Center for Social Development

AmeriCorps*VISTA and Asset Building:

Increasing Capacity for Performance Measurement and Effects

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Research Report

AmeriCorps*VISTA and Asset Building: Increasing Capacity for Performance Measurement and Effects

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About the Center for Social Development and this Report

The Center for Social Development (CSD) is an academic research center based at the George Warren Brown School of Social Work (GWB), Washington University in St. Louis. The Center began in 1994 with Michael Sherraden, Benjamin E. Youngdahl Professor of Social Development, as the founding director. Although relatively young as an organization, CSD has established itself as a leading academic center in social development both domestically and internationally.

CSD has a multipurpose agenda encompassing social theory, research, policy innovation, projects in the community, and teaching. CSD projects connect academic and applied interests and build bridges across public, non-profit, and private sectors. Both academic excellence and real-world involvement are emphasized. The emphasis is on partnerships for joint study and joint action. CSD focuses on two primary areas of research, asset building and civic service.

CSD is the leading academic center of theory and research on asset-building strategies for low-income, low-asset populations. Michael Sherraden introduced the term "asset-based policy." CSD's work has focused on asset accumulation, designing and testing subsidized (matched) savings in the form of Individual Development Accounts (IDAs). CSD applies research results on IDAs to asset building policies at state, national, and international levels. The Center also studies microenterprise, homeownership, and other innovative asset building strategies.

Beginning in 2001, a major international research initiative on civic service was initiated through the Global Service Institute (GSI) at CSD. Civic service refers to an organized period of engagement and contribution to the local, national, or world community. Examples of service in the United States include the Civilian Conservation Corps of the 1930s, and AmeriCorps, Peace Corps, and the Senior Volunteer Corps today. Through GSI, CSD's mission is to study, inform, and assist in development of civic service worldwide.

This report represents an intersection of CSD's two areas of research. We are pleased to partner with the Corporation for National and Community Service to assess the role of AmeriCorps*VISTA members in asset building programs throughout the United States. In this report, we apply what is known about asset-building strategies to promote targeted programming and performance measurement among AmeriCorps*VISTA's sponsoring organizations.

The authors thank David Caprara for direction regarding this research. David Gurr and Kevin Cramer provided valuable information and linked us with the VISTA field. Jennifer Adhima assisted with the collection of effective practices in housing and homeownership. Jenny Kraus and Timothy Broesamle formatted the report. We are also appreciative of the staff at the Entrepreneur Corps sponsoring organizations that shared generously of their time and provided us with information regarding their asset-building programs and AmeriCorps*VISTA experiences.

Executive Summary

This report presents findings regarding the asset-building activities of AmeriCorps*VISTA members through Entrepreneur Corps, and recommends performance measurement indicators based on effective asset-building practices in microenterprise, housing and homeownership, financial education, and Individual Development Account (IDA) programs. This report is a first step toward the development of uniform asset-building measures that support the results-driven, outcome management orientation of the Corporation for National and Community Service (CNCS).

Methods

Data were collected through case studies and telephone interviews with program staff at Entrepreneur Corps sponsoring organizations. Of the 37 Entrepreneur Corps sponsoring organizations in 2003-2004, 28 were included in this study. Open-ended, on-site case studies were conducted with eight organizations, and targeted telephone interviews were conducted with 20 organizations. The case studies are used for illustration in the report. They are not included in the numbers reported unless specified. Due to constraints in data collection and the parameters of the study, the programs that were included may not fully represent all Entrepreneur Corps sponsored programs or other VISTA sponsored asset-building programs.

Overall Description of Twenty Sponsoring Organizations

Organizations range from two to 124 years old. The average organizational age is about 22 years and the median is 11 years. The number of staff working at the organizations ranges from one to over 20. Ten organizations have one to four full-time staff, while five have five to nine and another five have over 20. The number of community volunteers involved with the organizations ranges from one to over 40. Seven organizations mobilize over 40 volunteers.

Since 2002, the total number of Entrepreneur Corps VISTA members sponsored by the 20 organizations is 269. The number of VISTA members at any one organization range from one to 72. The 72 VISTA members are sponsored by a nationwide organization and are posted around the country. The average number of Entrepreneur Corps VISTA members sponsored at any one organization since 2002 is about 14, and the median is eight. A majority of organizations (13 organizations) have had ten or fewer Entrepreneur Corps VISTA members.

An approximate total of direct and indirect costs for each Entrepreneur Corps member in federal fiscal year 2003 was $13,500. Based on this figure and given the 269 members placed since 2002, an estimated $3.9 million was committed to these members. According to CNCS staff, an additional $269,000 was spent on travel and project grants. For these 20 organizations, about $4.1 million was dedicated to the placement of Entrepreneur Corps VISTA members.

Description of the Entrepreneur Corps Supported Programs

Across the 20 organizations, Entrepreneur Corps VISTA members are assigned to 46 distinct programs. VISTA members work on 14 microenterprise programs, eight housing programs, and six Individual Development Account (IDA) programs. There are no stand-alone financial education programs, although financial education is incorporated into most of the other asset-building programs. (Three case study sites, however, are implementing four stand-alone financial education programs.)

The status of the asset-building programs varies markedly. Some are established and others are in the development phase. The young age of the organizations and their programs reflects the status of the asset-building field overall. The median age of all programs is about five years. Microenterprise and housing and homeownership development programs represent the most established.

While the target populations are largely low-wealth individuals and households, some programs target unique groups, including youth, immigrants and refugees, and defined communities. They promote inclusion of specifically marginalized groups in the asset accumulation process. Increasing ownership of specific assets is obviously the primary goal. Other common goals across the programs include increasing net worth and financial literacy.

There are 13 Entrepreneur Corps-supported programs that do not fit into the four asset-building categories. These other programs provide such services as access to child care, transportation, and/or other needs (3 programs), computer access and training (2), community economic development (2), online tax filing (1), post-secondary education transition (1), and land restoration with American Indian landowners (1). While some of these programs can also be viewed as asset building, they are outside the focus of this study.

In addition, five organizations utilize VISTA members to improve the overall capacity of their organization. For purposes of simplicity in this report, we treat this task assignment as programmatic. For example, they are creating and leading fundraising campaigns or donor development, which include the specification of goals and intended outcomes.

Some Entrepreneur Corps VISTA members work on as many as seven different programs at one organization. A majority of VISTA members (16 programs) work on three or fewer programs. Eight of the organizations have VISTA members working on only one program. One program utilizes as many as 14 Entrepreneur Corps VISTA members, while the average number of Entrepreneur Corps VISTA members assigned to any one program is 2.6 and the median is 1.5.

Program Challenges

Reported challenges are consistent with research in each of the asset areas. Participant recruitment is the most daunting. Asset building is not only a new strategy to staff and organizations in the field of social welfare, but it is also “new” to the very people the strategy intends to benefit. Opportunity and investment are met with disbelief and doubt. In some cases, this skepticism is warranted due to financial or personal difficulties, which may subsequently impact participant retention.

Asset building is an inherently multi-sector process. The development and implementation of asset-building programs rests on organizational partnerships and program funding from public and private sources. Across all program types, securing and navigating both proves challenging.

Activities of Entrepreneur Corps VISTA Members

Respondents report that most VISTA members do not have prior experience in asset building, though some fit the intended profile of the Entrepreneur Corps VISTA member. Several members have diverse skill sets that have proven very beneficial, from creative design and marketing skills, to media experience, to research and writing. In general, the VISTA members' attitudes and drive to contribute make for a positive experience.

Program design is a primary activity area of Entrepreneur Corps VISTA members. In several cases, the asset-building programs would not exist if it were not for VISTA member support. They are researching and designing new programs or expanding existing programs (39 programs), and engaging in activities needed to implement the program such as partnering with other organizations (22) that then deliver aspects of the program. They are also identifying, modifying, or developing financial education curricula (19).

Entrepreneur Corps VISTA members are involved in program implementation as well. The most prevalent activity is marketing the program to the target population through formal means (40 programs), e.g., brochure development and distribution to existing clients. Several respondents discussed what an important activity this is, which many of them say they do not have time to do especially since asset-building programs have proven to be a "hard sell." The VISTA members also work directly with the participants in the programs, assessing eligibility (15), working to retain participants (24), and counseling them on their participation and asset purchase (19). These activities play a lesser role.

Grantwriting for new and existing programs is also a main activity (33 programs), representing a noteworthy contribution. The proposals that have been written by Entrepreneur Corps VISTA members are to both public and private sources. The amounts in some cases have been quite significant. Across the programs, over six million dollars has been raised since 2002. A VISTA member at one organization helped secure a 2.3 million dollar grant for a youth job training program.

VISTA members also prepare press releases and work with the media (26 programs). Media relations play a big role in the VISTA members' activity portfolio as does volunteer recruitment, which is a major goal of all civic service programs sponsored by CNCS. These activities increase the capacity of programs to reach their target audiences and promote visibility and potential funding for the program. They recruit volunteers for the programs (24) and engage in board development (3).

The Status of Performance Measurement

Essentially all of the programs that were "up and running" at the time of the study are tracking and assessing program outputs. The staff and VISTA members use a variety of means to collect and manage program information. There is an emphasis on electronic data collection mechanisms, either spreadsheets, customized databases, or industry-standard management information systems (MIS) like the Center for Social Development's "MIS IDA." Some programs actively involve program staff in the data collection process through "score cards" or weekly reports.

While a few programs report that they measure outcomes, upon further questioning those "outcomes" were really outputs. This reflects a general lack of knowledge about or ambivalence toward performance measurement by several respondents. Nevertheless, it is encouraging to learn that some programs do indeed have methods in place to assess outcome achievement. Pre and post-tests are the most common evaluative designs (11 programs), typically used in conjunction with financial or asset-specific educational programs. More advanced methods such as longitudinal studies tend to be contracted out to private evaluators or implemented by universities.

Satisfaction surveys are implemented during program participation or after program completion by 12 programs. These surveys serve as a barometer, helping to identify areas for improvement. They can also be used to assess participant perceptions regarding changes in their lives, approximating intermediate and end outcomes.

Increasing Capacity for Performance Measurement and Effects

Effective programming. Most asset-building programs in this study are complex, implementing multiple, diverse components. The programs are labor and time intensive with asset building among low-income and low-wealth populations proving to be a costly endeavor. This is one reason respondents are so appreciative of the administrative and implementation support that VISTA members provide.

The overall status of performance measurement at the sponsoring organizations does not allow for definitive assessments of effectiveness. However, findings from the case studies and interviews suggest that known effective practices are being implemented in the asset-building programs, which may be attributable to the design and implementation efforts of Entrepreneur Corps VISTA members. The programs are targeting distinct groups, and tailoring the program to their specific context. This is evidenced in the multilingual materials and financial education instructors, and flexible office hours and educational sessions. Some programs have adopted "proven" financial education curricula.

Most programs can be construed as implementing a "case management" or "wrap-around" approach for participant retention, which is quite costly. This approach is oriented toward intensive, one-on-one service delivery, where staff and VISTA members are invested in individual participant success. They may follow the participant through the entire program process from eligibility assessment to asset purchase, necessitating referrals, coaching, and emotional support.

Based upon our review of effective practices, we suggest two approaches for increasing the capacity of asset-building programs to achieve effects: promote access to information on effective practices through existing CNCS resources, e.g., AmeriCorps listserv and the Effective Practices EpiCenter website, and train VISTA members and supervisors on asset-building.

Performance measurement. The status of performance measurement at the sponsoring organizations is at a basic level. As previously stated, they have systems in place for tracking activities and outputs, but assessment of outcomes is generally lacking. This includes not only specification of outcomes and outcome indicators but methods and research designs to assess their achievement. We suggest two approaches for increasing the capacity for performance measurement of asset-building programs: performance measurement training for VISTA members and supervisors and revised program reporting requirements that are specific to asset-building and are uniform and electronic.

Conclusion

In conclusion, the 28 sponsoring organizations that were part of this study are implementing a range of asset-building programs. Entrepreneur Corps VISTA members are responsible for developing, implementing, and expanding these programs. VISTA members are definitely "getting things done" through these asset-building programs. However, the impact of their activities and the programs they support remains largely anecdotal. Measurement of the outputs and outcomes of the programs should be advanced, increasing the capacity of VISTA members and supervisors to design and assess performance.

1. AmeriCorps*VISTA, Asset Building, and Performance Measurement: An Introduction

This report presents findings regarding the asset-building activities of AmeriCorps*VISTA members through Entrepreneur Corps, and recommends performance measurement indicators based on effective asset-building practices. In this section, we provide background on Entrepreneur Corps, asset building, performance measurement, and the purpose of this research.

History of AmeriCorps and AmeriCorps*VISTA

The Corporation for National and Community Service (hereafter referred to as CNCS) oversees the government's civic service programs. AmeriCorps is one of the largest government-sponsored programs. AmeriCorps engages people of all ages and backgrounds in long-term, intensive civic service. Each year through AmeriCorps, more than 50,000 Americans engage in full- or part-time volunteer work at more than 2,100 organizations across the country (CNCS, 2004). These volunteers serve communities in many different ways: tutoring and mentoring youth, building affordable housing, cleaning up parks, and building the capacity of nonprofit organizations.

Full-time AmeriCorps members attend training sessions and receive a modest living allowance of $9,300 per year. At the end of their year of service, members may be eligible for a $1,200 stipend or an education award of $4,725, which can be used toward tuition costs or loan repayment. AmeriCorps operates in a decentralized manner. Significant responsibility is given to local nonprofit organizations that recruit, train, and supervise individual AmeriCorps members. Most "sponsoring organizations" report to their respective state CNCS offices, which distribute and monitor AmeriCorps grants and placements (CNCS, 2004).

The National and Community Service Trust Act of 1993 incorporated Volunteers in Service to America (VISTA), the domestic national service program initiated by the Economic Opportunity Act of 1964. VISTA was part of President Johnson's "War on Poverty." VISTA members were charged with working to address poverty in America.

Throughout the 1960s, VISTA members helped establish the first Job Corps and Head Start sites, and created agricultural cooperatives and small businesses that continue to thrive. In the 1970s, VISTA began recruiting trained professionals, such as doctors, architects, and lawyers, utilizing their skills to fight poverty. The focus changed in the 1980s to using VISTA members to mobilize local citizen participation and community self-help. Today AmeriCorps*VISTA members continue to pursue innovative initiatives and develop programs that combat poverty and promote development (CNCS, 2004).

AmeriCorps*VISTA Entrepreneur Corps

In 2002, AmeriCorps*VISTA launched a new community and economic development initiative, Entrepreneur Corps. Through Entrepreneur Corps, a distinct group of VISTA members are targeted to serve as "social entrepreneurs," creating and expanding asset-building programs.

Entrepreneur Corps members are placed in organizations that aim to increase asset ownership among low-income groups, which is one of AmeriCorps*VISTA's strategic priorities. The organizations work on small business development, homeownership, financial education, and Individual Development Accounts, among other asset-building strategies.

The primary goal of Entrepreneur Corps is to increase the capacity of organizations to develop and implement asset-building programs. The VISTA members are to engage in fundraising, marketing, and information management. Recruitment efforts are targeted toward individuals with asset development knowledge or business expertise. Recent university graduates, mid-career professionals, and retirees represent potential members.

Asset Building

AmeriCorps*VISTA's Entrepreneur Corps initiative is a response to the increased prevalence and potential of asset-building programs throughout the country. Since the 1990s, asset-building programs have emerged that aim to increase asset ownership among low-income individuals and households. Asset-building strategies have long been institutionalized for the non-poor in the form of mortgage tax deductions, Individual Retirement Accounts, 401(k)s, college saving plans, and small business loans. Although most of these asset schemes are "private," they receive substantial funding through the federal tax system (Sherraden, 2001).

In *Assets and the Poor* (1991), Michael Sherraden proposed that asset accumulation policies be expanded to include the poor. Assets and development, not income and maintenance, was the premise for this new approach to welfare. While income transfers have a role to play in meeting immediate needs, a long-term development approach emphasizes potential, opportunity, and investment. Ownership of assets[1]—be they savings, a home, or a small business—may lead to a range of positive social, economic, and civic effects (Boshara, Scanlon, & Page-Adams, 1998; Moore et al., 2002; Sherraden, 1991).

Many community-based programs and federal demonstrations currently exist to provide low-income individuals and households with the opportunity to develop and acquire assets. Microenterprise and homeownership programs now take myriad forms, and are implemented across a range of institutional hosts. Program goals may include improving credit, providing access to credit, increasing financial management skills, and increasing savings and asset ownership. Individual Development Accounts (IDAs) represent one of the newest asset-building strategies, combining all such goals.

IDAs are matched savings accounts for low-income individuals and households. The savings are used for home purchase, home repair, small business capitalization, and post-secondary education or job training. The 1996 Personal Responsibility and Work Opportunity Reconciliation Act authorized states to use portions of their federal Temporary Assistance to Needy Families grants for IDAs. In 1998, the federal Assets for Independence Act (AFIA)

[1] We use the term assets to refer to individual and household stocks of physical capital or financial wealth, because these have the most direct policy and program implications (Sherraden, 1991). We do not include community-level assets nor social capital, such as organizations or social networks.

passed with bipartisan support, which provided $125 million in federal funding for IDA programs.

Theory building and empirical evidence on "asset effects" are in the very early stages of specification and testing. Practitioners developed and implemented the first IDA programs just more than ten years ago. Microenterprise and homeownership programs have existed for decades, but they have a sparse knowledge base. As AmeriCorps*VISTA continues to invest in asset building, knowledge of effective practices and intended outputs and outcomes can inform program development and implementation.

Performance Measurement[2]

History of performance measurement at CNCS. In 1993, the Government Performance and Results Act was passed to improve federal program effectiveness and accountability. CNCS has promoted accountability by sponsoring organizations and grantees since its inception. The Department of Research and Policy Development at CNCS leads these efforts for federally-supported national service programs. CNCS provides a range of research and technical supports that develop the capacity of sponsoring organizations to implement performance measurement. Project STAR's (2003) "Performance Measurement Toolkit for AmeriCorps*VISTA Project Applicants" is one such resource. This report builds upon these existing resources, furthering knowledge of performance indicators specifically for asset building.

Theory-driven performance measurement. Our preference in performance measurement is for theory-driven, evidence-based practice and research. We believe this is essential for development of meaningful and useful evaluation results and the development of the knowledge base on assets. There are both conceptual and practical pay-offs for specifying program theories.

Questions regarding program performance are never asked in a vacuum (Sherraden et al., 1995). At the outset, program staff (or those requesting an evaluation) have ideas about what they are looking for, what the program is supposed to be doing and why. These ideas are, in fact, theories about the program and what it is supposed to be doing. Very often theories remain unspecified in performance measurement or evaluation studies. When ideas are specified as theories, the program design and program goals can be clearer. This clarity can lead to more specific outcome targets and more focused program operations. In turn, this can facilitate more effective program management and performance measurement.

Another reason to "bother with theory" is that theoretically-based conclusions are stronger. Even with the most ideal performance indicators and evaluation designs (and they are never ideal), one can never be entirely certain that observed effects are the result of the program intervention. Some element of doubt always remains. However, the incorporation of theory into program design and performance measurement helps to reduce this doubt by adding theoretical logic, propositions, and predictions based on those propositions. Conclusions drawn from such a study

[2] In this report, we use the term "performance measurement" as it is the contemporary term in the research and evaluation nomenclature. It refers to the process of assessing program performance and effects. However, since this term is not yet well known among practitioners, "program evaluation" was used during data collection. The terms are used synonymously in this report.

carry more weight. While we do not propose theories of asset development or asset-ownership in this report, we encourage their use and development as the basis of any performance measurement.

Terminology and logic model framework. We define performance measurement terminology here as it is used throughout the report. We rely on the standard definitions set-forth by Project Star (2003) and Harry Hatry and colleagues at the Urban Institute (2002). Their publications establish an evaluative foundation from which performance measurement is promoted across CNCS. We also apply the logic model framework to our review of effective practices and recommendations for performance indicators. While we do not include example logic models for asset-building programs in this report, we suggest possible outputs and outcomes applicable to a range of asset-building programs. Because a logic model should be unique to a given program, staff and evaluators can draw from these lists to customize their performance measurement.

The logic model, with its emphasis on goals, activities, and outcomes, promotes the articulation of program theory. The program staff or evaluator is forced to articulate program intentions. As the name implies, activities or services that are delivered as part of the program should logically target change in the given social or economic condition.

Delivered services are measured as outputs. Outputs represent the amount or volume of services delivered by a program. Outputs presumably lead to intermediate and end outcomes. Intermediate outcomes are changes in participants that contribute to end outcomes but are not typically viewed as ends in themselves. End outcomes are changes in attitudes, behaviors, or conditions that represent real improvements in the lives of participants or others.

In the logic model framework, outcome indicators are measurable outcomes that reflect whether and to what extent goals have been achieved. For the measured indicators to be meaningful, however, research designs and methods must be rigorous enough to assess what has been implemented and whether changes are attributable to the program.

Research Questions and Organization of this Report

Overall, AmeriCorps*VISTA supports a number of sponsoring organizations that implement asset-building programs. This research focuses on Entrepreneur Corps to provide a snapshot of AmeriCorps*VISTA's investment in asset building and to make recommendations for asset-based performance measurement. Through case studies and interviews with organizations that sponsor Entrepreneur Corps VISTA members, we answer the following questions:

- What are the different types of asset-building programs supported by AmeriCorps*VISTA through Entrepreneur Corps?
- What are AmeriCorps*VISTA's investments and contributions to asset building through Entrepreneur Corps?

- What role do AmerCorps*VISTA members play in asset-building programs through Entrepreneur Corps?

- What is the status of performance measurement at sponsoring organizations?

- What are effective practices and performance measurement indicators for the types of asset-building programs implemented by sponsoring organizations?

The report is organized around four major asset-building strategies: microenterprise, housing and homeownership, financial education, and IDAs. Within each area, we summarize what is known about effective programming, suggesting outputs and outcomes to be assessed based on the implemented activities. We then present findings regarding the asset-building programs supported by AmeriCorps*VISTA, and the performance measurement techniques used by the sponsoring organizations.

This report can be considered a "handbook" for defining, developing, and assessing asset-building strategies. The major asset sections progressively build upon one another. For example, IDAs have elements of microenterprise, homeownership, and financial education. Outputs and outcomes of one type may apply to others. End outcomes of asset-ownership, in particular, are common across the types.

We conclude the report with respondents' perceptions of the role and contributions of VISTA members in asset building. In view of the entire report, we make recommendations for how to increase capacity for performance measurement and asset-building effects. An appendix details possible research methods and survey items specific to asset building. This report is a first step toward the development of uniform asset-building measures that support the results-driven, outcome management orientation of CNCS.

2. Methods

Strategy

In order to assess the scope and nature of the asset-building programs and VISTA members' activities, case studies were implemented with the Entrepreneur Corps sponsoring organizations. Case studies allow for in-depth assessments, where the interview is tailored to the unique content shared by each respondent. This approach allows for a range of content to be explored and documented.

The case studies were implemented in two phases. Open-ended, on-site case studies were conducted with eight organizations, and targeted telephone interviews were conducted with 20 organizations. The unit of analysis in this study is the program. Respondents represented those staff deemed likely to be the most knowledgeable about the asset-building programs and VISTA members' activities.

Of the 37 sponsoring organizations in 2003, nine organizations were not included in the study. These organizations had yet to place VISTA members, had lapses in programming or personnel changes, or were not otherwise available for interview.

Phase One: Case Studies

During the first phase, the purpose of the interviews was to gain a comprehensive understanding of the asset-building programs, the daily activities of VISTA members, their perceived contributions, and the nature of performance measurement within the organizations. Sites were chosen based on geographical location, number of VISTA members, range of asset-building programs, and diversity of VISTA member activities. Eight organizations were selected for this phase.

Interviews were conducted on-site and usually lasted three hours. Respondents were encouraged to involve as many staff as necessary to provide a comprehensive perspective. At three sites, the current asset program and/or VISTA supervisor were former VISTA members, and at one site, the VISTA member participated in the interview. All respondents provided the interviewer with copies of brochures, annual reports, and training materials. Interviews were tape-recorded with the permission of the respondents, and immediately following each interview, an organizational profile was written to capture the information gathered.

The primary purpose of this phase was to collect in-depth information regarding the range of considerations and to use that information to develop a more targeted interview schedule, which would allow for aggregation across the remaining sites. From the case studies, specific questions were developed for each of the asset types.

These case studies are used for illustration in the report. They are not included within the numbers reported unless specified.

Phase Two: Telephone Interviews

After completing the in-depth case studies, telephone interviews were conducted with staff at 20 organizations. Closed and open-ended questions assessed organizational details; program goals, outcomes, and challenges; VISTA members' activities and perceived contributions; and the status of performance measurement. Data were quantified where possible. Specific examples are noted through the report.

During this phase of the project, the goal was to capture the full range of asset-building programs and VISTA members' activities. As such, each organization's Project Progress Report (PPR) was reviewed prior to the interview, with the last quarter's main activities noted and explicitly discussed.

Brief Description of Entrepreneur Corps Sponsoring Organizations in 2003

In this section, we summarize what is known about all of the 37 Entrepreneur Corps sponsoring organizations. These details were determined through the case studies as well as the PPRs, which were available for all organizations. These data are presented at the organizational level. Subsequent chapters present data at the program level and only for programs implemented at the 20 sponsoring organizations included in the telephone interviews.

Of the 37 organizations, nine are national in scope. Eight organizations are located in the Mid-west United States, seven in the West, six in the Northeast, six in the South, and one in the Caribbean. Seventeen of the organizations operate in urban areas, 11 in rural areas, and nine in both (Table 2.1). Twenty-one organizations operate across a region or in multiple sites across a geographic area. Eighteen of the organizations operate their program(s) from a single site. Nine of the organizations implement programs throughout the nation.

Across the 37 organizations, there are four primary asset-building program types with organizations implementing programs in one or more of the types or multiple programs in one type. The asset-building types are microenterprise (18 organizations), housing or homeownership development (12 organizations), financial education (three organizations), and Individual Development Account programs (15 organizations).

Twenty organizations have five or fewer VISTA members, while eight host six to 15 and eight host more than 16. The VISTA members engage in three major types of activities: program development (28 organizations), program implementation (22 organizations), and overall organizational capacity building (15 organizations), which is not related to a program.

Table 2.1. Key Details of the 37 Entrepreneur Corps Sponsoring Organizations* in 2003-2004

	Number of Sites			Type of Asset Building**				Number of VISTA Members			VISTA Member Activities****		
	Single	Regional/ multiple sites	National	ME	HO	FE	IDA	1-5	6-15	16+	Program Dev.	Program Imp.	Capacity Building
Case Studies	2	2	4	5	2	3***	4	2	1	4	7	5	4
Telephone Interviews	10	8	2	9	9	0	7	14	5	1	17	15	5
Not Interviewed	6	1	2	4	1	0	4	4	2	3	4	2	6
TOTAL	**18**	**11**	**8**	**18**	**12**	**3**	**15**	**20**	**8**	**8**	**28**	**22**	**15**

*The data presented in this table are at the organizational level. Subsequent chapters present data at the program level.

**ME=microenterprise; HO=housing and homeownership; FE=financial education; IDA=Individual Development Account programs; Program dev.=program development; Program imp.=program implementation.

***Only case study sites implement financial education programs that are independent from other asset-building programs. Other organizations implement financial education as a component of an asset-building program, e.g., required financial education as part of a microenterprise or IDA program.

****VISTA members may be involved in multiple activity areas. Capacity building for this analysis is at the organizational level.

3. Entrepreneur Corps Sponsoring Organizations: Organizational Description and VISTA Member Activities

Aggregate information and specific examples are available for the 20 sponsoring organizations included in the telephone interviews. These organizations are varied in their mission, scope, and size. Some are well-established, multi-service organizations, while others are new organizations with one program. This section provides basic information regarding the organizations, their programs, and the role of Entrepreneur Corps VISTA members.

Organizational Details

Organizations range from two to 124 years old. The average organizational age is about 22 years and the median is 11 years. The number of staff working at the organizations ranges from one to over 20. Ten organizations have one to four full-time staff, while five have five to nine and another five have over 20. The number of community volunteers involved with the organizations ranges from one to over 40. Seven organizations mobilize over 40 volunteers.

The organizations' current annual budgets range from $60,000 to $10 million (fiscal years differed). Eight organizations have annual budgets of $1 million or more, while ten have budgets that are under $650,000. The average annual budget is about $2.5 million, and the median is $572,500.

Programmatic Scope

The 20 sponsoring organizations are very different in their scope and number of programs. Seven organizations could be classified as large, multi-service agencies. These organizations offer many different programs and services, such as after-school programs, Head Start, counseling services, job training, energy assistance, housing development, and emergency services. For these organizations, their asset-building programs are just one of many services offered to community residents.

Three organizations connect business students with nonprofit organizations to help build organizational capacity. Three other organizations provide microloans or access to finance for small business owners, and one nationwide organization provides training for microenterprise agencies and legislative advocacy for the microenterprise field. One organization delivers various services for individuals/families with disabilities, and one focuses primarily on homeownership and community economic development in poor neighborhoods.

Other organizations include an alternative school system, an organization dedicated to creating public access to computers and broadband internet, an organization that distributes donated building materials to low-income homeowners, and an organization pursuing economic development in a rural region through tourism and downtown revitalization.

Number of Entrepreneur Corps VISTA Members by Sponsoring Organization

Since 2002, the total number of Entrepreneur Corps VISTA members sponsored by any one organization range from one to 72. The 72 VISTA members are sponsored by a nationwide organization and are posted around the country. The average number of Entrepreneur Corps VISTA members sponsored at any one organization since 2002 is about 14, and the median is eight. A majority of organizations (13 organizations) have had ten or fewer Entrepreneur Corps VISTA members. Three of the 20 organizations sponsor AmeriCorps*VISTA members who are not Entrepreneur Corps members.

During 2003-2004, the number of Entrepreneur Corps "slots" awarded to the 20 organizations range from two to 50, with the average number of slots being ten and the median six. A majority of organizations had not filled all of their allotted slots at the time of the telephone interviews in April 2004. In fact, only one organization had filled all of its VISTA slots for this year. During 2003-2004, the average number of VISTA members sponsored by the organizations is about seven, and the median is three.

VISTA supervisors give a variety of reasons for why the slots are not filled. Nine agencies had VISTA members terminate early, seven had yet to find qualified applicants for the positions, and four overestimated how many were needed when they applied for slots. One supervisor lost members because the state office could not afford the slots for the pre-service orientation, and another state office exceeded their budget and cut the organization's allotted slots. Four supervisors report that it is difficult to attract qualified individuals, especially those with advanced business training or skills. They also express concern about the impact of the temporary restriction of the education awards in 2003.

An approximate total of direct and indirect costs for each AmeriCorps*VISTA member in federal fiscal year 2003 was $13,500. Based on this figure and given the 269 members placed since 2002, an estimated $3.9 million was committed to these members. According to CNCS staff, an additional $269,000 was spent on travel and project grants. For these 20 organizations, about $4.1 million was dedicated to the placement of AmeriCorps*VISTA members.

Program Assignments of Entrepreneur Corps VISTA Members

Assignment across programs. Across the 20 organizations, Entrepreneur Corps VISTA members are assigned to 46 distinct programs (Table 3.1). Across the distinct asset-building programs, VISTA members work on 14 microenterprise programs, eight housing programs, and six IDA programs. Although financial education is incorporated into most of these programs, there are no specific financial education programs among those interviewed by phone. (Three case study sites, however, are implementing four stand-alone financial education programs.)

There are 13 Entrepreneur Corps-supported programs that do not fit into these asset-building categories. These other programs provided such services as access to child care, transportation, and/or other needs (3 programs), computer access and training (2), community economic development (2), online tax filing (1), post-secondary education transition (1), and helping American Indian landowners restore land (1). While some of these programs can also be viewed as asset building, they are outside the focus of this study.

In addition, five organizations utilize their VISTA members to improve the overall capacity of the organization. For purposes of simplicity in this report, we treat this task assignment as programmatic, thus, they are included in the total number of programs. For example, they are creating and leading fundraising campaigns or donor development, which include the establishment of goals and intended outcomes.

Some VISTA members work on as many as seven different programs at one organization. A majority of VISTA members (16) work on three or fewer programs. Eight of the organizations have VISTA members working on only one program. One program utilizes as many as 14 Entrepreneur Corps VISTA members, while the average number of VISTA members assigned to any one program is 2.6 and the median is 1.5.

Table 3.1. Number of Entrepreneur Corps VISTA Members Assigned to Programs

Type of Program	Minimum	Maximum	Mode	Median	Mean
Microenterprise (n=14)	1	8	1	1.5	2.2
Housing (n=8)	1	11	1	1.0	3.0
IDA (n=6)	1	5	1	2.0	2.5
Other Programs (n=13)	1	14	1	2.0	2.9
Capacity Building* (n=5)	1	4	2	2.0	2.4
Total (N=46)	1	14	1	1.5	2.6

*For simplicity, we treat capacity-building task assignment as programmatic.

Activities across programs. Program development and design is a primary activity area of Entrepreneur Corps VISTA members (Table 3.2). They are researching and designing new programs (39), and engaging in activities needed to implement the program such as partnering with other organizations (22) to deliver aspects of the program. They are also identifying or developing financial education curricula (19).

Program implementation, working directly with clients or potential clients, is a common area of Entrepreneur Corps VISTA members' activities. The top activity is marketing the program to the target population through formal means (40), e.g., brochure development and distribution to existing clients. The VISTA members also work directly with the participants in the programs, assessing eligibility (15), working to retain participants (24), and counseling them on their participation and asset purchase (19).

Program and organizational capacity building includes writing grant proposals (33) and other fundraising efforts (15). VISTA members also prepare press releases and work with the media (26). They recruit volunteers for the programs (24) and engage in board development (3).

In the following chapters, these activities are discussed in more detail with specific examples by asset type.

Table 3.2. Entrepreneur Corps VISTA Member Activities Across All Program Areas (N=46)						
Activity	**Micro enterprise programs** (n=14)	**Housing programs** (n=8)	**IDA programs** (n=6)	**Other programs** (n=13)	**Capacity Building** (n=5)	**Total**
Program Development						
Program design	13	6	5	12	3	39
Organizational partnership development	9	6	6	--	1	22
Financial education curriculum development	8	3	4	4	--	19
Program Implementation						
Target population marketing	13	6	6	10	5	40
Participant retention	8	4	5	7	--	24
Participant counseling and assistance	6	5	4	7	--	22
Eligibility assessment	4	4	4	3	--	15
Capacity Development						
Grantwriting	10	5	6	9	3	33
Media relations	8	3	5	6	4	26
Volunteer recruitment	8	3	4	8	1	24
Other fundraising	3	3	2	5	2	15
Board development	--	--	--	--	3	3

4. Microenterprise Programs: Effective Practices and Possible Outcomes[3]

In this section of the report, microenterprise programs are discussed. What is known about effective practices is presented, and possible outcomes are discussed. Following this, we suggest possible outputs and indicators for intermediate and end outcomes. Findings are then presented regarding microenterprise programs supported by Entrepreneur Corps VISTA members, the members' activities, and the status of performance measurement.

Defining Microenterprise

A microenterprise is a very small company run by an owner of modest means, usually with few or no other employees. Common activities include child care, catering, cosmetology, or cleaning services. The microenterprise rubric generally excludes one-person small businesses owned by professionals such as doctors, lawyers, or computer programmers, and it also excludes hobbyists (such as those selling hand-made arts and crafts at weekend shows).

The microenterprise-support field has, to this point, focused largely on lending and training, perhaps due to its roots in microcredit models from low-income countries and in particular the Grameen Bank of Bangladesh (Yunus, 1999 and 1998; Soloman, 1992). We offer a different perspective, one that suggests that—even when they make loans—microenterprise programs best support self-employment when they help people build human capital (education, experience, and entrepreneurship), financial capital (loans or savings), and social capital (networks and personal support).

Microenterprise Programs: Program Components and Effective Practices

Microenterprise-support programs aim to help people of modest means to start, strengthen, and/or expand very small companies. Microenterprise programs have their work cut out for them. Self-employment requires assets in the form of human, financial, and social capital. By definition, people of modest means have fewer of these assets. To fill gaps in the assets that facilitate successful self-employment, microenterprise-support programs offer training, microfinance, and social support.

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[3] Please reference the comprehensive review upon which this section is based: Schreiner, M. (2004). *Support for microenterprise as asset building: Concepts, good practices, and measurement*, working paper 04-06. St. Louis: Center for Social Development, Washington University in St. Louis.

Training. Self-employment requires a wide range of skills, attitudes, and habits. The people most likely to succeed are older, highly-educated, and have experience in self-employment or in wage jobs in the same field (Spalter-Roth, Soto, and Zandniapour, 1994; Evans and Leighton, 1989). Training aims to equip microenterprise owners with the human capital needed to compete in the marketplace through:

- Advice about the risks of microenterprise and alternatives such as wage jobs
- Help with a written business plan
- General business skills, such as taxes, accounting, strategic planning, and pricing
- Assistance with legal compliance and licensing for specific businesses, in particular child care, cosmetology, and food service
- Consulting services and technical assistance on an on-going, on-call basis

Effective microenterprise training serves to scare off many potential participants. After all, self-employment is usually more difficult than wage-employment: the hours are longer, the pay is lower, and the risks are higher. "To be your own boss" and "to set your own hours" takes a mindset and a discipline that many people would rather delegate.

The Women's Self-Employment Program of Chicago—the oldest microenterprise program in the United States—"believes that a critical element of self-employment training is to help clients understand whether or not they are suited as entrepreneurs" (Novogratz, 1992, p. 21). Likewise, Edgcomb (2002) notes that good training helps participants to assess their assets. In this vein, Balkin (1989) proposes that microenterprise training should first help people to get more education, second to search for a wage job, and only last to attempt self-employment. Kosanovich and Fleck (2001) call this the "cold shower" approach.

The capstone of microenterprise training is often a formal written business plan. Making a plan forces participants to sit down and ask themselves some tough questions (Bhatt, 2002):

- Does the idea make sense in business terms?
- How long will it take to break even, and how will I get by until then?
- Have I confused the enjoyment of supply with the existence of demand? (If I make it, will they come?)

The point is, a business is a business. "All too often"—says Sternberg (1998, p. 16)—"they start making a product because they like it (crafts, jellies, party balloons, tie-dyed silk scarves, hand-painted candy jars, or tape-recorded stories) rather than because it has a profitable market."

The business plan also serves three other purposes. For microenterprise programs that make loans, the business plan screens out the highest-risk borrowers—no plan, no loan. For programs that do not make loans, the business plan prepares borrowers to approach banks or other lenders. Finally, the plan serves as a "final exam" and as a way to track effort toward self-employment. States have been willing to waive work-search requirements for public-assistance recipients in microenterprise training as long as there is something concrete—such as a business plan—to prove that the training is real.

Microenterprise training can also teach general business skills. Microenterprise training attempts to provide “the practical knowledge to do the myriad of little things it takes to start and sustain an enterprise” (Balkin, 1992, p. 141). Because of the wide array of business ideas in a given classroom, and because trainers themselves often lack sector-specific skills, it is good practice (Edgcomb, 2002) to focus on common business tasks such as taxes, accounting, strategic planning, and pricing.

Sector-specific training makes sense in fields such as child care, cosmetology, and food service that not only have many microenterprises—making it worthwhile for the microenterprise program to acquire sector-specific expertise—but that also require licenses (Sherraden, Sanders, and Sherraden, 1998). In the United States and abroad, regulation is a barrier—though not always an unhealthy one—to microenterprise (Dennis, 1998; de Soto, 1989). For example, microenterprise programs may not be able to teach beauticians how to cut the latest hairstyles, they can still teach them how to navigate legal and regulatory requirements.

Finally, microenterprise programs often supplement classroom training with one-on-one consulting on an on-going, on-call basis. The Unemployment Insurance Self-Employment Demonstration (Benus, et al., 1995) and a review of self-employment programs in Britain and France (Bendick and Egan, 1987) suggest that long-term, on-call advice and technical assistance for problems as they come up can be more effective than once-off, up-front courses meant to prevent possible problems. On-call advice is also less costly, both because problems that do not crop up are not treated and because people who end up not starting businesses are not trained.

Microfinance. Self-employment requires not only human capital but also financial capital. Microfinance is the supply of financial services—loans and/or savings—tailored to the demands of microenterprises. This includes loans from the microenterprise-support program itself or from banks or other lenders. It also includes savings services.

Microloans. According to Drury, Walsh, and Strong (1994, p. 2-15), “many microbusiness practitioners believe that lack of access to capital is the greatest single barrier to starting businesses, and that capital is an input even more important than general business training.” Indeed, there is a strong link between business start-up and owner’s net worth (Bates, 1996; Holtz-Eakin, Joulfaian, and Rosen, 1994; Evans and Leighton, 1989).

Microenterprise programs often make loans to their participants because, as the saying goes, banks make loans only to those who do not need them. Banks require signals of creditworthiness that microenterprises often cannot offer: real estate for collateral, an unblemished credit-bureau record, and a wage job with enough steady income to make monthly payments. Unlike banks, microenterprise programs often use joint-liability groups to control risk. Programs that lend to individuals may also consider non-standard signals of creditworthiness that banks ignore, such as a record of on-time payments for rent and utilities, regular remittances to relatives abroad, and/or completion of a microenterprise training course or business plan.

A few banks work in partnership with microenterprise programs to make loans to program “graduates” based on their business plans. The microenterprise field hopes that this will show banks that microloans are good business.

Microsavings. A decade ago, the word “microfinance” did not exist; people spoke only of “microcredit.” The shift to the new word reflects the awareness that, for microenterprises, savings matter just as much—if not more—as loans.

For one thing, most new ventures do not use much debt at start-up (Dennis, 1998); according to Bates (1996), about one-fourth start with no financial capital at all. When start-ups do use financial capital, the most common sources are not bank loans but rather owner’s savings or informal loans from friends or relatives. Berger and Udell (1998) and Bates (1997) find that microenterprises are limited less by low debt than by low savings. Indeed, Bates (1996) argues that, because lenders require collateral, low savings leads to a low access to loans.

For start-ups, savings has other advantages over loans. Of course, savings pay interest, but loans cost interest. And loans are tied to specific purchases—such as a barber chair or a lawn mower—and cannot pay for research during the planning stage or for the owner’s living expenses during the years of gestation required of most small ventures (Servon, 1997; Birley, 1989; Nares and Feit, 1989). Finally, even established, successful microenterprises do not provide a monthly paycheck, so they need savings to smooth the peaks and valleys in income and expenses. In sum, without a reserve of savings, most new, small firms will fold before they fledge.

The challenge for microenterprise programs is that it is easier to make loans than to support saving. There are two practical options: helping people to save in banks and implementing Individual Development Account programs.

Social support. In addition to human capital and financial capital, self-employment requires social capital. As Balkin (1989, p. 7) says, “No one does it on their own.” Business happens not only in the marketplace but also in the social arena, and the self-employed must rely on their personal networks for contacts and information and on their families for emotional support and physical sustenance. People of modest means have limited social support because their friends and relatives also tend to be of modest means and not to own businesses. To build social capital and to empower the self-employed, microenterprise programs often target specific groups, provide basic skills training and mentors, and offer events that bring microenterprise owners together.

Microenterprise programs can target women, racial/ethnic minorities, and the foreign-born in many ways. Location is one; participation is easier when the program’s office and classrooms are close to where the target group lives and close to public-transport routes. Child-care is another; women may not be able to attend classes unless they have someone to watch their children. Programs targeted to women may also include spouses to get their “buy-in”, as male partners may either sabotage women’s self-employment efforts or—especially if they have wage jobs—be mainstays of support (Taub, 1998; Spalter-Roth, Hartmann, and Shaw, 1993).

Timing is important; most participants also work wage jobs, so classes should be repeated and scheduled to allow attendance by people working day or night shifts. The background of the trainer also matters; students make a greater effort when they identify with the teacher and feel that they "fit in" (Akerlof and Kranton, 2002). For the foreign-born, a key is to deliver classes, handouts, and advertising in the mother tongue.

To increase the chances for success, programs targeted to women—especially those coming off public assistance—often find that basic-skills training provides a context of success that boosts self-esteem. Still, "even for motivated low-income women, microenterprise training does not generally increase living standards—at least in the short run—although it does make trainees feel better about themselves" (Spalter-Roth, Soto, and Zandniapour, 1994, p. 8). The skills per se are useful, however, and building self-esteem through self-employment training can be good wage-employment training.

Microenterprise programs often match participants with mentors. The self-employed are more likely to have had parents or relatives who owned a business (Balkin, 1989; Evans and Leighton, 1989), conferring a social advantage in terms of information and opportunities. "A self-employment training program can be thought of as a substitute for the business-minded relative that low-income people never had" (Balkin, 1989, p. 136). The best mentors come from the same backgrounds as participants and work in the same fields.

Microenterprise programs also build social capital by bringing owners together in joint-liability groups, business incubators or clusters, trade shows and get-togethers. With joint-liability groups, three to five people receive loans, all of whom must repay before any one of them can get a repeat loan. Made famous by the Grameen Bank of Bangladesh (Edgcomb and Barton, 1998), joint-liability eschews traditional collateral and credit evaluations, controlling repayment risk instead via existing social capital among group members. Joint-liability also builds social capital by giving members a reason to mentor each other. In the United States, performance has been less dramatic than in Bangladesh (Larance, 2001). There is less social capital to tap. Not only are Americans more mobile, more spread out, and more diverse, but lenders often place strangers together in groups (Hung, 2002; Sternberg, 1998). Group meetings can be seen as more burdensome than empowering (Ashe, 2000; Taub, 1998).

Business incubators are buildings that house microenterprises that share secretarial support, telephone and fax lines, computers, copiers, and restrooms. This helps dilute overhead costs. "Clusters" group microenterprises that produce complementary goods and services (Bhatt, 2002). Because they are close in space, microenterprises in clusters have lower transaction costs—both for information and transportation—and so enjoy economies of agglomeration (Porter, 1997; Krugman, 1995). Of course, a cluster or incubator needs an organizer, and the microenterprise-support program can play that role.

Finally, microenterprise programs can promote social capital through microenterprise trade shows or simply by convening a group of business owners and then letting nature take its course. One of the best ways to build social capital is simply to bring people together, and the microenterprise program can be the institutional setting.

Possible Microenterprise Outcomes

Microenterprise-support programs help people of modest means to build human, financial, and social capital via self-employment. If successful, this has the same benefits (jobs and income) as wage employment. In addition, self-employment has unique non-financial or "way-of-life" benefits, and its benefits may spill-over to non-owners.

Potential financial outcomes for participants. Microenterprise programs try to help start, strengthen, and/or expand very small companies in order to increase income and employment. Thus, the financial benefits of microenterprises are a lot like those of wage jobs.

Starting a microenterprise is assumed to "create" a job and to increase income. Of course, this assumption is only partially correct; in the absence of the microenterprise, many—if not most—owners would have found a wage job of some sort. At the same time, others would have been unemployed, and even those with wage jobs would have—to some degree—displaced other, less-fortunate wage workers. On the whole, successful microenterprise does create jobs and, in so doing, increases aggregate national income.

Although self-employment has low, risky wages, one of its main effects seems to be to diversify the risk of the portfolio of household activities (Sherraden, Sanders, and Sherraden, 1998; Dunn, 1997; Hulme and Mosley, 1996; Servon, 1996). For example, a household with one or more wage jobs might start a part-time microenterprise to insure against job loss. Unlike wage jobs—whose hours and income are usually rigid and all-or-none—self-employment effort and earnings can be adjusted by the household as needed.

Potential non-financial and "way-of-life" outcomes. Sherraden, Sanders, and Sherraden (1998) point out that, for most microenterprise owners, financial benefits (which are often low and risky) matter less than non-financial and "way-of-life" benefits. Simply put, microenterprise owners tend to be drawn from those who want the lifestyle promised by self-employment. For them, microenterprise improves quality-of-life and fulfills a dream. They give up higher incomes in exchange for independence, pride of ownership, and self-fulfillment (Himes and Servon, 1998).

Much of the excitement for microenterprise as a way for single mothers to leave public assistance stems from its unique promise to combine home-based self-employment with child care or elder care. Others—such as those on farms or otherwise rooted in place—want work that does not require them to move. Some microenterprise owners see the business as a way to imprint a work ethic on children and as a way to build assets to bequeath. Even owners of failed firms see self-employment as a "learning experience" that will serve them throughout life (Sherraden, Sanders, and Sherraden, 1998).

Potential outcomes beyond the owners. Finally, microenterprise may benefit society at large, most obviously by creating jobs. As mentioned above, microenterprise may also help single mothers leave public assistance (Friedman, Grossman, and Sahay, 1995; Else and Raheim, 1992), although it probably will not be a common route (Schreiner, 1999b; Servon and Bates, 1998).

Microenterprise may also have macroeconomic benefits. Even if 999 flowers die from every 1,000 that bloom, the successes may be well worth the failures, especially if they grow into large companies. While these community- and societal-level impacts are well known, measuring these impacts of microenterprise programs remains elusive.

5. Microenterprise Programs: Indicators for Performance Measurement

Based on what is known about effective microenterprise practices and possible outcomes, this section offers suggestions for measuring outputs, intermediate outcomes, and end outcomes. These indicators may or may not be applicable to all programs. In constructing program logic models, indicators unique to the program context can be applied.

Outputs

The services delivered by a microenterprise-support program—its outputs—aim to build human capital, financial capital, and social capital. Tables 5.1-5.3 suggest outputs to measure and monitor. We consider these to be example outputs; program staff should choose outputs that reflect the goals, structure, and activities of the sessions they provide.

Human-capital outputs. First and foremost, a microenterprise program helps participants weigh the risks and rewards of self-employment versus alternatives. Thus, potential participants who sign up but soon opt out are a valid (and valuable) output.

Performance measurement should "give credit" to microenterprise programs both for helping those who are "ready and willing" to try self-employment and for helping others to choose the right path for them. When tracking those who seek these services, it is useful to assess those who already own a microenterprise and those who do not. Black et al. (2002) define a microenterprise "participant" as someone who, in the past year, had a loan in good standing and/or received at least 10 hours of training or technical assistance.

For most microenterprise programs, formal classroom training forms the heart of structured human-capital building. Measures can assess the number of hours devoted to specific skills training.

Often, the capstone of microenterprise human-capital building is the business plan. As with in-take, performance measurement should count not only completed business plans but also in-process plans and abandoned plans.

Good practice suggests complementing classroom training and business-plan guidance with on-going, on-call, one-on-one consulting and technical assistance. Edgcomb (2002) suggests that while programs should actively offer technical assistance to owners, results are best when owners initiate the request, which can be assessed.

Table 5.1. Microenterprise Programs: Human Capital Outputs
1. Number of inquiries received by potential participants in the year (by phone, mail, in person)
2. Number of people who started the formal in-take process in the year
3. Number of people who attended initial group-orientation session
4. Number of people who received one-on-one in-take counseling
5. Number of people with loans in good standing
6. Number of people who received 10 hours of training or technical assistance
7. Number of classroom/training hours in the year for: • General business skills training in taxes, accounting, and strategic planning • Specific business skills training in legal compliance and licensing • Management training or other advanced topics
8. Number of business plans supervised in the year
9. Hours of one-on-one counseling or technical assistance in the year: • Scheduled by the program • Requested by the owner

Financial-capital outputs. To build financial capital, microenterprise programs' main tools are loans and savings programs such as IDAs. Loans may be disbursed to joint-liability groups or individuals, to start-up ventures or on-going microenterprises. For on-going microenterprises, the loan may be the borrower's first, or it may be a repeat loan. These distinctions are important to assess.

Loan output may be measured not only as the number of loans disbursed but also as dollars disbursed (Schreiner, 2001), with the same sub-classes as above. It is also useful—for example, when deriving the portfolio-at-risk measure of arrears (see below)—to measure dollars outstanding at the end of the year, with the same sub-classes as for the number of loans disbursed and dollars disbursed.

IDAs are one mechanism for savings development. Programs assist with opening a savings account, prodding to make regular deposits, and delivering financial education:

Table 5.2. Microenterprise Programs: Financial Capital Outputs
1. Number of loans disbursed in the year (joint-liability loans or individual loans for either start-up ventures or on-going microenterprises)
2. Dollars disbursed in loans in the year
3. Dollars outstanding at the end of the year
4. Number of IDAs opened in the year
5. Number of IDAs open at the end of the year
6. Number of deposit reminders to IDA savers in the year (by mail and telephone)
7. Classroom-hours of IDA financial education provided in the year: • Personal finance • Microenterprise-specific • Other

Social-capital outputs. Outputs meant to build social capital include targeting disadvantaged groups to help them build networks and self-esteem and matching participants with mentors and organizing social events.

Targeting to groups who are disadvantaged in terms of social capital for business development is reflected in the demographics of participants served in the past year. These measures are helpful for tracking target population achievement. These same measures can also be applied to program staff and class instructors to assess how closely their background matches that of disadvantaged target groups. Targeting the foreign-born can be measured in terms of services provided in languages other than English.

One way to assess how well a microenterprise program targets people of modest means is to compare their income with a poverty line (Doyle and Black, 2001). Income is measured best as "total income" from past-year tax returns.

Class scheduling indicates commitment to people who often must patch income together from multiple jobs. Attempts to accommodate the unique situation of women include providing child care and reaching out to participants' male partners.

Self-esteem training is like other forms of training with outputs measuring the number of hours devoted to specific content areas.

Microenterprise programs match participants with mentors so as to fill in a "missing link" in the network that the disadvantaged may lack among kith and kin. Programs also build social capital by organizing events that build networks. This breaks the "free-rider" collective-action problem in which participants themselves have few incentives to arrange such events because, even though each would benefit, no individual benefits enough to compensate for the trouble of playing host. Programs organize incubators, trade shows, and simple get-togethers.

Table 5.3. Microenterprise Programs: Social Capital Outputs
1. Numbers of participants and staff according to: • Gender (male or female) • Race/ethnicity • Birthplace (United States or other) • Disability (yes or no) • Receipt of TANF or food stamps (in the past year and in the four years before) • Experience with microenterprise ownership (never, formerly but not currently, currently)
2. Number of classroom-hours provided in languages other than English in the year
3. Number of Materials produced in languages other than English in the year: • Radio and television advertisements (yes or no) • Printed publicity (yes or no) • Written program information (yes or no) • Class handouts (yes or no)
4. Number of participants in the year with income below the family-size adjusted poverty guideline of the U.S. Department of Health and Human Services (below 100, 150, and 200 percent)
5. Number of participants in the year with income below 80 percent of the local area median income as published by the U.S. Department of Housing and Urban Development
6. Number of classroom-hours of training provided in the year (before 5 p.m. and after 5 p.m.)

Table 5.3. Microenterprise Programs: Social Capital Outputs
7. Hours of child care provided for participants in the year
8. Number of male partners of participants who attended at least one training session in the year
9. Classroom-hours of self-esteem training in the year: • Basic skills such as literacy or numeracy • Job or job-search skills • Other
10. Number of participants who met at least once with a mentor in the year (assigned in the current year and past years)
11. Number of meetings between participants and mentors in the year (assigned in the current year and past years)
12. Number of mentors prepared for assignment in the year
13. Number of microenterprises housed in business incubators in the year
14. Number of trade shows and number of participants whose participation in a trade show was facilitated by the microenterprise program in the year
15. Number of microenterprise-owner get-togethers hosted and number of participants per get-together

Intermediate Outcomes

If all goes well, the outputs delivered by a microenterprise-support program lead to intermediate outcomes that represent increases in human, financial, and social capital. Possible intermediate outcomes are listed in Tables 5.4-5.6.

Human-capital intermediate outcomes. Intermediate outcomes indicate the accumulation of human capital by participants, promoting end outcomes that improve well-being. These include knowledge gained from classroom-hours of training, business plans finished, and business licenses issued. Indicators may also reflect the formal "establishment" of the business.

Table 5.4. Microenterprise Programs: Human Capital Intermediate Outcomes
1. Perceived knowledge gained from classroom-hours of training attended in the year • General business skill training • Training for specific businesses • Management training or other advanced topics
2. Number of formal written business plans finished in the year
3. Number of business licenses or permits issued to participants in the year
4. Number of participants obtaining an Employer Identification Number in the year
5. Number of participants adopting a legal status other than "sole proprietorship" or "partnership" in the year

Financial-capital intermediate outcomes. Microenterprise programs attempt to build financial capital through loans and IDAs. Outcomes for IDAs are covered in subsequent sections. For loans, two simple indicators mark success: repeat borrowers and repayment rates. Using the wisdom of "fool me once, shame on you, fool me twice, shame on me," borrowers may get one loan and discover that it was a mistake, but they will not come back for a repeat loan unless they benefited from the first one (Schreiner, 2003).

A loan that is not repaid is not a loan but a gift. It is one thing to produce gifts and another thing to produce loans, so performance must consider arrears and default. Repayment-as-promised is an intermediate outcome symbolizing a milestone on the road to desired end outcomes because it indicates not only some financial capacity by the owner but also that the microenterprise program inspires honesty and/or the desire among borrowers to maintain a clean record and so qualify for repeat loans.

The most conservative (and most useful) measure of arrears is portfolio-at-risk, the ratio of all dollars outstanding in loans one day or more overdue, divided by all dollars outstanding (Rosenberg, 1999). Given dollars outstanding at year-end (discussed earlier), deriving portfolio-at-risk requires measuring dollars outstanding in overdue loans, classified as usual by joint-liability/individual, start-up/on-going, and first/repeat.

Once 90-days late, loans have gone bad. In a rescue effort, microenterprise programs may reschedule such delinquent loans. Even if borrowers are making the rescheduled payments on-time, the loans remain at-risk. Thus, good practice counts rescheduled loans as if they were 90-days delinquent (with the usual sub-classes).

Not all microenterprise programs make loans, so business loans to participants from other formal sources (usually banks) are also indicators of progress.

Table 5.5. Microenterprise Programs: Financial Capital Intermediate Outcomes
1. Number of repeat borrowers
2. Rates of repayment per participant
3. Number of loans in the year to borrowers who received program loans before
4. Dollars outstanding in loans with at least one installment overdue at year-end
5. Dollars outstanding in rescheduled loans or in loans 90 or more days overdue at the end of the year
6. Number of loans in the year to participants from other formal sources

Social-capital intermediate outcomes. Microenterprise programs attempt to build social capital through self-esteem training and through institutionalized social events. Web sites and business cards may help to spread social networks. Finally, business owners with business partners have larger social networks—all else constant—than sole proprietors.

Table 5.6. Microenterprise Programs: Social Capital Intermediate Outcomes
1. Classroom-hours of basic-skills training attended in the past year for literacy, numeracy, job skills, or self-esteem
2. Number of participants who are members in local chambers of commerce, clubs of small-business owners, and the like
3. Number of participants with business cards at year-end
4. Number of participants with business web sites at year-end
5. Number of owners in the microenterprise at year-end (none, one, two, three or more)

End Outcomes

Microenterprise programs produce outputs so as to increase human, financial, and social capital in the hopes that the asset accumulation leads to improved end outcomes in participants' lives. These end outcomes include more employment, higher income, greater asset accumulation, and improved psychological and social well-being. Possible end outcomes are listed in Tables 5.7-5.10.

End outcomes for employment. The Holy Grail for microenterprise-support programs is new business starts. Programs also seek to strengthen on-going concerns. Because failure rates decline with each year of survival (Taylor, 1999), a good indicator of strength is continued existence. Furthermore, full-time self-employment is a sign of strength, and looking at both full-time and part-time work in both microenterprise and wage jobs (see below) allows programs to see whether microenterprise helps to stabilize income and reduce the need to "patch."

A simple but powerful sign of the strength and stability of a microenterprise is the existence of a locale outside the home (Schreiner, 2002), although working from home can provide non-financial benefits, especially for women.

By building human capital, microenterprise programs stimulate wage-employment as well as self-employment (Benus, et al., 1995; Drury, Walsh, and Strong, 1994). Beyond employing the owner, microenterprises may also employ others.

Table 5.7. Microenterprise Programs: End Outcomes for Employment
1. Number of participants who started a business in the year
2. Number of participants who were self-employed at year-start (full-time and part-time)
3. Number of participants who were self-employed at year-end (full-time and part-time)
4. Number of participants with home-based businesses
5. Number of participants with businesses with a locale outside the home (owned and rented)
6. Number of participants with wage jobs at year-start (full-time and part-time)
7. Number of participants with wage jobs at year-end (full-time and part-time)
8. Person-months of employees in supported microenterprises in the year (full-time and part-time, who are and are not family)

End outcomes for income. Employment—whether in microenterprise or wage jobs—affects income, for both owners and their employees. A large share of income for owners and employees comes in the form of "fringe benefits." The central "fringe benefits" are health insurance and employer-sponsored, subsidized retirement savings. If income increases, then the use of income-tested public assistance may fall.

Microenterprise may or may not increase earnings per hour (Drury, Walsh, and Strong, 1994; Bendick and Egan, 1987; Spalter-Roth, Hartmann, and Shaw, 1993), as at least some owners work more hours without commensurate increases in total income. To measure earnings per hour requires data on hours worked.

Table 5.8. Microenterprise Programs: End Outcomes for Income
1. Income for supported participants in the year (from self-employment and wage employment) • Increase in retained earnings of the business at year-start and year-end • Owner's draw or salary
2. Income for employees in supported microenterprises (payroll expenses) in the year
3. For supported participants in the year: • Number covered by private health insurance at year-end • Number covered by life insurance at year-end • Number who contributed to an IRA, 401(k), SEP, Keogh, or other tax-preferred retirement account in the year
4. For employees of supported microenterprises: • Number covered by private health insurance at year-end • Number covered by life insurance at year-end • Number who contributed to an IRA, 401(k), SEP, Keogh, or other tax-preferred retirement account in the year
5. Number of participants who received TANF or food stamps at year-end
6. Number of participants who received TANF or food stamps at year-end
7. Hours worked by participants in microenterprise in the year-end
8. Hours worked by participants in wage jobs in the year-end

End outcomes for asset accumulation. Asset accumulation is an end in itself; owners savor their savings, so mere ownership—quite apart from the use of owned assets—improves well-being and changes thoughts and choices (Schreiner et al., 2001; Sherraden, 1991). For example, beyond microenterprise training, programs may prompt participants to get more education. Business owners may also help their children become educated.

Employment and income from microenterprise affects not only the net worth of participants at year-end but also their ownership of household assets such as homes, cars, and appliances. An often-overlooked but central social asset is a marriage.

Table 5.9. Microenterprise Programs: End Outcomes for Asset Accumulation
1. Number of participants with a high-school diploma or GED at year-end
2. Number of participants who attended a college course for credit in the year
3. Number of participants who attended a non-credit course (besides microenterprise training) in the year
4. Number of participants with a college degree at year-end
5. Number of participants with children in a private school at year
6. Number of participants with children in high school at year
7. Number of participants with children in college at year
8. Total financial assets (personal financial assets and microenterprise assets)
9. Total financial liabilities (personal debt and microenterprise liabilities)
10. Number of participants who own a home
11. Number of participants who own a car
12. Number of participants who own a major household appliance: • Refrigerator • Stand-alone freezer • Dishwasher • Clothes washer • Clothes dryer • Computer
13. Number of participants who are married

End outcomes for psychological and social well-being. For microenterprise-support programs, the ultimate end outcome is to improve well-being by improving economic outcomes (employment and income) as well as by improving non-economic outcomes such as self-efficacy, independence, and citizenship. These outcomes may be similar for ownership of a range of assets such as small businesses and homes (McBride, 2003). Brief examples are detailed here. See Appendix B for possible survey questions and methods.

Table 5.10. Microenterprise Programs: End Outcomes for Well-being
1. Greater net worth
2. Greater interest in and knowledge of investing
3. Greater future orientation
4. Lengthened time horizons
5. Greater self-esteem
6. Greater self-efficacy
7. Greater household stability
8. Increase in social connectedness
9. Greater involvement in neighborhood and community affairs
10. Increased voting
11. Greater academic engagement of children of business owners
12. Decrease in unplanned pregnancy for children of business owners

Source: Sherraden et al. (1995).

While we recognize that there may be community-level outcomes as a result of microenterprise programs, it is difficult to isolate these effects. In fact, such indicators, e.g., employment rates, fluctuate largely due to economic forces beyond the programs' control. If programs target specific geographic areas, then perhaps effects on community well-being could be approximated if these efforts are concentrated and long-term. See the sections on IDAs for more information.

6. Microenterprise Programs: VISTA Member Activities and Performance Measurement

This section presents findings from telephone interviews with 20 Entrepreneur Corps sponsoring organizations. We provide descriptions of 14 microenterprise programs, VISTA members' activities in the programs, and the status of performance measurement.

Microenterprise Programs: Basic Program Description

Participating microenterprise programs range from newly developed to 24 years old. The average program age is about six years, and the median is five years. A majority of microenterprise programs target low-income individuals as their primary population (11 programs). See Table 6.1. Four supervisors specify that they also target those who are or want to become entrepreneurs regardless of income. Three programs target specific distressed neighborhoods, and another three target specific types of entrepreneurs including local artists, informal forest workers, and people who want to work in the food services industry. Two programs work with youth to develop entrepreneurial skills, and one works with adults with disabilities.

Table 6.1. Microenterprise Programs: Target Populations (N=14)

Population	Frequency*	Percent
Low-income individuals	11	79
Anyone with interest	3	21
Neighborhoods	3	21
Specific types of entrepreneurs	3	21
Youth	2	14
Adults with disabilities	1	7

*Some programs have more than one target population.

Microenterprise Programs: Goals

Eleven of the 14 microenterprise programs have a specific goal of increasing individual business ownership (Table 6.2). The three others are implementing programs that aim to establish formal or informal businesses to be run by a group of people, such as individuals with disabilities or youth.

Other microenterprise program goals are to increase individual income (9 programs), increase individual net worth (8), promote economic development of a community (8), increase financial literacy levels (7), improve skills (3), and provide a consistent source of work through self-employment (2). Additional goals named by different programs are to host a business incubator, teach students about business development, help participants transition from welfare to full-time employment, provide technical assistance and access to capital, and increase access to federal logging contracts for informal forest workers.

Table 6.2. Microenterprise Programs: Goals (N=14)		
Goal	**Frequency***	**Percent**
Increase business ownership	11	79
Increase income	9	64
Increase net worth	8	57
Develop economy of specific community	8	57
Increase financial literacy	7	50
Improve skills	3	21
Increase opportunity for consistent self-employment	1	7

*Some programs have more than one goal.

Case Study Example: Microenterprise Programs

Five case study organizations host microenterprise programs. Two target the general low-income population. One national organization provides outreach, loan counseling, and small business loans ($500-$25,000) to small business owners who do not have access to bank loans because of poor credit, bankruptcy, or the informal nature of their businesses. Two programs help immigrants and refugees open small businesses. They found that many newcomers to the United States are eager to provide for their families by opening a restaurant or a small shop but do not have the business skills to make this a reality. These microenterprise programs focus on business training and help immigrants and refugees obtain small business loans.

Microenterprise Programs: Entrepreneur Corps VISTA Member Activities

VISTA member activities in microenterprise programs are diverse (Table 6.3). The most prevalent activities are program design and implementation (13) and target population marketing (13).

A majority of VISTA members are designing new programs, but some VISTA members are expanding established programs and implementing the daily program activities. Several examples of programs developed by VISTA members are worth noting. VISTA members at one organization worked with local artists to revitalize a historic theater where they could display and perform their work. One VISTA developed a pizza business at which adults with mental disabilities could have permanent employment, one implemented a Youth Entrepreneur Program, and another designed a microenterprise program for refugees.

In regard to marketing and community outreach, VISTA members attend community forums and events as well as develop flyers, newsletters, and brochures to promote programs. Many respondents stress that community marketing or program promotion and education is an extremely important aspect of the VISTA members’ activities because most regular staff are involved in internal day-to-day operations.

Other common activities include writing grant proposals (10). VISTA members have been quite successful with proposals for five different programs raising about $500,000. They are also forming partnerships with other community organizations for referrals and event sponsorship (9). They also have developed financial education training for youth and small business entrepreneurs (8). This includes researching existing curricula and modifying it for their target groups.

They are also recruiting volunteers (8) to provide pro bono services or assist with program implementation. VISTA members work with the press to develop news stories using participant "success stories" (8). VISTA members are also working directly with participants (8), e.g., following-up with drop-outs, implementing technical assistance (5), and assessing eligibility (4).

Additional activities volunteered by respondents include developing databases to evaluate and implement programs (2), developing resource books (1), and planning field trips for a youth entrepreneurial program (2).

Table 6.3. Microenterprise Programs: Entrepreneur Corps VISTA Member Activities (N=14)			
Activity	**Frequency***	**Percent**	**Examples of Accomplishments and Ongoing Activities**
Program Development			
Program design	13	93	Developed refugee ME program; worked with artists to revitalize historic theater; implemented Youth Entrepreneur Program; helped found co-op
Organizational partnership development	9	64	Partnered with other organizations to sponsor Youth Entrepreneurship Expo; work with community organizations for referrals
Financial education curriculum development	8	57	Developed financial literacy training for youth; developed initial orientation for small business owners
Program Implementation			
Target population marketing	13	93	Attend monthly community forums; develop brochures and newsletters; set up meetings with community stakeholders
Participant retention	8	57	Created database to track reasons for dropouts; provide extensive follow-up with clients; initiate regular communication with clients
Participant counseling	5	36	Provide technical assistance for business owners; teach computer skills; mentor youth entrepreneurs; help clients obtain loans
Eligibility assessment	4	29	Review past business revenues and experience; assess business readiness
Capacity Development			
Grantwriting	10	71	Across 5 programs, 5 grants received for a total of $500,000
Media relations	8	57	Contact reporters for newspaper articles; create press releases
Volunteer recruitment	8	57	Created volunteer management system for the program; recruited 375 volunteers to help with different programs
Other fundraising	3	21	Created a direct mail campaign

*VISTA member activities are not applicable to every program.

Case Study Example: VISTA Members and Microenterprise Programs

One case study was conducted at an International Rescue Committee affiliate organization serving refugees in Phoenix, where two VISTA members were instrumental in initiating a refugee microenterprise program. Although they were recruited to do asset-building work, when they first arrived, they were running an after school program because the organization had not received the necessary grant to start the microenterprise program. The VISTA members then took the initiative to write and receive a grant from the Office of Refugee Resettlement. They did all the research, grantwriting, and program planning and implementation. Although one VISTA member had some grantwriting experience, neither of these young people had direct microenterprise experience.

They successfully created a program with two tracks: the training track, offering extensive business training, and the fast track, moving clients toward lending and opening a business. At the time of the study, ten clients are enrolled, almost all of whom are in the training track. Classes are offered in Spanish and English with translators provided for other languages. The training classes are offered through a partner organization, but the current VISTA members provide help with homework and technical assistance. The VISTA members have been so successful at grantwriting that they raised sustainable funding for the program and will be hired by the organization after their term of service.

Another case study was conducted at Accion USA, a national microloan organization with affiliates around the country. At the time of the interview, there were nine VISTA members at the national headquarters. Most are recent college graduates, although some had work experience. Five VISTA members are doing targeted outreach and loan processing throughout the region for the local microloan program. They have been very successful at recruiting new borrowers as well as partnering with banks and community organizations for referrals. They created and institutionalized Bankers Luncheons, events that educate banks about the microloan program, helping to solidify referral partnerships. These luncheons provide opportunities for media involvement, and VISTA members generate the communications, creating stories for the media to use. They also created a bilingual direct mail campaign as well as brochures, newsletters, and flyers—outreach that was nonexistent before the VISTA members created them.

Microenterprise Programs: Perceived Challenges

The most frequent challenges encountered by microenterprise programs (Table 6.4) are participant recruitment (6) and lack of funding (6). Supervisors expressed how difficult it is to recruit participants from extremely poor neighborhoods, and convince them that they can be successful business owners. On the other hand, one respondent said that many participants are convinced they do not need business training.

Two organizations encountered challenges with effectively marketing the program to the community and educating stakeholders about the importance of their microenterprise programs. One program was successful in attracting people to business training classes, but they had a low percentage of participants actually obtaining small business loans. Although this was frustrating for the program supervisor, it can also be a sign that the classes were weeding out those who would not succeed.

One program has difficulties scheduling classes and recruiting volunteers, and a youth program has been unable to involve parents. One supervisor noted that the VISTA members they have recruited do not have the skills to assist with loan counseling and expanding the program.

Table 6.4. Microenterprise Programs: Perceived Challenges (N=14)

Challenge	Frequency	Percent	Examples
Participant recruitment	6	43	Participants do not think they need business training; difficult to recruit in poor neighborhoods
Program funding	6	43	Need more money for business start-up; not enough money to provide all services they want
Difficult organizational partnerships	5	36	Lack of prompt payments grantors; federal reporting is time-consuming
Participant retention	2	14	Participants lose interest

Microenterprise Programs: Performance Measurement

Most programs use databases to track activities, outputs, and outcomes (Table 6.5). Other methods used are participant satisfaction surveys (4), pre- and post-tests (5), cost-benefit analyses (3), and a longitudinal study (1). One longitudinal study is being conducted by a local university, and one program is being evaluated by an independent evaluator every six months.

Table 6.5. Microenterprise Programs: Performance Measurement Methods (N=14)

Method	Frequency*	Percent	Examples
Track outputs and outcomes	13	93	Use spreadsheets and other program records
Satisfaction surveys during and after program	4	29	Assess satisfaction of classes and teachers' performance; administer surveys to clients every six months
Pre- and post-tests	5	36	Test economic status of clients evaluate business skills and self-esteem
Cost-benefit analysis	3	21	Estimate costs for every job created through program (at $4500, the organization breaks even)
Longitudinal study	1	7	University currently conducting study on client well-being

Supervisors were asked about outcomes and performance measurement practices since hosting Entrepreneur Corps VISTA members in 2002. See Table 6.6 for further details on reported indicators.

Although programs monitor similar activities, outputs, and outcomes, there is great variation in the volume of services provided, due to differences in program stage and scale. For example, one program mentored four new small business owners, while another mentored 972.

Organizations also monitor outputs and outcomes unique to their program. For example, 53 youth participated in an entrepreneurial training program and pre-post assessments were obtained. They found a 55 percent increase in work maturity, a 41 percent increase in employability, and a 67 percent increase in conflict resolution skills. In a rural community in the Southwest, VISTA members were building community coalitions to promote economic development and tourism. Together with these coalitions, they revitalized a historic downtown theater, created 75 miles of hiking/biking trails, and instituted a Tourism Action Council for the city.

Table 6.6. Microenterprise Programs: Reported Performance Measurement Indicators (since 2002) (N=14)

Indicator	Number of Programs*	Mean	Median	Minimum	Maximum
Number of new entrepreneurs mentored	7	176.6	30	4	972
Number of Organizational partnerships created	7	16.3	9.0	2	55
Number of small businesses opened	6	57.5	11	0	300
Number of persons completing financial education classes	5	98	70	30	240
Numbers of loans granted	3	40.3	23	8	90

*Indicators are not applicable to all programs.

Case Study Example: Microenterprise Programs and Performance Measurement

Like the interview respondents, all five case study microenterprise programs have tracking methods in place. Performance measurement was more formal and institutionalized in the larger, well-established case studies sites. The Institute for Social and Economic Development, which implements a statewide microenterprise program, has a research and evaluation subsidiary, so the program is carefully monitored and evaluated. An extensive database captures numerous indicators related to the program, and they utilize logic models to guide evaluation of the expected outcomes. An outside evaluator had also conducted a formal outcome assessment of the microenterprise program.

7. Housing and Homeownership Development Programs: Effective Practices and Possible Outcomes

In this section of the report, housing and homeownership development programs are discussed. What is known about effective practices is presented, and possible outcomes are discussed. Following this, we suggest possible outputs and indicators for intermediate and end outcomes. Findings are then presented regarding housing and homeownership programs supported by Entrepreneur Corps VISTA members, the members' activities, and the status of performance measurement.

Defining Housing and Homeownership Development

Housing and homeownership development encompasses a large programmatic category from rent subsidies to home loans and cooperatives to new home construction. The intent of all strategies is to create access to affordable housing for low-income individuals and families.

Since the 1930s, the federal government has led efforts to provide low-income families with affordable, permanent housing. These efforts have taken the form of public housing developments or subsidies provided to private developers and landlords (Salsich, 1989). Traditionally, federally-funded affordable housing has focused on assisting families with rent rather than homeownership. While rental subsidies provide families with temporary shelter, they do not offer them the economic, legal, and social benefits of owning their own home (Johnson & Sherraden, 1992).

In the late 1980s and 1990s, the federal government became increasingly interested in helping low-income families become homeowners. In 1990, the National Affordable Housing Act contained the HOPE Initiatives, which were designed to open some federally-owned housing units for low-income families to purchase (Rohe & Stegman, 1992). These somewhat unsuccessful attempts to sell public housing units coincided with a decrease in federal funding and public support for housing subsidies, and local non-profit organizations increasingly stepped in to meet low-income housing needs (Balfour & Smith, 1996; Salsich, 1989).

Nonprofit organizations now play a significant role in providing affordable housing in cities and communities across the nation. These housing organizations take a number of different forms and have diverse purposes—some are large umbrella organizations that provide many different services across a city or region, while others are small agencies with a mission to serve a particular population or neighborhood. Because of their identification with the community, nonprofit housing organizations are often able to combine community development techniques with housing provision (Salsich, 1989).

While these organizations provide all forms of affordable housing, from rented apartments to new home purchases, this section will focus on homeownership programs, which help low-income families obtain affordable housing through ownership. We focus on cooperative housing and homebuyer strategies such as lease-purchase and matched downpayment programs.

Cooperative housing strategies. Cooperative housing ("co-ops") provides families with the opportunity to own a share of stock in a housing corporation. Co-ops may be used as a viable and affordable alternative to renting for families who may not be ready or credit-eligible for homeownership. Six basic principles provide a framework for co-op housing operations: (1) open and voluntary membership; (2) democratic control; (3) limited rate of return on investment; (4) return of surplus to members; (5) cooperation between cooperatives; and (6) constant education (Helm, Horvitz, & Ben-Egypt, 1993, p. 238-239).

Because co-op members are owners of the corporation, there is a sense of pride and community, which may translate into better maintenance and less crime and vandalism. The monthly housing costs are comparable or lower than similar rental units, and members have the advantage of contributing toward their asset rather than a landlord's. Members are also eligible for tax deductions for their shares of the mortgage interest and property taxes (Helm et al., 1993).

An example of a successful co-op housing development is the redevelopment of the Ellen Wilson Dwellings in Washington, DC, a former public housing project that had been abandoned and dilapidated. The redevelopment plan was conceived and implemented by neighborhood residents and former public housing tenants, who worked with community leaders to propose a development that would enhance the neighborhood. The Dwellings were transformed into mixed-income townhomes that are integrated, both architecturally and socially, into the existing neighborhood (Holin & Amendolia, 2001).

Homebuyer strategies. There are a myriad of homeownership programs operating across the country, but lease-purchase and matched downpayment programs are common ways to prepare low-income families for homeownership. Both programs emphasize homeownership preparation through financial education and home maintenance training (Baker et al., 2002; Balfour & Smith, 1996; Weber & Smith, 2003).

Under lease-purchase arrangements, tenants in good standing may take ownership of a unit after a certain period of time. Rental payments are viewed as payment against the home debt, and tenants are required to perform designated maintenance duties, but they are not allowed to take federal tax deductions for this investment (Balfour & Smith, 1996). Because lease-purchase programs follow a family for a significant period of time, homeownership preparation is combined with social services designed to create family self-sufficiency. These programs are often targeted toward individuals who are financially ready to purchase a home and are working towards economic stability.

Matched downpayment programs help low-income families purchase homes by negotiating the lending process and offering financial assistance with the downpayment (Baker et al., 2002). Examples include IDA programs. Matched downpayment programs are more short-term than lease-purchase programs, and there is heavy emphasis on credit establishment and credit repair. Very poor families with bad credit may not be eligible for immediate homeownership (Baker et al., 2002).

Housing and Homeownership Programs: Program Components and Effective Practices

Although there are many different types of programs for potential homebuyers, most include the following components: marketing, education and counseling, and assistance with the purchase process (e.g., home search, finance options, sales contract, inspection, closing). For most organizations, assistance with the purchase process consists of referrals to real estate agents, lenders, and inspectors. In addition, staff are usually available to answer questions and address concerns. Some housing programs have a closing coordinator who helps participants schedule closings and obtain necessary paperwork (The Enterprise Foundation, 2001a). Finally, some programs offer a fourth component, financial subsidies for downpayments. Below, we focus our discussion on education and counseling services because these are in many ways the "meat" of homeownership programs.

Homeownership education and counseling. Most homebuyer programs provide services that correspond to the following five "stages" of homeownership education and counseling: (1) pre-counseling screening; (2) pre-purchase education; (3) pre-purchase counseling; (4) post-purchase follow-up and support; and (5) post-purchase delinquency and default counseling (Mallach, n.d.).

The *pre-counseling screening* typically consists of a face-to-face interview with homeownership program staff. The goal is to assess income, debt, and other financial indicators to determine whether an individual will be eligible for a mortgage loan. Individuals who do not meet mortgage qualifications should usually be referred to a local credit counseling agency (The Enterprise Foundation, 2001a). Pre-screening to sort out those who are not yet eligible for home ownership is important so that individuals and agencies do not waste time and resources (Mallach, n.d.)

If the client passes the initial screening, she is encouraged to attend some form of *pre-purchase education or homebuyer training*. The Enterprise Foundation (2001a) recommends a minimum of eight hours of face-to face training. Training often occurs in group sessions, held over a period of eight to twelve weeks. Offering these programs on the weekends or during the evenings is usually desirable to ensure maximum participation. The financial education section of this report offers other specific suggestions for effective group financial education (see also The Housing Partnership Network, n.d.). Some homebuyer programs offer training in the form of telephone sessions or home-study sessions, but these strategies seem to be less effective at reducing future mortgage defaults (Hirad and Zorn,2001).

Homebuyer training topics recommended by the American Homeowner Education & Counseling Training Institute (AHECTI), a nonprofit organization established in 1997 to standardize the homeowner education and counseling industry, are summarized in Table 7.1 (The Enterprise Foundation, 2001b, lists topics covered by existing homebuyer programs). Most homeownership programs encourage participants to attend all training sessions before they begin shopping for homes (The Enterprise Foundation, 2001a). Many programs will not provide financial assistance (e.g., a match for downpayment) unless participants attend these sessions.

Table 7.1. Homebuyer Training Topics Recommended by AHECTI
1. Home-buying process • Goal of homeownership and importance of education • Benefits of homeownership • Pros and cons of owning and renting • Readiness for homeownership • Steps and time frame in home-buying process
2. Life-long money management • Spending styles and conditions of household finances • Importance of budgeting • Availability and features of different types of credit • Importance of credit history • Costs and tax benefits of home ownership
3. Financing a home • Products offered by home mortgage industry • Nature of financing process and key players • Understanding language of mortgage terms • Selecting the right mortgage
4. Qualifying for a mortgage • Qualifications in terms of capacity, capital, credit, and collateral • Calculation of qualifying ratios • Understanding credit scoring and automated underwriting

Table 7.1. Homebuyer Training Topics Recommended by AHECTI
5. Shopping for a home • Looking for and selecting a home, including home inspections • Legal aspects of home ownership and fair housing • Understanding the role of real estate professionals and real estate terminology • Offers, contingencies and negotiations
6. Loan application process • Applying for a mortgage • Approval process • Loan denial
7. Closing process • Preparing for closing, closing costs and documents • The role and selection of the closing agent
8. Life as a home owner • Financial planning for sustaining home ownership • Preserving, building, and accessing home equity • Income tax and real estate tax deductions
9. Getting to know and taking care of a home • Maintenance and inspection schedules • Do-it-yourself repairs • Dealing with contractors for repairs and improvements • Energy conservation

Table 7.1. Homebuyer Training Topics Recommended by AHECTI
10. Preventing foreclosure • How to manage the household budget and prioritize debts • Proactive communications with lender/servicer • Resources for home owners in default • The foreclosure process

Source: Adapted by Mallach (n.d.) from American Homeowner Education & Counseling Training Institute. (1999). *Certification and accreditation standards and procedures*.

The next stage is *pre-purchase counseling*, although this stage may also occur simultaneously with the previous stage. This stage usually consists of one-on-one sessions and tends to focus more on individual and specific issues that need to be addressed before a participant can become a homeowner (Mallach, n.d.). After this stage, if all goes well, the program participant has the necessary skills to purchase a home and is qualified to do so.

After the program participant purchases the home, *post-purchase follow-up and support counseling* is advised (Mallach, n.d.). Effective homeownership programs aim not just to help families purchase homes, but also to help them maintain and remain in their homes (Katz et al., 2003). Issues commonly addressed in this stage are home maintenance and repair and additional financial management skills. Follow-up support can be provided through individual counseling sessions, group sessions, or a combination. However, many programs have found that the majority of participants will not participate in *voluntary* post-purchase support sessions (Mallach, n.d.). Administrators of homeownership programs should therefore consider making these sessions mandatory or providing incentives for participating. Some homeownership programs require potential homebuyers to commit to participating in post-purchase counseling for one to five years after home purchase. To increase participation and to address some home maintenance issues, follow-up sessions might be scheduled in the participant's home (Mallach, n.d.)

The final stage of counseling for many homebuyer programs is *post-purchase delinquency and default counseling*. These group sessions or individual contacts typically involve counseling, budgeting assistance, advocacy, referral and sometimes, financial assistance. Even if this is not a "formal" service provided by the agency, it is helpful for new homeowners to know the program staff are available for this type of assistance (Mallach, n.d.).

Nonprofit organizations, especially those that are expanding their traditional social services to include homeownership, should ensure that they have the expert staff and financial resources to be successful. Homebuyer programs also require partnerships with key lending institutions, and it is imperative to educate potential lenders about the viability of the program and guide applicants through the lending process (Balfour & Smith, 2002; Listokin, 2001).

Possible Housing and Homeownership Outcomes

A number of intermediate and long-term outcomes are expected from homeownership programs. In addition to securing permanent affordable housing for their families, low-income homeowners can begin to realize the financial benefits enjoyed by their wealthier peers. These new homeowners can deduct mortgage interest payments from their income taxes, and economic studies demonstrate that home purchase is often a sound investment as housing prices across the price distribution continue to rise.

Potential outcomes for participants. Cooperative housing is designed to increase the social and economic empowerment of low-income individuals by giving them greater ownership and control over their living situations. Van Ryzin (1994) surveyed elderly residents of cooperative housing associations and found a very high perception of control over their living environment and a positive sense of ownership. The sense of ownership was closely associated with the overall physical and social quality of the environment. Involving residents in the management of low-income housing leads to empowerment, although the internal social dynamics of the association are important (Van Ryzin, 1994).

Homeownership plays a critical role in the asset accumulation of American households. In 1995, the median net worth of homeowners was $78,000 compared to only $2,300 for renters. Home equity also constitutes the majority of total household wealth, and owning an important asset such as a home can protect families in times of economic strain (Boshara, Scanlon, & Page-Adams, 1998).

Homeowners report more satisfaction with their lives, more participation in block associations (Rohe & Basolo, 1997), and a greater engagement with local politics (Rossi & Weber, 1996). Homeownership has also been associated with positive family health effects and marital stability (Boshara, et al., nd). Children of homeowners are less likely to drop out of school or become pregnant as teenagers, an association especially strong for low-income families (Green & White, 1997), and homeownership improves overall outcomes for children in any neighborhood (Harkness & Newman, 2002).

It should be acknowledged that the gains for minority homeowners are often not as great (Katz Reid, 2004), which may be due in part to residential segregation and distressed neighborhood conditions that may reduce housing prices (Boshara et al., n.d.). There are concerns that families who purchase homes in distressed communities may lose money on their investment or find themselves “trapped” in declining neighborhoods (Scanlon, 1998). Non-profit housing organizations should be aware of these risks and realize that higher homeownership rates do not automatically result in successful community revitalization.

Research demonstrates that numerous other long-term benefits may arise from homeownership, although Rossi and Weber (1996) warn that it is difficult to establish the causality of homeownership effects. However, it is clear that there is a strong preference for homeownership over renting in the United States, and low-income families should be given the opportunity to obtain this part of the American Dream and realize the potential benefits (Johnson & Sherraden, 1992).

Potential outcomes beyond the owners. It is easy to assume that individual asset ownership will have positive spillover effects to the neighborhood—homeowners will work to improve their neighborhood conditions in order to protect their investment (Scanlon, 1998; Weber & Smith, 2003). But connecting homeownership with community revitalization requires a long-term commitment on the part of the organization. Housing agencies need political as well as financial resources to create community change through sustained collective action and intervention (Weber & Smith, 2003; Wyly et al., 2001).

8. Housing and Homeownership Development Programs: Indicators for Performance Measurement

Based on what is known about effective housing and homeownership development practices and possible outcomes, this section offers suggestions for measuring outputs, intermediate outcomes, and end outcomes. These indicators may or may not be applicable to all programs. In constructing program logic models, indicators unique to the program context can be applied.

Outputs

Table 8.1 suggests outputs to measure and monitor. Outputs should be measured over a defined period of time, such as a calendar year or a fiscal year. A classroom-hour is an hour of education provided, regardless of the number of people in attendance. A person-hour is one hour spent in attendance by one student. Thus, ten people attending a single two-hour homeownership education session counts as two classroom-hours and 20 person-hours. The outputs in Table 8.1 can be taken from program records.

Table 8.1. Housing and Homeownership Development Programs: Outputs
1. Number of inquiries received by potential participants in the year
2. Number of people who received one-on-one pre-counseling screening
3. Number of people who completed pre-purchase education sessions
4. Number of classroom-hours of pre-purchase education provided
5. Number of person-hours of education attended
6. Number of people receiving one-on-one pre-purchase counseling
7. Number of hours of one-on-one pre-purchase counseling provided
8. Number of hours spent assisting clients with home purchase process
9. Number of referrals made to real estate agents
10. Number of referrals made to lenders
11. Number of people completing a mortgage loan application
12. Number of approved mortgages
13. Number of homes purchased (with and without downpayment subsidies)
14. Number of people receiving financial subsidy for downpayment
15. Total dollar value of downpayment subsidies
16. Total dollar value of approved mortgages
17. Total dollar value of purchased homes
18. Number of hours of post-purchase group education provided
19. Number of people attending post-purchase group education
20. Number of hours of post-purchase one-on-one counseling provided
21. Number of people attending post-purchase one-on-one counseling
22. Number of hours of delinquency and default counseling provided
23. Number of people attending delinquency and default counseling
24. Number of purchasers still in homes at the end of the year
25. Number of purchasers in default at some time during the year
26. Number of foreclosures in the year

Intermediate Outcomes

The outputs delivered by a housing or homeownership development program are expected to lead to intermediate outcomes involving financial knowledge and behavior, and economic and psychological well-being. Table 8.2 suggests possible intermediate outcomes. Outcomes related to financial knowledge and behavior should directly correspond to topics covered in pre- and post-purchase education sessions. They should also emphasize knowledge and behavior that remain important *after* the home has been purchased, such as knowledge and behavior that affect the home owner's ability to maintain and remain in the new home. For more detailed discussion of performance measurement for financial education, see other chapters on this topic in this report.

Intermediate outcomes related to financial status are expected to flow from changes in financial knowledge and behavior associated with pre- and post-purchase education and counseling. For example, pre-purchase education and counseling commonly address credit problems, so improvement in participants' credit records is a logical intermediate outcome.

Finally, intermediate outcomes related to psychological well-being represent changes in attitude that flow fairly quickly from completing financial education, preparing for home ownership, and becoming a home owner.

Table 8.2. Housing and Homeownership Development Programs: Intermediate Outcomes
1. Increased financial knowledge • Understand the costs of paying bills late • Can prioritize bills and debt repayment • Understand the need to save for home maintenance and repair • Can identify sources of saving (e.g., reductions in expenses; "extra" money from raises, bonuses, or tax refunds) • Can choose an appropriate savings account • Understand how to preserve and increase home equity • Understand when and how to access home equity • Understand how to deal with contractors for home maintenance, repair, and improvements • Understand income tax deductions related to home ownership • Understand how to communicate with the mortgage servicer • Can identify resources for home owners in default

Table 8.2. Housing and Homeownership Development Programs: Intermediate Outcomes
2. Improved financial behavior • Make mortgage payments on time • Pay other bills on time • Save regularly for home maintenance and repair • Maintain and repair home as needed
3. Improved financial status • Have a positive cash flow • Have a good credit record • Have a credit card with reasonable terms • Have a consumer debt-service ratio lower than .1 • Have an annual debt-service ratio lower than .3
4. Improved psychological well-being • Financial self-efficacy • Perceived economic security

End Outcomes

Housing and homeownership development programs help families purchase homes because home ownership is believed to improve people's lives. As scholars from the Center for Social Development have argued, mere ownership—separate from the use of owned assets—changes attitudes, behaviors, and choices (Schreiner et al., 2001; Sherraden, 1991). End outcomes associated with home ownership—just as with small business ownership—relate to financial, psychological and social well-being. Table 8.3 suggests end outcomes for housing programs. For more detailed discussion of the effects of asset-holding, see the sections on IDA programs for more information. Reference Appendix B for information on outcome measurement.

Table 8.3. Housing and Homeownership Development Programs: End Outcomes
1. Greater net worth
2. Greater interest in and knowledge of investing
3. Greater consumption efficiency
4. Greater future orientation
5. Lengthened time horizons
6. Greater self-esteem
7. Greater self-efficacy
8. Greater household stability
9. Increase in social connectedness
10. Greater involvement in neighborhood and community affairs
11. Increased voting
12. Greater academic engagement of children of home owners
13. Decrease in unplanned pregnancy for children of home owners

Source: Sherraden et al. (1995).

9. Housing and Homeownership Development Programs: VISTA Member Activities and Performance Measurement

This section presents findings from telephone interviews with Entrepreneur Corps sponsoring organizations. We provide descriptions of eight housing and homeownership programs (hereafter referred to as "housing programs"), VISTA members' activities in the programs, and the status of performance measurement.

Housing Programs: Basic Program Description

Eight housing programs are offered by the sponsoring organizations. The housing programs have been in existence age from two to 25 years. The average age is about eight years, and the median age is four years. Seven programs target low-income individuals and families (Table 9.1). Other programs serve individuals/families with disabilities (2), immigrants and refugees (1), an American Indian tribe (1), and a minority neighborhood (1).

Table 9.1. Housing Programs: Target Populations (N=8)

Population	Frequency*	Percent
Low-income individuals/families	7	88
Those with disabilities	2	25
Immigrants/refugees	1	13
American Indian Tribe	1	13
Minority neighborhood	1	13

*Some programs have more than one target population.

Housing Programs: Goals

Housing programs vary widely in their goals, although all eight programs have a goal of increasing housing stability of their target population (Table 9.2). Six programs are focused on increasing homeownership levels in particular, and five seek to increase the value of homes through repair assistance. Other program goals are to increase individual net worth (5), increase the number of affordable housing units (4), and promote economic development (4). Other program goals include providing culturally sensitive housing, increasing homeownership-related financial literacy, and preventing predatory lending.

Table 9.2. Housing Programs: Goals (N=8)		
Goal	**Frequency***	**Percent**
Increase housing stability	8	100
Increase homeownership levels	6	75
Increase value of homes through repair assistance	5	63
Increase net worth	5	63
Increase number of affordable housing units	4	50
Economic development	4	50

*Some programs have more than one goal.

Case Study Example: Housing Programs

There are six housing programs at three case study sites. Three programs are implemented by VISTA members at one organization, including a small environmental sustainable housing program, a downtown revitalization/affordable housing project, and an employer-assisted housing program. These programs target low-income families and low-wage workers.

Another Entrepreneur Corps supported program is the largest co-op service organization in New York City, with 550 member buildings. The program helps create co-ops in distressed neighborhoods and provides their members with services such as fire insurance, bookkeeping, and legal services.

One housing program is a multi-million dollar project pending in a rural county in California. The organization received a HUD grant to construct affordable housing for current and retired farm workers and their families.

Housing Programs: Entrepreneur Corps VISTA Member Activities

As with other types of asset programs, VISTA members engage in a variety of activities to support the programs (Table 9.3). The most frequently cited activities are program design (6), target population marketing (6), and partnership development with other community organizations (6).

A VISTA member at one organization developed and implemented a Homebuyer’s Club, which prepared immigrants for homeownership, and others implemented a drive-by survey of dilapidated houses and researched the reason for their disrepair and began a strategic plan for future neighborhood-wide renovations. Marketing programs to communities and recruiting participants involve distributing flyers and brochures as well as making presentations at churches, organizations, and community events. Programs targeting a specific population reach out to other organizations that serve similar clients. Partnerships are formed for referrals and resource sharing as well as program implementation.

Other activities include grantwriting (5). One VISTA has written a grant proposal for $975,000, which is presently pending. Others are working directly with participants to assess eligibility and retain participants (4 programs respectively). Volunteer recruitment (3) includes identifying speakers for classes or developing housing units. One VISTA member recruited 50 volunteers for new housing construction.

Respondents shared unique VISTA activities such as conducting a neighborhood housing needs survey and mapping data using computer software. VISTA members are also conducting research at three organizations, studying effective practices of similar housing programs, creating resource manuals, and implementing the program's evaluation.

Table 9.3. Housing Programs: Entrepreneur Corps VISTA Member Activities (N=8)

Activity	Frequency*	Percent	Examples of Accomplishments and Ongoing Activities
Program Development			
Program design	6	75	Developed a housing program for new target group; implemented a survey of run-down houses and researched reasons for disrepair and ways to address them
Organizational partnership development	6	75	Established partnerships with organizations to provide homeownership classes; maintained relationships with partner lenders; developed referral system with USDA for federal loans
Financial education curriculum development	3	38	Developed home purchase and ownership classes
Program Implementation			
Target population marketing	6	75	Attend and present at community meetings
Eligibility assessment	4	50	Run credit checks; interview clients
Participant retention	4	50	Provide participant follow-up over the phone
Participant counseling	3	38	Provide orientation and one-on-one counseling; provide credit counseling for potential homebuyers
Capacity Development			
Grantwriting	5	63	$975,000 grant pending; accessed HUD funding
Other fundraising	3	38	Provide outreach to community organizations for matching funds
Media relations	3	38	Develop radio spots on success of program; worked with Home and Garden Channel to be on TV segment
Volunteer recruitment	3	38	Recruit speakers for classes; recruited 50 volunteers for housing construction

*VISTA member activities are not applicable to every program.

Case Study Example: Entrepreneur Corps VISTA Members and Housing Programs

At Coastal Enterprises, Inc. (CEI), three VISTA members are involved in many activities on three different programs. All three VISTA members are repeating their year of service. One VISTA had experience as a city planner, so he is well-qualified to lead the Downtown Revitalization Project. He conducted a search for buildings that could be used for CEI's lease-purchase program, and although he had not had the success he hoped for, he did identify and facilitate the purchase of an abandoned furniture warehouse. This building will be renovated into retail space, office space, and elderly housing. He was able to produce detailed floor plans of this building, thus helping the organization to envision the building's future and save money in architectural fees. This VISTA worked with a neighboring city to perform a housing condition inventory of two inner-city neighborhoods, and he implemented a "Homeownership Opportunity" workshop for community members.

Another VISTA implemented an employer-assisted housing program. He was the atypical VISTA member, as he was a retiree in his 70s with extensive sales and real estate experience. He worked with two major hospitals to begin construction of affordable employee housing complexes on land they already owned. Although they will be rental properties, he is developing and implementing a lease-purchase program as well. It was a difficult process, convincing employers that providing affordable housing would be in their interest, but the VISTA member's background and experience were true assets. His personality and willingness to "cold-call" and use sales techniques were a great fit with his VISTA position.

Housing Programs: Perceived Challenges

Four respondents report that funding problems are a significant challenge for expanding their programs and reaching more clients (Table 9.4). One program that served people with disabilities found that there was a paucity of grants targeting this population, and another was frustrated with the complications of receiving federal HUD funding. Two programs have difficulty retaining participants with poor credit histories, and they note that the income guidelines set by some funders are too low for people to save enough, even for "affordable" housing.

Table 9.4. Housing Programs: Perceived Challenges (N=8)

Challenge	Frequency	Percent	Examples
Program funding	4	50	Complicated grants; not enough grants to serve people with disabilities
Participant retention	2	25	Participants have credit problems
Difficult organizational partnerships	2	25	Homeownership training partners do not offering enough classes

Housing Programs: Performance Measurement

All housing programs track their activities, and seven of the eight track outputs and outcomes (Table 9.5). One program was still in the planning stages at the time of the study. Most use computer databases to track enrollment, participant activities and progress, the number of training attendees, and the number of volunteers. Four programs implement participant surveys after classes or after participants' exit the programs, and use them to assess perceptions of their programs. One organization is working with a funder that is completing a formal evaluation.

Table 9.5. Housing Programs: Performance Measurement Methods (N=8)

Method	Frequency*	Percent	Examples
Track outputs and outcomes	8	100	Track activities using timesheets and workplans; track number of classes and phone calls; report outcomes through quarterly reports;
Satisfaction surveys during and after program	4	50	Assess participant impressions and modify program accordingly
Pre- and post-tests	1	13	Test financial literacy before and after classes
Cost-benefit analysis	1	13	Informal analysis

Because the housing programs varied in their goals and activities, they tracked different indicators (Table 9.6). Organizations are in different stages of program implementation, which clearly affected their outcome numbers. One organization has already renovated one house and applied for $1.4 million in funding. Other organizations are still in the planning stages, completing a strategic plan for renovating houses and creating a tribal advisory board for elder housing. One program had 19 people enrolled in their home loan referral program, and another had 50 people screened for participation in a First-time Homebuyer Program. Another program that provides donated building materials had a 15 percent increase in volume of donations and people served since sponsoring a VISTA.

Table 9.6. Housing Programs: Reported Performance Measurement Indicators (since 2002) (N=8)

Indicator	Frequency*	Mean	Median	Minimum	Maximum
Number of houses purchased	4	15.75	7.0	1	48
Number of organizational partnerships created	4	20.5	2.0	1	77
Number of participants completing classes	3	152.0	12.0	1	443
Number of participants receiving repair assistance	2	4.5	4.5	4	5
Number of participants receiving credit counseling	2	145.0	145.0	35	255

*Indicators are not applicable to all programs.

Case Study Example: Housing Programs and Performance Measurement

Four of the five case study housing programs were still largely in the planning stages, so they did not have quantitative outputs and outcomes to report. One organization did not implement formal performance measurement, but the respondent did know that they had 470 member buildings participating in one program and 40 buildings participating in another program.

One organization constructing affordable housing for farm workers in California, implement formal performance measurement methods. They use a HUD logic model for planning, and all staff submit weekly work plans and task completion forms. They track all program participation very carefully, although they do not have the resources to complete an outcome evaluation.

10. Financial Education Programs: Effective Practices and Possible Outcomes

In this section of the report, financial education programs are discussed. What is known about effective practices is presented, and possible outcomes are discussed. Following this, we suggest possible outputs and indicators for intermediate and end outcomes. Findings are then presented regarding Entrepreneur Corps VISTA members' activities in financial education programs at three case study sites.

Defining Financial Education

Financial literacy has been defined as "the ability to understand financial terms and concepts and to translate knowledge skillfully into behavior" (Jacob, Hudson, & Bush, 2000, p. 9). According to Vitt et al. (2000), a financially literate person "possesses knowledge of banking and credit, practices money management, understands the need for protection against unforeseen emergencies, plans for major life events, and saves and invests for the future" (p. 29). Financial education programs are essentially curricula designed to increase financial literacy. Most financial education programs are connected to another asset-building program, e.g., microenterprise, housing or homeownership development, or IDA programs.

Basic financial education programs often cover four broad areas: budgeting and monitoring; cash-flow management and basic banking; saving (sometimes with investment); and credit.[4] Table 10.1 lists topics that are common in each of these areas. The most important prerequisite for selecting topics for financial education sessions is for program designers to know the targeted audience (Anderson, Scott, & Zhan, 2002; Corporation for Enterprise Development, n.d.; Vitt et al., 2000).

Students must perceive the topics as relevant to their current life experiences and needs. To meet this goal, education should be practical and applied, rather than abstract or "theoretical" (Anderson et al., 2002; Vitt et al., 2000). One important strategy is to focus on real-life tasks such as balancing a checkbook, buying a home, calculating needed savings, and identifying strategies for reducing expenses (Vitt et al., 2000).

Many programs use an existing, "packaged" curriculum. Curricula designed for low-income learners include Money Smart (from the Federal Deposit Insurance Corporation), Your Money and Your Life (University of Illinois Extension and Financial Links for Low-Income People), Dollar Works (University of Minnesota Extension Service), and Making Your Money Work (Purdue University Extension Service). Vitt et al. (2000) note that the latter two curricula are designed to accommodate cultural differences among learners. The National Endowment for Financial Education (www.nefe.org) provides a list of financial education curricula. The Jump$tart Coalition for Personal Financial Literacy (www.jumpstart.org) provides a similar clearinghouse of resources for use in Kindergarten through 12th grade classrooms.

[4] Less common areas of emphasis for basic financial education programs are insurance, tax planning, and retirement planning. Some targeted programs focus on asset-specific education for home ownership or small business ownership.

No matter what curriculum is chosen, instructors should be cautious about adopting a "one-size-fits-all" approach (Braunstein & Welch, 2002). In some settings, beginning and advanced sessions may be needed (William M. Mercer Incorporated, 2001). Depending upon the programmatic context, it is also important for instructors to monitor the fit between curriculum and student needs on an on-going basis and to revise planned activities as needed.

Table 10.1. Selected Topics in Four Broad Areas of Basic Financial Education

Budgeting and Monitoring	Cash-Flow Management and Basic Banking
• Understanding needs vs. wants • Setting goals • Identifying barriers to achieving goals • Identifying expenses • Calculating income • Using envelope budgeting • Developing strategies to cut expenses and increase income • Keeping records and tracking progress	• Understanding options for paying bills • Choosing and opening a savings account • Evaluating the costs and benefits of a checking account • Choosing and opening a checking account • Using and maintaining a checking account • Using ATM and debit cards • Using electronic banking
Saving and Investing	**Credit**
• Recognizing the range of saving and investing options • Understanding risk and return • Understanding compound interest • Locating noncommercial sources of information about saving and investment	• Establishing a credit record • Getting out of debt • Repairing a credit record • Choosing a credit card • Using credit wisely • Ordering and reading a credit report

Financial Education Activities

In this section, we present effective practices regarding the delivery of financial education (Table 10.2). We assume that financial education is delivered in group sessions. Some research suggests that low-income people prefer to receive financial education in one-on-one sessions or small-group sessions with similar peers (Hogarth & Swanson, 1995). On the other hand, Hilgert, Hogarth, and Beverly (2003) found that informational sessions typically ranked fourth in a list of preferred sources of financial information, after media (i.e., television, radio, magazines, and newspapers), video presentations, and informational brochures.

Table 10.2. Effective Practices in the Delivery of Financial Education
1. Teaching Methods • Provide opportunities to learn by doing • Use a variety of activities, including many that are interactive • Emphasize having fun while learning • Build on existing experiences, skills, and knowledge of learners
2. Cultural Competence • Choose instructors with extensive experience with the target audience • Consider choosing instructors who are culturally, ethnically, and/or racially similar to the target audience • Train instructors to understand differences in beliefs and life experiences between themselves and the target audience • Use hand-outs and activities that are appropriate for the target audience

Teaching methods. The first four recommendations are inter-connected and relate to teaching methods. First, instructors should provide many opportunities to learn by doing. For example, students should be able to participate in real or simulated financial activities such as making a budget, opening an account, making deposits, and reviewing a credit report (Anderson et al., 2002; Brobeck, 2002, February 6; Hogarth & Swanson, 1995; Vitt et al., 2000). As this recommendation implies, sessions should not be lecture-oriented.

Instead, instructors should use a variety of activities, including facilitated group discussion, individual exercises, small group exercises, case studies, role plays, games, and field trips (Corporation for Enterprise Development, n.d.; Vitt et al., 2000; William M. Mercer Incorporated, 2001).[5] Instructors should emphasize having fun while learning and allow plenty of time for interaction (Corporation for Enterprise Development, n.d.). Finally, instructors should identify, draw out, and build on the existing skills, experiences, and knowledge of participants (Corporation for Enterprise Development, n.d.). When these standards are met, the education is likely to be interesting, relevant, and accessible to students.

Cultural competence. The next four best practices fall into the category of cultural competence, that is, the ability to provide services that are sensitive to the needs of service recipients. If standards regarding cultural competence are not met, financial education is unlikely to be effective. At worst, the experience may alienate students and discourage them from seeking financial education in the future.

Selection of instructors (and other presenters) is key to cultural competence. The ideal instructor will have extensive experience with the target audience (William M. Mercer Incorporated, 2001). It is often helpful if instructors are culturally and ethnically or racially similar to students

[5] Anderson et al. (2002) have suggestions for how to introduce, monitor, and discuss exercises.

(Toussaint-Comeau & Rhine, 2000). In any case, instructors and presenters must be sensitive to the cultural background, educational background, and life experiences of participants (Schuchardt, Marlowe, Parker, & Smith, 1991; Vitt et al., 2000; William M. Mercer Incorporated, 2001). Presenters should also understand the differences in values, beliefs and experiences between themselves and their audiences (Schuchardt et al., 1991). This last recommendation seems especially salient to VISTA members, who may have different cultural backgrounds than financial education participants. VISTA members may benefit from sessions that help them examine their own values and beliefs about money and facilitate an openness to different perspectives.

Finally, the language used in presentations, hand-outs, and in-class activities must be appropriate for the target audience (Corporation for Enterprise Development, n.d.; Jacob et al., 2000; Vitt et al., 2000). Packaged curricula targeted to low- and moderate-income consumers are typically designed for those who read at an 8th grade level or below. When participants do not speak English well, written and oral translation may be needed (Toussaint-Comeau & Rhine, 2000).

Recruitment and retention. To be successful, financial education programs are likely to need a well-designed recruitment and retention plan. In the first year of a program sponsored by Financial Links for Low-Income People (FLLIP), staff reported that recruitment was harder than anticipated, and 40 percent of participants dropped out before completing the financial management training (Anderson et al., 2002). This section describes effective practices in recruitment and retention (Table 10.3).

Marketing. Programs often recruit participants by handing-out flyers to current agency clients, posting flyers in public places frequented by the target audience, and advertising in the media, but the FLLIP experience suggests that additional marketing may be needed. According to Anderson et al. (2002), media advertisement should be considered an initial step, to publicize the program to community leaders and service providers. Seeking referrals from other social service agencies is an important additional strategy. Anderson et al. (2002) suggest making personal visits to multiple agencies (e.g., making presentations at agency staff meetings) and making regular phone calls to remind staff to make referrals.

Although posting flyers and giving flyers to current clients are insufficient strategies, flyers are an important recruitment tool. Flyers should reflect reasons that people commonly seek financial education, including credit problems, financial crises, and the desire for home ownership (Vitt et al., 2000). For example, FLLIP flyers often began with attention-getting questions such as “Dream of owning a home?” “Need to get out of debt?” and “Financial problems weighing you down?” (Anderson et al., 2002). Flyers should also include information about benefits participants can expect (Toussaint-Comeau & Rhine, 2000; Vitt et al., 2000; William M. Mercer Incorporated, 2001).

According to Anderson et al. (2002), flyers and brochures should also mention the availability of child care, transportation assistance, and any incentives. They should note that training is free, that no prior knowledge of financial matters is expected, and that trainers are friendly and/or come from the community. Finally, Anderson et al. (2002) offer the following formatting recommendations:

- Place the most desirable benefits of the program in bold and in large print
- Put contact information in large print
- Use simple language
- Avoid crowding the flyer with too much information

To achieve the latter, Anderson et al. suggest including only basic information in the flyer and creating a brochure with more information, to be given to those who express interest.

First session. Research suggests that the first session is critical. Even more than other sessions, the first class needs to be fun and informative (William M. Mercer Incorporated, 2001). Anderson et al. suggest using the time to introduce instructors, discuss what participants hope to learn, describe the overall purpose of the training and how participants should benefit, and facilitate entertaining exercises. Another strategy is to have past participants describe how they have benefited from the program (William M. Mercer Incorporated, 2001).

Logistics. Financial education sessions should be convenient, inexpensive, and non-intimidating. Sessions should take place in familiar, convenient settings, such as community centers, churches, schools, and libraries (Toussaint-Comeau & Rhine, 2000; William M. Mercer Incorporated, 2001). Sessions should be scheduled with the needs of the target audience in mind. It may be necessary to offer classes at a variety of times (Toussaint-Comeau & Rhine, 2000). Research also shows that programs should provide child care, especially for evening and weekend sessions (Toussaint-Comeau & Rhine, 2000), and reimburse transportation costs (Anderson et al., 2002).

Some simple practices regarding logistics are likely to reduce drop-out rates. First, some suggest offering fewer but longer sessions (e.g., four two-hour sessions, rather than eight one-hour sessions) because attrition increases with the number of sessions (William M. Mercer Incorporated, 2001). Second, program staff should make reminder phone calls to participants before each session (Anderson et al., 2002). Third, those who miss sessions should be allowed to attend make-up sessions (Anderson et al., 2002).

Incentives. Another important recruitment strategy is to offer incentives for participation (Toussaint-Comeau & Rhine, 2000; William M. Mercer Incorporated, 2001). Simple incentives include refreshments and door prizes. Course-related incentives, such as a free credit report, an individual credit-counseling session, and help in opening an account, may also be effective.

Simple incentives are recommended above to recruit participants. Some suggest that simple incentives like calculators, note pads, and nice folders also increase retention by creating a sense of professionalism and pride in participation (Anderson et al., 2002). Other incentives could be tied to program completion. For example, those who complete the program might receive a certificate as well as a gift card or cash payment. In addition, program staff might arrange for a local bank to provide stream-lined account opening for those who have earned the program certificate (Anderson et al., 2002).

Instructor-participant relationship. The final effective practice regarding retention emphasizes the relationship between instructor and participants. Drop-out is probably less likely when instructors have good rapport with participants (Anderson et al., 2002). In addition, participants are more likely to remain interested and motivated when instructors regularly ask about their needs and interests and continue to adjust the training to the knowledge and skills of participants (Anderson et al., 2002).

These best-practice recommendations come from experience in the field and so are likely to improve recruitment and retention, but it is also important to consistently monitor recruitment and retention efforts and to make modification as necessary (Anderson et al., 2002). Jacob et al. (2002) provide a monitoring tool. This form asks, for example, what marketing strategies were used, which seemed to be most effective, what incentives were offered, and how many participants took advantage of these incentives.

Table 10.3. Effective Practices in Recruitment and Retention
1. Marketing • Seek referrals from other social service agencies • Advertise extensively, using a variety of channels • Consider common motivators for attendance
2. First Session • Make the first session especially fun and interactive • Stress the benefits learners can expect from participation
3. Logistics • Provide sessions in convenient, familiar settings • Offer sessions at a variety of times • Provide child care • Reimburse transportation costs • Offer fewer (but longer) sessions • Make reminder calls before each session • Allow participants to make up missed sessions
4. Incentives • Offer refreshments and door prizes • Provide course-related incentives, such as a free credit report or credit counseling • Provide simple incentives that create a sense of professionalism and pride • Offer incentives for program completion
5. Instructor-Participant Relationship • Develop relationships with participants • Continue to adjust training to the needs and interests of participants

Possible Financial Education Outcomes

Programs that attempt to improve well-being through education typically aim to change knowledge, attitudes, and behaviors. The ultimate goal of financial education should be behavioral change (Brobeck, 2002, February 6) because it is change in financial behavior (e.g., better cash-flow management; decreased reliance on payday loans; increased saving) that may help improve individual and family well-being. Increased knowledge may be necessary to achieve this goal if people do not have enough information to evaluate the costs and benefits of a particular behavior (e.g., choosing among various account options) or if they do not know how to follow a recommended practice (e.g., opening an account or reconciling a bank statement).

In some cases, attitudinal change may also facilitate behavioral change. Some people may have learned to devalue saving and thus may benefit from messages that reinforce the value of saving. The America Saves campaign uses social marketing strategies (mass advertising and encouragement from churches, employers, and other organizations) to persuade people to place greater value on saving (Brobeck, 2002, February 6). Others may believe that they are unable to achieve even reasonable financial goals. With this in mind, some researchers say that financial education programs should attempt to increase self-esteem and self-efficacy (Vitt et al., 2000; William M. Mercer Incorporated, 2001)

11. Financial Education Programs: Indicators for Performance Measurement

Based on what is known about effective financial education practices and possible outcomes, this section offers suggestions for measuring outputs, intermediate outcomes, and end outcomes. These indicators may or may not be applicable to all programs. In constructing program logic models, indicators unique to the program context can be applied.

Outputs

Table 11.1 suggests outputs to measure and monitor. We consider these to be example outputs; program staff should choose outputs that reflect the goals, structure, and activities of the sessions they provide. This is especially true for items 6 through 9 in Table 11.1.

Outputs should be measured over a defined period of time, such as a calendar year or a fiscal year. A session is defined as a single meeting (e.g., a two-hour class on choosing and opening a checking account). A series is defined as a set of sessions designed to be attended by a single participant. For example, a series might include six two-hour sessions, covering budgeting, banking, saving, and credit. A classroom-hour is an hour of financial education provided, regardless of the number of people in attendance. A person-hour is one hour spent in attendance by one student. Thus, ten people attending a single two-hour session counts as two classroom-hours and 20 person-hours.

If a program targets particular demographic groups, items 4 through 9 might be broken into sub-categories. For example, for item 4, a program might monitor the number of immigrants or the number of low-income individuals who attended at least one session.

Table 11.1. Financial Education Programs: Outputs
1. Number of series offered
2. Number of sessions offered
3. Number of classroom-hours offered (in selected topic areas and in total)
4. Number of people who attended at least one session
5. Number of person-hours attended
6. Number of people who attended 80 percent of sessions in a given series
7. Number of people who received eight hours of education
8. Number of people who received a credit report
9. Number of people who visited a local bank branch

Intermediate Outcomes

Intermediate outcomes are changes in knowledge, attitudes, and behaviors that are not typically viewed as ends in themselves. Most intermediate outcomes are curriculum-dependent; that is, they reflect the content covered in a particular financial education session or series. In this subsection, we present intermediate outcomes separately for the four broad areas of financial education. Again, these should be viewed as example outcomes.

Budgeting and monitoring. The first intermediate outcome for budgeting and monitoring involves setting specific goals, such as paying off a $3,000 balance on a high-interest credit card within one year (Table 11.2). Stating a goal—and calculating the savings necessary to achieve it—facilitate positive thinking and create an incentive for action (O'Neill, 2002). The second outcome involves creating a written budget or spending plan. According to O’Neill (2002), “spending plans help people make spending choices, prioritize needs and wants, live within their income, and accumulate savings for ‘big ticket’ financial goals” (p. 54). The third and fourth outcomes allow individuals to monitor progress toward their financial plans and goals. The remaining outcomes relate to reducing expenses, something that is often necessary before people can save.

Table 11.2. Intermediate Outcomes of Budgeting and Monitoring Sessions
1. Have written financial goals
2. Have a written budget or spending plan for the year
3. Keep written records of spending
4. Compare planned spending to regular spending
5. Compare prices when shopping
6. Use coupons when grocery shopping
7. Can prioritize spending, putting “needs” before “wants”
8. Understand the expenses of paying bills late (e.g., late fees, finance charges, disconnection fees, fees to re-establish services, repossession)
9. Understand that small reductions in weekly spending can add up to large increases in saving over time

Cash-flow management and basic banking. Because paying bills is a primary component of cash-flow management, the first intermediate outcome for cash-flow management and basic banking is knowledge of options for paying bills (e.g., envelope budgeting and cash payment; payment by check, credit card, or electronic banking). The remaining outcomes involve knowledge and skills that are assumed to be prerequisites for successful account ownership (Table 11.3).

Table 11.3. Intermediate Outcomes of Cash-Flow Management and Basic Banking Sessions
1. Understand options for paying bills
2. Understand the costs of check cashing outlets
3. Can choose an appropriate savings account
4. Can open a savings account
5. Understand the benefits and costs of checking accounts, including overdraft fees
6. Can choose an appropriate checking account
7. Can open a checking account
8. Can manage and maintain a checking account
9. Understand the benefits and costs of ATM and debit cards
10. Can manage an ATM or debit card

Saving and investing. The intermediate outcomes for saving and investing involve knowledge and skills that presumably help motivate people to save, help them "find" money to set aside, and help them choose appropriate saving and investing products (Table 11.4).

Table 11.4. Intermediate Outcomes of Saving and Investing Sessions
1. Understand the benefits of direct deposit
2. Can identify sources of saving (e.g., reductions in expenses; "extra" money from raises, bonuses, or tax refunds)
3. Understand the costs and benefits of a range of saving and investment vehicles
4. Understand the relationship between risk and return
5. Understand compound interest
6. Can locate non-commercial sources of information about saving and investment

Credit. The intermediate outcomes for credit involve knowledge and skills that presumably help people establish and maintain a good credit record, choose appropriate loans, and use credit cards and other forms of credit wisely (Table 11.5)

Table 11.5. Intermediate Outcomes of Credit Sessions
1. Understand the importance of a good credit record
2. Understand steps to establish a credit record
3. Understand steps to repair a credit record
4. Can order a credit report
5. Can read a credit report
6. Can correct errors on a credit report
7. Understand the different types of loans
8. Can evaluate loan rates, terms and fees (including payday loans and rent-to-own services)
9. Can evaluate credit card rates, terms, and fees
10. Understand the costs of making minimum payments on credit cards
11. Understand the effect of high levels of debt on financial resources

End Outcomes

End outcomes are changes that are meaningful in and of themselves. Table 11.6 lists example end outcomes for basic financial education programs. (Many of these outcomes were adapted from (O'Neill, 2002)). As noted earlier, the ultimate goal of financial education is usually behavior change, so most of the end outcomes reflect behavior, or conditions that reflect behavior (as well as knowledge, resources, constraints, and opportunities). These outcomes are grouped together in a single table because they are inter-related and because each can be linked to financial education sessions on multiple topics. For example, a family must have positive cash flow to get out of debt, and reducing debt increases opportunities for saving.

The first two outcomes relate to budgeting and cash-flow management. They are minimum requirements for financial health. The third outcome is important because account ownership reduces the cost of routine financial transactions like check-cashing and bill-paying (Consumer Federation of America, 1997) and helps people build a credit history (Caskey, 1997). Account ownership is also an important early step toward asset accumulation (Beverly, McBride, & Schreiner, 2003).

The next four outcomes relate to saving. Financial experts commonly view an emergency fund as a first savings priority. (Definitions of adequacy vary depending on factors such as number of earners in the household, ability to reduce expenses, and access to credit, but a common guideline is to set aside money to cover three months of living expenses (Mason & Griffith, 1998).) Most people have short-term goals, like purchasing a car, moving, or going on vacation, that require short-term savings. Most people also need or want to save for long-term goals, such as retirement for themselves or education for their children. Saving regularly is often the best way to achieve these short- and long-term goals. Finally, the use of direct deposit can greatly facilitate saving (Beverly et al., 2003).

Table 11.6. Basic Financial Education: End Outcomes
1. Pay bills on time
2. Have a positive cash flow (income exceeds expenses)
3. Have a basic, low-fee account at a bank or credit union
4. Have an adequate emergency fund
5. Save regularly for short-term goals
6. Save regularly for long-term goals
7. Use direct deposit to save automatically
8. Have a consumer debt-service ratio lower than .1
9. Have an annual debt-service ratio lower than .3
10. Pay credit card balances in full each month (or at least pay more than the minimum balance)
11. Have a credit card with reasonable terms
12. Have a good credit record
13. Have financial self-efficacy

The next five outcomes relate to credit and debt, and their effects on financial resources, like disposable income. Each of these outcomes flows from common recommended financial practices. The consumer debt-service ratio shows the percentage of total disposable income required for consumer debt payments. The annual debt-service ratio shows the percentage of annual disposable income required to make all debt payments (Lytton, Garman, & Porter, 1991).

The final outcome is attitudinal. Self-efficacy exists when a person believes her actions can produce the outcomes she desires (Bandura, 1986). Financial self-efficacy exists when a person believes she can achieve her desired financial goals. While researchers suggest that financial self-efficacy is a prerequisite for change in financial behavior (Danes et al., 1999; Vitt et al., 2000), it may also be viewed as a meaningful component of financial well-being in and of itself.

Reference Appendix B for information on outcome measurement.

12. Financial Education Programs: Limited Description of VISTA Member Activities

Nineteen of the 46 programs assessed in the telephone interviews implement financial education as a component of an asset-building program. This includes eight of the 14 microenterprise programs, four of the eight housing programs, all six IDA programs, and one of the other programs. Financial education varied from full curricula to asset-specific educational programs, e.g., home purchase and maintenance. The details of these financial education programs were not collected, so quantified information is not available.

There are four distinct, stand-alone financial education programs, which were explored through the case studies. This section describes VISTA members' accomplishments and ongoing activities in these four programs at three organizations.

International Rescue Committee-Phoenix

The International Rescue Committee affiliate in Phoenix offers a financial education program that is separate from their IDA and microenterprise programs (although IDA participants are required to attend certain classes). The financial education program was developed and implemented by a VISTA member. The classes are free and multi-lingual, and cover subjects such as personal finance, credit issues, employment benefits, tax preparation, and homeownership. The organization is currently developing classes targeting youth, which will be connected to a savings account for college.

I-5 Social Services

The financial education program at I-5 Social Services was developed and implemented by a VISTA member. The financial education program was on hold at the time of the study because the organization was unable to successfully recruit a VISTA member for this position in the second year. The VISTA member who created the program convened a Financial Literacy/Equity Building Task Force composed of members of local government and lending institutions. The VISTA member worked with this Task Force to develop a curriculum and market the program to community members.

She recruited and trained volunteer teachers and collaborated with other organizational sponsors for the workshops, which were presented in both Spanish and English. These classes were free to anyone in the community. The VISTA was so successful at recruiting participants in rural areas that a few neighboring towns requested the classes be held in their own communities.

The classes covered issues such as basic budgeting, savings and debt management, basic banking, predatory lending avoidance, and homeownership, small business entrepreneurship. A total of seven workshops were held in four communities. The VISTA member collected and analyzed pre- and post-tests for the workshops and presented her findings to the Task Force.

National Center on Poverty Law

The National Center on Poverty Law (NCPL) is a member of the Financial Links for Low-Income People (FLLIP) Coalition, a statewide coalition of banks and community organizations formed to promote financial education and asset-building programs and policy. NCPL raise financial education funding, which they then grant to qualified community organizations. At the time of the study, they had seven sites around the state implementing financial education programs.

NCPL contracted with the University of Illinois to develop a curriculum called “Your Money, Your Life.” VISTA members are involved in training the teachers to use the curriculum. The curriculum lasts four hours a week for three weeks, and participants are encouraged to attend the entire set of classes. Over the past two years, they have had about 1,000 graduates, but they have found that recruitment and retention is difficult. NCPL started offering financial incentives to organizations that can graduate more than ten people a month, which encouraged them to develop recruitment and retention strategies.

VISTA members are involved in marketing the curriculum and program. They developed a short promotional video to show to interested organizations. Two VISTA members convene meetings with downstate organizations to promote the financial education program and encourage them to apply for the financial education grants. The VISTA members are also involved in reviewing the grant proposals and selecting the financial education sites.

13. Individual Development Account Programs: Effective Practices and Possible Outcomes

In this section of the report, Individual Development Account programs (IDAs) are discussed. What is known about effective practices is presented, and possible outcomes are discussed. Following this, we suggest possible outputs and indicators for intermediate and end outcomes. Findings are then presented regarding IDA programs supported by Entrepreneur Corps VISTA members, the members' activities, and the status of performance measurement.

Defining Individual Development Accounts

IDAs were introduced by Sherraden (1991), who suggested that saving and asset accumulation depend not only on personal preferences but also on institutional structures. The middle and upper classes accumulate subsidized assets largely through federal and state tax deductions and other assistance such as direct deposits into 401(k)s. If those of low-income are presented with the opportunity for saving and investment, then they might also be able to accumulate assets and experience the economic, psychological, social, and civic effects that are attributed with asset ownership.

Sherraden's original proposal (1988, 1991) was for progressive, universal savings accounts. It was a large idea, which would take time to achieve. The asset-building community, especially microenterprise development practitioners, understood this vision and considered it viable. With the support of private foundations, they implemented a modified version of this idea in the form of community-based IDA programs.

IDAs are matched savings accounts, which can be used for home purchase, post-secondary education, or microenterprise. These are known as the "big three" uses, but given the diversity of programs, many other uses exist, e.g., home repair, job training, retirement, etc. IDA programs are not just savings accounts, however; they are a "program bundle" (Schreiner et al., 2001). Most IDA programs include matching funds, financial education, asset-specific education, and staff and peer support.

IDA Programs: Program Components and Effective Practices

Because IDAs are a relatively new policy proposal, there is little research on effective practices. We depend heavily on findings from the first nationwide, multi-method study of IDAs, the American Dream Demonstration (ADD). Moreover, because IDA programs have components of microenterprise, housing and homeownership, and financial education programs, effective practices in these programs apply to IDAs as well. Reference the other asset sections of the report for more information.

Program expectations and rules. Each IDA program sets its own rules and expectations for participation. Programs may require minimum monthly deposits, limited numbers of missed deposits or unmatched withdrawals, and a yearly maximum cap on the funds to be matched. A yearly match cap divided by 12 creates a monthly saving target for people to work toward to earn the maximum match. Raising the bar with higher monthly saving targets lays out a goal that people are likely to strive toward (Schreiner et al., 2001; Schreiner & Sherraden, forthcoming). Higher monthly saving targets are associated with increased net deposits (Schreiner et al., 2001), increased deposit frequency (Zhan, 2003), reduced dropouts (Schreiner & Sherraden, 2002), and decreased unmatched withdrawals (Sherraden, et al., 2001). IDA participants have expressed that the program is a unique opportunity, and they strive to meet the program's expectations (McBride, Sherraden, Johnson, & Hanson, 2003; Sherraden, Williams, McBride, & Ssewamala, 2003). These findings suggest that people will rise to the expectations set for them, and higher savings targets may increase saving effects.

Some programs also establish deadlines for using the matching funds. Because of limited funding, programs may find it necessary to impose such deadlines, but it is not the ideal condition to bring about long-term positive change for poor families. Because IDAs are run by local organizations without long-term funding, IDAs are seen by some as a short-term saving program, but this was never the intent. Ideally, participants should be allowed to save as long as they like without being forced to withdraw (Schreiner, et al., 2001).

Some programs convey expectations and facilitate savings through reminders. If a participant has missed a deposit, the program may send a post-card via mail to remind the participant to save. The experimental research site in the American Dream Demonstration sent post-card reminders to participants each month, whether they missed a deposit or not. Participants report that the reminders help them to plan for and make their savings deposits (Sherraden, McBride, Johnson, & Hanson, forthcoming).

Asset incentives. To use the matching funds, IDA participants select a specific asset goal. The asset goal may actually act as a stronger incentive than saving in general (Sherraden, McBride, Johnson, Hanson, & Sherraden, 2004). Participants express that the IDA is their chance to achieve the American Dream of buying a home or starting a business (McBride, Sherraden, Johnson, & Hanson, 2003; Sherraden et al., forthcoming). This incentive may promote asset accumulation while discouraging withdrawals for short-term needs. All of the participants in the Michigan IDA Partnership program agreed that saving for a specific asset is an incentive to save. However, these same participants were confused about the process for obtaining and using their matching funds, i.e., paying the asset provider with the matching funds; this process should be made explicit so that people can obtain their asset goals (Losby et. al., 2003).

Match rates. Economic theory predicts that high match rates will increase the likelihood of saving, and IDA studies have supported this prediction. Higher match rates have been associated with being a "saver," someone who has at least a net deposit of $100 in their IDA account (Schreiner and Sherraden, forthcoming). Higher match rates are also linked with a lower risk of unmatched withdrawals and exiting the program (Schreiner, et al., 2001; Schreiner & Sherraden, 2002). Participants respond to higher match rates by saving more frequently (Zhan, 2003), but high match rates are actually associated with lower savings (Curley & Grinstein-Weiss, 2003; Stegman, 2001; Schreiner et. al., 2001; 2002; Schreiner, 2004; Schreiner & Sherraden, forthcoming).

A higher match rate allows a family to deposit less but accumulate more assets, therefore it may depress individual saving amounts (Schreiner, 2004). Despite this drawback, higher match rates may result in more savers, allowing more families to experience the financial and educational benefits of the program (Gorham, 2002; Schreiner & Sherraden, 2004). IDA participants view the matching funds as an incentive to develop and maintain a saving habit—96 percent of participants in the Michigan IDA Partnership believed that the average match rate of 2.5 to 1 made it easier for them to save (Losby, Hein, & Robinson, 2003).

General financial education and asset-specific education. Although financial education alone may be considered an asset building strategy, IDA programs also incorporate financial education to help participants develop knowledge about their finances and savings. Financial education classes and requirements differ from program to program, but most include general financial education curricula as well as asset-specific education, such as how to obtain a home loan.

Research demonstrates that net deposits increase with additional hours of financial education, including increased net IDA savings and net deposits (Curley & Grinstein-Weiss, 2003; Schreiner, et al., 2001; Schreiner & Sherraden, forthcoming; Sherraden, 2002; Stegman, et al., 2001; Zhan, 2003). Eighty-four percent of IDA participants in Michigan believed that the financial management classes helped them save, and 98 percent were satisfied with the financial management services (Losby et al., 2003). Asset-specific education is especially important in helping participants obtain their asset goals (Gorham et al., 2002). While financial education is critical to the success of IDA programs, many agencies find it difficult to develop and implement effective curricula (Mills et al., 2002). Some organizations may find that contracting with outside trainers is more effective and efficient (King, 2000).

IDA program staff and peer support. Studies have found that staff support may contribute to participant success. Zhan (2003) found that additional staff hours for each single mother increased the deposit frequency, and many IDA participants, especially those who were less successful savers, wished for more assistance from staff (Lazear, 1999). Individual counseling and case management are often critical for participants who may be on the verge of dropping out (King, 2000; Mills et al., 2001; Schreiner & Sherraden, 2002; Schreiner et al., 2001; Stegman, et al., 2001).

Some IDA participants find it difficult to save and make ends meet, and staff members should be upfront about the difficulties of saving while offering assistance and encouraging peer and mutual support (Losby et al., 2003). Mills et al. (2002) suggest that non-financial case management is most helpful for participants at the beginning and then also at the end of the program, orientating participants to program expectations as well as preparing them for their asset purchase.

Intensive staffing increases the cost of administering an IDA program, and organizations should ensure that they have the resources to support an adequate number of knowledgeable employees (Gorham et al., 2002; King, 2000; Sherraden, 2002). Because many non-profit organizations have budget constraints, VISTA members can play an important role in staffing IDA programs (Gorham et al., 2002).

Staff can help participants with specific tasks such as repairing credit, navigating the home loan process, and developing a small business (Lazear, 1999). In rural areas, where participants may be spread across a large geographical area and may lack reliable transportation, home visits to both potential and enrolled participants can provide increased motivation and may help address cultural barriers (Gorham et al., 2002).

In addition to knowledgeable and accessible staff, IDA programs can also form community advisory committees to tap into external expertise. Such advisory boards have been influential in developing policies, recruiting partner organizations, developing financial education curricula, and grounding the program in the needs of the community (King, 2000; Mills, et al., 2002). Programs are sustained by community members who are involved in program planning and collaborative partnerships with banks and other local organizations (Gorham et al., 2002; King, 2000, Mills et al., 2000; Page-Adams, 2002).

Recruitment and retention. IDA programs have found initial recruiting of participants a more difficult task than expected. Programs have been most successful in recruiting through targeted community groups and the organization's current clients (Gorham et al., 2002; King, 2000; Mills et al., 2002; Page-Adams, 2002). The IDA program can be confusing to potential participants, who often think there is a "catch" or assume it is too good to be true (Sherraden, Hong, & Moore, 2000; Sherraden et al., forthcoming). Telephone and face-to-face contact with staff may be necessary (Lazear, 1999), as well as utilizing successful IDA graduates to market the program (Gorham et al., 2002). Many programs have found that recruitment is a slow process at first, but word-of-mouth soon spreads and acts as the most effective way to draw in participants (Mills et al., 2002).

In regard to retention, some dropouts are likely inevitable due to family or financial emergencies or residential mobility, but certain program features may work to decrease the number of dropouts. Some of these have already been mentioned, such as higher match rates, increased monthly saving targets, and staff counseling. Programs can also decrease transaction costs by offering public transportation vouchers for attendance to financial education classes or setting up direct deposit transfers (Schreiner & Sherraden, 2002). Depositing the money in the bank should be a smooth and simple process for all participants. When retaining a certain participant is impossible, programs can make an effort to replace that person so as to make full use of the program and its resources (Gorham et al., 2002).

Research findings are divided on the recruitment and retention of unsuccessful clients. Mills et al. (2002) recommends targeting individuals most likely to succeed, stating that experienced programs are less accommodating of clients who fail to meet requirements. Staff has discovered that even those with very low incomes can sustain a savings pattern, therefore continuing to assist unsuccessful accountholders is not an efficient use of resources (Mills et al., 2002). This strategy may be necessary for programs where time and funding is limited, but it is not conducive to the overall mission of IDA policies and programs. Not all individuals will be able to save at the same rate over the same time period, but low savers can still benefit from an institutionalized saving program (Schreiner et al., 2001; 2002), especially when intensive case management services are offered (Mills et al., 2001).

Costs and benefits. IDAs are expensive programs because of their multiple components, making them labor intensive. Schreiner (2004) found that an IDA program in Tulsa, Oklahoma, cost $64 per participant-month. This is only one program, and different programs operate on different cost structures and distribute resources differently.

While the costs in Tulsa exceeded the net deposits of the participants (Schreiner, 2000), it is "clear that IDA programs are aiming for more than savings balances" (Sherraden, 2000, p. 5). Programs aim to change behaviors and increase human capital, and it is likely that the benefits of IDAs are not simply financial, but psychological, social, and civic as well (McBride, 2003; McBride, Lombe, & Beverly, 2003; Sherraden, 2000; Sherraden et al., forthcoming). While these benefits are still being determined, program administrators must be aware of the costs and secure ongoing funding to ensure program stability (Gorham, et al., 2002; Losby, et al., 2003; Sherraden, 2002).

"High touch" (intensive services) IDA programming at the community level will likely be too costly to go to a larger scale (Sherraden, 2000). There is a clear trade-off between effective program features such as staff involvement and financial education, and program cost. A key challenge is to figure out what program features have the most pay-off, for whom, and in what circumstances.

Possible IDA Outcomes

The outcomes expected from IDA programs are psychological, social, and civic as well as economic. It is important to recognize that there are IDA program effects, financial education effects, saving effects, and asset acquisition effects. Untangling these nuances is an important mandate for asset-building research. Reference the sections on microenterprise, housing and homeownership, and financial education regarding possible effects. In this section, we detail what is known regarding economic, psychological, social, and civic effects from IDA research.

Economic effects. Studies have demonstrated that IDA programs help those of low income save and accumulate assets. Average net deposits per participant in the American Dream Demonstration (ADD), a nationwide demonstration of IDA programs, were $528, and total net deposits plus the savings match averaged $1,543 per participant (Schreiner et al., 2002). Controlling for other factors, income is not associated with being a "saver" or with net deposits in IDAs. Those with very low incomes save as successfully as others. Very low-income IDA participants save at a higher *rate* relative to their income. Those at 50 percent of poverty and below save more than 3 percent of their income, while those at 200 percent of poverty save about 1 percent of income. Controlling for other factors, past and current welfare recipiency is not associated with being a "saver" or net deposits in IDAs. Welfare recipients save as successfully as others.

As of December 31, 2001, 32 percent of ADD participants had made a matched withdrawal, and the average withdrawal plus match was $2,586. These withdrawals were used for home purchase (28 percent), microenterprise (23 percent), post-secondary education (21 percent), and home repair (18 percent) (Schreiner et al., 2002).

In a cross-sectional survey, respondents agreed that because of their IDA participation, they were more likely to work or stay employed (59 percent), work more hours (41 percent), and buy or renovate a home (73 percent) (Moore et al., 2002).

However, some economic effects of IDA programs may not be as desirable. In this same survey of ADD participants, 35 percent of respondents reported that they were less likely to save outside of their IDA, and 30 percent agreed that they had less money for leisure than they would like. Nine percent had more difficulty paying their bills, and eight percent reported giving up food or other necessities for the IDA (Moore et al., 2002).

Psychological, social, and civic effects. Other positive outcomes for IDA participants include psychological, social, and civic effects. An overwhelming majority of participants have reported positive psychological benefits (Moore et al., 2002), including feeling more confident about the future (93 percent), feeling more control over their lives (85 percent), and feeling more economically secure (84 percent). Qualitative evidence reinforces these survey findings. IDA participants report having more "hope" for their futures, and believe that because of the IDA they will be able to achieve their goals (Sherraden, Hong, & Moore, 2000; Sherraden et al., forthcoming). They also feel more secure about their futures, knowing that they have "money in the bank."

Participants believe that they are more likely to have good relationships with family members because of their IDA participation (Moore et al., 2002). Participants report sharing the saving process with their family members, involving spouses in establishing budgets and saving plans and involving children in purchasing decisions and making deposits (Sherraden et al., forthcoming). Some participants believe, because of consumption changes to increase their savings deposits, their family relations are improved, e.g., cooking dinner and renting a movie to watch at home instead of eating at a restaurant and seeing a movie at a theater (Sherraden et al., forthcoming).

Participants report that they are more likely to be respected in their communities and involved in their neighborhoods (Moore et al., 2002). Findings are suggestive regarding the effect of new asset-ownership (small business ownership and homeownership) on parents' voluntary involvement in their children's educational and social activities (McBride, 2003).

14. Individual Development Account Programs: Indicators for Performance Measurement

Based upon what is known about effective IDA practices and possible outcomes, this section offers suggestions for measuring outputs, intermediate outcomes, and end outcomes. These indicators may or may not be applicable to all IDA programs.

As an asset-building strategy, IDA programs are discussed after microenterprise, housing and homeownership, and financial education, because depending on the IDA program design, the program will have features of each of these strategies. In this section, we report possible unique outputs and outcomes to the IDA program context. However, each of the previous asset strategy sections should be referenced for identification of other applicable indicators to a given program.

Outputs

The IDA "program bundle" includes multiple components, some of which relate to the specific asset goal. If one program allows participants to save for microenterprise and homeownership and provides services related to their purchase, then there are twice as many possible outputs. The range of possible outputs to track in IDA programs could be quite extensive (Table 14.1, plus comparable tables in chapters on microenterprise, financial education, and housing). Existing management information systems for IDAs, such as the Center for Social Development's "MIS IDA," allow for systematic tracking of program outputs.

Outputs should be measured over a defined period of time, such as a calendar year or fiscal year. The outputs in Table 14.1 will likely come from administrative records or perhaps financial bank records. For many items, program staff must identify a specific population of IDA account holders to be used in calculations. We suggest that outputs like average number of IDA deposits per month and number of account holders meeting annual savings goal be calculated for people who had IDA accounts at the end of the year.

Table 14.1. Individual Development Account Programs: Outputs*
1. Number of inquiries received by potential participants (by phone, mail, in person)
2. Number of people who completed the eligibility assessment process
3. Number of people who attend initial group-orientation session (may be the first financial education session)
4. Number of classroom-hours in general financial education and asset-specific education offered
5. Number of classroom-hours provided in languages other than English in the year
6. Number of person-hours attended for general financial education and asset-specific education
7. Number of people who attended all required/recommended general financial education classes
8. Number of people who completed all required/recommended asset-specific education classes
9. Hours of one-on-one counseling provided (by phone and in-person)
10. Number of people receiving one-on-one counseling (by phone and in-person)
11. Number of deposit reminders sent (if only for missed deposits)
12. Number of IDA accounts opened
13. Number of account holders per asset goal at the end of the year
14. Number of accounts remaining open at the end of the year
15. Number of IDA accounts closed for “good” reasons
16. Number of IDA accounts closed for “bad” reasons
17. Average IDA account balance at the end of the year
18. Average number of IDA deposits per month
19. Average dollar value of IDA deposit per month
20. Number of account holders making at least one deposit per month
21. Number of account holders meeting monthly savings target (frequency and amount)
22. Number of account holders meeting annual savings goal
23. Number of approved withdrawals (in total and by asset use)
24. Number of account holders making approved withdrawals
25. Average dollar value of approved withdrawals
26. Number of unapproved withdrawals

Table 14.1. Individual Development Account Programs: Outputs*
27. Number of account holders making unapproved withdrawals
28. Average dollar value of unapproved withdrawals

*Refer to the microenterprise, housing, and financial education sections for other applicable outputs.

Intermediate Outcomes

Table 14.2 lists possible intermediate outcomes of IDA programs, based on common program components. These outcomes generally flow from the process of saving and preparing to make an asset purchase and/or from the education and support typically provided by IDA programs. They are classified as economic, personal or psychological, and related to the family or household. Information on intermediate outcomes is likely to require a survey of IDA participants perhaps compared to non-participants (See Appendix B).

Table 14.2. Individual Development Account Programs: Intermediate Outcomes*
1. Economic • Saves regularly • Increase in IDA assets accumulated • "Protects" savings • Number of non-asset related withdrawals from IDA savings per year • Greater knowledge of financial matters • More time spent on financial matters • Improved consumption efficiency • Decrease in use of second-tier financial services • Plan for purchase of asset • Plan for maintaining asset
2. Personal or psychological • Improved self regard • Improved outlook on life • Greater sense of personal control over life • Lengthened time horizons

Table 14.2. Individual Development Account Programs: Intermediate Outcomes*
3. Family/Household • Increased participation in household financial decision-making • Children open savings accounts/save in some form

*Refer to the microenterprise, housing, and financial education sections for additional intermediate outcomes.
Source: Sherraden (1991) and Sherraden et al. (1995).

End Outcomes

IDA programs and other asset-based policy strategies have multiple hypothesized end outcomes. The end outcomes specified below (Table 14.3) are expected to flow from the acquisition and ownership of a particular asset, e.g., home or small business. In large measure, research on asset effects is just emerging. Knowledge of asset effects will be refined and specified by the results of IDA and other asset-based policy demonstrations. Information on end outcomes is likely to come from survey data.

Table 14.3. Individual Development Account Programs: End Outcomes*
1. Economic • Increase in non-IDA assets accumulated (other savings, financial investments, real property, car, durable goods) • Greater effort and success in increasing asset values • Maintenance and improvement of real property • Decrease in financial crises in the household • More investments in human capital • Eventual increase in income • Eventual decrease in "dependency" (public assistance as a percentage of income)

Table 14.3. Individual Development Account Programs: End Outcomes*
2. Social and civic • Increase in social connectedness and/or decrease in social isolation • Increase in caring for and helping others • Involvement in neighborhood/community affairs • Involvement in formal political processes
3. Household • More constant household composition • Decreased moving due to negative causes (unable to afford rent, eviction) • Increased moving due to positive causes (move to a better neighborhood, move for a job) • Decrease in domestic violence
4. Intergenerational • Improved school behaviors (attendance, grades, completion) • Avoiding pregnancy • Fewer arrests • Eventual financial well-being of offspring • Increased savings behavior of offspring • Increased investments in education of offspring • Increased asset transfers to offspring

*Refer to the microenterprise, housing, and financial education sections for additional end outcomes.
Source: Sherraden (1991) and Sherraden et al. (1995).

Community-level outcomes. Community effects are unlikely to occur unless asset-building programs involve a substantial proportion of people in a defined geographic area. Therefore, assessment of community effects, while important, will require extensive applications of IDAs. The best opportunity for measuring these effects would be a systematic multi-site demonstration that includes comparison communities. These potential effects might be identified as economic, community life, schooling, and civic and political affairs (Table 14.4).

Table 14.4. Individual Development Account Programs: Possible Community-level Outcomes
1. Economic • Increased home-ownership rate • More new housing construction or major remodeling • Increased business investment in the neighborhood • Increased economic activity in new or existing businesses • Decreased unemployment • Increase in average earnings • Increase in access to first-tier financial services in the community
2. Community Life • Houses in better repair • Yards better kept • Less clutter, junk on the street • Social life in the neighborhood • More people talking with neighbors • More social events in the neighborhood • More mutual support and “good neighborliness”
3. Schooling • Reduced turnover in school population • Better school attendance • Better school performance (grades, test scores, completion)
4. Civic and Political Affairs • More public meetings and discussions on issues • More active civic associations • Increases in contributions to political candidates or issues (both time and money) • Increase in voting rate

15. Individual Development Account Programs: VISTA Member Activities and Performance Measurement

This section presents findings from telephone interviews with Entrepreneur Corps sponsoring organizations. We provide descriptions of six Individual Development Account (IDA) programs, VISTA members' activities in the programs, and the status of performance measurement.

IDA Programs: Basic Program Description

Six IDA programs across 20 organizations have Entrepreneur Corps VISTA members assigned to them. These programs have been in existence from one to seven years. The average program age is just over three years, and the median is two years. A majority of the IDA programs target low-income individuals and families generally (Table 15.1). Two programs target minority communities or neighborhoods, and one program is geared toward immigrants and refugees.

Table 15.1. IDA Programs: Target Populations (N=6)		
Population	**Frequency***	**Percent**
Low-income individuals/families	6	100
Minority communities/neighborhoods	2	33
Immigrants/Refugees	1	17

*Some programs have more than one target population.

IDA Programs: Goals

IDA program goals are similar across the six programs (Table 15.2). They each aim to increase asset ownership, increase savings levels, increase financial literacy, and instill a savings habit in the target population. Two programs also use the IDA program as a community economic development tool targeting specific communities for increased asset ownership. Other unique goals include to decrease bankruptcies, increase participant income, and increase participants' formal banking relationships.

Table 15.2. IDA Programs: Goals (N=6)		
Goal	**Frequency***	**Percent**
Increase asset ownership	6	100
Increase savings	6	100
Increase financial literacy	6	100
Instill savings habit	6	100
Community economic development	2	33

*Some programs have more than one goal.

Case Study Example: IDA Programs

Four case study IDA programs have a similar goal: to increase asset ownership and savings levels within a target population. One IDA program is targeted to children, one program to low-income families, and two programs to immigrants and refugees.

The program targeting children is part of new national demonstration, Saving for Education, Entrepreneurship, and Downpayment (SEED). SEED is a long-term initiative, approximating Sherraden's (1991) original policy proposal for "life long" accounts by targeting children and offering appropriate financial education to both the children and their parents.

The supervisor of the program targeting Vietnamese refugees stressed that new refugees do not usually have assets or access to credit, and the IDA program helps them develop relationships with financial institutions, savings, and financial literacy.

IDA Programs: Entrepreneur Corps VISTA Member Activities

VISTA members develop, implement, and support IDA programs. See Table 15.3 for details and examples. Across all programs, VISTA members write grants (6 programs). Respondents note that, because IDA programs are expensive for an organization to administer, grant proposal writing is a top priority. For three IDA programs, VISTA members have secured a total of $275,000 in grants, and for the other three IDA programs, grants were pending at the time of the study.

VISTA members also develop and sustain partnerships with other organizations (6) such as financial institutions and other community-based organizations that provide financial education and referrals, which are essential for most IDA program designs. VISTA members promote the program target communities (6) through attendance at community events, presentations at different organizations, and the development of advertisements for newspaper and radio.

VISTA members engage in program design (5) as well as participant retention activities (5). VISTA members in three programs had responsibility for researching, developing, and implementing a new IDA program, while they also helped to expand and administer two existing programs. Participant retention activities include serving as an active interface with IDA participants. For example, VISTA members monitor participant progress and provide follow-up and encouragement, especially for those participants who are "on the edge" of dropping out.

VISTA members also work with the media (5), creating and sharing participants' stories. Others work on the financial education curriculum (4), offering train the trainer courses, collaborating with financial education providers, or developing the curriculum. Some assess eligibility (4) or counsel participants (4) on program expectations and help them to purchase their asset (2). Volunteer recruitment (4), either to implement different aspects of the program or to advise implementation, is another important activity as is developing matching funds (2).

Other VISTA activities relate to performance measurement, including developing evaluation tools, streamlining internal processes, and creating program monitoring databases. One VISTA member is expanding the program to the rest of the state and sharing resources with other organizations.

Table 15.3. IDA Programs: Entrepreneur Corps VISTA Member Activities (N=6)

Activity	Frequency*	Percent	Examples of Accomplishments and Ongoing Activities
Program Development			
Program design	5	83	Developed youth IDA program; helped expand IDA program
Organizational partnership development	6	100	Partner with organizations for matching funds; develop relationships with financial institutions
Financial education curriculum development	4	67	Help develop curriculum; conduct train the trainer courses; collaborate with another organization to provide classes
Program Implementation			
Target population marketing	6	100	Host booths at non-profit and housing fairs; present to schools, banks, churches, and at community events; recruit through newspaper and radio
Participant retention	5	83	Provide participant follow-up and support; monitor participant progress; meet with participants quarterly
Participant counseling	4	67	Provide follow-up and support; work with clients on resume development and job-searching
Eligibility assessment	4	67	Conduct interviews with potential participants; review applications; serve as first contact
Asset purchase assistance	2	33	Provide resource referral; help navigate purchase process
Capacity Development			
Grantwriting	6	100	Conducted grant research; received $150,000 in grants
Media relations	5	83	Help with press releases; wrote several newspaper stories about IDA programs
Volunteer recruitment	4	67	Recruit volunteer teachers; recruit Advisory Board members
Other fundraising	2	33	Work with local banks for matching funds

*VISTA member activities are not applicable to every program.

Case Study Example: Entrepreneur Corps VISTA Members and IDA Programs

One of the IDA case studies was with an affiliate of Boat People-SOS, a national organization serving Vietnamese refugees and immigrants. The current IDA program supervisor is a former VISTA member. When she first arrived at the organization as a VISTA member, she was charged with developing an IDA program, although she did not have a business background and in fact, had never heard of IDAs or asset-building programs. She formed a partnership with an existing IDA program, which gave them 30 slots for their refugee clients. Around the same time, the organization secured money from the Office of Refugee Resettlement (ORR) to start an IDA program. She designed and developed this IDA program, which was replicated in two other sites around the country. At the time of the study, there were 27 individuals enrolled at the case study site, and 82 IDA participants nationwide. The VISTA member implemented all aspects of the program: recruiting and marketing, setting up financial education classes, forming organizational partnerships, and helping participants with their asset purchases.

Another case study was conducted at the National Center on Poverty Law. They have a Community Investment Unit that promotes asset-building activities throughout the state, applying program lessons to policy. VISTA members at this organization helped implement a two-year IDA demonstration in three cities, which ended around the time of the study. VISTA members also worked to build a statewide IDA coalition and organized annual asset building conferences. With the help of a VISTA member, the Community Investment Unit started a child savings program at a local elementary school, which the organization views as the first step toward achieving public policy support universal financial education in public schools.

IDA Programs: Perceived Challenges

All respondents consider program expense the main issue with implementing IDA programs. Funders usually require the organization to raise local matching funds, which can be challenging. One rural program had only ten participants because of a lack of local funding.

Participant recruitment and retention is also a challenge. Respondents discuss how potential participants assume the program is not legitimate (“no one gives away free money”), and then once they are in the program, they are discouraged by the barriers to asset accumulation. One respondent discussed the challenges faced with their target population, e.g., many are not in living wage jobs and they cannot speak English very well.

IDA Programs: Performance Measurement

The organizations vary in their research sophistication. See Table 15.4. The six IDA programs track and measure activities, outputs, and outcomes using either the Center for Social Development’s Management Information System for IDAs (MIS IDA) or another related database. Across the programs similar outputs and outcomes are tracked, although there is great variation due to differences in program size and age. For example, a well-established IDA program has 680 participants enrolled, while a new program has only five that have completed the initial phase. This new program has 48 people in the required pre-program credit counseling and 45 in the free tax service offered in conjunction with the IDA program.

Table 15.4. IDA Programs: Performance Measurement Methods (N=6)			
Method	**Frequency***	**Percent**	**Examples**
Track outputs and outcomes	6	100	Use MIS IDA to track clients served, demographics, class attendance, etc.
Pre- and post-tests	5	83	Measure saving attitudes and financial knowledge
Satisfaction surveys during and after program	4	67	Administer general program satisfaction surveys; conduct exit interviews with successes and dropouts
Longitudinal study	2	33	University is conducting an impact study

Four organizations track their IDA program activities and outputs using MIS IDA or some other database. Five programs administer pre- and post-tests to measure changes in saving attitudes, financial education and skills, and other participant changes. Four programs administer participant satisfaction surveys during and/or after classes or after the program is completed. Performance measurement is more formal at two of the sponsoring organizations. Both of these organizations use logic models for all programs. Two programs conduct or have conducted longitudinal studies, while none perform cost-benefit analysis.

Most programs track the number of recruiting and financial education sessions that are offered as well as participant attendance (Table 15.5). The number of people receiving credit counseling may also be tracked. Others focus on participant savings progress or asset achievement. One program tracks improvements in credit and savings habits as well as income increases. A supervisor discussed an interest in measuring extended outcomes, such as health insurance and employment to see if or how IDA savings affect other aspects of a participant's life. Respondents report that funders require that most of these measures be tracked and reported.

Table 15.5. IDA Programs: Reported Performance Measurement Indicators (since 2002) (N=6)					
Indicator	**Frequency***	**Mean**	**Median**	**Minimum**	**Maximum**
Number of organizational partnerships created	6	5.8	5.0	1	11
Number of small businesses opened	5	3.4	0	0	9
Number of dropouts	5	33.4	1	0	125
Number of matched withdrawals	4	22.0	8.0	7	71
Number of houses purchased	4	8.5	4.0	0	26
Savings used for education	4	9.25	0	0	37
Number of people completing financial education	4	93.5	34.0	6	300

*Indicators are not applicable to all programs.

Case Study Example:
IDA Program and Performance Measurement

Program evaluation techniques also differed across case study programs. Although all four organizations monitored activities and outputs using MIS-IDA or some other database, program evaluation was more formal at ISED and BPSOS. Both of these organizations used logic models for all programs, and although ISED was better able financially to evaluate their programs through the organization's research arm, the national director of BPSOS was very focused on formalizing program evaluation across all affiliate organizations. The Orange County office was not necessarily implementing these formal methods at the local level, but the IDA supervisor was in the process of creating a logic model for the program, and she submitted monthly reports to her area manager and detailed weekly workplans. She has made changes in the program not based on formal evaluation but informal observations of classes and clients.

The other two organizations did not seem to have formal or institutionalized program evaluation methods. One program tracks client progress through some pre- and post-tests, exit interviews, and follow-up surveys, but they do not use logic models. The other organization had contracted with the University of Illinois to evaluate the IDA program, but the supervisor would like to learn how to implement evaluation on-site in smaller but meaningful ways.

16. Other Programs and Organizational Support: VISTA Activities and Performance Measurement

In this section, we describe 13 programs that reflect the larger conception of "assets" as community resources, organizations, or other diverse economic and community development activities. We separate these programs from the distinct asset-building strategies of microenterprise, housing and homeownership, financial education, and Individual Development Accounts. The scope, goals, and activities are qualitatively different.

There are also VISTA members at five sponsoring organizations that explicitly engage in activities to build the capacity of the overall organization through activities such as fundraising, marketing, or board development. These capacity-building activities are not connected to a program per se, though there are defined targets for achievement.

We begin by describing the other Entrepreneur Corps supported programs, and then we detail the overall organizational capacity development efforts.

Other Entrepreneur Corps Supported Programs: Basic Description

Thirteen of the 46 programs at the Entrepreneur Corps sponsoring organizations did not correspond to the aforementioned asset-building categories. We group these other programs into four broad categories: economic development, support for nonprofit organizations, community development, and miscellaneous.

Three programs recruit college-age and recently graduated business students to serve as capacity building consultants for nonprofit organizations. Six programs promote economic development through services such as assistance with car loans and transportation, job training, computer access and education, and college preparation. VISTA members in two programs engage in community organizing to stimulate the regional economy and enhance individual and community economic development.

There are programs that are further distinct. One program restores land to small American Indian landowners and another trains high school students to help low-income families file their taxes online.

Refer to Table 16.1 for a description of the specific goals of these programs.

Table 16.1. Other Entrepreneur Corps Supported Programs: Goals (N=13)	
Type of Program	**Goals**
Economic Development	
Car purchase and loan assistance	• Help people maintain employment through car purchase • Increase financial education • Develop mainstream lending relationships for participants
Family self-sufficiency	• Increase self-sufficiency of public housing tenants by increasing parenting skills, financial literacy, maintaining employment, and reducing substance abuse and domestic violence
Job training	• Create technologically-savvy students who may choose the computer field as a career goal
Job readiness training	• Reduce barriers to employment
Computer access and education	• Expand awareness of technological resources • Bring affordable broadband to the region
College preparation	• Promote transition of at-risk youth to post-secondary education • Involve youth in entrepreneurial or IDA venture
Support for Nonprofit Organizations	
Students are placed in non-profit organizations	• Create positive social change in communities • Strengthen nonprofit organizations • Develop future leaders for social change
Students are placed non-profit organizations	• Provide pro-bono consulting as needed • Provide a service opportunity for Net Impact members
College teams promote business development and nonprofit capacity	• Provide resources to help develop educational programs for low-income individuals • Provide information on regional and national resources • Develop a business plan template and resources for long-term stability

Table 16.1. Other Entrepreneur Corps Supported Programs: Goals (N=13)	
Type of Program	**Goals**
Community Development	
Community organizing	• Improve quality of life for community members • Enhance individual and community economic development
Regional economic development	• Stimulate regional economy • Increase income generating opportunities in the region • Assess community needs
Other	
Land restoration for small landowners	• Restore land to Native American landowners • Provide natural resource conservation services
Online tax filing	• Help low-income families claim EITC and other entitlements • Develop program sustainability

Other Entrepreneur Corps Programs: Entrepreneur Corps VISTA Member Activities

VISTA members are actively involved in program development (12 programs) and participant recruitment (12). See Table 16.2. The VISTA member who developed the American Indian land restoration program recruited volunteer scientists to train small landowners in restoring the productivity of their land. VISTA members at one organization implemented a national Service Corps, in which recent business graduates volunteered their time as consultants to nonprofit organizations. VISTA members in a small rural region opened computer centers in different communities and developed computer education workshops for community residents.

Participant recruitment for these programs is similar to activities in asset-building programs. VISTA members attend community meetings and events, promoting and marketing the program to area residents and community organizations. Recruitment is also accomplished through flyers, advertisements, and brochures.

VISTA members help with partnership development (10) and grantwriting (9). At the time of the study, about $700,000 had been raised across five organizations. Others help to recruit volunteers (8). One program now has 190 volunteer consultants as a result of VISTA efforts. Direct participant interaction includes efforts to counsel (7) and retain participants (7). Additional activities include conducting a needs assessment and researching youth apprenticeship programs.

Table 16.2. Other Entrepreneur Corps Supported Programs: Entrepreneur Corps VISTA Member Activities (N=13)			
Activity	**Frequency***	**Percent**	**Examples of Accomplishments and Ongoing Activities**
Program Development			
Program design	12	92	Brought in scientists to train landowners in restoring land productivity; implemented and staffed individual computer centers; set up rural transportation system for low-income workers
Organizational partnership development	10	77	Partnered with nonprofits who hosted Service Corps members; helped form coalitions with Navajo government and Tourism Action Council
Educational curricula development	4	31	Created educational workshops at computer centers; set up math college prep tutoring session
Program Implementation			
Target population marketing	12	92	Attended Indian Chapter House meeting to promote landowner program; presented at community meetings and events; door-to-door recruiting at housing projects
Participant retention	7	54	Communicated and followed up with community members; conduct parent meetings at child care centers
Participant counseling	7	54	Helped coordinate trainings for student volunteers; provide one-on-one computer lessons
Eligibility assessment	3	23	Screened resumes and applications
Capacity Development			
Grantwriting	9	69	Raised $700,000 through grants
Media relations	6	46	Wrote articles for regional newspapers; prepared press releases
Volunteer recruitment	8	62	Helped recruit 190 pro-bono consultants; recruited 15 local teens who were trained to do online tax returns
Other fundraising	5	39	Procured funding for individual computer centers; conduct direct donor solicitations

*VISTA member activities are not applicable to every program.

Other Entrepreneur Corps Programs: Perceived Challenges

Across these programs, the most frequently cited program challenge is participant recruitment (5 programs). See Table 16.3. The VISTA members who engage in community and economic development have found that it is difficult to earn the trust of community residents and business owners, while others have found that the daily stress of poverty makes it very difficult to recruit and retain participants in economic development programs Supervisors face other challenges such as competing with local predatory lenders, navigating a new federal grant process, and providing transportation in a sparsely populated, rural region. One program, a post-secondary education transition project, was not able to recruit a VISTA for the second year, so the program could not continue.

Table 16.3. Other Entrepreneur Corps Programs: Perceived Challenges (N=13)

Challenge	Frequency	Percent	Examples
Participant recruitment	5	39	Difficult for local business owners to trust outside VISTA; grassroots organizing was difficult at the start
Program funding	3	23	Rising gasoline costs not built into state funding for transportation program; lack of funding is barrier to expanding
Difficult organizational partnerships	3	23	Economic development organizations do not see need for technology skills; lack of communication between community groups
Participant retention	1	8	Targeting a very poor population

Other Entrepreneur Corps Programs: Performance Measurement

Most of these programs are tracking activities (12) and outputs and outcomes (11). See Table 16.4. They use computer databases to monitor activities and outputs such as number of class attendees, number of volunteers, and hours of service. Nine programs assess satisfaction using participant surveys during and/or after the program and then modify the programs accordingly, and three engage in cost-benefit analysis. Longitudinal studies are connected to two programs.

Table 16.4. Other Entrepreneur Crops Programs: Performance Measurement (N=13)			
Method	**Frequency**	**Percent**	**Examples**
Track activities	12	92	Compile monthly activity reports at each computer center; use a balance scorecard in Excel
Track outputs and outcomes	11	85	Track class attendees; track activities of students; track number of volunteers and hours of service; track number of community forums
Surveys during and after program	9	69	End-of-project survey of volunteer and non-profit; administer surveys after community forums; participant satisfaction surveys
Cost-benefit analysis	3	23	Analyze how much money nonprofits save using volunteer consultants; fiscal report includes cost-benefit analysis
Longitudinal study	2	15	Studying neighborhood impacts and financial impacts; implementing a housing/business condition survey

These programs are so different from one another that it is difficult to categorize their outcomes. Some programs have precise, quantifiable target outcomes, which are not yet achieved, while others have had or are striving for more general results. Examples of tracked outputs and outcomes assessed by the programs include:

- An average of 93 youth and adults completed computer classes per week during the year.
- During the year, 532 transportation trips were made (60 percent for work and 40 percent for job supportive services). Fifteen individuals directly attributed their hiring to the availability of transportation.
- Fifteen teens trained to file taxes.

Organizational Capacity Building: Basic Description

VISTA members at five organizations work to build the capacity of the overall organization through activities such as fundraising, marketing, or board development (Table 16.5). These activities are in addition to supporting a specific asset-building program. The task goals are to improve overall functioning (5), create an effective marketing system (3), improve fundraising capabilities (2), and develop the Board of Directors (2). Other capacity building goals are to increase membership and improve the value of membership (in a national membership organization of student business clubs) and to raise public awareness of the microenterprise field.

Table 16.5. Organizational Capacity Building: Goals (N=5)		
Goal	**Frequency**	**Percent**
Improve overall functioning of organization	5	100
Create effective marketing system	3	60
Create effective fundraising system	2	40
Develop the board	2	40

Organizational Capacity Building: Entrepreneur Corps VISTA Member Activities

VISTA members at all five organizations are implementing marketing activities to increase public knowledge of the organization (Table 16.6). For two organizations, this involved developing and implementing comprehensive marketing and branding plans. Related to marketing, four organizations utilize their VISTA members to cultivate relationships with media personnel and implement advertisement placements.

VISTA members are writing grants for four organizations. One VISTA created a database to track funders and instituted a direct mail campaign to solicit donations. VISTA members at three organizations work with the board of directors, helping to recruit members and create records of board activities. Additional activities include national membership development, policy research, performance measurement, and database development.

Table 16.6. Organizational Capacity Building: Entrepreneur Corps VISTA Member Activities (N=5)

Activity	Frequency*	Percent	Examples of Accomplishments and Ongoing Activities
Marketing	5	100	Created comprehensive marketing plan
Media work	4	80	Developed relationships with the press; implemented ad placements
Grantwriting	3	60	Researched and wrote grants
Board development	3	60	Created historical record of board development and meetings; developed advisory board
Fundraising	2	40	Created contact management database to track funders; direct mail campaign
Partnering with other organizations	1	20	Identifying community organizations for partnerships

*VISTA member activities are not applicable to every organization.

Organizational Capacity Building: Perceived Challenges

Lack of funding is a persistent challenge for one organization. One organization has no marketing budget, and in general, this lack of funding limits potential for organizational growth. Another organization found that it is difficult to recruit board members. One supervisor also expressed that it is often difficult to convince VISTA members that their administrative work benefits “real people.”

Organizational Capacity Building: Performance Measurement

All five organizations monitor their capacity building activities and outputs by tracking VISTA activities, board meetings, staff trainings, website hits, and increased media attention. One organization evaluated the progress of their membership development activities through feedback surveys and representative member committees.

Four organizations attributed increased media attention to VISTA members' activities. VISTA members at one organization helped recruit three new board members and cultivated partnerships with 30 new organizations. Two developed lists of media personnel that have a relationship with the organization, facilitating access. One helped to improve the organization's website, which then experienced an increase of 15,000 hits per month. The two national membership organizations saw an increase in membership, better communications with members, and the creation of a member renewal system and training materials.

17. Sponsoring VISTA Members and Implementing Performance Measurement: Perceived Contributions and Challenges

The VISTA supervisors at the sponsoring organizations discussed their perceptions of Entrepreneur Corps VISTA members' contributions as well as the challenges of sponsorship. Respondents also discussed the challenges for implementing performance measurement, and made suggestions for how to improve the performance measurement reporting process with CNCS. We combine responses below from the case study and telephone interview respondents.

Perceived Contributions of Entrepreneur Corps VISTA Members

Overall, respondents are complimentary of their VISTA members, describing them as very committed to their organizations and missions. VISTA members bring "exuberance," "ambition," "optimism," "fresh ideas," and "positive energy." Most supervisors are impressed with the VISTA members' willingness to jump in wherever needed to "get the job done." One respondent believes that VISTA members may be better able to understand poverty because they have experienced or are experiencing it, thus, making them well equipped to reach out to communities and participants. They also "give a human face to the organization."

Respondents assert that without VISTA members, the capacity of their organizations would be greatly decreased. In the words of one supervisor, the organization would be a "shrunken raisin" compared to what it is with VISTA support. Many programs would still be in the planning stages.

One respondent said that their IDA program was a small seed in the ground, and their VISTA members "helped it bloom overnight." Another supervisor believes that "everything would be different" without a VISTA: they would not cover as large of a geographical area, have no Spanish-speaking program, no marketing plan, and no referrals and resources. Most organizations do not have the staff capacity for effective community outreach. For several organizations, VISTA members' contributions enable staff to concentrate on direct work with clients.

A majority of the VISTA supervisors believe that overall the VISTA members' skills matched the activities to which they are assigned. In many cases, however, there is a learning curve and some training is necessary. Most VISTA members prove themselves to be extremely capable and competent. Ten organizations have even hired VISTA members after their term of service (a total of 15 Entrepreneur Corps VISTA members had been hired).

Supervisors often recognize the special skills and talents of VISTA members and try to orient activities around those experiences. Bilingual VISTA members improve program effectiveness with immigrant groups, and those with computer skills design databases and update websites. A former art major created posters and other advertising materials, and a former city planner used his architectural skills to produce floor plans of a soon-to-be renovated building.

Perceived Challenges of Sponsoring Entrepreneur Corps VISTA Members

Although respondents are overwhelmingly pleased with their VISTA experiences, supporting a VISTA is not without its challenges. Only two respondents think there are no challenges.

Five respondents spoke specifically about the difficulties of recruiting qualified individuals. The VISTA experience usually attracts recent college graduates without much experience, yet many supervisors are looking for certain skills and knowledge to contribute to asset-building programs. Some supervisors said that attracting qualified individuals would be easier if their organization or the AmeriCorps*VISTA program could provide housing. Clearly, in the end, most supervisors are highly satisfied with the skill level of their VISTA members, whether they already possessed the necessary skills and knowledge or learned quickly during their term of service.

The recruitment process was more difficult than they expected. Some think that their VISTA experience is hindered by federal recruitment and training requirements. Two also said that the pre-service orientation trainings (PSO) are not offered frequently enough, therefore, it is hard to recruit someone if a PSO is not coming up soon.

Eight respondents are dissatisfied with the training the VISTA members receive at the PSO—they do not receive asset-building training, and the PSO training does not match the expectations the organization has for their VISTA members. They think that the trainings spend too much time discussing broad issues of poverty and social justice, when the VISTA members need training on asset-building policies and programs. One VISTA member knew nothing about asset building; she also did not know that she was part of Entrepreneur Corps until she arrived at the organization.

Both the supervisors and the VISTA members expressed a desire for more specific training on IDAs and microenterprise, in particular. They believe this knowledge would better prepare the VISTA members for their placements.

All respondents who had been former VISTA members said that their organizations were unprepared for them in the beginning. There was not enough work to do and not enough staff to supervise them or provide guidance, and they had to work on programs not related to asset building. These former VISTA members said they had to find work for themselves. Nevertheless, things improved, they had a positive experience, and now they work at the organization as an employee.

One national program had been allotted ten members in two different locations, which presented significant supervision challenges. They found that ten VISTA members were just too many for the amount of work and supervision available. Next year, they plan to only recruit five members.

Five respondents have had more specific issues with their VISTA members. The VISTA placement is the first real work experience for many members, so some need to learn basic work ethics. Three other supervisors had difficulties with VISTA members who had unreasonable expectations for their positions—they expected every activity to be “interesting” and were sometimes unwilling to help out where needed.

One respondent discussed the problems associated with differing expectations. Some VISTA members consider it a “9 to 5 job,” and are unwilling to deliver community presentations or network at night and over the weekend. The supervisor’s understanding, which she confirmed with the state office, is that VISTA members should be on call 24 hours a day. She believes that some members are unwilling to think outside the box and take initiative, and she was particularly disappointed in one member whose skills did not match his resume. Despite these challenges, however, this supervisor still believes they have had a positive VISTA experience and are in the process of recruiting more members.

This “24/7” rule proved to be a challenge at another site as well, although this time from the VISTA members’ perspective. While these VISTA members understood that they might be expected to work outside of a 9 to 5 schedule, they thought it was unreasonable to expect them to do this consistently.

Perceived Performance Measurement Challenges

Open-ended questions were asked of both the case study and telephone interview respondents regarding their perceptions of performance measurement implementation and CNCS’ requirements. Their responses are integrated below. Counts represent responses out of 28 organizations.

Supervisors were asked how CNCS could help them implement or improve their performance measurement. Nine respondents do not think that their agencies need assistance, but the other supervisors welcomed this idea. Direct technical assistance from CNCS was recommended. They suggest that CNCS provide sample logic models and information about effective asset-building practices. Two supervisors specifically requested assistance with cost-benefit analysis and learning ways to aggregate data.

Four respondents suggested that CNCS develop more efficient lines of communication, both between CNCS and the organizations and among the organizations. These supervisors would like to talk with their peers to share ideas and resources, and one respondent from a small agency finds it useful to learn from the internal systems of larger nonprofit organizations. Perhaps these respondents are not familiar with the AmeriCorps email listserv, which serves as an electronic communication mechanism among sponsoring organizations.

Eight respondents think that the most effective way CNCS could help with performance measurement is to train VISTA members. Many VISTA members are charged with developing and implementing performance measurement during their year of service, and if they come to the organization with this knowledge, they may be more effective and make lasting contributions—even developing the capacity of program staff. As a related point, several suggested that performance measurement training be incorporated into the supervisor trainings.

Respondents were also asked if or how they would change the progress reporting process. Seven supervisors are satisfied with this process and did not have specific recommendations. Four supervisors suggest that the reporting process would be easier if reports are only due twice per year; quarterly reports seem too frequent and time-consuming. One supervisor also suggested that an electronic system could be developed to make this more efficient.

Others recommend changes to the content of the PPRs, allowing for changes in the original work plan. Four supervisors recommend that the questions be revised to relate specifically to asset-building programs. They find that the progress reports are geared more toward direct service.

18. Implications for AmeriCorps*VISTA and Asset Building

In this section, we summarize the status of asset-building programs, Entrepreneur Corps VISTA members' activities, and performance measurement for the Entrepreneur Corps sponsoring organizations included in this study. We acknowledge the limitations of this study for generalizing to all asset-building programs sponsored by AmeriCorps*VISTA. Due to constraints in data collection and the parameters of the study, the programs that were included may not be representative of all programs. Based on the information collected, we identify possible implications and strategic directions for improving performance measurement and maximizing effects among asset-building programs.

The Status of Asset Building

Scope. Entrepreneur Corps sponsoring organizations offer asset-building programs in four primary categories: microenterprise, housing and homeownership, financial education, and Individual Development Accounts (IDAs). Microenterprise support programs are the most prevalent, though financial education programs are common across all types of asset-building programs.

There are also diverse programs that do not fit within these four asset-building types, which promote economic development, other nonprofit organizations' programs, and community development. At five of the sponsoring organizations, VISTA members are not necessarily involved in distinct programs; they are working to increase the overall capacity of the organization.

The status of the asset-building programs varies markedly. Some are established and others are in the development phase. The age of programs reflects the status of the asset-building field overall. Microenterprise programs may be the most established.

While the target populations are largely low-wealth individuals and households, some program target specific groups, including youth, immigrants and refugees, and defined geographical communities. They are promoting inclusion of specifically marginalized groups in the asset accumulation process. The goals are diverse and large in scope. Increasing ownership of specific assets is obviously the primary goal. Other common goals across the programs include increasing net worth as well as financial literacy.

Challenges. Reported challenges are consistent with research in each of the asset areas. Participant recruitment is the most daunting. Asset building is not only a new strategy to staff and organizations in the field of social welfare, but it is also "new" to the very people the strategy intends to benefit. Opportunity and investment are often met with disbelief and doubt. In some cases, this skepticism is warranted due to financial or personal difficulties, which may subsequently impact participant retention.

Asset building is an inherently multi-sector process. The development and implementation of asset-building programs rests on organizational partnerships and program funding from public and private sources. Across all program types, securing and navigating both proves challenging.

Entrepreneur Corps VISTA Member Activities and Contributions

Respondents report that most VISTA members do not have prior experience in asset building, though some do fit the intended profile of the Entrepreneur Corps VISTA member. Several members have diverse skill sets that have proven very beneficial, from creative design and marketing skills, to media experience, to research and writing. In general, the VISTA members' attitudes and drive to contribute make for a positive experience.

Entrepreneur Corps VISTA members have made and do make significant contributions. Program design and implementation are the most prevalent VISTA member activities. In several cases, the asset-building programs would not exist if it were not for VISTA support. The programs may represent a new strategy for the organization or it may represent an expansion of current programming. As related to program design, for 19 of the 46 programs, VISTA members either secured a financial education curriculum and modified it for the specific programmatic context or they developed a curriculum. The members also identify and organize organizational partners, ensuring that major program components are covered and implemented.

Respondents credit VISTA members with developing and increasing community marketing and outreach, serving to recruit participants. Several respondents reflected on what an important activity this is, which many of them say they do not have time to do especially since asset-building programs have proven to be a "hard sell."

Grantwriting for new and existing programs is also a main activity, representing a noteworthy contribution. The proposals that have been written by Entrepreneur Corps VISTA members are to both public and private sources. The amounts in some cases have been quite significant. Across the programs, over six million dollars has been raised since 2002. A VISTA member at one organization helped secure a 2.3 million dollar grant for a youth job training program.

Media relations play a big role in the VISTA members' activity portfolio as does volunteer recruitment, which is a major goal of all civic service programs sponsored by CNCS. These activities increase the capacity of programs to reach their target audiences and promote visibility and potential funding for the program. Community volunteers have been secured to deliver major aspects of the programs from financial education to peer mentoring.

The VISTA members also work directly with program participants, assessing eligibility and counseling them on various credit issues, rules regarding participation, and asset purchases. This plays a lesser role than other responsibilities.

The Status of Performance Measurement

Essentially all of the programs that were "up and running" at the time of the study are tracking and assessing program outputs. The staff and VISTA members use a variety of means to collect and manage program information. There is an emphasis on electronic data collection mechanisms, either through spreadsheets, customized databases, or industry-standard MIS systems like MIS IDA. Some programs actively involve program staff in the data collection process through "score cards" or weekly reports.

While a few programs report that they measure outcomes, upon further questioning those "outcomes" were really outputs. This reflects a general lack of knowledge about or ambivalence toward performance measurement by several respondents. There were two respondents who did not know what was being asked when the terms program evaluation and performance measurement were used.

Nevertheless, it is encouraging to learn that some programs do indeed have methods in place to assess outcome achievement. Pre and post-tests are the most common evaluative designs (11 programs), typically used in conjunction with financial or asset-specific educational programs. More advanced methods such as longitudinal studies tend to be contracted out or implemented by universities. Across the four asset types, three longitudinal studies are being implemented.

Cost-benefit analysis is an aspect of performance measurement for four programs. The tracking system that these programs have in place supports this assessment. Program costs are one of the variables being tracked. The "benefits" being assessed reflect intermediate level outcomes, e.g., number of loans disbursed, which may be more easily and directly measured.

Satisfaction surveys are implemented during program participation or after program completion by 12 programs. These surveys serve as a barometer, helping to identify areas for improvement. Several respondents considered these to be assessments of program impact, which they are not. However, they can be used to assess participant perceptions regarding changes in their lives. (See Appendix B.)

Increasing Capacity for Performance Measurement and Effects

Effective programming. Most asset-building programs in this study are complex, implementing multiple, diverse components. The programs are labor and time intensive with asset building among low-income and low-wealth populations proving to be a costly endeavor. This is one reason respondents are so appreciative of the administrative and implementation support that VISTA members provide.

Overall, the status of performance measurement at the sponsoring organizations does not allow for definitive assessments of effectiveness. However, findings from the case studies and interviews suggest that known effective practices are being implemented in the asset-building programs. The implementation of effective practices may be attributable to efforts of the Entrepreneur Corps VISTA members.

The programs are targeting distinct groups, and tailoring the program to their specific context. This is evidenced in the multilingual materials and financial education instructors, and flexible office hours and educational sessions. Some programs have adopted "proven" financial education curricula.

Most programs can be construed as implementing a "case management" or "wrap-around" approach for participant retention. This approach is oriented toward intensive, one-on-one service delivery, where staff and VISTA members are invested in individual participant success. It may necessitate following the participant through the entire program process from eligibility assessment to asset purchase, requiring referrals, coaching, and emotional support.

The organizations and VISTA members may have learned these strategies from previous experience or trial and error. For some new programs, respondents describe the research process that contributed to the specific program design with VISTA members talking with and learning from staff at other programs.

Recommendations. Based upon our review of effective practices, we suggest two approaches for increasing the capacity of asset-building programs to achieve effects: improve access to information about effective practices and train VISTA members and supervisors on asset-building.

Since VISTA members are charged with developing new programs, they and their supervisors may benefit from more accessible information about effective asset-building practices. The AmeriCorps listserv is a resource for promoting information sharing, and there are asset-specific listservs and newsletters that members and supervisors may find helpful, e.g., the IDA listserv operated by the Corporation for Enterprise Development and the assets and disabilities "equity" newsletter sponsored by the World Institute on Disability.

Moreover, CNCS actively supports effective programming through the National Service Resource Center, Effective Practices-EpiCenter website. At this writing, the website does not list any asset-building effective practices—across microenterprise, housing and homeownership, financial education, and IDAs.

It is recommended that the orientation sessions for VISTA supervisors and members also include specific asset-building content. Not only should the philosophy of this approach be addressed, but also specific information about the various asset-building strategies and program resources could be shared. This could be delivered in a workshop format, including tangible examples of effective practices and VISTA members' contributions to asset-building programs. The effective practices information could then be applied through explication of the logic model framework for performance measurement, demonstrating how the framework can be used to articulate program theory.

Performance measurement. The status of performance measurement at the sponsoring organizations is at a basic level. They have systems in place for tracking activities and outputs. However, assessment of outcomes is generally lacking. This includes not only specification of outcomes and outcome indicators but methods and research designs to assess their achievement.

We suggest two approaches for increasing the capacity for performance measurement of asset-building programs: performance measurement training for VISTA members and supervisors and revised program reporting requirements.

Recommendations. Ideally, performance measurement is conceived and implemented as a program is developed. VISTA members are actively designing and expanding programs. It follows that they be trained on performance measurement as part of their pre-service orientation. While members have diverse backgrounds and will have differing levels of knowledge regarding performance measurement, basic information could easily be conveyed through orientation. Again, an emphasis could be placed on examples and effective practices. Training of VISTA supervisors in performance measurement could take a similar form, being integrated into their overall orientation.

VISTA members and supervisors need more than just general information about performance measurement, however. A main finding of this study is that outcome assessments are not widely implemented across the sponsoring organizations. While this finding is not surprising, since this is the likely status of the field overall, it has implications for the ability of the sponsoring organizations to provide CNCS with the information it requests for accountability.

Training is needed regarding research designs and methods that promote the isolation and measurement of effects. We provide in Appendix B an overview of designs and methods. We suggest specific strategies for asset-building programs. Example survey items are listed.

Progress reporting forms could also be revised to more closely reflect asset-building programs. It may be beneficial to reduce the "open-endedness" of these forms, promoting precision. As a related point, a possible long-term strategy is the development and implementation of a web-based reporting system. The pay-offs for such a strategy could be tremendous, as on-line databases can be programmed to check for data entry errors and to aggregate information. If a uniform instrument is developed to collect the reported outputs and outcomes of AmeriCorps*VISTA supported programs, then this system could promote articulation of the impact of national service in the United States. This strategy could be implemented across the range of AmeriCorps programs.

Conclusion

In conclusion, the 28 sponsoring organizations that were part of this study are implementing a range of asset-building programs. Entrepreneur Corps VISTA members are responsible for developing, implementing, and expanding these programs. VISTA members are definitely "getting things done" through these asset-building programs. However, the impact of these activities remains largely anecdotal. Measurement of the outputs and outcomes of the programs should be advanced, increasing the capacity of VISTA members and supervisors to design and assess performance. This report is a first step in the specification of effective asset-building practices that are applicable to AmeriCorps*VISTA sponsoring organizations.

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Appendix A
List of Terms

The following lists terms and acronyms that are used throughout the report.

CNCS refers to the Corporation for National and Community Service

IDAs refers to Individual Development Account programs

Microenterprise refers to small business, microcredit, and microlending programs

PPR refers to project progress reports submitted by VISTA sponsoring organizations to CNCS

Sponsoring organizations refers to the organizations that host VISTA members

VISTA members or members are used to reference the individuals who are placed as volunteers in sponsoring organizations

Appendix B
Methods for Assessing Outputs and Outcomes of Asset-Building Programs

While there are numerous resources that exist to promote performance measurement, the following suggests research designs and methods specific to the asset-building context. We borrow heavily from the 1995 *IDA Evaluation Handbook: A Practical Guide for Evaluation of Pioneering IDA Projects* by Michael Sherraden and colleagues at the Center for Social Development. We add unique content that pertains directly to the most prevalent asset-building programs implemented by Entrepreneur Corps sponsoring organizations. Our suggestions are based on the possible outputs and outcome indicators identified in this report.

Performance measurement should be specific to the program context; each program is different. The choice of methodological strategy, design, and methods should be driven by specific research questions. For example:

- What is being implemented by the asset-building program? What is the level of effort in the asset-building program or how many people are participating? Answering these questions requires process measurement.

- Are the participants saving? Have they increased their financial knowledge? Answering these questions requires outcome measurement.

Process Measurement

Process measurement occurs at the program level, addressing design, implementation, and administration. The intention is to collect information regarding program outputs.

Implementation does not occur as a neat and separate activity. The evaluator must also look at design (what exactly is being implemented) and administration (running the program on a day to day basis after it is "implemented"). Process measurement assesses the structure and rules of the program, staffing, procedures, activities, and so forth. Questions of who, what, how, and under what circumstances are important. The evaluator will want to examine both program characteristics and participant characteristics, and how the two fit together or do not fit together.

This type of evaluation may be inductive in that the evaluation is open to discovery of unanticipated relationships. It is a learning evaluation in that the evaluator seeks not only answers to particular questions, but also to be enlightened by any unanticipated information and to create new questions altogether. With this said, however, it is recommended that the data sources and methods be targeted to the specific output questions. A logic model framework supports targeted assessment.

Data sources and methods. The main data sources for process measurement are program staff and program documents or agency records.

Program staff include the agency director, supervisors, all workers in the program, and support staff. This category should also include staff of cooperating agencies, such as financial institutions, organizational partners, public welfare offices, housing organizations, etc.

Program documents include planning documents, proposals, brochures, budgets, financial reports, program-related correspondence, program records, personnel files, activity sheets, appointment records, staff assignment sheets, meeting minutes, telephone logs, training materials, program reports, and public communications. Program documents on clients include eligibility criteria, records of the selection process, attendance records, referral forms, progress charts, and case files.

These main data sources can be supplemented by data that comes directly from participants. For this purpose, the evaluator would be well-served by obtaining information from two groups: those who are most committed and most successful in the program, and those who are least committed and least successful. In previous sections we have suggested outputs that correspond to both. The value in working with the extremes is that the evaluator determines what is working well and for whom, and what is working poorly and for whom.

Also, if the participant population is comprised of distinct groups (for example, by age, race, family circumstances, citizenship status), it would be useful to obtain the perspectives of these different groups.

Intermediate and End Outcome Assessments

Asset-building programs are designed to promote asset accumulation. Therefore, a fundamental type of evaluation is to assess whether this is happening. If asset-building programs do not enable participants to accumulate assets, what good could they possibly be? This question is not purely rhetorical. The evaluator must always remain open to other "attainments" in the program, both good and bad. For example, perhaps participants do not accumulate assets, but they do become financially informed and aware. Or perhaps participants do accumulate assets, but only because of unacceptable human sacrifice in the family, such as forgoing meals. All of this is important information.

Ideally, asset-building participants would be compared to another group (a control or comparison group) to ascertain differences in asset accumulation. It is also important that asset accumulation is shown to be linked or not linked with program outputs. In this sense, connections should be made between assessment of design, implementation, and administration and assessment of outcomes.

Data sources and methods. The main data sources are asset-building program participants and program records. Program records are indispensable as an official record of asset accumulation patterns and amounts. Asset accumulation information may be held by a cooperating financial institution and/or by the program. Quantitative data can also be enriched by details and examples that are possible with qualitative methods. Survey methods can be supplemented by more in-depth methods such as focus groups or in-depth interviews.

Detailed information about the process from the participant's perspective is essential. No one can explain as well as the participants themselves how and why they accumulate or do not accumulate assets in the program.

Most of the asset-building programs described here include some type of financial or asset-specific education. The data source for the intermediate outcomes related to education would most likely be self-administered surveys. Participants could be asked to complete one survey during the last session of an education series. Or, they could be asked to complete a short survey at the end of every session. For example, participants could complete a short survey about budgeting immediately after the session on budgeting. Refer to the following sample survey questions.

Sample Survey Questions for Intermediate Outcomes of Budgeting and Monitoring Sessions	
Outcome	Survey Question
Have written financial goals	Do you have written saving goals for this year? (yes, no)
Have a written budget or spending plan for the year	Do you have a written budget or spending plan for this year? (yes, no)
Keep written records of spending	How often do keep written records of what you spend? (Would you say almost never, seldom, about half the time, often, or almost always?)
Compare planned spending to regular spending	How often do you compare what you plan to spend to what you actually spend? (almost never, seldom, about half the time, often, or almost always)
Compare prices when shopping	How often do you compare prices when you shop? (almost never, seldom, about half the time, often, or almost always)
Use coupons when grocery shopping	How often do you use coupons when grocery shopping? (almost never, seldom, about half the time, often, or almost always)
Understand the expenses of paying bills late	I understand the expenses of paying bills late (strongly agree, agree, disagree, strongly agree) *
Understand that small reductions in weekly spending can add up to large increases in saving over time	You can build large savings over time by making small reductions in your weekly spending (true, false)

Note: Some questions in this table were adapted from Shelton & Hill (1995); Danes et al. (1999); and Anderson et al. (2002).

* This question is designed for use in a retrospective pretest design. See the Money Smart curriculum (FDIC, n.d.) for similar questions on other financial education topics.

The data source for the end outcomes identified in this report would most likely be a survey completed by participants some time after the program ends. For example, participants might be asked to return a mail survey six months, 12 months, and/or 18 months after participating in education. This time lag is important because people need time to achieve many of the outcomes, e.g., arranging for direct deposit, beginning to save regularly, reducing debt. The time lag also allows staff to observe whether the program has lasting effects. A mail survey may be the only feasible way to collect data several months after the program ends, but mail surveys often have very low response rates. Bourque and Fielder (2003) offer suggestions for administering a mail survey.

For a number of the end outcomes listed in this report, which pertain to psychological and social well-being, a simple survey could be constructed from the following items. Respondents would read a statement and then respond by agreeing, disagreeing, or neither. Programs then report the number of responses in each class for each item at year-end. We list possible items modified from questionnaires used in the randomized experiment that was part of the American Dream Demonstration of IDAs.

1. I like my work
2. If I wanted to start my own business, I could do it
3. I feel hopeful about my future
4. I have a mental/physical disability that limits the kind or amount of work I can do
5. I feel healthy
6. Society discriminates against people like me
7. If I set my mind to it, I can do what I set out to do
8. I am involved with my children's schools
9. I expect that my children will graduate from college
10. People in my community respect me
11. If I need help, family and friends are there for me
12. I go to church regularly
13. I voted in the last presidential election
14. I voted in the last non-presidential election
15. I have a good relationship with my spouse or partner
16. I have a good relationship with my parents
17. I have a good relationship with my children
18. I have several friends whom I see regularly
19. When I disagree with someone, I can talk about it without getting too upset
20. I'm happy with my home
21. I'm happy with my car
22. I can make ends meet without too much trouble
23. I am getting ahead financially
24. If I get sick, I can get the medical care I need
25. I expect to live as long as most people
26. I am comfortable putting money in a bank account
27. I like my neighborhood
28. I usually pay off the balance on my credit card at the end of each month
29. I understand taxes well enough to get the deductions I deserve
30. I keep track of my income and expenses

Research Designs

The three most important design questions are: (1) From whom will data be collected? (2) How often? (3) In what relation to the asset-building program?

Below we outline the basic design choices that are likely to apply to intermediate and end outcome assessments. In applying any of these designs, there may be issues in sampling (who is selected to respond and why), adjustments in data to solve particular problems, and strategies for statistical analysis. All of these issues require particular knowledge. Program staff may have this knowledge, or they may call on expert advisors or consultants.

Cross-sectional design. A cross-sectional design is the simplest strategy for data collection because it involves data collection at a single point in time. Cross sectional designs are common because of simplicity and low cost. They are most useful for descriptive data (what is happening), and for simple associations or correlational data (one thing appears to be related to another). Cross sectional data can be gathered by any method—survey, in-depth interviews, focus groups, or case study methods. Regardless of use, the interpretation of cross-sectional data is limited to associations. This type of design cannot lead to causal interpretations.

Pretest, posttest design. Another variation of non-experimental design is before and after program participation. In this design, the participant group is assessed before the program begins and again after the program has been running for a period of time. Ordinarily this design would be applied only with quantitative data, most likely in the form of a survey.

The considerable advantage of this design is that baseline measures are taken before the program changes anything about the participants' lives. In a sense, the participants serve as their own “controls.” We assume that the differences between measures at time one and time two are due to program participation. But we cannot rule out the possibility that something else caused the differences, so causal conclusions must still be limited.

Retrospective pretest design. We also recommend the “retrospective pretest” design, an alternative to the traditional pretest-posttest design. With this design, at the end of each session (or at the end of the series) or delivery of a program service, participants report on their current knowledge, behaviors, or attitudes and then use the same measures to describe their knowledge, behavior, or attitudes at the beginning of the session or prior to delivery of the service. The following are examples on pairs of questions for a session on checking delivered during financial education.

Example Questions for a Retrospective Pretest Design*	
After the Session	**Before the Session**
I know how to:	I knew how to:
Compare types of checking accounts	Compare types of checking accounts
Open a checking account	Open a checking account
Write checks	Write checks
Keep records for a checking account	Keep records for a checking account

*Answers on a four-point scale: strongly disagree, disagree, agree, strongly agree
Source: FDIC (n.d.)

This type of design (sometimes called a "post-then-pre" design) is appropriate when participants are likely to overestimate their knowledge and skills on a pretest (Lam & Bengo, 2003; Pratt, McGuigan, & Katzev, 2000). Pretest overestimation is a likely problem for financial education participants who may not fully understand, at the time of the pretest, the concepts and skills to be taught during the program.[6] The evaluation materials provided in the Money Smart curriculum use a retrospective pretest approach (Federal Deposit Insurance Corporation, n.d.).

Longitudinal design. An extension of cross-sectional design is to take measures at two or more points in time. This could be every six months, every year, or some other schedule, depending upon the judgment of evaluators.

Data collected in a longitudinal design have greater potential than in a cross-sectional design. Descriptions can be extended to show trends, which can be very important. Analyses can show that values on measures at one point in time are associated with values on other measures at a later point in time. In other words, you can show associations across time.

Although longitudinal design is not complicated, it is time-consuming and expensive. Therefore, it is not nearly as common as cross-sectional design.

Ordinarily, longitudinal design is used only with survey methodology, where it is a powerful tool. In sophisticated statistical analyses, if samples are large enough, it is possible to analyze several alternative explanations simultaneously. Although definitive causal statements cannot be made from such analyses, the longitudinal nature of the data does enable much stronger conclusions than are possible with cross-sectional designs.

Experimental design. Experimental designs include measurement of two groups (sometimes more than two groups, but this is uncommon). Experimental designs allow evaluators to compare changes in the participant group with a similar group (as similar as possible) that does not participate in the program, known as the comparison or control group. By assessing differences between the two groups, effects of the program can be ascertained. Ordinarily, experimental

[6] For example, before attending a session on basic banking, a person may overestimate her ability to compare checking accounts because she is not aware of the range of fees that should be considered.

designs are used only with quantitative methods, because the designs impose a logic that is best fulfilled by statistical tests.