

Building Assets for Fathers and Families in Tennessee

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Building Assets for Fathers and Families in Tennessee

BAFF Final Report

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Final Project
Report

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Executive Summary

Summary of Findings

Building Assets for Fathers and Families Initiative in Tennessee (BAFF) aimed to improve the economic stability of low-income families in the child support system by engaging noncustodial parents (NCPs) in financial education, savings activity, and asset-building activities. Conducted in Shelby County, Tennessee (Memphis), during November 2011 to December 2013, the key project partners were the Tennessee Department of Human Services, Child Support Program (DHS), MAXIMUS (the local child support agency), and the RISE Foundation, Inc., an Assets for Financial Independence grantee (AFI) that provided financial education and asset building services.

Tennessee BAFF primarily recruited unemployed, delinquent NCPs who were co-enrolled in the Handling Obligations Today (HOT) program developed by MAXIMUS. As part of HOT, NCPs were required to make a minimal weekly payment towards their child support obligation, look for work, and attend the BAFF financial literacy class. In exchange, they had some of the sanctions for nonpayment of child support suspended or delayed, their driver's licenses were reinstated if they had been suspended for nonpayment, and they were eligible to receive the financial incentives (up to \$90) associated with enrolling in BAFF and participating in the program evaluation. BAFF participants were overwhelmingly male (98%), African American (94%), educated to the high school level (or GED) (60%), unemployed (90%), and living with friends or family (56%). A quarter of BAFF participants lived in a shelter or halfway house and more than half (60%) had previously spent time in jail or prison. They owed an average of \$443 per month for current monthly child support plus \$168 per month for past due child support, and had arrears balances that averaged \$28,599.

The Center for Policy Research's (CPR) process and outcome evaluation included data from baseline intake interviews with 1,334 participants, a three-month post-class check-in interview with 359 participants, a six-month follow-up telephone interview with 422 participants, and case and payment information on 1,105 participants drawn from the automated child support system for the 24 months prior to and following BAFF enrollment.

Key project accomplishments are as follows:

- Enrollment of 1,334 low-income NCPs into BAFF and their attendance at a five hour financial education class with information on child support;
- Delivery of additional one-on-one financial and/or child support counseling services to 26.9 percent of NCPs (n=359) who attended the BAFF class;

- Documented openings of new savings accounts for 7.4% (n=99) of NCPs who presented proof and received a \$50 incentive from project staff; and
- Pursuit of matched Individual Development Accounts (IDA) by two NCPs, one of whom made an approved asset purchase and the other is still working towards the asset purchase.

Many participants reported making significant, positive changes in their financial behavior and attitudes three months following the BAFF class:

- Use of a spending plan to help meet monthly expenses rose from 36 to 71 percent;
- Bank account use rose from 27 to 36 percent and comfort with banks from 59 to 80 percent;
- Saving money regularly rose from 4 to 10 percent, while never saving dropped from 42 to 28 percent;
- Never paying bills on time dropped from 26 to 9 percent; and
- Use of fringe financial institutions dropped, including cashing a check at the supermarket (20% to 10%), getting a payday loan (10% to 2%), pawning something for cash (29% to 14%), and obtaining rent-to-own merchandise (8% to 2%).

In interviews conducted six months after the class, 422 interviewed BAFF participants reported strong levels of satisfaction with the class and better financial habits:

- Most reported learning about spending plans, financial goals, credit scoring, banking and child support, with 58 percent rating the program as “excellent” and 33 percent calling it “good.”
- 54 percent said that they had used “most” of the information presented at the BAFF class to manage their finances, and 35 percent reported using “some information.”
- Reported levels of savings account ownership rose from 11 to 23 percent, and regular savings activity increased from 11 to 15 percent.
- Reported use of a savings plan or budget rose from 23 to 69 percent, and timely bill paying rose from 46 to 65 percent.
- Reported use of payday loan centers or check cashing outlets dropped from 27 to 11 percent.

Despite their very positive financial aspirations, BAFF participants continued to have very tenuous financial lives:

- More than half used family and friends for help with transportation, housing, and/or money in the past six months at least “sometimes.”

- Most characterized themselves as “struggling” (62%) or not making ends meet (23%), with only 16 percent saying they were “doing okay.”

Child support payment activity for BAFF participants improved significantly following enrollment in the program although their arrears balances grew.

- Average annual payments for current support increased 20 percent from \$850 in the 12 months prior to enrollment in BAFF to \$1,020 in the 12 months following enrollment.
- The percentage of owed child support that participants paid increased from 19.9 percent in the 12 months prior to enrollment in BAFF to 28.9 percent in the 12 months post-enrollment.
- Post-program payments were significantly higher than pre-program payments at six, 12, and 24-month intervals although the improvements narrowed over time, with the biggest gains registered in the first 12 months following enrollment.
- Average arrears balances for BAFF participants rose 9.5 percent from \$28,599 at project enrollment to \$31,324 when the child support extract was generated in March 2014.

Pre- and post-program improvements in child support payments were most substantial for those who pursued one-on-one counseling (22% to 37%) with BAFF staff in addition to the literacy class (20.1% to 25.6%). They were also more substantial for those who had their driver’s license reinstated as a result of participating in BAFF (18.3% to 31.9%) as compared with those who did not have their licenses reinstated (17% to 26.4%).

Interviewed BAFF staff and child support personnel confirmed that recruitment was very challenging and that the project’s high enrollment figures were due to its combination with the HOT program for delinquent child support obligors and the more compulsory nature of that program. Although they acknowledged that the NCPs in BAFF had very tenuous financial circumstances and could not take advantage of the asset-building opportunities that the project offered, they felt that BAFF had helped to restore trust in the child support agency and provided information that was useful for men and women at every income level.

Interviewed BAFF participants reported having more favorable opinions of the child support agency but blamed mistrust of the agency and lack of money for the class’s limited appeal.

- Following their participation in BAFF, 38 percent of respondents reported that their view of the child support agency had improved, 49 percent said their views had stayed the same, and 13 percent said they had worsened.
- Respondents felt that the chief reasons why other NCPs would not attend a financial literacy class were not trusting the child support agency (71%) and not having enough money to think about how to save (73%).

Conclusions

Tennessee BAFF showed that child support and asset-building agencies can collaborate to mutual benefit to engage a new population, namely low income NCPs, in financial education and child support classes and counseling services that are well received by participants. The project provided a five hour financial education class to 1,334 NCPs, and 359 to a one-on-one financial/child support counseling session, with at least 99 participants opening a new savings account. BAFF improved the image of the child support agency among participants, although high levels of agency mistrust limited the ability of project staff to recruit and engage paying NCPs who might have been able to take fuller advantage of the project's asset-building services. Instead, Tennessee BAFF enrolled delinquent obligors in the HOT program who were very financially challenged and who were required to participate in BAFF to avoid sanctions for nonpayment and regain their suspended driver's licenses. Indeed, 69 percent of participants said they attended the financial literacy class to get their driver's license reinstated. Although participants appreciated the information they received, they could not take full advantage of the savings opportunities and incentives available through BAFF, particularly matched savings accounts known as Individual Development Accounts, which were pursued by only two participants.

Interviews with BAFF participants three and six month following the BAFF class showed that financial education is appealing to many low-income NCPs and inspires a variety of positive, self-reported attitudes and behaviors including increases in budgeting and banking and decreases in the use of fringe financial institutions. A review of automated child support records shows that child support payment behaviors improved significantly among Tennessee BAFF participants, with average annual payments increasing by \$170 (20%) and the percentage of owed child support that participants paid rising from 19.9 percent in the 12 months prior to enrollment in BAFF to 28.9 percent in the 12 months post-enrollment.

Because CPR lacked a non-treatment comparison group and attendance at the BAFF financial literacy class was combined with other HOT program requirements including making minimal monthly child support payments and hunting for a job, CPR cannot determine whether the significant child support gains for participants were due to the BAFF class and/or other HOT program requirements, or a combination of the two. Nor can the impact of BAFF on financial behaviors be reliably assessed since the changes in attitude and behavior were based on reports by participants that were obtained in telephone interviews with those who could be located rather than "objective data."

Although financial education is appreciated by low-income NCPs, it does not change their objective financial situation. Six months after the BAFF class, nearly all characterized their financial situation as "struggling" or "not getting by," with half relying on family and friends for

routine help with transportation, housing, and money. Only 16 percent of interviewed participants reported being employed full time; average gross household incomes stood at only \$10,411. And even though child support payments for BAFF participants were significantly higher than they had been before they enrolled in BAFF, NCPs accrued child support arrears with average balances rising from \$28,599 to \$31,324.

Tennessee BAFF shows that even NCPs in the child support system who are concerned about making ends meet day to day are interested in receiving financial education and report many benefits and pro-social behaviors from their exposure. To make it more appealing to NCPs, child support agencies should use some incentives that appeal to NCPs to promote attendance at financial education classes, such as driver's license reinstatement. Other appealing incentives are minimum child support orders, forgiveness of state-owed arrears and suspension of enforcement actions. To attract NCPs who might be in a better position to take advantage of asset-building and savings opportunities, financial literacy programs should be combined with workforce programs for NCPs and other services to address barriers to payment. Future programs also should explore the feasibility of offering financial education to parents when new child support orders are established or modified rather than waiting until nonpayment develops and the NCP is subject to enforcement activities.

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Chapter 1: Introduction

In 2010, the Office of Child Support Enforcement (OCSE) collaborated with the Office of Community Services to sponsor the Building Assets for Fathers and Families Initiative (BAFF). The collaboration aimed to improve the economic stability of low-income families in the child support system by engaging NCPs (NCPs) in financial education, savings activity, and asset-building activities. In October 2011, the BAFF initiative was launched with seven grantees in Colorado, Florida, Michigan, Ohio, Tennessee, Texas, and Washington. At every project site, child support agencies partnered with Assets for Financial Independence (AFI) program grantees.

In Tennessee, BAFF was conducted in Shelby County, which includes Memphis. The Tennessee BAFF involved a collaboration among the Tennessee Department of Human Services, Child Support Program (DHS), MAXIMUS (the local child support agency), and RISE Foundation, Inc., an AFI grantee. The Center for Policy Research (CPR) of Denver, Colorado, provided technical assistance and program evaluation services. Each project partner brought unique strengths to the BAFF Project.

The Tennessee Department of Human Services (DHS) administers the Title IV-D Child Support Program in Tennessee. DHS has conducted many federal demonstration and evaluation grants funded by OCSE that aim to improve the ability of low-income NCPs to pay support by providing positive, family-centered services. They include the Child Support Employment and Parenting Program in Knox County; Parental Responsibility and Healthy Marriages in Memphis; Case Assessment and Case Stratification in Knox County; Parenting Services to promote access and visitation in the 11th, 20th, and 26th Judicial Districts; the Parent Support Program to provide employment and parenting assistance in the 11th, 20th, and 26th Judicial Districts; a grant to create a statewide clearinghouse of information and wrap-around case management services for offenders and ex-offenders in Eastern Tennessee; and Family Ties, which aims to promote successful reentry of ex-offenders through a collaboration with Project Return in Nashville. Tennessee is currently one of eight states selected to participate in CSPED, the National Child Support Noncustodial Parent Employment Demonstration Project.

MAXIMUS has administered child support programs in Tennessee since 1992 and is committed to removing barriers to payment through effective and innovative collaborations. In 2009, MAXIMUS began its Handling Obligations Today (HOT) program, which connects low-income NCPs with workforce services and other community based-organizations and services to remove barriers to payment. The HOT program enables NCPs who have had their licenses suspended for nonpayment of support to obtain reinstatement by paying a minimal amount of child support on a monthly basis and engaging in job search activities.

RISE (Responsibility, Initiative, Solutions, Empowerment) Foundation is a nonprofit organization established in 1999 that assists low-income residents of Memphis and Shelby County in building and sustaining assets through five programs. These are “Save Up,” which combines financial education with matched savings accounts (IDAs) at a match rate of 2:1 for employed public housing residents and employed households eligible for the Earned Income Tax Credit (EITC); the Responsible Lending Collaborative, a network of over 185 businesses, nonprofits, government agencies, faith-based organizations, and financial institutions dedicated to improving the financial health of Memphis; the Step Prep program, an academic incentive program for preparatory school students; and Common Cents, which involves conducting financial education classes in many community-based settings including churches, schools, community centers, and the workplace. RISE Foundation, Inc. is an AFI grantee.

CPR provided site-specific technical assistance and evaluation services to Tennessee BAFF. CPR is an independent, nonprofit research organization that has worked with Tennessee DHS on several demonstration and evaluation projects, including the Tennessee Parenting Project, which provided over 2,000 NCPs help with access and visitation issues including parenting plan development; the Family Ties Project, which helped ex-offenders address their employment and child support issues; and the Parent Support Project, which assisted low-income NCPs with child support, employment, access and visitation, and referrals to other social services agencies.

Tennessee BAFF primarily served unemployed NCPs who were enrolled in MAXIMUS’s HOT program. As part of BAFF, HOT program requirements were revised so that obligors who had their driver’s licenses revoked for nonpayment of child support could regain it by making minimal monthly child support payments, engaging in job search activities, and attending a financial literacy class offered by RISE through the BAFF grant. The BAFF class covered basic information on budgeting, credit ratings, and banking. It also provided an overview of the child support program that was aimed at addressing misconceptions. BAFF participants could earn up to \$90 in incentives for completing the five-hour financial literacy class, opening a savings account, participating in a three-month post-class check-in with BAFF staff, and completing a telephone interview conducted six months after program enrollment. In addition to drivers’ license reinstatement, BAFF participants could save up to \$200 in a savings account without fear of it being seized by the child support agency for nonpayment of support. They also had access to BAFF staff members who could provide customized help with employment, child support, and additional financial education services. Qualifying BAFF participants could pursue matched savings accounts called Individual Development Accounts (IDAs) which could be used to acquire a first home, capitalize a small business, enroll in postsecondary training, education, or purchase an asset such as a vehicle or computer.

In addition to being part of a cross-site evaluation commissioned by OCSE and conducted by The Lewin Group, Tennessee BAFF was the subject of a comprehensive process and outcome evaluation conducted by CPR. The CPR outcome evaluation included:

- The analysis of baseline data on NCPs who enrolled in BAFF, using information recorded in the project's cross-site management information system;
- Review and analysis of records of attendance at financial literacy classes maintained by project staff;
- The design and analysis of pre- and post-class surveys of project participants at enrollment and approximately three months after they attended the financial literacy class;
- The design and analysis of follow-up telephone interviews conducted with project participants six months after they attended the financial literacy class; and
- The generation and analysis of data extracted from Tennessee's automated child support enforcement system (TCSES) on the child support cases held by project participants and their payment behavior before and after enrollment in BAFF.

The process evaluation included site visits, focus groups and interviews with project staff, representatives of partner agencies, and NCPs who enrolled in BAFF and attended the financial literacy class.

This report describes these and other aspects of Tennessee BAFF in greater detail. The report begins with a review of the literature and the rationale for providing financial education for low-income parents, particularly NCPs in the child support system. Chapter 3 provides a description of the Tennessee BAFF partners in greater detail and the design of the BAFF program including the target population, client recruitment, program logistics, the financial literacy class, and other services and incentives. Chapter 4 discusses the components of the BAFF evaluation including the management information system (MIS) developed for all seven program sites by The Lewin Group, and CPR's post-program assessment and telephone interviews, as well as the child support extract generated to gauge the impact of the BAFF program on payment behavior.

Chapter 5 presents a description of the NCPs who enrolled in Tennessee BAFF and their participation in financial literacy classes and other program services. Chapter 6 compares the financial knowledge, reported behavior and attitudes of BAFF participants prior to and following their enrollment in the program, and their participation in financial literacy classes. Chapter 7 examines the child support status and payment behavior of BAFF program participants at pre- and post-program time points. Chapter 8 describes the reactions of BAFF project staff and child support personnel who were involved with the project, while Chapter 9

covers the reactions of BAFF participants. Chapter 10 summarizes key findings and project conclusions.

Chapter 2: Background and Literature

Poverty in the Child Support Population

The American Community Survey of 2012 found that approximately 14.9 percent of the U.S. population had income below the federal poverty level. This was the fourth consecutive year

with an increase in the poverty rate. In Tennessee, the percentage was even higher at 17.3.

However, some populations are at greater risk of poverty. The 2011 poverty rate of all custodial parent families was about twice that of the total population (28.9% compared to 14.9%).

The statistics for children are even more alarming. Based on the American Community Survey, more than one in five children live at or below the poverty line.

For female-headed households with children aged five years or younger, the figure is 46.6 percent. In Tennessee, the comparable figure is 54.7 percent.ⁱ

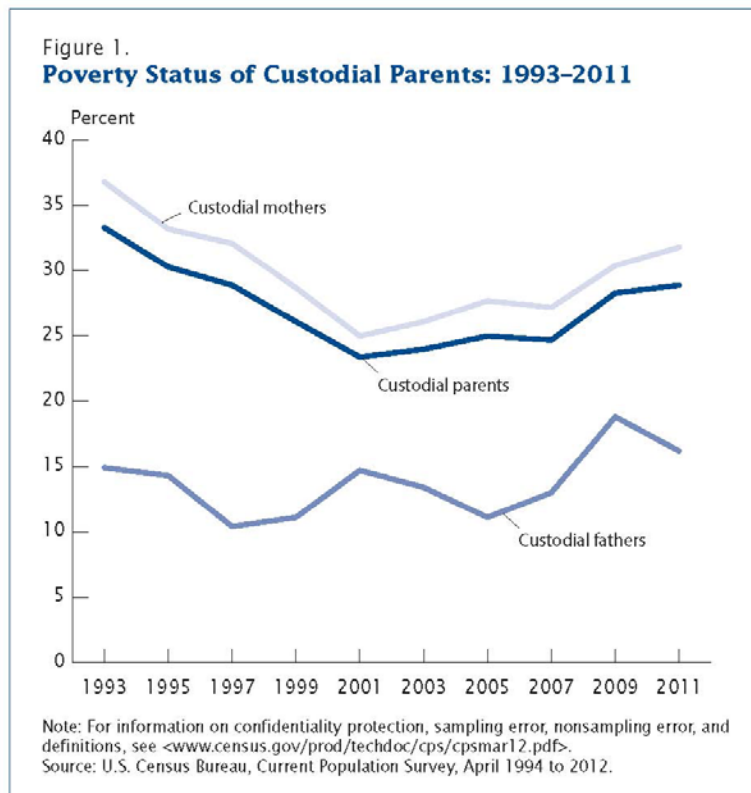


Figure 1. Percentage of Custodial Parents in Poverty: 1993-2011.

Many female-headed households receive child support. About three-quarters (74.1%) of custodial parents who were due child support in 2011 received either full or partial child support payments. Approximately 43.4 percent of custodial parents due support received all payments they were due, and 30.7 percent received some, but not all, child support payments due. Approximately one-quarter (25.9%) of custodial parents due child support received no payments from their children's NCP.ⁱⁱ

For the 1.7 million custodial parents below the poverty level and due child support in 2011, however, the payment situation is much different. Only 39.6 percent received all support that was due, an increase from 26.4 percent in 1993 but still below receipts for custodial parents as a whole.

Child support is an even more important source of income if the children who receive it are poor...the average poor child with a nonresident parent, and whose family received child support, received \$1,979 in 1996. This represents over one quarter (26 percent) of their family income...child support is a more important source of income than cash assistance for these families.ⁱⁱⁱ

Unfortunately, many of the NCPs in the child support system are also poor. Researchers Garfinkel and Sinkewicz estimated the annual earnings for a nonresident, unwed father who owes child support to be about \$18,000 one year after the child's birth.^{iv}

Financial Education and Individual Development Accounts

A 2009 survey by the National Foundation for Credit Counseling and Harris Interactive, Inc. reported that just over 40 percent of all U.S. adults gave themselves a grade of “C, D, or F” on their knowledge of their personal finances.^v In a similar vein, the Panel Study of Income Dynamics reported that between 1984 and 2001, family debt among low- and moderate-income families increased to levels that made the debt greater than or equal to 40 percent of the families’ total earnings.^{vi} Most families have trouble getting through emergencies and have less than three months’ finances based on the federal poverty level.^{vii}

Not surprisingly, there have been many attempts to make financial education or literacy available to low and moderate-income families. As Bernstein and Welch note:

In recent years, financial literacy has gained the attention of a wide range of major banking companies, government agencies, grass-roots consumer and community interest groups, and other organizations.^{viii}

However, there has been considerable debate regarding the effectiveness of such programs. One randomized study of low-income clients found that following a financial education program the participants did a somewhat better job of saving and had fewer credit scores in the subprime range.^{ix} Another study of 40,000 mortgagees (from 1993 to 1998) reported that those who received counseling had 90-day delinquency rates that were 19 percent lower than similar borrowers without counseling. Yet, the same study concluded that financial education was of limited utility and suggested that consumers would be better served by ready access to information when they confront difficult financial situations.^x

Another approach to reducing poverty and increasing savings are Individual Development Account (IDA) programs. These programs encourage low-income individuals to save toward goals such as houses, education, or a small business by matching what the participant is able to save within a specific period of time. The largest and most closely evaluated IDA program was the American Dream Act (ADA) which operated from 1997 through 2001. As with other

programs funded by Assets for Independence, ADA participants were more likely to be female, African American, and single and never married.^{xi}

ADA included a total of 14 programs and 2,378 participants. The results were mixed. The outcomes that were considered included average monthly net deposits and net deposits as a percentage of the prorated matching cap, savings rates, frequency of deposits, and unmatched withdrawals. One set of researchers concluded that, presumably through self-selection into the voluntary program, ADA participants had more education and were more likely to be employed relative to low-income individuals in the general population. However, having received TANF at or before program entry did not predict how well an individual was able to save.^{xii} The authors also found that nearly half of those who enrolled in an ADA program dropped out with IDA savings of less than \$100. They recommend allowing higher match rates and more time in which to meet the match requirements.^{xiii}

There is some evidence that IDA programs are more successful if combined with other services. For example, one program reported that individuals who tried to save through IDAs did a better job of saving if they attended peer-support groups with other savers.^{xiv} Combining IDAs with financial education also has been studied. One study found that the average monthly net deposits (into an IDA) increased incrementally with each additional hour of education (although the effects stopped after 12 hours).^{xv} Another study concluded that there was a “positive impact of financial literacy training for low-income workers, and in particular, adult participants in Individual Development Accounts.”^{xvi}

Other researchers have found that succeeding in an IDA program is associated with the quality of social supports that participants experience, their social status, and their civic participation. However, these same researchers noted that it is difficult to reach conclusions about the value of IDAs given that:

...the estimated 50,000 IDAs that have been funded nationwide only reached 0.0002% of the targeted population.^{xvii}

The national BAFF project grew out of the desire of the U.S. Department of Health and Human Services, Administration for Children and Families to increase the use of IDAs and other asset building strategies among low-income populations served by other ACF programs. Prior to BAFF, no effort had been made to reach out to assist poor NCPs who were struggling to pay child support and connect them with financial education and asset-building activities. Indeed, since the enforcement remedies used by child support agencies for non-paying obligors include garnishments of bank accounts and other assets, the child support program has been viewed in a negative light by NCPs and has led to some of the hesitation in their engagement with the traditional banking system.

BAFF was created in the hope that financial education, IDAs and other asset building services would help low-income NCPs increase their financial stability and meet their child support obligations. By embedding information about child support along with information on budgeting, banking and savings, program architects hoped that the project would better engage low income fathers in both the child support and formal financial systems. The project is unique in the financial education field for several reasons. First, it focused on reaching and serving low-income, non-resident fathers, a population that has not been previously targeted for IDAs, financial education, and other asset-building services. Second, it involved a unique collaboration between the child support agency that regularly interacts with low-income, non-resident fathers, and an experienced financial education and asset-building entity that has typically worked with African-American, single, and never-married women. Third, it involved a comprehensive research and evaluation effort designed to determine the benefits and challenges associated with providing financial education and asset-building activities to fathers in the child support system and outcomes dealing with financial literacy, savings activity, and child support payment.

Chapter 3: Building Assets for Fathers and Families Project Overview

Program Services, Project Staffing, Referral, Recruitment, and Enrollment

BAFF Services

Tennessee BAFF aimed to educate NCPs about budgeting and finances to improve their payment of child support and promote positive financial behaviors. This included the use of banks, money management, savings activity, and the pursuit of IDA's, when appropriate. The project design called for offering financial education classes to NCPs in the child support system at all stages of case processing regardless of whether they were full, partial or nonpayers.

Project staff recruited NCPs from the Shelby County Child Support Office. An attempt was made to recruit parents from a variety of agency-based settings: at customer service centers where parents appear with questions about their child support cases and seek a wide range of services; referrals by child support workers who establish and enforce child support orders, respectively; and parents who participated in the HOT program. The Hot program was established by MAXIMUS to generate child support payments by enabling delinquent obligors who have had their driver's licenses revoked for nonpayment of child support to regain it by making a \$50 per month payment for their child support and looking for employment. For the Tennessee BAFF project, attending the financial literacy class offered by the RISE Foundation was added to the HOT program requirements for driver's license reinstatement.

Attempts were made to recruit project participants from the other sources including RISE Foundation clients who had a child support obligation, parents identified at hospital programs to establish paternity upon the birth of out-of-wedlock babies, and parents participating in fatherhood programs and other public and community-based organizations that may also be involved with child support. BAFF was open to both male and female parents. The only requirement was that they be a noncustodial parent in the child support system with an open child support case.

The core service offered through the Tennessee BAFF program was a five-hour financial literacy class offered during the week, typically on a Thursday. Lunch was provided, and participants were led through a curriculum that focused on financial education and child support. RISE Foundation adapted the Common Cents curriculum that it uses with other low-income clients for the BAFF project. The typical financial education class covered the following topics:

- Attitudes about money
- Creating a spending plan
- Banking
- Understanding your credit report

- Managing credit
- Saving for retirement

The adaptation of Common Cents for BAFF accommodated the shorter time window available for the financial education class and the unique features of the NCP who were being served. Thus, the RISE Foundation adopted an interactive format to engage participants and tried to avoid creating a more conventional class feeling.

CPR worked with child support staff at the Tennessee Department of Human Services, Child Support Program (DHS) to add a brief educational component to the five-hour class dealing with child support. The segment on child support was adapted from the “No Kidding” curriculum developed by the Texas Office of the Attorney General. Designed to educate youths on the challenges of young parenthood, No Kidding includes material on paternity, the financial obligations embodied in a child support order, and the process of paying and receiving child support. Like Common Cents, No Kidding is interactive and engaging, and has a low literacy level, as it is typically used with middle and high school students. It also aims to dispel many of the myths about child support and other “street” advice that NCPs typically receive from their peers and family members.

Although the financial education class (with material on child support) was the main service that BAFF participants received, it was not the only service offered. As part of the BAFF project, in addition to attending the class, participants could obtain:

- One-on-one help with finances, including assistance with developing a spending plan, reducing debt, and repairing credit;
- One-on-one help with understanding the child support process and pursuing order modifications, and suspension of sanctions imposed for nonpayment of support when appropriate;
- Referrals for help addressing barriers to paying child support including problems with visitation and access and help with developing parenting plans;
- Referrals for help with filing for the Earned Income Tax Credit (EITC) and applying for relevant public benefits; and
- Referrals to community agencies for other types of help, as needed.

Project Staffing

DHS retained one dedicated staff member and contracted with the RISE Foundation for one additional staff member who were both based at the Shelby County Child Support Office to implement and conduct the BAFF project. The asset coordinator from RISE Foundation conducted the financial literacy class and both presented material and facilitated relevant discussions and exercises. She also provided information on IDA’s. Interested parents were able

to engage in one-on-one follow-up sessions with the asset coordinator to review their spending plans, credit reports, and to answer any financial questions following completion of the class. DHS also retained a child support specialist to provide help with presenting the child support curriculum during the class and to provide answers to case-specific questions following its conclusion.

The child support specialist was also in charge of looking up every BAFF participant's child support case in the automated child support system (TCSES) to determine project eligibility and to review each NCPs child support case and answer any case-specific questions. The child support specialist entered all required data into the cross-site management information system (MIS) developed by The Lewin Group to track participation in the BAFF project for both the cross-site and Tennessee-specific evaluations. Finally, the child support specialist provided referrals to interested project participants for other services such as visitation and parenting time and application for public benefits.

Attempts to Recruit BAFF Project Participants

As with most programs for low-income NCP, participant recruitment was challenging and required the active engagement of project staff and the support of relevant partners, including workers at the child support agency who handle a general caseload. Since the goal was to enroll nonresident parents with child support obligations at all stages of case processing regardless of their payment status, project staff devoted a good deal of effort to being visible to child support workers and keeping the referral message fresh and compelling. They also did a great deal of community outreach to identify programs and agencies that serve NCPs in the child support system and encouraged those agencies to make appropriate referrals. The key features of the BAFF recruitment effort conducted by project staff were as follows:

- Attend staff meetings at MAXIMUS to explain the project to workers and remind child support workers to refer NCPs to the project.
- Make brief presentations on the project or hold brief budgeting orientations at client gatherings at the fatherhood agency, tenants associations, and other partner programs to generate interest in financial education and stimulate project referrals.
- Pitch the program to RISE clients and attendees of its financial education programs and make it understood that friends and family members of RISE clients who were NCPs in the child support program were eligible to enroll.
- Distribute posters, fliers, brochures, and other publicity materials at key referral sites and partner organizations.

In their outreach efforts, project staff developed materials to keep BAFF visible to child support workers and streamlined ways for them to direct eligible participants to BAFF for enrollment.

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Accordingly, workers were given project brochures, posters, and other publicity material and asked to explain BAFF to all their clients and refer them to project personnel. The specific recruitment and referral procedures developed for BAFF were as follows:

- Child support workers explained the project to clients they saw in person or spoke with on the telephone and determined whether the parent was interested in enrolling in BAFF.
- Parents were told that the child support office wanted to help them learn how to budget and save money and also get help with problems that may prevent them from paying their child support or seeing their children.
- Workers referred eligible parents who expressed an interest directly to BAFF project personnel who were co-located in the child support office.
- Programmers with the automated child support enforcement system, TCSES, used selected parameters to identify potentially eligible BAFF participants and mailed them a letter encouraging them to enroll along with a project brochure.

BAFF project staff also outreached to other community programs and organizations that serve unmarried parents who are likely to be in the child support program or will soon become involved. This included workers in hospital-based paternity programs, staff at responsible fatherhood programs, RISE personnel, and staff at other relevant service organizations. The goal was to engage multiple community partners in the BAFF program and to generate referrals and program participants. Staff at these partner programs were asked to explain BAFF to new parents and clients and to refer contact information for interested parents to BAFF project staff for further outreach and possible enrollment.

To reduce attrition, BAFF project staff attempted to contact interested parents and/or meet with them at the child support office or to schedule an appointment with them immediately following their referral.

- Project staff telephoned potentially interested parents and explained the project and the incentives available to participants.
- Project staff enrolled interested parents in the program either by telephone or in person prior to or at the first financial education class.
- Staff completed an intake interview with parents about their demographics and characteristics, child support situation, and interest in various types of services.
- Staff screened parents for eligibility for IDAs, EITC, and other relevant benefit programs and made appropriate referrals.

- Clients signed a consent form agreeing to participate, a release of information, and provided contact and secondary contact information to project personnel so that they could be reached for follow-up interviews and assessments.
- Project staff entered the information obtained in the intake interview on the MIS developed for the project.

To achieve quick engagement in services, BAFF project staff:

- Offered financial literacy classes at least twice a month.
- Met with project participants for one-on-one financial counseling and provided child support help on an expedited basis.
- Scheduled enrolled parents to attend the next available financial education class(es).
- Scheduled enrolled parents to review their child support situation in a one-on-one format and get information about their options and needed actions.
- Scheduled enrolled parents to obtain other relevant services offered by project personnel, such as help with parenting plans, EITC, and other benefits.
- Referred enrolled parents to other relevant services, such as help with employment, housing, and food.

Another strategy to promote enrollment in BAFF was the delivery of high-quality services:

- Regular, interactive classes on financial education led by the RISE asset coordinator that included information on child support as well as a catered lunch.
- One-on-one financial counseling sessions for interested participants that dealt with budgeting, debt management, credit recovery, and other financial issues.
- One-on-one help for interested participants with developing parenting plans, applying for benefits, and accessing other community services (as needed).
- One-on-one child support help for interested participants to better understand their individual child support situation and options and obtain relevant follow-up actions.

Finally, BAFF project staff used incentives to recruit, engage and retain NCPs in the project. Project participants could receive up to \$90 for different levels of participation. Incentives were structured as follows:

- \$50 upon completion of the financial literacy class and becoming banked, as evidenced by proof of having opened a savings account;

- \$20 gift card for meeting with the child support specialist or the asset coordinator approximately three months following class attendance to obtain further assistance with budgeting and/or child support in a one-on-one format; and
- \$20 gift card for completing a follow-up telephone interview six months after enrollment in the BAFF project.

Project personnel recorded information on client enrollment, class attendance, participation in one-on-one counseling services, referrals for other relevant services and the receipt of incentives. All information was recorded on the MIS developed for the project.

Actual Referral, Recruitment, and Enrollment Patterns

Although project staff initially thought the hospital-based paternity program would be a good source of referrals and arranged for paternity workers to describe the project to newly delivering, unmarried parents and send BAFF staff the name and number of each interested parent, few new parents were interested in the project. According to anecdotal accounts, new parents are overwhelmed with their new responsibilities and attending a financial literacy class is not a priority. It proved to be ineffective for paternity workers to approach new parents about the project in hospital settings, and this was dropped as a recruitment strategy.

Mass mailings to paying NCPs in the child support system were also ineffective in generating BAFF participants. Programmers with the automated child support system (TCSES) identified NCPs who were paying their child support but had relatively low child support orders, indicating they had low incomes and met the income requirements for BAFF participation. These individuals were sent a project brochure and a letter describing the benefits of enrolling in BAFF including the ability to earn up to \$90 in incentives and qualify for IDAs. Over 700 letters/brochures were sent to NCPs during the first six months of 2012. With the exception of one or two individuals, no one enrolled. According to the staff member who attempted to contact hundreds of these targeted individuals by telephone, there is widespread distrust of the child support agency. Paying obligors did not want to be involved with the child support agency and were unmoved by the offer to attend a financial literacy class and earn financial incentives for participating. Even when the letter was sent by the RISE Foundation (rather than the child support agency), it generated no takers. It proved to be impossible to generate participation among low-income but employed NCPs who were arguably in the best position to take advantage of the asset-building opportunities that BAFF hoped to extend to fathers.

As a result of these thwarted outreach efforts, it was decided to focus on recruiting delinquent obligors who had little choice about engaging with child support since they faced a range of sanctions for nonpayment that included driver's license suspension, contempt actions, and jail. Project staff determined that the most effective means of recruiting BAFF participants would be

from the child support office HOT program. The program at the Shelby county child support office targets unemployed NCPs who are behind on their child support payments. NCPs who participate in HOT are required to attend an orientation about child support; make a regular, weekly, “good faith” payment of \$50; and provide a signed Employment Verification Form showing that he or she had been actively seeking employment on a weekly basis. If the NCP complies with the program requirements, routine enforcement actions are delayed or reversed. This frequently resulted in reinstatement of driver’s licenses that had been suspended for nonpayment of child support.

For the BAFF project, MAXIMUS agreed to add enrollment in the project and attendance at the BAFF class as HOT program requirements. Thus, in addition to making minimal child support payments and attempting to find a job, HOT participants were required to enroll in BAFF and attend the financial literacy class to reap the benefits of HOT including driver’s license reinstatement.

The HOT program ultimately supplied the majority of program referrals to BAFF. Most BAFF participants consisted of NCPs who were in the HOT program because they were unemployed and delinquent in their child support payments and could have their driver’s license reinstated if they enrolled in BAFF.

Some additional referrals came from local community agencies including RISE Foundation, re-entry organizations and local fatherhood programs. Staff at the local community agencies received training about the target population and benefits of the BAFF program. Agency personnel described the project to current and former clients they spoke to either in person or by phone. Parents were told that the child support office wanted to help parents learn how to budget, save money, and get help accessing services that might improve their financial situation. RISE Foundation referred interested parents directly to project staff and sent project staff the name and number of each interested parent. Re-entry programs and local fatherhood program staff also described the project to current and former clients with whom they had contact. Figure 2 shows the source of BAFF referrals.

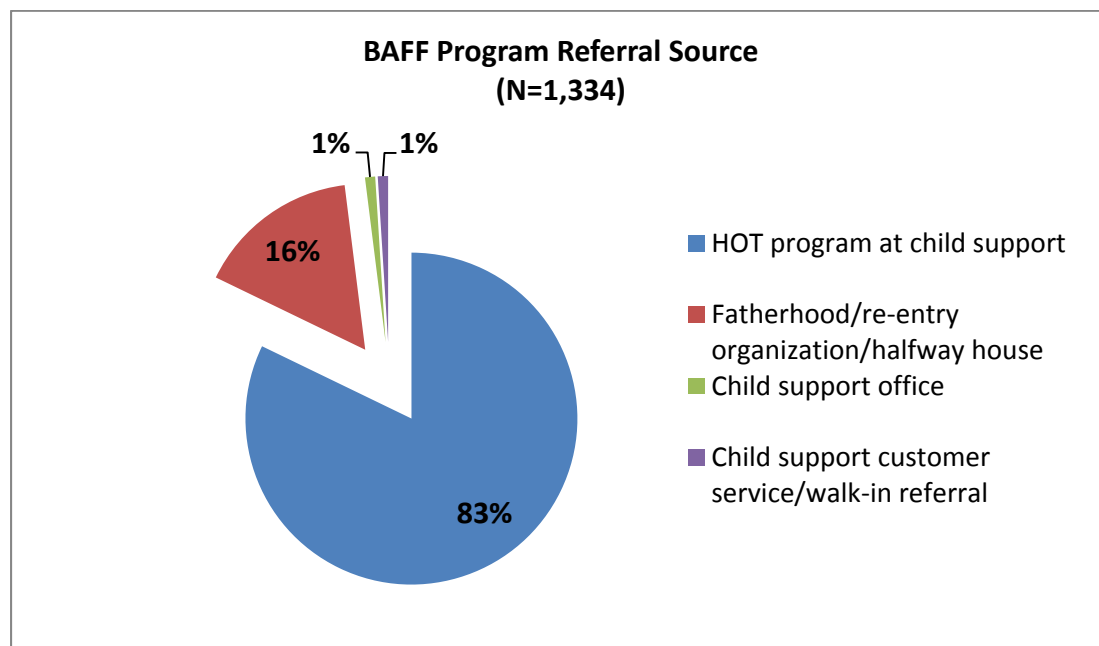


Figure 2. Referral Sources used for BAFF Program enrollment.

BAFF began enrollments in November 2011 and continued through December 2013. Classes were regularly scheduled every other Tuesday and Thursday (two times per month) from 9:00 a.m. to 2:00 p.m. During each five hour class, participants received four hours of financial literacy programming and one hour of child support programming. Participants were required to make a payment on their child support case (minimum \$50), and they were fed lunch. After the first 18 months of class enrollments, additional classes were offered twice per month on Mondays and Tuesdays at a local Correctional Center and at Diersen Halfway House. They consisted of two sessions each lasting two hours.

Altogether, approximately 100 BAFF classes were offered at three different locations and a total of 1,334 NCPs enrolled and completed them. Figure 3 shows the number of NCPs who enrolled in the BAFF project by quarter.

As Figure 3 shows, enrollments were fairly steady throughout the 33-month project enrollment period. A class schedule was developed and posted for six months at a time, giving enrollees an opportunity to look ahead and plan to attend a class at a convenient time. During the first project year, approximately 100 NCPs attended BAFF classes during each calendar quarter. During Year 2, project staff added a class that was offered every six weeks a local correctional facility and halfway house. Accordingly, enrollments picked up during the second year, with 119 to 199 NCPs attending BAFF classes per quarter. This level of enrollment held steady throughout the remainder of the project.

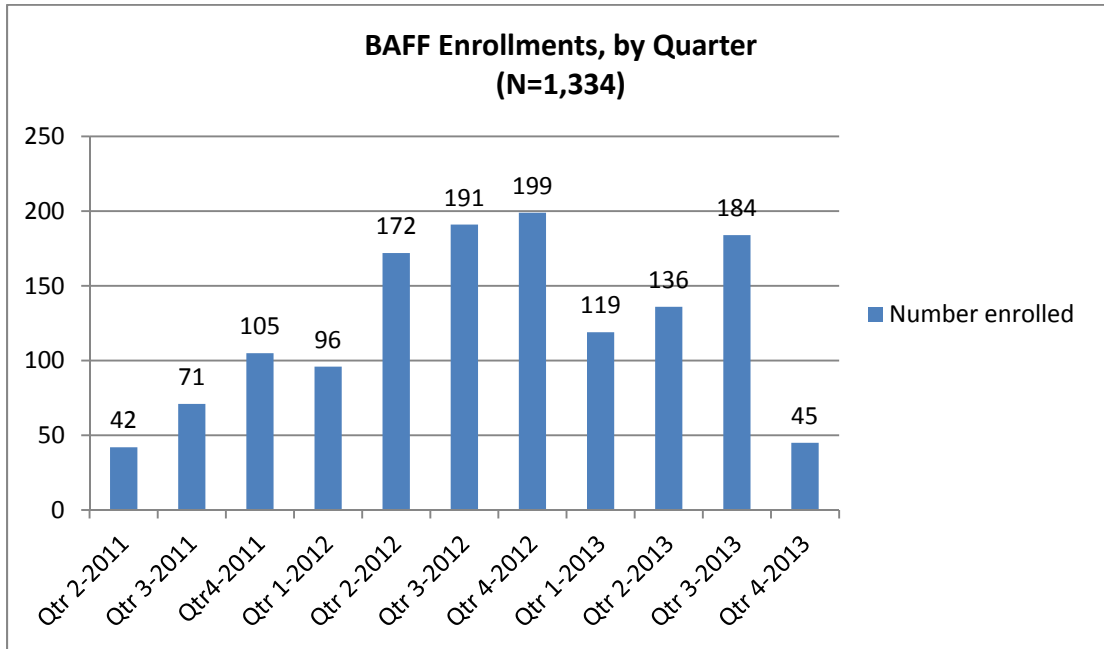


Figure 3. BAFF Enrollments, by Quarter

Chapter 4: Evaluation Methodology

Evaluation Design

The evaluation of Tennessee’s BAFF project was conducted by CPR. CPR developed an evaluation plan that used data recorded on the MIS developed by The Lewin Group, the BAFF cross-site evaluator, and data elements and collection strategies that were unique to Tennessee. CPR subcontracted with the programmer who developed the cross-site database to enhance it with specific data items of interest to Tennessee. This included information on the participant’s incarceration history, a list of Tennessee site-specific services available to participants such as the one-on-one follow-up contact, and more detailed information on the participant’s child support case(s).

In addition, CPR designed a unique, Tennessee- specific survey that was administered to project participants prior to attending the financial literacy class and again three months following class completion. CPR also developed a follow-up telephone interview that was administered to project participants approximately six months after completing the class to gauge the impact of the BAFF class on the participant’s financial life. To determine child support outcomes following class participation, CPR worked with the State of Tennessee DHS to generate an extract from Tennessee’s automated child support system (TCSES) showing child support payments prior to and following participant enrollment in the BAFF project.

All parents who enrolled in the project and agreed to receive program services and participate in the evaluation signed or authorized their signature to be placed on the Agreement to Participate at program enrollment. The three-part agreement covered willingness to (1) meet with the asset facilitator, (2) share personal information with all partner agencies that assisted the parent, and (3) participate in the program evaluation and share their information with the project evaluator.

Data Sources for Evaluation

CPR’s Tennessee-specific evaluation of the BAFF program involved information that was gathered from multiple sources. They included:

- Baseline data on NCPs who enrolled in BAFF using information gathered by project staff in intake interviews and recorded on the project’s cross-site management information system;
- The design and analysis of a short pre- and post-class survey with NCPs three months after they attended the financial literacy class;
- The design and analysis of follow-up telephone interviews conducted with NCPs six months after they attended the financial literacy class; and

- The generation and analysis of data extracted from the automated child support enforcement system (TCSES) on the child support cases held by project participants.

The goals of the follow-up interviews conducted with project participants were to:

- Assess the perceived usefulness of financial education classes and other project services;
- Identify reasons why participant dropped out or failed to complete financial education program;
- Assess changes (if any) in financial knowledge following enrollment and class attendance;
- Assess changes (if any) in behavior following enrollment and class attendance, including reported savings activity and pursuit of IDAs;
- Identify the use of one-on-one financial counseling and child support services;
- Identify additional service needs;
- Identify barriers to paying child support;
- Identify barriers to using banks and saving money;
- Assess changes (if any) in parent-child contact;
- Assess changes (if any) in overall financial well being; and
- Assess changes (if any) in employment and earning status.

The goals of the analysis of child support payment behavior for project participants prior to and following enrollment in BAFF were to:

- Generate a reliable way to assess the child support status and behavior of BAFF participants;
- Design and obtain an automated extract of TCSES records for project participants that included relevant fields pertaining to the child support status of BAFF participants;
- Extract information on order status, order levels, modification activity and sanction history for BAFF participants at enrollment and during the ensuing 24 months;
- Extract information on child support obligations and payments up to 24 months before and 24 months after project enrollment; and
- Extract information on limited enforcement actions taken by the child support agency in the 24 months before and after project enrollment.

Finally, evaluators assessed project effectiveness and reactions from the perspective of staff, professionals, and partners. CPR also conducted site visits and focus groups with project participants. The goals of these qualitative assessments were to determine program strengths and limitations and changes needed in future program replications.

Chapter 5: Participant Description and Financial Circumstances at Project Enrollment

Between November 2011 and December 2013, 1,334 NCPs enrolled in the BAFF project and attended financial literacy classes. Nearly all were male (98%) and African American (94%). Most had a high school diploma or GED (60%), while just under one-quarter (22%) had less than a high school education. Nearly all of the enrollees (90%) were unemployed, reflecting the fact that the primary referral source was the HOT program, which targeted unemployed NCPs who were behind on their child support payments. Half of the participants lived with friends or family (56%), and one-quarter lived in transitional housing or a shelter. Over half of the participants had previously spent time in jail or prison (60%).

Table 1. Selected Demographic Characteristics of BAFF Participants

(N=1,334)		
Sex		
	Male	98%
	Female	2%
Race		
	African-American	94%
	Caucasian	4%
	Hispanic	1%
	Native American/Other	1%
Highest level of education		
	Less than high school	22%
	High school diploma/GED	60%
	Some college	1%
	Vocational diploma/degree	6%
	AA degree	7%
	College degree or higher	4%
Current employment status		
	Employed full-time	3%
	Employed part-time	3%
	Employed seasonal/temporary/other	3%
	Student	1%
	Unemployed	90%
Current living situation		
	Own home	5%
	Rent	14%
	Live with friends/family and do not pay rent	43%
	Live with friends/family and pay rent	13%
	Live in a shelter/transitional housing	25%
Number of people living in household (including self)		
	Average	2.7
	Median	2.0
	Range	1-12

Table 1. Selected Demographic Characteristics of BAFF Participants

	(N=1,334)
Previously spent time in jail or prison	60%

Participants were asked to describe their family status when they enrolled in BAFF. Nearly all had never been married (94%) and had an average of two children who did not live with them. Eighty percent of the BAFF participants reported that they had a child support order, with the remainder being in the process of establishing one. Most (70%) participants' children were previous or current recipients of public assistance or Medicaid.

Table 2. Children and Family Status of BAFF Participants at Program Enrollment (N=1,334)

Marital status of BAFF participant		
	Separated/divorced	4%
	Married	2%
	Never married	94%
Number of children under age 18		
	Mean	2.4
	Median	2.0
	Range	0-16
Number under 18 who do not live with BAFF participant		
	None	17%
	1-2	58%
	3-4	18%
	5 or more	7%
Percent with a child support obligation for a child less than 18		80%
Number of children obligated to support financially		
	Mean	2.0
	Median	2.0
	Range	1-13
TANF Status of children at enrollment		
	Current TANF	14%
	Former TANF	33%
	Never TANF	30%
	Medicaid only	23%

Reflecting the high proportion of unemployed NCPs who enrolled in BAFF, it is not surprising that 66 percent reported having no income in the past month. For those who reported an income in the month prior to enrollment, 25 percent reported that their income was less than \$500, with 15 percent of those reporting incomes of less than \$250 per month. A third of participants reported receiving SNAP/food stamps (31%), and a fraction reported receiving income from other sources such as unemployment insurance (3%), pensions (1%), SSDI/SSI

(1%), and TANF (1%). Taken together, nearly all (85%) of BAFF participants reported having incomes that fell below the Federal Poverty Level.

Table 3. Income Profile of BAFF Participants at Enrollment (N=1,334)

Income last month		
	No income	66%
	Less than \$250	15%
	Between \$250-\$500	10%
	Between \$501-\$1,000	5%
	Greater than \$1,000	4%
Sources of personal income		
	Income from employment	4%
	No income	58%
	Pension	1%
	School grants/loans	0.01%
	SSDI/SSI	1%
	SNAP/Food Stamps	31%
	TANF	1%
	Unemployment Insurance	3%
Percentage of BAFF participants who fall within federal poverty level (FPL)		
	Less than 100% of FPL	85%
	Between 100% - 150% FPL	8%
	Between 150% - 200% FPL	16%
	Greater than 200% FPL	2%

In addition to having no income or extremely low incomes, most BAFF participants had debts. Table 4 shows that 87 percent reported owing past due child support, a pattern that reflects their involvement with the HOT program and their recruitment into the BAFF project. On average, BAFF participants owed \$28,599 in past due child support, with the median arrears balance being \$19,929. On a monthly basis, the average obligation for current child support for BAFF participants was \$443. In addition, BAFF participants owed an average of \$168 per month for child support arrears. Taken together, this translated into an average total monthly obligation of \$569 per month for current support and arrears. The child support status of project participants at enrollment and following project participation is described in detail in Chapter 6.

Table 4. Debts Held by BAFF Participants at Project Enrollment and Child Support Obligations (N=1,334)

Outstanding liabilities		
	Student loan outstanding balance	22%
	Medical bills outstanding balance	46%
	Personal loan outstanding balance	18%
	Credit card outstanding balance	26%

Table 4. Debts Held by BAFF Participants at Project Enrollment and Child Support Obligations (N=1,334)

Payday loans	10%
Child support outstanding balance	87%
Outstanding bills past due	39%
All other liabilities totaling \$500 or more (restitution, court fees)	19%
Child Support obligations	
Average monthly obligation for current child support	\$443
Average monthly obligation for past due child support	\$168
Average total monthly obligation for current support and arrears	\$569
Average arrears balance	\$28,599

In addition to child support debts, many BAFF participants (46%) reported having outstanding medical bills, 39 percent reported having other past due bills, 26 percent reported outstanding credit card balances, and 19 percent owed money for restitution and court fees.

Given their precarious financial situation, few BAFF participants were involved with formal financial institutions. For example, only 16 percent of BAFF participants reported having a checking account at enrollment, with an average balance of \$58. Similarly, only 11 percent of the enrollees had a savings account, with a reported average balance of \$47.

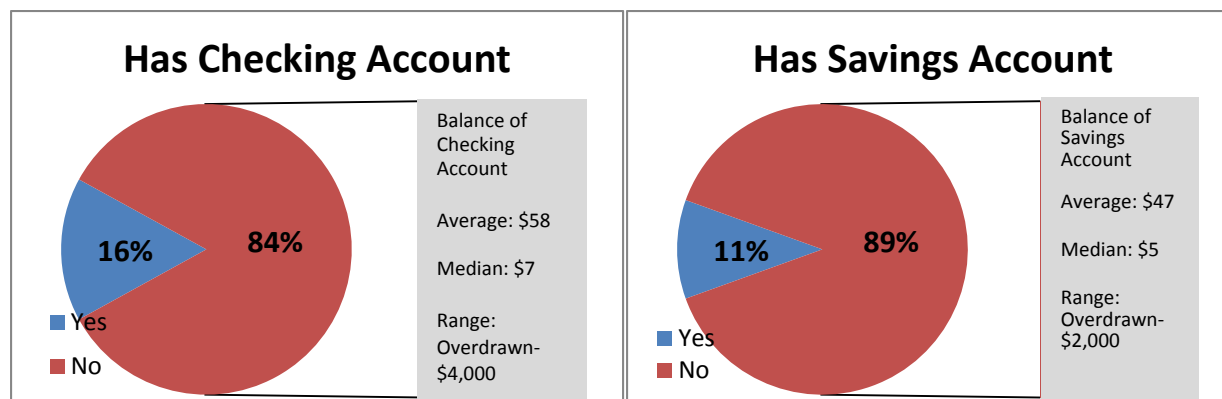


Figure 4. Percentage of BAFF participants who reported having a checking/savings account at enrollment.

Chapter 6: Changes in Financial Attitudes and Behaviors

The ultimate goal of the BAFF program was to improve child support payments and asset-building activities for low-income NCPs by providing financial education classes, information on child support, and other asset-building services. Chapter 6 examines child support payment behaviors of participants before and after they enrolled in BAFF. This chapter focuses on changes in financial behavior and attitudes reported by the 1,334 NCPs who attended the financial education class.

Changes in Financial Attitudes and Behaviors

CPR had objective information on only three financial behaviors other than child support payment for NCPs who enrolled in BAFF: the number of project participants who contacted project staff after the financial education class and obtained one-on-one financial counseling; the number of project participants who opened a savings account in a bank; and the number of project participants who used IDA's to begin saving for an allowed asset purchase. Table 5 describes these financial outcomes. It shows that following the financial literacy class, 359 project participants contacted staff and participated in a one-on-one financial counseling session in which they obtained more assistance with their spending plans, budgeting, and other financial or child support situation. The represents a financial counseling rate of 26.9 percent.

Ninety-nine of the 1,334 NCPs who attended the financial literacy class contacted project staff and presented proof of having opened a bank account. One project incentive was a \$50 Visa gift card for those who presented evidence of having become “banked.” This is a banking rate of 7.4 percent, although the number is probably higher since many individuals who contacted project staff did so by telephone and reported opening an account but did not provide proof, and therefore did not receive an incentive. With respect to IDAs, only two NCPs qualified for and saved money in an IDA. By the end of the BAFF program, one of those NCPs had completed the asset purchase and bought a car with the money saved in the matched IDA account. The other NCP was still saving money in the IDA with the objective of purchasing a vehicle.

Table 5. Summary of Financial Behaviors for NCPs in BAFF Program

Number of NCPs who attended financial education class	1,334
Number of NCPs who contacted BAFF staff and obtained a one-on-one financial counseling session following the class	359
Number of NCPs who opened a savings account	99
Number of NCPs who opened an IDA	2

To assess other financial outcomes associated with the BAFF project, CPR administered questionnaires to NCPs prior to and following their attendance at the financial education

classes. The questionnaires included items dealing with financial knowledge, attitudes toward banks and financial institutions, and how participants managed their personal finances. All NCPs who attended the BAFF class were given a pre-test questionnaire to fill out upon arrival. As previously noted, all participants were encouraged to open a savings account and those who opened an account and provided proof of it were given a \$50 Visa gift card. In addition to attending the financial education class, participants were invited to call or meet with BAFF program staff approximately three months following the class for a personal counseling session, either in person or by telephone. The session dealt with the individual's financial situation and/or child support status. BAFF participants who pursued an individual counseling session were also asked to fill out a post-class survey similar to the one that had been administered to all participants prior to the financial literacy class. They were given a \$20 Visa gift card as a thank you for following up with BAFF program staff and completing the post-class survey.

The following analysis compares the attitudes, financial situation, and reported financial behaviors of NCPs prior to completing the BAFF class with their responses approximately three months following class completion. The first column of the tables presents pre-test patterns for all 1,334 BAFF participants who attended the financial education class. The second and third columns show pre- and post-test responses for the subset of 339 NCPs who attended both the class and a financial counseling session and completed both a pre- and post-test. The surveys provide a picture of perceived changes in the financial situation and habits of NCPs prior to and following their receipt of financial and child support education.

Banking, Bill Paying, and Financial Situation

Table 6 provides a before and after class picture of the banking status of BAFF participants. Those who reported having an account at a bank or financial institution rose from 27 percent pre-BAFF class to 36 percent following class completion. (These figures do not match the objective information CPR had on banking status since some of the post-class surveys were completed by telephone and the respondents neglected to provide proof that they had opened a savings account.) This was a statistically significant increase in bank account openings.

Typical bill payment methods prior to completing the class included paying bills via money order or cash (40% to 42%) and this did not change much following the class, with a statistically equivalent 40 to 47 percent reporting that they used the same method of bill payment. The percentage paying bills by personal check or making an electronic payment rose slightly, from 8 percent to 12 percent, following class completion, but remained steady for those with both a pre- and post-survey (11% to 12%).

Although the total number of NCPs opening a savings account following class completion was relatively low (7%) compared to the number of class completers, savings activity appeared to improve following class completion. The percentage reporting that they save money regularly

rose from 6 percent pre-class to 10 percent post-class. Moreover, the percentage who reported that they never save money dropped from 42 percent pre-class to 28 percent post-class. And it appears the BAFF class may have had a positive impact on how NCPs viewed their financial situation. Those who characterized their financial situation as “poor” dropped from a high of 84 percent pre-class to 62 percent three months following class. NCPs reported a statistically significant improvement in their financial situation when compared to their pre-class survey. For those with both a pre- and post-class survey, only .3% of NCPs reported their financial situation as “good” prior to class, and 6 percent reported it as “good” following class.

Table 6. Reported Banking Status and Financial Situation Pre- and Post-Program Enrollment

	Pre (N=1,242)	Pre (N=359)	Post (N=359)
Have you ever had a checking or savings account at a bank or financial institution?			
Yes, I have one now	27%	★ 27%	★ 36%
Yes, I had one in the past but, not now	52%	51%	36%
No	21%	22%	28%
How do you usually pay your bills?			
Personal check/debit/electronic payment	8%	11%	12%
Check-cashing store	1%	1%	0%
Money order	42%	45%	47%
Cash	40%	33%	40%
Credit card	0.5%	0.3%	1%
Online banking	1%	2%	0.3%
Some other way	7%	7%	0.6%
How often do you usually save money?			
Regularly (i.e., every month)	6%	4%	10%
As often as I can	52%	50%	62%
Never	42%	46%	28%
Current financial situation			
Good	2%	★ 0.3%	★ 6%
Fair	14%	12%	32%
Poor	84%	88%	62%

★T-test between pre- and post-survey is significant at ≤ .05.

Budgeting and Spending Plans

One of the most well-liked and informative class topics dealt with developing a spending plan. Indeed, the proportion of NCPs who reported using a spending plan to help meet monthly expenses rose from 37 percent in the pre-class survey (36% of those who took both surveys) to 71 percent in the post-class survey, a statistically significant increase. Following class

participation, there was also a significant increase in the percentage of NCPs reporting that they pay their bills in a timely manner. Those who reported always paying their bills on time before class (9%) doubled to 18% post-class.

Table 7. Reported Use of Spending Plans and Budgeting Pre- and Post-Program Enrollment

	Pre (N=1,242)	Pre (N=359)	Post (N=359)
Percentage using a spending plan or budget to help meet monthly expenses	37%	★ 36%	★ 71%
Percentage report how bills, rent, and other expenses are paid			
Always pay on time	11%	★ 9%	★ 18%
Usually pay on time	34%	32%	43%
Sometimes pay on time	33%	33%	29%
Almost never pay on time	22%	26%	9%

★T-test between pre- and post-survey is significant at $\leq .05$.

Another class topic that was well received by BAFF participants dealt with credit reporting and credit scores. While the vast majority of participants reported they had heard about credit reports prior to attending class, the post-class surveys showed an increase in the number who had viewed their credit report and an increase in the percentage reporting that they were able to interpret and understand it. The percentage of NCPs that had heard of a credit report rose significantly from 89 to 98 percent. In a similar manner, the percentage reporting they had viewed their credit report in the previous three months doubled from 12 percent in the pre-class survey (16% of those who took both surveys) to 23 percent in the post-class survey.

Table 7. Reported Familiarity with a Credit Report Pre- and Post-Program Enrollment

	Pre (N=1,242)	Pre (N=359)	Post (N=359)
Have you ever heard of a credit report?			
Yes	90%	89% ★	98%
No	10%	11%	2%
In the past three months, have you seen your credit report?			
Yes	12%	16% ★	23%
No	88%	84%	77%
How easy was it to understand your credit report?			
Very easy	30%	34%	40%
Somewhat easy	38%	40%	27%
Somewhat difficult	21%	16%	27%
Very difficult	11%	10%	6%
Number	(734)	(226)	(286)

★T-test between pre- and post-survey is significant at $\leq .05$.

Attitudes about Personal Finances

The BAFF class appears to have had a significant impact on NCPs opinions about their finances. NCPs who attended the financial education class reported an increased understanding of and ability to handle their finances. Three months after the class, a majority of responding participants reported significant increases in their confidence to make financial decisions and their overall financial health. NCPs were significantly more apt to report being in better control of their money (67%), working towards financial goals (95%), and using a spending plan (92%). Finally, NCPs expressed increased comfort in doing business with financial institutions (80%).

Table 8. Attitudes and Opinions About Personal Finances Pre- and Post-Program Enrollment

Percentage of respondents agreeing with statements:	Pre (N=1,242)	Pre (N=358)	Post (N=358)
I am in control of my money	52%	48% ★	67%
I have financial goals that I am working toward.	87%	85% ★	95%
I understand the way I spend my money enough to make a spending plan or budget.	73%	72% ★	92%
I am comfortable doing business with a bank or other financial institution.	59%	59% ★	80%

★T-test between pre- and post-survey is significant at $\leq .05$.

Attitudes about Banks

Table 9 provides an overview of reasons NCPs give for not having a bank account (either checking or savings), and considers whether the reasons changed following attendance at the BAFF class. Although the table shows that the chief barriers to banking continue to be a lack of money (51% pre and 61% post), high fees (37% pre and 40% post) and/or bad credit (27% pre and 29% post), the class appears to have removed some barriers to banking. Statistically, fewer NCPs reported being uninformed about how to open a bank account (24% pre to 16% post), or lacking the necessary identification material (24% pre and 7% post). Other reasons reported at both points in time include the NCP not being able or wanting to manage or balance the account, not trusting the bank/financial institution, and not feeling welcome or treated with respect at a bank.

Table 9. Reported Barriers to Banking Pre- and Post-Program Enrollment

Reasons why NCP reports not having a bank savings account...	Pre (N=1,242)	Pre (N=278)		Post (N=229)
Don't have enough money to open one up	51%	51%	★	61%
Fees are too high or confusing	36%	37%		40%
Can't/don't want to manage or balance the account	24%	23%		20%
Not sure how to open an account	24%	24%	★	16%
Not able to open an account because my credit is too bad	27%	29%		29%
Don't have the proper ID/SSN to open an account	22%	24%	★	7%
Don't trust banks/afraid they will take money out without telling me	31%	30%		23%
It will affect my or my kids' TANF grant	5%	4%		2%
Would not feel welcome or treated with respect at a bank	15%	14%		16%
No bank has convenient hours or location	14%	14%		11%

★T-test between pre- and post-survey is significant at $\leq .05$.

Fringe and Mainstream Financial Institutions

One of the key topics addressed in the financial literacy class dealt with the negative effects of using fringe financial institutions such as payday loan centers and the benefits of working with traditional ones. According to the pre- and post-survey responses completed by BAFF participants, the program appears to have led to significant declines in the reported use of fringe financial institutions. Thus, the proportion of NCPs reporting that they cashed checks at a supermarket was cut in half from 20 to 10 percent, while reports of sending money outside of the U.S. dropped from 6 to 1 percent. Most importantly, there were statistically significant

decreases in the number of NCPs who reported getting a payday loan (10% pre to 2% post), pawning something to obtain cash (29% pre to 14% post), and obtaining “rent-to-own” products (8% pre to 2% post). If reported behaviors are to be believed, it appears that the financial education class succeeded in changing NCP behavior as it relates to the use of fringe financial institutions.

Table 10. Reported Use of Fringe and Mainstream Financial Institutions at Pre- and Post-Enrollment

Percentage reporting various financial behaviors within the past six months	Pre (N=1,242)	Pre (N=358)	Post (N=359)
Cashed a check at a bank or other financial institution	35%	42%	39%
Used a check cashing outlet	22%	26%	25%
Cashed a check at a supermarket	19%	20%	★ 10%
Purchased a money order	71%	82%	85%
Sent money outside the U.S.	5%	6%	★ 1%
Used a credit card	21%	26%	23%
Got a payday loan	7%	10%	★ 2%
Pawned something	28%	29%	★ 14%
Rent-to-own	8%	8%	★ 2%

★T-test between pre and post survey is significant at $\leq .05$.

Debts and Loans

Finally, as shown in Figure 5, the percentage of BAFF participants reporting that they had outstanding debts or loans remained relatively steady from the pre- to the post-program survey. At both time points, a high and statistically equivalent proportion of BAFF participants (71% to 75%) reported having outstanding debts. As shown in Chapter 6, which deals with child support, most NCPs entered the project with very large child support arrears balances that continued to grow while they participated.

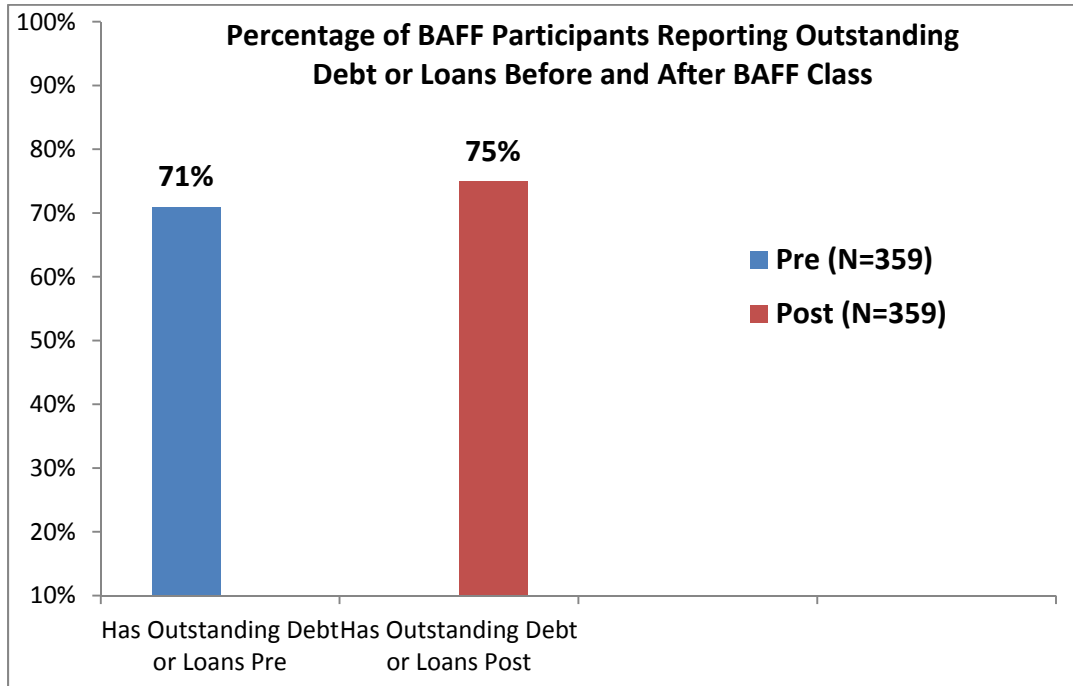


Figure 5. Percentage of BAFF Participants Reporting Outstanding Debt or Loans Before and After BAFF Class

Brian Hill's Story

In 2012, Mr. Brian Hill, an unemployed father of a seven-year-old son, heard about the BAFF Program at the local child support office. As a NCP, Mr. Hill wanted to find a well-paying job that would enable him to save money, pay his bills, and meet his child support obligation.



MR. HILL WITH HIS NEW CAR, PURCHASED WITH HIS IDA

Mr. Hill's job search led him to a job fair where he learned about the BAFF class. At the job fair, Mr. Hill was interviewed and hired on the spot. Once he became employed, Mr. Hill used the skills that he learned in the BAFF project to manage his credit and create a realistic spending plan.

In January 2013, Mr. Hill was referred to and enrolled in the Save Up Program, a RISE Foundation program that teaches participants how to save for an asset purchase and matches savings through an IDA. As a Save Up participant, Mr. Hill became a focused and diligent saver, setting his sights on purchasing a vehicle. On April 17, 2014, Mr. Hill purchased a beautiful 2007 Chrysler 300 Touring sedan. He says that he is grateful for the opportunity to acquire reliable transportation.

Now that he has accomplished his Save Up goals, Mr. Hill is focused on achieving another goal and hopes to obtain his bachelor's degree by the end of next year. Currently, he is enrolled at Kaplan University and is working toward a bachelor's degree in Science and Information Technology.

Chapter 7: Child Support Outcomes

BAFF program funders and staff hoped that providing financial education, savings opportunities, and asset-building activities would lead to the more regular payment of child support. In order to gauge the impact of the BAFF program on child support payments, CPR obtained an automated extract in March 2014 from the Tennessee Child Support Enforcement System (TCSES) that contained child support case and payment information for NCPs who enrolled in BAFF. This chapter begins with a description of the child support obligations held by BAFF participants when they enrolled in the program. After that, it compares payment behavior for project participants prior to and following their enrollment.

Data from TCSES Extract

Table 11 provides a picture of the child support situation of the 1,105 NCPs who enrolled in the BAFF project and whose child support case information was found in TCSES. A total of 137 BAFF participants could not be located in the child support system, chiefly because they were served in correctional facilities and other off-site locations where the BAFF staff did not have access to TCSES and did not always get accurate identifiers. The findings for the 1,105 BAFF participants with child support information show:

- NCPs on average had 1.6 child support cases, with a median of one child support case.
- On average, NCPs owed \$443 per month across all their child support orders and an additional \$168 per month in arrears.
- When combining the arrears balance on all their child support cases, NCPs enrolled in BAFF owed an average of \$28,599 in past due child support.
- Just over one-third of the NCPs (34%) owed more than \$30,000 in arrears across all their child support cases.

Table 11. Description of Child Support Cases and Monthly Obligations for BAFF Participants at Program Enrollment

Number of active child support cases at intake		
Average		1.6
Median		1.0
Range		1-8
Current monthly child support obligation across all child support cases		
Average		\$443
Median		\$368
Range		\$30-\$1,922
	\$100 or less	2%
	\$101 - \$200	13%
	\$201 - \$300	24%

Table 11. Description of Child Support Cases and Monthly Obligations for BAFF Participants at Program Enrollment

	\$301 - 400	18%
	\$401 - \$500	12%
	\$501 or more	33%
	Number	(872)
Total monthly arrears amount due across all child support cases		
	Average	\$168
	Median	\$100
	Range	\$5-\$1,617
	\$100 or less	55%
	\$101 - \$200	18%
	\$201 - \$300	12%
	\$301 - 400	6%
	\$401 - \$500	4%
	\$501 or more	5%
	Number	(991)
Total monthly obligation across all child support cases (current support and/or arrears)		
	Average	\$569
	Median	\$493
	Range	\$30-\$2,200
	\$100 or less	1%
	\$101 - \$200	3%
	\$201 - \$300	21%
	\$301 - \$400	16%
	\$401 - \$500	10%
	\$501 or more	49%
	Number	(872)
Total arrears balance across all child support cases		
	Average	\$28,599
	Median	\$19,929
	Range	\$30-\$316,319
	\$0	3%
	\$1 - \$5,000	11%
	\$5,001 - \$10,000	12%
	\$10,01 - \$15,000	13%
	\$15,001 - \$20,000	12%
	\$20,001 - \$25,000	8%
	\$25,001 - \$30,000	8%
	Over \$30,001	34%
	Number	(1,105)

The average age of the child support orders held by NCPs in the BAFF project helps to explain their large arrears balances. While orders ranged in age from less than one year to 33 years, most were fairly old with the average child support order being nearly 10 years old (9.5 years), with a median of nine years. This allowed lots of opportunity for nonpayment and the growth of arrears balances.

Table 12. Age of Child Support Order at Intake for BAFF Participants (N=1,105)

Average	9.5 years
Median	9.0 years
Range	Less than one year to 33 years

While NCPs who participated in BAFF and were required to make minimal child support payments (\$50 per week was requested but lower amounts were accepted), these payment levels fell far below average order levels of \$443 per month. As a result, BAFF participants continued to accrue child support arrears during their participation in BAFF. Table 13 presents the average total arrears balances on all child support orders for NCPs at enrollment and again at the time the child support extract was run in March 2014. It shows that average arrears balances climbed from \$28,599 to \$31,324 during the course of the program—a 9.5 percent increase.

Table 13. Total Arrears Balance on All Orders of BAFF Participants At Enrollment and at Child Support Extract (N=1,105)

	At Enrollment	At Extract
Total arrears balance on all orders		
Average	\$28,599	\$31,324
Median	\$19,299	\$22,048

Because the NCP had a target child support case that identified him or her as a potential BAFF enrollee, this target case was used when analyzing and presenting child support case information. Table 14 provides a description of the child support order and case characteristics for the target child support case for each BAFF enrollee. The key findings show:

- Nearly all BAFF enrollees had never been married to the custodial parent on the case (94%);
- Nearly all cases (94%) were at the enforcement stage of case processing.
- One-third of enrollees had a child support case that was formerly receiving TANF, while 30 percent of cases had never received TANF and 14 percent were current TANF recipients.

- Just less than 20 percent of cases were arrears only, meaning that no current child support was due and all collections activity involved child support arrears.
- Fewer than a third (29%) of the child support cases had a verified employer when they enrolled in BAFF. The percentage of cases with an income assignment in March 2014, when the child support extract was generated, was 37 percent. Verified employment and income assignments are indicators of employment and the ability to pay child support.

Table 14. Description of Target Child Support Case at BAFF Program Enrollment (N=1,105)★

Marital status on the case		
	Separated/Divorced	4%
	Married	2%
	Never married	94%
Case type at enrollment		
	Enforcement	94%
	Establishment	3%
	Paternity establishment	3%
TANF status at enrollment		
	Current TANF	14%
	Former TANF	33%
	Never TANF	30%
	Medicaid only	23%
Percentage with arrears only case		19%
Percentage with interstate case		6%
Percentage with verified employer at enrollment		29%
Percentage with income assignment in effect at extract		37%
★First case or target case used for analysis.		

Child Support Payment Outcomes on Target or First Child Support Case Before and After Enrollment in BAFF

Table 15 provides a breakdown of the total amount of current support due in the six, 12, and 24 months prior to and following enrollment in BAFF. The amount of child support due did not differ significantly pre- and post-program enrollment at six and 12 months, but significantly decreased at 24 months post enrollment. This means that relatively few NCPs had their child support order modified in the 12 months following program enrollment but more NCPs may have experienced order reductions by 24 months post-enrollment.

At the six- and 12-month time points post-enrollment, BAFF participants show increased payments toward their child support. For example, at 12 months prior to enrollment, the average amount in current support paid was \$850. In the 12 months post-enrollment, the average amount paid was \$1,020.

By 24 months post-enrollment, the differences in pre- and post-program payments began to fade. The average amount paid in the pre-enrollment period was slightly higher than the post-enrollment average. However, when looking at the median payments, the post-enrollment figures are somewhat greater than the pre-enrollment figures.

Table 15. Total Amount of Current Child Support Due and Paid Pre- and Post-BAFF Enrollment

	Amount Due		Amount Paid	
	Pre-Enrollment	Post-Enrollment	Pre-Enrollment	Post-Enrollment
Current Support: 6 Months			★	★
Mean	\$1,998	\$1,932	\$397	\$568
Median	\$1,716	\$1,712	\$125	\$353
Range	\$180-\$7,548	\$120-\$5,850	\$0-\$5,642	\$0-\$3,981
Total (Sum)	\$1,516,776	\$1,429,377	\$301,179	\$420,612
Number	(759)	(740)	(759)	(740)
Current Support: 12 Months			★	★
Mean	\$3,810	\$3,418	\$850	\$1,020
Median	\$3,228	\$3,108	\$335	\$617
Range	\$65-\$15,096	\$120-\$11,436	\$0-\$11,054	\$0-\$7,524
Total (Sum)	\$301,519	\$2,549,710	\$672,265	\$760,859
Number	(791)	(746)	(791)	(746)
Current Support: 24 Months	★	★	★	★
Mean	\$6,980	\$5,094	\$1,834	\$1,541
Median	\$6,138	\$4,500	\$801	\$875
Range	\$80-\$31,234	\$120-\$20,616	\$0-\$22,550	\$0-\$14,845
Total (Sum)	\$5,933,301	\$3,815,522	\$1,559,317	\$1,154,906
Number	(850)	(749)	(850)	(749)

★T-test of pair's pre- and post-enrollment is significant at .00.

Table 16 presents child support payment patterns in the pre- and post-enrollment time periods a different way. Rather than focusing on mean and median payment levels, it considers the child support payment that is made for current support as a percentage of the amount due. Comparisons of cases with current support due at six-months pre- and six-months post, 12 months pre- and 12 months post, and 24 months pre and 24 months post all show statistically significant increases following BAFF enrollment.

In the six months prior to class enrollment, NCPs paid an average of 17.7 percent of what they owed, compared to 29.2 percent six months following the class. At 12 months, the pattern continues to hold, with 19.9 percent of current support paid in the 12 months prior to enrollment as compared with 28.9 percent at one-year post class enrollment. And in the 24 months prior to and following BAFF participation, average percentages of current support due

that was paid rose significantly from 23.5 percent to 28.9 percent. This table shows that the payment benefits associated with BAFF participation continued to hold for at least two years. NCPs who participated in BAFF paid a significantly higher proportion of what they owed for current support at six, 12 and 24 months after BAFF participation.

Table 16. Percentage of Current Child Support Obligation Paid that Was Due up to 24 Months Pre- and Post-BAFF Enrollment

	Pre-Enrollment (N=722)		Post-Enrollment (N=722)
Current support paid that was due			
6 Months		★	
Average	17.7%		29.2%
12 Months		★	
Average	19.9%		28.9%
24 Months		★	
Average	23.5%		28.9%

★T-test of pair's pre- and post-enrollment is significant at .00.

After analyzing current support payments for all BAFF participants prior to and following class enrollment, additional analyses were conducted to see if the patterns changed when comparing those who had gone beyond the five-hour BAFF class with those who had only attended the class. BAFF enrollees were divided into two groups: those who only completed the five-hour BAFF class and those who completed the class and had an additional one-on-one follow-up contact with BAFF staff in the three months following the class. The follow-up contact consisted of a telephone call or an in-person meeting to discuss the participant's personal finances, spending plan, or credit report, and/or to discuss his or her child support needs.

Table 17 shows that payments increase significantly in the six, 12, and 24 months following enrollment in the BAFF class for both groups of BAFF participants: those who attended the class only and those who had post-class contact with staff. Furthermore, BAFF participants who received both the class and one-on-one contact with staff paid a significantly greater amount of current support compared to their peers who attended class only. At all three post-enrollment time points, NCPs who only attended the class paid approximately 25 percent of the child support they owed. In contrast, BAFF participants who both attended the class and had additional staff contact paid approximately 38 percent of current support at six, 12, and 24 months following enrollment. Looked at somewhat differently, the class-only group of BAFF participants registered an increase of 2.6 to 8.7 percent in post-enrollment versus pre-enrollment payments as compared with average percentage increases of 11 to 18 percent for the group of participants receiving both the class and an individual counseling session.

Table 17. Percent of Child Support Obligation Paid that Was Due up to 24 Months Pre- and Post-BAFF Enrollment, by Services Received

	Pre- Enrollment BAFF class only		Post- Enrollment BAFF class only	Pre- Enrollment Class and follow-up contact		Post- Enrollment Class and follow-up contact
Payments as a Percentage of Amount Due						
6 Months	17.2%	★	25.9%	19.8%	★	37.8%
Average Number	(528)		(519)	(231)		(221)
12 Months	20.1%	★	25.6%	22.0%	★	37.9%
Average Number	(548)		(523)	(243)		(223)
24 Months	23.3%	★	25.9%	26.0%	★	37.0%
Average Number	(585)		(524)	(265)		(225)

*T-test between level of services Pre- and Post-enrollment is significant at .00.

▪ T-test between post-enrollment BAFF class only and post-enrollment Class and follow-up contact is significant at .00.

Driver’s License Reinstatement and Child Support Outcomes

As noted in Chapter 4 on evaluation methodology, slightly more than 80 percent of the BAFF participants came to the program from the HOT program at the Shelby County child support office. This program targeted unemployed NCPs who were behind on their child support payments. NCPs who participated in HOT were required to attend an orientation about child support; make a regular, minimal child support payment (\$50 per week was requested but lower amounts were accepted); and provide a weekly signed Employment Verification Form showing they were actively seeking employment. Once the BAFF program began, they were also required to attend the BAFF class on financial literacy. If the NCP complied with the program requirements, routine enforcement actions were delayed. HOT participants who complied with these requirements experienced a suspension of various enforcement actions. This included the potential to have their driving, recreational and professional licenses reinstated, if it had been suspended for non-payment of child support.

To determine whether the payment increases observed for BAFF participants following project enrollment were due to the effects of the class and/or the reinstatement of the participant’s driver’s license, CPR examined driver’s license reinstatement activity following enrollment in BAFF to determine its effect, if any, on child support outcomes. Out of the 1,105 BAFF enrollees who were located in TCSES with a child support case, half (50.6%) had their driver’s license reinstated following enrollment in BAFF.

Table 18 presents child support payment activity pre- and post-enrollment for two groups of BAFF participants: those who had their driver’s license reinstated following enrollment and those who did not. As with the analyses for all BAFF participants and those who attended class and met with project staff on an individual basis, CPR saw significant increases in child support payment for both groups at all time points following enrollment. NCPs who participated in BAFF and had their driver’s license reinstated following BAFF enrollment showed a significant increase in child support payment. On average, they went from paying approximately 18 to 24 percent of what they owed for current support prior to enrolling in BAFF to paying over 30 percent of their obligation post-class. The increase in payments held for participants who did not have their driver’s license reinstated following their participation in BAFF but attended the class. These NCPs paid approximately 17 to 20 percent of their monthly obligations prior to attending the BAFF class. Following their enrollment, their payment performance increased significantly, and they paid approximately 26 to 27 percent of what they owed for current support.

Table 18. Percentage of Child Support Obligation Paid that was Due up to 24 Months Pre- and Post-BAFF Enrollment for Those With and Without Driver’s License Reinstated Following Program Enrollment

Support paid that was due	Driver’s License Reinstated (N=377)		Driver’s License Not Reinstated (N=345)	
	Pre-Enrollment	Post-Enrollment	Pre-Enrollment	Post-Enrollment
6 Months	★	★	★	★
Average	18.3%	31.9%	17.0%	26.4%
12 Months	★	★	★	★
Average	20.3%	30.4%	19.4%	27.3%
24 Months	★	★	★	★
Average	24.9%	30.5%	22.0%	27.2%

*T-test of pair’s pre- and post-enrollment is significant at .00.

Chapter 8: Reactions of BAFF and Child Support Staff

Reactions of Project Staff

Interviews were conducted with RISE Foundation and DHS personnel who had been involved with the BAFF project on a day-to-day basis to obtain their reactions to the program and their thoughts on participant outcomes. They focused on several themes: recruitment challenges, how the NCP population differs from other financial literacy audiences, and the interaction between the BAFF program and the HOT program operated by the child support agency from which most BAFF participants were drawn.

Recruitment: Identifying and recruiting the BAFF target population proved to be a huge challenge for project personnel. More to the point, it proved to be impossible to recruit NCPs in the Shelby County child support agency’s caseload who would participate in BAFF and have the financial capacity to meet one of the project’s main objectives and open an IDA. According to the RISE Foundation staff member who presented the financial literacy curriculum, the NCPs who ultimately enrolled were not good IDA prospects. Instead, they were “similar to what you see in Memphis in general: those who come from Section 8 low-income housing, with, low education, high unemployment, and people with felony backgrounds and in low-wage paying jobs.”

Project staff insisted that they tried to recruit NCPs with new child support cases who were not delinquent payers but were unable to attract takers. As the BAFF program staff noted, “For those who didn’t have any financial issues, they just wanted to be left alone.” To attract participants, BAFF staff placed phone calls to NCPs with newly established child support orders. These outreach efforts met with strong negative reactions. BAFF staff felt that some of the negativity had to do with NCPs who may not have disclosed to their current partner that they had another child. As one staffer explained, “When we called, we put them on the defensive. A lot of them didn’t call back and for those that did they asked us not to call them again. Those who were paying and not involved in enforcement did not want any contact with child support.”

Ultimately, BAFF in Tennessee was comprised mostly of delinquent NCPs in the enforcement caseload who were referred from the HOT program and were required to participate. The mandatory approach was necessary. Asked why they thought NCPs would not voluntarily participate in a financial literacy program, a staff member attributed it to the many other, more pressing issues participants face. “I think changing your financial situation is a mindset. If you are already struggling, it makes it difficult to think about anything else but survival. I believe in that way, that was a barrier to getting more clients; although, we did quite well with recruitment.”

Working with Men Who Are Angry about the Child Support System: Working with men was another challenge for RISE Foundation staff who typically work with women in their Save Up and other asset- building programs. This staffer explained the “different dynamic” that men brought to the program this way. “Basically their attitudes towards learning new information were different. A lot of times women embrace coming to class and learning new things, more so than men.” Although adding child support education to the financial literacy class proved to be successful, the men’s anger toward the child support system made the addition challenging for the presenter and she found that she needed to adopt “a take charge attitude” and insist that the class not turn into a venting session about their personal child support situation. “The men would come into class skeptical, almost combative, which had to do with their frustration with child support and the system. So they would vocalize those frustrations in class. I had to find a way to work around that (and assure them) that we could deliver the information without talking about their (personal) child support situation throughout the whole class. That was a challenge; basically I just told them the child support staff person would be in for the second half of class to talk about child support.”

Interaction between HOT and BAFF Programs: Ultimately, most BAFF participants were drawn from the HOT program operated by the child support agency. It was impossible to separate out the benefits of the two programs and their respective contribution to program outcomes. According to BAFF staff, both programs were vital to the success of BAFF and the observed improvements in child support payments and financial knowledge. BAFF’s unique educational component is viewed as helping to make NCPs more compliant. In a big, busy agency with huge caseloads, there are few opportunities to explain an individual’s child support situation or how the child support system works. BAFF afforded that opportunity. As one staffer explained: “With BAFF you gave HOT the opportunity to come in and make a connection with customers ... You get more out of people when you educate them and work with them. Not just talking about the bad things in the past, but to actually have somebody there educating them on what child support is and what we do, and how we can work together. Without BAFF we would not have had the opportunity to do that.”

Client Reactions to the Class: The NCPs who participated in the BAFF program seemed to appreciate it and were engaged in the class. According to BAFF staff, the two favorite class topics dealt with developing a monthly spending plan and credit reports. “Most of the people in the class had never pulled their credit report. When we went over the sample credit report, it was surprising that many of them didn’t know the nuances of reading it, their score, and how they could raise their score.” The budget part of the curriculum was also well received. “We put them in groups together and had them work out a budget for a family with a certain amount of money.” The groups then had to figure out how to pay for rent, food, childcare expenses, and everything else for a family of four with a set amount of expenses. “It was a lively discussion during that part of the class.”

“I think initially they came into the class skeptical and angry, but by the time they left I had many come up thanking me for the information on financial literacy.”

The child support curriculum generated lively interaction too. NCPs had many questions about both child support and visitation. Staff noted that NCPs “felt like nobody listened to them ... and wanted to vent.” They were also frustrated by the “solutions” that they learned about. For example, when they were told that they could file a motion for visitation in court or visit the NCP Advocacy Center at the court for help with a contempt action (an office at the court designed to help NCPs pursue visitation and other parenting matters), they were reluctant to follow up. According to staff, “They didn’t understand or know about visitation. They wanted it, but when they found out they had to file contempt they would back off I referred them to NCP Advocacy Center, but it is located at the court and they (the NCPs) were leery about going back to court again.”

IDAs: One of the goals of the BAFF project was the establishment of IDAs. Project architects in the Shelby County office knew that most of the target population would not be eligible for IDAs. As a result, financial literacy and child support education soon became the focus of the Tennessee BAFF program. One staff member explained the shift this way. “This is not a stable population ... the vast majority were unemployed and did not qualify for an IDA. We wanted to educate them how child support should be a priority, stabilize their financial situation, and help them support their children. We know this is a population teetering on the edge. Just introducing them to these tips and tools for financial literacy was a big win.” In the end, the Tennessee BAFF program established two IDAs. “The fact that we had 2 establish (an IDA), we think is great.” “Staff was certain that they would have generated more IDAs with a different pool of NCPs.” As one staff member explained, “If we had more participants that were employed that had a budget to work with, we would have had more people take advantage of the IDA.”

Interagency Collaboration: One of the main benefits of Tennessee BAFF was the collaboration between the child support agency and the RISE Foundation. Both agencies appreciated the partnership and felt as though their distinct missions had been enhanced. “I think it was a great collaboration, it afforded us (RISE) an opportunity to serve more people; just having that partnership helped TN serve more people. Yes, they wanted to learn, but it helped them with their child support case. It was a win-win for everybody.”

Child Support Staff Reactions

Interviews with child support staff in the Shelby County office confirm that they were involved in the design and implementation of Tennessee BAFF and paid special attention to recruiting and enrolling NCPs. Child support workers joined the BAFF program staff to assist with outreach to community agencies about the program and engage NCPs. “We were reaching out at first trying to touch base with people in handling their finances, trying to be more proactive rather than reactive in incorporating child support in finances.”

Recruitment: Like BAFF staff, child support workers also hoped to engage employed NCPs who were paying and could take advantage of IDAs and other asset-building activities that the project hoped to inspire. As a result, the first group they targeted was NCPs with new, first-time orders that were current in their child support payments. Like BAFF staff, they encountered resistance from the target population. Child support staff was forced to conclude that “the clientele we deal with does not have a lot of trust in the child support agency ... We were really trying to reach out and thought it was a great opportunity, but with the enormous level of distrust and even hostile reaction, we learned that people did not want to be involved.”

As is the case with many child support offices, in Memphis there is a long history of distrust of the courts and the child support agency by the public. Child support workers attribute it to the days when the child support agency conducted “sting” operations to round up nonpayers and put them in jail. Although those practices are no longer followed, it is hard to bury the memory. One child support administrator put it this way: “We have worked very, very hard to rebuild that trust and break down that hostility held against the child support agency and the courts. I think BAFF encountered that hostility and lack of trust. We are very, very happy to say we have made tremendous strides, we have somebody out in the community every single week building relationships and we have improved that 110%. But it’s harder to rebuild a relationship rather than establish one.”

One successful recruitment strategy was to reach out to incarcerated and released NCPs. The “sheer number of Shelby County cases with incarceration made it a good idea to recruit from the prison system.” Word of mouth was also effective. Presenting on BAFF at community events generated questions about child support by NCPs that staff could respond to. This provided the agency with an opportunity to “convey to them that ducking and dodging (the child support agency) is not the best idea when trying to deal with your child support case.”

Staff Reactions to BAFF: Although child support administrators and HOT program personnel were enthusiastic about BAFF, it proved to be difficult to engage the entire child support staff and get them to refer NCPs. Said one child support manager, “There was a disconnect. It could have been communicated office wide and throughout the staff better.” Like many new initiatives, only those who were directly involved with BAFF had a clear understanding of the

program and its benefits. Not surprisingly, managers think “it could have been even more successful if everyone in our office could have been more involved and understood it better. If you want a program to be successful in an office, you have to educate and get the line staff involved and educated about it.” Another child support manager echoed that sentiment, stating “the project overall was a great project. I think if given the opportunity again, we would do a better job communicating to our staff and how we promoted it from our intake unit.”

Child support staff agreed that getting the child support population to participate in a financial literacy program has its challenges but is worthwhile to attempt. They rejected the view that the child support population is too poor to benefit. “I think that honestly, both the CP and the NCPs would be a good fit for financial education and the reason is because we are seeing more and more frequently cases where NCPs and CPs are switching roles. If you are educating the public or target a specific group on how to manage finances, I think it will have a spillover effect and is a benefit for the entire community. You have NCPs who are paying consistently, but it’s just changing a mindset and changing priorities in the community about saving. Money management is going to be beneficial across the board. I see people walking in here with \$400 purses but they can’t save \$400. It’s just changing their priorities.”

Child support staff, in part, attribute the low level of participation in BAFF and IDAs to the widespread NCP distrust with the child support agency. “They were probably thinking (BAFF) was too good to be true as far as earning incentives and there could have been a better response with that if the trust had been there.” In their view, the best way to build trust is to take “a more personal approach with clientele” and communicate with NCPs on a basic level to build relationships. A change in the staffing structure at the Shelby County child support agency is one step being taken to rebuild that trust and establish relationships. “One good thing about having ... turnover in our office is being able to put staff where their strongest suit is. When we do our staff assignment, we try to match people and their skills to the position. We have our enforcers in the enforcement unit and we have those with more social skills in the intake unit. As a result, the staff is happy and more productive because they are doing what they like and it is a good fit for both. The clientele is more receptive too. They can sense the genuineness; you can’t fake caring.”

Overall, the child support managers at the Shelby County office saw BAFF as yet one more opportunity to build relationships and earn back trust from the NCPs they serve. The program got a “thumbs up” and was a “win-win for all involved.” Some NCPs will still come into the child support office asking when the BAFF classes will start back up. The question of sustainability is always an issue with grant funded programs, and this one is no different. The original BAFF program is no longer offered; however, the relationship with the RISE Foundation was established through this program, and staff continue to refer participants that ask about BAFF to the RISE Foundation and its Save Up program.

Chapter 9: BAFF Participant Reactions

Center for Policy Research (CPR) conducted follow-up telephone interviews with BAFF participants six months after their participation in the financial literacy class. CPR contracted with an experienced telephone interviewer to make telephone calls to all participants in an effort to elicit their reactions to the BAFF program and to assess the perceived value of the financial education class. This chapter provides a description of the interviewing process, the demographic characteristics of participants who were interviewed, the reactions of participants to the class, and the state of their financial lives six months after completing the class.

Information from the Six-Month Telephone Interviews

The telephone interview process was conducted from November 2011 through August 2013. During this time, the telephone interviewer attempted to contact and interview all NCPs who enrolled in the BAFF program between May 2011 and February 2013. This translated into an interview pool of 966 participants. A total of 422 interviews were completed, which represents a response rate of 43.6 percent. Each NCP who completed the interview was given a \$25 gift card incentive for participating.

Table 19 provides a description of the six-month telephone interview process. The interviewer made an average of 2.85 call attempts per completed interviewee and called potential respondents up to 13 times in an effort to make contact. The average length of the completed interview was 21.15 minutes, with a range from two to 70 minutes.

Number of completed interviews		422
Response rate		43.6%
Number of call attempts		
	Mean	2.85
	Median	2.0
	Range	1-13
Length of interview in minutes		
	Mean	21.15
	Median	20.0
	Range	2-70

Demographic Characteristics of Respondents

Table 20 provides a description of the demographic characteristics of the BAFF participants who were reached for a telephone interview. In most respects, interviewed participants resembled the BAFF population as a whole. The majority of both populations were male, African

American, with no more than a high school degree or GED, and unemployed. The differences for the two groups included higher rates of employment and college attendance for those who were interviewed.

Table 20. Comparison of Interviewed BAFF Participants to All BAFF Participants

	Interviewed Total (N=422)	All BAFF Participants (n=1,334)
Sex		
Male	96%	98%
Female	4%	2%
Race		
African American	91%	94%
Hispanic/Latino	1%	1%
Caucasian	4%	4%
Asian/Pacific Islander/Alaska Native/Other	4%	1%
Education		
Less than high school	17%	22%
High school/GED	44%	66%
Some college	28%	1%
Associate's degree	5%	7%
College degree	6%	4%
Employment status		
Employed full time	15%	4%
Employed part time	12%	3%
Temporary/seasonal work	11%	3%
Unemployed	62%	90%

Some additional demographic and family information was collected for those who participated in the interview. As shown in Table 21, those who were interviewed were fairly evenly divided between divorced and never-married parents. Most reported living with a relative or friends (42%), or a girlfriend or wife (28%). Most of those interviewed reported working just less than 40 hours a week at their current or most recent employment. Among those with current or recent employment, hourly wages averaged \$10.64, and average annual incomes stood at \$10,411. When asked how often they had seen their children in the past six months, most of those interviewed reported varying degrees of contact. Approximately 20 percent responded “never” or “a few times.” On the other hand, just over 50 percent reported seeing their children a few times a month to a few times a week. A small percentage of respondents said their children now lived with them (14%).

Table 21. Additional Information About BAFF Participants Interviewed Six Months Following Enrollment

Marital status		
Married/in a marriage like relationship		20%
Divorced/Separated		36%
Single, Never-married		43%
Other		1%
Current living situation		
Live alone		20%
With relatives		42%
With friends		9%
With girlfriend/wife		28%
Homeless/living in shelter		2%
Other		1%
Average number of hours worked per week at current or most recent job		35.7 (394)
Average hourly wage at current/most recent job		\$10.64 (348)
Tenure at current/most recent job		29.9 months
Average total gross household income last year		\$10,411 (242)
How often NCP reports seeing kids in past Six months		
Never		6%
A couple of times		14%
A few times per month		27%
A few times per week		24%
N/A, lives with kids		14%
Other		15%

Ratings of the Financial Literacy Class

The main reason respondents gave for attending the financial literacy class was to get help understanding finances (84%). The second most frequently cited reason was wanting his or her driver's license reinstated (69%). As previously noted, HOT program participants were eligible for driver's license reinstatements if they attended the BAFF class, made a minimal child support payment on a weekly basis and demonstrated that they were looking for work.

Table 22. Reason for Attending the Financial Literacy Class Reported by Interviewed BAFF Participants (N=422)

Reason for attending financial awareness class:	
Thought attendance was required	23%
Wanted help understanding finances	84%
Thought it would impress child support	13%
Wanted to earn \$90 incentive for participation	25%
Wanted to get driver's license reinstated	69%

Respondents reported learning a great deal about finances in the BAFF class. Nearly all said that they learned how to understand credit scoring (90%), how to create a spending plan (88%), how to save money and set financial goals (87%), and how to deal with credit cards and debt (86%). A majority of respondents also said that they better understand how to manage their money (84%), feel more comfortable going to a bank (72%), and understand child support (71%).

Table 23. Topics Interviewed BAFF Participants Reported Learning About in the Financial Literacy Class (N=422)

How to manage money	84%
How to create a spending plan	88%
Feel more comfortable going to the bank	72%
Understand child support situation better	71%
Answered questions about child support	71%
Understand credit scoring	90%
Understand credit cards and debt	86%
How to save money	87%
Set financial goals	87%

Satisfaction with the financial education class was high, with 94 percent reporting being “satisfied” and only 2 percent reporting dissatisfaction.

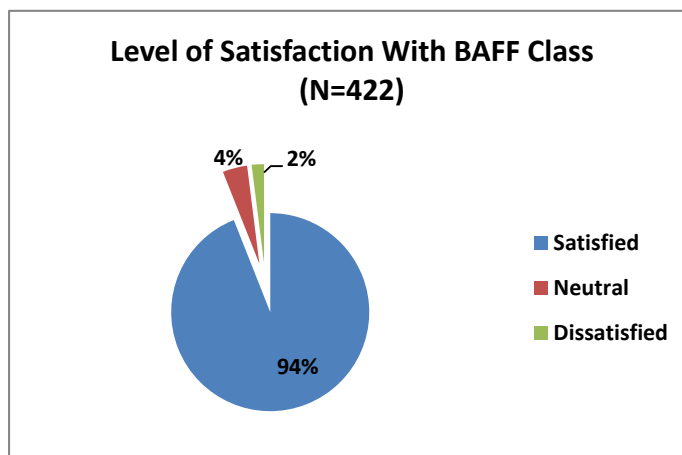


Figure 6. NCPs level of satisfaction with BAFF classes.

Program architects and the evaluators used the follow-up interview survey as an opportunity to identify the reasons why fathers in the child support system might be reluctant to enroll and attend a financial literacy class. Table 24 summarizes the reasons that respondents gave. As shown below, the most frequently cited reason for not wanting to attend is simply not having enough money to think about how to save and build assets (73%). The second most common reason for not wanting to attend is not trusting the child support agency (71%). The third most common reason is not having transportation to get to and from class (63%).

Table 24. Reasons BAFF Participants Give for NCPs Not Wanting to Attend a Financial Literacy Class

	(N=372)
Do not trust child support agency	71%
Do not trust banks	48%
Do not have enough money to think about saving	73%
Do not have enough time to go to classes	40%
Do not have transportation	63%
Classes are not offered at the right time	38%

Overall, respondents gave the BAFF program high ratings, with 58 percent of respondents rating the program as “excellent,” one-third rating the program as “good,” seven percent rating it “fair,” and only 3 percent rating it as “poor.”

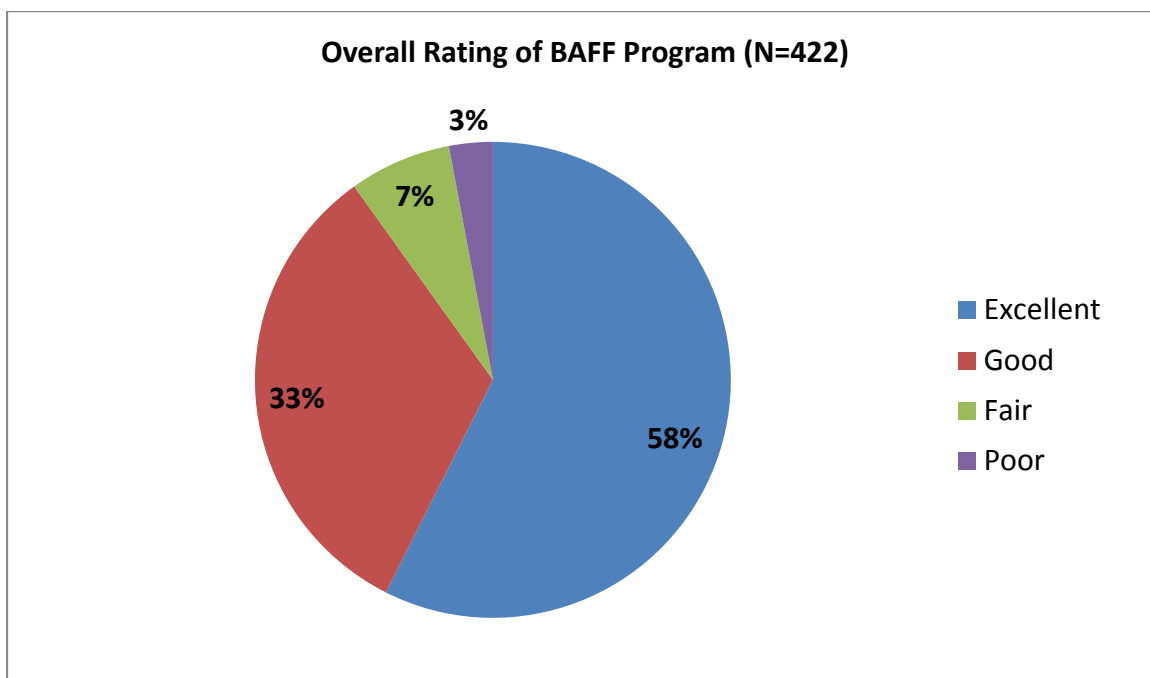


Figure 7. BAFF participant overall rating of BAFF Program.

Reported Changes in Financial Behavior Following the Financial Literacy Class

The BAFF financial literacy class focused on how to save money, use a spending plan, and the benefits of using banks versus fringe financial institutions. In the follow-up interview, participants were asked about their financial habits and how they may have changed following the BAFF class. The following highlights the changes they reported six months after they attended the class.

- NCPs report using personal checks, debit card, or electronic payments to pay bills at a higher rate (20% versus 26%), and slightly more use money orders to pay bills (49% versus 54%).
- NCPs report an increase in regular savings activity, with the percentage rising from 11 to 15 percent following class attendance.
- The percentage of NCPs reporting that they use a savings account to save money rose from 11 to 23 percent following class attendance.
- The percentage of NCPs who report using a spending plan (otherwise known as a budget) each month jumped from 23 percent prior to the class to 69 percent following the class.
- Those who report sticking to their spending plan also increased, with 91 percent of NCPs reporting that they adhere to their plan very or somewhat closely six months following class.
- The percentage of NCPs reporting that they always or usually pay bills on time rose from 46 to 65 percent in the months prior to and following class attendance.

Table 25. Comparison of Financial Habits Reported By BAFF Participants Before and After Attending BAFF Financial Literacy Class (N=409)

	Before	After
Paid bills by		
Personal Check/debit card/electronic payment	20%	26%
Check-cashing store	2%	2%
Money order	49%	54%
Cash	47%	44%
Credit card	1%	1%
Save money		
Regularly	5%	15%
As often as possible	35%	38%
Never	60%	47%
Save money in		
Savings account	11%	23%

Table 25. Comparison of Financial Habits Reported By BAFF Participants Before and After Attending BAFF Financial Literacy Class (N=409)

	Before	After
Checking account	5%	6%
At home	19%	23%
IRA or 401(k)	1%	1%
No savings	52%	48%
Other	1%	2%
Budget		
Use a spending plan	24%	69%
Keep to a spending plan		
Very closely	34%	42%
Somewhat closely	49%	49%
Not closely at all	17%	9%
Number	(285)	(285)
Timeliness of paying bills		
Always on time	17%	27%
Usually on time	29%	38%
Sometimes on time	36%	26%
Almost never on time	18%	10%

Respondents were asked to assess whether the BAFF financial literacy class had an impact on how they manage their finances. Figure 8 shows that 54 percent of respondents reported using most of the information they received in the class to manage their finances. An additional 35 percent reported that they used some of what they learned in the BAFF class to manage their finances. Only 11 said that the class had had no impact on how they manage their finances.

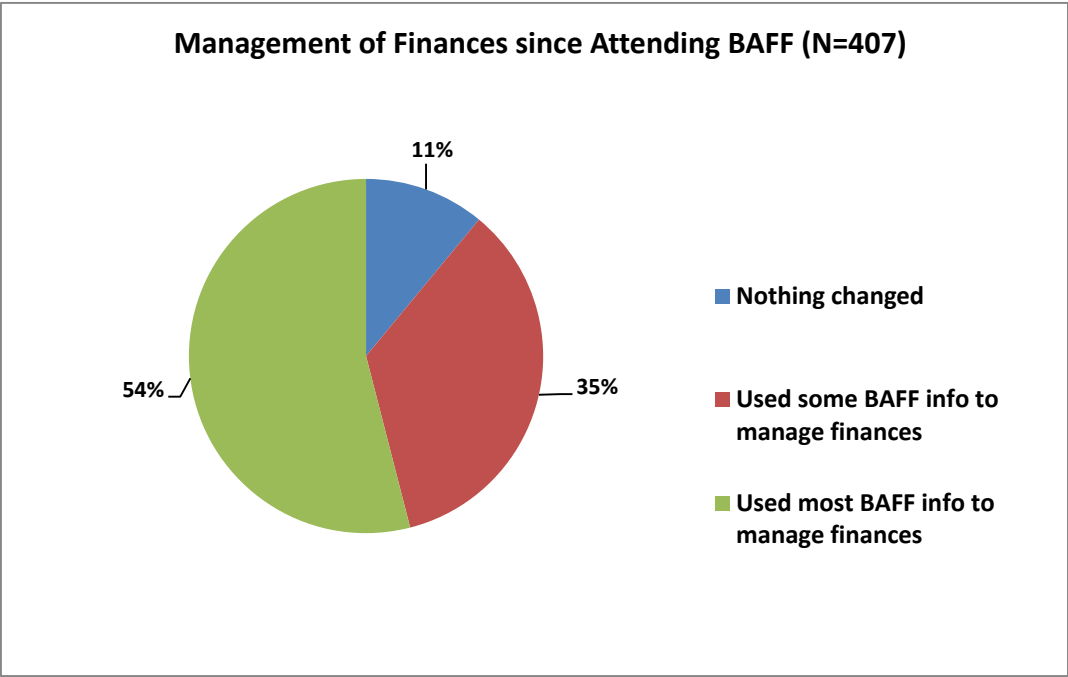


Figure 8. NCP’s reported financial habits after attending BAFF class.

Figure 9 compares selected financial behaviors that NCPs report pursuing before and after completing the BAFF financial literacy class. One positive outcome is a significant decrease in the percentage of NCPs who report using a payday loan center or check cashing outlet (27% pre to 11% post). The proportion of NCPs who report speaking with a child support worker decreased significantly, but this could be due to the availability of the BAFF staff to discuss child support issues with project participants.

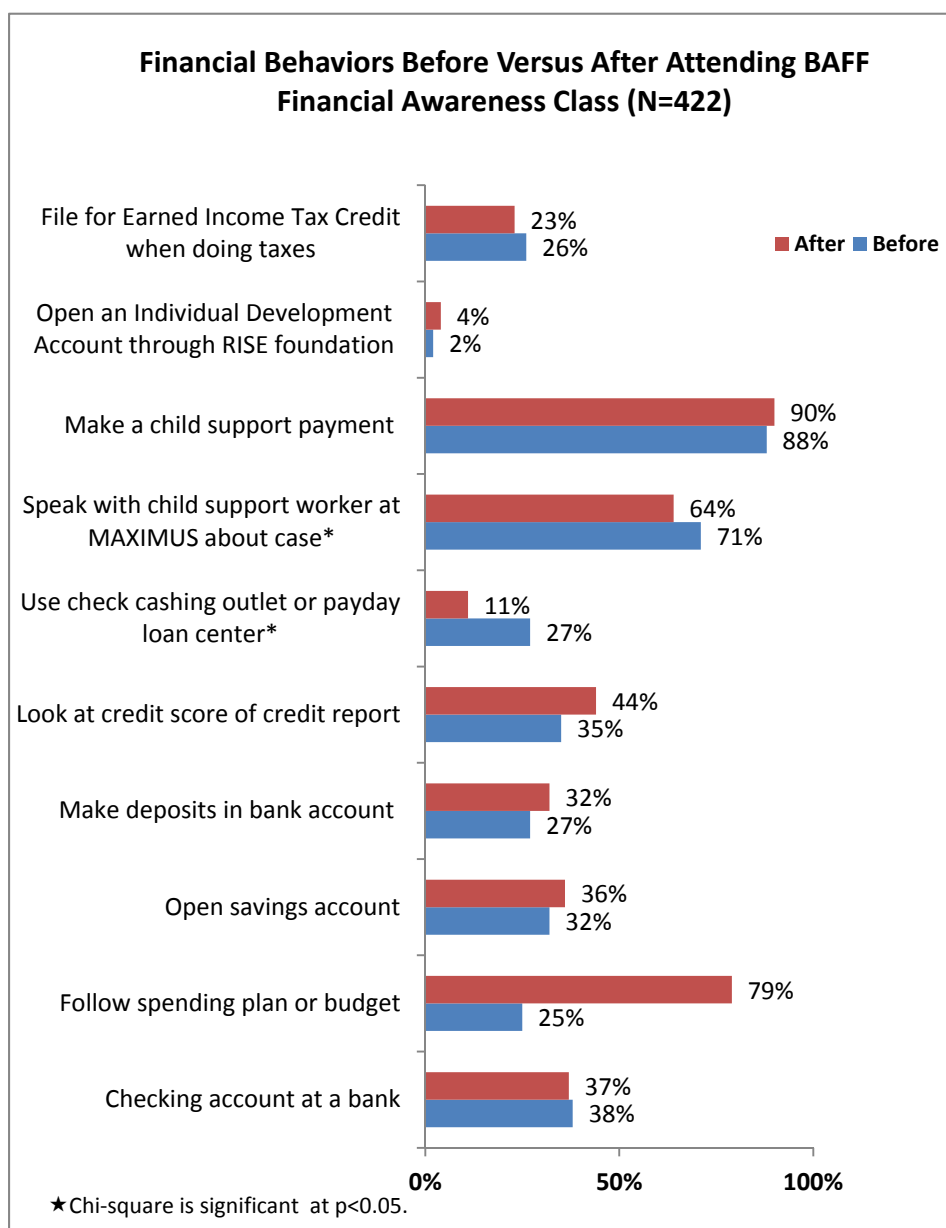


Figure 9. Financial behaviors reported by NCPs before and after completing the BAFF financial literacy class.

Some other positive outcomes are the significant increase in the number of NCPs who report having viewed their credit report (35% to 44%) and the number of NCPs who report using a spending plan (25% to 79%).

Reported Changes in Financial Status and Outlook

NCPs were asked to compare their lives prior to and following attending the BAFF class. The goal was to see if the exposure to financial education (both in the class and in follow-up sessions with the BAFF staff) had let to any perceived changes in their financial status and outlook. NCPs were asked if they agreed with a series of statements about their life today compared to before BAFF enrollment. Their responses indicate that following the class, nearly all have developed financial goals, understand the way they spend their money, and have a desire to save it. In a similar vein, over 80 percent agree that they are a smarter shopper (87%), eat out less often (82%), and feel better about their financial future (85%).

Table 26. BAFF Participant Reports on How Their Life Is Today, Compared to Six Months Ago

(N=403)	
Percentage agreeing with the following statements ...	
I am more in charge of my money	77%
I have financial goals	92%
I understand the way that I spend my money	92%
I am comfortable using a bank or credit union	68%
I am a smart shopper; I look for discounts or use coupons	87%
I eat out less often	82%
I feel better about my financial future	85%
I want to save or save more money	97%

In an effort to obtain information on the financial needs of BAFF participants and why the program may have had a limited impact on financial behaviors and status, NCPs were asked how often in the past month they had needed support or assistance for everyday essentials. The specific items they were asked about dealt with transportation, housing and food. While very few reported using a food bank (5%), substantial percentages reported using other types of assistance. More than a third (37%) said they often used family or friends for help with housing, and approximately one-half reported relying on family and friends for transportation (51%) or money (48%) at least sometimes.

Table 27. How Often BAFF Participants Were Helped with Life Basics in Past Month (N=418)

	Never	Rarely	Sometimes	Often
Used family or friends for transportation	33%	15%	20%	31%
Used family or friends for housing help	41%	10%	12%	37%
Gone to a food bank for food	90%	5%	4%	1%
Asked friends or family to loan you a little money	35%	17%	29%	19%

Respondents were asked to rate their overall financial situation today and characterize it as “doing OK,” “struggling, but getting by,” or “not making ends meet.” Sixteen percent of respondents report doing OK, while over half (62%) said they were struggling but getting by. The remaining 23 percent reported that they were not making ends meet.

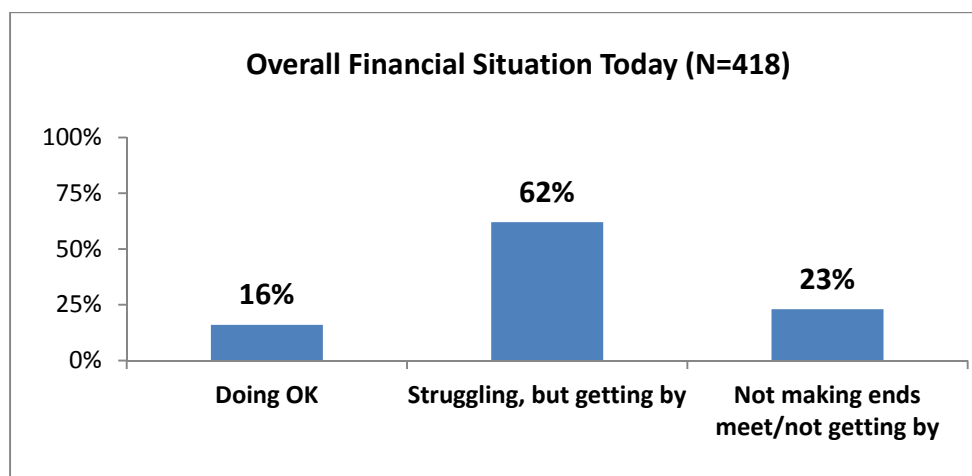


Figure 10. NCPs report of overall financial situation today.

Changes in Views of the Child Support Agency

Finally, respondents were asked whether their image of the child support agency had improved since attending the BAFF class. As previously noted, due to widespread mistrust of the child support agency, project staff were unable to generate any BAFF project referrals from low-income payers in the general child support caseload who were mailed a letter and brochure inviting them to participate. And while BAFF participants were ultimately generated from non-paying obligors in the HOT program, efforts were made to separate the BAFF class from the child support agency. Thus, all BAFF classes were held at offices of the RISE Foundation, the community-based organization that specialized in financial literacy. Nevertheless, over one-third (38%) of NCPs reported that their opinion of the child support agency had improved following attendance at the BAFF class. Half of the respondents (49%) reported that their opinion was unchanged, and a much smaller group (13%) reported that their opinion of the child support agency had worsened.

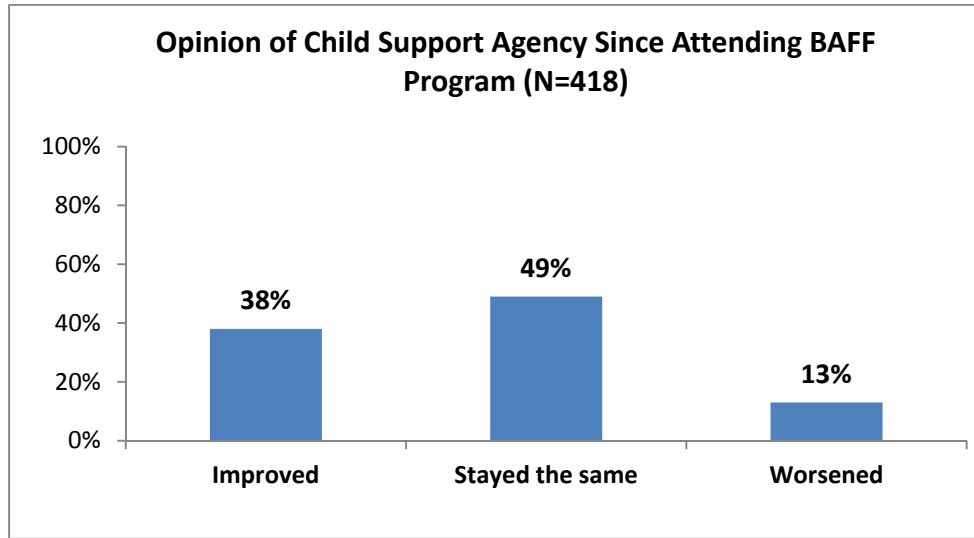


Figure 11. NCP’s opinion of the child support agency since attendance of BAFF Program.

Chapter 10: Summary and Conclusions

Summary

The Building Assets for Fathers and Families Initiative (BAFF) was a collaboration between the Office of Child Support Enforcement (OCSE) and the Office of Community Services that aimed to improve the economic stability of low-income families in the child support system by engaging NCPs in financial education, savings activity, and asset-building activities. Previous financial education and asset building efforts with low-income populations have focused on custodial mothers. The BAFF initiative was unique in targeting low-income, noncustodial parents with cases in the child support system. Tennessee BAFF was conducted in Shelby County, Tennessee (Memphis). The key project partners were the Tennessee Department of Human Services, Child Support Program (DHS), MAXIMUS (the local child support agency), the RISE Foundation, Inc., an AFI grantee and the Center for Policy Research (CPR) of Denver, Colorado, which provided technical assistance and program evaluation services.

Conducted between November 2011 and December 2013, Tennessee BAFF enrolled 1,334 NCPs to participate in the project, which involved attending a five-hour financial education class. More than a quarter of project participants (28%) also pursued additional one-on-one counseling on their financial and/or child support situation with BAFF staff.

Nearly all BAFF participants were unemployed, delinquent child support obligors who were identified by the child support agency and required to participate in the Handling Obligations Today (HOT) program to avoid further sanctions. For the duration of the BAFF program, attendance as the BAFF financial literacy class was added to the requirements imposed on NCPs enrolled in HOT. Thus, targeted NCPs were required to attend the BAFF financial literacy class, make a minimal weekly payment toward their child support obligation, and demonstrate proof that they were looking for work. In exchange, they had some of the sanctions for nonpayment of child support suspended or delayed, their driver's licenses were reinstated if they had been suspended for nonpayment, and they were eligible to receive the financial incentives (up to \$90) associated with enrolling in BAFF and participating in the program evaluation.

Other sources of BAFF project referrals were community based organizations including reentry programs, local fatherhood programs, and half-way houses. During April 2012 to December 2013, BAFF classes were offered at two local half-way houses. Although attempts were made to recruit new parents with out-of-wedlock births in hospital settings during the voluntary paternity establishment process and to engage low-income, paying obligors in the child support system by mailing them a project brochure and an invitation to participate in BAFF, few participants were recruited through these methods. New parents were too overwhelmed with other concerns to focus on financial literacy and asset-building, and paying obligors wanted

nothing to do with the child support agency and were completely unreceptive to overtures by project staff to engage.

The evaluation conducted by CPR involved collecting and analyzing information from multiple sources including: baseline information on 1,334 NCPs who enrolled in BAFF obtained from intake interviews and recorded on a management information system developed by The Lewin Group for Tennessee and the six other states in the BAFF initiative; the design and analysis of a brief check-in interview administered to 374 participants who obtained one-on-one counseling services from project staff in the three months following their attendance at the BAFF class; the design and analysis of a follow-up telephone interview conducted with 422 project participants approximately six months after they enrolled in BAFF and attended the financial literacy class (response rate of 43.6%); and the analysis of data on child support cases and payments for 1,105 BAFF participants who could be identified in the automated child support enforcement system (TCSES) during the 24 months prior to and following BAFF enrollment. CPR also conducted site visits and interviews with BAFF staff and child support personnel.

The analysis yielded the following key finding about BAFF program participants:

- Participants were overwhelmingly male (98%), African American (94%), educated to the high school level (or GED) (60%), unemployed (90%), and living with friends or family (56%). A quarter of BAFF participants lived in a shelter or halfway house, and more than half (60%) had previously spent time in jail or prison.
- Participants had an average of 1.6 child support orders, which were about nine years old and for which they owed an average of \$443 per month for current monthly child support, plus \$168 per month for past due child support, for average total monthly obligations of \$569.
- Participants owed an average of \$28,599 in past due child support, with 34 percent owing more than \$30,000.

With respect to their financial status and situation when they enrolled in BAFF:

- Few BAFF participants reported having a checking (16%) or savings account (11%) when they attended the BAFF class. Only about half (59%) said that they were comfortable doing business with a bank, and nearly a third (31%) didn't trust them.
- Nearly all reported having child support debts (87%), outstanding medical bills (46%), other past due bills (39%), and credit card balances (26%). Only about half (52%) felt that they were "in control of my money."
- More than a fifth reported using various fringe financial practices during the six months preceding their enrollment in BAFF, such as check cashing outlet (22%) and pawning an object (28%).

- More than a fifth (22%) said that they almost never paid bills on time, and an additional 33 percent reported paying in a timely manner only “sometimes.”

There were some objective financial outcomes (aside from child support payments) associated with the BAFF project:

- All 1,334 NCPs who enrolled in BAFF attended a five-hour financial education class that covered basic financial and child support information.
- 359 NCPs who attended the financial education class contacted staff for additional assistance and participated in a one-on-one counseling session (26.9%).
- 99 NCPs who attended the BAFF financial education class provided proof of having opened a new savings account and received a \$50 incentive for a banking rate of 7.4 percent (other participants reported becoming banked but did not provide documentation and did not receive an incentive).
- 2 NCPs who attended the BAFF financial education class pursued IDAs, with one making an asset purchase before the end of the project.

Many participants reported significant changes in their financial behavior and attitudes three months following the BAFF class:

- The proportion using a spending plan or budget to help meet monthly expenses rose significantly, from 36 to 71 percent.
- The proportion with a bank account rose significantly, from 27 to 36 percent, and the percentage saying they are comfortable doing business with a bank also rose significantly, from 59 to 80 percent.
- The proportion reporting that they save money regularly rose from 4 to 10 percent, and those that never save dropped from 42 to 28 percent.
- The proportion characterizing their financial situation as poor dropped significantly, from 88 to 62 percent.
- The proportion reporting that they never pay bills on time dropped from 26 to 9 percent.
- The proportion reporting that they had viewed their credit report in the previous three months rose significantly, from 16 to 23 percent.
- The proportion that reported being unsure of how to open an account dropped significantly, from 24 percent to 16 percent, and those that reported not having the proper ID to open an account also decreased significantly, from 24 percent to 7 percent.

Although most participants continued to say they didn’t have enough money to open a bank account, the BAFF financial education class emphasized the dangers of using fringe financial

services and participants reported a significant decreases in their use following class attendance.

- There was a decline in the percentage that reported cashing a check at the supermarket (20% to 10%), getting a payday loan (10% to 2%), pawning something for cash (29% to 14%), and obtaining renting-to-own merchandise (8% to 2%).

Interviews with 422 BAFF participants conducted six-months after they enrolled revealed their motives for attending the financial literacy class, their overall assessment of it, and the reasons why other NCPs might be reluctant to participate in asset-building activities.

- The chief reasons why respondents enrolled in the project were to gain a better understanding of their finances (84%), and to request the reinstatement of any state licenses revoked by the Child Support Program, principally their driver's license (69%). The \$90 incentive that participants could earn through project participant was a reason given by only 25 percent.
- Nearly all respondents reported learning about the key topics covered in the class such as understanding credit scoring, creating a spending plan, setting financial goals, saving money, understanding child support, and getting more comfortable with banking.
- More than half (58%) of BAFF respondents gave the program a rating of "excellent" and 33 percent characterized it as "good."
- Respondents felt that the chief reasons why other NCPs would not attend a financial literacy class was not trusting the child support agency (71%) and not having enough money to think about how to save (73%).

More than half (54%) of the 433 interviewed participants said that they had used most of the information presented at the BAFF class to manage their finances, and another 35 percent said that some of the information had been helpful. The following highlights the specific changes in financial behavior and attitudes that participants report experiencing in the six months following the BAFF class.

- Reported levels of savings account ownership rose from 11 to 23 percent, and regular savings activity increased from 11 to 15 percent.
- Reported use of a savings plan or budget rose from 23 to 69 percent.
- Reported payment of bills in a more timely manner rose from 46 to 65 percent.
- Reported use of payday loan centers or check cashing outlets dropped from 27 to 11 percent.

Although nearly all interviewed participants reported positive financial aspirations following the class including being more interested in saving money (97%), having financial goals (92%), being

a smarter shopper (87%), eating out less often (82%), and feeling better about their financial future (85%), they continued to have very tenuous financial lives.

- About half of interviewed BAFF participants had used family and friends for help with transportation, housing, and/or money in the past six months at least “sometimes.”
- Most characterized themselves as “struggling” (62%) or not making ends meet (23%), with only 16 percent saying they were “doing okay.”

Child support payment activity for BAFF participants significantly improved following enrollment in the program although their arrears balances grew.

- Average annual payments for current support increased 20 percent from \$850 in the 12 months prior to enrollment in BAFF to \$1,020 in the 12 months following enrollment.
- The percentage of owed child support that participants paid increased from 19.9 percent in the 12 months prior to enrollment in BAFF to 28.9 percent in the 12 months post-enrollment.
- Post-program payments were significantly higher than pre-program payments at six, 12, and 24-month intervals, although the improvements narrowed over time, with the biggest gains registered in the first 12 months following enrollment.
- Average arrears balances for BAFF participants rose 9.5 percent from \$28,599 at project enrollment to \$31,324 when the child support extract was generated in March 2014.

Pre- and post-program improvements in child support payments were most substantial for those who pursued one-on-one counseling with BAFF staff in addition to the literacy class. They were also more substantial for those who had their driver’s license reinstated as a result of participating in BAFF.

- The average percentage of child support due that was paid increased from 22 to 37.9 percent for those who had a one-on-one counseling session with BAFF staff in addition to the class, as compared with an increase of 20.1 to 25.6 percent for those who just attended the BAFF class.
- The average percentage of child support due that was paid increased from 18.3 to 31.9 percent for those who had their driver’s license reinstated in the six months following their enrollment in BAFF, as compared with increases from 17 to 26.4 percent for those who did not have their license reinstated.

Interviewed BAFF participants reported having more favorable opinions of the child support agency.

- Following their participation in BAFF, 38 percent of respondents reported that their view of the child support agency had improved, 49 percent said their views had stayed the same, and 13 percent said they had worsened.

Interviewed BAFF staff and child support personnel confirmed that recruitment was very challenging and that the project's high enrollment figures were due to its combination with the HOT program for delinquent child support obligors and the more compulsory nature of that program. Although they acknowledged that BAFF participants' tenuous financial circumstances made it impossible for them to take advantage of the project's asset-building opportunities, they felt that BAFF had helped to restore trust in the child support agency and provided information that was useful for men and women at every income level. Like participants, they attributed their inability to recruit employed and paying obligors to distrust of the child support agency and the limited appeal of savings and asset building activities to people who have more pressing financial issues.

Conclusions

Tennessee BAFF showed that child support and asset building agencies can collaborate to develop a large-scale, mutually beneficial project that is well received by participants. The BAFF financial literacy class that was offered included information on money management, savings and asset-building activities, and child support. The project targeted NCPs in the child support program and succeeded in enrolling 1,334 fathers who attended a five-hour financial education class. More than a quarter of the NCPs (26.9%) pursued a one-on-one financial counseling session following the class, and 99 (7.4%) met with project staff, presented evidence of having opened a savings account, and received a \$50 incentive. Participants interviewed six months after attending the class rated it very highly, with 58 percent characterizing it as "excellent" and 33 percent rating it as "good." For the RISE Foundation, BAFF presented an opportunity to expand financial literacy outreach to a new population—namely, low-income men. For the child support agency, BAFF presented an opportunity to offer low-income clients a new service—namely, information on money management as well as case-specific information on child support. BAFF also helped the child support agency to build trust in the community and rehabilitate its image among low-income NCPs.

Tennessee BAFF improved the image of the child support agency among participants although high levels of agency mistrust limited the ability to recruit and engage a wider range of child support clients. Six months after the BAFF class, 38 percent of interviewed participants said their opinion of the child support agency had improved and only 13 percent said it had worsened. While this is encouraging, the high level of mistrust about the child support agency severely limited its ability to recruit NCPs to participate in BAFF. Paying NCPs who were contacted about BAFF wanted nothing to do with the child support agency and it proved to be

impossible to generate referrals from this pool of obligors. Instead, BAFF relied on referrals of delinquent obligors who were largely motivated to participate to avoid further sanctions by the child support agency, and have their driver's license reinstated. Financial participation incentives were strong motivators for 25 percent of participants as compared with 69 percent who attended to get their driver's license reinstated.

Tennessee BAFF enrolled NCPs who were so financially challenged they could not take full advantage of the savings opportunities and incentives available through BAFF. Project staff was successful in enrolling into BAFF delinquent NCPs and ex-offenders in halfway houses. Most were enrolled in the child support agency's HOT program, which offered driver's license reinstatement and suspended other enforcement actions for obligors who attended the financial literacy class, made a minimal child support payment, and looked for a job. Most BAFF participants were African American, poorly educated, unemployed, and had a prison record. In addition to these barriers, they had large child support obligations, debts, and other challenges that limited their financial options and their ability to use the money management and savings information they received at the BAFF class and the opportunity to pursue an IDA.

Financial education is appealing to many low-income NCPs and appears to inspire a variety of positive, self-reported attitudes and behaviors including increases in budgeting and banking and decreases in the use of fringe financial institutions. Nearly all interviewed participants (84%) said they had enrolled in BAFF for financial information, were pleased with the information they received, and said that they had used at least some of it to guide their financial behavior. The biggest behavioral changes they reported making involved the use of a spending plan or budget, becoming banked, paying bills in a more timely manner, and using payday loan center, check cashing outlets, and other fringe financial institutions less often. Participants also reported being more interested in saving money, being a smarter shopper, eating out less often, and feeling better about their tenuous lives. Naturally, it is difficult to assess the true impact of Tennessee BAFF on participants since CPR lacked any objective measure of banking and other behaviors and the data are all based on participant reports about socially desirable behaviors.

Child support payment behaviors improved significantly among Tennessee BAFF participants although the gains also might be due to other HOT program requirements. NCPs in the BAFF class paid significantly more money in child support in the six, 12, and 24 months following their enrollment in the program as compared with their pre-program payments. Average annual payments increased by \$170 (20%). And the percentage of owed child support that participants paid increased from 19.9 percent in the 12 months prior to enrollment in BAFF to 28.9 percent in the 12 months post-enrollment. Although payment improvements narrowed over time, they remained significantly better at 24 months post-enrollment. The participants who registered the biggest gains were those who obtained one-on-one counseling services as well as the class

and those who had their driver's license reinstated following enrollment. While these payment patterns are encouraging, they cannot be attributed to the financial literacy treatment. One limitation of the evaluation is the combination of the HOT program intervention of mandatory minimal child support payments on a monthly basis and work search requirements and with the BAFF treatment of financial literacy class attendance. Another evaluation limitation is the lack of a non-treatment comparison group.

Financial education is appreciated by low-income NCPs but does not change their objective financial situation. While nearly all BAFF participants rated the program as either “excellent” (58%) or “good” (33%), and 85 percent said that they felt better about their financial future, other indicators suggest that their financial situation was very tenuous. Half of interviewed participants reported relying on family or friends for help with transportation, housing, and money in the past month. Nearly all (85%) characterized their financial situation as “struggling” or “not getting by.” Only 16 percent of interviewed participants reported being employed full time. Average gross household incomes stood at only \$10,411. And even though child support payments for BAFF participants were significantly higher than they had been before they enrolled in BAFF, they accrued child support arrears, with average balances rising from \$28,599 to \$31,324. Indeed, this population is more concerned about making ends meet day to day rather than longer-term savings goals.

Individual Development Accounts (IDAs) are unsuitable incentives for low-income NCPs. Tennessee BAFF succeeded in enrolling 1,334 low-income NCPs, all of whom attended a five hour financial literacy class. Subsequent to the class, 359 pursued one-on-one financial counseling with project staff and 99 BAFF participants opened a savings account and received a \$50 incentive for documenting this activity. To contrast, only two pursued an IDA. IDAs are matched savings accounts designed to help individuals save money at an accelerated rate to be used to buy a first home, capitalize a small business, or enroll in postsecondary training or education. IDAs and the financial goals they aim to foster are totally unsuitable for unemployed, NCPs in the child support system. As previously noted, most BAFF participants reported no employment or income, average monthly child support obligations of \$569, and average amounts of past-due child support of \$30,000. In addition, many BAFF participants also had outstanding medical bills (46%), student loans (22%), and credit card balances. Meeting everyday household consumption needs is a priority over saving for a longer-term asset purchase. Staff were certain that if the project had enrolled employed NCPs who were current on their child support, the project would have resulted in more IDAs and savings account activity.

Driver's license reinstatement, step orders, and forgiveness of state-owed arrears might be more compelling incentives for parents in the child support system. More than two-thirds (69%) of interviewed Tennessee BAFF participants said they attended the financial literacy class

to get their driver's license reinstated. To contrast, only 25 percent said they attended to receive the \$90 in incentives offered for participation. Evaluations of other programs with NCPs find that minimum child support orders, forgiveness of state-owed arrears, and suspension of enforcement actions are also attractive incentives. Future programs that seek to promote financial literacy and other pro-social behaviors should explore the use of incentives that appeal to NCPs.

Financial literacy programs should be combined with workforce programs for NCPs and other services to address barriers to payment. By combining with the HOT program, BAFF was able to enroll 1,334 NCPs and provide financial literacy education to a much larger number of parents than it could attract for a stand-alone intervention. The downside to the approach was that the HOT program focuses on unemployed, delinquent child support obligors. As a result, BAFF participants were uniformly low-income and unemployed and unable to take full advantage of the spending and saving information presented in the BAFF class and the asset-building opportunities offered through the program. Despite mass mailings and telephone outreach efforts, BAFF was unable to enroll employed, paying obligors in the program. Once child support orders are established, agencies have little contact with obligors unless they become delinquent and are subject to enforcement actions. Future programs should explore the feasibility of offering financial education to parents when new child support orders are established or modified. It might also make sense to incorporate financial education in workforce programs for parents in the child support system.

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