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Can People Experiencing Homelessness Acquire Financial Assets?

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Through an innovative Individual Development Account (IDA) program run by the Community Empowerment Fund (CEF), individuals at risk for or experiencing homelessness receive financial education, access matched savings accounts, and have saved a total of $89,831.55. This is notable as low-income individuals often lack *access to the means to build assets, which can moderate financial distress. In this mixed-method study we examine the program's impact through administrative data, surveys, and qualitative interviews. Of the 17 interview participants, 15 opened an account, saving an average of $1,356.24 toward housing, emergency savings, cars, education, and computers. Few U.S. IDA programs have served those experiencing homelessness, although the results demonstrate they can save, which is remarkable considering the U.S. saving rate has been steadily declining to close to zero. Our findings suggest that this model is effective in working with the most disadvantaged populations to successfully acquire financial assets.*

Key words: *asset development, homelessness, individual development accounts*

While individuals may become homeless for a variety of reasons—domestic violence, mental and physical health challenges, lay-offs—they all contend with limited financial assets. The Community Empowerment Fund (CEF) in Orange County, NC (home of the University of North Carolina at Chapel Hill), focuses on this typically overlooked subpopulation of those facing poverty in the U.S., people at risk of or experiencing homelessness, to provide financial literacy and asset development programs. These services are provided by university students in a unique mentoring relationship that includes the use of Independent Development Accounts (IDAs). IDA programs were developed to address the fact that wealth, the accumulated sum of assets (homes, cars, savings and checking accounts, stocks and mutual funds, retirement accounts) minus debts (mortgages, car loans, credit card debt), can moderate financial distress in times of economic strain (O'Neill & Xiao, 2011), and yet the U.S. saving rate had been steadily declining for several decades to close to zero (Lusardi, 2011). Moreover, middle- and upper-income individuals in the United States have easier access to mainstream financial services like mortgages and employment-linked retirement plans that make it easier to build wealth—"institutionalized" mechanisms of saving—which are highly subsidized by the government and provide the sort of security and stability attributed to the "American dream" (Mullainathan & Sharif, 2008). As expected, those without access to these subsidized savings mechanisms have difficulty developing an economic cushion to use when faced with a financial setback.

This is a particular challenge in a state like North Carolina that ranks 45th in the U.S. across 53 measures of the ability of residents to achieve financial security (Corporation for Enterprise Development, 2013). The 2013 Assets & Opportunity Scorecard found that 49.9% of North Carolina households are liquid asset poor, meaning they have less than three months of savings to fall back on in the event of job loss, a health crisis, or other income-disrupting emergency. Additionally, 26.8% are asset poor, meaning any assets that they do have, i.e. a savings account or durable assets such as a home, business or car, are overwhelmed by debt. Moreover, in North Carolina the topic of financial literacy is covered only briefly in the high school curriculum in the Civics/Economics course sophomore year (B. Link, Civics Instructor, Chapel Hill Carrboro School District, Personal Communication, January 3, 2013). There are programs in place, however, that attempt to buffer some of these inequalities.

In this study, we examine the impact of the CEF savings program through an analysis of administrative data, survey responses, and qualitative interviews with 17 men and women who have participated in the program to varying degrees to answer the following questions: (1) Has CEF-participation resulted in improvements in savings, housing, and employment? (2) What programs have respondents participated in? (3) What were the primary savings goals? (4) What have participants learned from the programs? (5) What are the barriers to saving? and (6) What do participants value most about their participation in CEF's savings programs?

Literature Review

As we know, low-income individuals often lack checking or savings accounts, investments, insurance, and access to employment-based retirement accounts (Hilgert, Hogarth, & Beverly, 2003; Zhan, Anderson, & Scott, 2006) and are more likely to come from families without bank accounts and thus lack early financial information and exposure (Aizorbe, Kennickell, & Moore, 2003). This is problematic as financial functioning plays a central role in well-being (Johnson & Sherraden,

2007) and, clearly, poverty is one of the primary determinants of health disparities (Duncan & Brooks-Gunn, 2000). As everyday stressors related to poverty grow, self-esteem decreases and depressive symptoms increase (Lutenbacher & Hall, 1998). Further, poverty can negatively influence young adults' ability to plan for the future (Nurmi, 1987; Trommsdorff, Lamm, & Schmidt, 1979), suppressing optimism about future life chances (Hamburg, 1996; Moore, 1994) and thus negatively impacting future orientation (Hunter & O'Connor, 2003).

Asset-Development Programs

For those who do not learn about financial matters at home, there are few other opportunities to learn about saving and building assets. For example, in North Carolina, the site of this study, this topic is covered only briefly in the Civics/ Economics course during the sophomore year of high school. Some programs, however, have been developed to fill this gap.

One promising avenue to address poverty and wealth inequalities is the asset-development mechanism known as the Individual Development Account, or IDA, including those provided through the American Dream Demonstration (Adams, 2005), San Francisco's Kindergarten to College (K2C) children's savings accounts program (EARN, 2013), and others. IDAs help low-income individuals develop assets through financial education and matched savings programs with savings typically going towards home ownership, vocational training and educational expenses, and entrepreneurship (Greenberg & Patel, 2006). Current evidence suggests that, in addition to increasing assets, these programs also promote a greater sense of control, feelings of progress and hope, and greater future orientation among participants (Sherraden et al., 2005).

IDA programs are fairly new, but research findings are promising. In experimental studies of IDAs, homeownership and financial assets increased among participants (Han, Grinstein-Weiss, & Sherraden, 2009; Mills et al., 2008). For example, in a study of IDA use in a rural community, participants were able to save toward the accumulation of assets (Grinstein-Weiss, Charles, & Curley, 2007). Further, participants who were saving towards educational expenses benefited more from financial education than participants who were saving toward other goals (Zhan & Schreiner, 2005).

Moreover, participation in a savings program resulted in improved financial knowledge, view of self, future orientation, and sense of security (Scanlon & Adams, 2008) and greater likelihood of being on course educationally for youth (Elliott & Nam, 2012). In a study of 21 such programs in North Carolina, effective case management and financial literacy training were keys to program success (Rohe, Gorham, & Quercia, 2005) and may be particularly beneficial for those experiencing homelessness.

Experience of Homelessness

Low-income individuals perform similarly to other Americans in terms of saving when given the same access to assets and financial institutions (Bertrand, Mullainathan, & Shafir, 2004; Mullainathan & Sharif, 2008). However, because they have less savings to weather a financial crisis, their savings behavior has a greater effect on their savings and asset building than those with higher incomes, especially when those institutions are not available (Bertrand et al., 2004; Mullainathan & Sharif, 2008). With lack of access to the more mainstream financial system, low-income individuals must rely instead on expensive and often predatory services, such as payday loans and rent-to-own products, to meet their needs. Low and unpredictable incomes can lead to poor credit, which often prohibits access to basic services like checking accounts, through Chexx Systems, a nationwide database that essentially "blacklists" account holders owing any amount to a registered bank in the United States—be it $10 or $300 (Barr & Blank, 2009).

Further, as expected, individuals experiencing homelessness face an even greater need to develop assets and savings to allow them to re-enter the housing market. Having limited assets creates a cycle of barriers to attaining housing and employment. With no stable place to call home and perhaps nowhere to attend to personal hygiene, homelessness can make it difficult to find a job. Unemployment can make it difficult to save for a car, which is often necessary given the non-traditional hours typical of the jobs available to those in poverty (Presser & Cox, 1997). Lack of transportation, in turn, makes it difficult to maintain employment. Furthermore, lack of transportation limits where a person may reside to where public transportation is available.

Criminal records, unsteady housing histories, and inconsistent job histories can all lead to periods of homelessness. Despite these challenges, there are opportunities for building assets for those experiencing homelessness. If the individual receives income, either through employment or government benefits such as disability, he/she may be able to save a large portion because she/he has no bills. For example, those staying in a shelter or transitional housing often do not have to pay for rent, utilities, or food. This saving opportunity, when the individual actually has access to a bank account, can lead to a more sustained and stable transition from homelessness. The Community Empowerment Fund is one such model making this possible.

Community Empowerment Fund Model

The Community Empowerment Fund (CEF) is a University of North Carolina–Chapel Hill-student-developed, student-run relationship-based savings program focusing on individuals who are homeless or at-risk of homelessness in Orange County, NC. While originally designed as a microfinance initiative providing small loans for independent living, education/training, and entrepreneurship, CEF soon learned that members did not have the financial knowledge to enable them to manage even small loans. Through collaboration with Self-Help Credit Union, a member-owned, federally insured, state-chartered credit union in North Carolina, CEF now provides for-benefit-of, matched savings accounts instead of the microfinance loans (Self-Help Credit Union, 2013). These are called CEF Safe Savings Accounts.

These CEF Safe Savings Accounts include a number of innovative features promoting saving among the very poor (Biggers, 2013). First, the accounts have a flexible system of withdrawal compared to a typical matched savings account, with a 48-hour waiting period to discourage impulsive withdrawals and encourage saving toward the specified goal, and no withdrawal penalty. Secondly, the funds are held in "for-benefit-of" accounts. The advantage of such an account is that it is not in the name of the saver, who may be prevented from using the mainstream banking system because they are listed in the Chexx system due to a bank debt. The account is instead in the name of the organization and is held as a sub-account. All the funds in a for-benefit-of account belong to the saver. Moreover, there are no fees or minimum balance requirements on a for-benefit-of account and the members can deposit through CEF staff instead of having to go to a bank. These features make the account very accessible and easy to transition to for many members who previously have not had a bank account or who are prevented by the Chexx system.

The accounts are matched at 10%, significantly below the typical IDA match rates of one-to-one to three-to-one, but much higher than typical interest rates on savings accounts from mainstream banks and credit unions (Sherraden, 2009). The match limit is $2,000, making the maximum match $200. The match accrues over the lifetime of the account. For example, a participant could set four consecutive $500 goals and reach them and receive a $50 match each time, for a total match of $200. This lower match amount allows more clients to participate given current funding levels, and also sets an obtainable target amount for many hoping to save enough to move out of the shelter. Safe Savings Accounts are accompanied by broad 12-week financial literacy and self-sufficiency training and a support program called an Opportunity Class.

Another unique aspect of the CEF Safe Savings Account is that savers are able to set goals for whatever they see as most beneficial for their situation, be it a car, an apartment rental deposit, or a rainy day fund. Savers set their own individual amount and goal alongside their advocates and set up an individual savings plan, meaning that in most cases the goal is applicable to what the saver is most in need of, either to further her housing, education, or career or simply for stability and peace of mind. Further, self-set goals mean that the amount selected and the plan developed with the member's advocates, described below, are more likely to be attainable and realistic. In addition to the matched Safe Savings Accounts, CEF connects members to affordable checking and savings accounts at area credit unions and provides education in how to use them, allowing members to save more of their monthly income, set up direct deposit to cut down on "cash-in-hand" spending, avoid costly check-cashing fees at alternative financial institutions, and accurately monitor personal budgets.

CEF also provides 2-to-1 support to members. Two student volunteers are paired as "member advocates" with one "member." This sort of 2-to-1 case management is unheard of in the social services field, where case managers can individually serve upwards of 100 clients (Godfrey & Yoshikawa, 2012). These large caseloads can reduce the effectiveness of case managers by limiting the amount of time they spend with clients (Jewell, 2007).

Another innovative feature of this model, however, is that CEF's advocates are largely undergraduate volunteers. Once trained and matched with a member, the advocate works closely alongside their member, helping to provide financial coaching and access to resources, as well as to build a supportive environment. Advocates may help with resumes and interviewing skills, job and housing searches, negotiating with service providers, and budgeting and money management. Advocates also work in the CEF office providing drop-in services and can work as few or as many hours as they would like.

One advocate was paired with a CEF member who had recently fled an abusive relationship, separating her from her home, bank accounts, and social support networks and landing her in the homeless shelter. The two worked closely on these issues and their efforts led to a partnership that will provide financial literacy coaching to those seeking services at the shelter. Another CEF advocate interviewed about her experiences with CEF (Biggers, 2013) reported:

> Through CEF, I've learned a tremendous amount … [about] what kinds of help different people need, the different types of people to work with, the demographic that programs like ours can actually help, as well as how other people … view homelessness and social programs aimed at helping this demographic.

In addition to their main matched Safe Savings Account program, CEF has developed a renter's IDA program to help members prevent immediate financial crises that lead back to homelessness and to establish a stepping-stone toward homeownership and wealth accumulation. In this program, members save to build an emergency fund and receive a 50% match on savings accumulated (up to $1,000 in matching funds).

Given the challenges facing low-income individuals today, particularly those experiencing homelessness, this program stands to make a difference in participants' lives by increasing their financial assets and developing their personal resources to manage financial strain. While so far results of asset development programs have been promising, few have expanded to serve those experiencing homelessness who often have little knowledge about how to make wise consumption decisions, regularly leading to debt, poor credit, and bankruptcy (Johnson & Sherraden, 2007). Individuals experiencing poverty and homelessness may not be any less financially literate than the general population, they just have more need for this knowledge given their economic situations. Thus, research is needed to examine potentially successful interventions, such as CEF, that increase financial literacy and build assets.

Methods

This is a mixed method study of CEF program participants, both those who completed the program and those who did not or have yet to finish. Each participant filled out a short demographic survey and then participated in a 30-60 minute qualitative interview with one of the researchers. The qualitative interview included questions about which CEF programs they participated in, goals set and progress made towards them, barriers to saving, what they learned from the program, what they valued most about the program, and how the program changed their lifestyles.

To assess question flow and whether questions were understandable and not offensive, researchers sought feedback from CEF staff. The demographic survey covered age, race, gender, education, employment, and marital status. In addition to the survey and qualitative interviews, we also used administrative data collected from each CEF member when they joined the program and which is updated periodically. This data included whether or not an account was opened, the total amount saved, if they graduated from the Opportunity Class, if they attained employment through CEF services, and if they obtained housing through CEF.

Recruitment

Participants were recruited for interviews in person at the CEF office or during other CEF-sponsored events or by phone by CEF staff who told them about the study and asked if they would be willing to participate. Researchers then scheduled interviews with the interested participants at a time and place that worked best for them. Recruitment and data collection took place concurrently. Once interview saturation was achieved, that is no new themes emerged, the interview recruitment and data collection was curtailed (Boeije, 2010; Creswell, 2007). We reached saturation point at 17 participants.

Analysis

Descriptive statistics were used to analyze data from the survey and administrative records. We analyzed the interview transcripts according to the content analysis procedure suggested by Berg (2004) as this technique provides a process for inference-making by systematically and objectively identifying special characteristics of responses, which in this case are in-depth interview transcripts (Holsti, 1968). We developed potential themes and subthemes based on review of the literature, study objectives, and interview questions. We then conducted an initial thorough review of the transcripts to ascertain whether the themes and subthemes remained relevant and to see whether any new themes or subthemes emerged. We then created a list of the themes and subthemes, coded the data from each transcript into corresponding themes or subthemes, and extracted illustrative quotes from the transcripts.

Results

Demographics and Program Participation

To date, 56 individuals at risk of or experiencing homelessness have graduated from the financial literacy classes, 37 savings goals have been attained, and $89,831.55 has been saved in 125 accounts with CEF since the program's inception in 2010. Of the 17 CEF participants who were interviewed, eight were female. Participants averaged 49.1 years of age (SD = 10.03). They were fairly evenly split between African

American and White, with eight participants each and one who identified as biracial. Most (16) were single. Most had a high school degree or above, including seven who had completed some college and two who had Associate's degrees. Nine were employed, averaging almost 28 hours of work per week (SD = 11.9). Monthly income averaged $768.61 (SD = 520.73). For those who weren't working, other sources of income included child support and disability benefits.

Of these 17 interviewed, 15 had opened a CEF savings account and saved an average of $1,356.24 (SD = 823.82, range 0 – $2,450.65). CEF was also instrumental in moving 11 respondents from homeless shelters into more permanent housing and helping 9 respondents attain employment. The majority, 16 of 17 respondents, had participated in CEF's Savings/Opportunity Class and 12 had graduated from the program at the time of their study interviews. Respondents participated in a variety of other CEF-related programs, including Talking Sidewalks (a creative writing project, n = 2), the pilot rental IDA program with the higher match (50% match towards housing costs; n = 3), Quick Chef (a nutrition and cooking class, n = 4), laptop IDA (saving toward the purchase of a laptop computer, n = 8), small business classes (n = 3), and Wheels for Hope (saving toward the purchase of a car, n = 2).

Savings Goals

Participants were saving toward a variety of goals, with the most prevalent being obtaining housing/moving out of the shelter (n = 14), building an emergency savings account (n = 11), buying a car (n = 6), education/training (n = 4), and buying a computer (n = 3). Other goals included starting a small business, purchasing appliances, covering medical needs, and saving for children's needs, including education and clothing. The majority had attained their housing goals and most continued to save with the matched saving program. Four had purchased cars and two had started training or educational programs. One male respondent who had been living in the homeless shelter for five weeks talked about his savings goals, saying:

> My goal is to get my own place, maybe with a roommate. My goal was to save $2000 to move out of the shelter,

> but now I've saved $2500 and CEF has found others who are looking for roommates. Saving [now] is not too hard because I don't have to pay for my room, board, or laundry. I save 80-90% of each paycheck.

This respondent felt that he'd have saved enough money through CEF to move out of the shelter in about seven months. Another shelter resident who faced homelessness when his landlord raised his rent beyond what his disability check could cover stated "I'm saving to have the cushion of savings I never had before, something to fall back on, some cushion to take over when something happens." He noted that going through the CEF program had helped him to start planning ahead for a needed hip replacement to allow for recuperation time, while doing small mechanic jobs to supplement his disability income.

What Participants Learned

When asked about what they had learned through the Opportunity/Savings Classes, respondents reported a wide variety of topics which had been covered during the classes. The most commonly reported were budgeting skills, how to save, how to develop a résumé, and how to interview for a job.

Prior to becoming a CEF member, one participant, who entered CEF through a local Vocational Rehabilitation program, had struggled with transportation to enable him to work. He reported that he couldn't continue living in his isolated, rural home without a reliable car when his job was several miles away in town. He had resorted to staying with friends to avoid losing his job. His transportation challenges forced him to choose between leaving his job and couch-surfing (essentially homelessness). Saving through CEF allowed him to obtain a more reliable car so that he could be housed and he is now working full-time. This respondent reported what he learned this way:

> CEF taught me how to save a little bit. I don't make a lot of money, but in my CEF account I can put money in and then don't mess with it unless there is an emergency. I had to take some out for car issues and now I am building it back up.

Budgeting was a really important skill for those interviewed, as the transition from the shelter to an apartment can be very challenging, requiring budgeting that wasn't required in the shelter. One participant noted that: "The major thing is budgeting—[when you are] getting a check every month. If you don't budget, the bills don't get paid … putting it on paper and how to stretch money out." Another reported that: "[It was] good they worked with you, with your budget, to see how much you can save, if you can only save a small amount you know why."

Other interviewees appreciated the life skills they learned, including how to use coupons, set goals, and stretch money, which allowed them to live on low-wage jobs or unemployment or other benefits and to help them sustain living outside the homeless shelter. Several appreciated the camaraderie they experienced in the program with one man explaining that he valued learning "that there are other people like you; you are not just out there on your own." Still another reported "I tell people about CEF all the time. It is a good program." Opportunity/Savings Class graduates have even gone on to lead or help lead the classes. One woman reported: "I graduated from the [savings class] but I still come because I like the discussions and the people. I help out and help others learn … I helped lead class today on budgeting."

Barriers and Motivators to Saving

The most common barriers to attaining savings goals were insufficient income and unexpected expenses. These were typically related to expenses from maintaining a car, health care costs, and having to pay child support and fines or debt. Participants also noted a lack of a saving culture when they were growing up and challenges surrounding sacrificing small wants for future rewards. Still, there were situations that motivated respondents to save. As one noted: "I cut back on drinking and drugs and partying—that was a lot of money. I made up my mind for a new life. I'm excited now. Sleeping on the floor [in the crowded shelter] is motivating." Another CEF member noted that living in the shelter motivates saving in other ways, too: "There is really nothing—[living in the shelter] I don't have to pay room, food, laundry. It [saving] is really easy to do it with CEF … 80-90% [of my paycheck] each time." In fact, the local shelters require their residents to save this percentage if they have an income of any kind, supporting CEF's work.

Most Valuable Parts of CEF—"They give me hope."

All the respondents were very positive about what the program had allowed them to accomplish, citing the accountability, the class topics covered (especially how to budget, complete a resume, and interview effectively), the relationships built with the staff, and the savings match as the most valuable parts of the savings program. The relationships built with CEF staff were the most oft-cited perk of program participation. As the CEF member who needed better transportation to maintain employment noted:

> What inspires me are the people. They are quick to help you find ways to better yourself. They have been instrumental in helping me achieve things I couldn't have on my own, to budget my money, and go after things I wouldn't on my own. As long as you are willing to work, they will help you achieve.

Meeting others like themselves through CEF was also a positive experience. One woman who had recently moved from the shelter into an apartment with roommates she met through CEF reported that CEF was important to her because it "Lets other people see that you can get out of the shelter because I was so scared, I was petrified when I got there. But they help you see you can make it."

For these individuals who were experiencing homelessness or were at risk of homelessness, support for finding employment was highly valued. CEF provided access to computers for job searches and supportive staff to assist with members' burgeoning internet skills. One man who had been having trouble securing employment because of a criminal background reported that, although he was still looking for a job,

> Job search help [has been the most valuable thing] … help with job listings, help me to make my résumé more

> professional. … I've got two interviews next week from putting my résumé on-line and got an email address to communicate with potential employers. I am always working on my resume with help from [my advocate]. I'm willing to take on something until something better comes along. I am forklift and OSHA certified, but my past criminal record is a barrier … I have tools, but that gets in the way. I really want to find a job so I have some income to show that I can maintain an apartment.

He also reported that CEF helps members learn how to handle discussing their criminal records during interviews. Members are coached to prepare a response for what is on their record and how they have worked to overcome it, and they may even practice through a mock interview. Another avenue that CEF pursues for members is expunction. One shelter resident reported working with CEF on expunging a misdemeanor to allow him to keep his job as a certified nurse assistant (CNA). In effect, this process wipes out a qualifying conviction through court order (NC Justice Center, 2015). Qualifying convictions include: a first-time, nonviolent offense committed more than 15 years ago; a first-time offense committed under age 18/22; or a charge that was dismissed or disposed as "not guilty."

In terms of accountability, members valued the structure of the CEF accounts, which enabled them to save without easy access to their money. One savings account participant stated:

> It is not easy when you are starting from the bottom—it would be easy if you had everything. My check goes into my [CEF] account and, working with these guys so the money doesn't come into my hands, and then I budget my paycheck.

Participants also valued being able to attain benefits, including Supplemental Security Income (SSI) through Social Security and Veterans Administration benefits with help from CEF, benefits that they had been unable to receive due to not been able to complete the necessary paperwork on their own.

Lifestyle Changes

Every interview participant reported that the CEF program had helped them to change their lifestyles. Becoming more mindful of spending and actively budgeting were the most commonly reported changes. Respondents also reported developing better soft skills (listening, being on time for work), living more healthy lives (quitting smoking, eating more healthfully), and being more optimistic. One respondent discussed the lifestyle changes she'd made since becoming a CEF member:

> [CEF] has made me more mindful and pay closer attention to how I spend money. Before I would wonder where all my money went. Before I didn't know I could save making so little money. Saving little bits does add up.

CEF has also given participants an understanding of the importance of savings and how to actually go about it, as one woman reported: "The savings class has taught me things I should have learned in my 20s. People say it is common sense, but I never knew it." Still another, who had recently started receiving disability benefits, told us "I had never saved money. Never understood money crunching to save money. Before I would just go make more money until I couldn't work." When she was no longer able to work because of a health issue she had no alternative other than the homeless shelter, as she did not have savings to fall back on. CEF has also helped members to maintain focus on positive things. One woman started keeping a plot in a local community garden to save money, as well as being firm with her children about what they actually needed versus just wanted. Still another became more determined to move out of temporary housing:

> I like the idea of putting all my money, well 80% of my paycheck, into my [CEF] account. I originally thought I would deposit $34-40 two times a month, but then went up a lot. It will help me move quicker from [transitional treatment facility].

Discussion: Findings and Implications

This study described how the Community Empowerment Funds' asset-development program for individuals at risk of or experiencing homelessness has enabled members to build financial assets. To date, few asset-development programs in the United States have focused on this population, although the results of this study demonstrate that these very low-income people can save and build assets. This population may even be particularly ripe for savings, as many live in homeless shelters where their expenses are very low. Building savings is also particularly important to these individuals who will need to grow a substantial level of savings to move from the shelter and successfully and sustainably transition to independent housing.

Renters typically need to save for an application fee and a deposit, as well as first month's rent, which can be a substantial amount. The participants in this study suggest that saving this amount of money is a real possibility given support and encouragement from staff at programs such as CEF. Of the majority of CEF interview respondents who had opened accounts, most had begun saving and saved a substantial amount. This is remarkable considering that since the mid-1980s, the U.S. saving rate has steadily declined and has been hovering close to zero for several years (Lusardi, 2011) across income levels. Many U.S. adults (38%) have no emergency fund and 25% of U.S. families have no savings at all (U.S. Census Bureau, 2012).

Key themes of the study included savings goals, learning about financial literacy and job search skills, barriers to saving, the value of CEF, and lifestyle changes. The most common savings goals for the 17 respondents were obtaining independent housing and building an emergency savings account. Being able to leave the homeless shelter was reported as a big motivator to save. This was particularly true for the male respondents, as the men's shelter was typically at capacity, requiring some residents to sleep on the floor. All of the respondents had participated in CEF's Opportunity/Savings Classes and the lessons they learned clustered around two primary areas: (1) financial literacy; and (2) job search skills.

Low-income individuals, such as those at risk for and experiencing homelessness, often do not have ready access to mainstream financial services and, as such, are less able to save and obtain credit (Mullainathan & Sharif, 2008). Luckily, individuals who are often excluded are now being introduced to the traditional banking system and gaining financial literacy through participation in IDA programs like CEF and are therefore able to participate more fully in society. Developing job search skills were also particularly important for CEF participants. They reported valuing learning how to create effective résumés, where to search for jobs, and participating in mock interviews, a regular part of the Opportunity/Savings Classes. These skills will help participants obtain employment, enabling them to transition to independent housing and to continue saving.

Similar to results in another North Carolina-based IDA project (Page, 2011), barriers that limited participants' ability to save largely fell along two lines: (1) limited income; and (2) unexpected expenses. Despite these challenges, CEF participants were able to save. These challenges highlight the need to simply save towards an emergency fund, as unanticipated crises are often what lead to financial instability and even job loss and homelessness. This finding suggests that IDA programs should support savings to develop an emergency fund as an approved savings goal. This finding also demonstrates the need to work with IDA participants to set realistic savings goals. CEF's structure is well-suited to serving this population, as they have systems in place for savers to access their savings, penalty free, should an unexpected expense arise, while also imposing the 48-hour waiting period to encourage members to really consider whether or not they need to make a withdrawal (Biggers, 2013).

The most oft-cited benefit of the CEF Savings Program was the connection members formed with their advocates and other CEF staff. This is a particular strength of the CEF program as, with its connection to the university, it is able to access a large number of volunteers among the student body. With the paired-advocate approach, members are able to receive substantial personal attention and support from the program. This university partnership also allows funds to be dedicated to providing the Opportunity/Savings Classes and savings matches, rather than most of it going towards paid staff.

Finally, interviewees reported powerful lifestyle changes. They were able to readily put into practice the skills they learned through the Opportunity/Savings Classes through the savings accounts. This points to the importance of providing access to both banking services and financial literacy training to give participants the skills to manage their savings. This has been borne out in previous research suggesting that asset-development programs with both effective case management and financial literacy training were related to program success (Rohe et al., 2005).

Limitations

The study results should be interpreted in light of a few limitations. Only 17 of 85 individuals who participated in any of CEF's services were interviewed. We chose to interview individuals who had had fairly significant interactions with CEF, and not just those who may have come to the office once or attended one Opportunity/Saving Class. Often the more fleeting participants were no longer contactable. We opted to interview members who could provide more information about their experiences with CEF and curtailed data collection upon reaching saturation. As a result, we didn't capture those folks who didn't make it through the program, thus their experiences are not reflected in this study. Further, by recruiting individuals at different points in the 12-week class, we most likely captured some individuals who will not maintain their participation. Also, it should be noted that those interviewed for this study had fairly high educational attainment, which may explain some of the success in saving that we have seen.

Implications and Next Steps

The findings of this study suggest that the CEF model is effective in working with one of the most disadvantaged populations, those experiencing homelessness, to successfully save towards wealth accumulation. However, given the "high touch" nature of this model, it may be more difficult to replicate outside a university partnership that does not have access to a large volunteer pool. Yet, university–social service partnerships can be leveraged to build on the volunteer labor of the student population and expertise at the university to create a program that is mutually beneficial for students and clients. Such programs could even be developed in rural communities which have access to community colleges. The Rural Community College Alliance (RCCA) may provide an avenue for program dissemination, as it works with partner colleges and their communities to improve education and economic prosperity (RCCA, n.d.).

In addition, as there are a number of components—savings matching, advocate pairing, Opportunity/Saving Class—further research is needed to determine which components of the CEF model are the most effective and to inform replication and scale-up activities. First, it will be valuable to follow participants to determine their longer-term savings capabilities and transitions from homeless shelters to independent housing and employment. Second, efforts to recruit other universities and student volunteers to implement this model would benefit from research suggesting how such programs benefit both students and their communities. Third, a study looking at each component separately, possibly with a randomized control trial, would help to determine which components are particularly effective. Thus, if all pieces cannot be replicated there would be evidence to show which pieces provide the most benefit. Finally, CEF has recently implemented a pilot renters' IDA program that provides a higher match for members who are saving for rent in particular. Examination of this program would provide evidence on savings and compliance impacts associated with a higher match rate.

IDA programs, particularly those that harness the significant resources of universities (student volunteers, advisors who are on faculty, for example), hold much promise in moving those facing homelessness into housing and employment through asset accumulation. Developing and disseminating this model will be a key next step for our partnership.

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