

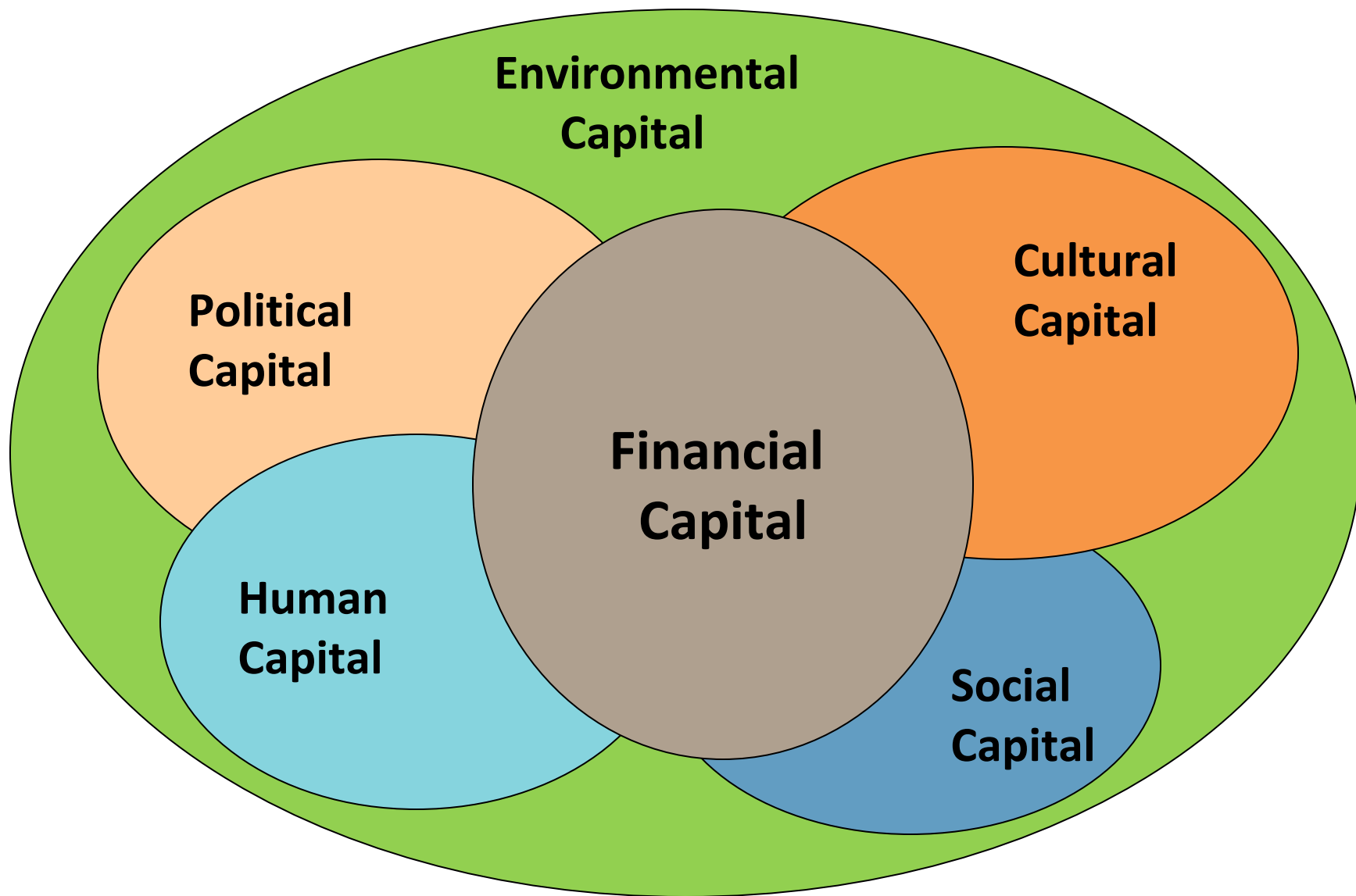
Asset-Building Strategies in Tough Times: Resiliency Behaviors in Diverse Low-Wealth Families and Communities



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**Sharing Resources and Assets:
Family Assets-to-Community Assets-to-National Assets**



Community Surveys: Voices of Low-wealth Families

- Financial Behaviors and Economic Mobility Aspirations Community Surveys – Community Voices Respondent Data (~ 30,000+ respondents over 5 years of data collection in 4 states: CA, AZ, NM & TX)
- Family Status and Demographic Information
- Occupational Information – Multiple Jobs & Survival Innovation
- Asset Building Behaviors capturing how families make ‘ends-meet’: **Survival Innovators**
- Such surveys track financial security and economic resiliency behaviors: ‘evidence-based’ findings

Demographic Data

TY2008/Tax Season 2009

	Num Respond	Avg Age	Avg Years Educ	Median AGI
Latino	3973 (74.7%)	40.5	10.9	\$15,085
White	553 (10.4%)	41.3	12.4	\$15,099
Native Am	308 (5.8%)	44.2	10.6	\$14,294
Asian Am	327 (6.1%)	40.2	13.3	\$18,438
Black	124 (2.3%)	40.5	12.5	\$18,048
Other	103 (1.9%)	39.1	12.5	\$13,130

Culturally Responsive Questionnaires

- **Community Surveys** reflect the responses of residents: their voices – their choices
- **Banked – Unbanked – Under-banked**
- **Savings that never sees the ‘light of day’** in policy discussions: family savings – communal vs. individual
- **Using data to strengthen family resiliency** behaviors that are missing from ‘mainstream’ data surveys

Have you heard of IDAs?

- This question is about wanting to know how widespread the idea and understanding of IDAs are within your community
- It tells you something about:
 - 1) How informed your community members are about this particular asset building through savings program
 - 2) It also serves as an 'entry' to explaining what an IDA is and allows you to begin 'word-of-mouth' outreach campaign
 - 3) Repetitive Question: Would you like to know more about (a list of topics follows – includes IDA); this data can help you provide 'hard numbers' to funders about community members wanting to know more about IDAs

Have you ever participated in a Informal Neighborhood Savings Circle?

- This question brings to light what is currently ‘under the radar’: communal savings outside of mainstream financial institutions. It occurs in ‘developing countries’ on a regular basis when community members are without financial institutions that meet their customs or needs
- This question gets at culturally responsive forms of savings that most mainstream surveys overlook:
 - 1) Savings Circles promote ‘trust’ and ‘social capital/social networks’
 - 2) Additionally, for community members that do not feel comfortable with banks or formal financial institutions, this data indicates: It’s not that people DO NOT SAVE...it’s that they SAVE in ways that are not recognized nor understood by others...this data can help you argue that your community DOES in fact SAVE and usually for a specific goal much like IDA

Do you lend to or borrow from family members in emergencies?

- This question provides us with important information about how family members deal with and confront ‘emergencies or life-events’ that often requires accessing funds
 - 1) It tells us that family is the lender of ‘first resort’
 - 2) It tells us how family becomes a ‘communal’ lender for extended family members
 - 3) It tells us specifically that community members have ‘networks’ that lie outside having to approach a payday lender or other predatory lender

Do you send money to family members not living with you?

- **This question provides us with important information about how family members continue to support each other despite distance**
 - 1) **It tells us that family members share financial resources**
 - 2) **It tells us how family supports other family members far away**
 - 3) **It tells us that family continues to provide financial 'aid' despite constrained income**

Have you ever used your tax refund for: list various asset building expenditures and (fill in the blank – Community Voices)

- **This question provides us with important information about how community members spend a lump sum tax refund strategically**
 - 1) **It tells us that families recognize the importance of using a ‘windfall’ in ways that benefit themselves and family members and that they are forward-looking**
 - 2) **It tells us how despite low-incomes, families have minimal safety nets to rely on**
 - 3) **It tells us how asset-building and long-run financial planning plays a role in the lives of families despite the constrained income and limited information about financial products and services**

Trends in Asset Building: Survey Data

Savings Transactions & Tax Refund Expenditures	All Respondents				
	TY2004 n=4550	TY2005 n=7068	TY2006 n=6450	TY2007 n=7377	TY2008 (Prelim) n=5845
Do you participate in Informal Savings: Yes	2.4% (105)	2.3% (154)	2.9% (183)	3.2% (213)	2.5% (132)
Have You Heard of IDAs? Yes	7.9% (334)	9.6% (632)	9.1% (564)	12.5% (831)	10.3% (543)
Have you ever used your tax refund for:					
Down payment on a home/mobile home	3.8% (143)	4.2% (244)	4.3% (252)	4.4% (227)	6.1% (286)
Car/Truck Purchase	10.8% (399)	10.0% (584)	9.6% (566)	16.1% (929)	20.5% (958)
Household Appliance (Washer/Dryer)	8.0% (295)	8.1% (470)	8.4% (497)	13.1% (757)	16.4% (765)
Computer/Laptop	4.3% (160)	4.9% (287)	5.1% (304)	8.2% (475)	10.7% (498)
Home Furniture	9.8% (362)	9.6% (557)	9.7% (576)	14.1% (813)	9.4% (435)
Help Family Member w/Immigration Fees	3.0% (113)	2.7% (158)	3.3% (194)	2.6% (152)	16.3% (760)
Property Taxes	11.2% (389)	11.9% (693)	10.7% (630)	10.3% (598)	6.3% ((294)
Medical Bills	13.6% (503)	13.8% (801)	13.4% (792)	14.1% (818)	12.5% (586)
Auto Insurance	--	12.0% (699)	11.8% (690)	11.0% (622)	27.7% (1294)
Small/Micro Business/Self-Employment	1.8% (68)	1.3% (73)	2.6% (151)	1.4% (83)	21.2% (989)
Personal Bills/Expenses	64.6% (2397)	66.4% (3858)	52.3% (3058)	57.4% (3320)	2.1% (98)
School Expenses (for you or dependent)	14.9% (553)	14.2% (824)	12.3% (720)	11.2% (649)	49.4% (2308)
Payoff a Pay Day Loan	--	--	--	4.1% (234)	15.0% (701)
Savings/Saving Account	--	--	11.4% (549)	11.0% (587)	6.9% (262)
Other	8.9% (155)	10.6% (147)	8.4% (449)	15.8% (874)	11.9% (451)

What Financial Product or Service would you like to know more about?

- This question tells us specifically what Border families want to learn more about; what kinds of financial products and services they are interested in:
 - 1) It tells us that families recognize the importance of learning about financial instruments that are linked to asset building
 - 2) It tells us about their economic mobility aspirations
 - 3) It tells us how starved our communities are for more information that is 'user-friendly'...information that makes a difference in the lives of families that are often not viewed as good risks for prime rate 'plain vanilla products' and instead are targeted for the 'exotic and toxic products'

Trends in Asset Building: Survey Data

Economic Mobility Aspirations	All Respondents				
	TY2004 n=4550	TY2005 n=7068	TY2006 n=6450	TY2007 n=7377	TY2008 (Prelim) n=5845
Would you like to know more about:					
Buying a home	19.1% (490)	35.0% (1349)	22.2% (1118)	26.0% (1033)	26.8% (920)
Car/Truck Loans	10.0% (258)	17.0% (654)	10.9% (551)	14.7% (584)	11.5% (394)
Credit Cars/Debit Cards	7.9% (204)	12.0% (462)	7.3% (368)	10.9% (432)	14.1% (485)
Property Taxes	6.0% (153)	10.6% (406)	7.7% (389)	9.0% (356)	9.9% (341)
Children's Saving Accounts	8.5% (219)	16.8% (648)	10.8% (542)	11.8% (468)	10.4% (356)
Bank/Credit Union Account	5.1% (130)	8.1% (312)	5.0% (251)	7.6% (301)	8.3% (285)
Credit/Budgeting	8.1% (209)	13.7% (527)	8.8% (442)	11.3% (449)	10.8% (369)
Small/Micro Business/Self-Employment	8.1% (208)	14.1% (543)	9.2% (466)	10.2% (406)	9.2% (317)
Individual Development Accts (IDAs)	15.9% (409)	27.0% (1040)	17.9% (901)	16.7% (745)	20.5% (702)
School Financial Aid (Loans or Grants)	--	--	17.3% (736)	20.9% (831)	20.2% (687)
Retirement Accounts	--	--	--	15.0% (563)	12.2% (415)
Credit Repair	--	--	--	--	16.8% (572)
Insurance Products (Funeral, Life, etc.)	--	--	--	--	20.2% (689)
Job Opportunities	--	--	--	--	22.6% (771)
Other	--	7.5% (288)	9.1% (420)	18.6% (700)	8.7% (228)

Data Drives Policy and Funding Streams

- Currently, advocating for Policy changes, for public investments, requires empirical evidence and rests on data
- Low wealth and working poor families engage in day-to-day financial resiliency that can now be reflected by hard 'data' and evidence-based outcomes
- Equally important will be the continued tracking of family economic security 'outcomes' that capture not just \$\$ and demand side data, but **supply side** community changes and economic mobility and financial security results

Asset Building Issues for Low-Wealth Families and Communities

- **Collaboration with community based organizations in low-wealth communities**
- **Providing isolated Communities with Financial Services, Culturally Relevant Products and Financial Education outreach**
- **Increasing participation in the Earned Income Tax Credit**
- **Designing Financial Products and Services that create opportunities for multi-generational families to ‘pool’ resources for asset building**