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Attitudes to Savings and Financial Education Among Low-Income Populations: Findings from the Financial Literacy Focus Groups

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Abstract

The University of Wisconsin's Financial Literacy Research Consortium (UW-FLRC) and Abt Associates, Inc., conducted 18 focus groups with mostly low-income individuals to explore how community-based organizations might encourage better financial practices, including higher savings rates, among low-income and vulnerable populations. The focus groups gathered information on savings motives, practices, and attitudes as well as opinions about the timing, content, and form of financial education efforts. Findings suggest that educating low-income and vulnerable populations about financial concepts is important. However, efforts focused on behavioral changes, particularly strengthening discipline around savings and spending, may be more effective for promoting long-term financial well-being.

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Center for Financial Security WP 10-7

Attitudes to Savings and Financial Education Among Low-Income Populations: Findings from the Financial Literacy Focus Groups

Between June and August 2010, the University of Wisconsin's Financial Literacy Research Consortium (UW-FLRC) and Abt Associates, Inc., conducted 12 focus groups with individuals participating in programs with a financial-literacy component offered through community-based organizations (CBOs). Most participants in the focus groups were people with low or unstable incomes and limited savings, some of whom were in the midst of a financial crisis. To provide a point of comparison, the research team also conducted an additional six focus groups with mostly low-income individuals not affiliated with CBOs.

The goal of the focus groups was to understand how CBOs and employers interested in encouraging greater rates of savings among low-income and vulnerable populations could enhance their efforts to provide financial information, advice, and support to their clients or employees. Federal programs and initiatives administered by CBOs, such as tax preparation services under the Volunteer Income Tax Assistance Program (VITA), homeownership counseling, job-readiness training for recipients of Temporary Assistance for Needy Families (TANF), and the independent development account (IDA) program, present an opportunity to provide financial education to low-income and vulnerable populations alongside other services. Employers are another potential source of opportunities for providing financial education to workers at different stages of their employment. The focus groups were designed to explore these opportunities for offering financial education as well as other issues related to improving financial literacy and saving behavior among vulnerable populations. Table 1 presents the core research questions guiding the focus groups.

Table 1 here

This report has three main sections. Part 1 summarizes the key literature on financial education for low-income and vulnerable populations and describes the study's methodology and the composition of the focus groups. Part 2 presents the findings of the focus groups, organized by the research questions presented in Table 1. Part 3 discusses the study's implications for CBOs and other entities seeking to provide financial services or education to low-income populations. The moderator guide used for the majority of the focus groups is provided as Appendix A.

Study Background

Literature

A growing body of evidence indicates that many Americans are lacking in financial literacy. There are a variety of definitions of financial literacy, including understanding how to manage money effectively and having the knowledge and skills to make informed decisions regarding financial matters. Numerous studies published in recent years have shown that most adults and students have not mastered basic economic concepts, such as the risks associated with investment choices (see Lusardi and Mitchell 2007 for a review of the literature). People with lower levels of financial literacy pay more for credit cards and short-term borrowing (Lusardi and Tufano 2010) and may be less able to save effectively for long-term goals such as homeownership, higher education, and retirement (Braunstein and Welch 2002).

Financial Knowledge and Behavior. Historically, the emphasis of financial literacy education has been on improving knowledge of financial products and concepts, but definitions of financial education are increasingly incorporating attitudes and behaviors as well. Fox et al. (2007) argue that ‘financial education can include any program that addresses the knowledge, attitudes, and/or behavior of an individual toward financial topics and concepts’ (p. 195). When founded in 2002, the mission of the Treasury Department’s Office of Financial Education was ‘to provide Americans with the *practical financial knowledge* that enables them to make informed financial decisions throughout various life stages’ (qtd. in Fox et al. 2007, emphasis added); by contrast, the Office’s current mission statement emphasizes the tools and resources to improve decision making: ‘We believe that Americans deserve not only improved financial education, but also access to the tools and resources needed to make smart financial decisions. We call this comprehensive approach “financial capability”’ (U.S. Treasury 2010).

While there is a growing recognition that being financially literate or capable requires more than a knowledge base, the mechanisms by which increased knowledge and skills translate into behavioral change are not well understood (Way and Ang 2010). Behavioral research suggests that people bring nonfinancial factors, such as values, emotions, early-life experiences, psychological characteristics, and misperceptions, to their financial decisions and that these should be considered along with knowledge in financial literacy efforts (Hilgert et al. 2003; Holden 2010). The research also suggests that people who score higher on financial literacy tests are more likely to exhibit recommended financial behaviors and practices. While financial knowledge may be a prerequisite for positive behavior, it is also possible that people gain knowledge as they gain in experience with finances and that family experiences and economic socialization also play a role (Hilgert et al. 2003). Hilgert et al. (2003) conclude that financial education ‘may require a combination of information, skill-building, and motivation to make the desired changes in behavior’ (p. 321).

Effects of Financial Education. Empirical research on how financial education affects the financial well-being of low-income and other vulnerable populations is scarce because of challenges associated with finding comparison groups, accurately measuring people's financial knowledge before and after an intervention, and accounting for variations in how the education is delivered (Lyons et al. 2006; Collins 2010a). Several studies have found a positive association between the amount of financial education provided to low-income participants in IDA programs and their rates of saving (Schreiner et al. 2001). However, IDA participants are typically highly motivated to save, having identified homeownership, higher education, or small business ownership as a savings goal.

Outside of IDA programs, the evidence is more mixed. A recent study of financial education provided to low-income households through a university extension program found some evidence that greater amounts of financial education resulted in improvements in financial behavior (Lyons et al. 2006). However, the authors found that the effect of financial education was strongest for people who self-reported the poorest financial behaviors prior to joining the program and for those behaviors most easily changed in the short run, such as increasing participants' likelihood to comparison shop and talk with family members about financial issues. The impact of financial education was weaker for behaviors, such as paying bills on time, that depend on people's financial situations or personal circumstances.

Another study of the effect of financial education on low-income households focused on recipients of federal rental-housing assistance who were also enrolled in a self-sufficiency program with a financial-education component (Collins 2010a). The study compared self-reported outcomes after a year for two groups of participants: people who were required to take the financial education course within a year of starting the program and people who were prohibited from taking the course for a year. The author found a significant increase in savings and somewhat higher credit scores among the group who had received the education within the first year. People who received the financial education also reported greater knowledge gains, especially on credit and money management issues. Being part of a federal rental-assistance program, the participants in this study were extremely low income; the author points out that they may have been more receptive to financial education than most low-income households because of their very difficult financial circumstances.

Although there is a need for more empirical work, the research findings to date suggest that financial education can indeed make a difference in the financial behavior of low-income populations. This has led researchers and policymakers to explore integrating financial education into certain public programs as a way to expand the current reach of financial education initiatives (Collins 2010b). The purpose of this study is to explore further the attitudes and perceptions of low-income populations toward saving, money management, and financial education in order to understand better the opportunities for providing financial education to people alongside federal programs targeted to low-income households, such as VITA, housing counseling, and the IDA program, as well as employer-based programs.

Unless otherwise specified, 'financial education' as used in the remainder of this paper includes efforts to address *knowledge*, *attitudes*, and/or *behavior* around finances.

Study Methodology

The study relied primarily on focus groups to gather information on attitudes toward saving, savings behavior, sources of financial information, and preferences for financial education. Focus groups are group interviews designed to explore ideas, attitudes, and experiences among people who share some common characteristics. Focus groups give people an opportunity to explain their beliefs and experiences in their own words and can provide useful insight into how and why people think and act the way they do (Kitzinger 1995). Focus groups are also helpful when the researcher is seeking a range of ideas and needs information to inform a larger-scale quantitative study (Krueger and Casey 2000). The findings from this study, for example, could be used to design more systematic data collection on financial attitudes and behaviors among low-income families working with CBOs or to design specific financial education initiatives to be offered through these types of organizations.

The UW-FLRC and Abt Associates research team partnered with six organizations to identify and recruit participants for the focus groups. The partner organizations assisted by providing lists of clients or employees; in most cases, the recruitment of participants was conducted by staff from Abt Associates or UW-FLRC. All focus group participants signed a written consent form and were compensated for their time. The compensation amount varied by group, ranging from $50 to $75. The focus groups lasted approximately 90 minutes each and were generally held at the offices of the partner organization. The focus groups were recorded and transcribed, using participants' first names only. Participants' names have been masked in this report.

Four of the partner organizations are CBOs that administer federal initiatives or programs, such as job-readiness training for TANF recipients, VITA, Department of Housing and Urban Development (HUD)-approved housing counseling, and IDAs; staff from these organizations participated in interviews with Abt Associates project staff. Focus groups held with two other organizations, a large employer and a business association, provided points of comparison to the CBO groups. Following is a description of the six types of focus groups conducted from the study and the affiliated partner organization for each; note that partner organizations are referred to by descriptive pseudonyms:

- **Community Tax Preparation (CTP) (*Population: Low-income individuals receiving tax preparation services*).** Three focus groups were held in June 2010 with clients of CTP. CTP is a nonprofit organization that provides tax preparation services and optional one-on-one financial counseling to low-wage individuals and families in two Midwestern cities through the VITA program. CTP clients who received tax preparation services during the 2010 tax season at one of CTP's downtown offices were invited to participate in one of three focus groups held in June 2010. The focus groups were organized by age, with one for people under the age of 35, one for people between the ages of 35 and 50, and one for people over the age of 50.
- **The One-Stop Job Center (OSJ Center) (*Population: Low-income participants in an employment-readiness program*).** The OSJ Center offers short-term job training and job-readiness and job-placement serves to underemployed and unemployed residents of a large Midwestern city. The OSJ Center's job-readiness class includes 12 hours dedicated to financial literacy. Focus group participants were recruited from among OSJ Center clients who had completed the job-readiness class in the past year. Three focus groups were held in July 2010 at the OSJ Center's offices.
- **Midwest Suburban Housing Services (SHS) (*Population: Participants in foreclosure mitigation counseling*).** SHS is a nonprofit organization that is approved by the HUD to provide housing counseling services in the suburban county of a large Midwestern city. SHS's counseling program includes some budget and money management education and referrals to other providers of financial education. Three

focus groups were held in July 2010 at SHS's offices with participants in its foreclosure-mitigation counseling program. All participants were homeowners who were behind on their mortgage payments and in most cases were facing foreclosure proceedings.

- **Savings Match Alliance (SMA) (*Population: Participants in IDA program*).** SMA is a nonprofit organization on the West Coast that provides financial products to low-wage workers, including matched savings accounts, checking accounts for the unbanked, microloans, and money management coaching. Focus group participants were recruited from among clients of SMA's IDA program, a federal matched-savings program. One of the three SMA focus groups was conducted in Spanish. The groups took place in July 2010 in SMA's offices.
- **Logistic Center for a National Retail Chain (*Population: Low-income workers*).** The research team partnered with a logistic center of a large national retail chain to hold a focus group with low-to-moderate income workers. The logistic center is located in the northeast. Employees were recruited by the research team for three focus groups: one with younger employees (aged 18 to 35), one with middle-aged employees (aged 35 to 50), and one with preretirement employees (aged 50 and over). The focus groups were held in a location outside of the distribution center in August 2010.
- **Hispanic Business Organization (HBO) (*Population: Spanish-speaking workers and business owners).*** The research team partnered with HBO to recruit participants for three focus groups with people who speak primarily Spanish at work and at home. HBO is located in a large city on the West Coast and provides educational and

professional development services to organizations and communities on workforce development, capacity building, and literacy. One focus group was with younger workers (aged 35 and under), one was with preretirement workers (aged 50 and over), and one was with small-business owners offering retirement plans to their employees. The three HBO focus groups were held in September 2010 and moderated by HBO staff.

Table 2 presents demographic profiles of the focus groups. The groups varied substantially in terms of the age, race, and ethnicity of participants. Most participants in the CTP and OSJ Center groups were African-American, while participants in the SHS, SMA, and Logistic Center groups were mostly white, with the exception of one SMA group made up of Hispanic clients. Participants in the three HBO groups were all people who speak Spanish in the home and at work. Most focus group participants were low income, particularly those in the CTP, OSJ Center, and SMA groups. The SHS group included people with a wider range of incomes, but most had sustained a loss of income contributing to their mortgage delinquency, either through a job loss, reduction in work hours, illness, or divorce or separation (or a combination of these events). The logistic center groups included some long-term employees, but most were low to moderate-income. Finally, the HBO groups, whose participants were all Spanish speaking, included a mix of mainly low-income individuals as well as small-business owners.

Table 2 here

All of the focus groups, with the exception of those hosted by the LBI and the SMA group that was conducted in Spanish, were moderated by the same facilitator using a structured guide with a core set of common questions and separate modules for each population group. The questions discussed in the focus groups, summarized in Table 3, centered on topics that would inform the provision of financial education to low-income and vulnerable populations. The first set of questions dealt with participants' attitudes toward saving and their current participation in saving in order to inform our understanding of the potential clients for financial education and the content that would best serve them. The second set of topics explored financial education directly, looking at how participants currently access financial information, the timing of financial education efforts, and attitudes and opinions about various forms of financial education. Following the completion of each group, focus group transcripts were coded thematically and analyzed using qualitative research software.

Table 3 here

Focus Group Findings

The focus groups gathered information on how CBOs and other providers of financial education can improve financial literacy and behavior among the vulnerable populations that they serve. Findings are divided into four categories:

- Savings practices, motives, impediments, and techniques;
- Opinions about specific savings opportunities, including 401(k) plans and retirement savings, IDAs, and tax refunds;

- Current sources of financial information; and
- Opinions about financial education.

Overall, the study findings suggest that while focus group participants often lacked knowledge of or held misperceptions about financial tools and practices (and sometimes were not aware of what they did not know), there is a great need for motivation and support for people to alter their behavior around savings. These conclusions are discussed in detail in Part 3.

Savings Practices, Motivations, Impediments, and Successes

The focus groups explored whether or not participants were currently saving, how they save, what impediments they face to saving, and what tips or techniques they have found useful in increasing their savings.

Current Savings Practices. Focus group participants reported mixed experience with saving. Many had no savings and were not currently saving, but rather living month to month with no money left after expenses. Others reported that they were saving or had some savings in bank or retirement accounts, although savings methods varied by focus group location:

- By definition, participants from the **SMA** groups were all saving for homes, higher education, or small businesses through IDAs; some were utilizing other savings mechanisms as well, such as savings and checking accounts or CDs. However, few reported that they were presently saving for retirement.
- Most, but not all, **Logistic Center** employees reported saving through their company's stock purchase plan, the company's 401(k) program, and savings accounts.
- Among **SHS** participants, a little more than half reported that they either have savings (bank accounts, mutual funds, 401(k)s, college funds, or other savings), although

many were not adding to them at present, and several mentioned having had to cash out retirement funds and use savings to weather their current financial crises.

- About half of **OSJ Center** participants reported participating in some kind of formal savings program, whether at a bank or credit union, in a 401(k) or IRA, or on a prepaid Visa card; the others were either not saving or were saving informally (e.g., by giving money to a parent to hold). OSJ Center participants were least likely of all groups to report saving for retirement.
- **CTP** participants reported mixed results on saving. In the group with the youngest participants, only two reported saving money now, one through a 401(k); two others reported having liquidated a retirement fund and cancelled a life insurance policy with a premium due. The other two groups were more mixed among those with and without savings. Those who were saving did so through savings accounts, 401(k)s or IRAs; one person had a CD and another was enrolled in an IDA program. Several mentioned having saved previously but having had to use savings.
- Most **HBO** participants, including those in the small-business owner group, said they were not currently saving money. Very few of the nonbusiness owners had bank accounts, and most of those who did said they were not using them. Saving for retirement was minimal, even among people nearing retirement age. HBO small business owners mentioned having savings accounts and property and life insurance policies, and at least one mentioned owning a home, but most still reported that their money primarily went into their businesses. Many HBO participants were skeptical of the banking system, and some used informal methods—such as coin jars and hiding money around the house—to save. Several participants said that when they had

money to spare, they would invest it in property, either in Mexico or the United States, rather than putting it in the bank.

Motivations for Saving. Participants expressed a range of motives for saving or wanting to save, including saving to create a ***financial cushion*** to buffer against unexpected expenses, saving for ***direct goals*** (such as cars or homes), and saving for the ***long term***, specifically, for retirement. (In their hierarchy of savings motivations, DeVaney et al. (2007) have also proposed ***no savings*** and saving for ***basic or physiological needs***, such as food, both of which were also in evidence among the focus group participants.)

- Many were saving or wanted to save (if they had sufficient income) to create a ***financial cushion*** to cover unexpected expenses, such as car trouble or more serious events like unemployment. Saving to build an emergency fund or financial cushion was most prevalent in the SMA and Logistic Center groups. Some SHS participants were also working on creating emergency funds; one mentioned a church-sponsored class she had taken that made the financial cushion a priority above spending and other forms of saving:

  > The class helped us to shut everything [our spending] down. They gave you baby steps. Step 1 was to put aside $1,000 for emergencies. We started out with $8 and now we have $1,000. (SHS)

  For some, emergency savings took the form of cash kept at home rather than in a bank or other institutional form (CTP, SMA). Some participants mentioned using credit cards for emergencies, rather than a particular fund (SHS, OSJ Center, Logistic Center).

- Another motivation for saving was to meet ***direct goals***, such as the purchase of a house, a car, or Christmas gifts. Car expenses—repairs, accidents, insurance—were mentioned across the groups, but particularly among the OSJ Center participants. Larger direct goals, such as the purchase of a house or investment in a small business or education, were primarily mentioned in the SMA group.
- Finally, ***longer-term goals,*** particularly saving for retirement, were most prevalent in the Logistic Center group, although at least a few participants in the SHS, OSJ Center, CTP, and SMA groups reported having 401(k) or IRA plans (with the exception of the HBO groups, where no one appeared to be saving for retirement). Retirement savings, which is discussed in more detail in the next chapter, was primarily conducted through 401(k) or IRA accounts. Other long-term goals, like saving to cover funeral expenses or to create wealth that could be transferred to children, were seldom mentioned.

Although some people were motivated by certain goals to save money, outside of the SMA groups (and to a lesser extent, outside of the Logistic Center groups), participants rarely spoke directly about financial goals or specific savings goals. When they did, they seldom expressed goals that reflected a positive, desirable vision of the future, such as a comfortable retirement or the purchase of a home. Indeed, the very word ‘goal’ rarely arose in the CTP, SHS, Met Center, or HBO groups unless directly prompted by the facilitator, and when the facilitator pressed the youngest CTP group as to whether participants had financial goals, several stated plainly that they did not, with some communicating the belief that they needed to have money *before* they could set a goal:

> I don’t really have the money to set the goal. (CTP)

> I would like to have extra money but, you know, sometimes you're just not in the situation and you *just try different ways to make more money so that you're able to have a financial goal* and you're able to save because right now, everything is going for the apartment—the rent and what you need to just live life every single day. (CTP; emphases added)

The financial goals that the SHS, Met Center, and CTP groups did discuss were fairly modest—for example, having an emergency cushion or a positive cash flow—although still difficult for many to attain given their lack of income, debt, and other constraints. The goals also often lacked specificity:

> Yes, I do have a financial goal . . . I'm not ancient but I'm a baby boomer so . . . I did put something away so that when I'm, you know, when I'm 70 or 75 I don't end up locked up in some kind of strange nursing home. (CTP)
>
> You know, God forbid that it's not awful, but you know . . . have some emergency cash at home so that you can pay if something happens. (CTP)
>
> Hopefully, God will give us more time to live, and we will be able to plan a good retirement and not depend on the government. I want to have a secure future. I don't want to depend on my children or a pension, so I want to have a good structure. (HBO)

Nonetheless, some participants in the midst of financial difficulties had realized the importance of financial goals, particularly goals that are realistic, as well as the importance of saving as a financial goal in particular:

> I think I set my goals a little too high and that is why I can never really keep on budget. But, if I could find somebody to help me with one that I could stay with, I definitely think I could follow it (SHS).
>
> I've never set goals in my life. It's like this is where I am now. What lily pad do I jump to now to keep the boat afloat? (Logistic Center)
>
> Sometimes while you spend, you don't take into account savings and all of that. Until you consciously think, 'Oh, I need to save.' And it's worse now in an economy like this. I think that most of us aren't prepared. (SMA)
>
> I mean, I just didn't think about it before but I see now how important it would be to have money in the bank or not to be struggling so much and be able to send my daughter to college and just that being in a situation that emotionally it is really hard to be in this stress, very stressful. (SHS)

In contrast to the other groups, the SMA participants referenced their goals almost constantly, both the ultimate goals for which they were saving in their IDAs (homeownership, education, and small–business ownership) and their specific monthly monetary goals for contributions to their accounts. References to specific contributions to savings were very rare in other groups. SMA participants appeared to come to the IDA program with specific goals in mind: '[W]e came here with the goal of buying ourselves a house in the country and tak[ing] some money to start a business.' Although the participants did not necessarily have the financial skills or willpower outside the program to reach those goals, SMA's financial education and the participants' monthly contributions seemed to reinforce their goals and provide a roadmap for meeting them. Indeed, when asked what lessons they would share after their participation in SMA, individuals noted the importance of identifying and adhering to a financial goal:

> I just say keep your eyes on the prize and that's it. If that's your goal, go for it. (SMA)

> If one is guided by . . . the goal that one puts for oneself it's a lot easier. (SMA)

The interview with CTP staff confirmed the idea that clients can be motivated to save if they have a goal in mind, such as buying a house or saving for education.

Like the SMA groups, the HBO small-business group differed slightly from the other focus groups, in that a handful of people did mention having financial goals, primarily growing their businesses, but also, for one participant, saving for retirement and children:

> I want to start with a savings plan, but I want to buy a policy where I can start saving money into it for my retirement and also something for my children. And that is where I am focusing my goal, so I can get more information, which is going to be the best thing for me. That is what I am working on . . . Yes, I want to set up my own business as well, a small business, but my goal is to save money that way. (HBO)

Another issue arising in all group locations is that while short-term savings goals (including direct goals, such as saving for a car, as well as efforts to create a financial cushion) appeared to be motivating, participants reported difficulty in translating success at short-term savings into the pursuit of longer-term goals. Indeed, participants noted that once they had attained a goal in the past, they had stopped saving:

> I have had difficulty over the years in saving unless I have a specific goal . . . I am really good in saving for a specific goal, but once the goal has been reached I love spending my money. (SMA)

> I'm only saving now because I'm trying to get a car. So if I didn't have to save I wouldn't. (OSJ Center)

> I can set a goal but once it's accomplished, where do I go from here? (CTP)

> And when I was younger . . . I saved when I [had] a motivation. I could say, I'm saving because now, my focus is on getting a car or my focus is on getting a jet ski or whatever it was that I wanted at the time would motivate me to save. But after I was done, you know, okay, I got it, you know, I would go back to my old habits and, you know, buy anything that I like. (Logistic Center)

These findings suggest that efforts to encourage people to identify and stick with longer-term goals like building sufficient retirement savings have specific challenges, since these goals may be less tangible, less immediately rewarding, and possibly more daunting. Retirement savings is discussed in more detail in the next chapter.

Focus group participants shared how their financial goals, and specifically their motivations to save for direct goals, long-term goals, and financial cushions, had changed over time. Some were motivated to save by particular life events. Illness, divorce, or job loss (or a combination) inspired some to consider the importance of saving, although in many cases the hurdles they faced toward saving increased with these events:

> When I was married I had a different attitude. My wife saved the money . . . Now I am in survival mode. I hope this experience will change my attitude. (SHS)

> [I]t is an eye opener when you get laid off and these bills are coming in, it is like where the heck did these all come from? Because when you have a job and you

> get paid every two weeks it is like no problem, done. But, now it is reality setting in. You really have to start a whole different way of thinking. (SHS)

Others were inspired by the birth of children, getting new jobs, or receiving large sums of money (as in a settlement for a car accident):

> Like honestly, the only reason why I started saving was I got pregnant when I was 17. So, I turned 17, I was pregnant, I'm all focused on me, me, me. I had to x that out and think about another mouth to feed and I opened me up an account when I was 17 to just start saving money. (OSJ Center)

While a new job could lead to more saving, including participation in a 401(k) or stock option plan, for some, earning more money could also lead to less likelihood of saving, perhaps because people felt freer to spend. The findings suggest that entry to a job could be an important time for financial literacy efforts:

> I was into saving when I first got my job . . . and as I got older, I got more into spending instead of saving. (OSJ Center)
>
> When I was working a lot I wasn't saving. I'm saving now because I know I have to. (OSJ Center)
>
> I did [budgeting], probably about 25 years ago. I'm serious. And it actually does work if you stick with it. And I did it for like a year. The next thing, I had money, and then, I don't know what happened. (Logistic Center)

Age was another factor in motivating savings. The CTP focus group with participants under the age of 25 had the lowest reported rate of saving of all the groups, and two participants in this group specifically identified their youth as a factor:

> I'm younger here so I'm kind of not thinking about saving. I'm thinking like different stages you have different things you need to do, right? For now, I need to find a student loan. (CTP)
>
> It's like this is your stage where you should be broke, you know. (CTP)

In contrast, older focus group participants said that their attitude toward saving and spending had changed as they aged. This awareness was particularly evident in the SHS groups, where participants were in their 30s to 50s and had experienced a financial crisis:

> I had two long-term jobs. Both of those jobs had a 401(k). I also saved for my daughter. Life was different because I was bringing in income and spending on credit cards. It is different now because I'm aging and it's hard to get a job in my age group. My attitude has completely changed. I was a spender: car, clothes, eating, and I had to have the latest and greatest. I am not that person anymore. (SHS)
>
> Your attitude definitely changes as you get older. When you are younger you think you will live forever. So you do what you want to do and don't set goals and have a plan. They you find yourself in a place where, oh my gosh. (SHS)

In the HBO group of preretirement workers aged 50 and over, the situation was slightly different. Participants were looking ahead to retirement, with some actively trying to assess their likely Social Security benefits, but none reported that they were able to save right now, few had bank accounts at all, and many exhibited confusion about Social Security and 401(k) plans.

A minority of participants expressed that their attitudes toward savings had not changed over time, even though their circumstances had:

> I am a ferocious saver, but the ability is just not there anymore. It is income, income, income, and with what happened in the housing market, the inability to move such a huge asset there is just no way to reduce your expenses except for walking away from your house and I am hanging on tooth and nail trying to wait for the market to recover so my equity can rebuild and then it can be sold at a price as returned. (SHS)

> I was a pretty thrifty person before. I don't know that I could have been, that I could make a lot of changes. It is a situation where I cannot get out of without selling the house. (SHS)

While their attitudes toward saving may not have changed, it is unclear whether participants' self-assessments of their savings ability (as a 'ferocious' saver, for example) are accurate. Because there may be a mismatch between what people believe they should save and what experts suggest as baselines for emergency or retirement funds, future research could explore beliefs about saving and how people assess themselves as savers.

Impediments to Saving. Focus groups identified a host of impediments to saving or to saving more. While people were generally motivated to save (all participants stated that they would like to increase their savings), they varied in their *opportunities* to save; their *knowledge* about how to save; their *willpower*, including their persistence over time; and their *attitudes* toward saving and savings institutions. In addition, many of the Spanish-speaking participants reported that *language* posed a barrier to accessing and understanding financial information. Together, all of these factors affected whether participants were able to set savings goals and meet them, and they suggest areas of focus for financial education efforts.

Lack of Opportunities to Save. Many participants said they did not have *opportunities* to save. Most often they said they lacked the income to save, but some cited lack of savings opportunities, such as access to a 401(k) plan. Numerous participants remarked that they had insufficient income to save:

> [I]t's hard and it does take a lot of discipline but when you don't have any money to save, you don't have any money to save. (CTP)

For participants who were unemployed or underemployed, saving was a low priority. As participants noted:

> By the time we pay bills and we eat there is not really anything left over. (SHS)
>
> See my problem with the money is I only make enough just to pay my rent. I ain't got nothing to put to the side and stuff. (CTP)
>
> Once I lost my job and was brought unemployment, it was like, 'I'm not paying any credit bills . . . I gotta have a roof over my head. They can wait on that.' (CTP)
>
> [C]oming off three years of unemployment and everything that I have is exhausted, so trying to save now and I feel like I am in a boat that has as many holes in it as this table does. It is coming in faster than I can bail it out. I would love to be able to put something away right now. But . . . you got to try and stun the red ink flow first and get that taken care of. (SHS)
>
> Well, the problem now is lack of work, but I need to find a way to increase my savings. I need to save money, and right now, it's more survival than savings. (HBO)
>
> It is important that everyone knows that we want to save money, but we need to

> work in order to do that. (HBO)

Irregular income was also a problem. One SHS participant noted that she saves differently depending on the season because her income fluctuates; another SHS participant says that although she saves, she often has to take money out of her savings because her income is not stable.

One of the main barriers to saving that participants reported was a lack of a financial cushion to fall back on when there is a job loss, medical problem, divorce, or other unexpected event. Insufficient income could result in having no financial cushion, but so could poor spending habits (discussed below). According to SMA staff, many of their clients are ‘living on the edge,’ without an emergency fund or cushion to get them through serious difficulties. Even for those who have savings, major setbacks can eat through savings quickly, as the following participant described:

> I had a lot of savings actually and I put a lot down on a house and then when my first son lost his job again, he has serious health issues, he lost his insurance couldn’t get any kind of insurance, I mean through the government, nothing. So, I went through $3,000 in less than a year just to buy his medical supplies. After that, I had very few savings left and then throughout the year I have just had to use it to stay alive and now there is no money to put back in savings until I can get everything taken care of and then you start over again. (SHS)

Often, it is a combination of setbacks that prevents savings:

> A couple of years ago, we incurred some expenses on our home and the value has dropped, intending to take care of that, it overextended ourselves less than six months later when my husband had a reduction of income, a company cut in pay

> and benefits and fuel tripled in costs, so it was just kind of a perfect storm of a bunch of things that ended up snowballing and that is what prevents us to this day from saving effectively. (SHS)

For those with little to no cushion, smaller unexpected expenses could easily interrupt savings:

> And I'll save it but if something happens to my car to where I need brakes, you know—I just literally had to put a new engine in my car and that took away all my money so, you know, I keep having to start all over. It's just always something. (OSJ Center)

In addition, numerous participants who had savings reported cashing out 401(k) plans and other savings funds to cover expenses during periods of unemployment. It is unclear if these individuals lacked separate emergency funds or if they exhausted those and then had to use their long-term savings to survive.

Finally, while a lack of income was a primary impediment, some focus group participants said they lacked access to specific employer-based savings opportunities, such as 401(k) options, that could facilitate saving and, in the case of matched savings plans, increase savings. These participants were unemployed, self-employed, or employed by organizations that did not offer specific programs.

Lack of Knowledge About Personal Finance. A theme running through many of the impediments identified above was a weak education in financial matters. This was true of a range of participants, including those who had grown up financially comfortable but then found themselves unprepared to manage their own finances:

> With my family, they were under the philosophy that you save the 20 percent and so they did save the 20 percent, but unfortunately they had so much that there was

> never, you never felt like someone was saving. So, I didn't learn probably the value of money. (SHS)

> You know, like once I got out of high school, I went to college, and mom and dad did everything for me. But then when it was for me, time for me to get out on my own, you know, it was a little kind of like a rude awakening because mom and dad were always there. (Logistic Center)

The idea of accruing savings over time, little by little, was something that many participants professed to understand now, but felt they had not learned early enough:

> When I was younger, I didn't understand, and I'm going to keep repeating this, that saving over a continual basis and not to touch the money. I have savings account since I was probably three years old and if I would not have touched or my parents would not have touched that money, I'd be a millionaire by now. (SMA)

As described in the next chapter, some focus group participants were confused by 401(k) plans and most were unaware of opportunities such as the Retirement Savers Tax Credit. At a more basic level, some participants may have been unaware of the importance of having a savings goal. As noted earlier, many did not have financial goals; without a savings goal, there is little incentive to create plans or budgets to guide savings. Some participants who appeared to have vague savings goals did not have any plans for how to reach them.

While there seemed a fair understanding among focus group participants of what budgeting entailed, people had trouble creating an *honest* budget. SHS staff noted that, on their own, people will generally not take the time and effort to create a detailed, honest budget that accounts for all that they spend each month. In addition, as with goals, the question arose of whether one needed money before one could create a budget. As a SHS participant put it, ‘all the budget would tell me is there is too much red and not enough black in the budget’ (SHS).

At the same time, several SHS participants remarked that mortgage delinquency had opened their eyes to the value of goals, plans, and budgets:

> . . . I just never had a plan, I was just so busy living and getting by that I never really had a plan and I am hoping that I am learning the importance of that. (SHS)
>
> When you’re single and you got everything under control and you get married and all of a sudden why did my savings get so low? So I guess it is learning how to budget, too. (SHS)
>
> I was used to having everything I wanted and needed and then fortunately my husband made a really good salary and we lived a pretty nice life, but we never saved and I always remember the rainy day, save for a rainy day and that sort of thing. But, our ship either came in at the right time or the bonus check came at the right time, it just always seemed to work and we just never saved. So, I have no pattern of saving. I know that I should, I know you had mentioned that, I knew that I should and my parents did but I guess they didn’t teach me how to do that. (SHS)

While many comments suggested an understanding of credit (including several discussions about using credit in small amounts to build up a good credit profile), several participants said they had insufficient information or education about credit cards at the time they were offered them. One participant expressed the temptation to open cards, the feeling of being desired by credit card companies, and difficulties he subsequently experienced:

> I wish that I had never gotten the eight credit cards I had by the time I was 21 . . . I had two American Express, I had like four Visas, and three MasterCards. And I thought I was awesome, you know. Like they want me. Yeah. And then the bills come in, and you're kind of like, well I'll take this Visa and I'll pay this MasterCard with that Visa. And American Express wants his money, hmmm, who has money here? Yep, that card has this. And, oh, it was awful. And I wish my parents, my father would have taught me more about that. (Logistic Center)

In an extreme case, one focus group participants indicated she never expected to have to pay for charges to her credit card:

> When I was 19 or 20, my mother, God bless her, I love her, made the horrible mistake of co-signing for me to buy a car. I made two payments on that car, and all of these credit cards suddenly liked me. And my view of it was, it was free money. And then, they didn't. I didn't expect that they'd actually want the money back. And 12 years later, one of them is taking the money back from me. (Logistic Center)

An HBO participant who worked in the human resources at a company where 90 percent of the employees were Hispanic summed up her perspective about the need for more knowledge of financial matters, including basic financial concepts:

> . . . I see that the majority of the time, the people do not understand their Social Security statement. They don't understand what is long term. Many times they don't have a budget, they don't know how much they spend on the home budget, the interest that they pay, the credit cards. I have met families that have three trucks in the driveway, and they are paying a lot of money for that, and they have

> nothing for their family or their children. We need a lot of information, specifically the concepts, something as simple as spend less than what you have. I have also met people who make $200,000 a year, and they don't have money left over. They don't have a budget either. They have a home, they have Mercedes, but they don't have any money. Also, the employers with the 401(k) plans, I think that it's irresponsible for these employers to not educate the employees regarding their pension because they can lose all of their money in this economy when they are depending off it. Those things are very important. (HBO)

Language Barriers. For those whose native language is not English, language can also be a barrier to understanding financial issues. The HBO groups discussed at length the difficulty and dangers of translating technical financial language. They expressed fears at making poor translations themselves and missing important nuances, as well as distrust at others' translations, including those of the federal government, as in the following story:

> [W]hen I read the [Social Security] statements, because Social Security mails statements, and they also have them available in Spanish now, I still don't understand them. I think that is due to the translation that is too technical, and it just does not make sense . . . There are concepts that have do to with the translation. It's not that I don't understand the material. It's the translation that does not make sense . . . The words are not translated appropriately. (HBO)

Many had translated financial documents for non-English speaking parents and other relatives. While at least one thought he had learned through the process, others recognized the limits of their understanding when they were asked to translate documents as children:

> My mother did not speak any English, and she used to clean houses. And she had to save a lot of money with a lot of struggle, the down payment for a house. And I remember I was 11 years old when she used to show me papers like mortgage papers and escrow papers, and she would tell me . . . read that. You are the older one . . . Read this for me and tell me what it is, and I was 11 years old. (HBO)
>
> And my grandfather does not speak English, and he is also blind. When he would come over to the house, he would give me the papers to read. I would have to translate the letters, and that is difficult because when you are small, those things happen. And without you having knowledge of the letter, you have to explain to them what is written there so they can understand it. (HBO)

Another remarked that he would not ask his children to translate for the reason mentioned above, that a mistranslation could be costly:

> I don't trust the translation from my children, because they might use terms in Spanish that might not be understandable, or they don't understand certain English terms. I just prefer to go to a professional so that I can fully understand what is being said because one word will change the meaning or the translation of the entire page. (HBO)

Yet, for some, finding information in Spanish could also be difficult. Regarding Social Security in particular, participants noted that, as one person commented, 'People just do not know where to get the information in our language' (HBO).

Lack of Willpower. Lack of willpower around saving and spending was a major theme explored in the focus groups. For some, the problem was not a lack of income or financially debilitating 'legitimate' expenses (e.g., unforeseen healthcare costs), but overspending. Indeed, the CTP staff person interviewed for the project cited spending beyond one's means as one of the major impediments to her clients' being able to save. Many participants admitted overspending, including those who had budgets but did not follow them:

> I tried [budgeting] but it didn't work because . . . the days I . . . was supposed to eat at home, it's not what my taste buds wanted. (CTP)
>
> I have tried in the past to follow a written budget, however I am horrible at it. I get easily discouraged and unfortunately if I do see something that attracts my attention financially and it's like 'ooh shiny!' I am going to go get it. (SHS)

Some in the SHS program, who seemed well aware of the perils of living outside of their means, saw the problem of overspending all around them, among family, friends, and neighbors:

> One thing I have noticed like with my friends is just plain out ignorance, spending money that they don't have. When they are in debt and they are spending . . . So, I think living extremely out of your means also puts them further behind in where they are trying to get out . . . I have a lot of friends that have to live up to the Joneses even though they don't have the means to live up the Joneses. (SHS)
>
> Societal changes have changed the way people think about money. When I talk to my grandmother who is 85 . . . I am like, how do you do it? You have five kids, I have one. You stayed at home and my grandfather worked. How was it that you could do all the things that you did to maintain your household? Back then they were within their means. They put the money away even though husbands may have been making a lot of money but it was always 'I had enough to get by' and if 'I wanted something then I pick up some work' or whatever. But, as time has progressed our society has changed our perception about money, and I think now

> with the crisis we are going back to that, 'oh I have to save, I have to save, I have to save' when people were telling us, 'oh you got enough income, you will be able to do it, sign right here for this mortgage, you will be fine.' But, in essence when you actually look at it, no, it probably wasn't the best choice, but at that time spend, spend, spend, that is the way to go. But now because we did that, we are where we are and I just think society has changed. (SHS)

Participants described the temptations to spend rather than use extra funds to contribute to an emergency fund or other savings:

> [W]hen I was working, a friend would call me and say, 'Hey, you want to go to lunch together?' I don't want to be rude and say 'No.' (CTP)
>
> I could take my last $100 and put it into savings, but that's not my reality. My reality is I've been working [and] I need a treat right then and there. (CTP)
>
> [W]hen you think you are going to get a little bit ahead you might indulge, get tempted and then I get the big expense right after that indulging, which can involve appliances or cars . . . or kids' registrations, all that stuff. (SHS)
>
> I really have a problem with spending money. I just—I can't save. I want to. I have money to save. I just—I can't because I can't. (OSJ Center)
>
> I am a clothes hound and I love to travel. So, those two things can really prevent me from socking away money on a regular basis. (SMA)

Many CTP participants who had received tax refunds also reported spending on vacations and technology, among other things, rather than saving. One noted, 'I've gotta admit, I kind of blew it. I bought one thing I can say I need which is the iPod Touch because it kind of makes my life more convenient' (CTP).

While willpower related to setting money aside in the first place, it also related to the temptation to dissave later (see Beverly et al. 2003). Participants expressed that they had trouble keeping money in savings accounts; one remarked, 'It's not a savings account if you're taking it out' (SMA). A particularly prevalent form of overspending was overspending on children. Participants across all sites expressed the view that it was hard to cut back on purchases for their children, either because they found it tempting to spend on specific items for their kids, or because the participant did not want to deny their children goods or experiences:

> When I had my child that's when it got harder because it's like I give him what I didn't have . . . It's not about me. It's about my son. That's where my money goes. (OSJ Center)
>
> The one thing I probably could do is maybe my kids could do a few less activities but that is really hard to say, 'well if they want to play baseball they can't.' (SHS)

Another reported that she rewarded her children's academic success by paying for their travel, which took all of her savings, although the participant contended that it helped her kids further their education:

> What happens is that they've been very good students. So as a prize for their entire scholastic path, well, I gave them as a gift—right?—a trip to each one. One last year and another—well now. My savings left with them but it was worth it. One went to Europe, five countries, and last year she already went and saw China. Which are cultural trips and that helps them. And in the end they helped the oldest of my children—it helped to apply at the university and it counted as curriculum. . . So that's why I was left with no savings right now, but I can start to save all over again; right? (SMA)

There were exceptions, parents who reported denying extras to their children and teaching them the value of saving money in the present so it could grow in the future:

> Since they're little you have to teach them about savings to be able to in that way—that sometimes the children say, I want this Nintendo or Play Stations or whatever and you tell them, 'You know what? It's best that you save the money and in the future you'll be able to have many more things. And there are games on the Internet where you can play for free.' One saves in this way. (SMA)

Besides the fact that parents may be particularly tempted to live beyond their means in order to help or reward their children, another theme in these findings is that parents must weigh investment in their children (and grandchildren—and in some cases in the focus groups, their great-grandchildren) with their own financial security. These decisions are likely to be emotional and difficult, particularly if they mean denying one's children goods or experiences in the present. This area is rich for further study, and is a topic that could also be explored in financial education efforts.

Besides children, balancing one's own needs against requests for money from other family and from friends posed a difficult challenge for some in the oldest of the CTP groups (participants aged 50 and over). The group had a long discussion about how and when to resist requests for loans or gifts. In making a decision about loaning money to a friend, one participant expressed the need to assess the borrower's needs as well as one's own:

> It is a blessing when you do help someone that's in need but . . . at the same time you still have to balance it. You still have to use wisdom because some people will take advantage of your heart. There is some times, you know, you have to say no . . . You have to because you have needs and then you trying to save and you

> trying to do this and you trying to do that. There is some times, you know, you have to say no. (CTP)

An SMA participant made a similar point about putting oneself first and saving rather than spending on family: ‘I feel guilty because I am saying no but then I feel good because I got money in the bank now where I did when before, watching my accounts grow and I am not touching it’ (SMA). Some in the SHS program talked about overspending or indulging before foreclosure, but noted that they’ve changed since facing foreclosure; in essence, foreclosure presented a ‘teachable moment’ about living within one’s means. When asked if their financial habits had changed since foreclosure, one noted:

> Boy I changed. Loan modification, which we are going through right now. We have already done the three-month trial three months ago and we are still on the trial. A job, I have changed my spending habits now I need to break my husband of having to go to the store everyday. (SHS)

But another cautioned that behavioral changes might not last, even if sparked by a crisis or teachable moment such as foreclosure. The participant noted that one needs to internalize new habits if they are to last:

> I think yes, we all change [our habits], but I think one of the biggest issues is we have very short memories and that is when things get comfortable you go out to dinner once more a little too frequently or you say yes to the kids once too frequently and something [is needed] to make you have a longer memory so that those habits are more embedded. (SHS)

Negative Attitudes Toward Saving and Savings Institutions. Many participant comments fall under the category of negative attitudes toward saving and saving institutions, including

discouragement about one's ability to save, distrust of banks, distrust of the larger financial system, and distrust of the government. Findings suggest that all of these attitudes and their underlying beliefs could discourage people from participating in formal savings programs.
For some participants, discouragement appeared to be a major impediment to goal setting and plan making around saving. Some felt it was simply too difficult to accumulate a meaningful amount of savings:

> My ideals about saving hasn't changed; it's just that I've never, you know, generate[d] enough income to have substantial savings. I mean a couple of thousand isn't going to last long at any time. (CTP)

These frustrations were well known to SMA staff, who remarked that they try to help their clients recognize that they have the capacity to save, even if it is just a few dollars a week. As noted earlier, many focus group participants had bank accounts, 401(k) plans, and used other formal savings tools. However, a significant number appeared to be 'unbanked,' either saving informally by keeping cash at home or not saving at all. For example, among the seven participants in the youngest HBO group, five did not have bank accounts and the two who did reported they did not use them; no one in the preretirement HBO group reported having savings accounts or CDs (one person did have a 401(k)). Not using a bank makes it 'more difficult to accumulate assets because financial savings kept outside of formal financial institutions are less secure, are more susceptible to consumption pressures and temptations, and do not earn interest' (Beverly et al. 2001, p. 1). The reasons for being unbanked are many; in the present study, participants frequently expressed negative attitudes toward banks, ranging from frustration with high fees, penalties, and poor customer service to outright distrust of the institutions and the perception that banks do not have customers' best interests in mind. Comments concerned, among other things, fees and penalties, perceptions of poor customer service, a sense that banks do not have customers' best interests in mind, and poor interest rates:

- **Fees and penalties:** Participants expressed frustration with the fees and penalties charged by banks and the lack of information they felt they had about them:

> They nickel and dime you. (CTP)
>
> They didn't explain all this stuff. I didn't know all this stuff. (CTP)
>
> . . . if you're not careful there is a lot of loopholes where they can take your money if you don't have enough in there. So, I kind of worry I guess about that. (SHS)
>
> There's a $2.00 fee for not using [their ATM] and then I called to find out why it was that and they said, 'Well, we have plenty of our ATMs all over.' Well, apparently not everywhere, because I have to use this, you know. Then little things like that . . . I didn't pick up until it's too late. (CTP)
>
> [Banks] . . . also need to make money, and you need to watch yourself because they want to charge you for everything. And they will not tell you about it until you receive your first statement, and then you will see how much money they have deducted for such and such reason. And it was 10–15 days ago that the money was deducted, and you didn't even know about it. Hidden charges. (HBO)
>
> What motivated me [to move to a credit union] was the fees that the regular banks charged—the maintenance fees to keep the money. The credit unions don't do that so that's why I really did it. (OSJ Center)

- **Poor customer service:** SHS participants were most likely to express disappointment in banks' customer service, citing lack of personal connections and frustrating encounters with mortgage banks as they sought to modify their loans:

  > [I]n probably the last 20 years the banks have gotten so large that you cannot get any help. When I first started, banks were a good place to go because I would go and sit down and talk to the president, you know, he could give me some advice . . . He called me Bill, you know, and we knew each other. But, you don't get that now . . . Nobody is more friendly than Wells Fargo Bank, but there is no connection because the person is here now but that person never gets to know you, you never get to know that person. You never get that connection today and that is the real problem I find. (SHS)
  >
  > I was told to file for a loan modification, but then that stopped me from making a payment. Banks treat you like a piece of dirt. I came to SHS to get the government to listen to me. I did not get a good modification. I stopped making mortgage payments to get the bank's attention. (SHS)
  >
  > [W]e were three months behind on our mortgage, so I called the company trying to avoid foreclosure. They kept putting me off and putting me off, send it your financial information, we are going to review it. Every time they reviewed it they kept denying it and that is when I finally called Community Action to try to get them to help . . . a year later they finally put us on a three-month trial, they denied the trial . . . So, I am sort of starting all over again . . . and every time . . . they will have some reason why that whatever I sent in was not the right stuff. It is a frustrating process. All I want you to do is lower my payments, that's all I need. . .

> . I just keep getting a different answer basically from everybody I talk to. One person will say, yes this is great and the next person you talk to, no we didn't get that. It is such a frustrating process. (SHS)

- **Not having customers' interest in mind:** Similar to customer service comments, participants often expressed concern that bankers do not have customers' needs in mind, but rather their own:

> [I]nstead of them trying to try to soup me up to get the card and everything to choose their bank, I want to know why would you choose your bank? You want me to get it, why would you choose it? . . . They don't tell you all the other stuff until . . . you sign your name on the dotted line—they don't want you to read it, just here you go. Sign right here ma'am on the dotted line. (OSJ Center)
>
> I have talked to a banker at my bank who kind of suggested a small savings plan, but I think that kind of has their best interest in it rather than mine. (SHS)
>
> I was like y'all. I didn't deal with no bank. They gonna do nothing but charge me fees and I'll be in debt. (OSJ Center)
>
> I'm with Chase because I have no other choice but I mean the way they do things on the sly, it's very hard to trust. (CTP)

- **Poor interest rates:** There was a general sense among focus group participants that banks paid low interest on savings; one stated 'Savings accounts used to pay more. I am now less interested in savings because the rates are so bad. You might as well put the money in your drawer' (SHS). However, for participants who were using banks, concerns about low interest rates were overshadowed by worries about fees and penalties, which one participant pointed out could outweigh the interest one made in a month (see also

Prescott and Tatar 1999). Additionally, staff at the OSJ Center pointed out that there may not be many banking choices at all in low-income neighborhoods, limiting choices (sometimes to other institutions, like check-cashing services).

Negative attitudes toward banks appeared to keep some away from formal savings institutions altogether (confirmed by OSJ Center staff) and lead others to credit unions, which participants roundly perceived to be more customer friendly. Some participants expressed negative views of banks but used them anyway (it is unclear if they would use them more intensively if they held more positive views).

As with banks, participants expressed distrust of credit card companies, with some particularly noting how companies target college students: ‘Credit card companies always targeted college students in particular because they know, number one, that they—they’re going to spend it and have no idea, you know of the limit or whatever’ (CTP). Numerous participants also expressed regret at ever opening a credit card account. At the same time, several people noted the ‘double-edged sword’ of credit: needing a credit card to have access to certain opportunities, but then living with the danger of overextending oneself:

> You have to have a credit card to even cash a check. They don’t just accept your driver’s license. (SHS)
>
> Well, I was anti-credit card for a long time until I went to an annual meeting and I wanted to rent a car and I couldn’t rent the car without a credit card. (SHS)
>
> Credit is really easy to abuse. The whole thing with when I was younger, it was, oh, you can get it now and not have to worry about paying until later. Well, you know, eventually that later becomes now, and it’s like, oh, my gosh, I spent that much money. And I think it’s too easy to get credit most places. You know, once

> you establish a little bit of credit, it's like every day something comes in the mail, you know, oh, well, preapproved, preapproved. (Logistic Center)
>
> [C]redit is good, you know, to use a little bit, but you've got to keep it in control. (Logistic Center)
>
> Right now, I view credit cards the same way I view a gun. It can be a good tool in the right hands, but it can be dangerous in the wrong hands. (Logistic Center)

Some participants expressed a fear of being part of a larger financial system more generally. One HBO participant advised 'Always have cash, not just money in the bank, because banks close.' OSJ Center participants were more concerned with others' involvement in their personal finances:

> I really don't like people to hold my money. (OSJ Center)
>
> I am not in the system. I'm not a system girl. I don't need to put my stuff in the system—not if I don't want a credit card. I never really wanted one. (OSJ Center)

While participants did not discuss in depth why they did not want to be part of 'the system,' CTP staff suggested that many of their clients do not like the idea that their financial situation is tracked, and both CTP and OSJ Center staff indicated that some clients fear that using a bank will affect their public assistance benefits. Indeed, the OSJ Center participant who said that she did not want to be 'in the system' later remarked that she would someday like to have enough money to come to a bank to talk about getting an account. An SMA participant explicitly talked about the challenges of saving while on public assistance and the fear of losing that assistance because of money in the bank:

> [W]hen I used to be on welfare it was mandatory that you do not have any savings because it would go against you and Section 8 would go against you; if you have

> money you can pay more. So, it wouldn't be okay to save money for my kids, it would be okay to spend money at the movies and popcorn and stuff like that where I would prefer not to do that; I would prefer to save money for them. So, I would lock it up in a . . . so I have their birthday monies since birth and it is their money and it is not my money and so that is a really challenging question and a hard thing for me to admit too. Well, that is where I come from . . . I haven't been on welfare for five years and Section 8 actually does have the okay with SMA . . . so they are okay with that avenue. (SMA)

HBO participants displayed more distrust in the government than in banks, although that distrust appeared to discourage use of banks. One person recounted a friend's experience:

> I have a friend who saves his money under the mattress like this gentleman here, and he was able to attend a financial conference. He went and deposited $30,000 in the bank. And 15 days later, he received a letter from the IRS asking him to disclose where did he get that amount of money. The IRS will be involved in everything the minute that you get some money. They want to know how you got it, how long you have it, et cetera. And if you have $5,000 with you, and the police stop you and arrest you, immediately you are branded a drug dealer, and they take your money . . . So you need to know the consequences of depositing large amounts of money because it was more than $10,000. (HBO)

Another added, 'The government does not have the need to now how much money I have saved up or how I saved . . . ' (HBO)

What Works: Methods to Increase Saving. Despite the obstacles described above, many participants did manage to save, and they reported using a variety of tools and techniques to increase their savings. ***Gathering information*** on different financial options and becoming informed about savings options was a first step for many; these efforts and sources of information are primarily described in the next section. Participants also altered their behavior to support savings, including using ***practical steps*** to save money, from penny jars to bargain shopping, as well as techniques and tricks that help participants ***increase their willpower and motivation*** around savings.

Practical Techniques. Participants mentioned a number of practical tips and techniques to increase their savings. The time-honored collecting of loose change was discussed in the CTP, OSJ Center, the Logistic Center, and the HBO groups, where participants identified the penny jar as a mode of savings, and also spoke about the lessons it taught about persistence in saving:

> I started when I was a baby, saving all the quarters, not that I had a lot of money, but all the quarters added up to how much I got now and there's a lot of money because I've been saving for so long. (OSJ Center)
>
> [W]hatever we get for change, we don't spend it, and we put it in a container. And then like every six months or whatever, we'll go cash it in and get that money, and then we'll put that away . . . I guess I'm really surprised how fast that can add up. (Logistic Center)
>
> Yes. I got a thing full of pennies too. One time I had it, it was filled up, I think I had $8.00. I spent them $8.00 because I . . . was impatient trying to find out, 'how much do I have?' . . . Wind up finding it was $8.00. I said, 'Dag, I coulda kept on going.' I kept going and going. So, now this time I have that same jar and still full of pennies. This time I'm not going to do that. I'm just going to wait and wait

> until I get another jar and put both of them together. Maybe a third one, you know, and see how much I save after that. (CTP)

One participant referenced Bank of America's 'Keep the Change' savings program as a more formal version of the penny jar.

The HBO group in particular reported relying on loose change to fund some major purchases. (This group was more likely to report keeping money in their homes, rather than in banks, and possibly had larger sums of change). Said one:

> There was an occasion that I needed money, and I found change throughout my house . . . I did not have money to pay my bills, but I had been saving. I had a coin bank and filled it with dimes and quarters, and I had more than $1,000 saved up. (HBO)
>
> Every change that I find, I put it into the bottle, and I count that money every year-end. And with that money, I go to Mexico to see my mother and my brothers. (HBO)

Numerous discussions also arose in focus groups about reducing expenses through bargain hunting, coupon usage, comparison shopping, and cost cutting (including having one's taxes prepared for free rather than paying a preparer, as noted by one CTP participant, and proactively calling utilities to ask for lower rates). At times, discussion of how participants put money away into savings ('saving money') overlapped with discussion about how they reduced the amount of money that they spent by various cost-cutting methods (also referred to as 'saving money'). Reducing costs by bargain shopping, in particular, seemed to be a point of pride and brought satisfaction to some participants, but it was not always clear if money saved through these efforts resulted in increased deposits to savings accounts or was simply spent on other things, as was the case for an SMA participant who anticipated significant savings from a shorter commute:

> **Participant:** I just moved from [CITY NAME] to [CITY NAME] and it is 5, 10 minutes away from my work so I will save a couple hundred dollars on gas right there. So, that is something to look forward to.
>
> **Facilitator:** Are you going to set that money aside that you are saving in gas or are you just going to go back to general living?
>
> **Participant:** You know, I haven't figured that out yet. I have so many bills I am juggling, it is like eenie, meenie, miney, mo, but I got to do something with that money I am saving. This is my first week and I love it, I have been driving around on a quarter tank of gas whereas before I was spending that every day. So, I haven't figured that out yet but once I unpack and the dust settles I am going to focus on getting back on track. (SMA)

Another way participants reported reducing (and avoiding) expenses was by steering clear of penalties and fees imposed by their banks and credit card providers:

> You know, \$200 a month in overdraft fees . . . you've got to cut that out. You've got to stop that. And that's kind of the tip I actually came up with myself . . . like, yeah, you know, Citizens National Bank is making a lot of money off of me. I need to cut that out. (Logistic Center)
>
> The most valuable thing for me and of course, finances, you have to look at them every day, check your balances, make sure that you don't overdraft and all that, so you don't create extra expenses. I look at my balances every day, my savings, my checking. Those things help me stay on a positive track. (HBO)

Specific practices to avoid penalties and fees included paying more than the minimum owed on cards and loans, setting up overdraft protection, using balance transfers to reduce interest rates, and avoiding ATM machines that charge fees. One other technique involved participants padding their checking accounts to avoid overdraft, as in the following example:

> My mother . . . actually keeps like $500 off her check register, like it's not there, but it is. So she never overdrafts, and she always has at least $500 . . . Out of sight, out of mind. She's been doing that for like 30 years. She probably doesn't even know she has that money anymore. Because she says, every now and then, she'll see her balance and she'll be shocked. She's like, 'why do I have all this money?' (Logistic Center)

Techniques to Increase Self-Discipline and Motivation. Participants identified a number of methods they used to increase their motivation and self-discipline around savings. One striking method used by CTP, OSJ Center and, to a lesser extent, other participants was to make their money inaccessible to themselves so they would not spend it. Participants described selecting banks located in other towns, using banks that offered limited hours, hiding money from themselves inside their houses, keeping money in a form they did not want to spend (such as heavy buckets of change or silver dollars), asking trusted relatives to hold money for them, or destroying debit or credit cards. Some of these strategies are also described in the research literature (see Romich and Weisner 2000). Direct deposit, which many people used, might be considered a form of an 'out of sight, out of mind' approach as well:

> I was thinking whether I would try to maybe put money in a credit union or some other outside of a bank and just use the bank for checking and use maybe some other source for savings because I can't have it in the same place at easy access.

(CTP)

[M]y mom always told me, you want to save? Break it down in change. Take your $20.00 bill, get you a roll of quarters, nickels, dimes, and some pennies and put it in a bucket. You not going to go to the store with that change. (CTP)

What I did was I cut up my debit card. I had a checking and savings. I would save 20 percent of my check, put it in my savings, and then I just cut up my checking card and this way I couldn't take it out. (CTP)

I have a kind of a silly trick. It's not much, but when I save up my cans and bottles, I go and cash them in, but I ask for change, so if I had, if I asked for dollar bills and it was $4 in cans and bottles, and I had dollar bills, I'd be spending that. I don't spend change, so I'll take that change, and . . . I will throw it in a jar. And then on a rainy night, I'll . . . just grab the jar and I'll start . . . wrapping it . . . . One time I was able to save like $200 . . . I was really amazed. I just wrapped and brought down $65 to the bank, so I was kind of proud of myself. (Logistic Center)

I don't know if everybody can do but I had to learn it—act like it's not there and it doesn't exist and that's how I do it. If it's not an emergency, do not ever touch any of it. That's how I look at it now. (OSJ Center)

One Logistic Center participant reported that when he gets pay increases, he increases his contribution to his stock option plan and 401(k) so he will not spend it or think he has extra money to spend: 'If I'm not used to having the extra money, you know, if I have it taken out instead of just thinking, oh, now I can go buy this. Out of sight, out of mind, and it just trains me to work with what I have' (Logistic Center). This approach is similar to that taken by the Save More Tomorrow™ program, in which people commit in advance to allocating a portion of their future salary increases toward retirement savings (Thaler and Bernatzi 2004).

For couples, acting as a team in regard to financial goals was also important. A SHS participant noted this was not always easy:

> We really had to have some serious conversations with each other . . . we had to go through some financial trials, mortgage foreclosure counseling. How do you get on the same page when you come from two different places when it comes to money; it is difficult. You have to learn how to slow down and bring that other person along however they need to be brought along. (SHS)

Participants also noted the importance of considering purchases carefully. One woman described 'team shopping' with her partner, where she and her partner help each other avoid impulsive or expensive purchases by acting as a voice of caution, asking if the purchase is really needed. Another only went shopping with family who could help her to exercise discipline:

> I just tell myself that I don't need that item, and I discipline myself. My family helps me to budget and make decisions. I try not to go out without my family because if not I will get home with a lot of bags and buy stuff that I don't need. (Logistic Center)

Another participant was able to do this for himself: 'If I want to buy something, I make myself come back the next day. I often will not bother coming back' (SHS).

Certainly a matching savings program provides strong incentive, as the SMA participants attest (and as is discussed in the next section). One woman used a similar idea at home to help her children to save:

> I opened up a program in my household with my three children and I . . . made them a bet. I said, 'If you can save $1.00 a day, I'll add to your dollar a day.' So,

> we all know there is 365 days in a year. So, they saved a dollar out of their money that they get monthly from their dad. So, they would put a dollar—at the end of their day, they would fold up their dollar and put it in a piggy bank. It would either be four quarters or whatever it is but it had to be $1.00 in order for me to match. So, when it was Christmas time and they wanted to do the shopping or whatever they needed to do, they had their money. I never had to give them gift money. (CTP)

Another way participants increased their self-discipline was through written budgets, although, as noted earlier, this was not always effective. The SHS groups seemed to have more experience with formal budgeting as developing a written budget is generally required for a loan modification request; SHS staff noted that one of the benefits of foreclosure counseling is that clients are forced (with the help of the counselor) to create a budget that captures all of their monthly expenditures and then to come up with a plan for reducing expenses. As one client reported, 'We are making it, we are surviving barely but we wouldn't be doing it without any budgeting' (SHS).

For some, budgeting did not necessarily lead to long-term savings, but it did help with short-term, direct goals:

> We got paid twice a month and I put 50 bucks away every paycheck; that was my goal. If I needed Christmas gifts or if I needed to pay off a bill or I just wanted to shop, it was there. It was my fun money. That was my goal and that is what I did every paycheck. (SHS)

There were several instances where participants spoke about willpower in a general but powerful way, as in this exchange:

> **Participant 1:** All you gotta be is disciplined. Put that $1.00 a day [away] no matter way.
>
> **Moderator:** Some people think that might be hard.
>
> **Participant 2:** Yes, because I've tried that and something always comes up.
>
> **Participant 1:** No. Don't let it come up.
>
> **Participant 2:** Okay, but how . . . Things are going to happen.
>
> **Participant 1:** Don't touch your money.
>
> **Participant 2:** It's very hard.
>
> *Chorus of* 'Don't touch it' *from several participants.*
>
> **Participant 1:** Just don't touch. Don't touch your money. (CTP)

While it is not a technique to increase savings, a number of participants spoke about the motivating power of positive and negative family role models, who may or may not have imbued participants with the kind of motivation and discipline described in the exchange above. Participants spoke powerfully about negative financial role models, as in the following remark:

> My personal experience is that I learned from my parents' mistakes. When they had money they would spend it. And when the bad times came, we were left with no money. And for me it was everything. Since I was eight years old, I'd see what you had to go buy and I detested it and I was the one in charge of having to go ask. And the only thing that—I'd pray and I'd say, 'The day that I'm grown and I have my salary, I have to save.' (SMA)

For two participants, witnessing the financial repercussions of a relative's death—in one case the relative left a lot of money to his heirs and in the other case the relative had no money to cover his funeral expenses—increased their motivation to save. For some participants, observing the current struggles of family members is a motivating factor:

> Well, I would say maybe like five months ago my great aunt passed away in January, so I was always spending for the nieces and nephews since I don't have any children. Everybody looks to me and I like to shop, too, and I am a bargain shopper, and that is what gets me because I always think I am getting a bargain, but I am not really saving because I am not looking out for myself. I am looking out for everybody else so my family tends to take away from at least saving for myself. So, when my aunt died I saw how at 96 years old she was a millionaire, I was just flabbergasted. She retired from the Post Office and she was able to save, so that turned a light bulb on for me. I am like, if she can do it I can do it and I am much younger than she is. So, that is what really made me to focus on SMA and I am halfway there in my goal . . . (SMA)
>
> I see my mom and she should be retired and enjoying retirement and traveling, and she has never been one to save her money when she had it, this is probably where I learned my early spending habits. But, I see that she is struggling and I don't want to be in that same situation and I don't want her to be also in that same situation, so right now it is really important for me to try and save when I can as much as I can. (CTP)

Others were motivated by their own children. Remarking on a financial support group, one remarked she would participate 'so our children can learn from us, and that we know how to budget our money and save. I think the children will learn from us . . . It's good to show your children how to save because many of them work, get a check, go out, and spend it out that day.

Finally, although again it is not a savings technique, success at saving was critical for motivating continued efforts to save. Speaking of previous success building retirement savings, one SMA participant noted, ‘That was just a good feeling. It was good for the psyche. It was good for my personal financial status. That’s one of the things that is driving me to save now.’

Summary: Savings Behavior and Attitudes. Many participants reported difficulty saving because they did not have opportunities to do so, lacking sufficient income or access to savings programs like 401(k) plans. A lack of knowledge about personal finance was also an impediment to saving, resulting in missed opportunities and/or poor consumer choices (e.g., overextending oneself on a mortgage or credit cards). However, behavior was also an issue, including for those who professed to know how to save; many participants indicated that they did not adhere to budgets and spent beyond their means. Along with behavior, attitudes were also important; feelings of hopelessness about saving may have discouraged some from trying (or trying again after having had to use savings in a period of crisis), and distrust of institutions appeared to lead some participants away from formal savings.

Those who were successfully saving had opportunities to participate in formal programs like 401(k)s and IDAs or had accounts with banks or credit unions, had savings goals, demonstrated willpower not to ‘touch their money,’ and perhaps were fortunate to have avoided unemployment and other negative events. There were many informal savers as well whose understanding of the power of accumulating change might be drawn upon by those wishing to bring them into more formal savings programs.

Attitudes Toward Particular Savings Opportunities

In addition to discussing savings in general, the focus groups explored opinions about saving for retirement. The SMA groups also discussed IDAs as a saving opportunity and the CTP groups discussed tax refunds.

Saving for Retirement. According to CTP staff, saving for retirement is the 'toughest type of savings for low-income individuals.' There are likely several reasons for this: retirement savings is long term, particularly for young people, and it is difficult to know when one has reached the goal and amassed 'enough' retirement savings, particularly when economic conditions and changing life circumstances make that amount a moving target. Indeed, in the 2010 Retirement Confidence Survey conducted by the Employee Benefit Research Institute, only 46 percent of workers reported that they and/or their spouse had tried to calculate how much money they would need for a comfortable retirement (Helman et al. 2010). In addition, some of the methods of accumulating retirement wealth used by middle-class homes, such as pensions or home equity (Thaler and Benartzi 2004), may not be available to low-income individuals, whose employers may not offer retirement plans and who may not be home owners. Finally, when defined-contribution pension plans are available, there is evidence that individuals do not necessarily participate or participate at low levels.

Experience With Retirement Savings. Focus group participants reported mixed results with saving for retirement. The highest responses to the question of whether they had some form of retirement saving were from the Logistic Center groups, where all participants were employed by a company offering a 401(k) plan (although a couple of participants reported they were not yet eligible for it), and the SHS groups, although not all members of these groups were actively contributing to their accounts as they dealt with financial crises and some had had to cash them out. The youngest CTP group, the OSJ Center groups, and the HBO groups were least likely to report saving for retirement.

Factors Affecting Participation in Retirement Savings. The same factors that affect the likelihood of saving in general also affected retirement savings. However, there were a few additional factors worth noting. For some, the future was out of mind as they focused on the present. This group did not appear to procrastinate so much as they simply did not look too far ahead. A lack of future orientation was particularly apparent among young participants, but even a woman in her 50s recounted that she had not saved for retirement because she had never expected to live long enough to have to live off of savings (SMA). Others noted:

> I've never . . . I've never bothered, you know, looking to the future. (CTP)
>
> [W]hen you're younger, you don't think about retirement, and you really should. But I was, I never had anyone pushing me towards that or talking to me about it, even when I first started, you know, working, and I wish I had, had somebody talking to me, putting it in my ear, just, you know, you've got to retire some day. You're going to retire some day. All I wanted was my paycheck. You know, living at home, and I was spending money as quickly as I was making it. And I wasn't even thinking about retirement. (Logistic Center)

Others appeared to lack a future orientation because they were preoccupied with more immediate concerns, such as finding or keeping a job. Some comments suggested that people would not start to plan for retirement until they had achieved stability in their employment:

> In this economy, you don't even stay in a job long enough to even think about retirement. You gotta think how long you gonna be here. If they gonna let you be off. Am I going to have to find another job. You ain't thinking about no

> retirement. You thinking about tomorrow, I gotta be here at what time? 11:00? See you tomorrow. You ain't thinking about no retirement because you don't even know if you gonna be there for that long. (OSJ Center)
>
> I honestly don't look at retirement . . . I spend my money the way I spend my money . . . I got paid on Wednesday. By Saturday night, I'm broke waiting on Wednesday to come around again. Then I got to do it all over again because why would I save it and I don't even know how long I'm a be here. (OSJ Center)

Others expressed a sense of discouragement about retirement savings. Late starts at saving worried and appeared to dishearten some. Very few expressed positive visions of retirement, and it is unclear how this may have resulted from discouragement about saving or contributed to a lack of savings behavior. For example, only a couple of participants, at SMA and at the Logistic Center, mentioned wanting to be comfortable or travel in retirement.

Some participants had suffered losses to retirement accounts or had incurred penalties cashing out retirement accounts to support themselves during times of crisis, which, according to CTP staff, had disillusioned their clients. One HBO participant who had cashed out her 401(k) plan reported that she did not understand the consequences of doing so until she had done it:

> **Facilitator:** . . . did anyone explain to you the consequences of cashing it out?
>
> **Participant:** No, and I learned that there are consequences because I would receive forms in the mail. First of all, I didn't understand what I would receive. And then the other thing is asking me if I wanted my check. Well, yes, I don't have a job. I don't work with the company, so why not? But there is the penalty.
>
> **Facilitator:** And the forms that you received was after you lost the job, right?
>
> **Participant:** Yes.

> **Facilitator:** But they did not tell you or call you regarding what you can do with that account, so how did you find out about the penalty?
>
> **Participant:** A friend told me afterwards. She stopped working with the company as well, and she asked me what did I with my 401K. And I told her nothing, what do I do with it? And she told me that I could have rolled it with the bank. They could have taken care of it for me, but they would have charged me a percentage. And I did not know about that. Now what? Well, she told me that I have to return all of that money or something like that. I told her to ask someone, but I never heard anything else about it. (HBO)

It was unclear whether disappointment over financial losses would keep people from returning to 401(k) or IRA plans once they were more financially stable, but the subject of how, when, and whether people recovering from financial loss return to saving for retirement, and whether they then become more risk-averse after such loss, could be subjects for future research. At a minimum, the focus groups revealed frustration and uncertainty about how to resume saving after experiencing a financial loss, a topic that financial education efforts could address:

> . . . I lost my retirement stock market twice and it was really hard to swallow that, so I have a fear of some saving tools, especially the stock market. That is not really a save, that is a gamble, and I do not like gambling. (SMA)
>
> I have lost so much faith in the methods of saving. We had all kinds of resources [home, 401(k), other assets]. It really failed us, so as a result I just really don't know what to do with budgeting and moving on from here. (SHS)

401(k)s and IRAs. Many participants talked specifically about efforts to save for retirement through 401(k) and IRA plans. Participants reported taking advantage of 401(k) and similar retirement options when they were made available through employers, although the option was not available to all through their jobs (and not all were employed). While it appeared that many with the option took it, participants noted several issues: competing priorities, distrust of employers, and confusion about how 401(k) plans work.

Some participants, particularly the Logistic Center employees, shied away from 401(k) opportunities because of other priorities:

> Our job, they bring in people from the outside to tell us about like 401(k), even though I'm not in it because I told them at this time I can't really afford to get it because I have other savings taken out just on a personal basis, you know, but we do have 401(k) at our company. (CTP)

While many whose companies had 401(k)s knew where to go to ask questions about the program, participants' comments revealed confusion about how 401(k) plans worked (one HBO participant, for example, said that although she had signed up for her employer's 401(k) plan, she did not understand what it was). Others expressed distrust of employers and/or the organizations who manage the plans for the employers. For example, an SMA participant noted that she was aware of the 401(k) offered by her employer, and aware of the match component, but seemed intimidated by the details and distrustful of the plan's management:

> But when I was looking at the paper—the paper, like, well, 30 percent go here, 60 percent go here, and the other 10 percent go here and I'm like, 'Who's picking these?' I'm scared because I don't want to pick the wrong company that go out of business. I'm not sure where most of the money should go to and I keep saying I'm going to call the people because we have a person, a financial person, there to go over to 401 but I'm like, okay, I still haven't done it. . . . it's just something

> scary . . . I think the first people that we had to manage it, something happened to them. It was all over the big news and we all was panicking like where's the money at? Where's the money at? I'm like so glad I didn't put my money in. (SMA)

Others noted:

> I went in to [my HR department to] try to find [out about retirement savings], and I'm like, oh my. It just, it was just a lot of information . . . do they have a book out for like, you know how they have Excel for Dummies? Do they have like financial stuff for dummies? (Logistic Center)
>
> [The employer], they do not explain to you exactly what the risks are of losing or gaining money. (HBO)

Some people were distrustful of 401(k)s based on their own or others' experiences or their misperceptions of the program:

> I worked for (inaudible) for 16 years, and I was one of the people who were laid off. And so, thank God, I had a retirement plan. It was a volunteered plan, but I would put away some money from each paycheck . . . and I thought that I had awhile to go before retirement. And when they explain all of these things to you, you think that you understand, but in reality, you don't. I tried to find out what was going on with the retirement money, and I was not allowed to retrieve the money even though I had the need for it. The penalty was very high if I took the money out, so they gave me another option . . . and I opted for that one. But if I would have known that before, I would have worked and saved my money in another form. (HBO)

> Well, IRS always wants their money, and personally, I think that is a big trap because now we are paying very little taxes relative to what we have paid throughout history. So I think with the wars and everything else, we will be hit with higher taxes later. It's better to pay for them now and not later with your 401(k). They are going to deduct more money than what you should be paying later. I think also that the 401(k)s have a lot of risk because of the investment that you do with them . . . (HBO)
>
> . . . I knew a lot of people who lost their 401(k). They lost all this—they worked for like 10 years or something and they can no longer use that . . . or like my father, he has money saved up from his job but he had to stay in the State of Indiana in order to get that. So, I . . . guess my understanding on 401(k) is not strong enough for me to really trust that in particular because I mean it depends on what the company, how they use—it seems like everybody will fight hard to keep their money, you know. 'Guidelines, you must have done this for this time. You must have worked here as of 12 years instead of whatever.' (CTP)

The same CTP participant worried that 401(k) savings would not really belong to him:

> **Facilitator:** So, you would not view it—if a company had set up a 401(k) and you were participating in that, you would not view that as your money?
>
> **Participant:** I view it as their money because in the end there's always some kind of catch. I guess it's just not trusting, based on what I've heard of other people say—and then that might have just been that individual company but that's just—my fears are more grounded in I worked for so long with the one company. That in the end that is not really my money if they made guidelines at the last second or

> you have to stay here or you have to do this to get this because I mean my whole part of this—my money, I should be able to use it as I wish once I'm done with this company. I can go on and move or whatever. So, I don't know. I just don't trust. (CTP)

For HBO participants, distrust of the government was again a theme, this time accompanied by a lack of understanding of the financial system. One explained it as follows:

> I think there is an enigma that exists within our community, a concept of something that really is not. The interaction that I have had through the years as a businessman, the majority of the conversations that I have had with other people is that the government wants to take away from us. And because of that, we are scared of getting into and learning the system. We are scared of investing. That is my opinion. That is why I insist and state that if we know the system, how capitalism works, and how everything works, our perspective would be different. I think we would be more apt to be part of the system, and we would have better benefits. (HBO)

Those who had 401(k) or IRA plans did not necessarily know how to manage them. One participant was not sure what steps to take to maximize her portfolio:

> I'm at the point where I realize I'm not getting any younger, and that retirement age is coming, you know, quicker and quicker . . . And I look at my statements, you know, my 401(k), and I go, oh, my gosh . . . I think I do need to be more aggressive . . . I have a Roth, and I've never contributed to it more than what I, my initial investment was, but it's gained some interest. I don't know the

> implications of taking money out of that, where to go with it. Should I move it? Should I add to it? (Logistic Center)

Others wished they had known about retirement funds, including 401(k)s, earlier in their lives, and another stated he would look for the benefit in his next job search:

> You know retirement funds, just the benefit between starting investing at age 18 versus starting at age 28 or something is a bit significant about retiring, if everybody knew that or started investing when they were 18. (SHS)
>
> I've always thought about the present but probably at my next job search, I'm definitely going to . . . ask about 401(k), about saving for retirement. Ask . . . what the company's policy is whoever it may be. (CTP)

Finally, one HBO participant pointed out that 401(k)s are dependent upon employment:

> [My employer] helped me with a 401K. They would give me information regarding financials, but if I don't work with that company, I don't have access to that information. Sometimes you have to get a job in order to open doors for yourself to know of the possibilities that are out there for you. (HBO)

Social Security. Most participants were generally aware of whether they were eligible for social security benefits, with the exception of one OSJ Center group and HBO groups, where the majority stated they were unaware or unsure of their eligibility. There was confusion about FICA deductions—where the deductions go, when people can access it, what 'FICA' means and whether it was the same as social security. Referring to FICA, Logistic Center participants made the following comments:

> I see it on my pay stub, but I don't really know where it's going. (Logistic Center)

> I see new things in the federal section all the time, and I just roll my eyes and ignore it. (Logistic Center)
>
> I just figured it was the law and, you know, you can't buck it, so that's it.
>
> I don't even know what it is. (Logistic Center)

Another indicated some confusion about payroll deductions and future social security benefits:

> I don't know if they just messed up on my paycheck when they were taking all this money for taxes but they were taking a lot of money out and Social Security was taking out half of it and if you telling me I'm not going to get it, why are you taking it? (OSJ Center)

For the HBO group, language was perceived as a barrier to understanding social security benefits and eligibility:

> The language is a big problem because as a young kid, I had to translate for my mother and my father. And I know that I was not doing a good job. I was ten years old. How good can I do translating a box from the government, but it was expected of me to translate it because I knew English. And really, I did not know what it said, and I was not able to translate it. (HBO)

Some participants expressed doubt that social security would be available to them upon their retirement, and several mentioned they did not expect to see payments. As one remarked, 'They don't have money to pay you so social security is not security anymore' (CTP).

However, it was not necessarily true that this doubt led participants to increase their efforts to save. At least two participants did report trying to save more because of fears about social security: one increased her focus on the 401(k) out of belief that social security would be gone by the time she retired, and another who said she worried 'daily' about retirement was seeking to supplement her employment so she could save more. One younger CTP participant, who seemed to have relied solely on social security for retirement, recognized the need to have savings of his own:

> So I didn't really look at the future and that's why I guess I'm focusing more on it now whenever I start a job working again, I want to focus more on that because I'm always living for the moment, it's hard for me to save for anything like that. I thought that's what my social security would be—taken out of my check, I thought that's what that was for, you know? (CTP)

The HBO groups echoed the sentiment that social security might not be available upon their retirement, one noting, 'I know that it's good to have a savings account. I agree with him that it's not good to depend from the government and social security in the future. We also have to depend on what we do for our own retirement, and that is worth a lot.' For another, conversations among friends about the unlikelihood of seeing social security in the future 'has more of an impact than the information directly from social security' (HBO). However, some HBO participants also added that they felt 'outside the system' and distrustful of the federal government:

> I think that part of the problem is that because we don't understand the system so well regarding the retirement, the majority of the people that I speak to, including myself, we don't even consider ourselves being part of the retirement plan. So I did not pay a lot of attention to it. (HBO)

Retirement Savers Tax Credit. Very few participants were aware of the Retirement Savers Tax Credit (also called the saver's credit), a program available to qualifying low-income taxpayers who contribute to an employer-sponsored or individual retirement account. However, many expressed interest in learning more about the program. Only one participant in all of the groups reported having used the credit.

IDA Programs. As discussed earlier, SMA participants were all enrolled in an IDA program. This self-selected group seemed to have more optimism about saving, and, as mentioned earlier, were very focused on both their ultimate IDA goals as well as meeting their monthly contribution requirements to their accounts. Nonetheless, many SMA participants had difficulty saving before entering the IDA program, and SMA staff confirmed that people come to the program with varied levels of financial education. As part of SMA, participants attend an eight-hour training covering financial management, with topics including financial goal setting, budgeting, credit, expenses, emergency funds, and credit cards. Training is held in Spanish, English, and Mandarin, and group and one-on-one methods are both utilized.

Focus group participants repeatedly referred to their SMA training. In particular, participants mentioned learning about goals and plans for sticking to them. Besides the monetary match, participants found the accountability required by the program to be particularly motivating:

> Having a goal. Small, quite achievable goals that require just a little bit of money consistently. That helps me but the pressure—it's good pressure but it's still pressure to save the amount that I've said I was going to set aside for the SMA account and learn that if you miss, you're going to be out. I never had any outside source that was saying, 'You've got to do this. You've admitted to do this. You've got to do this and we've got some rules.' I enjoyed it though, you know? Yes. (SMA)
>
> I . . . feel like someone turned my faucet off. Totally. It's the matter that someone

outside watching you save and that is a scary part. (SMA)

When asked if they think they will continue to save once they no longer receive a match, most participants agreed they would:

> Would I continue save? Yes, if the match incentive was not there. Yes, because I'm at the end of my program, I'm already into the savings as far as my mentality. The incentive was really a great attracting factor but for me, the habit has been formed. Yes, I think I will have a guilt feeling even beyond this if I'm not.
>
> You know, in SMA, I have to save and that actually . . . give me a very good habit that if I don't put money into a savings account now, I feel like I'm doing something bad. (SMA)
>
> The fact that SMA makes you deposit . . . a set amount by the end of the month, I just started paying myself first, as well. And just have that—okay, every time I get some money, let me take 15 percent of whatever that money is and let me transfer it over to my savings account, you know. It could be $100.00. It could be $10.00 but let me do that on a constant basis. (SMA)

Tax Refunds. Most CTP participants had received a tax refund, and their use of that refund varied considerably. Some saved portions of their tax refunds, although it was unclear whether they had put the funds into any specific accounts earmarked for retirement or other uses or added them to general savings. Many applied them to everyday expenses, like rent or food, or necessities like new tires; this was particularly true of those who reported receiving small refunds. In these cases, the money was treated less as an asset and more as part of everyday income:

> I don't know exactly where it went on a dollar to dollar basis without looking at it

> but it—it basically went into like my business and my regular home life . . . everything from bills to rent to you name it. (CTP)

Others, however, spent their refunds on technology like computers or cell phones, vacations, and other luxuries. For some of these participants, the tax refund was like 'Christmas,' a 'gift,' or 'special money,' as described by one participant:

> [W]ell, for me I would say [the refund was] almost 50 percent more than what I get out on a two week paycheck so it's—it's really like it's a gift. (CTP)

One participant expressed ambivalence about the use of the tax refund, wondering what the government would want him to do with it:

> Sometimes I feel guilty spending [the refund] because I say, 'Okay, well I'm supposed to save this large amount of money.' Then they saying it's part of the reason it was big was because of the stimulus, you know. They added that. I was getting the past two years at the most tax refund than I've had in a long time but I guess mainly because of the stimulus thing they were doing so but part of it was like a guilty feeling. Maybe I should not spend it? It's my money. But, you know, I really want something in particular but no, I better save it or—and that's not what the stimulus is for. (CTP)

(This reference to economic stimulus also arose in another group where an SMA participant expressed her belief that her shopping rather than saving was helping to stimulate the economy.)

As they differed in their perception of the tax refund, participants also differed in whether they thought tax time was a good time for financial education, as discussed in the section on financial education.

Participants were mixed on whether they would rather see a larger paycheck and smaller refund or smaller paychecks and a larger refund at the end of the year. Some would rather count on a larger sum at the end of the year to avoid owing taxes or penalties; one noted he would spend more throughout the year if he had a larger paycheck, and another liked the pot of money at the end of the year to cover expenses from her business. On the other side, some said they'd rather have the larger paycheck so their money could be working for them, earning interest, throughout the year, and another felt the larger paycheck would help him avoid spending a larger lump sum at the end of the year. One retiree noted there was no difference to him. There was some confusion about what a larger paycheck/smaller refund would mean, with one participant asking if the larger paycheck option would result in higher taxes.

Summary: Particular Savings Opportunities. Many focus group participants recognized the need to save for retirement and did so, most commonly through 401(k) programs, although younger individuals and those more focused on current concerns were less likely to express concern about saving for retirement. Although many employed participants appeared to have access to 401(k) accounts, some remarks indicated confusion about how they work and distrust of employers' involvement in any aspect of personal finances. While most participants were aware of their social security eligibility, for the most part, participants expressed doubt about the future of the program.

Tax refunds provide savings opportunities that some recipients took, putting their money in savings accounts or designating it for specific expenses (e.g., great-grandchildren's education). Yet others viewed the refund as a gift to be spent on luxuries.

Sources of Information and Advice on Financial Issues

Hilgert et al. (2003) assert, 'If knowledge is linked to behavior, then it is important to know where households obtain their financial knowledge' (p. 318), noting that family and friends, media, and personal experience were top sources of knowledge. Focus group participants reported the same sources, as well as the Internet, libraries, schools, and churches; employers; banks and other financial institutions; and financial planners and coaches. SHS and Logistic Center participants more often mentioned employers as sources of information, while SMA participants referenced a variety of nonprofit organizations supporting small-business ventures. While CTP participants also mentioned employers and churches, both CTP and the OSJ Center referred often to friends and family.

Many participants' comments reflected very organized searches for financial information, but others seemed to gather financial information or advice in an *ad hoc* fashion, as reported by one participant in SHS:

> Sometimes, if I hear something on the Internet, read something on the Internet, or on television I kind of researched it. But, basically I kind of am flying by the seat of my pants and cross my fingers and hope for the day I win the lottery and will not need to find somebody. (SHS)

Family and Friends. Across all sites, the most common source of current information was family and friends. Participants mentioned friends who worked in the finance industry; those who had shown themselves to be financial 'winners,' like bosses; and role models within the family, such as a grandmother who had lived through the Depression and had strong savings habits. In some cases, participants indicated that children were effective sources of information on financial matters. Some participants expressed pride and others hinted at embarrassment when they perceived that their children were better at managing money. One SMA participant whose son taught him how to make a written budget and who continues to use that budget noted:

> And the same son of mine made me a list. 'Look, dad,' he told me. 'How much do

> you spend on this? How much do you spend on that?' He made a list of all of the . . . bills that I have to pay including the rent and food expenses. So, 'If you follow this you're not going to have any problems.' And it affected me a lot because how is my son going to show me what it is that I have to do? (SMA)

Another participant noted that he was now a model for his parent:

> In my case, I can honestly say my mom is learning now from what I'm learning because she's worse, you know. And I grew up next to her, and I used to see her, you know, like she won the lottery one time, and, immediately, she already had, like for all of those tickets, to go, you know, for vacation . . . And we were getting new clothes for the vacation, shoes. And, you know, then, later on, it was like, oh, no. I mean, she had like the car, so I remember that she had a problem with the engine in the car, and we were stuck walking. And it's like, okay, maybe we should have not gone to the beach, you know, it's terrible, so. (Logistic Center)

Reliance on family and friends sources is probably due to expedience and trust. It appears relatively easy for participants, when they are adults, to identify those who have had some financial success and to use these individuals as models (of course, participants have less choice in the lessons imparted to them as children).

Media. Another major source of financial advice was the media, including television and radio. Participants referenced financial segments on local and national news programs, local shows dedicated to finance, talk shows like Oprah (and her particular programming on the 'Debt Diet'), shows dedicated to financial matters (such as Suze Orman's and Warren Buffet's programs, as well as Money Matters), and advertisements. Television and radio provided general awareness of economic issues, education about financial tools and techniques, and references to specific programs such as SMA. Participants' comments about media highlight the importance of television and radio programming as a means of increasing both knowledge of issues and awareness of options and particular programs.

Participants also cited the Internet as a source of financial information. In general, most people reported having access to the Internet either in their homes or through a library or community center. Internet access and use of online resources were least common among participants in the HBO groups: 'Many people do not know how to work the Internet, or they are just not capable of having the access to this. So they will go to the community center if they need it.'

Most participants who used the Internet reported searching for general information on websites such as CNN, MSN, or Univision, and a Logistic Center employee referenced his company's website for information on work benefits. Others used search engines or financial sites such as bankrate.com to conduct research on specific financial issues, and participants also mentioned online budgeting tools (CTP) and courses; one referred to 'the University of Independent Finance.'

While many sought information from the Internet, a number also mentioned that they had been referred to the Internet for further information on a topic, or that they had clicked on notices on bank websites to learn more about products or services. Two SHS participants mentioned finding organizations online that they then contacted for assistance with mortgage delinquency and other debt.

However, not all participants trusted the Internet as a source of financial information or felt secure entering their financial data online in order to conduct financial business (such as applying for auto insurance or a credit card):

> But on the Internet, it can be a lot of things on the Internet that can be false. And I don't trust it that much. I can look at stuff regarding the bank, but some of the information is hard to trust. (HBO)
>
> I was just saying the Internet is another way to be caught up because they want to know your social security number, where you live at, address, how many people live in your house. I'm looking for auto insurance and they want to know about your grandmamma, who died, who driving the car—and they go on and on and on. By the time you get through answering all their questions, they're going to kick you off the Internet and be lost because they got all your information. Then it becomes—somebody done use your name and you can't get me to use no technology. (OSJ Center)

In one HBO group, the conversation turned to Internet-based games that participants reported had taught them financial lessons, including Farmville (played through Facebook), noting the games teach '[h]ow to buy things, that you have to wait to get money in order to buy stuff' (HBO).

Although younger participants in the CTP and HBO groups reported having access to the Internet, they did not seem more likely than older participants to use the Internet for financial information or advice; there was no way to tell the age of participants responding to questions about Internet use in other focus groups. However, participants made some comments suggesting that younger people in general are more comfortable on the Internet (one noted, 'for me, acquiring [social security] information via the Internet is not a problem, but for my parents it is' [HBO]), and the entire group of HBO participants aged 50 and over reported in the negative when asked if they had 'taken advice from the Internet.' Motivation and income levels may also play a role in predicting Internet usage; although the data from this study is limited, the more active users of the Internet appeared to be participants in two of the three SHS groups, who were more likely to have been moderate income before their financial crises, and those in the SMA groups, which may represent a population that is more highly motivated to save than the other groups. Only in one group did mobile Internet access come up as a topic, and that was in the CTP group of 35–50 year old participants.

Library. The library was also an important source of financial information; many reported using library computers to search the Internet, requesting help from a librarian, or searching books and other resources available at the library on their own. Public programming at the library was also mentioned and could be a venue for effective financial literacy aimed at low-income individuals. One participant noted:

> I used to work at the library so they used to have different organizations would come and have programs that the public can come in and tell us about savings and how to use your money, you know, manage your money—money management. (CTP)

Agencies and Nonprofit Organizations. Participants referenced numerous agencies that had either referred them to financial services and sources of information or provided it themselves through workshops and one-on-one counseling or advice. Aside from the CBOs involved in the study, participants mentioned Sallie Mae; Jobs for Youth, a Chicago nonprofit; the City of Chicago’s Department of Human Services and its 3-1-1 information line (CTP); the small Business Administration and SCORE (SHS); the Urban League (OSJ Center); and CEO Woman, Wanda, and Mission Asset Forum (SMA). However, the SMA- and SHS-sponsored training and coaching education received the most references as sources.

Employers. Employers were a source of financial information, particularly about benefits, and seemed to be viewed favorably by the Logistic Center and the SHS groups, as well as several in the CTP groups. Employers provided formal programs on financial issues as well as information about specific benefits, but participants also learned more informally from coworkers and supervisors:

> [My employer has] a lot of tools and information that they provide via outside resources that they have contracted with for employees. (SHS)
>
> I work for IHOP and I'm in the Rosemont area, you know. Our GM—our district manager, he always try to encourage servers to open up savings accounts that you would earn interest in because you make money on a daily basis that helps them see their money, you know. (CTP)
>
> Well, the employers, they don't really talk to you about it but if you—like maybe your supervisor that, you know, knows you pretty well then they might give you certain tips that maybe they have done that helps them to save the money and then you might talk to them about that. (CTP)
>
> At my job, they advised us in class instead of going into your account, if you gonna do some spending save up for it and put it on a card. (CTP)
>
> Several companies that I've worked for always talked about 401(k), maybe IRAs or different things like that. Childcare reimbursement—different things like that. Like on a rainy day when your child gets sick or something like that, you might have to pay for medication. They try to teach us to set money aside for those extra expenses that might incur during the time. So yes, jobs have talked to me. (OSJ Center).

However, as noted in an earlier section, some distrust their employers' involvement in their financial issues. One OSJ Center employee noted, 'I don't want them in my business'; others agreed, with one adding, 'they'll be all in your business. They might—some might pull something extra or something.' Another at the same group would not attend an employer-sponsored program, saying the employer would 'have you still on the clock. They ain't going to cut you for overtime. No, I'm not going.' Additionally, despite the presence of workplace resources, participants still expressed confusion about work benefits like 401(k) plans, as noted earlier.

Banks and Other Financial Institutions. As discussed above, many expressed skepticism that banks had consumers' best interests in mind and the opinion that it was difficult to get good customer service. However, several still reported using banks for financial advice. For example, one CTP respondent noted how he'd been advised by a 'lady at the bank' on how to invest money into mutual funds and an IRA and diversify his portfolio. Another participant reported dropping in on an investment house for advice; still another discussed how he might ask a banker for advice, but only after he's done some initial web and library research. Credit unions, as noted earlier, were viewed more favorably as sources of information.

Churches. Churches were a source of information for people in the CTP and SHS groups. One said, 'My church bring in Chase. We bring in people to talk about 401(k). We have a financial advisor in my church and so the public is invited to come in' (CTP). For at least one church, part of the motivation in offering programs was to teach members about tithing:

> [M]y pastor wants everyone to go to—come to the financial planning session due to the fact that we're a tithing church so, you know, a church that tithes, he wants you to be able to do your tithing, learn how to financial bless yourself because if

> you don't, you're no good to yourself and nobody else. (CTP)

Schools. A few participants mentioned school classes as a source of financial information. In Chicago, numerous people described a required high school class on consumer education in the Chicago public schools. Others had taken college electives in small-business administration, accounting, and other topics.

For-Profit Courses. Three participants mentioned classes at Prism Financial, David Ramsey's Financial Peace University (offering online and in-person courses) (SHS), and the online Independent Financial University (SMA).

Professional Guidance. A number of participants from SHS and SMA had utilized one-on-one professional advice from financial counselors, planners, and coaches (aside from those counselors involved in the SHS or SMA programs). One SHS employee indicated that he had learned about a financial counselor through his bank and then contracted with him privately for advice.

Experience. While it is not a source of information people could readily access if for facts or advice on financial matters today, many people still fell back on personal experience to guide financial behavior. Often, the experiences they drew upon were negative, but participants felt they had learned from them. One SHS participant noted she got most of her financial information 'through the school of hard knocks' and by 'making mistakes,' while an OSJ Center participant remarked that she learned through 'trial and error.' Others noted:

> I am self-employed. It is feast or famine, and you get used to the ups and downs and learning by doing. (SHS)
>
> Nobody ever taught me how to build credit. I learned the hard way. (SMA)
>
> I know that saving is very important. I know that difficult times are coming, so—

> that's just how I imagine it and something like that. It's not that anyone—or that I took classes or anything. I just learned from life from what I'm living. (SMA)

Summary of Findings on Sources of Financial Information. Focus group participants seek and find financial information from a variety of sources, depending on what they have access to, what sources they trust, and the type of information they are seeking, and most are eager for more information. CBOs and others seeking to improve financial literacy among low-income populations should pay particular attention to reaching people where they are—at their jobs, in the library, at churches—recognizing that different approaches will work for different populations. For example, churches play a central role in African American communities, are already engaged on the topic of financial literacy, and are in a unique position to educate and motivate. It might be possible for CBOs to partner with churches to provide programs or for public agencies to look to churches to help expand people's awareness of certain tools and programs.

Television (and, to a lesser extent, radio) was a major source of financial information for focus group participants, who noted gaining awareness of specific financial tools and savings programs as well as general economic information. Participants also cited Oprah's financial segments, which suggests that television outreach could be enhanced with more how-to and motivational programming centered on behavior change. The Internet shows promise as a source of information on financial trends, organizations that provide services to low-income people or those in financial difficulty, or specific financial tools; however, there are likely barriers to overcome regarding skill in using the Internet among older individuals, and there may be a need to educate people about how to assess the trustworthiness of information they find via the Internet.

Approaches to Financial Education

A substantial part of the focus group discussions centered on financial education. Participants shared their past experiences with financial education, discussed their interest in receiving additional education and in what format, and debated at what point in the life cycle financial education would be most helpful.

Experience With and Attitudes Toward Financial Education. The participants in the focus groups were generally very eager for information that would help them improve their financial situations. At the start of the focus groups, many participants said they were interested in learning more about how to manage their money, improve their credit, and save more. When asked about what topics they would like to see covered in workshops, classes, peer support groups, or one-on-one counseling, the most commonly cited topics were:

- General budgeting and saving, including how to develop a budget and stick to it;
- Saving for retirement, including 401(k);
- Investments and mutual funds; and
- Student loans.

In addition, several middle-aged participants who had lost their jobs said they would like help with getting through the current economic crisis and making career changes later in life.

Generally, focus group participants were interested in financial education that would help them change their savings behavior, that is, that would help them learn ways to save given their income constraints and ways to get out of a cycle of saving and spending or living paycheck to paycheck. Those participants who had stable employment or had been saving for some time were more likely to be interested in learning about different ways to invest their money, but generally people were hungry for education that would help them start to save or save more.

Many people in the focus groups, particularly those in their 50s and 60s, expressed concern about their retirement as a motivating factor for obtaining more education. Comments such as ‘I know social security won’t be enough for me to live on’ were common, and participants acknowledged that they needed to save more for retirement but did not know how.

Generally, focus group participants had a positive perception of financial education. All of the focus groups included people who had received some type of formal financial education, either through a workshop or class or through meeting with a financial counselor or financial planner, and most said that it was worthwhile. Nearly all focus group participants were familiar with financial workshops, and many had participated in workshops sponsored by nonprofit organizations, banks, and churches. People also generally had an understanding of financial counseling and financial planning, but were less familiar with financial coaching and peer support groups for financial education.

A small number of focus group participants, mostly in the OSJ Center groups, expressed reservations about the ability of financial education to help them. Most of these people said that given their income and expenses, they simply had nothing left over to save and implied that financial education could not change that. Others seemed skeptical that financial education could help them change their behavior. As OSJ Center participants put it:

> . . . at the end of the day, it is all on you. It’s all on you and what you going to do and the decisions you decide to make. You either going to stay in the bind you in or you going do something about it and get out of it. (OSJ Center)
>
> I mean I could pay someone. I could listen all day long and go to workshops . . . but at the end of the day, I’m still going to do what fits my situation. (OSJ Center)

Preferred Formats for Financial Education. During the focus group, participants read brief descriptions of different forms of financial education—workshops, courses and classes, financial planning, counseling, coaching, and peer support groups—and were asked which forms of education they would be most interested in and why. Much of the discussion focused on the pros and cons of group settings (workshops, courses and classes, and peer support groups) versus one-on-one settings (financial planning, counseling, and coaching).

Group settings versus one-on-one. It is clear from the discussion that people have different preferences for how they wish to learn and that no single format would satisfy all or even most participants. Many participants expressed a preference for group settings, but a greater number said they would prefer to work with a financial educator one on one. Among the benefits of group formats, participants mainly cited the opportunity to hear a variety of perspectives and to learn from others' mistakes and the sense of support that comes from knowing that others have faced similar challenges:

> Group settings, I find them to be helpful because I can learn from other people and what they've experienced and kind of like see what may interest me or what may not interest me. (SMA)
>
> I'm better with the group. I sort of like the financial workshops or maybe the peer-to-peer sort of people in the same situation so you could see the different ways that they've done things. (Logistic Center)
>
> I like groups better. Because like in a group like this, like you can hear everybody's comments. You can hear like if they went to this website or they went to this website or a group over there . . . to me it's more knowledgeable too.

> And I'm more comfortable in groups than sometimes one on one because, I mean, you know, it's just more comfortable to me. (SMA)
>
> Well, it would be, you know, a support group. I need support. Financially I do. (Logistic Center)
>
> But I think the financial workshop would probably be good for me because, you know, just sitting in here, a lot of people have different ideas that, you know, I might not even think of, you know, when you're investing and stuff, and stuff that would probably work and help make your retirement easier. Just because you don't think of it, you know, a lot of, you know, different minds, you know, it's a lot easier to come up with different solutions. (Logistic Center)
>
> I like to talk and I like to see what other people say. (CTP)
>
> I prefer the classroom group because I like the feedback of other people. (CTP)
>
> [I prefer a group] because there are more viewpoints and that peer kind of feeling to it. (SHS)
>
> Well, I'd rather be in a group—a group of people that's around the same age to see that maybe I'm not the only one that's making financial mistakes. (OSJ Center)

Some participants who preferred group settings said they felt more independent in a group setting:

> [Workshops] are actually really good because, I mean, I can't get as in-depth as you might like but they get pretty in-depth and it gives you a lot of ideas and a lot of times that's might just be what you need to kind of do some further stuff on yourself on your own, you know. (CTP)

Others valued the freedom in a group setting to decide not to engage with the material should they chose not to. One participant contrasted workshops to classes, saying that he preferred classes because it was easier to disengage: ‘I enjoy workshops although I kind of like a class where I can just walk away and I don’t have to answer to anybody’ (SMA).

Although people generally had positive opinions of group settings for financial education and acknowledged the benefits of the group for exchanging ideas and providing peer support, a majority of focus group participants said they would prefer to receive financial education one on one. Common reasons for preferring a one-on-one setting include greater privacy, greater focus on one’s individual situation, less time spent on information or issues not directly relevant, and more time to ask questions. The following comments typify opinions expressed across the focus groups:

> I would go with the financial counseling one on one. It’s going to sound selfish, but I really don’t want other people knowing my financial status. It’s nobody’s business or concern except mine. And as far as other people, you know, obviously there’s people out there that they feel better if they talk to other people, a group of people or whatever in regards to their state of mind or temper at the time, financial situation and all that, and as far as I’m concerned, that’s personal. (Logistic Center)
>
> I prefer one on one. Just so that I know what steps I need to take. I mean, not that I wouldn’t mind going to a group session or a workshop but I think one on one for my particular stuff on how to save and how to go about to pay my bills. (CTP)
>
> When I start to share my financials I really want to be one on one with someone. (SHS)

> Because you get to explain like to another person, not just a whole group, about what you feel and how can you work out things like planning and all that. Just talk to a person one on one instead of listening to a whole group and getting confused. (OSJ Center)
>
> I would be more interested in the one-on-one financial counseling just because it seems like it would be a shorter period of time and more focused on my particular situation and my needs which would just be a better time well spent. (SHS)
>
> One on one. That kind has interested me very much because we’ve focused on what I really need. The workshops are always very useful, but they're general. Sometimes it’s like they don’t—don’t—how do you say? Not complete. (SMA)

Several participants fell somewhere in the middle, saying that they prefer group formats for general information and individual sessions for more specific work on their individual finances:

> If I would choose workshops or one on one, probably if I just need the basic information I would go to the workshop. But, if I need to talk about some particular questions which I have which is my own information, I would prefer one on one. (SMA)
>
> Well, the financial course that I went to in church was about 10 weeks, so it was a good overview but for dealing with the everyday nuts and bolts, issues I like the financial planner that I had gone to years before. (SHS)
>
> I would prefer the one on one because it gives me the opportunity to be able to focus more and to understand and ask questions. I guess not be rushed but to just have that one-on-one time and then also, I would love to do the group

> opportunity. That would be another choice—the financial workshops because I am a concrete learner and so if it's in front of me and I'm hearing others opinions and decisions, I'm going, 'Well, hey, maybe I could.' So, financial workshops also is best too for me. (OSJ Center)

Financial Planning, Counseling, and Coaching. Most participants did not express strong opinions about financial counseling versus financial planning. Mainly they were interested in working with an individual. Several people said they had used financial planners in the past and most had good experiences. However, some participants, particularly in Minneapolis, expressed concern that financial planners may be too interested in selling an investment product to offer sound advice:

> I did financial planning, but the guy just wanted to sell me stuff so I did not have a good experience. I think both one on one and group can be good. One on one is good because the person is focusing on your situation. (SHS)

> I have had some financial planning in the past but it wasn't realistic and the pressure to buy was pretty intense, so it just didn't work for me. So, any education, I would appreciate that. (SHS)

Most participants liked the idea of financial counseling. However, a small number said they found it difficult to act on the advice provided:

> Sometimes their advice just isn't realistic. You know, you have X amount of cash flow and Y amount of bills. And I think they visualize that you can make cuts that just really are not feasible and in today's environment, particularly. Like if you have a house and you cannot sell it, you cannot do anything with it, and it is the

> bulk of your income, saying to reduce fixed expenses isn't really very helpful. (SHS)
>
> I've kind of noticed, when it comes to anything free though that . . . you really almost gotta walk in there with—with really knowing what you want because you don't really get the best help with free help. (CTP)

Another participant commented that she found the term 'financial counseling' stigmatizing:

> Financial counseling, it is sounds to me more like a punishment in a sense that it's like okay, you owe this much money. You are going to have to come here and we gonna give you counseling. (CTP)

Among the different options for financial education in a one-on-one setting, focus group participants expressed the most enthusiasm for financial coaching. People perceived financial coaching as an ongoing relationship in which the coach helps the person identify goals, provides the tools to achieve those goals, and follows up with the person on his progress. Further, people seemed to think of coaching as providing greater recognition of their efforts to improve their situation than counseling. The following comments are illustrative of the generally very positive perception of financial coaching:

> I mean, like I said, I did at one point save and save and save, but I think maybe there needs to, more not reinforcement or a coach, but maybe voluntarily someone to be accountable to, to like keep track of your progress, not to just like let you go because I just like saved and saved for years, and it's like now what I do? And like [PARTICIPANT] said, it's like what if there's no tomorrow or, you know, if you're going to make it to that point? And it's like, and then I just started like

living like there was no tomorrow. There was like, I'd say, no accountability. (Logistic Center)

. . . I have found that the financial coaching is a whole lot more effective for people that need to—not just for you to tell me how to do it but for me to—for you to tell me how to do it and I actually do it. (OSJ Center)

So, for me the financial coaching is really the part that would work best for me because of the situation that I am in. My husband is not an outgoing kind of person—financial matters are very sensitive to individuals so like [PARTICIPANT] said, you know you go in and you have done the best you can with what you had and you already feel bad because you are already in the situation you are in even though most of it wasn't your fault anyway. But, to be able to have somebody there that you can just pick up the phone and say, 'Can you help me figure out why I just cannot make all this work and I know that I should be able to?' That is more helpful to me because that would fit my particular lifestyle. (SHS)

If it was something that could work for me where you know my followthrough could be a little bit better, you know, where maybe if I had some better goals for myself that were maybe—I think I set my goals a little too high and that is why I can never really keep on budget. But, if I could find somebody to help me with one that I could stay with, I definitely think I could follow it. (SHS)

I really like the financial coaching—one to one. For me, it's worked very well with me because I think at first my coaching is very interested and focused just on me and my problems and my goals. Three months. Yes. Yes, so he ask me about the—what I'm doing with my money, where I spend my money, where it—everything. (SMA)

> When I pick up a coach, I think it would personally give you discipline to be able to do whatever you have to do, so I think that would be the most effective way to start saving money—and start building financial power. I think when you say financial counseling, I—from that, I would imply that it's somebody from a distance and, you know, you are maybe talking to somebody over the phone or an Internet or even face to face but they, you know, just giving you suggestions. Whereas a coach, you know, you think of somebody giving you orders like, you know, do this or do this and do that, and showing you how it is going to work to your benefit in the future. (CTP)

> What I have to say is that financial counseling seems more passive—where financial coaching seems more aggressive—more hands on. (CTP)

Peer Support Groups. Alongside financial coaching, the concept of peer support groups for financial education generated considerable enthusiasm across all of the focus groups. The focus group facilitator used the example of a Weight Watchers group to describe how a peer support group might function, and this resonated with many participants. Some participants said they thought a peer support group would be motivating. Others said they thought a peer support group would work well coupled with some individual coaching or counseling. The following comments illustrate the views of those interested in peer support groups:

> [I'd choose] the peer-to-peer support because I would like to know, you know, there's always someone out here going through the same thing and maybe you

> can talk to other people and see how they handle their problems and maybe you can get out of debt from there. (OSJ Center)

> A peer group might work for me because then I would kind of be, I would kind of have to stay on task because I would have a group of people kind of that I have to be not responsible for but that I would have to let them know how I was doing, and maybe a little bit more conscientious that, well I have to let the people know how I am doing. So, I think maybe a peer group might work for me. (SHS)

> Actually, I think that would be great, you know. I mean just having someone that's, you know, been where you have been or been where you haven't been in. Like just guide you through it just makes things a lot easier. (CTP)

One participant liked the idea of a peer group, but only if moderated by an expert:

> Provided that there's a few experts there and not just a bunch of people who are like, you know, that just kind of meander through and had experiences. But if there's an actual, like a facilitator or a professional that says, you know, this is, you know, you have this. You have that. This may be a suggestion you should do this, and here's some information on how you would go about it and how it works. Something like that would be good in a group, and everybody can, you know, explain . . . I'm saying, how much would you learn if it was just a bunch of existing peers that have no idea? Like I don't have no idea, you know, and then have a bunch of people that, well, they could talk about where they are, but wouldn't have a solution at the end of, or ideas that could make them improve their situation, you know. (Logistic Center)

From the perspective of the financial educator, staff at SHS noted that it can be useful for people in *different* circumstances to attend a workshop together. The SHS interviewee noted that a single mother of two earning minimum wage may describe how she is able to save, inspiring a married couple with one child who say they cannot save. One LMI participant echoed this: 'There are people who are in worse positions than I am, and they are able to get the help.'

For people who said they were not interested in a peer support group for financial education, the main reason was a concern that they would get bad advice and that it would be a waste of time:

> To me, I really wouldn't want to take advice from anybody that's in the situation similar to mines or worser because how are you to help me with anything. . . . You all in the same boat. (OSJ Center)
>
> Yes, we dealing with money. We ain't trying to lose weight and all of that. I mean, you just want the best information, you know what I'm saying . . . to whatever situation you in. (OSJ Center)

Online Financial Education. Despite the fact that most participants could access the Internet if they wanted, focus group participants generally expressed little interest in financial education provided online. The limited interest in online education stemmed mainly from a lack of trust in Internet resources, even though many people cited the Internet as one of the main ways they get their financial information, and concern about entering personal financial information into a website.

Several participants in the Chicago group of people in their 20s and 30s said it was too easy to disregard information provided in an online format:

> I would rather have a face to face, you know, just because if it is on the Internet, you know, like, 'Here. Here's 10 pages. Go through it. Scroll through it.' Press 'yes.' Okay. (CTP)

> . . . online is basically for students—to finish the assignments and get the grade and that's what most students want. So, if you want—really want to know something about finance for the—manage your finance, you should like know something important or in person. Like maybe you could talk to professional about I've got this situation. What should I do? (CTP)

Although there was not a lot of support for financial education provided online, several people said they liked the idea of working on their education in their own homes, for example through a CD that they could install on their computers. Others said they liked written handouts, stressing that they found it easier to remember things if they were written down.

Other Considerations. The specific format aside, some participants raised pertinent issues about the logistics of participating in financial education. One concern involved having to miss work to attend a session or workshop; a participant in the Spanish-speaking SMA focus group commented that she liked to receive counseling by telephone, because it saved her having to drive somewhere or take time from her job. A second concern voiced by participants with children was the need for childcare to attend in-person financial education sessions. Finally, Spanish-speaking participants raised issues about the availability of resources in their language as well as the trustworthiness of translations.

Timing of Financial Education. The focus groups explored the timing of financial education, gathering opinions on financial literacy efforts aimed at high school students as well as the idea of 'teachable moments.' Participants in the CTP, SMA, and SHS groups were asked what they thought of the financial education offered in conjunction with the tax preparation, IDA programs, and foreclosure counseling that they had received from their agencies. Similarly, OSJ Center and Logistic Center focus groups were asked about financial education provided through their place of work.

Generally, participants advocated for ensuring that young people have a strong base of financial knowledge as they enter adulthood and are faced with decisions about credit cards and student loans and as they start to receive paychecks of their own. Messages were more mixed about the teachable moments offered by tax preparation services and foreclosure counseling agencies, although in the latter case, SHS participants saw some financial education as necessary; SMA participants did believe they had benefited from financial education offered in conjunction with the IDA program. Finally, responses to the idea of employer-based financial education varied considerably and were closely related to participants' level of trust of their employers.

High School. When asked when financial education should be provided, focus group participants were virtually unanimous in saying that it needs to start in high school, or even before. While parents are primarily responsible for teaching good money management to their children, many focus group participants said that financial education should also be part of school curricula. This is because parents may not be knowledgeable themselves or may find it too difficult emotionally to talk honestly with their children about money. Several participants noted that children, particularly teenagers, may be more receptive to advice and information from someone other than their parents:

> I think finances and money are such a personal and emotional issue that parents should not be the only ones to, I think inadvertently teach our children anyway,

> but I think it would be very helpful to have an outside source teaching them the facts in a system and those kinds of things too. So, I think it should be a joint effort. (SHS)

One of the common themes that emerged from the focus groups is that the final years of high school and early years of college are risky periods for young adults when it comes to finances. Several focus group participants in different focus groups talked about themselves and their children being offered credit cards in their late teens and early twenties and the temptation to take out student loans. The debts they incurred in high school and college then became a major barrier to saving later in life. Several participants said that young adults need better education to understand what they are getting into when taking out a credit card, as well as the challenges associated with repaying large student loans:

> . . . now that I do look back, maybe a financial class before the age of 18 would have been very useful to me and I would've been more aware of, before I signed any loans in college. But how it ended up, it was, you know, recruiting—I mean, recruiters were there all the time your senior year. That's all they talked about, the benefits. They don't even focus on the loans. They're just trying to get you in the door. (CTP)
>
> Just going on the student loan thing, well, I think a lot of like kids that get student loans and go to school come to the shock, better late than never, that they're going to spend the next ten years of their career paying off those loans, if they get a job in that field. And I don't think there's enough education in that. It's just more along the lines of, if you want to go to school, sign here. (Logistic Center)

> [Financial education] should, well, some parents aren't necessarily good teachers, but I definitely think it should be taught at the school level. I mean, because let's face it, I mean, you look at the colleges, and that's where it starts. That's where bad credit starts because people, you know, they don't have a steady job or a great income, and yet they have expenses. So that's where credit cards camp out is at colleges. (Logistic Center)

> I was wondering if you have a workshop, what age would be—are you going to target early? Are you going to nip it in the bud or are you going to just basically become a recovery operation as far as finances are concerned? (CTP)

> And I think that a lot of time in any financial class should go into understanding what your credit score is and what affects that. Because I am 27 years old, and I still don't quite know how they come up with those numbers. Like I know that a bunch of credit cards makes it go down. A lot of people looking at your credit score makes it go down. But I don't know why. I think that kids understanding that and understanding that like, you know, you hear old timers talk about, well, I had a house when I was 20 years old. Well, a house back then cost $20,000 and you made a lot more money than us. You know, they used to say that 20 percent of your income should go to your house, but I guess now it's 50 percent. You should not buy a house, unless you can, I think they still say 20 percent, but nobody can make that anymore . . . That's an impossibility. So I think that telling kids what they should expect and showing them how to, well, giving them the tools to understand how to manage their money. (Logistic Center)

Others argued for general financial education for children and young adults:

> I really think that they should try and start teaching children financial stuff as young as they really can because you kind of, you don't want to really, I don't want to say train, but you kind of want to train them into just kind of a habit of not overspending and learning how to keep track of their money and stuff. Because the younger they are, the more likely they are to actually retain that and keep that as part of who they are so that when they do get older and are on their own that they're not just going, spending money, and partying all the time, and just being stupid with their money and stuff, which, I mean, I've known a lot of people like that. (Logistic Center)
>
> And as far as teaching finances, if possible, it should be a family thing. Teaching in schools is a great idea. There should be more financial education in schools. But I think, mostly, it should be a family thing. Like if you own the house, get the kids involved in, you know, this is how I pay this, this is how I pay that. This is how this works. (Logistic Center)
>
> I think financial planning should be something that should start when you are in high school. When you are a kid, you don't care about anything. But then when you are an adult, you start to worry more about those things. When you are old, you become a burden to everyone, and the young people should consider that. (HBO)

Several recent studies reinforce participants' opinions, finding positive outcomes for financial literacy from high school economics and personal finance courses. For example, Grimes et al. (2010) reported research results that found having taken high school courses in economics and business reduced the probability that an adult would be unbanked. In addition, Walstad et al. (2010) found that high school students exposed to the Council for Economic Education’s ‘Financing Your Future’ curriculum increased financial knowledge across many concepts. By contrast, the 2008 survey of high school seniors by the Jump$tart Coalition found that students who had taken a course in money management or personal finance scored no better on a test of financial literacy than students who had not taken such a course (Mandell 2010). However, the same survey found that high school students who played a stock market game in class did significantly better on the test, suggesting that this type of interactive activity may be more effective as a learning tool for young people than a traditional class.

Financial Education and Tax Preparation Services. There was not a strong consensus among CTP focus group participants that tax season is a good time to offer financial education. As part of its tax preparation service, CTP staff encourages clients to use direct deposit for their tax refunds or deposit their tax refunds onto a debit card and to save a portion of their refund. CTP also offers one-on-one financial coaching to clients and offers support in learning about and applying for federal student aid. While many of the participants in the CTP focus groups were aware of these opportunities, few expressed interest in them. Most people said they were too focused on getting their taxes done to think about financial education, and some were skeptical of the other services:

> I remember [them] mentioning some of them but they were talking about some things online and when people say online, I’m like, ’Okay. I’ll check it out.’ I really don’t check it out. I’m going to but—and I might have really wanted to at the time but I just—all right. I got my taxes done. Okay, whatever you said. (CTP)

> I was so centralized in getting the taxes done. Yes, I did notice, you know, they were offering to open up an account and like, I already have an account. There's no point of focusing so I just—I just dropped it from my—from my radar. I'm just there to do my tax return. (CTP)

> Well, I saw other things advertised. I only used what I needed, which was basically to get my taxes done. I mean most of the other stuff there was some sort of string attached. You know, some business says 'Hey, get your taxes done for free and we'll help you in this extent if you do this.' (CTP)

> I just wanted my taxes done. (CTP)

When asked whether tax time was a good time to offer financial education, responses varied. Some participants said that it was not a good time, because they viewed their tax refund as an opportunity to treat themselves and were not interested in hearing about saving:

> Any time of the year but that time is the best time to talk about that. Because again, I'm under the impression that tax time is Christmas time so you know—and they say well, you save—it pretty much goes in the one ear and out the other but you know if you're just talking like regularly saving from the paycheck then yes, I'm more inclined to pay attention to that. (CTP)

Other participants said that once a person has received the tax refund, it is too late to talk about savings. The temptation to spend the money is too great, and family members and others are asking for financial assistance at that time. However, some months prior to receiving the refund would be a good time to receive advice and begin making a plan for what to do with the money:

> Before the fiscal year starts, because then you're set to go forward. . . . Something just to plant a seed in your head just to, you know, get you thinking about it, you know, before I actually get the money. (CTP)
>
> At filing time. So you would know what you doing [when you get the refund]. (CTP)
>
> It's better to do when you have a little so you can learn how to build yourself up because when you have a lot, you are going to spend it. Spend it. Find something to do with that money. Somebody's gonna be knocking at the door or calling. Your kids are—It's gonna be something that you're going to see well, I can do that now and then you still at the end won't have enough for the important things that you supposed to do. (CTP)

Financial Education and IDA Programs. There was strong consensus among participants in the SMA focus group that IDA programs provide a good opportunity for financial education; indeed, several participants in the SMA group conducted in Spanish reported that they had come to SMA not just to participate in the matched savings program, but to learn about financial matters. One introduced herself by saying, 'I'm here to learn more about financial things. And again, to buy a house.' SMA participants, to a greater degree than other groups, mentioned accessing financial information and advice from a variety of sources, including nonprofit organizations in the metropolitan area—perhaps because SMA refers individuals to other nonprofit resources—and private sources (e.g., employers, banks, online classes).

Participants generally said that they had benefited a great deal from the workshops provided them by SMA, as well as from coaching they had received through SMA or through other organizations:

> Yes, because I guess this is the place that you would be discussing what you need to be saving because they are trying to help you save. They are trying to help you reach a goal. (SMA)
>
> Yes, I think it's a great place to discuss about financial because they have the people here. They have the information and knowledge and if not, they have the resources and also just to hear other people speak about their situations and know that we're all, you know, going to the same goal as far as savings regardless of its home, education or small business. (SMA)
>
> I think the two-year, like, program is kind of a good amount of time to spend getting yourself into that mentality. I think a couple of people said they would have just dumped all their money into that account . . . but that two years that we spent putting it in really gave us time to develop the mentality to be a saver. Like to develop those habits and I think that's really genius on their part. (SMA)

The aspects of the SMA program most conducive to learning were the shared experience among program participants, the fact that everyone in the program is trying to save, the financial coaching available to participants, and the two-year length of the program. Participants also thought that comprehensive education was valuable, not just training focused on the IDA or the goal of the IDA (e.g., homeownership, small business) itself:

> I think [financial education] should be talked about because it goes hand in hand what relationship you have with your money and how you save and plan for it will dictate how much money you are going to be able to save, so I think it is a tool, a resource, to help us save. (SMA)

Financial Education and Foreclosure Counseling. When participants in the SHS focus groups were asked whether a financial crisis, such as a mortgage delinquency, is an effective time to offer financial education, responses were mixed. Several people said that when a person is facing foreclosure proceedings is not a good time to discuss savings and money management, because the person is heavily in debt and under a great deal of stress. As one person put it:

> . . . a crisis is never a time to teach anybody anything because you cannot think straight. You are trying to keep your brain separated from your buns or your brains are separated from your buns I should say. (SHS)

However, a majority of focus group participants said that some type of financial education is essential during a financial crisis and that people may in fact be more receptive to learning better financial habits when they are facing such difficulties:

> During a crisis is a good time to talk because you are forced to face reality. It's a reality check. (SHS)
>
> The best time to learn about credit is when you are a kid. But you may be more willing to listen in a time of crisis, when you are backed up against a wall. It's good to get advice when you are young, but you really listen when you are in crisis. (SHS)
>
> [A financial crisis is not the best time] but human nature being what it is, I think we generally only deal with it when we have to. (SHS)
>
> The best time is when you are not in crisis to help you avoid crisis but you are more interested in listening during crisis. (SHS)
>
> I think it is a good time because I think that you are feeling immobilized and I think that maybe it is time for you to wake up and do something because I think a

> lot of us are just kind of like feel kind of paralyzed by the whole thing. So, it is a good time as before I think. (SHS)

Employer-Based Financial Education. Participants in the OSJ Center, Logistic Center, and HBO focus groups were asked whether they would be interested in financial education provided by their employers and whether they would trust their employers to provide sound financial advice. The responses among the three focus group sites were quite different. Most participants in the OSJ Center focus groups said they did not trust their employers. Some said that they would attend a financial workshop put on by employers because they are interested in any and all information that could help them improve their situation, but they might not follow that advice. Some participants could not imagine their employers offering such services given their employment experience thus far:

> I don't trust the job that I'm at right now because they are the most unprofessional people in management that I have ever worked for . . . I don't trust them as far as I could throw them. (OSJ Center)
>
> I somewhat agree to going through the job and also doing my own research because what they saying I don't trust in my job, and then they may say it might be something a little different or something—that would probably work for me. So, it's 50/50. (OSJ Center)
>
> I'd rather not do it through my place of employment. Because I don't want them in my business. (OSJ Center)
>
> Would I trust them? That's hard because it's like they have their own problems. They on financial problems all the time. I'm not sure. (OSJ Center)

Participants in the HBO groups expressed interest in employer-based financial education, but were not sure they would be able to trust the information provided:

> Yes, I would like to be able to participate, but first I have to trust those people. And I would have to be assured that everything they are telling me is true. Because many times they tell you things that are untrue. I think it is very important that they supply a person who can give you that information, but you lose that trust because, like he said, you don't continue to deposit money in a certain account, and you are liable of losing it . . . The major stores as well as the big banks, they are in business for their benefit only, and they will take money from wherever they can. (HBO)
>
> Yes, I would love to, but they give me one piece of information, and in reality it turns out to be something else than from what they told me. And the contract that they offer me includes nothing of the conversation that we had, so that is where the problem comes in. (HBO)

Several participants in the HBO groups also complained about the lack of information provided by employers on 401(k)s and other retirement options. Several cited cases where they did not receive sufficient information or did not understand the risks of participating:

> Well, all of that is fine, but [regarding the] 401(k), when they invest the money, they do not explain to you exactly what the risks are of losing or gaining money. (HBO)
>
> . . . The benefits coordinator did not have time to educate 400 people. Basically, she sends a blast e-mail to everyone or a letter that she puts in your check, and it says, from this date to this date is open enrollment. Make sure you sign up. Go to

> this website. And for our people who do not use websites, you are asking that person to go online for the very first time to read what is there, check off boxes. Many times, there is no responsibility or education to help them sign up and [they are] less likely to manage the plan. But the responsibility falls within the person who sold the plan to them, not necessarily the employer because perhaps the employer himself might not understand it. But whoever sold the plan to them, they should have that service. (HBO)

> I got into a program, but it wasn't a 401(k). It was a company that came to offer services. And many of my co-workers did not sign up (inaudible), but they did not offer me the time. They did not offer the support to learn. That is why I think that it should be something that is mandatory that you attend some kind of learning plan. (HBO)

Participants in the Logistic Center group were much more receptive than participants at the other two focus group sites to having financial education provided by their employer, a large national retail chain. Moreover, their comments indicated that they already rely heavily on their employer for financial information:

> I feel about the same as everyone else around the table. And as much as it kills me to say, [Large National Retail Chain] is actually, for their benefit options and stuff like that, they're actually a pretty good corporation. And they do care more for their employees than some, not most, but some other companies I've worked for, and that's always a plus. (Logistic Center)

Logistic Center employees voiced opinions about the kinds of information they would like from their employer:

> Just knowledge, whatever knowledge. Break down them analyst sheets, you know, on the different investments and just give, put it in layman's terms. (Logistic Center; others in the group concurred.)
>
> Just like the Logistic Center stocks because like when they go in, they list like what each group is, but to really understand what really each group represents and like what's the best group, you know, like where do they see it going or whatever, because they, there's a number and stuff like you can call, but even, I guess I go over the phone. I just, I think I'm more of like a one-on-one person. Show it to me instead of like over the phone. (Logistic Center)
>
> The same [i.e., financial education and planning], but not only just not the dos and don'ts, but now most of us are in this situation have to live with it or how help yourself get out of that state you're in. (Logistic Center)
>
> . . . I would love to more about the different funds and groups of funds for investing in the 401(k). I tried to understand it, but it's, there's so many options, and it's complicated, and you have to know what you're doing in order to make a conscious decision. I would be interested in that. (Logistic Center)

Summary: The Form and Timing of Financial Education. The main themes emerging from the discussion of the form and timing of financial education are that people are generally eager for financial education, particularly if it will help them build assets and save for retirement, and are willing to engage in financial education in different formats. While the majority prefers individual counseling when it comes to financial matters, many people value group settings for financial education because of the exchange of ideas that happens with a group and the support that comes with the sense that others are facing the same issues. Focus group participants were particularly interested in the concepts of financial coaching (as opposed to counseling) and peer support groups for savings and money management, perhaps because these were more focused on actual behavior change than knowledge transfer.

With respect to the timing of financial education, most focus group participants said that financial education should be offered in high school or earlier. They identified the college years as a time when people often make misinformed decisions about loans and credit cards that lead to financial problems later in life. Participants in select groups also discussed whether financial education should be provided alongside other services, such as tax preparation services or foreclosure counseling, and whether they would like to receive financial education from an employer. The responses to these questions were mixed, but generally suggest that counseling or services provided for issues related to household finances, such as foreclosure, offer a good opportunity to provide financial education and that people will turn to their employers for financial information and education if they trust the employers.

Implications

The findings on current savings behavior, motivations, impediments, and techniques suggest several lessons for CBOs and other entities interested in improving financial literacy among low-income and vulnerable populations. Overall, results indicate that while financial knowledge is important, particularly at key points, behavior change may be even more so, and financial literacy interventions should focus on how to help people translate knowledge into practice.

Content of Financial Education: Knowledge and Behavior

Implications for the content of financial education largely arise from the focus groups' discussions of impediments to saving. One of the main impediments that people identified was a lack of income resulting from unemployment or underemployment; indeed, many reported that they were not saving in order to get by. For these individuals, job training and employment services, and for some, counseling regarding mortgage delinquency and debt, may be more critical than education about saving, although findings also suggest that gaining employment offers an opportunity for providing information and education about personal finances.

Assuming people do have income, there are still a variety of impediments to saving, including lack of knowledge of financial tools (such as credit cards or 401(k) plans) that can result in either financial difficulties or missed savings opportunities. This was particularly true for the HBO groups, where the lack of financial information translated into Spanish appears to be a serious impediment to financial literacy. Knowledge may be particularly critical at key points, such as when an individual takes a new job and has steady income for the first time, or when a homeowner falls into financial distress and specific information (as well as advice) might help elucidate options.

However, many participants reported that they do know how to save; more importantly, many believed they know how to save, although they were not currently doing so. These people may not be receptive to financial literacy efforts if they think the purpose of these efforts is to transfer knowledge they feel they already have. In other words, 'not knowing what they did not know' presented its own impediment, as people are not likely to seek out information if they do not realize they lack it.

Furthermore, many participants admitted to having trouble translating financial knowledge into good savings habits because they lacked willpower or the hope that they would be successful at savings. Overspending and a general lack of discipline around savings were large issues in almost every group; there was a sense that even with knowledge of budgeting or various financial tools, acting on knowledge is still difficult, particularly when people are discouraged about saving or lack savings goals. In these cases, efforts aimed at encouraging motivation to save, by helping low-income people and vulnerable populations to identify goals and feel positive about their savings potential, and supporting behavioral change are likely more important. Such programs might include practical techniques, emotional support, and accountability measures aimed at increasing motivation and discipline around savings. There may also be a special role for encouraging those who have suffered asset losses and who are discouraged about and distrustful of savings tools.

Another impediment to saving was distrust of banks, employers, the government, and even financial planners, which may keep some from formal saving, so that people are left to save, if at all, in penny jars or literally under the mattress, where money may be at greater risk and temptations to use it may be higher. The Hispanic participants from the HBO groups in particular articulated a sense that they felt outside the system and distrustful of financial institutions and the government. Financial literacy efforts of any kind must address these issues with cultural sensitivity.

Forms of and Outlets for Financial Education

Financial education is not one-size-fits-all; participants' preferences varied for one-on-one versus group formats. However, if efforts are focused on behaviors, peer-to-peer groups and coaching may be particularly useful, given participants' comments that such efforts had helped to instill motivation, impart techniques for changing behavior, and provide accountability measures.

Findings also suggest that education, information, and references should be offered where target populations spend their time: libraries, church, employers, high schools. Television and radio, as well as advertisements and links from popular websites, are also valuable for disseminating information and spreading the word about specific programs.

As noted above, focus group findings suggest that people do not always trust employers to provide valid and understandable financial information. However, there may be a possibility for CBOs and employers to partner to provide financial education, to the extent that CBOs can leverage goodwill toward employers and provide an independent institution that employees might trust, or for CBOs to offer a financial literacy component of job training (Collins 2010b), since many of those who find employment after receiving job training will not necessarily join large companies equipped to offer benefits like 401(k) plans or financial education. Financial education can also help recipients of public benefits to coordinate those benefits and build assets while transitioning off them.

Timing of Financial Education Efforts

There was strong sentiment that high school aged students should receive financial education as they are on the cusp of earning income, taking on student loans, and opening credit card accounts. There was also general agreement that financial education needs to start early, even in childhood, and should come from sources other than or in addition to parents. Focus group participants recognized the powerful influence of parental role models, but many noted that their parents were poorly informed. Others feared that their children may not listen to their advice, particularly as teenagers, and suggested that the schools need to be involved as well to ensure that the information gets through.

Crisis points offer opportunities for efforts that give clients knowledge about financial options and offer encouragement and a roadmap for behavioral change. Comments suggest that foreclosure in particular offers an opportunity for financial counseling, as people understand that they need to change behavior in order to retain their homes. People who have lost their homes to foreclosure or sold a home to avoid foreclosure often see themselves as entering a new chapter in their lives, which may make them more receptive to learning how to manage their finances better going forward.

Public programs, such as VITA or the housing counseling, job training, and IDAs discussed in this paper, provide contact with vulnerable populations, often on a sustained basis, presenting opportunities for the agencies and CBOs involved in administering such programs to increase these people's participation in or ties to financial capacity-building efforts (Collins 2010b). The focus group findings suggest that coaching or education aimed at behavioral change might be particularly effective if it is offered in multiple sessions, spread over time, with accountability components. At SMA, for example, IDA participants valued the financial training they received, including peer-to-peer learning and coaching (optional and delivered through partner organizations) and noted that the length of the program was helpful in helping participants make behavioral changes. Indeed, SMA's coaching model, in which the organization trains other nonprofits, is anchored in behavioral change rather than information transfer (Mangan 2010).

Sustained contact is more difficult in other public programs, such as housing counseling and VITA, which typically offer short-term interventions. Many foreclosure-counseling clients, for example, have just one or two sessions with a counselor, and counseling agencies generally do not have the capacity to follow up with clients once some type of resolution to the mortgage crisis has been obtained. SHS offers a 12-hour financial education workshop separate from the foreclosure counseling and also provides referrals to other organizations for longer-term financial education, but there is currently no mechanism for ongoing check-ins with clients to reinforce behavior changes.

As Collins (2010b) notes, VITA reaches a wide audience, who, at tax time, have financial information at the ready; however, focus group participants were mixed on how effective financial literacy education is at tax time, although comments generally suggest that education offered before a tax refund is received would be more effective. This timing, which some described as at the first of the year or at filing time, could help 'plant a seed,' as one CTP participant said, of how the tax refund money might be used once it arrives, 'before you get that check in hand.' CTP participants in one focus group emphasized the importance of financial education throughout the year, perhaps echoing the lessons from SMA, and ongoing education is perceived by participants as particularly useful.

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Appendix A

Moderator Guide for Financial Education Focus Groups
with Individuals Affiliated with Community-Based Organizations

Introduction

Hello, my name is [NAME] and I work for a company called Abt Associates. I am facilitating this group today as part of a project run by the Center for Financial Security at the University of Wisconsin-Madison.

Thank you for your time today. We want to hear from you about how you manage your finances and what might be helpful to you to learn more about financial matters. What you have to say is very important and will be used to help people build financial assets throughout their lifetimes.

We are planning on conducting as many as 20 focus groups across the country with a total of up to 200 people participating in these discussions. The information we get from you will help us develop research about what the financial education needs of people like you are and how they might be met. This work will be used to researchers nationally to better understand financial education issues.

I will be tape recording this session. However, none of our reports will identify anyone by full name. Your name cards have first names only and I will only know you and refer to you by your first names. Please do not use anyone's last name in our discussions if you happen to know them.

Your participation in this discussion is voluntary. You do not have to answer any questions you would prefer not to answer. You can also decide to leave the group at any time if you do not want to continue.

Also, please know your participation in this group will not affect any benefits you may be receiving now or will in the future receive from any government agency, or with any relationship you may have with [HOST SITE] or the University of Wisconsin-Madison. In the coming months we will use the information from today and other focus groups we hold nationally to prepare a report that will help inform affiliated researchers.

The consent form you signed earlier (and were given a copy of) provides contact information for the study director should you have any questions about the study after leaving today. The consent form also includes contact information for [NAME] of the University of Wisconsin-Madison's Institutional Review Board should you have any questions about your rights as a study participant.

My role as facilitator is to find out your views on some issues and to move the conversation forward from time to time.

Does anyone have any questions about today's focus group?

Does anyone have any questions about this study?

Before we start, can you introduce yourself and say a little about why you decided to come to the focus group.

Primary Module: Financial Education [All Participants]

1. Where do you get most of your information or advice about financial issues or how to handle your money? [Write sources of information. For each source, ask:]
    a. How often do you use this source of information?
    b. Is there an individual or a source that you particularly trust?
    c. Is there an individual or source that you do not trust?

[If any of the following sources of information is not mentioned ask the same questions about use of:]

-TV news or financial programs

-Internet

-Employers

-Government or service agencies

-Friends

-Family

-Banks, credit unions or other financial institutions

Efforts to help people improve their understanding of financial matters and their financial practices are sometimes referred to as ‘education,’ ‘counseling,’ ‘coaching,’ ‘financial planning,’ or ‘financial advisory services.’ I’d like to talk now about which of these types of financial education might be helpful for you to improve your habits, knowledge, and confidence around your finances.

There are a number of different ways of learning about financial issues. I’ll hand out this information and then we can go through each of these in turn to ask you your views on them. [This will be a sheet with a short description of each of the programs below.] I’ll also go through each of them one at a time. Let’s assume that all of these services would be offered for free.

2. Let’s start with **workshops**. These can be a couple of hours or a whole day and provide information on particular aspects of understanding your finances, such as planning for retirement, understanding social security benefits, and planning and saving.
    a. Do you think these kinds of workshops are a good way to learn about financial issues? Why or why not?

b. Would you be interested in attending a workshop like this? What factors would affect your decision?
c. Are there particular topics that a workshop would be good for, compared to the other methods of financial education shown on your sheet?

Now let's talk about other types of programs:

3. **Financial counseling**, where you meet one on one with someone who can offer specific advice or help solve problems but is not allowed to recommend or sell specific financial investments.
   a. Would you take part in a program like this? Why or why not? What factors would affect your decision?
   b. Would you prefer face to face or telephone?
4. **Financial planning**, where you meet one on one with a certified planning professional to make a formal written financial plan and who can recommend or even sell you financial investments and/or insurance.
   a. Would you take part in a program like this? Why or why not? What factors would affect your decision?
   b. Would you prefer face to face or telephone?
5. **Financial coaching**, where you meet one on one with someone who simply helps you reach your financial goals, whatever they may be. This person would not give advice but would check in with you to make sure you are making progress on savings, paying down debt, or other issues that you want to work on.
   a. Would you take part in a program like this? Why or why not? What factors would affect your decision?

b. Would you prefer face to face or telephone?

6. **Courses or classes** that run over a number of weeks (rather than a single-day workshop) and cover topics such as planning and saving, understanding paperwork, living with debt, banking, and understanding financial products. Sort of like a class you could take at a local college, not just a one-day workshop that we talked about before.
   a. Would you take part in a program like this? Why or why not? What factors would affect your decision?
   b. Would you prefer an in-person course or an online course, or some combination of the two?
7. Are there other ways you'd like to learn about financial issues using technology?
   a. Has anyone ever tried online websites?
   b. Applications for a mobile phone?
   c. Video games?
   d. Do you readily have access to computers? High-speed Internet?
8. Would you be interested in peer-to-peer support groups on financial topics such as budgeting or different approaches to saving? Why/Why not?

Let's switch gears now and talk more about savings and money management, because part of what we are trying to do here is figure out how to make it easier for people to save.

9. Are you currently saving money? (If not, why not?)
10. How are you currently saving money? For example, in a savings account, certificates of deposit, by paying down your mortgage, investing your own business, or other investments? Is the savings automatically generated through payroll deduction, etc., or do you have to manually do it?

11. Do you wish that you could save more money than you do now? What keeps you from saving money on a regular basis?
12. Can you think of a time in your life when you had a different view of savings? Can you describe how you felt then and how your attitude changed?
13. Have you ever tried to reduce your bills or cut back on your spending? How did you try to do this? How did that work?
14. Have you ever tried to develop and follow a written budget? How did that work? What made it hard? What made it work for you?
    a. [IF YES] How often do you use a written spending plan or a budget? When do you find it hard to use?
15. Have you ever received any advice or tricks that you found helpful in making it easier for you to save?
    a. What was the advice?
    b. Who gave it to you?
    c. Was it advice that you had heard before or new advice?
    d. Why do you think you were able to follow this advice?
16. Can you give an example of when you learned something that helped you better manage your money in general? Describe what it was and how it helped.
17. Are you currently saving for retirement either through your employer or on your own? This might be through a 401(k) or 403(b) employer plan or an individual retirement account (IRA) that you have opened on your own.
18. Do you know if you are eligible for Social Security retirement benefits?

Module A. Tax Refund [for VITA Participants Only]

1. Let's talk about some of the ways people used their tax refunds. [Solicit ideas from as many as possible, write categories 'put it into a savings account,' 'got my car fixed,' 'used it to pay off my credit card bill,' etc., on a white board.]

2. Did you think about this money in a different way than you think about other types of income you have? [IF NECESSARY, PROMPT: For example, some people think about the tax refund as a chance to treat themselves to something they could not otherwise afford. Other people might see it as a chance to start saving toward a goal. How did you think about it?]
    a. Did you consider different alternatives?
    b. What was the key factor that drove your decision to [do X] with the money?

3. Did you save part of your refund? If so, how? If not, why didn't you choose to save any of your refund?
    a. What would have made it possible for you to save some of the refund?

4. If you could reduce your refund amount next year but get a bigger monthly paycheck, would you? Why or why not? Does anyone see the refund as a way to 'save' money? Why?

5. When you had your taxes done, did you see other nontax services available? For example, opening a bank account or credit counseling?
    a. IF YES: What services were offered? Did you use them? Why or why not?

6. Do you think tax time is a good time to talk about savings or money management? Why or why not?

7. Are you aware of the Retirement Saver's Tax Credit for contributions made by lower-income individuals to retirement plan (such as 401[k], traditional IRA, or a Roth IRA)?
    a. IF YES: Do you know how it works?

b. EXPLAIN TO ALL: Do you think this would make it more likely that you would save for retirement? Why or why not?

Module B. New Employment [Jobs Program Participants Only]

You were invited to the focus group in part because you received assistance finding employment from [AGENCY NAME] and recently started a new job.

1. Do you have a bank account? Or a stored-value card not connected to a bank account? How did you get that account?
2. Do you use direct deposit for your paycheck? Why/Why not?
    a. Did your employer encourage you to use direct deposit?
3. Most of you probably receive some types of benefits with your job, such as health insurance, disability insurance, or life insurance.
    a. How did your employer review your benefits with you?
    b. Did you get to select what type of insurance benefits you received – for example, were you offered a choice about different health plans? If so, how did you select your health plan? Do you plan on changing your health plan anytime in the future?
    c. Was that a good way to teach you about these topics? What would work better?
4. Did your employer talk about retirement savings at all? (Ask for a show of hands.) What kinds of programs?
    a. Are you participating in the program(s) at this time? Why or why not?
    b. Do you plan to participate in the future? Why or why not?
5. If you had a question about your employer's retirement savings options would you ask someone at work? Why or why not?

6. Are you aware of the Retirement Saver's Tax Credit for contributions made by lower-income individuals to retirement plan (such as 401[k], traditional IRA, or a Roth IRA)?
    a. IF YES: Do you know how it works?
    b. EXPLAIN TO ALL: Do you think this would make it more likely that you would save for retirement? Why or why not?
6. In general, would you trust your employer, or someone brought in by your employer, to offer services related to savings or money management, for example financial planning classes, enrollment in a credit union? Why or why not?
7. Did your employer mention your FICA tax and what it covers? (prompt - OASI, SSDI, Medicare, etc)

Module C. Matched Savings Programs [IDA Participants Only]

You were invited to the focus group in part because you worked with [AGENCY] to set up a matched savings account, or IDA.

1. How do you describe the matched savings or IDA account offered by [AGENCY NAME] to your family or friends? How much of a match do you get?
2. Will you save more than before you started the IDA even if you don't have the match? Has it 'taught' you to save? How? Why or why not?
3. Does the interest rate you receive on savings matter? If a bank account earns 3 percent in interest is that worth it to you to save? What about 10 percent?
4. Do you think IDA programs are a good place to talk about money management and other financial issues? Why or why not?
5. How would you go about learning more about savings options?

6. Has anyone ever tried using a saving bond to save? What do you think of U.S. Savings Bonds?

Module D. Foreclosure/Bankruptcy [Post-Purchase Counseling Participants Only]

You were invited to the focus group in part because you came to [AGENCY] for advice about foreclosure or bankruptcy.

1. Let's start by talking about some of the reasons people get behind on their bills. What do you think are the most common reasons? (List on white board.)
2. Did [AGENCY] provide any instruction or guidance on how you could save money or manage your money better, or address issues related to credit card debt?

   IF YES:

   a. What type of instruction or guidance?
   b. Did you find the instruction or guidance helpful? Why or why not? What would have made it more useful?

   IF NO:

   a. Are there issues or topics that you would have liked [AGENCY] to provide help with?
3. Do you think a credit crisis is a good time to talk about money management and other financial issues? Why or why not?
4. Are there other places that people can go if they have a financial problem? A credit problem?
   a. What kinds of help should they expect? Is that enough?
   b. What else could be provided?

5. What would most help you to get a fresh start now? Do you think most people change their financial habits after a personal financial crisis?
6. What do you wish you had been taught about managing debt before you took out your first loan?

Conclusion

Thank you very much for your time today. It's been very useful to talk with you. [Tell them again what will happen; make sure they are comfortable with stories but no names, etc. Gift cards will have been distributed at intake/consent, but remind them of the terms of use (if they expire, etc.).]

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Table 1
Core Research Questions for Financial Literacy Focus Groups

Savings Practices and Motives
• How and why do low-income households save? • What obstacles do low-income households face in accumulating savings? • How do low-income households view particular savings opportunities such as retirement savings, tax refunds, and individual development accounts (IDAs)?
Financial Education and Information
• Where do low-income families find the information that informs their financial decisions? • What forms of financial education, advising, or support do low-income households prefer, and when are these efforts most effective?

Table 2.
Demographic Profile of Financial Literacy Focus Groups

Focus Groups	**CTP**	**OSJ Center**	**SHS**	**SMA**	**Logistic Center**	**HBO**
Number of Groups	3	3	3	3	3	3
Total Participants	29	32	31	27	22	21
Age	3 groups: under 35 35–50 50 / older	Primarily 20s–30s	Primarily 30s–50s	Primarily 20s–40s	3 groups: 18–35 35–50 50/older	3 groups: younger, older/ preretirement, small-business owners
Race and Ethnicity	Majority African-American	Majority African-American	Majority white	Mixed race; one group all Hispanic	Majority white	All Hispanic
Gender	Mixed gender	Almost all female	Majority female	Majority female	Mixed gender	Majority female
Income	Low-income	Low-income	Range of incomes; all facing mortgage delinquency	Low-income	Low to moderate-income	Mainly low income; one group of small-business owners

Table 3.
Questions Discussed in Financial Literacy Focus Groups

Understanding Potential Clients
What are participants' current savings practices and motivations to save? – Are participants saving now? If so, how? – What motivates participants to save? – What obstacles do participants face in saving at all, or in saving more money? – What techniques do participants use to increase their motivation or alter their behavior around savings in order to overcome those obstacles? What are participants' attitudes and behaviors around particular savings opportunities, including retirement savings, tax refunds, and IDAs?
Exploring Financial Education Options
Where do participants get financial information now? What do participants consider to be the most useful forms of financial education? – What is the general attitude toward financial education? – What topics do participants want to learn about? – What is the preferred format for financial education? – When should financial education be provided?