MICHIGAN IDA PARTNERSHIP: YEAR 2 PROGRAM EVALUATION REPORT

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INTRODUCTION

Individual Development Accounts (IDAs) are matched saving accounts designed to help low-income and low-asset families accumulate a few thousand dollars for high-return investments such as homeownership, education, and business ownership. The Michigan IDA Partnership (MIDAP) was created in 2000 to develop a statewide IDA program in Michigan. MIDAP is a partnership between the State of Michigan Family Independence Agency (FIA) and the Council of Michigan Foundations (CMF). Currently there are 50 program sites and 5 regional coordinating organizations (RCOs). As of September 30, 2002, 653 participants had enrolled in MIDAP. Participant savings of up to $1,000 are matched by $2 for education and small business and $3 for homeownership for every dollar saved by the participant.

The Institute for Social and Economic Development (ISED) was selected by MIDAP as the external program evaluator for five years (2001-2005). The following research questions are answered in this year's evaluation:

- What are the characteristics of program participants?
- What are the participants' savings patterns, use of program services, and outcomes?
- How do participants assess the IDA services?
- How has involvement with the IDA program affected the participants?
- How useful and how cost-effective is the MIDAP program structure?
- How might the MIDAP program structure change when program sites in the network have become experienced IDA providers?
- How useful is the MIS IDA software package?

This brief summary is intended to outline the major highlights from the second year's program evaluation. For more complete details please refer to the full report.

ACHIEVEMENTS

The Michigan IDA Partnership is doing a solid job of providing IDA services statewide. After only 18 months of program operation, participants are overwhelmingly pleased with the services they receive. One person said, *"It jump-starts your goals. If you can get serious about saving your money it motivates you and speeds it up."* A greater percentage of participants now save a regular amount each month—only 25 percent saved a regular amount each month before participating in MIDAP compared with 71 percent who do so while in the program. Nearly all of the participants feel more confident about their future. One person said, *"It's been a good outcome in my life for me to better myself. I achieved my goal. I just bought a house."*

Participants experience mostly positive changes in their lives as a result of taking part in the MIDAP Program. While some participants do struggle to make ends meet, they recognize the importance of the opportunity to double or triple their savings. Ninety percent are more aware of their credit rating and eighty-six percent are working to improve their rating. Eighty-three percent believe they are more likely to work for pay or stay employed since being a part of MIDAP. Furthermore, positive benefits are not limited to only the participants themselves. Almost 90 percent are more likely to make educational plans for their children.

MIDAP continues to make improvements in its operating structure. At the time of the Year 1 Evaluation Report (February 2002), roles and responsibilities among the three principle parties—MIDAP, the RCOs, and the program sites—were still being negotiated. Based on interviews and surveys with each of these groups nearly one year later, roles and responsibilities are clearer. Both RCOs and program sties benefit from the services and support provided by MIDAP. Staff are aware that each entity serves the particular functions for which it is best suited. Role clarification may re-surface as an issue as MIDAP grapples with sustainability issues. MIDAP was originally conceived as a five-year project to create the infrastructure for sustainable IDA programs. Staff differ in their views about how the structure should change beyond the first five years (see "Background" under the Process Study Findings, below, for context on this issue).

IDA services are being provided by a group of highly dedicated staff. Staff members at the program sites and RCOs are committed to providing IDA services and believe in the goals of the program. Even though IDA services are labor-intensive, dedication and enthusiasm remain high. Staff are eager to learn from the network of IDA providers and acknowledge the benefits of having a three-tiered program structure.

SUMMARY OF FINDINGS

This year's evaluation consists of three components: an outcome study using MIS IDA (the IDA participant tracking software) and FIA data from all program sites, a telephone survey of 100 participants, and a process study documenting the operating structure of the program based on interviews with staff. The findings from each of these components are summarized below.

OUTCOME STUDY	
	In only 18 months, the MIDAP Program has achieved the following outcomes:
	• 588 participants (98%) have made at least one savings deposit, with an average of $375 in total deposits.
	• 34 participants (6% of those with account data) have made at least one matched withdrawal, with average total matched withdrawals of $825.
	• Of the 34 participants who have made matched withdrawals, 56% purchased homes, 29% made small business purchases, and 15% used their savings to pay for education. Participant savings for these purchases totaled $28,052 and were matched at a rate of $2 or $3 for every dollar saved, for a total of $102,565.
	• 101 participants (17%) have made at least one unmatched withdrawal with average total unmatched withdrawals of $356. An unmatched withdrawal means a person withdrew their savings from their IDA for a purpose other than their asset goal. Program rules allow for unmatched withdrawals in emergency circumstances, for example to pay for a medical bill, and participants can remain in the program. In fact, over half of the participants who have made unmatched withdrawals are still active in the IDA program.

PARTICIPANT SURVEY STUDY	
SAVING BEHAVIOR	• Before participating in MIDAP, 79% of the respondents had savings accounts, while 100% have them now.
	• An increasing percentage of participants are saving regular amounts over time—25% before participating in MIDAP, 71% while participating in MIDAP, and 87% expect to save regularly in the future.
	• The most common strategy for setting aside money for IDA deposits is using resources more efficiently. For example, 82% shop for food more carefully.

PARTICIPANT SURVEY STUDY *(continued)*	
SERVICES	• 100% of the respondents agree or strongly agree that saving for a certain goal acts as an incentive to save. • 96% report that the match rate makes it easier to save. • 98% are satisfied with the financial managements services such as classes on balancing a checkbook, keeping a household budget, and managing debt. • 84% believe the IDA financial management classes help them save. • Some respondents (35-57%) consider having less money going toward transportation, housing, and food to be the greatest barriers to saving. • Negative opinions of the IDA services are related to a mismatch between the participant's goal and the required classes, making up classes, or asset goals not being equally valued by staff.
EFFECT HAVING IDA HAS ON LIFE	• 99% have been affected positively by being in the MIDAP Program. • 90% are more aware of their credit rating. • 83% agree or strongly agree that they are more likely to work for pay or stay employed since participating in the MIDAP Program. • Over 80% have working utilities, enough food, a telephone, and a place to live. • On the other hand, some participants do have difficulty meeting their basic needs—34% struggle to have medical care and 47% struggle to purchase clothing.

PROCESS STUDY	
MIDAP PROGRAM STRUCTURE	**Background:** One of MIDAP's roles is to develop a statewide program with the capacity to provide IDA accounts on a larger scale than IDA initiatives have achieved in other states. The structure of RCOs and program sites working in a collaborative network has a dual purpose: 1) rapidly develop capacity among program sites and 2) establish a structure that would allow IDA programs to continue beyond the initial demonstration and possibly expand in the future to continue to offer IDAs. The intention was for MIDAP to develop the capacity of regional collaboratives over time, and eventually, after RCOs had been established, to transfer MIDAP's functions to the RCOs. This evaluation is the first opportunity to discuss the potential future roles of MIDAP and the RCOs, as well as the program sites' views of these roles. • RCOs and program site staff are satisfied with the three-tiered program structure (MIDAP, the RCOs, and program sites). The advantages of this program structure are: 1) it allows each tier to do what it does best, 2) it helps create consistency across the network, 3) it encourages collaboration, 4) it provides support to all parts of the partnership, and 5) it brings funding to organizations to provide IDA services. • The most essential MIDAP functions are: 1) providing overall coordination and direction for the program, 2) maintaining the linkage with the state funder and coordinating statewide fundraising efforts, 3) advocating for IDAs at the state level, and 4) keeping the network informed about what is happening at the state and national levels. • RCO and program site staff differ in their views about changing the three-tiered program structure after programs in the network are more experienced. Most RCOs believe that both the centralized administration (MIDAP) and the RCOs will still be needed. The program sites are almost evenly divided between those who believe both MIDAP and the RCOs will be needed, and those who believe that support from just one of the tiers (i.e., MIDAP or the RCOs or another entity) may be sufficient.

PROCESS STUDY *(continued)*	
FUNDING AND COST-SAVING STRATEGIES	• Securing ongoing funding sources for IDA programs in Michigan is critical if a collaborative statewide network of IDA programs is to be maintained. • MIDAP and the RCOs have effectively leveraged an additional $1.6 million to date in federal funds through the Assets for Independence Act (AFIA). However, as stipulated in the federal regulation, the use of these funds is contingent upon raising an equal amount from private sources to match participant savings. Ongoing fundraising efforts continue to achieve this goal. • Programs try many cost-saving strategies, such as blending the MIDAP program with complementary programs, using training available in the community, sharing training resources with other MIDAP-funded IDA programs, using expertise on IDA advisory boards, and using volunteers.

RECOMMENDATIONS

There are areas in which the MIDAP Program can make improvements. The recommendations are offered for consideration and are grouped in four categories: MIDAP program structure, funding and cost-saving strategies, MIS IDA, and effective practices for operating an IDA program site.

MIDAP PROGRAM STRUCTURE

- **Some program sites are not well-informed about fundraising efforts being made by MIDAP on behalf of the network.** Update the RCOs and program sites about current fundraising efforts and future plans frequently. Continue with the "Great Ideas" and "MIS IDA Helpful Hints" e-newsletters for program sites every month. Perhaps include funding updates on the partnership listserv.

- **Clarify process of drawing down match funding.** MIDAP needs to make clear to the programs what are realistic turnaround times for house closings. Ideally, a one-month advance notice is best; however, at a minimum a two-week turnaround is necessary to ensure a check is cut and ready at the time of a house closing. Programs must not schedule house closings with less than a two-week turnaround.

FUNDING AND COST-SAVING STRATEGIES

- **Secure ongoing funding sources.** In order to maintain the momentum of the collaborative network of IDA programs, funding to open more IDA accounts is needed. Even though funding is secured for over 1,000 accounts, it will be critical to expand accounts at those program sites with waiting lists to keep programs fully engaged in the network. Any private funding that is secured can be matched by AFIA funds. As private funds are committed, a portion of the funding can be used to cover the expense of providing direct services to IDA participants.

- **Build fundraising capacity of program sites.** MIDAP might consider providing program sites with training to build their fundraising capacity. This training could be provided to the IDA network only, or opportunities to provide training to the broader non-profit community might be explored. MIDAP might also plan a coordinated fundraising strategy with the program sites and RCOs. If standard materials (e.g., prepared presentation slide show) were available to staff who were approaching funders, the task might not seem so daunting.

- **Although the program sites are working hard to deliver services efficiently and at lower cost, there is always room for improvement in this area.** Make improvements in sharing resources, make better use of the RCOs, use free community resources, and blend IDA services with complementary services (refer to Chapter V in the full report for further details). MIDAP and the RCOs might help the program sites determine which of the cost-saving strategies described in this report they are already using and which might be feasible and useful to implement.

DATA COLLECTION AND MANAGEMENT: MIS IDA ISSUES

- **Many sites have not mastered the MIS IDA software.** Provide support to sites and RCOs for MIS IDA training and dedication of staff time to enter, check, and maintain data. Designate specific staff at each site and RCO for these tasks and ensure that time is set aside each week to complete them. Be prepared for staff turnover by having another staff person who could assume MIS IDA duties, rather than letting data entry lapse.

- **Data problems continue to limit program sites' ability to track participant progress and program performance.** Run automated reports in MIS IDA at program sites and check against other forms of participant/program performance documentation for accuracy, then invest time in correcting data before sending the data file to the RCO. By running a simple report at the program site, basic errors can be caught. Run quality control reports in the MIS IDA QC software (a supplemental information system to identify common MIS IDA data errors) at program sites and again at the RCO level; return questionable data files back to program sites to correct errors. MIDAP can also request these MIS IDA reports from sites/RCOs to cross-check against other data.

EFFECTIVE PRACTICES FOR OPERATING AN IDA PROGRAM SITE

- **Encourage program sites to have direct deposit saving accounts for their participants.** Participants who use direct deposit for their IDAs have a greater number of total deposits and a greater number of deposits per month than participants who do not have direct deposit.

- **Carefully consider class offerings and their fit with saving goal.** Consider making the financial literacy training the standard for all participants to attend at the outset of program participation and then direct people to "asset-specific" trainings. For example, people who are pursuing education for their asset goal should not be required to attend homeownership training.

- **Share potential hardships.** Incorporate the knowledge in the training sessions that it is likely participants may experience some level of hardship while saving for their IDA—they may have difficulty paying their bills, may not be able to save for something other than their IDA asset goal, or may need to give up a necessity. Make participants aware of these possible negative effects at the beginning of the program and encourage mutual support systems. This may assure some participants later on when they do encounter difficulties that, while this is a "natural stage of the process," the difficulties can be mitigated if steps are taken to address them. Participants may be less discouraged if they are armed with this knowledge at the outset and plan for the difficulties.

I. BACKGROUND

Individual Development Accounts (IDAs) are matched saving accounts designed to help low-income and low-asset families accumulate a few thousand dollars for high-return investments such as homeownership, education or job training, and small businesses. They are designed to increase savings and investments for the working poor (including people who are working and receiving public assistance) and people living on the edge of poverty. IDA programs have been operating in the U.S. since the early 1990s.

Individuals who meet IDA program acceptance criteria may open IDA savings accounts at designated local financial institutions and deposit money from their earned income over a specified period of time, usually 6-36 months. They are required to complete financial training, such as financial literacy courses and workshops pertaining to their asset goals. Individual IDA programs may have additional requirements, such as attending participant group meetings. Most IDA programs also provide case management services to their participants. When participants reach their savings goals, the funds they withdraw from their IDA savings accounts are matched. These funds can only be matched when used for a program-approved purchase, such as college tuition payments, down payment on a home, or purchase of equipment for a business.

The Michigan IDA Partnership (MIDAP) was created in 2000 to develop a statewide IDA program in Michigan. MIDAP is a partnership between the State of Michigan Family Independence Agency (FIA) and the Council of Michigan Foundations (CMF). MIDAP is administered by CMF and governed by an advisory committee comprised of the founding agencies, key IDA stakeholders in the state, and national experts on IDA programs and policies. MIDAP contracts with organizations to serve as IDA program sites and regional coordinating organizations (RCOs). Currently there are 50 program sites and 5 RCOs.

MIDAP has established goals, participant eligibility requirements, and program parameters to serve as a standard and as guideposts for new programs. The parameters are based on "best practices" from IDA programs nationally and from within the State of Michigan. The minimum monthly deposit is $20. Participant savings of up to $1,000 are matched by $2 for education and small business and $3 for homeownership for every dollar saved by the participant.

The Institute for Social and Economic Development (ISED) was selected by MIDAP as the external program evaluator for five years (2001-2005). This report represents the second year of the evaluation. The evaluation consists of three components: an outcome study using MIS IDA data from all program sites, a telephone survey of 100 participants, and a process study documenting the operating structure of the program.

This report contains four chapters. The findings of the outcome study are summarized in Chapter II. The findings of the participant telephone survey are presented in Chapter III. The results of the process study are described in Chapter IV. Achievements and recommendations that span across the three evaluation components are highlighted in Chapter V. A list of acronyms used in this report is in Appendix A. The research design of this study is contained in Appendix B. Data tables and supplemental information are in Appendices C-H.

II. OUTCOME STUDY

This chapter describes the characteristics of MIDAP participants and program outcomes. We present participants' demographic characteristics, program participation and outcomes, analyses of different subgroups of participants, and comparisons to outcomes for IDA participants in the American Dream Demonstration study.

Data sources for these analyses include MIS IDA[1] data through September 30, 2002 from 47 MIDAP program sites as compiled by the Council of Michigan Foundations, a MIDAP list of participants who made qualified matched withdrawals, and Michigan Family Independence Agency data on public benefit receipt. ISED merged the three datasets and cleaned the data for analysis. All data are presented in aggregate form, i.e., they are not broken out by individual program sites.

A. PARTICIPANT CHARACTERISTICS AT TIME OF MIDAP ENROLLMENT

Six hundred and fifty-three participants had enrolled in MIDAP as of September 30, 2002. Characteristics of these participants at the time of enrollment are presented in Table 2.1. The typical participant is a 33-year-old unmarried African American woman with some college education, two children living at home, a full-time job, and a monthly household income of about $1,800 (about $22,000 annually).

Gender, Ethnicity, and Age. The majority of participants are women (84 percent). Nearly half are African American (49 percent) and 41 percent are Caucasian. Participants range in age from 16 to 66 years; 40 percent of the participants are between 30 and 39 years old.

Marital Status and Residency. Nearly half of the participants have never been married, over one-quarter are divorced or separated, and one-quarter of the participants are married. Over sixty percent of the participants are the only adult in their household, about one-third live with another adult, and 5 percent have two or more other adults living with them. Over three-quarters of the participants live in urban areas (78 percent compared with 22 percent in rural areas).

Number of Children. Most participant households include children under age 18. Over half of the participants (58 percent) live with one or two children, and nearly one-third of the participants have three or more children in their household. Only 12 percent have no children living with them.

Level of Education. Sixty percent of the participants attended some college or have a college degree. About one-fourth (23 percent) have a high school diploma or GED. Sixteen percent of the participants have less than a high school education.

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[1] The entire MIDAP network manages information using MIS IDA (Management Information System for Individual Development Accounts), an information system developed by the Center for Social Development at Washington University in St. Louis specifically to track and manage IDA participation and accounts. It is the only available software system expressly intended for IDA programs.

Table 2.1
Participant Characteristics at Time of MIDAP Enrollment

Participant Characteristic	Number N=653	Percent	Participant Characteristic	Number N=653	Percent
Gender			Highest Level of Education		
Female	550	84 %	Less than high school	102	16 %
Male	103	16 %	H.S. diploma/GED	148	23 %
			Some college	262	40 %
Ethnicity			2-year college degree	59	9 %
African American	318	49 %	4-year college degree	56	9 %
Caucasian	269	41 %	Attended graduate school	15	2 %
Latino/Hispanic	40	6 %	Unknown/missing	11	2 %
Native American	8	1 %			
Asian/Pacific Islander	4	1 %	Employment Status		
Other	14	2 %	More than full-time	68	10 %
			Full-time	347	53 %
Age			Part-time	114	17 %
19 years or younger	26	4 %	Working and in school	50	8 %
20 to 29 years	217	33 %	In school/training	18	3 %
30 to 39 years	259	40 %	Laid off	8	1 %
40 to 49 years	129	20 %	Seeking employment	12	2 %
50 years or older	21	3 %	Homemaker	10	2 %
Unknown/missing	1	< 1 %	Disabled	10	2 %
Average Age	33.15	NA	Retired	4	1 %
			Unknown/missing	12	2 %
Residence					
Urban	507	78 %	Household Monthly Income		
Rural	143	22 %	$999 or less	117	18 %
Unknown/missing	3	< 1 %	$1,000 to 1,499	146	22 %
			$1,500 to 2,499	274	42 %
Marital Status			$2,500 or more	84	13 %
Single	304	47 %	Unknown/missing	32	5 %
Married	160	25 %	Average Household Monthly Income	$1,847	NA
Divorced	125	19 %			
Separated	56	9 %	Has Health Insurance		
Widowed	5	1 %	Yes	243	37 %
Unknown/missing	3	< 1 %	No	360	55 %
			Unknown/missing	50	8 %
Number of Adults in Household					
One	398	61 %	Has Life Insurance		
Two	204	31 %	Yes	195	30 %
Three	26	4 %	No	406	62 %
Four or more	4	1 %	Unknown/missing	52	8 %
Unknown/missing	21	3 %			
Average # of Adults in Household	1.39	NA	Current FIP Recipient		
			Yes	186	28 %
Number of Children in Household			No	439	67 %
None	80	12 %	Unknown/missing	28	4 %
1-2	376	58 %			
3-4	156	24 %	Had Existing Relationship with Agency		
5 or more	38	6 %	Yes	125	19 %
Unknown/missing	3	< 1 %	No	336	51 %
Average # of Children in HH	2.02	NA	Unknown/missing	192	29 %

Source: MIS IDA data through September 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations. Data cleaned for analysis by ISED.

Note: Percentages may sum to more than 100 due to rounding.

Employment Status and Insurance. Most participants (89 percent) are employed.[2] Ten percent work more than 40 hours per week, over half work 35-40 hours per week, and 17 percent have part-time jobs. Another eight percent work and attend school or a job training program. In spite of this high employment rate, over half (55 percent) of the participants do not have health insurance, and even more (62 percent) do not have life insurance.

Household Income and Public Assistance. Participants' households receive income from a variety of sources including employment, public assistance, child support, self-employment, gifts, and pensions as shown in Table 2.2 (Appendix C). The average total monthly household income from all sources is $1,847 (or $22,164 annually). Eighty-nine percent of the participants' households have income from wage-earning employment, and over three-quarters of the total income reported is from employment. Eighteen percent have incomes less than $1,000 per month, while thirteen percent have monthly incomes of $2,500 or more.

Though the MIDAP Program is not designed specifically for public assistance recipients, some participants are receiving FIP cash assistance—28 percent were receiving cash assistance benefits through the Family Independence Program (FIP), Michigan's Temporary Assistance for Needy Families program, at the time they enrolled in the IDA program. Given the current political climate, it is an interesting area for policymakers to know if fewer participants receive public assistance over time. As shown in Table 2.3 (Appendix C),[3] more participants received FIP at the time of their enrollment in MIDAP than in October 2002. Of 415 participants for whom data were available at both time points—enrollment and October 2002—29 percent were receiving FIP when they enrolled in MIDAP, and only 6 percent were receiving it in October 2002. However, it must be noted that other factors might account for this decrease—the economy, participation in other service or training programs—the decrease cannot be attributed to MIDAP alone.

B. PROGRAM PARTICIPATION AND OUTCOMES

Program Participation. As of September 30, 2002, 632 IDAs had been opened by 630 participants (see Table 2.4 in Appendix C).[4] Almost one-quarter (24 percent) of these participants use direct deposit for their accounts. At the time they opened their account, most participants (81 percent) planned to save for a home purchase, followed by business (11 percent) and education (10 percent). On average, participants have been in the program for 8.63 months.

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[2] It is a requirement of the MIDAP Program that participants are employed or their spouse/partner is employed at the time of enrollment. However, people may lose their jobs or rely on the income of a spouse/partner and still be eligible to participate.

[3] FIP receipt at enrollment is recorded in MIS IDA, and the Michigan Family Independence Agency (FIA) provided data about receipt of FIP cash assistance benefits in October 2002 for participants who had enrolled in the IDA program by June 2002. FIA also provided Food Stamp receipt data but due to missing MIS IDA data, it is not possible to make observations about the change in utilization of this benefit from the time of enrollment. In October 2002, 191 of the 435 participants (44 percent) for whom we have data received Food Stamps.

[4] Of the 23 participants who had not yet opened an IDA by the end of the data (September 2002), 8 were recent enrollees (within the previous two months) and 7 had formally exited the program. Two participants each opened two accounts.

Account Activity. Account activity outcomes are defined as IDA deposits, matched withdrawals, and unmatched withdrawals.[5] Details about account activity outcomes are presented in Table 2.5 (Appendix C). Of the 601 participants for whom account activity data are available:

- 588 participants (98 percent) have made at least one savings deposit, with an average of $375 in total deposits

- 34 participants (6 percent of those with account data) have made at least one matched withdrawal, with average total matched withdrawals of $825

- 101 participants (17%) have made at least one unmatched withdrawal with average total unmatched withdrawals of $356. An unmatched withdrawal means a person withdrew their savings from their IDA for a purpose other than their asset goal.[6]

Program Status and Matched Withdrawals. Additional outcomes include program status (active or exited) and making a qualified matched withdrawal, as shown in Table 2.6 below. As of September 30, 2002, 552 of the participants (85 percent) were active in the program and 101 (15 percent) had exited the program. A total of 34 participants (5 percent) had made qualified matched withdrawals to purchase assets with their IDA savings; nine of these were active participants who remained in the program to continue saving money in their IDAs to purchase additional assets (i.e., further business- or education-related purchases), and the remaining 25 participants with matched withdrawals exited the program. It follows that of the 101 participants who exited the program, 76 exited unsuccessfully—they did not make a matched withdrawal.[7] This calculates to a drop-out rate of 12 percent.

Table 2.6
Program Status and Matched Withdrawals

Program Status		Matched Withdrawal	No Matched Withdrawal	Total
Active	Number	9	543	**552**
	Percent	1 %	83 %	**85 %**
Exited	Number	25	76	**101**
	Percent	4 %	12 %	**15 %**
Total	**Number**	**34**	**619**	653
	Percent	**5 %**	**95 %**	

Source: MIS IDA data through September 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations; MIDAP list of matched withdrawals. Only participants for whom income data are available are included in this analysis. Data cleaned for analysis by ISED.

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[5] Complete definitions of the variables discussed in this section are located in Section D of this chapter, and issues encountered in calculating these variables are described in Appendix D.

[6] Program rules allow for unmatched withdrawals in emergency circumstances, for example to pay for a medical bill, and participants can remain in the program. Of the 101 participants who made unmatched withdrawals, 53 were still active in the program, 6 had exited the program successfully after reaching their IDA goal and making qualified matched withdrawals, and 42 had exited the program unsuccessfully as of September 30, 2002.

[7] Of the 76 participants who exited the program unsuccessfully, 23 violated program rules, 19 were not able to save, 11 lost interest in the program, 10 moved out of the area, 2 were no longer eligible for the program, 2 withdrew savings for an unapproved purpose, and 9 left for an unspecified reason.

Asset Purchases and IDA Savings. Of the 34 participants who have made matched withdrawals, over half (56 percent) purchased homes, 29 percent made business-related purchases, and 15 percent used their savings to pay for education and related expenses. Participant savings for these purchases totaled $28,052 and were matched at a rate of $2 or $3 for every dollar saved, for a total of $102,565 in savings plus match funds. The total participant savings, IDA match amounts, and total amounts obtained to purchase assets are shown in Table 2.7.

Table 2.7
Assets Purchased with IDA Savings

Asset Purchased	Number of Participants	Total Participant Savings	Total Match Amount	Total Amount
Home	19	$ 18,408	$ 55,223	$ 73,630
Business	10	$ 7,262	$ 14,524	$ 21,785
Education	5	$ 2,383	$ 4,766	$ 7,149
Total	**34**	**$ 28,052**	**$ 74,512**	**$ 102,565**

Source: MIS IDA data through September 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations; MIDAP list of matched withdrawals. Data cleaned for analysis by ISED.

C. SUBGROUP ANALYSES

In this section we present the findings of outcomes for different categories, or subgroups, of participants. These groupings were selected based on analyzing the data trends and on the interest of MIDAP and FIA staff members. The eight different groupings of participants are:

1. Rural and urban participants (residence at time of enrollment into the program)
2. Asset for which participants were saving at the time they opened their IDA (home purchase, business, or education)
3. Public assistance receipt (whether or not participant received FIP at time of enrollment)
4. Income level (household monthly income at time of enrollment: $999 or less, $1000 – 1499, $1500 – 2499, and $2500 or more)
5. Direct deposit (whether or not participant used direct deposit for IDA savings)
6. Gender
7. Marital status (married or not married at time of enrollment)
8. Minority status (ethnic minority or non-minority)

For these analyses, three types of account activity outcomes were examined:
- Deposits: participant deposits of funds into their IDAs
- Matched Withdrawals: withdrawals which comply with IDA program regulations and are matched at a given rate to purchase assets
- Unmatched Withdrawals: withdrawals that do not comply with program guidelines to qualify for matched funds

Based on these categories of account activity, the following variables were calculated:[8]
- Number and percentage of participants who had made at least one deposit, matched withdrawal, or unmatched withdrawal

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[8] Issues encountered in calculating these variables are described in Appendix D.

- Total number and amount of deposits, matched withdrawals, and unmatched withdrawals: average across the participants who had made at least one deposit, matched withdrawal, or unmatched withdrawal, respectively
- Average monthly number and amount of deposits:[9] using the available monthly account data, the average monthly number and amounts of deposits were calculated

Observed differences in savings account activity outcomes for these subgroups were compared to assess whether the program has differential outcomes for different groups of participants. In this report, a difference is described as statistically significant if, based on statistical analysis of the available evidence, it achieves a *confidence level* of 95 percent or higher, meaning that one can be 95 percent confident that the finding is not the result of chance alone. A 95 percent confidence level is equivalent to a *p-value* of 0.05. In the data tables located in Appendix C, p-values are provided for statistically significant differences of 0.05 or less; the absence of a p-value indicates that any observed difference is not statistically significant.

Before presenting the results of the subgroup analyses a note of caution must be given. We do not have the data to determine why there are differences among the subgroups of participants. Therefore, we cannot speculate about the reasons for these differences. Perhaps in next year's evaluation we could include specific items on the annual participant telephone survey that would help us better understand the behaviors and motivations of the participants.

1. RURAL AND URBAN PARTICIPANTS

Rural and urban participants are fairly similar with respect to their savings account activities, with no significant differences noted (Table 2.8 in Appendix C). The average monthly amount of deposits is higher for urban than for rural participants ($64 as compared with $55), while the average amount of matched withdrawals is higher for rural participants ($894 as compared with $791). Neither of these differences is statistically significant.

2. ASSET GOAL

Differences were analyzed among participants based on their asset goal at the time they opened their IDA: home purchase, business, or education (Table 2.9 in Appendix C). When interpreting these findings, it is important to keep in mind that participants purchasing business or education assets frequently make multiple matched withdrawals for a variety of assets (e.g., tuition and books), while those saving for a home usually make a larger, one-time matched withdrawal. Also, match rates are different for savings goals—$2 for education and small business and $3 for homeownership for every dollar saved by the participant.

Outcomes for participants do vary somewhat depending on their asset goal. On average, participants saving for a home make significantly more frequent deposits each month than those saving for a business or education. The percentage of participants who have made at least one matched withdrawal varies by savings goal (16 percent for business, 8 percent for education, and 4 percent for home purchase); these differences are statistically significant. The total amount of matched withdrawals is significantly higher for participants saving for a home purchase ($968 as compared with $726 for business and $346 for education).

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[9] MIDAP has a requirement of a $20 minimum monthly deposit.

3. PUBLIC ASSISTANCE RECEIPT

While most MIDAP participants are not receiving cash assistance (67 percent), some participants are receiving FIP cash assistance (28 percent). Though the MIDAP Program is not designed specifically for public assistance recipients, policymakers may be interested in knowing if outcomes are different for welfare recipients. To answer this question, participants were categorized as "FIP" or "non-FIP" at the time of enrollment in the IDA program. This information was recorded in MIS IDA based on participant self-report responses. Outcomes are slightly different for these two subgroups of participants, as shown in Table 2.10 (Appendix C). The average number of deposits per month is significantly higher for the non-FIP participants (1.05 compared with 0.94 for FIP participants), but the average monthly deposit amount is very similar for the two groups ($62 to $63). The average matched withdrawal total is significantly higher for the non-FIP group ($873 compared with $578 for the FIP group).

4. INCOME LEVEL

In general, income level does appear to affect IDA deposit activity. Four subgroups were defined based on household monthly income at time of intake: $999 or less; $1,000 to 1,499; $1,500 to 2,499; and $2,500 or more. Savings account activities by income level are presented in Table 2.11 (Appendix C). The average total amount and monthly amount of deposits increase with income level; these differences are statistically significant. For example, the lowest income group deposits, on average, $53 per month, while the highest income group deposits $75 per month. The average total amount of matched withdrawals increases with income level, but this finding is not statistically significant.

However, when comparing monthly deposit amounts with reported monthly income, the percentage of monthly income deposited in IDAs *decreases* with income level (see Table 2.12 below), with the lowest income group depositing, on average, 9 percent of their monthly income per month and the highest income group depositing 2 percent of their monthly income.[10] These differences are also statistically significant.

Table 2.12
Percentage of Income Saved Monthly by Income Level

Income Level	Percentage of Monthly Income Saved in IDA
$999 or less	9 %
$1,000 to 1,499	5 %
$1,500 to 2,499	4 %
$2,500 or more	2 %

Source: MIS IDA data through September 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations.   Data cleaned for analysis by ISED.

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[10] For participants who made at least one deposit, the percentage of monthly income deposited was calculated for each month that account activity data are available, and the means were compared across subgroups for all months for which data are available.

5. DIRECT DEPOSIT

Using direct deposit to accumulate savings in IDAs does appear to affect the frequency of deposits (Table 2.13 in Appendix C). Participants who use direct deposit for their IDAs make, on average, a greater number of total deposits (7.99 compared with 5.42 for participants who do not use direct deposit) and a greater number of deposits per month (1.16 compared with 0.98 for the non-direct deposit group); these differences are statistically significant. However, the amounts of deposits are not significantly different for the two groups, nor are there notable differences in matched or unmatched withdrawals. Given these results, program sites might wish to encourage participants to use direct deposit since it does have a positive affect on saving behavior (number of total deposits and number of deposits per month).

6. GENDER

Differences in savings account activity by women and men are presented in Table 2.14 (Appendix C). Women make significantly more frequent deposits on a monthly basis (1.04 as compared with 0.89 by men), but the average monthly deposit amounts are similar. A significantly higher percentage of men have made at least one unmatched withdrawal (25 percent as compared with 15 percent of the women).

7. MARITAL STATUS

Account activity is similar for participants who were married at the time they enrolled in MIDAP were compared to participants who were not married (single, divorced, separated, or widowed), as shown in Table 2.15, Appendix C. One significant difference was noted between these two groups: the unmarried participants make more frequent deposits per month (1.04 as compared with 0.94 for the married participants). However, the amount of monthly deposits was similar for both groups ($62 to $63).

8. MINORITY STATUS

Non-minority participants were compared to ethnic minority participants (see Table 2.16, Appendix C). No statistically significant differences were noted between these two groups.

D. COMPARISON TO NATIONAL IDA STUDY

To determine whether the results for MIDAP participants are typical of IDA participants in other states, we reviewed the report on savings outcomes for participants in the American Dream Demonstration (ADD), [11] a nationwide demonstration of IDA programs over the course of four years (1997-2001).[12] Some general comparisons can be made between the ADD and MIDAP data

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[11] Shreiner, M., Clancy, M., & Sherraden, M. (October 2002). *Saving Performance in the American Dream Demonstration: A National Demonstration of Individual Development Accounts*. St. Louis: Washington University, Center for Social Development.

[12] Research was systematically conducted for those four years and for three years beyond the end of the demonstration by the Center for Social Development (CSD) at Washington University in St. Louis. The final report of this research addresses savings patterns and performance by 2,364 participants at 14 IDA sites. Data for this research were collected using MIS IDA, which was developed by CSD.

using categorical data,[13] as presented below in Table 2.17. It is important to keep in mind that the ADD ran for four years, while the MIDAP data reflects participants who enrolled over a period of less that two years, most of whom (85 percent) were still active in the program at the end of the data. MIDAP participants are more likely than ADD participants to use direct deposits for their IDAs (24 percent compared with 5 percent). More MIDAP participants than ADD participants intended to purchase a home with their savings at the time they opened their account (78 percent compared with 58 percent). Of the participants who did purchase assets with their IDA savings, more MIDAP participants purchased homes than did ADD participants (56 percent compared with 28 percent).

Table 2.17
Selected Variables for MIDAP and ADD Comparison

	MIDAP N=653	ADD N=2,364
Average Number of Months in Program	8.63	24.5
Used Direct Deposit for IDA		
Yes	24 %	5 %
No	68 %	89 %
Unknown/missing	8 %	6 %
Intended Withdrawal Use when IDA Opened		
Home Purchase	78 %	58 %
Business	10 %	16 %
Education	8 %	14 %
Home repair	NA	4 %
Retirement	NA	4 %
Job training	NA	2 %
Home and Education	< 1 %	
Unknown/missing	4 %	
Assets Purchased	(n=34)	(n=754)
Home	56 %	28 %
Business	29 %	23 %
Education	15 %	21 %
Home repair		18 %

Source: MIS IDA data through September 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations; MIDAP list of matched withdrawals. Data cleaned for analysis by ISED.

Shreiner, M., Clancy, M., & Sherraden, M. (October 2002). *Saving Performance in the American Dream Demonstration: A National Demonstration of Individual Development Accounts*. St. Louis: Washington University, Center for Social Development.

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[13] Making comparisons between MIDAP data and ADD data is not possible for the variables reported at multiple points in time (for example, deposits and withdrawals). After intensively cleaning the MIDAP data, we were able to extrapolate totals to conduct the analyses presented earlier in the chapter, but the data do not allow us to report month-to-month patterns required to make comparisons to savings patterns reported in the ADD study.

III. PARTICIPANT SURVEY STUDY

This chapter reports the results of telephone interviews with 100 MIDAP participants.[14] The purpose of the survey was to assess participant perceptions of various components of the MIDAP Program, the saving process, and the effect of the IDAs on their lives. The following topics are covered: the respondents' IDA experiences, their personal characteristics, saving behaviors, life circumstances, program service assessments, and comparison of the Michigan data with another IDA study. A more detailed description of the survey methodology appears in Appendix B.

A. RESPONDENT IDA EXPERIENCES AND PERSONAL CHARACTERISTICS

Survey respondents have a range of IDA participation experiences (Table 3.1). On average, survey respondents have been in MIDAP for 15 months. The most common asset goal is home purchase (62 percent), followed by starting or expanding a business (20 percent) and education (16 percent).

Table 3.1
MIDAP Program Participation

Variable	Survey Respondents (n=100) Percent
Status in MIDAP Program	
Current	97 %
Successful exit (made matched withdrawal)	3 %
Months in MIDAP Program	
11 months or less	20 %
12 – 17 months	58 %
18 months or more	18 %
Average number of months in MIDAP Program	14.61 months
Intended Use of IDA	
Buying a home	62 %
Starting or expanding a business	20 %
Education	16 %
Home repair	2 %

Source: ISED survey of IDA participants. Number of respondents=100.

Demographic characteristics of the respondents are presented in Table 3.2.[15] Nearly 90 percent of the respondents are women and the majority live in urban areas (75 percent). The average age at enrollment was 33, with ages ranging from 17 to 61. Forty-eight percent are Caucasian and 47 percent are African American. Fifty percent are single and 27 percent are divorced or separated. Thirty-five percent have attended college but have not earned a college

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[14] Interviews were completed with a random sample of participants from the IDA program sites funded in the first year and who have been in the program for at least six months. Survey respondents include 97 current participants— people who have been in the MIDAP Program for at least six months and whose accounts are still open at the time of the interview—and 3 former participants—people who made an approved matched withdrawal and who are no longer MIDAP participants.

[15] The demographic characteristics are similar to the characteristics of the entire MIDAP participant population (as described in Chapter II, Section A).

degree, and 23 percent have earned an associate's degree or more. One-quarter of the sample members have less than a high school education. Nearly all of the respondents are working—56 percent work full-time. On average, survey respondents earn $1,539 per month from all income sources—wage-paying jobs, self-employment, and public benefits.

Table 3.2
Characteristics of Survey Respondents at Time of Enrollment

Variable	Survey Respondents (n=100) Percent
Gender	
Women	89 %
Men	11 %
Participant's place of residence	
Urban	75 %
Rural	25 %
Race/Ethnicity	
White/Caucasian	48 %
Black/African American	47 %
Hispanic or Latino	3 %
American Indian	1 %
Other	1 %
Marital status	
Single, never married	50 %
Divorced or separated	27 %
Married	22 %
Widowed	1 %
Level of education	
Less than high school	24 %
High school/GED	18 %
Some college	35 %
2-year college degree	16 %
4-year college degree	7 %
Current employment status	
Full-time employment	56 %
Part-time employment	23 %
Work & school	17 %
Not working & looking for work	2 %
Not working & not looking for work (retired, disabled)	2 %
Average monthly income (from all sources)	
$999 or less	23 %
$1,000 - $1,499	26 %
$1,500 - $2,499	43 %
More than $2,500	8 %
Average age	33 years old
Minimum & maximum age	17 – 61 years old
Average number of children in household	1.81 children
Average monthly income (from all sources)	$1,539

Source: ISED survey of IDA participants. Number of respondents=100.

B. SAVING BEHAVIORS

This section reports findings regarding the respondents' saving behavior: saving regularity, banking arrangements, saving supports and barriers, and saving strategies.

1. SAVING REGULARITY

"Saving regularity" measures an individual's ability and willingness to save a regular amount each month. Respondents assessed their saving behavior before IDA participation, during IDA participation, and in the future. Response options for the three points in time were: I do not save; If I have extra money, I save some of it; I save a regular amount each month.

The results show a positive change in the saving behaviors of the participants (Table 3.3). Twenty-eight percent did not save before participating in MIDAP, while all save once they are in MIDAP. An increasing percentage of participants are also saving regular amounts over time—25 percent saved regularly before participating in MIDAP, 71 percent are saving regularly while participating in MIDAP, and 87 percent expect to save regularly in the future. It is interesting to note that even though the program expects participants to save a regular amount each month, 29 percent report that they only save when they have extra money.

Table 3.3
Saving Regularity

	Not Saving	Save Extra Money	Save Regular Amount
Before IDA Participation	28 %	47 %	25 %
During IDA Participation	0 %	29 %	71 %
Future Expectation	0 %	13 %	87 %

Source: ISED survey of IDA participants. Number of respondents=100.

Respondents commented on their practice of saving a regular amount each month. One said, "We save a set amount each month because there is an incentive to save…because we can see the benefits now." Another said, "It's automatically deposited right out of my paycheck. I know that I can save this amount because I don't even see it in my checking account." One person even started saving before opening an IDA account: "I was saving two years before the program started because I heard about it and I knew I wanted to do it. I had a two-year head start."

2. BANKING ARRANGEMENTS

An important part of the MIDAP Program is helping people establish relationships with banks or credit unions by opening savings accounts (Table 3.4). Before participating in MIDAP, 79 percent of the respondents had savings accounts, while 100 percent have them now.

Though it is not an explicit goal of MIDAP, it is hypothesized that people who have savings accounts may establish other connections with financial institutions such as opening a checking account. The percentages of people who have checking accounts now and who had checking accounts before participating in MIDAP are approximately the same (63-64 percent). However, there was some change in the circumstances of individual people. For example, eight people who

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have a checking account now did not have one before participating in MIDAP, and seven people who had a checking account before participating in MIDAP no longer have one.

Table 3.4
Banking Arrangements

	Before IDA	Now
Have a savings account	79 %	100 %
Have a checking account	63 %	64 %

Source: ISED survey of IDA participants.
Number of respondents=100.

3. SAVING SUPPORTS AND BARRIERS

In order to identify the circumstances that serve as supports and barriers for saving, respondents were asked how much they agreed or disagreed with specific statements.[16] The items include a range of potential supports and barriers across six broad categories—program incentives, facilitation, social, economic, institutional, and psychological. The specific items are found in Tables 3.5 and 3.6.

Respondents indicate that many aspects of the MIDAP Program itself serve to encourage saving (Table 3.5). One hundred percent of the respondents agree or strongly agree that saving for a specific goal acts as a support for saving. Ninety-six percent report that the match rate makes it easier to save. Eighty-four percent believe that the financial classes helped them save. Participants consistently rate program aspects higher than social influences to save—only 67 percent of the respondents believe that their family and friends encourage them to save.

Table 3.5
Perceptions of Saving Supports

	Agree or Strongly Agree	Disagree or Strongly Disagree	Average [a]
Program Incentives			
Wants to save for a certain goal	100 %		3.93
Match rate for IDA is adequate	96 %	4 %	3.72
IDA classes help to save	84 %	16 %	3.36
IDA earns enough interest	77 %	23 %	3.02
Facilitation			
IDA account seems secure	98 %	2 %	3.77
Likes the financial institution (bank or credit union) used for IDA	96 %	4 %	3.68
Likes rules about taking money from IDA	93 %	7 %	3.59
Social			
Family or friends encourage to save	67 %	33 %	2.91

Source: ISED survey of IDA participants. Number of respondents=100.
[a] On a 4-point scale: 1=strongly disagree and 4=strongly agree. The higher the number, the better.

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[16] Items were developed based on previous research conducted by the Center for Social Development at Washington University in St. Louis. For a full discussion of the theoretical base for each of these items see Moore, A., Beverly, S., Schreiner, M., Sherraden, M., Lombe, M., Cho, E., Johnson, L., & Vonderlack, R. (2001). *Saving, IDA Programs, and Effects of IDAs: A Survey of Participants.* St. Louis: Washington University, Center for Social Development.

We also asked respondents about factors that might make it difficult for them to save (Table 3.6). Overall, respondents do not consider any single factor to be overwhelmingly problematic. The highest combined agreement rating was 57 percent for transportation costs interfering with the respondents' ability to save. Specifically, respondents consider economic factors to be the greatest barriers to save—money going to basic necessities such as transportation, housing, food, and clothing. Psychological factors also act as barriers. Fifty-three percent of the respondents are unable to resist temptations to spend, and 49 percent cannot save meaningful amounts.

Table 3.6
Perceptions of Saving Barriers

	Agree or Strongly Agree	Disagree or Strongly Disagree	Average [a]
Economic			
All or most of money goes to transportation such as car repairs, car payments, or car insurance	57 %	43 %	2.38
All or most of your money goes to housing such as paying rent or your mortgage	39 %	31 %	2.15
All or most of money goes to buy food	35 %	65 %	2.76
All or most of money goes to buy clothing	21 %	79 %	3.11
Social			
Family and friends often ask for money	31 %	69 %	2.96
Institutional			
Worried about losing government benefits if saves too much	11 %	89 %	3.36
Psychological			
Could not save enough to make a difference	49 %	51 %	2.43
Hard to resist temptations to spend money	53 %	47 %	2.52
Saving takes too long; the goal is too far away	21 %	79 %	3.21
Saving isn't that important	11 %	89 %	3.52

Source: ISED survey of IDA participants. Number of respondents=100.
[a] For these items, we expect respondents to disagree with these statements. We recoded the scale so 4=strongly disagree and 1=strongly agree. The higher the number, the better.

4. SAVING STRATEGIES

Respondents use a variety of saving strategies. They use resources more efficiently, reduce consumption, generate income, and assume debt (Table 3.7). One person commented, "There's no easy answer to save. We make sacrifices every day." The most common strategy for setting aside money for IDA deposits is using resources more efficiently. For example, 82 percent shop for food more carefully (e.g., looking for sales, buying in bulk, buying generic brands, using coupons). Other strategies include buying used clothes and spending less on leisure activities. One person said, "No cable, no specialties in the house, no movies—we rent videos or borrow videos from friends." Participants do have to make difficult trade-offs in their commitment to save—18 percent postpone going to the doctor or dentist.

Table 3.7
Saving Strategies

	Percentage Who Do This
Using Resources More Efficiently	
Shop for food more carefully	82 %
Eat out less often	74 %
Buy used clothing instead of new clothing	48 %
Reducing Consumption	
Spend less on movies and other leisure activities	69 %
Spend less on cigarettes or alcohol	34 %
Postpone going to the doctor or dentist	18 %
Generating Income	
Work more hours	31 %
Sell clothing or other items to raise money	4 %
Assuming Debt	
Postpone paying bills	17 %
Borrow from family or friends	7 %
Borrow using a credit card	4 %

Source: ISED survey of IDA participants. Number of respondents=100.

C. IMPACT ON LIFE CIRCUMSTANCES

Having an IDA may have broad implications for a person's life. Sherraden (1990; 1991) argues that asset accumulation may have many positive effects other than future consumption and enhanced economic productive capacity. Respondents were asked: "Overall, on a 5-point scale where 1 is negative and 5 is positive, how has your IDA affected you?" Ninety-nine percent of the respondents reported that they have been affected positively. Respondents spoke enthusiastically about their experiences with the program:

[The program] gives you confidence and gumption to do it—puts something out there so you have a goal to reach for.

I set a goal of saving $100 a month for 10 months and I did it. Investment-wise it's better to buy a home than pay rent.

I learned about checking accounts and budgets.

[The program] gave me control of the things I do, control of the money. I am much more cautious and in control of what I spend. It's good to save toward something and have someone help you match it.

I learned a lot from [the program]. The people treated you with respect and showed you step by step on how to do things...the whole nine yards. I never missed a class. Now I know how to save my money.

It's been a good outcome in my life for me to better myself. I achieved my goal. The classes are awesome. I just bought a house. It's been a big help. I pass some of the tips on to my family.

[The program] gave me the opportunity to go to school. I couldn't get grants or loans. It was the only way I was able to get an education.

Basically it's taught me about spending and financial institutions; how my credit report is affected. And I have learned about financial security.

I found the service was good and made you feel very important. It helped build my self-esteem.

Respondents considered specific positive effects that having an IDA had on their lives (Table 3.8). As can be seen from the data, there is a wide range of positive effects.

- 90 percent are more aware of their credit rating.

- 83 percent agree or strongly agree that they are more likely to work for pay or to stay employed since participating in the MIDAP Program.

- 81 percent are more likely to buy or renovate a home.

Nearly all respondents feel more confident about their future and feel better able to set and achieve their goals.

Table 3.8
Perceived Positive Effects that IDA Has on Life

	Agree or Strongly Agree	Disagree or Strongly Disagree	Not Applicable	Average[a]
Economic Effects				
More likely to work for pay or stay employed	83 %	17 %		3.36
More likely to buy or renovate a home	81 %	19 %		3.23
More likely to start or expand a business	57 %	43 %		2.70
More likely to increase work hours	64 %	36 %		2.91
Planning Effects				
More aware of credit rating or credit standing	90 %	10 %		3.51
Working to improve credit	86 %	14 %		3.39
More likely to make educational plans for children(ren)	76 %	15 %	9 %	3.40
More likely to create and use a budget	89 %	11 %		3.44
More likely to make plans for retirement	85 %	15 %		3.40
More likely to make educational plans for self	75 %	25 %		3.20
Social and Civic Effects				
More likely to be involved in neighborhood	68 %	32 %		2.84
Psychological Effects				
Feels more confident about the future	94 %	6 %		3.56
Better able to set and achieve goals	94 %	6 %		3.54
Feels more in control of life	90 %	8 %		3.40
Feels more economically secure	86 %	14 %		3.29

Source: ISED survey of IDA participants. Number of respondents=100.
[a] On a 4-point scale: 1=strongly disagree and 4=strongly agree. The higher the number, the better.

Some respondents experience negative effects as a result of having an IDA (Table 3.9). Forty-seven percent of the respondents indicate they are less likely to save in ways other than their IDA. Forty-five percent have less money for leisure activities. Few people have more problems with neighbors, their children, or their spouse/partner due to having an IDA.

Table 3.9
Perceived Negative Effects that IDA Has on Life

	Agree or Strongly Agree	Disagree or Strongly Disagree	Not Applicable	Average [a]
Economic Effects				
Less likely to save in other ways, outside of IDA	47 %	53 %		2.55
Has less money for the leisure activities family would like	45 %	55 %		2.71
Has to give up some food or other necessities	25 %	75 %		3.08
Has more difficulty paying bills	19 %	81 %		3.21
Social and Civic Effects				
Has more problems with neighbors	8 %	92 %		3.54
Has more problems with children(ren)	5 %	86 %	9 %	3.64
Has more problems with spouse/partner	4 %	72 %	24 %	3.60

Source: ISED survey of IDA participants. Number of respondents=100.
[a] For these items, we expect respondents to disagree with these statements. We recoded the scale so 4=strongly disagree and 1=strongly agree. The higher the number, the better.

Respondents assessed their ability to meet their basic needs (e.g., pay for utilities, housing, transportation, medical care, etc.). In general, most report having relatively minor problems in these areas (Table 3.10). At least eighty percent have working utilities, enough food, a telephone, and a place to live. On the other hand, some participants do struggle. Purchasing clothing is the greatest challenge for 47 percent of the respondents. Roughly 32-34 percent of the respondents have some difficulty obtaining reliable transportation and medical care. No respondents have been evicted since saving for their IDA. Fewer respondents have had their utilities shut off after they saved for their IDAs than before they started saving for their IDAs.

Table 3.10
Problems Meeting Basic Needs

	Not a Problem	Slight Problem	Moderate Problem	Serious Problem	Average [a]
Having working utilities (lights, heat, water)	88 %	10 %	0%	2 %	3.84
Having enough food	83 %	11 %	4 %	2 %	3.75
Having a telephone	83 %	10 %	5 %	2 %	3.74
Having a place to live	80 %	7 %	8 %	5 %	3.62
Having reliable transportation	68 %	11 %	10 %	11 %	3.36
Having medical care	66 %	11 %	8 %	15 %	3.28
Having enough money to buy clothing items	53 %	26 %	14 %	7 %	3.25

	Yes
Evicted	
Ever been evicted	4 %
Evicted since saving for IDA	0 %
Utilities shut off when could not pay bill	
Ever had utilities shut off	15 %
Had utilities shut off since saving for IDA	6 %

Source: ISED survey of IDA participants. Number of respondents=100.
[a] On a 4-point scale: 1=serious problem and 4=not a problem. The higher the number, the better.

Whereas the previous table reported the degree to which a particular area was problematic, Table 3.11 presents the level of satisfaction respondents have with basic aspects of their lives at the time of the interview. Though participants were not asked to compare their current situation with their situation before participating in MIDAP, it is interesting to note that respondents are most satisfied with the physical health of their children, the quality of their relationship with their children, and their own physical health. They also report more dissatisfaction with the condition of their current housing, the quality of the health care they can afford, and their financial situation.

Table 3.11
Satisfaction with Current Life Circumstances

	Satisfied or Very Satisfied	Dissatisfied or Very Dissatisfied	Not Applicable	Average [a]
Health and physical condition of child(ren)	87 %	2 %	11 %	3.63
Quality of relationship with child(ren)	85 %	4 %	11 %	3.52
Personal health and physical condition	83 %	17 %		3.29
Condition of current housing	79 %	21 %		3.24
Quality of health care that can afford	72 %	28 %		2.97
Current financial situation	67 %	33 %		2.88
Quality of relationship with spouse/ partner	51 %	5 %	44 %	3.39

Source: ISED survey of IDA participants. Number of respondents=100.
[a] On a 4-point scale: 1=very satisfied and 4=very dissatisfied. The higher the number, the better.

D. ASSESSMENT OF PROGRAM SERVICES

Respondents rated their level of satisfaction with IDA services. They are generally quite satisfied with the IDA services they receive. The specific results are:

- 98 percent are satisfied with the IDA services overall.[17]

- 98 percent are satisfied with the financial management services such as classes on balancing a checkbook, keeping a household budget, and managing debt.[18]

The majority of participants (98 percent) have positive comments about MIDAP. Participants enjoy the financial management classes. For 26 percent of the respondents, this was the first time they learned about balancing a checkbook, keeping a household budget, and managing debt. Many noted the importance of learning about their credit rating. One person said, "There are a lot of people who don't really understand what happens when you don't pay your credit card bills or utilities and how that affects you. The skills of investigating your credit rating are very valuable." Participants find the following services **most** helpful:

- Financial management classes

- Investigating a person's credit rating

- Learning techniques to improve credit rating

- Household budgeting

- Matching the savings amount

- One-on-one sessions with staff to discuss savings plan and budgeting

Only a few participants (10 percent) have negative comments about the IDA services. These are most often related to a mismatch between their particular goal and required classes, making up classes, or asset goals not being equally valued by staff. Participants find the following services **least** helpful (participant quotes are in italic print):

- *The program does not really emphasize career development. Education and training were not presented as good enough goals. Participants should have been guided in that area more.*

- *The classes are really hard to get to. My job makes it hard to get to class. Have it where you can do homework assignments that make up for the missed class.*

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[17] On a 5-point scale (1=not satisfied and 5=satisfied), the average score for *overall* satisfaction with IDA services is 4.57.

[18] On a 5-point scale (1=not satisfied and 5=satisfied), the average score for satisfaction with financial management services is 4.45.

- *Staff didn't know a lot about writing a business plan for expansion. My application was turned down 4 times because they [staff] didn't know what they wanted me to write.*

An indirect way to determine if people are pleased with a particular service is to ask whether they would recommend the program to a friend. In this survey, 99 percent of the respondents indicate they would recommend the program. Below are some quotes from people about their experiences with the program:

[The program] is for anybody that has a dream and is trying to reach it—to put their savings away in the MIDAP Program. I'll tell them this is what they are looking for.

I believe it's a good program to get you to start saving. It gives you a goal to work for. It's a good way to reach your goals.

There is a wide range of information you can get. Even if you already know what it is, it helps. The information couldn't do anything but make your life better.

It jump-starts your goals. If you can get serious about saving your money it motivates you and speeds it up.

It is a really good way to save money, because they won't let you take the money out and that helps out a lot.

Hello, free money!!

For one, there are classes you need to take—take information you get from the classes about buying a home and saving and how to go about saving. Getting a match fund of $3,000 for $1,000 is great.

It is an excellent plan for helping people learn how to save—to get in a routine of saving.

The one person who would not recommend the program to a friend said, "I'm not sure if I would. I put a lot of effort in and didn't feel it was worth it. The class times are inconsistent and the location is very inconvenient and out of the way. It is difficult to use for business; the classes have nothing to do with starting a business." This suggests, perhaps, that the IDA program site does not make referrals to local business development organizations to assist people who have business as their asset savings goal.

E. EXPERIENCES OF SUCCESSFUL PARTICIPANTS

In this year's survey, only three participants made a matched withdrawal. Though this is a very small number,[19] their experiences are noteworthy. When asked why they first joined the MIDAP Program, all three remarked that the program was "too good of a deal to pass up." One person said, "I would have been foolish not to [join]. I wanted to start a business. When I heard it

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[19] Additional participants will be surveyed for the next three years of the program evaluation. It is anticipated that more successful participants will be surveyed in subsequent years.

on the radio it seemed too good to be true." All three met their program saving goals. One person made a matched withdrawal to open a small business and the other two purchased homes. All three indicated that they would continue to save even though they had completed the MIDAP Program.

F. COMPARISON TO NATIONAL IDA STUDY

To determine whether the results for MIDAP participants are typical of IDA participants in other states, we reviewed the findings from the study on which our telephone questionnaire was based.[20] The American Dream Demonstration publication reports findings from 324 participants across six programs. Since we do not have the ADD data file, we can include only comparable findings based on the written report. Even given this limitation, this is a helpful exercise since it provides a comparison group to better understand the experiences of Michigan IDA participants. In this section, comparisons for saving regularity, saving strategies, perceptions of saving supports and barriers, and positive and negative effects of having an IDA are summarized. The tables included in this section only include those items for which there is difference of five or more percentage points between the MIDAP respondents and the ADD respondents. The complete tables appear in Appendix E.

1. SAVING REGULARITY

As shown in Table 3.12, MIDAP participants are more likely to save a regular amount each month than ADD participants (71 percent compared with 62 percent). Michigan respondents are also more likely to have saved a set amount before starting an IDA account than the ADD respondents (25 percent compared with 11 percent).

Table 3.12
Comparison with ADD Data: Saving Regularity

	Not Saving		Save Extra Money		Save Regular Amount	
	MIDAP	ADD	MIDAP	ADD	MIDAP	ADD
Before IDA Participation	28 %	42 %	47 %	46 %	25 %	11 %
During IDA Participation	0 %	4 %	29 %	33 %	71 %	62 %

Source: ISED survey of IDA participants. Number of respondents=100.
Center for Social Development survey of IDA participants. Number of respondents=298.

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[20] Moore, A., Beverly, S., Schreiner, M., Sherraden, M., Lombe, M., Cho, E., Johnson, L., & Vonderlack, R. (January 2001). *Saving, IDA Programs, and Effects of IDAs: A Survey of Participants.* St. Louis: Washington University, Center for Social Development.

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2. SAVING STRATEGIES

MIDAP respondents and ADD respondents try fairly similar saving strategies (Table 3.13). MIDAP respondents are more likely than ADD respondents to shop for food more carefully, eat out less often, and buy used clothes. ADD respondents are more likely than MIDAP respondents to sell clothing or other items for cash.

Table 3.13
Comparison with ADD Data: Saving Strategies

	Percentage Who Do This	Percentage Who Do This
	MIDAP	**ADD**
Using Resources More Efficiently		
Shop for food more carefully	82 %	70 %
Eat out less often	74 %	68 %
Buy used clothing instead of new clothing	48 %	55 %
Generating Income		
Sell clothing or other items to raise money	4 %	12 %

Source: ISED survey of IDA participants. Number of respondents=100.
Center for Social Development survey of IDA participants.
Number of respondents=298.

3. PERCEPTIONS OF SAVING SUPPORTS AND BARRIERS

There are some differences between the experiences of MIDAP and ADD respondents regarding the support and barriers they encounter (Table 3.14). MIDAP and ADD respondents are almost identical in the supports they have to save; in only one area—IDA earns enough interest—the two groups of respondents differ by more than 5 percentage points.[21] Regarding barriers, more MIDAP respondents than ADD respondents believe that saving takes too long (21 percent compared with 14 percent). More ADD respondents than MIDAP respondents worry about losing their government benefits if they save too much (22 percent compared with 11 percent).

Table 3.14
Comparison with ADD Data

	Agree or Strongly Agree	Agree or Strongly Agree
	MIDAP	**ADD**
Saving Supports		
IDA earns enough interest	77 %	85 %
Saving Barriers		
Saving takes too long; the goal is too far away	21 %	14 %
Worried about losing government benefits if saves too much	11 %	22 %
Saving isn't that important	11 %	5 %

Source: ISED survey of IDA participants. Number of respondents=100.
Center for Social Development survey of IDA participants. Number of respondents=298.

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[21] This may reflect the lower interest rates now compared with the higher interest rates when ADD participants saved in 1999.

4. POSITIVE AND NEGATIVE EFFECTS OF HAVING AN IDA

MIDAP respondents are more likely than ADD respondents to perceive the IDA experiences positively (Table 3.15). More MIDAP respondents than ADD respondents are likely to make plans for their retirement (85 percent compared with 57 percent) and to make educational plans for both themselves and their children.

MIDAP respondents are also more likely to identify the negative effects of having an IDA in a few areas (Table 3.15). More MIDAP respondents than ADD respondents report having less money for leisure activities (45 percent compared with 30 percent) and giving up food or some other necessity (25 percent compared with 8 percent).

Table 3.15
Comparison with ADD Data

	Agree or Strongly Agree MIDAP	Agree or Strongly Agree ADD
Positive Effects		
More likely to make plans for retirement	85 %	57 %
More likely to work for pay or stay employed	83 %	59 %
More likely to buy or renovate a home	81 %	73 %
More likely to make educational plans for children(ren)	76 %	60 %
More likely to make educational plans for self	75 %	59 %
More likely to be involved in neighborhood	68 %	32 %
More likely to increase work hours	64 %	41 %
Negative Effects		
Less likely to save in other ways, outside of IDA	47 %	35 %
Has less money for the leisure activities family would like	45 %	30 %
Has to give up some food or other necessities	25 %	8 %
Has more difficulty paying bills	19 %	9 %

Source: ISED survey of IDA participants. Number of respondents=100.
Center for Social Development survey of IDA participants. Number of respondents=298.

IV. PROCESS STUDY

This chapter covers the findings of the process study. The findings are divided into four sections: MIDAP program structure, funding and cost-saving strategies, data collection and management (MIS IDA), and effective practices for operating an IDA site.

The process study findings are based on data collected through telephone interviews and email surveys. The MIDAP program director, all five regional coordinating organizations (RCOs), and twenty program sites completed individual telephone interviews ranging in length from 60 to 90 minutes. Twelve additional program sites completed email surveys. Interviewees were asked about their perceptions of the roles of MIDAP, the RCOs, and the program sites; cost-saving strategies; and operational issues. A more detailed description of the process study methodology is in Appendix B. A list of organizations and staff who participated in the interviews and email surveys is in Appendix F.

A. MIDAP PROGRAM STRUCTURE

This section examines the effectiveness of the MIDAP program structure from the perspectives of RCO and program site staff. It discusses staff assessment of the three-tiered program structure.[22] In this report, the *three-tiered program structure* refers to the centralized administrative office (MIDAP), regional coordination by the RCOs, and the program sites. It also discusses views on changing the three-tiered program structure when programs in the network are experienced IDA providers and describes central administrative roles that respondents believe are essential to maintain if the program structure is altered.

1. THREE-TIERED PROGRAM STRUCTURE

The program structure has three levels: the state-level administrative office (MIDAP), regional coordinating organizations (RCOs), and local program sites. MIDAP is responsible for the fundraising and overall coordination of the statewide network. The RCOs are responsible for providing the support needed to develop a sustainable network of IDA practitioners with the capacity to implement effective programs that collaborate regionally, sharing resources and experiences. The program sites are responsible for recruiting, enrolling, and serving the IDA participants and working with their RCOs to collect and enter data into MIS IDA. More detailed descriptions of the responsibilities of MIDAP, the RCOs, and the program sites, as they were envisioned in the original project design, are in Appendix G.

There are five RCOs. Three RCOs were funded in the first round of proposals in April 2001. Two additional RCOs were selected in December 2001. Each of the five RCOs now works with between eight and 12 affiliated program sites.

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[22] Because the RCO and program site staff perspectives about the advantages and disadvantages of the three-tiered program structure and the centralized administration are often similar, these results are described together, with comments made only by RCO or program staff noted. Views of the RCO and program site staff about changing the three-tiered program structure were more likely to differ; therefore the RCO and program site views on this topic are described separately.

There are a total of 50 program sites. Twenty-seven (27) IDA program sites were funded in the first round of proposals in April 2001. Six credit unions were funded in a second round of proposals in August 2001.[23] Seventeen (17) additional program sites were selected in December 2001.

For the most part, RCO and program site staff are satisfied with the three-tiered program structure. All of the RCOs and almost all of the program sites describe advantages of using this structure. These are summarized below.

- **Specialization.** Having three tiers allows each tier (MIDAP, the RCOs, and the program sites) to concentrate on what they do best. It allows program sites to concentrate on providing support to participants. RCOs can focus on providing support to a small number of local programs and gaining an understanding of regional issues that affect these programs. MIDAP can concentrate on overall administration of the program, keeping track of state policy issues that affect IDAs, and fundraising. This creates efficiency within the system because no one organization has to spend time fulfilling all of these functions. In addition, each organization works at the level where they are most comfortable.

- **Consistency.** The program structure helps to create uniformity and consistency across the program sites in the partnership. Uniformity is encouraged by creating policies, procedures, program forms, and other materials for the network. The RCOs help to create uniformity by monitoring program sites to assure they are meeting the requirements of the partnership and consistently applying policies and procedures. Striving for uniformity across the state helps to increase the quality of the service provided.

- **Collaboration.** The program structure connects the IDA programs across the state and encourages statewide collaboration. By providing a forum for programs to communicate, the program structure encourages programs to work together, which most likely would not occur without that structure. Programs have the opportunity to learn from the experiences of their RCO and other IDA sites. They can hear from other programs about what has and has not worked and use this information to improve their services.

- **Support.** RCOs and most program site staff indicate that they gain substantial support from being part of the IDA partnership. Program site staff often note that it is reassuring to receive support from other entities in the partnership, rather than operating IDA programs in isolation. RCOs also indicate that the program structure provides them with support to carry out their functions.

- **Administration.** The three-tiered structure makes administration of the statewide program more manageable. Rather than MIDAP trying to provide all of the support and supervision that programs need, much of this can be offered by RCOs which can get to know a small number of programs well. Programs can receive assistance more quickly than they would if their only support source was the MIDAP office.

On the other hand, the small number of program sites with considerable IDA experience or training indicate that they do not require much support from the RCO or MIDAP. Two of the program sites interviewed had been providing IDA services prior to joining the Michigan IDA

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[23] This request for proposals was addressed specifically to Community Development Credit Unions (CDCUs).

Partnership. Another organization had not provided IDA services prior to joining the partnership, but had been attending IDA trainings and participating in a local IDA collaborative. All three organizations indicate that they are comfortable with providing IDA services and therefore do not need the partnership to help them build the capacity to deliver this type of service.

2. COMMENTS ON THE CENTRALIZED ADMINISTRATION (MIDAP)

Overall, the RCOs and program sites are pleased with the centralized administrative structure (MIDAP). They note the following advantages of having the centralized state office.

- **Access to funding.** Having one organization link to the TANF funding on behalf of the network allows programs to access state funding that might not otherwise be available if they had tried to apply on their own. RCO staff remark that funding a network as opposed to each individual program is easier for the funder to administer. Since the MIDAP office provides the framework for the program, the funder has some assurance of consistency across the programs. In addition, both RCOs and program staff indicate that it is simpler for them to have MIDAP maintain the relationship with the funder and the knowledge about procedures for accessing the funding.

- **Coordination of fundraising efforts.** Both the RCO and program site staff comment that one of MIDAP's most important roles is the systematic, coordinated fundraising effort on behalf of the state's IDA programs.

  ➢ RCOs believe that it is helpful to have someone who can advocate for IDAs at the state level and coordinate efforts to search for ongoing funding streams. The three-tiered structure provides the network with more fundraising pull than many programs would have seeking funding on their own. Some of the RCOs are unsure of their ability to advocate for funding at the state level.

  ➢ Although some program sites have accessed additional funding for their IDA programs, others have not. Some organizations do not believe that they have the capacity to do their own fundraising or to approach certain types of funders (e.g., businesses). Or they cannot cover the costs of taking the time to fundraise. A few believe that if the programs in the network relied on their own ability to raise funds, most of the IDA programs in smaller organizations would cease to exist.

  ➢ RCO staff note that having a statewide IDA partnership shows funders the state's commitment to IDAs.

- **Macro level.** RCO and program site staff like having the MIDAP office working at the macro or policy level. They find it important to have an entity reminding them of the overall focus of the IDA program and keeping them informed about state and national IDA trends, policy issues, and effective practices. RCO staff note that, by bringing information about state policy happenings to the program sites, program staff receive the opportunity to advocate for IDAs that they might not have had without MIDAP.

- **Framework for the program.** MIDAP developed an overall framework for the program (i.e., policies, procedures, forms for all of the programs in the network). RCO and program site staff like the fact that the framework gives the program direction and encourages consistency across the state.

- **Statewide communication for the network.** RCO staff mention the importance of having one entity that coordinates statewide communication for the network.

- **Training.** Overall, RCOs and program sites had positive comments about the initial training provided to the partnership. It was observed that the training gave the foundation needed to begin providing IDA services—by orienting staff to the IDA concept, providing information about how to begin developing a program, and describing MIDAP's policies and procedures.

- **Support for the RCOs.** Having a centralized administrative structure provides RCOs with the support they need to work with the program sites. MIDAP has helped the RCOs gain an understanding of how to deliver IDA services within the partnership, so they can effectively support the program sites. The RCOs turn to MIDAP with questions, just as the programs turn to the RCOs. MIDAP also provides the RCOs with help orienting new programs to the partnership and steps in when the RCO has had difficulty getting a program to comply with the requirements of the partnership.

RCOs and program site staff also commented on flaws in the three-tiered program structure that MIDAP might address. The primary problems mentioned were in the following areas:

- **MIS IDA reporting requirements.**[24] Some RCO and program site staff believe that the MIS IDA reporting requirements to participate in the partnership are excessive. Staff from one program site note that, when comparing the MIDAP grant with other grants they receive, the amount of reporting required for the MIDAP grant is disproportionately high for the amount of funding provided. A few programs comment that the forms and reports are complex and confusing. RCO staff mention that some programs have difficulty complying with the reporting requirements, for example, they do not turn reports in on time or information is missing.

- **Timeliness of drawing down the match funds.** The process of drawing down match funds for asset purchases is time-consuming, with multiple people having to review the paperwork before the match is provided. When homes have been purchased, some organizations have had to advance the match money themselves because the match funding was not available when it was needed. There are concerns that it will not be feasible to continue to advance the match money as the volume of participants purchasing assets increases.

- **Information about funding.** Several program sites are unaware of what efforts are being made to secure funding for the partnership since the state funding for additional IDA accounts was withdrawn. They would like to receive updates about fundraising efforts periodically, with specifics about what efforts are currently being made and what other strategies are being considered. RCO staff note that there is lack of clarity about the role of MIDAP and that of CMF in the fundraising efforts.

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[24] While staff members were not asked specifically about MIDAP reporting requirements (reports separate from MIS IDA), a few did mention the MIDAP reporting requirements of quarterly narrative reports and the direct service report were time-consuming.

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3. COMMENTS ON THE RCOs

The vast majority of the program staff interviewed (84 percent, or 27 out of 32) indicate that they receive helpful support from their RCOs. The remaining program sites (16 percent, or 5 out of 32) indicate either that they do not need much support from the RCO or they have not had much interaction with their RCO yet. The RCO supports that were most frequently mentioned by program sites are the one-on-one technical assistance, the opportunity to talk with other IDA program staff, and the MIS IDA support.[25]

- **One-on-one technical assistance.** The programs appreciate having someone to answer questions about operating their IDA program. Program staff have asked their RCOs for information about how to: 1) set up and run the program, 2) most effectively screen applicants and serve participants, 3) interpret policies and procedures, and 4) complete the paperwork.

- **Regional meetings.** The program staff indicate that they benefit from having the opportunity to interact with other IDA program staff in their region. Program staff find it helpful to talk about the issues and problems commonly experienced in the program. Some describe the monthly meetings as a support group for IDA providers. In addition, at the meetings the RCOs provide helpful materials, information, and updates on policy and procedure changes.

- **MIS IDA support.** Many program sites indicate that their RCOs have provided helpful support on data management issues, especially the operation of MIS IDA.[26] The RCOs do the MIS IDA work (i.e., data entry, cleaning) for some programs. For programs that manage their own MIS IDA database, the RCOs provide MIS IDA trainings for groups of programs, as well as individualized assistance to programs by phone or agency visit.

Some programs made suggestions for ways their RCOs could improve.

- **Response time.** Although many program sites say that their RCOs respond quickly to their requests and questions, a few say that the response time of their RCOs has been slower than they would like.

- **MIS IDA support.** Some of the program sites note that their RCOs are not able to address all of their MIS IDA problems. However, when they are not able to provide the support needed, the RCOs link programs to other resources such as the Michigan Community Action Agency Association (MCAAA), and programs have been pleased with the support.

4. VIEWS ON CHANGING THE PROGRAM STRUCTURE

The MIDAP Program Director, Eric Muschler, is interested in exploring the possibility of changing the three-tiered program structure once the partnership is established with experienced IDA providers. He envisions the centralized administrative structure (MIDAP) phasing out, with the essential MIDAP functions being passed on to the RCOs—or possibly to a single RCO.

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[25] Additional supports that program sites have received from their RCOs are described in Appendix H.
[26] This is consistent with the reports of RCO staff, who note that much of their time is spent providing MIS IDA support.

RCO and program site staff were asked for their views about changing the program structure once the program sites in the network have become experienced IDA providers. More specifically, RCO and program site staff were asked whether the state office of MIDAP would be necessary once the network was established with experienced IDA providers. Program sites were also asked whether the RCOs would be necessary. This section discusses the views of the RCOs and program sites about changing the program's three-tiered structure and the centralized administrative functions that RCO and program site staff members believe are critical to maintain.

a. RCO VIEW

All of the RCOs believe at least some of the functions performed by MIDAP will still be needed when the programs in the network are experienced IDA providers. Only one of the five RCOs thinks that perhaps phasing out the MIDAP office and passing duties to the RCOs is feasible. The other RCOs believe that the partnership should continue to have all three tiers. They would like to see MIDAP maintain its primary functions:

- Overall program coordination, including training, promotion of collaboration across the network, and technical assistance;

- Fundraising; and

- Macro-level functions, including advocacy and keeping the network updated on what is happening in the IDA field.

These RCOs indicate MIDAP is the best entity to perform these functions.

RCO staff mention the following reasons for wanting MIDAP to retain these functions: 1) they prefer not to have to relate to the state funder and keep up with the policies to access funds for the programs, 2) they want to confine their role to supporting programs, because they do not think they are the best entity to address the macro-level issues, and 3) they may not have the clout to advocate for IDA funding at the state level. RCO staff do note that perhaps the amount of time MIDAP staff spend on centralized administrative functions might be reduced when program networks are more experienced.

b. PROGRAM SITE VIEW

Program site staff are more mixed in their views about the ongoing need for the three-tiered program structure when the programs in the network have become experienced IDA providers.[27]

- 47 percent indicate that they will need support from *either* the RCO or MIDAP (or another entity),[28] but support from both might not be necessary.[29]

- 44 percent believe that support from *both* MIDAP and the RCO will still be needed when all of the program sites are experienced.

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[27] Thirty-two program sites answered questions about changing the program structure: twenty in the phone interviews and twelve in the email surveys.

[28] A few also noted that support from another entity, such as MCAAA, might be an option.

[29] Programs differ on what entity should be retained. Some think that the RCOs could be trained to take on the most essential centralized administrative functions. Others indicate that programs need a supportive entity, but are unsure whether it should be MIDAP or the RCO.

- 6 percent are not sure what supports will be needed when the program sites are experienced.

- 3 percent state that no "support" will be needed from either MIDAP or the RCO, but access to the funding will be needed.

Among program sites that indicate MIDAP and/or the RCO will continue to be needed, some do note that the amount of time required to perform these functions may be reduced over time.

Most of the program sites (59 percent) argue that MIDAP will still be needed when program networks are experienced and functioning. A few of these programs fear that, if the MIDAP office were discontinued, the IDA partnership would end. There is concern that, without MIDAP, ongoing funding for IDAs in the state will not be secured. Some believe that it would be too difficult for the RCOs to perform the critical centralized administrative functions along with their current functions. One program comments that the structure provides them with the support to focus on a program that receives a relatively small amount of funding, which prevents it from being lost to the organization's other interests.

Most of the program sites (66 percent) believe that the support of the RCOs will continue to be needed. These programs believe that they will continue to need one-on-one technical assistance (including MIS IDA support). Even after programs become experienced IDA providers, there will always be staff turnover and new questions to ask. Programs will still need the RCO to facilitate networking and collaboration among the programs, although some note that perhaps the regional meetings might occur less often.

B. FUNDING AND COST-SAVING STRATEGIES

This section examines the issues of funding and cost-saving strategies in the Michigan IDA Partnership. It covers the current status of funding for the network and the degree to which the funding available to MIDAP program sites and RCOs covers the operational costs of delivering the services. It also discusses the strategies that program sites are using to deliver services efficiently and at lower cost.

1. FUNDING

The original plan for funding the Michigan IDA Partnership has not come to fruition. In the original plan, half of the funding for the partnership was to come from the State of Michigan ($5 million) and the other half was to be raised by CMF from its foundation and giving program members. However, the MIDAP program director reports that private fundraising did not occur at the rate that was expected, due to the economic downturn and the governor's push for a statewide volunteerism project that also sought a significant amount of funding from the state's foundations. Then the state withdrew $1.6 million of the funds that were intended for the Michigan IDA Partnership. MIDAP and the RCOs have effectively leveraged an additional $1.6 million to date in federal funds through the Assets for Independence Act (AFIA) to make up for this loss. However as stipulated in the federal regulation, the use of these funds is contingent upon raising an equal amount from private sources to match participant savings. Ongoing fundraising efforts continue to achieve this goal. Consequently, there was no funding available for programs to open

new accounts in Years 2 and 3 as planned.[30] At this point, opening new accounts depends on whether private funds can be raised.[31]

Although the RCOs and programs in the network appreciate the funding they receive from MIDAP, they find it challenging to cover the operational costs of the program with the current level of funding. Staff members recognize that funding is tight across programs due to Michigan's budget crisis.

Given this precarious financial climate, program site staff work creatively to cover operating costs through other funding sources. Program sites are using a variety of strategies to deliver services more efficiently and at lower cost, but most still find they need to subsidize the cost of delivering the services with other funding sources. This is particularly difficult for organizations that do not have unrestricted funding sources or have fewer funding sources to help absorb the uncovered costs. In addition, small organizations are less likely to have the capacity or resources to do their own fundraising to help make up the difference.

Securing ongoing funding sources for IDA programs in Michigan is critical if the state wishes to maintain a statewide collaborative network of IDA programs. With most programs finding it challenging to provide IDA services with the funding they currently receive from MIDAP, programs in the network will experience even greater difficulty if ongoing support is not obtained. Without ongoing support, many of the IDA programs in the network, particularly those in the smaller organizations, may cease to exist after the participants in their Year 1 accounts have purchased assets. Some of the larger organizations may be able to continue providing IDA services without support from the network, but that might leave the IDA initiative in Michigan sporadic and disconnected.

It must be noted that it was not the intent of MIDAP funding to cover all the program sites' operating costs. The original RFP (request for proposals) specified that programs would match their awarded funding for direct services with an equal in-kind match from the funded program. These in-kind matches could be staff time, training resources provided through partnerships, or other services provided through partner organizations. The purpose of this specification was to encourage programs to share their current resources in creative ways and to facilitate resource integration strategies.

2. COST-SAVING STRATEGIES

Despite the difficulties in covering the costs of the program, RCO and program site staff are committed to delivering IDA services. These organizations are dedicated to poverty alleviation and see the IDA program as a tool that complements the other services they provide. The RCOs and program sites would like to deliver IDA services on a long-term basis. Many expressed disappointment that funding to continue the program at the same level was not available.

Working with IDA participants is more time-consuming than program sites had anticipated. Staff have found that, in order to help someone meet their goals of purchasing assets, a great deal of time must be spent building close, trusting relationships with the participants. In addition,

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[30] Program sites may still obtain direct service and match funding for accounts that they were allocated in Year 1.
[31] $3,000 in private funding must be obtained to open a new IDA account: $1,500 for direct service payments and $1,500 for match. The private match funding is used to draw down additional AFIA match funds.

persons who qualify for the IDA program face significant barriers to achieving their goals. They often have significant credit issues, substantial debt, and poor money management skills. It takes considerable time to help participants learn new skills and change life-long patterns.

Michigan's IDA programs are meant to be blended with complementary programs, so resources and staff can be shared. IDA programs are being incorporated into organizations in this manner. Many program sites indicate that they were already receiving funding to provide services (e.g., economic literacy or homeownership training) that can be incorporated into their IDA programs. In addition, the programs share their IDA staff with other programs within the organization. Most programs provide IDA services to participants using full-time staff with other duties, such as economic literacy training or homebuyer counseling. IDA coordinators typically held job duties in about three other programs in addition to IDAs, leaving them spread quite thin.[32] A few programs staff their IDA coordinator positions using part-time hourly staff, working from 4-10 hours per week. However, some agencies note that staffing the program in this way does not work well, since staff may be less willing to work additional hours when needed.

The organizations use a number of additional strategies to deliver services more efficiently and at lower cost. They include:

- **Using training available in the community.** Although some organizations do provide all of the training themselves, the majority do not. Some do not provide any of the trainings, instead using economic literacy and asset-specific training that is already available for free in the community. Sometimes organizations provide training jointly, which allows participants to benefit from the resources of both organizations.

- **Sharing training resources with other MIDAP-funded IDA programs.** One RCO made arrangements for asset-specific trainings to be delivered by a single provider for all of the programs in the area. This protected each program site from having to use resources to develop and deliver this training. In addition, it allowed for a full class instead of providing several small classes. A few program sites provide their own training, but also refer their participants to training provided by other MIDAP-funded programs if this is more convenient. The programs take turns offering the training rather than both offering it.

- **Local IDA advisory boards.** Staff of several programs report that their local IDA advisory boards have helped them to reduce costs by volunteering to provide a variety of supports to the programs.[33] IDA advisory board staff have provided the following types of support: 1) help advertising the program; 2) help screening and interviewing program applicants; 3) applying for the IDA program grant and developing the program; 4) one-on-one support for participants, including referring them to community resources; and 5) helping to make decisions about what action to take when participants miss deposits.

- **Volunteers.** Some programs use volunteers who are not part of a local IDA advisory board. In several programs, professionals in the community serve as guest speakers in the training classes. A few programs use volunteers to perform other duties, such as providing child care or credit counseling, or performing clerical duties.

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[32] An extreme example is one IDA coordinator who works in six different programs and also serves as the executive director of the agency.
[33] Sometimes advisory council members are area professionals. Other times they are peers (i.e., other IDA participants or program graduates).

- **Marketing.** Program staff mention several strategies for saving on marketing costs. First, when the IDA program is blended with similar programs, staff can often recruit participants from these programs for minimal cost. Others look for free marketing opportunities available in the community or talk about the program at community meetings that they are already attending. Another program staff person says that they put together a marketing plan, so that the marketing materials would only be placed in locations where they were most likely to get results.

- **Free materials and space.** Programs make use of free resource materials (e.g., program brochures, training curriculums) that are available from MIDAP and other organizations. A few organizations save on costs by making arrangements for free meeting space.

C. DATA COLLECTION AND MANAGEMENT: MIS IDA ISSUES

This section presents the views of program site and RCO staff on the MIS IDA software package.[34] It discusses what program sites and RCOs find useful about the software, as well as the difficulties they are experiencing with it.

Program sites give mixed reviews of the MIS IDA software.[35] Among program sites that enter data into MIS IDA, 58 percent report that they find the MIS IDA software useful. These program staff often acknowledge that learning how to use the software is somewhat difficult and takes some time, but they indicate that after gaining an understanding of the software, it is useful to them. Several of these programs note that the software saves them time. Aspects that program staff find useful about the software include:

- Tracking data on participants and using the software's reporting features

- Using the statements to motivate participants by showing them the amount of match they are accruing

- Running the quality control reports in MIS IDA QC to catch data errors[36]

- Quickly accessing information

- Tracking how much time is spent with each participant

- Using administrative features, such as mailing labels and participant address lists

The remainder of the program sites indicate that the difficulties with the MIS IDA software have limited its usefulness to them. These programs often indicate that addressing problems with the software is very time-consuming. Some have needed technical assistance from MCAAA or their RCOs to get the software to work or to clean their data. In addition, they report the following problems with MIS IDA:

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[34] The entire MIDAP network manages information using MIS IDA (Management Information System for Individual Development Accounts), an information system developed by the Center for Social Development at Washington University in St. Louis specifically to track and manage IDA participation and accounts. It is the only available software system expressly intended for IDA programs.

[35] Data about satisfaction with MIS IDA were collected from program sites in the phone interviews and email surveys.

[36] MIS IDA QC is a supplemental information system, also developed by the Center for Social Development at Washington University in St. Louis, to identify some of the more common data errors in MIS IDA.

- It is not user-friendly and is inflexible.

- Several programs find that time is spent correcting data but that the corrections are not there when the data is forwarded on.

- Due to the size of the MIS IDA software program, some programs must shut down all other software programs while using MIS IDA.

- Some of the programs note that the MIS IDA software was expensive to purchase. One of the RCOs indicates that perhaps MIDAP might have done more to provide financial support to organizations that needed to upgrade their computer systems in order to get MIS IDA to work or do electronic transfers. Some sites have been convinced to make the necessary upgrades, but others have not.

The RCO staff also give mixed reviews on MIS IDA. Some of the RCOs indicate that overall it is a useful program, while acknowledging that there are some minor problems with it. However, other RCOs are less satisfied with the software. One RCO indicates that the data that can be drawn from the software is only moderately useful, and another indicates that there are frequent problems with data accuracy. This RCO reports that time has to be spent calling programs to check the accuracy of the data because errors often occur in the process of transferring the files.

D. EFFECTIVE PRACTICES FOR OPERATING AN IDA PROGRAM SITE

RCO and program site staff were asked what they have learned about effectively delivering IDA services over the course of their involvement in the Michigan IDA Partnership. This section focuses on effective practices in operating an IDA program site. Discussion of the benefits of the three-tiered program structure is provided earlier in Section A. Effective practices were identified in three main areas: 1) identifying and screening potential participants; 2) working with participants; and 3) program planning.

1. IDENTIFYING AND SCREENING POTENTIAL PARTICIPANTS

Identifying the target market for a program is critical. Participants using similar services already being offered by the organization, such as economic literacy training or housing services, are often good candidates. Other programs that help participants work on long-term goal planning, such as Head Start, may also be a good place to find participants. When looking beyond the agency's existing clientele for participants, identifying whom the program wants to serve and where to find participants who need the assistance and will fit the eligibility criteria is important. The reputation of the organization within the community is also a key factor in finding program participants. If an individual has received quality services from the organization in the past, they are more likely to trust that the other services will be helpful and refer people they know.

Screening applicants to choose those who will be most likely to succeed in the program saves time and increases the likelihood of positive outcomes. Doing a good job of screening applicants leads to lower attrition rates. It is important to be honest with applicants about whether reaching their asset goal (e.g., obtaining a mortgage) is realistic within the time frame of the program, and if it is not, then these applicants are not suitable for the program. Examining the applicant's credit history, debt load, and employment stability should be part of the screening process. The

screening process also gives applicants the opportunity to learn about the nature of the program and its requirements, so they can make informed decisions about whether to enroll.

Motivational assessment is also critical. Many programs assess participant motivation by setting up a series of steps that applicants need to complete before they are admitted into the program. For example, the process might entail going to two different meetings and providing income documentation. Another option is to require them to attend financial literacy training before they can open an IDA account. Applicants who complete all of the steps tend to be motivated to save and participate in training. Some staff members believe that it is important to let the applicant take responsibility for completing each step, rather than going to considerable effort to remind them of what needs to be done.

2. WORKING WITH PARTICIPANTS

Building close, trusting relationships with program participants is critical. The IDA program addresses an issue that is private for most people—how we handle our money. Its goal is to help people make behavioral changes by encouraging participants to spend less and save more. In order to help participants examine their financial decisions and consider making changes, the case manager needs to know each individual participant and build a close, trusting relationship. Building such a relationship takes time. Once that close relationship is built, case managers often find that participants will call them when emergencies come up that may affect their savings goals. Really getting to know the participant also helps the case manager realize what is most likely to motivate that particular participant. Periodic follow-up with participants after they have completed training is also essential to offer encouragement and problem-solve any issues that may affect their saving goal. Staff note the importance of praising participants for their successes in order to keep them focused on their goals. A few program staff members send letters to their participants regularly to praise and encourage them.

IDA program staff can help participants overcome fears that prevent them from reaching their financial goals. IDA program participants often have not experienced many successes in life—financial or otherwise. Some may have never had a savings account and may be anxious about using a bank. Others may be reluctant to attend training because they have had negative experiences with school. Providing extra support, such as going to the bank with participants or explaining what training will be like, can help participants overcome these fears.

3. PROGRAM PLANNING

Establishing goals, activities, and deadlines helps the organizations within the network to keep moving forward. One of the RCOs notes that the organizations that filled their IDA accounts quickly were the ones that began implementing the program soon after they answered the planning questions. Those that were reluctant to start until they had a full understanding of the program were often behind schedule in implementing the program. The message from staff is: Don't wait—jump right in!

Having an effective IDA advisory board can provide valuable input and in-kind support to the program. Having representation from the various types of professionals who would be involved in the types of asset purchases—such as business owners or realtors—is ideal.

V. ACHIEVEMENTS AND RECOMMENDATIONS

This chapter addresses program achievements, areas for improvement, and recommendations for consideration. The chapter reflects the analysis of the three components of the study and the implications that flow from that analysis.

A. ACHIEVEMENTS

The Michigan IDA Partnership is doing a solid job of providing IDA services statewide. After only 18 months of program operation, participants are overwhelmingly pleased with the services they receive. One person said, *"It jump-starts your goals. If you can get serious about saving your money it motivates you and speeds it up."* A greater percentage of participants now save a regular amount each month—only 25 percent saved a regular amount each month before participating in MIDAP compared with 71 percent who do so while in the program. Nearly all of the participants feel more confident about their future. One person said, *"It's been a good outcome in my life for me to better myself. I achieved my goal. I just bought a house."*

Participants experience mostly positive changes in their lives as a result of taking part in the MIDAP Program. Ninety percent are more aware of their credit rating and eighty-six percent are working to improve their rating. Eighty-three percent believe they are more likely to work for pay or stay employed since being a part of MIDAP. Furthermore, positive benefits are not limited to only the participants themselves. Almost 90 percent are more likely to make education plans for their children. While some participants do struggle to make ends meet, they recognize the importance of the opportunity to double or triple their savings.

As of September 30, 2002, MIDAP has achieved the following outcomes:

- 588 participants (98 percent) have made at least one savings deposit, with an average of $375 in total deposits.

- 34 participants (6 percent of those with account data) have made at least one matched withdrawal, with average total matched withdrawals of $825.

- Of the 34 participants who have made matched withdrawals, over half (56 percent) purchased homes, 29 percent made business-related purchases, and 15 percent used their savings to pay for education and related expenses. Participant savings for these purchases totaled $28,052 and were matched at a rate of $2 or $3 for every dollar saved, for a total of $102,565 in savings plus match funds.

- 101 participants (17 percent) have made at least one unmatched withdrawal,[37] with average total unmatched withdrawals of $356.

MIDAP continues to make improvements in its operating structure. At the time of the Year 1 Evaluation Report (February 2002),[38] roles and responsibilities among the three principle

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[37] Of the 101 participants who made unmatched withdrawals, 53 were still active in the program, 6 had exited the program successfully after reaching their IDA goal and making qualified matched withdrawals, and 42 had exited the program unsuccessfully.

[38] Allen, R., Hein, M., & Robinson, J. (February, 2002). *Program Evaluation of Year One of the Michigan IDA Partnership*. Coralville, IA: Institute for Social and Economic Development.

parties—MIDAP, the RCOs, and the program sites—were still being negotiated. Based on interviews and surveys with each of these groups nearly one year later, roles and responsibilities are clearer. Both RCOs and program sties benefit from the services and support provided by MIDAP. Staff are aware that each entity serves the particular functions for which it is best suited. Role clarification may re-surface as an issue as MIDAP grapples with sustainability issues. MIDAP was originally conceived as a five-year project to create the infrastructure for sustainable IDA programs. Staff differ in their views about how the structure should change beyond the first five years.

IDA services are being provided by a group of highly dedicated staff. Staff members at the program sites and RCOs are committed to providing IDA services and believe in the goals of the program. Even though IDA services are labor-intensive, dedication and enthusiasm remain high. Staff are eager to learn from the network of IDA providers and acknowledge the benefits of having a three-tiered program structure.

B. RECOMMENDATIONS

There are areas in which the MIDAP Program can make improvements. The issues and recommendations are grouped in four categories: MIDAP program structure, funding and cost-saving strategies, MIS IDA, and effective practices for operating an IDA program site. The recommendations are based on what we learned during the second year of the evaluation and our own assessment of potential next steps to help the program achieve its goals. They are offered for consideration.

1. MIDAP PROGRAM STRUCTURE

1.1 ISSUE: Some program sites are not well-informed about fundraising efforts being made by MIDAP on behalf of the network, leaving them feeling some anxiety about the future of their IDA programs.

> **RECOMMENDATION:** Update the RCOs and program sites about current fundraising efforts and future plans frequently. Continue with the "Great Ideas" and "MIS IDA Helpful Hints" e-newsletters for program sites every month. Perhaps include funding updates on the partnership listserv.

1.2 ISSUE: RCOs and program sites are interested in the future of the Michigan IDA Partnership.

> **RECOMMENDATION:** Involve RCOs and program sites in a planning process regarding the potential redesign of the MIDAP program structure as programs gain experience as IDA providers.

1.3 ISSUE: Whatever decision is made about maintaining the three-tiered program structure when programs are experienced, some of the functions currently being performed by MIDAP will need to be maintained.

RECOMMENDATION: The essential functions that will need to be maintained are: 1) providing overall coordination and direction for the program; 2) maintaining the linkage with the state funder and coordinating statewide fundraising efforts; 3) advocating for IDAs at the state level; and 4) keeping the network informed about what is happening at the state and national levels.

1.4 ISSUE: Program sites have experienced problems drawing down match funding. This has been particularly problematic in the case of home purchases, where there is a short time frame in which the funds are needed. This has resulted in some organizations advancing the match money for the participant.

RECOMMENDATION: MIDAP needs to clarify with the program sites what constitutes a realistic turnaround time for a house closing. Ideally, a one-month advance notice is best; however, at a minimum a two-week turnaround is necessary to ensure a check is ready at the time of the house closing. Programs must not schedule house closings with less than a two-week turnaround.

2. FUNDING AND COST-SAVING STRATEGIES

2.1 ISSUE: Securing ongoing funding sources for IDA programs in Michigan is critical if the state wishes to maintain a collaborative statewide network of IDA programs. Additional operating funds are also needed.

RECOMMENDATION: The original RFP specified that programs would match their awarded funding for direct services with an equal in-kind match from the funded program. The purpose of this specification was to encourage programs to facilitate resource integration strategies. This is an issue that will continue to be a struggle for programs as more IDA accounts are opened.

In order to maintain the momentum of the collaborative network of IDA programs, funding to open more IDA accounts is needed. Even though funding is secured for over 1,000 accounts, it will be critical to expand accounts at those program sites with waiting lists to keep programs fully engaged in the network. Any private funding that is secured can be matched by AFIA funds. As private funds are committed, a portion of the funding can be used to cover the expense of providing direct services to IDA participants.

2.2 ISSUE: In the event that ongoing funding for the network is not secured, IDA program sites are likely to benefit from training to help them build fundraising capacity.

RECOMMENDATION: MIDAP might consider providing program sites with training to build their fundraising capacity. This training could be provided to the IDA network only, or opportunities to provide training to the broader non-profit community might be explored. Perhaps national experts on fundraising could contribute to the training.

MIDAP might also plan a coordinated fundraising strategy with the program sites and RCOs. If standard materials (e.g., prepared presentation slide show on PowerPoint) were available to staff who were approaching local banks or the United Way to seek support, the task might not feel so daunting.

2.3 ISSUE: Although the program sites are working hard to deliver services efficiently and at lower cost, there is always room for improvement in this area. It may be worthwhile to help program sites explore whether adopting additional cost-saving strategies makes sense for their programs. MIDAP and the RCOs might help the program sites determine which of the cost-saving strategies described in this report they are already using and which might be feasible and useful to implement.

RECOMMENDATION: Some areas where improvements might be made include:

- **Sharing resources.** Especially in the urban areas where there is a higher concentration of IDA programs, multiple program sites are offering the same training (e.g., economic literacy training). Options for having one program site offer the economic literacy training or asset-specific training for all the programs in the area might be explored. Although the Michigan IDA Partnership has done much to promote collaboration among the state's programs, some competition among program sites in a given area may still exist and inhibit collaboration.

- **Making better use of the RCOs.** RCOs should provide information about effective practices in providing training and other program services. Programs should approach their RCOs immediately when difficulties arise.

- **Taking advantage of free resources.** Some programs that teach their own classes may be able to locate existing resources already available in the community that could be used by the IDA program. For example, IDA programs that offer homeownership as an asset choice may want to find out where the nearest homeownership program is and explore whether they can tap into this resource.

- **Blending IDA services with complementary services.** Most programs are assigning IDA services to staff that work in complementary areas (e.g., housing services, small business services). However, blending IDAs with crisis service programs may not work as well, because people in crisis may not be ideal candidates for the program, and staff members may have difficulty focusing on the IDA services.

3. DATA COLLECTION AND MANAGEMENT: MIS IDA ISSUES

The MIS IDA software is the only available software specifically designed for IDA programs. MIDAP programs are expected to make the investment of time and training to effectively use this tool as the program requires intensive, ongoing data collection. This presents a challenge to many agencies. The first three issues presented below are closely related. On-site training and ongoing technical assistance are often the answer.

3.1 ISSUE: Many sites have not mastered the MIS IDA software.

RECOMMENDATION: Provide support to sites and RCOs for MIS IDA training and dedication of staff time to enter, check, and maintain data. Designate specific staff at each site and RCO for these tasks and ensure that time is set aside each week to complete them.

Be prepared for staff turnover by having another staff person who could pick up MIS IDA duties, rather than letting data entry lapse. In the event of key staff turnover, make MIS IDA training a priority for replacement staff. Ideally training should be conducted on-site by the RCOs. RCOs must have a designated staff person who conducts the training. The personal relationship between the RCO staff person and MIS IDA staff person at the program site is vital for continued learning. The program sites need to have a person to call at their RCO who is providing MIS IDA technical assistance (again, ideally this should be the same person who provided the training.)

3.2 ISSUE: Data problems continue to limit program sites' ability to track participant progress and program performance.[39]

RECOMMENDATION: Run automated reports in MIS IDA at program sites and check against other forms of participant/program performance documentation for accuracy, then invest time in correcting data before sending the data file to the RCO. By running a simple report at the program site, basic errors can be caught. In particular, examining the following reports can point to discrepancies within MIS IDA or to discrepancies between MIS IDA and other sources of information:

- Participant Exit Report
- Individual Account Statements
- Participant Account Statement Summary
- Matched Withdrawals
- Funding Partner Information
- Active Funding Partners Summary Report
- Discrepancies Between Approved and Total Withdrawals
- Closed/Exited Exceptions Report

Run the quality control reports in the MIS IDA QC software[40] at program sites and again at the RCO level; return questionable data files back to program sites to correct errors. MIDAP can also request these MIS IDA and MIS IDA QC reports from sites/RCOs to cross-check against other data.

Make sure that all RCOs and CMF have a procedure in place to ensure that the process for compiling data from multiple sites does not result in duplicated records.

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[39] See Appendix D for specific data quality issues.
[40] MIS IDA QC is a supplemental information system developed by the Center for Social Development at Washington University in St. Louis to identify some of the more common data errors in MIS IDA.

3.3 ISSUE: Data from the program sites and RCOs are not compiled in a timely manner.

RECOMMENDATION: Dedicate time in a specific staff person's weekly schedule, as described above, for regular data entry and maintenance. Keep data up-to-date so data from all sites can be compiled quickly. When RCOs receive data from sites, compiling these data accurately and quickly needs to be a priority; likewise, CMF should make the timely compilation of data a priority.

3.4 ISSUE: Due to data quality[41] and timeliness issues, MIDAP is unable to maximize the data to answer key questions about their program, and the evaluator is unable to conduct certain analyses that would be meaningful to the program and inform decision makers. For example, this report is not able to address questions about saving patterns over time, match rates, particular funding partners, financial education completed by participants, and participants' assets and liabilities upon entering the program, such as the following:

- In how many months of a year does the average participant make a deposit?
- What is the average monthly deposit, net of withdrawals?
- What percentage of the maximum allowable matchable savings amount did participants save?
- How does a participant's match rate affect savings behavior?
- How much in match funds has been drawn down from each funding partner?
- What percentage of participants have completed general financial education and the asset-specific trainings?
- Do participants' assets and liabilities when they enter the program affect their savings success?

RECOMMENDATION: The condition of the MIS IDA data has far-reaching implications because the MIS IDA system cannot be used to reliably answer questions about participant performance. In a political environment of "results-driven" decision making, having data to document a program's success is vital.

Although entering and maintaining data accurately is a time-consuming process, it is a necessary investment if sites, RCOs, and MIDAP are to fully understand the impacts of the program and to make future decisions informed by past performance.

Placing a priority on accurate and timely data behooves not only the program sites and RCOs, but the MIDAP program as a whole, and should be seen as an investment in the program at every level of the program structure. Program sites, RCOs, and MIDAP must all assume responsibility for and ownership of the data as a means of communicating the impact of the program.

While cross-site learning and collaboration does occur, this network of knowledge could be applied to an area where MIDAP continues to struggle— MIS IDA. Some program sites and RCOs have mastered the data entry, quality control, and data transfer steps required for this program. It would be beneficial for other program sites and RCOs to learn from their experiences.

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[41] See Appendix D for further information about data quality issues.

4. EFFECTIVE PRACTICES FOR OPERATING AN IDA PROGRAM SITE

4.1 ISSUE: Participants who use direct deposit for their IDAs have a greater number of total deposits and a greater number of deposits per month than participants who do not have direct deposit.

> **RECOMMENDATION:** Encourage program sites to have direct deposit saving accounts for their participants.

4.2 ISSUE: Maximize the benefits of having a three-tiered program structure.

> **RECOMMENDATION:** Continue to provide opportunities for program sites and RCOs to learn from each other about effective practices in delivering IDA services.

4.3 ISSUE: When recruiting participants, it is important to identify target markets that best match the IDA program.

> **RECOMMENDATION:** RCOs might provide guidance to programs that need assistance in identifying their target markets—including exploring client populations that the organization already serves and other populations that are likely to need and qualify for the program.

4.4 ISSUE: Having an effective applicant screening process helps to identify people who will be most likely to succeed in the program and lower attrition rates.

> **RECOMMENDATION:** Share information about successful screening tools and techniques across the network.

4.5 ISSUE: Some participants believe they are attending classes that do not pertain to their particular saving goal.

> **RECOMMENDATION:** Consider making the financial literacy training the standard for all participants to attend at the outset of program participation and then direct people to "asset-specific" trainings. Do not require all asset goal classes. For example, people who are pursuing education for their asset goal should not be required to attend homeownership training. In addition, "how to start a business" classes must be quality training offered by people who understand business plans and have access to business loans to supplement their IDAs. Participants wanting to expand an existing business need higher-level business classes that help them prepare a feasible business plan and access capital. Likely there are business development services available in most communities that could be used.

4.6 ISSUE: Participants may experience some level of hardship while saving for their IDA—they may have difficulty paying their bills, may not be able to save for something other than their IDA asset goal, or may need to give up a necessity.

RECOMMENDATION: Incorporate this knowledge in the training sessions. Make participants aware of these possible negative effects at the beginning of the program and encourage mutual support systems. This may assure some participants later on when they do encounter difficulties that, while this is a "natural stage of the process," the difficulties can be mitigated if steps are taken to address them. Participants may be less discouraged if they are armed with this knowledge at the outset and plan for the difficulties.

APPENDIX A:
ACRONYM LIST

ADD	American Dream Demonstration (a national IDA demonstration)
AFIA	Assets for Independence Act
CAA	Community Action Agency
CDCU	Community Development Credit Union
CFED	Corporation for Enterprise Development
CMF	Council of Michigan Foundations
CSD	Center for Social Development (Washington University, St. Louis)
CU	Credit Union
FIA	Family Independence Agency (Michigan's public assistance agency)
FIP	Family Independence Program (Michigan's TANF program)
GROW	Grand Rapids Opportunities for Women
IDA	Individual Development Account
ISED	Institute for Social and Economic Development
IT	Information Technology
MCAAA	Michigan Community Action Agency Association
MIDAP	Michigan IDA Partnership
MIS IDA	Management Information System for Individual Development Accounts
MIS IDA QC	MIS IDA Quality Control
OSHA	Occupational Safety and Health Administration
OLSHA	Oakland Livingston Human Services Agency
RCO	Regional Coordinating Organizations
RFP	Request for proposals
TANF	Temporary Assistance for Needy Families

APPENDIX B:
RESEARCH METHODOLOGY

This appendix describes the research questions, data sources, and samples for the outcome study, the participant survey, and the process study.

A. OUTCOME STUDY

1. RESEARCH QUESTIONS

- What are the characteristics of program participants?

- What are the participants' savings patterns, utilization of program services, and outcomes?

- What are the participants' patterns of utilization of public benefits?

- Are there different outcomes for different subgroups of participants, such as FIP participants compared with non-FIP participants?

- What comparisons, if any, can be made to participants of national IDA studies?

2. DATA SOURCES

Data sources for the outcome study include the following:

- MIS IDA[42] data through September 30, 2002 from 47 MIDAP program sites as compiled by the Council of Michigan Foundations

- a MIDAP list of participants who made qualified matched withdrawals

- Michigan Family Independence Agency (FIA) data on public benefit receipt

The MIS IDA data included a good deal of duplicated, erroneous, or incongruous data and did not perfectly correspond to the MIDAP list of matched withdrawals. In order to conduct the outcome analyses, ISED combined and extensively cleaned these data (see Appendix D for specific details).

ISED obtained FIA data by compiling a data file of identifying participant information from MIS IDA for FIA to use to match public benefit assistance/eligibility data about the program participants. Second-quarter MIS IDA data (through the end of June 2002) were used to compile the list so that FIA would have sufficient time to complete the match. FIA then transmitted a data file to ISED regarding public benefits status in October 2002. Since one of the sites did not use social security numbers to identify participants in MIS IDA, the number of participants whose public benefit data could be matched was reduced. In total, FIP receipt data were available for

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[42] The entire MIDAP network manages information using MIS IDA (Management Information System for Individual Development Accounts), an information system developed by the Center for Social Development at Washington University in St. Louis specifically to track and manage IDA participation and accounts. It is the only available software system expressly intended for IDA programs.

415 participants at two time points: enrollment in MIDAP and October 2002. Due to large amounts of missing MIS IDA data, Food Stamp receipt changes over time could not be determined.

3. SAMPLE

The sample for the analysis of participant characteristics and certain outcomes included 653 participants who had enrolled in MIDAP as of September 2002, as identified by MIS IDA data. Savings account activity outcomes were analyzed for the participants for whom account activity data were available in MIS IDA (601 participants). The public assistance analysis included 415 participants who enrolled in MIDAP by June 30, 2002 for whom a valid social security number was entered in MIS IDA.

B. PARTICIPANT TELEPHONE SURVEY

The MIDAP evaluation research design includes a participant telephone survey in project Years 2 through 5. In each of these four years, ISED will survey 100 MIDAP participants. This is the first year a participant survey was conducted. The specific research questions, data sources, and sample for this year's survey are described below.

1. RESEARCH QUESTIONS

The purpose of the participant telephone survey is to provide detailed information regarding participants' saving behavior, perceptions of the IDA program, and the effects of IDAs on their lives. Three general research questions were addressed using the survey data.

- What are the saving behaviors of IDA participants?

- How do participants assess the IDA services?

- How has involvement with the IDA program affected the participants' lives, their children, and their partners/spouses?

- What comparisons, if any, can be made to participants of national IDA studies?

2. DATA SOURCES

ISED used both telephone survey data and MIS IDA data to answer these research questions (see Table B.1).

TELEPHONE SURVEY DATA. Given the nature of the research questions, information obtained directly from the MIDAP participants themselves is the foundation of the study. The development of the questionnaire was a collaborative process between MIDAP staff, FIA staff, and ISED. The questionnaire was based on an existing IDA survey prepared by Washington University, Center for Social Development for the American Dream Demonstration.[43] By using these standard items,

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[43] Moore, A., Beverly, S., Schreiner, M., Sherraden, M., Lombe, M., Cho, E., Johnson, L., & Vonderlack, R. (2001). *Saving, IDA Programs, and Effects of IDAs: A Survey of Participants.* St. Louis: Washington University, Center for Social Development.

we were able to make comparisons regarding the experiences of participants in Michigan with participants surveyed in the national study.

The survey contained a wide range of questions. Items from the ADD survey included questions about how participants save, the positive and negative effects of having an IDA, barriers and supports they encountered to saving, and an assessment of MIDAP services. Additional items were added to the survey based on Michigan's research questions, such as self-confidence, impact on children, impact on spouse/partner, and relationship with banks. The survey consists primarily of close-ended questions with a few open-ended items.

Telephone interviews were conducted in September and October 2002 and a 70 percent response rate was achieved. Interviewers were contracted by ISED and were not connected with MIDAP, the RCOs, or the individual program sites. The interview lasted approximately 15 minutes and respondents received a $10 gift certificate for completing the interview.

MIS IDA DATA. ISED used MIS IDA data through June 30, 2002 from the program sites as compiled by the Council of Michigan Foundations. ISED combined and cleaned these data for analysis.

Table B.1
Data Categories and Data Sources

Data Category	Data Source
Self-Report Data	
Support for saving	Telephone survey
Barriers for saving	Telephone survey
Positive effects of having IDA	Telephone survey
Negative effects of having IDA	Telephone survey
Assessment of MIDAP services	Telephone survey
Satisfaction with meeting basic needs	Telephone survey
Status of sanctioned recipients	Telephone survey
Sources of support	Telephone survey
MIDAP Data	
Demographic variables	MIS IDA
IDA program participation variables	MIS IDA

3. SAMPLE

Based on discussions with MIDAP staff, FIA staff, and Advisory Committee members, it was agreed that for this first survey we would interview post-training current participants (participants who have completed the financial education training and whose accounts are open) and successful participants (participants who have reached their savings goal and have made an approved withdrawal) who entered the program at the earliest date. Since there is interest in examining the saving behaviors and perceptions of the IDA services, we recommended limiting the survey to only those program sites who were funded in the first year of funding and participants who have been in the program six months or longer. This decision was based on the fact that these participants have had the most exposure to the IDA philosophy and services.

For this study, we drew a random sample of 142 participants from the programs funded in the first year. As of the June 2002 MIS IDA data:

284	participants from the programs sites funded in the first year
- 21	dropped out of the program
263	sample pool for survey (7 of whom had made a matched withdrawal)

Interviews were completed with 100 (70 percent response rate) of the 142 sample members; of the completed interviews, 97 were current participants and 3 had made approved matched withdrawals. Sample members who did not complete interviews fell into two categories—either they were unable to complete the interview during the interview period (17 percent) or they could not be located (9 percent). The final disposition of the survey sample is presented in Table B.2.

Table B.2
Final Survey Sample Disposition

	Number	Percent
Completed an interview	100	70 %
Did not complete an interview		
Not located	13	9 %
Located but unable to complete an interview during survey period after multiple attempts to reach	24	17 %
Refused	3	2 %
Incomplete interview	1	< 1 %
Ill/Hospitalized	1	< 1 %
Total	142	100 %

C. PROCESS STUDY

The process study focuses on assessing the usefulness and cost-effectiveness of MIDAP's program structure, i.e., state-level coordinating organization, regional coordinating organizations (RCOs), and program sites.

1. RESEARCH QUESTIONS

- How useful is the MIDAP program structure as it is currently operating?

- How might the MIDAP program structure change when program sites in the network have become experienced IDA providers?

- How cost-effective is the Michigan IDA Partnership as it is currently operating?

- How sufficient is the MIDAP funding?

- How useful is the MIS IDA software package?

- What has been learned about the most effective strategies for providing IDA services?

2. DATA SOURCES AND SAMPLE

TELEPHONE INTERVIEWS. Telephone interviews were conducted with the MIDAP program director, all five RCOs, and twenty program sites. The MIDAP program director selected twenty-seven program sites for ISED to contact for the telephone interviews, with the goal of conducting at least 20 interviews. Some of these program sites were not interviewed, either because ISED was unable to schedule an interview with program staff or program staff did not believe they were able to answer the interview questions.

EMAIL SURVEYS. The 16 program sites that were not contacted for telephone interviews were asked to complete a survey about the program via email. Fifty percent returned the surveys.

APPENDIX C:
TABLES FOR OUTCOME STUDY (CHAPTER II)

Table 2.2
Participants' Income Sources at Time of MIDAP Enrollment

Income Source	Participants Receiving Income from Source		Average Monthly Amount Received from Source		Percentage of Total Income from Source
	Number n= 621	Percent	All Participants	Participants with This Income Source	
Formal Employment	550	89 %	$ 1,464	$ 1,653	79 %
Public Assistance	181	29 %	$ 158	$ 540	9 %
Child Support	140	23 %	$ 84	$ 371	5 %
Self-Employment	56	9 %	$ 78	$ 865	4 %
Gifts	9	1 %	$ 56	$ 803	< 1 %
Pension	7	1 %	$ 4	$ 308	< 1 %
Investments	3	< 1 %	$ 4	$ 365	< 1 %
Other Source	43	7 %	< $ 1	$ 4	3 %
Total	**621**	**100 %**	**$ 1,847**		

Source: MIS IDA data through September 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations. Only participants for whom income data are available are included in this analysis. Data cleaned for analysis by ISED.

Note: Percentages may sum to more than 100 due to rounding.

Table 2.3
Change in FIP Receipt from Enrollment in IDA Program to October 2002

		Received FIP in October 2002	Did Not Receive FIP in Oct. 2002	Total
Receiving FIP at Enrollment	Number	15	105	120
	Percent	4%	25%	29%
Not Receiving FIP at Enrollment	Number	11	284	295
	Percent	3%	68%	71%
Total	Number	26	389	
	Percent	6%	94%	

Source: MIS IDA data through June 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations; FIA file of public assistance receipt for October 2002. Data cleaned for analysis by ISED.

Table 2.4
IDA Program Participation and Outcomes through September 30, 2002

	Number N= 653	Percent
Program Participation		
Opened IDA		
Yes	630	96 %
No [a]	23	4 %
Number of IDAs Opened per Participant [b]		
None	23	4 %
One	628	96 %
Two	2	< 1 %
Total Number of IDAs Opened	632	(n/a)
Used Direct Deposit for IDA [c]		
Yes	150	24 %
No	437	69 %
Unknown/missing	43	7 %
Intended IDA Use at Enrollment [d]		
Home purchase	510	81 %
Business	64	11 %
Education	53	10 %
Home and education [d]	2	<1 %
Unknown/missing	1	<1 %
Average Number of Months in MIDAP	8.63	(n/a)
Outcomes		
Program Status at End of Data		
Active in program	552	85 %
Exited successfully (made matched withdrawal)	25	4 %
Exited unsuccessfully (no matched withdrawal)	76	12 %
Made Qualified Matched Withdrawal (Purchased Asset with IDA) [e]		
Yes	34	5 %
No	619	95 %
Asset Purchased (n=34) [f]		
Home	19	56 %
Business	10	29 %
Education	5	15 %

Source: MIS IDA data through September 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations; MIDAP list of matched withdrawals. Data cleaned for analysis by ISED.

Note: Percentages may sum to more than 100 due to rounding.

[a] Of the 23 participants who had not yet opened an IDA by the end of the data, 8 had enrolled within the previous two months and 7 had formally exited the program.

[b] One of the program sites switched banks during the course of the year; the participants whose accounts transferred are counted as opening only one account.

[c] Percentages based on the number of participants who opened accounts (630).

[d] Two participants each opened two accounts to save for a home purchase and education.

[e] This includes the 25 people who exited the program successfully after making a matched withdrawal and the 9 people who made a qualified matched withdrawal but continued to participate in MIDAP.

[f] Percentages based on the number of participants who purchased assets (34).

Table 2.5
Participant Account Activity Outcomes

Account Activity	Number n= 601	Amount	Percent
Deposits			
Made at least one deposit	588		98 %
Average total deposits	6.13	$ 375	
Average monthly deposits	1.01	$ 62	
Matched Withdrawals			
Made at least one matched withdrawal	34		6 %
Average total matched withdrawals	1.35	$ 825	
Unmatched Withdrawals			
Made at least one unmatched withdrawal	101		17 %
Average total unmatched withdrawals	1.40	$ 356	

Source: MIS IDA data through September 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations; MIDAP list of matched withdrawals. Only participants for whom account activity data are available are included in this analysis. Data cleaned for analysis by ISED.

Note: Averages and percentages are based on the number of participants who had made at least one deposit, matched withdrawal, or unmatched withdrawal, respectively.

Table 2.8
Participant Account Activity Outcomes for Rural and Urban Participants

Account Activity		Rural n= 136	Urban n= 463	p-value
Deposits				
Made at least one deposit	Number	134	452	
	Percent	99 %	98 %	
Average total deposits	Number	7.11	5.85	
	Amount	$ 392	$ 371	
Average monthly deposits	Number	1.01	1.01	
	Amount	$ 55	$ 64	
Matched Withdrawals				
Made at least one matched withdrawal	Number	9	24	
	Percent	7 %	5 %	
Average total matched withdrawals	Number	1.00	1.50	
	Amount	$ 894	$ 791	
Unmatched Withdrawals				
Made at least one unmatched withdrawal	Number	20	81	
	Percent	15 %	17 %	
Average total unmatched withdrawals	Number	1.50	1.37	
	Amount	$ 364	$ 354	

Source: MIS IDA data through September 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations; MIDAP list of matched withdrawals. Only participants for whom account activity data are available are included in this analysis. Data cleaned for analysis by ISED.

Note: Percentages may sum to more than 100 due to rounding.

Note: Averages and percentages are based on the number of participants who had made at least one deposit, matched withdrawal, or unmatched withdrawal, respectively.

Note: In this table, p-values are provided for statistically significant differences; the absence of a p-value indicates that the difference between the groups is not statistically significant (i.e., p-value > 0.05).

Table 2.9
Participant Account Activity Outcomes by Participants' Asset Goals

Account Activity		Home Purchase n= 485	Micro-enterprise n= 63	Education n= 51	p-value
Deposits					
Made at least one deposit	Number	472	63	51	
	Percent	97 %	100 %	100 %	
Average total deposits	Number	6.00	6.49	6.88	
	Amount	$ 362	$ 477	$ 366	
Average monthly deposits	Number	1.05	0.85	0.93	0.000
	Amount	$ 63	$ 62	$ 49	
Matched Withdrawals					
Made at least one matched withdrawal	Number	19	10	4	0.000
	Percent	4 %	16 %	8 %	
Average total matched withdrawals	Number	1.00	2.00	1.50	
	Amount	$ 968	$ 726	$ 346	0.000
Unmatched Withdrawals					
Made at least one unmatched withdrawal	Number	80	16	5	
	Percent	16 %	25 %	10 %	
Average total unmatched withdrawals	Number	1.45	1.13	1.4	
	Amount	$ 368	$ 256	$ 474	

Source: MIS IDA data through September 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations; MIDAP list of matched withdrawals. Only participants for whom account activity data are available are included in this analysis. Data cleaned for analysis by ISED.

Note: Percentages may sum to more than 100 due to rounding.

Note: Averages and percentages are based on the number of participants who had made at least one deposit, matched withdrawal, or unmatched withdrawal, respectively.

Note: In this table, p-values are provided for statistically significant differences; the absence of a p-value indicates that the differences among the groups are not statistically significant (i.e., p-value > 0.05).

Table 2.10
Participant Account Activity Outcomes by Public Assistance Receipt Status

Account Activity		FIP n=172	Non-FIP n=404	p-value
Deposits				
Made at least one deposit	Number	171	394	
	Percent	99 %	98 %	
Average total deposits	Number	5.47	6.36	
	Amount	$ 369	$ 377	
Average monthly deposits	Number	0.94	1.05	0.007
	Amount	$ 63	$ 62	
Matched Withdrawals				
Made at least one matched withdrawal	Number	6	27	
	Percent	3 %	7 %	
Average total matched withdrawals	Number	1.83	1.26	
	Amount	$ 578	$ 873	0.031
Unmatched Withdrawals				
Made at least one unmatched withdrawal	Number	29	72	
	Percent	17 %	18 %	
Average total unmatched withdrawals	Number	1.38	1.40	
	Amount	$ 387	$ 343	

Source: MIS IDA data through September 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations; MIDAP list of matched withdrawals. Only participants for whom account activity data are available are included in this analysis. Data cleaned for analysis by ISED.

Note: Percentages may sum to more than 100 due to rounding.

Note: Averages and percentages are based on the number of participants who had made at least one deposit, matched withdrawal, or unmatched withdrawal, respectively.

Note: In this table, p-values are provided for statistically significant differences; the absence of a p-value indicates that the difference between the groups is not statistically significant (i.e., p-value > 0.05).

Table 2.11
Participant Account Activity Outcomes by Income Level

Account Activity		$ 999 or less n= 105	$ 1,000 - 1,499 n=134	$ 1,500 - 2,4999 n= 258	$ 2,500 or more n= 76	p-value
Deposits						
Made at least one deposit	Number	102	133	252	74	
	Percent	97 %	99 %	98 %	97 %	
Average total deposits	Number	5.81	5.77	6.06	7.08	
	Amount	$ 320	$ 338	$ 378	$ 500	0.046
Average monthly deposits	Number	0.96	1.00	1.06	1.06	
	Amount	$ 53	$ 59	$ 66	$ 75	0.017
Matched Withdrawals						
Made at least one matched withdrawal	Number	9	5	15	4	
	Percent	9 %	4 %	6 %	5 %	
Average total matched withdrawals	Number	1.89	1.00	1.27	1.00	
	Amount	$ 615	$ 821	$ 890	$ 1014	
Unmatched Withdrawals						
Made at least one unmatched withdrawal	Number	21	20	41	18	
	Percent	20 %	15 %	16 %	24 %	
Average total unmatched withdrawals	Number	1.24	1.10	1.56	1.50	
	Amount	$ 241	$ 399	$ 402	$ 342	

Source: MIS IDA data through September 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations; MIDAP list of matched withdrawals. Only participants for whom account activity data are available are included in this analysis. Data cleaned for analysis by ISED.

Note: Percentages may sum to more than 100 due to rounding.

Note: Averages and percentages are based on the number of participants who had made at least one deposit, matched withdrawal, or unmatched withdrawal, respectively.

Note: In this table, p-values are provided for statistically significant differences; the absence of a p-value indicates that the differences among the groups are not statistically significant (i.e., p-value > 0.05).

Table 2.13
Participant Account Activity Outcomes by Use of Direct Deposit

Account Activity		Direct Deposit n= 145	Not Direct Deposit n= 418	p-value
Deposits				
Made at least one deposit	Number	145	410	
	Percent	100 %	98 %	
Average total deposits	Number	7.99	5.42	0.000
	Amount	$ 406	$ 370	
Average monthly deposits	Number	1.16	0.98	0.000
	Amount	$ 59	$ 67	
Matched Withdrawals				
Made at least one matched withdrawal	Number	11	22	
	Percent	7 %	5 %	
Average total matched withdrawals	Number	1.18	1.45	
	Amount	$ 830	$ 814	
Unmatched Withdrawals				
Made at least one unmatched withdrawal	Number	23	63	
	Percent	16 %	15 %	
Average total unmatched withdrawals	Number	1.43	1.44	
	Amount	$ 314	$ 381	

Source: MIS IDA data through September 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations; MIDAP list of matched withdrawals. Only participants for whom account activity data are available are included in this analysis. Data cleaned for analysis by ISED.

Note: Percentages may sum to more than 100 due to rounding.

Note: Averages and percentages are based on the number of participants who had made at least one deposit, matched withdrawal, or unmatched withdrawal, respectively.

Note: In this table, p-values are provided for statistically significant differences; the absence of a p-value indicates that the difference between the groups is not statistically significant (i.e., p-value > 0.05).

Table 2.14
Participant Account Activity Outcomes by Gender

Account Activity		Female n= 510	Male n= 91	p-value
Deposits				
Made at least one deposit	Number	497	91	
	Percent	98 %	100 %	
Average total deposits	Number	6.17	5.93	
	Amount	$ 364	$ 434	
Average monthly deposits	Number	1.04	0.89	0.003
	Amount	$ 61	$ 65	
Matched Withdrawals				
Made at least one matched withdrawal	Number	30	4	
	Percent	6 %	4 %	
Average total matched withdrawals	Number	1.4	1.00	
	Amount	$ 801	$ 1005	
Unmatched Withdrawals				
Made at least one unmatched withdrawal	Number	78	23	0.019
	Percent	15 %	25 %	
Average total unmatched withdrawals	Number	1.40	1.39	
	Amount	$ 339	$ 411	

Source: MIS IDA data through September 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations; MIDAP list of matched withdrawals. Only participants for whom account activity data are available are included in this analysis. Data cleaned for analysis by ISED.

Note: Percentages may sum to more than 100 due to rounding.

Note: Averages and percentages are based on the number of participants who had made at least one deposit, matched withdrawal, or unmatched withdrawal, respectively.

Note: In this table, p-values are provided for statistically significant differences; the absence of a p-value indicates that the difference between the groups is not statistically significant (i.e., p-value > 0.05).

Table 2.15
Participant Account Activity Outcomes by Marital Status

Account Activity		Married n= 145	Not Married n= 454	p-value
Deposits				
Made at least one deposit	Number	142	444	
	Percent	98 %	98 %	
Average total deposits	Number	5.77	6.26	
	Amount	$ 387	$ 372	
Average monthly deposits	Number	0.94	1.04	0.017
	Amount	$ 63	$ 62	
Matched Withdrawals				
Made at least one matched withdrawal	Number	7	26	
	Percent	4 %	5 %	
Average total matched withdrawals	Number	1.00	1.46	
	Amount	$ 901	$ 798	
Unmatched Withdrawals				
Made at least one unmatched withdrawal	Number	29	72	
	Percent	20 %	16 %	
Average total unmatched withdrawals	Number	1.28	1.44	
	Amount	$ 265	$ 392	

Source: MIS IDA data through September 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations; MIDAP list of matched withdrawals. Only participants for whom account activity data are available are included in this analysis. Data cleaned for analysis by ISED.

Note: Percentages may sum to more than 100 due to rounding.

Note: Averages and percentages are based on the number of participants who had made at least one deposit, matched withdrawal, or unmatched withdrawal, respectively.

Note: In this table, p-values are provided for statistically significant differences; the absence of a p-value indicates that the difference between the groups is not statistically significant (i.e., p-value > 0.05).

Table 2.16
Participant Account Activity Outcomes by Minority Status

Account Activity		Minority n= 350	Caucasian n= 250	p-value
Deposits				
Made at least one deposit	Number	340	247	
	Percent	97 %	99 %	
Average total deposits	Number	5.85	6.52	
	Amount	$ 353	$ 405	
Average monthly deposits	Number	1.02	1.01	
	Amount	$ 61	$ 62	
Matched Withdrawals				
Made at least one matched withdrawal	Number	14	20	
	Percent	4 %	8 %	
Average total matched withdrawals	Number	1.43	1.30	
	Amount	$ 755	$ 874	
Unmatched Withdrawals				
Made at least one unmatched withdrawal	Number	62	39	
	Percent	18 %	16 %	
Average total unmatched withdrawals	Number	1.44	1.33	
	Amount	$ 350	$ 365	

Source: MIS IDA data through September 2002 provided by the Council of Michigan Foundations from MIDAP program sites and regional coordinating organizations; MIDAP list of matched withdrawals. Only participants for whom account activity data are available are included in this analysis. Data cleaned for analysis by ISED.

Note: Percentages may sum to more than 100 due to rounding.

Note: Averages and percentages are based on the number of participants who had made at least one deposit, matched withdrawal, or unmatched withdrawal, respectively.

Note: In this table, p-values are provided for statistically significant differences; the absence of a p-value indicates that the difference between the groups is not statistically significant (i.e., p-value > 0.05).

APPENDIX D:
MIS IDA DATA ISSUES (CHAPTER II)

In conducting the outcome analyses using MIS IDA data from MIDAP program sites compiled by the Council of Michigan Foundations, ISED found that the MIS IDA data contained a good deal of duplicated, erroneous, or incongruous data; other data were missing entirely. In order to conduct the outcome analyses, it was necessary for ISED to do extensive data cleaning.

Particular problem areas include:

- Periodic account statements are frequently missing or duplicated. Although we were able to extrapolate total deposits and withdrawals from the available data, we were not able to do analyses of patterns over time.

- Account activity data that are available are sometimes incongruous (for example, some participants are recorded as withdrawing more funds than they had deposited).

- Match rates are not entered correctly for a number of participant accounts. An interrelated issue is that funding partner data are frequently entered incorrectly.

- Matched withdrawals are not always entered, and when they are the amounts of participant savings, match funds, and check amount frequently do not sum correctly.

- Asset and liabilities data fields are frequently not filled in completely. This causes problems in data transfers such that values are shifted into other fields.

- Participation in financial education is not entered consistently.

- One of the sites did not use Social Security Numbers to identify the participants. As a result, a matched public assistance data file could not be obtained for these participants.

APPENDIX E:
TABLES FOR PARTICIPANT SURVEY STUDY (CHAPTER III)

NOTE: All ADD data are from the following report: Moore, A., Beverly, S., Schreiner, M., Sherraden, M., Lombe, M., Cho, E., Johnson, L., & Vonderlack, R. (January 2001). *Saving, IDA Programs, and Effects of IDAs: A Survey of Participants.* St. Louis: Washington University, Center for Social Development.

Table 3.16
Comparison with ADD Data: Perceptions of Saving Supports

	Agree or Strongly Agree MIDAP	Agree or Strongly Agree ADD
Program Incentives		
Wants to save for a certain goal	100 %	99 %
Match rate for IDA is adequate	96 %	95 %
IDA classes help to save	84 %	85 %
IDA earns enough interest	77 %	85 %
Facilitation		
IDA account seems secure	98 %	98 %
Likes the financial institution (bank or credit union) used for IDA	96 %	97 %
Likes rules about taking money from IDA	93 %	98 %
Social		
Family or friends encourage to save	67 %	70 %

Source: ISED survey of IDA participants. Number of respondents=100.
Center for Social Development survey of IDA participants.
Number of respondents=298.

Table 3.17
Comparison with ADD Data: Perceptions of Saving Barriers

	Agree or Strongly Agree MIDAP	Agree or Strongly Agree ADD
Social		
Family and friends often ask for money	37 %	38 %
Institutional		
Worried about losing government benefits if saves too much	11 %	22 %
Psychological		
Could not save enough to make a difference	49 %	45 %
Hard to resist temptations to spend money	53 %	55 %
Saving isn't that important	11 %	5 %
Saving takes too long; the goal is too far away	21 %	14 %

Source: ISED survey of IDA participants. Number of respondents=100.
Center for Social Development survey of IDA participants.
Number of respondents=298.

Table 3.18
Comparison with ADD Data: Saving Strategies

	Percentage Who Do This MIDAP	Percentage Who Do This ADD
Using Resources More Efficiently		
Shop for food more carefully	82 %	70 %
Eat out less often	74 %	68 %
Buy used clothing instead of new clothing	48 %	55 %
Reducing Consumption		
Spend less on movies and other leisure activities	69 %	64 %
Spend less on cigarettes or alcohol	34 %	34 %
Postpone going to the doctor or dentist	18 %	17 %
Generating Income		
Work more hours	31 %	29 %
Sell clothing or other items to raise money	4 %	12 %
Assuming Debt		
Postpone paying bills	17 %	16 %
Borrow from family or friends	7 %	7 %
Borrow using a credit card	4 %	3 %

Source: ISED survey of IDA participants. Number of respondents=100.
Center for Social Development survey of IDA participants.
Number of respondents=298.

Table 3.19
Comparison with ADD Data:
Perceived Positive Effects that IDA Has on Life

	Agree or Strongly Agree	Agree or Strongly Agree
	MIDAP	ADD
Economic Effects		
More likely to work for pay or stay employed	83 %	59 %
More likely to buy or renovate a home	81 %	73 %
More likely to start or expand a business	57 %	57 %
More likely to increase work hours	64 %	41 %
Planning Effects		
More likely to make educational plans for children(ren)	76 %	60 %
More likely to make plans for retirement	85 %	57%
More likely to make educational plans for self	75 %	59 %
Social and Civic Effects		
More likely to be involved in neighborhood	68 %	32 %
Psychological Effects		
Feels more confident about the future	94 %	93 %
Feels more in control of life	90 %	85 %
Feels more economically secure	86 %	84 %

Source: ISED survey of IDA participants. Number of respondents=100.
Center for Social Development survey of IDA participants.
Number of respondents=298.

Table 3.20
Comparison with ADD Data:
Perceived Negative Effects that IDA Has on Life

	Agree or Strongly Agree	Agree or Strongly Agree
	MIDAP	ADD
Economic Effects		
Has more difficulty paying bills	19 %	9 %
Has to give up some food or other necessities	25 %	8 %
Has less money for the leisure activities family would like	45 %	30 %
Less likely to save in other ways, outside of IDA	47 %	35 %
Social and Civic Effects		
Has more problems with neighbors	8 %	3 %

Source: ISED survey of IDA participants. Number of respondents=100.
Center for Social Development survey of IDA participants.
Number of respondents=298.

APPENDIX F:
PROGRAM SITE PARTICIPATION IN PROCESS STUDY
(CHAPTER IV)

Organization	Staff Interviewed
Program Site Interviews	
BHK Child Development Board	Buster Roberts
Community Capital Development Corporation	Leora Campbell
Detroit Entrepreneurship Institute	Venus Brown
	Vanessa Rush
Detroit Neighborhood Housing Services	Bill Mebane
EOC of St. Clair County	Sherry Archibald
Five CAP, Inc.	Danielle Gleason
	Mary Trucks
Grand Rapids Opportunities for Women (GROW)	Lindsey Shull
	Rita VanderVen
Housing Services of Eaton County	Kim Pruden
Inner City Christian Federation	Sue Ortiz
Jubilee Jobs	Chana Edmond-Verley
Lighthouse Community Development	Betty Taylor
	Greg Stearns
Macomb County CSA	Mary Solomon
	Kathleen Wasilowski
Monroe County Opportunity Program	Andrea Thomas
Neighbors Plus	Carol Wilson
Northwest Michigan Human Service Agency	Karen Emerson
Ottawa County CAA	Cathy Simons
Restorers	Renita Reed
Saginaw Family Child Care Network	Bettie Brown
	Barb Mutch
Saginaw Habitat for Humanity	Lois Ann Sheaffer
Westshore Community Federal Credit Union	Natasha Hammock
RCO Interviews	
CAA Jackson	Kate Martin
	Toby Budd
City Vision	Earl Jones
	Nancy Dudley
Northwest Michigan Human Service Agency	Karen Emerson
Oakland Livingston Human Service Agency (OLHSA)	Donald Jones
	Heidi Henderson
United Way Community Service Agency	Gaylotta Murray

Staff from the following organizations completed email surveys:

- Affordable Housing Alliance of Midland County
- CAA of South Central Michigan
- Clancy Street Ministries
- Detroit Homeownership Counseling Collaborative
- First Community Federal Credit Union
- Gogebic Ontonagon Community Action Agency
- Mid Michigan Community Action Agency, Inc.
- Mount Clemens General Hospital
- Newaygo County Community Services
- Northeast Michigan Community Service Agency, Inc.
- POWER, Inc.
- Southwest Michigan Community Action Agency

APPENDIX G:
MIDAP, RCO, AND PROGRAM SITE RESPONSIBILITIES
(CHAPTER IV)

MIDAP RESPONSIBILITIES

In the original project design, the responsibilities of the Michigan IDA Partnership, which includes the Council of Michigan Foundations (CMF) and Michigan's Family Independence Agency (FIA), are as follows:

- Raising a total of $5 million in funds that support implementation of the Partnership (with CMF bearing the primary responsibility for this task)

- Holding regular meetings with the MIDAP Advisory Committee

- Developing and releasing Requests for Proposals for RCOs and IDA program sites

- Coordinating the RCO and program site selection process

- Holding and managing match funds, direct service funds, and all contracts related to the implementation of the partnership (contracts are developed with technical assistance providers, evaluators, RCOs, and IDA program sites)

- Providing funding to IDA program sites

- Initiating match transfers from the IDA master account to disbursal accounts established by RCOs; tracking the source and use of all program funds

- Supporting partnerships among RCOs and IDA program sites to ensure performance standards are being met

- Providing training, technical assistance, and products and materials as needed to support regional collaboratives and MIDAP sites, directly or through third parties

- Establishing and managing systems designed to ensure that program performance standards are being met; monitoring program implementation, including site visits and record reviews at each funded agency

- Receiving and merging MIS IDA data from all RCOs and independent program sites

- Ensuring compliance with Temporary Assistance for Needy Families (TANF) federal guidelines and programmatic and financial reporting requirements

- Establishing and managing a contract with an outside evaluator to objectively assess program outcomes

- Establishing and managing a communications database to increase public awareness and policy efforts that further asset-building opportunities for Michigan citizens

RCO RESPONSIBILITIES

The responsibilities of the RCOs, according to the original program design, are as follows:

- Establishing a collaborative network among local IDA service providers that provides all critical components of an effective IDA program and that will manage at least 400 IDA accounts over the next three to four years; establishing the working policies and procedures for managing accounts and MIS IDA data within the regional network

- Ensuring that financial management education and asset-specific training are available to all CMF-funded IDA participants in the regional network, whether provided by program sites, RCOs, or partners

- Providing effective IDA orientation sessions (directly or indirectly) that can be used by the network's program sites

- Managing MIS IDA for IDA accountholders in the regional network in a timely and accurate fashion, ensuring the integrity of the data for evaluation purposes

- Monitoring eligibility guidelines and, through periodic review, ensuring that program sites are using the eligibility criteria and procedures contained in the Policies and Procedures Manual (PPM)

- Providing participant savings, interest, and match information to IDA program sites in the network that do not maintain their own MIS IDA database

- Establishing and managing an IDA matched withdrawal disbursal system through which all matching funds will flow when assets are purchased

- Managing a regional IDA match pool fund in which private financial resources raised to support MIDAP-funded IDA accounts are held prior to participant matched saving withdrawals

- Establishing and, as needed, assisting program sites in establishing strong working relationships with local banks that agree to hold IDA savings accounts

- Convening monthly management team meetings with local IDA program sites to solve problems, ensure clean procedures for intake and tracking, ensure integrity of MIS IDA data collection, and make improvements on the implementation of IDAs in Michigan

- Serving as the chief communication link between program sites and MIDAP; participating in MIDAP-convened RCO meetings

- Providing or arranging to provide technical assistance or training to program sites on how to run an effective IDA program and to potential program sites on how to start a program

- Actively encouraging other local human service providers to establish IDA programs or refer potential participants to existing IDA program sites

- Participating in CMF fundraising efforts in the region to help achieve the CMF commitment of $1 of private funds for each $1 of public funding

- Submitting required reports and MIS IDA data to MIDAP in a timely fashion

PROGRAM SITE RESPONSIBILITIES

Program sites are responsible for:

- Conducting recruitment and outreach activities to attract qualified IDA participants into the program and meet account goals

- Coordinating participant application, intake, and eligibility determination with the RCO, in accordance with the MIDAP Policies and Procedures Manual

- Conducting, or arranging through the RCO to conduct, an IDA participant orientation that includes the philosophy and purpose of IDAs, program requirements, participant and program site expectations, and process for participation in the program

- Developing asset-specific purchase plans for and obtaining signed Participant Savings Plan Agreements from all participants

- Providing, or arranging through the RCO to provide, core financial management education to each participant

- Using MIS IDA to track participants, either by managing its own MIS IDA database or providing the necessary data to the RCO for tracking in the RCO's database

- Establishing appropriate procedures with financial institution partners and the RCO for tracking IDA participant savings and interest data

- Providing, or arranging through the RCO to provide, asset-specific training to participants to meet their asset goals

- Providing, or arranging through the RCO to provide, information on credit and credit repair counseling to IDA participants to help them succeed with their asset purchases

- Providing individual counseling to participants as needed to support the successful attainment of their asset goals

- Organizing peer support for participants by establishing support group meetings or gatherings during their training and savings periods

- Providing guidance and support to IDA participants through their asset purchase or release from the program

- Maintaining contact with IDA participants for at least one year after their asset purchase sfor follow-up and program evaluation

- Participating in the RCO's monthly management team meetings

- Submitting required reports and data to the RCO, CMF, and MIDAP in a timely fashion

APPENDIX H:
ADDITIONAL RCO SUPPORTS
(CHAPTER IV)

Some of the program sites note that they have received additional supports from their RCOs. They include:

- **Additional funding.** The RCOs secured AFIA funding on behalf of the programs. In a few cases, program staff note that the RCOs also obtained additional funding (for example, to hire a trainer or supplement the direct service funds provided by MIDAP).

- **Training.** The RCOs have provided group and individualized trainings (for example, for new IDA staff).

- **Providing IDA services.** A couple of organizations note that RCO staff helped to provide services when staff were unavailable (e.g., due to staff turnover or medical leave).

- **Encouraging resource sharing.** In one region, the RCO made arrangements for the asset-specific trainings to be delivered by one provider for all programs in the local area.

- **Redistribution of open IDA accounts.** The RCO has helped to arrange for unused accounts to be moved to the program sites that are most likely to be able to use them.