financial education, involvement of staff, etc.) may be stronger than participant income in determining saving performance.

### **Toward the Future**

The fact that findings are largely similar in the UW IDA Pilot Program and ADD suggests that the IDA experience may be similar across different program designs and population groups. If this continues to be the case in other studies of IDAs, the findings might be the basis for improved IDA policy and programs. For example, if certain participant characteristics are associated with reduced saving performance, then policy and programs might target those participants with additional staff attention and other supports.

As the first systematic research on IDAs sponsored by a United Way organization, this study suggests that IDAs may be good options for use of community resources channeled through United Ways or other funding bodies. Although impacts are not measured in this study, assets are accumulating in IDAs. This is happening among participants who are low income and, on entering the IDA program, had few assets. IDA accumulations are literally “money in the bank.” Very few anti-poverty programs can point to results that are as concrete.

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# **Appendix A**

## **MIS IDA and Data**

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This appendix discusses the data and methods used to analyze saving behavior in the United Way. The goal is to help readers to make informed judgements about how best to use the results.

### **MIS IDA**

Program staff collect data for the evaluation with the Management Information System for Individual Development Accounts (MIS IDA). MIS IDA also helps programs to manage the logistics of IDAs. CSD anticipated the need for MIS IDA, designed and wrote the software, and now distributes and supports it.

MIS IDA provides management tools such as account statements, mailings, and more than 30 reports. It also generates a comprehensive database on program characteristics, participant characteristics, and on enrollments, deposits, and withdrawals. Moreover, with MIS IDA in place, an IDA program can track its own performance, and the database facilitates external evaluation. MIS IDA is used in 42 states, the District of Columbia, and Canada.

CSD identified the need for a management-information system in 1995. In 1996, a national team identified the types of data that such a system should collect. Version 1.0 of MIS IDA was released in mid-1997, and Version 2.0 was distributed in 1998. Version 3.0, released in January 2000, was used to collect the data in this report. Table A 1 lists selected fields collected in MIS IDA Version 3.0. The latest software, Version 4.0, became available in early 2002.

IDA staff record three types of data in MIS IDA: socio-economic data on participants at enrollment, monthly cash-flow data from accounts statements, and intermittent events such as class attendance and exit.

### **Data Quality**

CSD also developed a complementary software program—MIS IDA QC—as a quality-control tool for researchers and IDA programs to check the accuracy of data in MIS IDA. To ensure clean data, CSD and the UW IDA programs ran MIS IDA QC reports and cross-checked for data-entry errors, missing values, and accounting inconsistencies. Programs were asked to correct missing or inconsistent data. This extensive process significantly improves the quality of data.

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 such as class attendance and exit.



Table A.1 Selected Data Collected in MIS IDA Version 3.0

<b>Characteristics of Programs</b>	
• Age of host organization	
• Type of financial institution(s)	
<b>Funding Partners of Programs</b>	
• Type of organization	
• Matchable uses	
• Starting and ending dates of partnership	
• Amount and type of contribution	
<b>Account Structure for Programs</b>	
• Frequency of account statements	
• Number of signatures required for withdrawals	
• Penalties for unmatched withdrawals	
• Matchable uses	
• Wait period(s)	
<b>Inputs and Costs of Programs</b>	
• Types of marketing activities	
• Salary expenses (includes benefits)	
• Non-salary expenses (consultants, rent or mortgage, equipment, utilities, supplies, travel, and other)	
• Hours of salaried staff of the IDA program	
• Hours of volunteer staff	
• Hours of staff of partner organizations	
<b>Financial Education</b>	
• Hours of general financial education offered and required by a program	
• Hours of asset-specific education required by a program	
• Hours of general financial education attended by a participant	
• Hours and types of asset-specific education attended by a participant	
<b>Enrollment of Participants</b>	
• Social Security number	
• Name and address	
• Name and address of relative	
• Enrollment date	
• Date of exit	
• Reason for exit	
• Previous relationship with host organization	
• Referral from partner organization	
<b>Demographics of Participants</b>	
• Gender	
• Year of birth	
• Urban/rural residence	
• Marital status	
• Number of adults in household	
	<b>Demographics of Participants <i>continued</i></b>
	• Number of children in household
	• Race/Ethnicity
	• Education status
	• Employment status
	<b>Income and Public Assistance of Participants</b>
	• Monthly gross income (wages, government benefits, pensions, investments, self-employment, child support, gifts, and other)
	• Former TANF or AFDC status
	• Current TANF status
	• Current food-stamp status
	• Current SSI/SSDI status
	<b>Assets, Liabilities, and Insurance of Participants</b>
	• Assets (passbook savings, checking, home, car, business, land or property, investments)
	• Liabilities (home, car, business, land or property, family or friends, household bills, medical bills, credit cards, student loans)
	• Insurance (health, life)
	<b>Account Data for Participants</b>
	• Number of bank account
	• Name of financial institution
	• Date account opened and date closed
	• Funding partner(s)
	• Use of direct deposit
	• Type of match-cap structure
	• Annual match cap
	• Lifetime match cap
	• Match rate
	• Time cap
	<b>Periodic Deposits and Withdrawals by Participants</b>
	• Starting and ending balance
	• Number and amount of deposits
	• Number and amount of withdrawals
	• Amount of service fees
	• Amount of interest
	<b>Matched Withdrawals by Participants</b>
	• Use of withdrawal
	• Vendor name and address
	• Withdrawal date
	• Amount withdrawn
	• Amount of match

The cash-flow data from MIS IDA are probably the best data that exist on high-frequency saving behavior by the poor in any subsidized-savings program. This report centers on this data.

### Data Caveats

The staff members of IDA programs are not full-time researchers, and, despite their consistent commitment to accurate data and their strong support for the evaluation as a whole, quality varies among programs and among types of data. Most time-constant demographic variables are accurate. However, we cannot check whether program staff recorded all intermittent events such as exit and financial education.

As in all surveys, data on income, assets, and liabilities are measured with error. Participants often do not know these values, especially for non-financial assets such as homes or cars. MIS IDA asked for income at the household level but for assets at the individual level, and we do not know how participants reported jointly owned assets. Some people may have understated income or assets in the belief that this would increase their chances of acceptance into the means-tested program.

Account-structure parameters in MIS IDA may not always match the rules used in the field. This might result from staff turnover, because programs did not think much about some aspects of account structure (such as the time cap) until after they started, and/or because programs changed the structure of accounts but did not record the change in MIS IDA.

## Statistical Explanations

**Mean.** The mean is the average. For categorical variables (for example, gender, marital status), each category is represented by one variable that will take a value of zero (if the participant is not female) or one (if the participant is female). Thus, the mean is the share of the characteristics that takes the given value. For example 17% of participants are male, and 83% female (see Table 4.2).

**Statistical significance and the p-value.** This report discusses the precision of estimates of links between savings outcomes and the characteristics of participants and programs in terms of statistical significance. Results are *statistically significant* if they are not likely due to sampling variation. Larger sample sizes boost statistical significance, the confidence that an estimated relationship is “real” and does not merely reflect an unusual sample due to chance.

For example, suppose that we want to test a coin for fairness (a fair coin lands on “heads” half the time). For 100 tosses of a fair coin, we would expect about 50 “heads.” Even for a fair coin, however, we would not be surprised if, because of luck, we got 60 or more “heads.” But luck should even out with more tosses. If we tossed the coin 1,000 times and had 600 or more “heads,” then we might wonder whether the coin is really fair. If 1,000,000 tosses produce 600,000 or more “heads,” then we would strongly suspect a rigged coin.

The result of 60 or more “heads” in 100 tosses may not be statistically significant; it could happen even with a fair coin. The result of 600 or more “heads” in 1,000 tosses is more statistically significant; it is unlikely with a fair coin. The result of 600,000 or more “heads” in 1,000,000 tosses is highly statistically significant; it would almost never happen with a fair coin.

Statistical significance is expressed as a degree of confidence. For example, suppose that many people toss fair coins 100 times and that 75 percent of them get 59 or fewer “heads.” If we then toss a coin of unknown fairness 100 times and get 60 “heads,” we can have 75-percent confidence that it is not a fair coin.

The p-value is the complement of the confidence level, expressed as a probability rather than as a percentage. For example, 75-percent confidence implies a p-value of 0.25. If the confidence level is  $x$  percent, then the p-value is  $(100-x) \div 100$ . The higher the confidence, the lower the p-value.

Statistical significance depends on both the real relationship and the sample size. With small samples, statistical significance is rare, even if the real relationship is strong. With large samples, statistical significance is common, even if the real relationship is weak. Policy should look at both statistical significance and at the size of the estimated association. For this sample, a p-value of .05 or lower is reported as statistically significant.

Of course, statistical significance implies only association, not causality. Furthermore, statistical significance does not imply policy significance, and statistical insignificance does not imply policy insignificance. For example, a statistically insignificant link between the match rate and AMND might usefully imply that low matches are just as good as high ones.

Finally, statistical significance measures imprecision due to sampling variation; it ignores all other sources of imprecision (such as measurement error). For example, a model may assume that AMND depends only on gender, even though it really depends on a host of other factors but not on gender. If gender is correlated with the other factors, however, then the model might find a large, statistically significant (but incorrect) link between AMND and gender.

**Change in percentage points.** The table columns in Chapter 4 labeled “ $\Delta$  in % pt” (change in percentage points) or labeled “ $\Delta$  in \$” (change in dollars) show the change in the predicted saving given a unit change in an independent variable (one percentage point is 1/100, or 0.01). If the estimated change linked to a unit increase in an independent variable is positive, then the likelihood of saving (AMND) increases. Negative estimates imply decreases in the likelihood of saving. For example, the column “ $\Delta$  in \$” in Table 4.3 shows the change in the likelihood of saving for participants with a high school education or beyond relative to the likelihood of saving for participants without a high school education. As shown, having graduated from a four-year college was associated with an \$8.60 increase—compared to not having a high school education—in the likelihood of saving (98-percent confidence).

## **Appendix B**

### **Results By Program**

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#### **Participant Characteristics and Savings Patterns at each UW IDA Pilot Program**

In this appendix we summarize participant characteristics and savings patterns for the five UW IDA Pilot Programs separately. These are not provided so that one program can be compared against the others. Such comparisons would not be very informative because each IDA program is dealing with a different population and different program sizes. The patterns of individual characteristics and savings patterns are nonetheless informative in describing particular circumstances and patterns of saving at the different sites.

As of December 31, 2001, 514 participants were enrolled in the five programs. The *average monthly net deposit* (AMND)—defined as net deposits divided by months of participation—was \$18.87, and varied from a low of \$15.45 to a high of \$20.09. The average AMND for the 363 participants with positive net deposits (this figure excludes participants with zero account balances as of December 31, 2001) was \$26.84. Among the five programs, the mean deposit frequency ranged between 49 and 66 percent.

#### **The Five Organizations**

Beyond Housing.....	49
Justine Petersen Housing and Reinvestment Corporation.....	53
SSDN.....	57
The Urban League of Metropolitan St. Louis.....	61
East-West Gateway Coordinating Council.....	65

## Beyond Housing

### Participant Characteristics (N = 74)

Demographic		Household Composition <i>continued</i>		Financial <i>continued</i>	
<b>Gender</b>		<b>Adults in Household</b>		<b>Receipt of AFDC/TANF</b>	
Female	91	1	68	Formerly	82
Male	9	2	26	Currently	8
<b>Age</b>		3	4	<b>Received SSI/SSDI</b>	
13 to 19	0	4	1	Yes	8
20s	26	Missing	1	No	81
30s	58			Missing*	11
40s	15	<b>Education and Employment</b>		<b>Received Food Stamps</b>	
50s	1	<b>Education</b>		Yes	32
60 to 72	0	Did not Complete High School	9	No	53
<b>Race/Ethnicity</b>		Completed High School or GED	38	Missing*	15
African American	96	Attended College	42	<b>Bank Account</b>	
Asian American or Pacific Islander	0	Completed 2-year Degree	7	Passbook Savings Account	47
Caucasian	1	Completed Unspecified Degree	1	Checking	65
Hispanic	0	Completed 4-year Degree or more	3	Both	35
Native American	0	<b>Employment</b>		Either	77
Other	3	Employed Full-time	70	<b>Direct Deposit to IDA Account</b>	
<b>Household Composition</b>		Employed Part-time	15	Yes	30
<b>Marital Status</b>		Unemployed	3	No	70
Never Married	70	Not Working	0	Missing*	0
Married	15	Student, not Working	0	<b>Health-Insurance Coverage</b>	
Divorced or Separated	14	Student, also Working	12	Yes	58
Widowed	0	<b>Self-employed</b>		No	31
Missing	1	Yes	5	Missing*	11
<b>Household Type</b>		No	95	<b>Life-Insurance Coverage</b>	
One Adult with Children	68	<b>Financial</b>		Yes	54
One Adult without Children	0	<b>Income/Poverty (%)</b>		No	35
Two or more Adults with Children	30	0 to 49	15	Missing*	11
Two or more Adults without Children	1	50 to 74	19	<b>Relationship with Host or Partner</b>	
<b>Children in Household</b>		75 to 99	26	<b>Previous Relationship with Host</b>	
0	1	100 to 124	23	Yes	96
1	12	125 to 149	5	No	4
2	36	150 to 174	4	<b>Referred by Partner Organization</b>	
3	34	175 to 199	7	Yes	3
4	9	200 to 686	1	No	97
5 or more	7	Missing	0		

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Income for Participants for Beyond Housing								
Income Source	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)	Missing	% of Participants with a Source of Income	Distribution of Total Income by Source (%)
Wage-employment	74	1,231	1,200	0	3,600	0	99	84
Government Benefits	74	140	0	0	1,092	0	38	10
Pensions	74	0	0	0	0	0	0	0
Investments	74	0	0	0	0	0	0	0
Recurrent Sources	74	1,371	1,360	315	3,600	0	100	94
Self-employment	74	39	0	0	1,000	0	5	3
Child Support	74	49	0	0	750	0	18	3
Gifts	74	0	0	0	0	0	0	0
Other Sources	74	0	0	0	0	0	0	0
Intermittent Sources	74	88	0	0	1,000	0	23	6
Total Income	74	1,458	1,400	559	3,600	0	100	100
Income/Poverty	74	0.96	0.89	0.27	2.45	0		

Assets of Participants for Beyond Housing								
Asset Type	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)	Missing	Participants with an Asset Type (%)	Distribution of Total Asset Value by Type (%)
Passbook Account	74	58	0	0	714	0	0	8
Checking Account	74	160	25	0	2,500	0	65	12
Total Liquid Assets	74	218	100	0	2,535	0	77	20
Home	74	2,439	0	0	83,500	0	4	3
Car	73	4,295	2,000	0	17,000	1	77	76
Business	73	4	0	0	300	1	1	1
Land or Property	74	0	0	0	0	0	0	0
Investments	73	7	0	0	300	1	3	0
Total Illiquid Assets	71	5,763	2,000	0	67,000	3	77	80
Total Assets	71	5,978	2,150	0	67,550	3	92	100
Total Liabilities	72	7,138	4,800	0	55,400	2		
Net Worth	71	-1,254	0	-32,196	12,300	3		

Liabilities of Participants for Beyond Housing								
Liability Type	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)	Missing	Participants with a Liability Type (%)	Distribution of Total Liability Value by Type (%)
Home Mortgage	74	2,095	0	0	83,000	0	4	3
Car Loan	73	2,734	0	0	15,686	1	41	35
Business Loan	73	0	0	0	0	1	0	0
Land or Property Mortgage	74	0	0	0	0	0	0	0
Family and Friends Debt	74	79	0	0	3,000	0	7	1
Household Bills	74	160	0	0	1,100	0	34	7
Medical Bills	74	246	0	0	9,000	0	22	6
Credit-card	74	805	100	0	10,000	0	51	26
Student Loans	74	2,039	0	0	35,000	0	26	23
Total Liabilities	72	7,138	4,800	0	55,400	2	83	100
Total Assets	71	5,978	2,150	0	67,550	3	92	
Net Worth	71	-1,254	0	-32,196	12,300	3		

As of December 31, 2001, 74 participants were enrolled in Beyond Housing. The *average monthly net deposit* (AMND)—defined as net deposits divided by months of participation—was \$15.45 (\$21.57 for the 53 participants with positive net deposits). Five percent (4 participants) had made matched withdrawals. About 35 percent of participants had made unmatched withdrawals from matchable balances.

The average length of participation was 14.96 months, and the average number of months per year with a deposit was 5.9 (deposit frequency was 49 percent).

Deposits, Withdrawals, and Matches (Cumulative Dollars) for Beyond Housing				
Type of Cash flow	Amount		Match	Amount plus Match
Gross Deposits		26,724		
Unmatched withdrawals of excess deposits	100			
Unmatched withdrawals of matchable deposits	6,603			
Total unmatched withdrawals		(6,703)		
Excess balances		(22)		
Net Deposits		19,999	37,602	57,601
Matchable balances	17,687		34,146	51,833
Matched withdrawals	2,312		3,456	5,768

## Justine Petersen Housing and Reinvestment Corporation

### Participant Characteristics (N= 308)

Demographic		Household Composition <i>continued</i>		Financial <i>continued</i>	
<b>Gender</b>		<b>Adults in Household</b>		<b>Receipt of AFDC/TANF</b>	
Female	78	1	59	Formerly	36
Male	22	2	32	Currently	3
<b>Age</b>		3	6	<b>Received SSI/SSDI</b>	
13 to 19	8	4	3	Yes	7
20s	20	Missing	1	No	89
30s	35	<b>Education and Employment</b>		Missing*	4
40s	27	<b>Education</b>		<b>Received Food Stamps</b>	
50s	8	Did not Complete High School	15	Yes	13
60 to 72	3	Completed High School or GED	25	No	83
<b>Race/Ethnicity</b>		Attended College	37	Missing*	4
African American	71	Completed 2-year Degree	6	<b>Bank Account</b>	
Asian American or Pacific Islander	1	Completed Unspecified Degree	1	Passbook Savings Account	52
Caucasian	24	Completed 4-year Degree or more	16	Checking	75
Hispanic	1	<b>Employment</b>		Both	43
Native American	1	Employed Full-time	68	Either	84
Other	2	Employed Part-time	16	<b>Direct Deposit to IDA Account</b>	
<b>Household Composition</b>		Unemployed	2	Yes	16
<b>Marital Status</b>		Not Working	5	No	79
Never Married	56	Student, not Working	2	Missing*	5
Married	17	Student, also Working	8	<b>Health-Insurance Coverage</b>	
Divorced or Separated	24	<b>Self-employed</b>		Yes	71
Widowed	2	Yes	7	No	25
Missing	1	No	93	Missing*	4
<b>Household Type</b>		<b>Financial</b>		<b>Life-Insurance Coverage</b>	
One Adult with Children	42	<b>Income/Poverty (%)</b>		Yes	57
One Adult without Children	18	0 to 49	16	No	39
Two or more Adults with Children	28	50 to 74	10	Missing*	4
Two or more Adults without Children	12	75 to 99	13	<b>Relationship with Host or Partner</b>	
<b>Children in Household</b>		100 to 124	10	<b>Previous Relationship with Host</b>	
0	30	125 to 149	14	Yes	49
1	30	150 to 174	8	No	51
2	24	175 to 199	9	<b>Referred by Partner Organization</b>	
3	10	200 to 686	16	Yes	22
4	4	Missing	3	No	78
5 or more	2				



**Income for Participants for Justine Petersen Housing and Reinvestment Corporation**

<b>Income Source</b>	<b>N</b>	<b>Mean (\$)</b>	<b>Median (\$)</b>	<b>Min. (\$)</b>	<b>Max. (\$)</b>	<b>Missing</b>	<b>Participants with an Income Source (%)</b>	<b>Distribution of Total Income by Source (%)</b>
Wage-employment	308	1,265	1,347	0	4,000	0	94	85
Government Benefits	308	57	0	0	1,750	0	11	6
Pensions	308	18	0	0	1,279	0	3	2
Investments	299	1	0	0	300	9	0	0
Recurrent Sources	299	1,338	1,387	0	4,000	9	97	93
Self-employment	308	72	0	0	2,000	0	6	5
Child Support	308	34	0	0	1,226	0	8	2
Gifts	308	2	0	0	500	0	0	0
Other Sources	308	7	0	0	2,000	0	1	0
Intermittent Sources	308	115	0	0	2,000	0	14	7
Total Income	299	1,454	1,426	50	4,000	9	100	100
Income/Poverty	298	1.27	1.23	0.00	4.19	10		

**Assets for Participants for Justine Petersen Housing and Reinvestment Corporation**

<b>Asset Type</b>	<b>N</b>	<b>Mean (\$)</b>	<b>Median (\$)</b>	<b>Min. (\$)</b>	<b>Max. (\$)</b>	<b>Missing</b>	<b>Participants with an Asset Type (%)</b>	<b>Distribution of Total Asset Value by Type (%)</b>
Passbook Account	308	206	1	0	7,000	0	52	7
Checking Account	308	331	50	0	5,000	0	75	11
Total Liquid Assets	308	537	200	0	7,200	0	84	18
Home	308	28,447	0	0	140,000	0	46	44
Car	308	4,773	1,800	0	26,000	0	72	32
Business	307	910	0	0	90,000	1	6	3
Land or Property	308	1,416	0	0	130,000	0	3	2
Investments	308	354	0	0	10,000	0	16	2
Total Illiquid Assets	307	35,728	16,000	0	263,800	1	79	82
Total Assets	307	36,266	16,800	0	267,900	1	91	100
Total Liabilities	299	33,980	20,450	0	237,801	9		
Net Worth	299	2,132	750	-68,952	80,000	9		

### Liabilities of Participants for Justine Petersen Housing and Reinvestment Corporation

Liability Type	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)	Missing	Participants with a Liability Type (%)	Distribution of Total Liability Value by Type (%)
Home Mortgage	307	25,695	0	0	140,000	1	46	47
Car Loan	305	3,022	0	0	30,000	3	35	14
Business Loan	304	155	0	0	20,000	4	2	1
Land or Property Mortgage	306	850	0	0	113,000	2	2	1
Family and Friends Debt	308	249	0	0	13,000	0	12	3
Household Bills	308	100	0	0	2,000	0	21	6
Medical Bills	308	233	0	0	30,000	0	18	4
Credit-card	308	1,243	1	0	50,000	0	52	13
Student Loans	308	2,213	0	0	50,000	0	24	11
Total Liabilities	299	33,980	20,450	0	237,801	9	86	100
Total Assets	307	36,266	16,800	0	267,900	1	91	
Net Worth	299	2,132	750	-68,952	80,000	9		

As of December 31, 2001, 308 participants were enrolled in Justine Petersen. The *average monthly net deposit* (AMND)—defined as net deposits divided by months of participation—was \$19.18 (\$25.86 for the 230 participants with positive net deposits). Twenty percent (62 participants) had made a matched withdrawal. About 44 percent of participants had made unmatched withdrawals from matchable balances.

The average length of participation was 13.23 months, and the average number of months per year with a deposit was 7.9 (deposit frequency was 66 percent).

### Deposits, Withdrawals, and Matches (Cumulative Dollars) for Justine Petersen Housing and Reinvestment Corporation

Type of Cash flow	Amount	Match	Amount plus Match
Gross Deposits		159,068	
Unmatched withdrawals of excess deposits	17,198		
Unmatched withdrawals of matchable deposits	41,561		
Total unmatched withdrawals		(58,759)	
Excess balances		(9,461)	
Net Deposits		90,848	206,442
Matchable balances	50,9010	65,233	116,143
Matched withdrawals	39,938	50,361	90,299

## SSDN

## Participant Characteristics (N = 20)

Demographic		Household Composition <i>continued</i>		Financial <i>continued</i>	
<b>Gender</b>		<b>Adults in Household</b>		<b>Receipt of AFDC/TANF</b>	
Female	90	1	60	Formerly	60
Male	10	2	40	Currently	10
<b>Age</b>		3	0	<b>Received SSI/SSDI</b>	
13 to 19	0	4	0	Yes	10
20s	30	Missing	0	No	90
30s	50			Missing*	0
40s	15	<b>Education and Employment</b>		<b>Received Food Stamps</b>	
50s	5	<b>Education</b>		Yes	30
60 to 72	0	Did not Complete High School	10	No	70
<b>Race/Ethnicity</b>		Completed High School or GED	20	Missing*	0
African American	80	Attended College	65	<b>Bank Account</b>	
Asian American or Pacific Islander	0	Completed 2-year Degree	0	Passbook Savings Account	25
Caucasian	15	Completed Unspecified Degree	0	Checking	70
Hispanic	0	Completed 4-year Degree or more	5	Both	15
Native American	5	<b>Employment</b>		Either	80
Other	0	Employed Full-time	70	<b>Direct Deposit to IDA Account</b>	
<b>Household Composition</b>		Employed Part-time	15	Yes	5
<b>Marital Status</b>		Unemployed	10	No	95
Never Married	60	Not Working	0	Missing*	0
Married	25	Student, not Working	5	<b>Health-Insurance Coverage</b>	
Divorced or Separated	15	Student, also Working	0	Yes	55
Widowed	0	<b>Self-employed</b>		No	45
Missing	0	Yes	35	Missing*	0
<b>Household Type</b>		No	65	<b>Life-Insurance Coverage</b>	
One Adult with Children	50	<b>Financial</b>		Yes	60
One Adult without Children	10	<b>Income/Poverty (%)</b>		No	40
Two or more Adults with Children	40	0 to 49	15	Missing*	0
Two or more Adults without Children	0	50 to 74	20	<b>Relationship with Host or Partner</b>	
<b>Children in Household</b>		75 to 99	10	<b>Previous Relationship with Host</b>	
0	10	100 to 124	5	Yes	85
1	10	125 to 149	20	No	15
2	55	150 to 174	5	<b>Referred by Partner Organization</b>	
3	20	175 to 199	5	Yes	15
4	5	200 to 686	0	No	85
5 or more	0	Missing	20		

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Income for Participants for SSDN								
Income Source	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)	Missing	Participants with an Income Source (%)	Distribution of Total Income by Source (%)
Wage-employment	18	863	988	0	2,000	2	72	62
Government Benefits	20	142	0	0	1,350	0	30	13
Pensions	20	0	0	0	0	0	0	0
Investments	20	19	0	0	385	0	5	2
Recurrent Sources	18	1,043	1,088	0	2,000	2	94	76
Self-employment	20	289	0	0	1,500	0	35	20
Child Support	20	41	0	0	291	0	15	4
Gifts	20	0	0	0	0	0	0	0
Other Sources	20	0	0	0	0	0	0	0
Intermittent Sources	20	330	0	0	1,500	0	45	24
Total Income	18	1,326	1,160	613	2,960	2	100	100
Income/Poverty	16	0.94	0.89	0.18	1.78	4		

Assets of Participants for SSDN								
Asset Type	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)	Missing	Participants with an Asset Type (%)	Distribution of Total Asset Value by Type (%)
Passbook Account	19	195	0	0	3,000	1	21	8
Checking Account	19	202	75	0	1,114	1	68	8
Total Liquid Assets	18	402	95	0	3,160	2	78	16
Home	20	25,025	20,000	0	60,000	0	50	46
Car	19	3,634	2,000	0	24,000	1	63	29
Business	18	3,083	0	0	50,000	2	28	5
Land or Property	20	3,000	0	0	60,000	0	5	3
Investments	20	5	0	0	100	0	5	0
Total Illiquid Assets	17	39,606	42,000	0	123,500	3	88	84
Total Assets	15	37,679	41,000	0	124,000	5	93	100
Total Liabilities	11	37,592	40,624	0	114,500	9		
Net Worth	10	8,219	2,002	-10,550	57,651	10		

### Liabilities of Participants for SSDN

Liability Type	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)	Missing	Participants with a Liability Type (%)	Distribution of Total Liability Value by Type (%)
Home Mortgage	19	16,234	0	0	57,000	1	42	52
Car Loan	16	3,135	0	0	22,000	4	31	11
Business Loan	16	0	0	0	0	4	0	0
Land or Property Mortgage	20	2,850	0	0	57,000	0	5	6
Family and Friends Debt	20	9	0	0	135	0	10	0
Household Bills	20	334	0	0	4,500	0	25	2
Medical Bills	19	2,058	0	0	35,000	1	26	2
Credit-card	19	1,039	0	0	11,000	1	47	20
Student Loans	20	2,097	0	0	24,000	0	30	7
Total Liabilities	11	37,592	40,624	0	114,500	9	82	100
Total Assets	15	37,679	41,000	0	124,000	5	93	
Net Worth	10	8,219	2,002	-10,550	57,651	10		

As of December 31, 2001, 20 participants were enrolled in SSDN. The *average monthly net deposit* (AMND)—defined as net deposits divided by months of participation—was \$15.51 (\$28.21 for the 11 participants with positive net deposits). No participants had made matched withdrawals. About 50 percent of participants had made unmatched withdrawals from matchable balances.

The average length of participation was 15.45 months, and the average number of months per year with a deposit was 6.1 (deposit frequency was 51 percent).

### Deposits, Withdrawals, and Matches (Cumulative Dollars) for SSDN

Type of Cash flow	Amount	Match	Amount plus Match
Gross Deposits		10,441	
Unmatched withdrawals of excess deposits	202		
Unmatched withdrawals of matchable deposits	5,300		
Total unmatched withdrawals		(5,502)	
Excess balances		(106)	
Net Deposits		4,832	13,039
Matchable balances	4,832	8,207	13,039
Matched withdrawals	0	0	0



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**Income for Participants for the Urban League of Metropolitan St. Louis**

Income Source	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)	Missing	Participants with an Income Source (%)	Distribution of Total Income by Source (%)
Wage-employment	53	1,039	930	150	3,200	0	100	95
Government Benefits	53	40	0	0	1,010	0	9	2
Pensions	53	0	0	0	0	0	0	0
Investments	53	0	0	0	0	0	0	0
Recurrent Sources	53	1,079	1,045	150	3,200	0	100	98
Self-employment	53	5	0	0	240	0	6	1
Child Support	53	24	0	0	600	0	6	2
Gifts	53	0	0	0	0	0	0	0
Other Sources	53	0	0	0	0	0	0	0
Intermittent Sources	53	29	0	0	600	0	11	2
Total Income	53	1,108	1,048	150	3,210	0	100	100
Income/Poverty	53	0.95	0.79	0.07	3.49	0		

**Assets of Participants for the Urban League of Metropolitan St. Louis**

Asset Type	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)	Missing	Participants with an Asset Type (%)	Distribution of Total Asset Value by Type (%)
Passbook Account	53	272	0	0	4,100	0	43	14
Checking Account	53	206	10	0	1,000	0	53	13
Total Liquid Assets	53	478	112	0	4,600	0	64	28
Home	53	12,094	0	0	125,000	0	19	21
Car	53	4,094	1,500	0	25,000	0	60	50
Business	53	30	0	0	1,000	0	6	1
Land or Property	53	0	0	0	0	0	0	0
Investments	53	32	0	0	1,500	0	4	0
Total Illiquid Assets	53	16,251	1,500	0	137,100	0	64	72
Total Assets	53	16,729	2,060	0	137,170	0	79	100
Total Liabilities	53	15,730	1,250	0	256,210	0		
Net Worth	53	998	100	-119,040	50,200	0		

### Liabilities of Participants for the Urban League of Metropolitan St. Louis

Liability Type	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)	Missing	Participants with a Liability Type (%)	Distribution of Total Liability Value by Type (%)
Home Mortgage	53	9,264	0	0	125,000	0	19	27
Car Loan	53	2,754	0	0	19,400	0	34	36
Business Loan	53	19	0	0	1,000	0	4	1
Land or Property Mortgage	53	0	0	0	0	0	0	0
Family and Friends Debt	53	44	0	0	2,000	0	4	0
Household Bills	53	21	0	0	500	0	6	3
Medical Bills	53	158	0	0	5,000	0	8	4
Credit-card	53	1,560	0	0	50,000	0	23	13
Student Loans	53	1,909	0	0	80,000	0	13	15
Total Liabilities	53	15,730	1,250	0	256,210	0	57	100
Total Assets	53	16,729	2,060	0	137,170	0	79	
Net Worth	53	998	100	-119,040	50,200	0		

As of December 31, 2001, 53 participants were enrolled in Urban League. The *average monthly net deposit* (AMND)—defined as net deposits divided by months of participation—was \$21.79 (\$44.42 for the 26 participants with positive net deposits). No participants had made matched withdrawals. About 34 percent of participants had made unmatched withdrawals from matchable balances.

The average length of participation was 10.38 months, and the average number of months per year with a deposit was 5.1 (deposit frequency was 43 percent).

### Deposits, Withdrawals, and Matches (Cumulative Dollars) for the Urban League of Metropolitan St. Louis

Type of Cash flow	Amount	Match	Amount plus Match
Gross Deposits		18,368	
Unmatched withdrawals of excess deposits	559		
Unmatched withdrawals of matchable deposits	4,417		
Total unmatched withdrawals		(4,976)	
Excess balances		(124)	
Net Deposits		13,268	14,734
Matchable balances	13,268		14,734
Matched withdrawals	0	0	0



## East West Gateway Coordinating Council

### Participant Characteristics (N = 59)

Demographic		Household Composition <i>continued</i>		Financial <i>continued</i>	
<b>Gender</b>		<b>Adults in Household</b>		<b>Receipt of AFDC/TANF</b>	
Female	92	1	47	Formerly	93
Male	8	2	41	Currently	25
<b>Age</b>		3	8	<b>Received SSI/SSDI</b>	
13 to 19	3	4	3	Yes	8
20s	44	Missing	0	No	92
30s	39	<b>Education and Employment</b>		Missing*	0
40s	12	<b>Education</b>		<b>Received Food Stamps</b>	
50s	2	Did not Complete High School	20	Yes	51
60 to 72	0	Completed High School or GED	32	No	49
<b>Race/Ethnicity</b>		Attended College	37	Missing*	0
African American	97	Completed 2-year Degree	3	<b>Bank Account</b>	
Asian American or Pacific Islander	0	Completed Unspecified Degree	0	Passbook Savings Account	29
Caucasian	3	Completed 4-year Degree or more	7	Checking	64
Hispanic	0	<b>Employment</b>		Both	19
Native American	0	Employed Full-time	86	Either	75
Other	0	Employed Part-time	10	<b>Direct Deposit to IDA Account</b>	
<b>Household Composition</b>		Unemployed	0	Yes	15
<b>Marital Status</b>		Not Working	0	No	85
Never Married	66	Student, not Working	0	Missing*	0
Married	15	Student, also Working	3	<b>Health-Insurance Coverage</b>	
Divorced or Separated	19	<b>Self-employed</b>		Yes	76
Widowed	0	Yes	2	No	24
Missing	0	No	98	Missing*	0
<b>Household Type</b>		<b>Financial</b>		<b>Life-Insurance Coverage</b>	
One Adult with Children	47	<b>Income/Poverty (%)</b>		Yes	46
One Adult without Children	0	0 to 49	8	No	54
Two or more Adults with Children	51	50 to 74	20	Missing*	0
Two or more Adults without Children	2	75 to 99	24	<b>Relationship with Host or Partner</b>	
<b>Children in Household</b>		100 to 124	25	<b>Previous Relationship with Host</b>	
0	2	125 to 149	10	Yes	86
1	24	150 to 174	5	No	14
2	25	175 to 199	5	<b>Referred by Partner Organization</b>	
3	29	200 to 686	2	Yes	86
4	15	Missing	0	No	14
5 or more	5				

Income for Participants for East-West Gateway Coordinating Council								
Income Source	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)	Missing	Participants with an Income Source (%)	Distribution of Total Income by Source (%)
Wage-employment	59	1,336	1,320	0	2,480	0	98	87
Government Benefits	59	148	0	0	1,064	0	44	10
Pensions	59	0	0	0	0	0	0	0
Investments	59	0	0	0	0	0	0	0
Recurrent Sources	59	1,484	1,450	512	2,480	0	100	96
Self-employment	59	20	0	0	1,200	0	2	1
Child Support	59	44	0	0	555	0	17	2
Gifts	59	0	0	0	5	0	2	0
Other Sources	59	4	0	0	250	0	2	0
Intermittent Sources	59	69	0	0	1,200	0	22	4
Total Income	59	1,553	1,530	600	2,995	0	100	100
Income/Poverty	59	1.00	0.96	0.35	2.13	0		

Assets of Participants for East-West Gateway Coordinating Council								
Asset Type	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)	Missing	Participants with an Asset Type (%)	Distribution of Total Asset Value by Type (%)
Passbook Account	59	54	0	0	1,000	0	29	8
Checking Account	58	101	23	0	1,200	1	64	28
Total Liquid Assets	58	155	40	0	1,200	1	74	36
Home	59	5,032	0	0	80,000	0	10	11
Car	59	1,837	500	0	14,000	0	53	50
Business	59	85	0	0	5,000	0	2	2
Land or Property	59	0	0	0	0	0	0	0
Investments	59	2	0	0	140	0	2	0
Total Illiquid Assets	59	6,957	500	0	80,000	0	58	64
Total Assets	58	7,232	978	0	80,052	1	86	100
Total Liabilities	55	6,133	1,865	0	65,600	4		
Net Worth	54	-402	-445	-65,400	77,602	5		

Liabilities of Participants for East-West Gateway Coordinating Council								
Liability Type	N	Mean (\$)	Median (\$)	Min. (\$)	Max. (\$)	Missing	Participants with a Liability Type (%)	Distribution of Total Liability Value by Type (%)
Home Mortgage	56	649	0	0	35,000	3	5	3
Car Loan	58	824	0	0	11,000	1	12	11
Business Loan	59	0	0	0	0	0	0	0
Land or Property Mortgage	59	0	0	0	0	0	0	0
Family and Friends Debt	59	67	0	0	1,200	0	19	5
Household Bills	59	364	0	0	3,000	0	47	24
Medical Bills	58	502	0	0	10,000	1	29	12
Credit-card	58	636	0	0	6,000	1	40	20
Student Loans	59	2,863	0	0	50,000	0	29	26
Total Liabilities	55	6,133	1,865	0	65,600	4	84	100
Total Assets	58	7,232	978	0	80,052	1	86	
Net Worth	54	-402	-445	-65,400	77,602	5		

As of December 31, 2001, 59 participants were enrolled in East-West Gateway. The *average monthly net deposit* (AMND)—defined as net deposits divided by months of participation—was \$20.09 (\$27.57 for the 43 participants with positive net deposits). Three percent (two participants) had made matched withdrawals. About 54 percent of participants had made unmatched withdrawals from matchable balances.

The average length of participation was 13.71 months, and the average number of months per year with a deposit was 6.4 (deposit frequency was 54 percent).

Deposits, Withdrawals, and Matches (Cumulative Dollars) for East-West Gateway Coordinating Council				
Type of Cash flow	Amount		Match	Amount plus Match
Gross Deposits		28,665		
Unmatched withdrawals of excess deposits	4,079			
Unmatched withdrawals of matchable deposits	10,911			
Total unmatched withdrawals		(14,990)		
Excess balances		(84)		
Net Deposits		13,591	27,182	40,774
Matchable balances	11,591		23,182	34,774
Matched withdrawals	2,000		4,000	6,000