



Financial Capability

IASN Participant Survey Results

April 2013



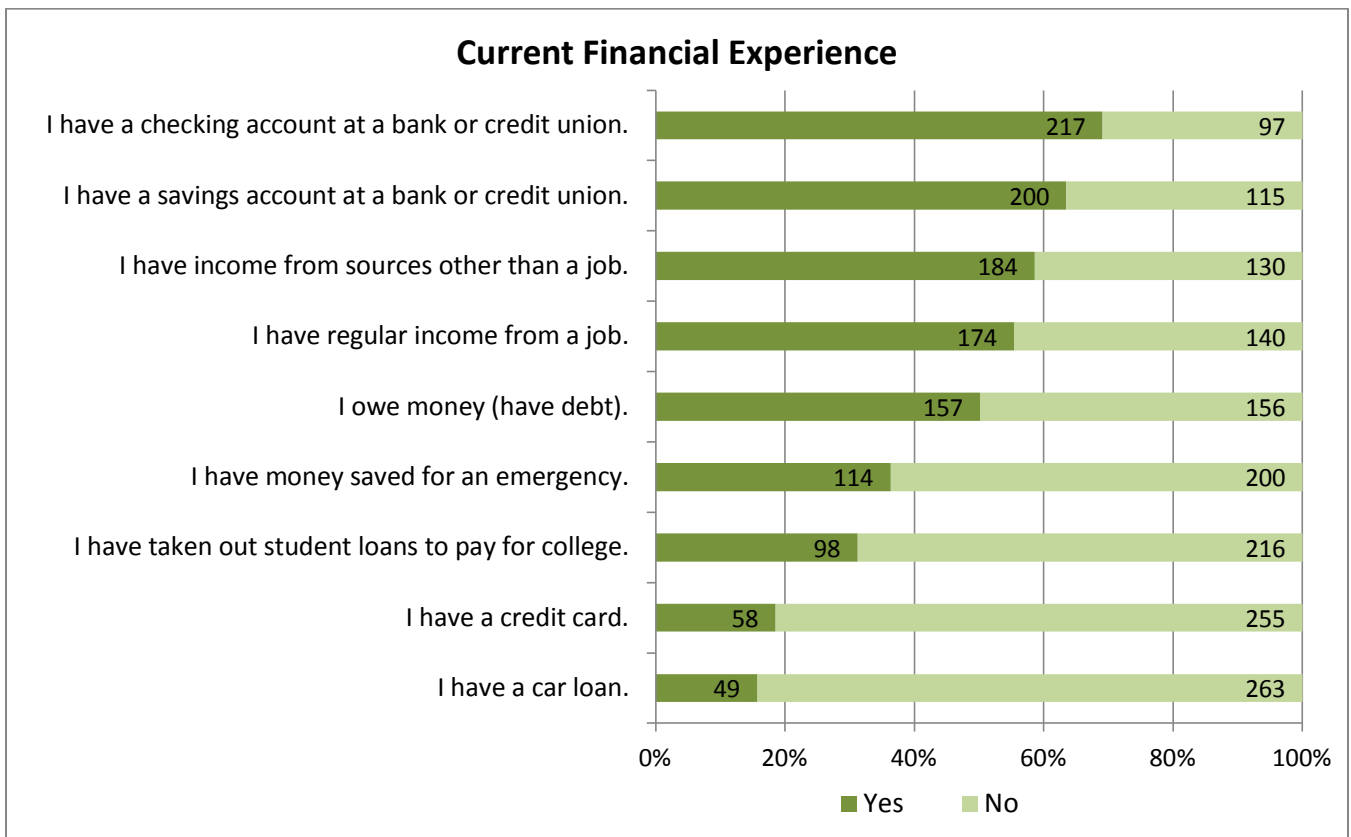
FINANCIAL CAPABILITY of YOUNG ADULTS TRANSITIONING FROM FOSTER CARE

Survey Results from the Iowa Aftercare Services Network

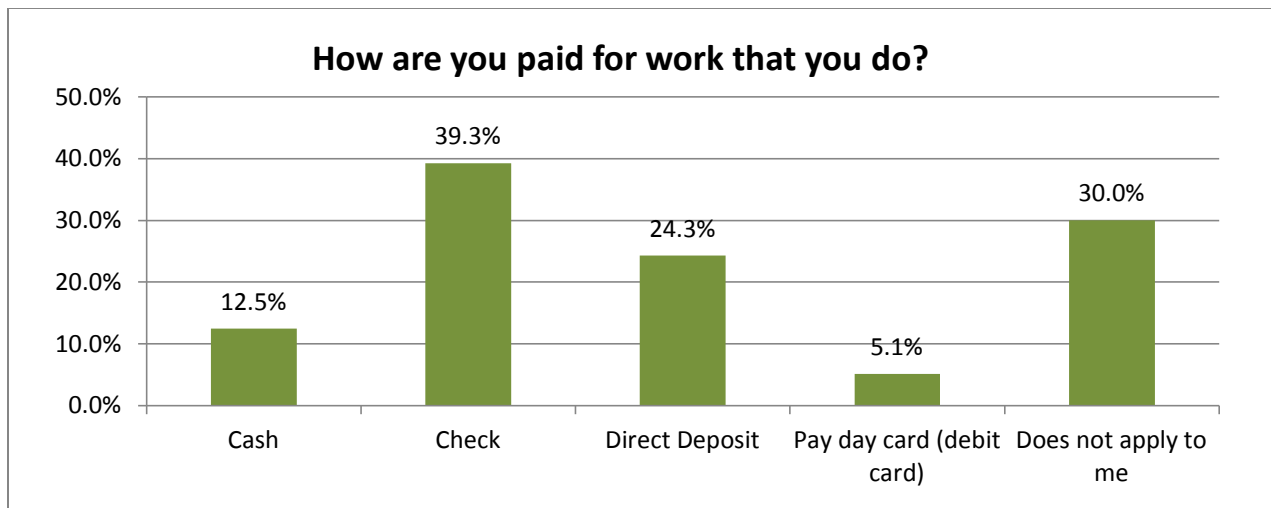
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Iowa’s Aftercare and Preparation for Adult Living Services are available on a voluntary basis to young adults ages 18 to 21 who have aged out of foster care. The Iowa Aftercare Services Network, which provides services and supports to this population, conducts semi-annual satisfaction surveys of all participating young people. The survey is occasionally used as an opportunity to gather more in-depth information about specific issues affecting this population. In April 2013, the survey included a series of questions to about the financial capability knowledge, skills, and habits of participating youth. The results of the survey are being used to inform the financial capability services and supports needed by this population.

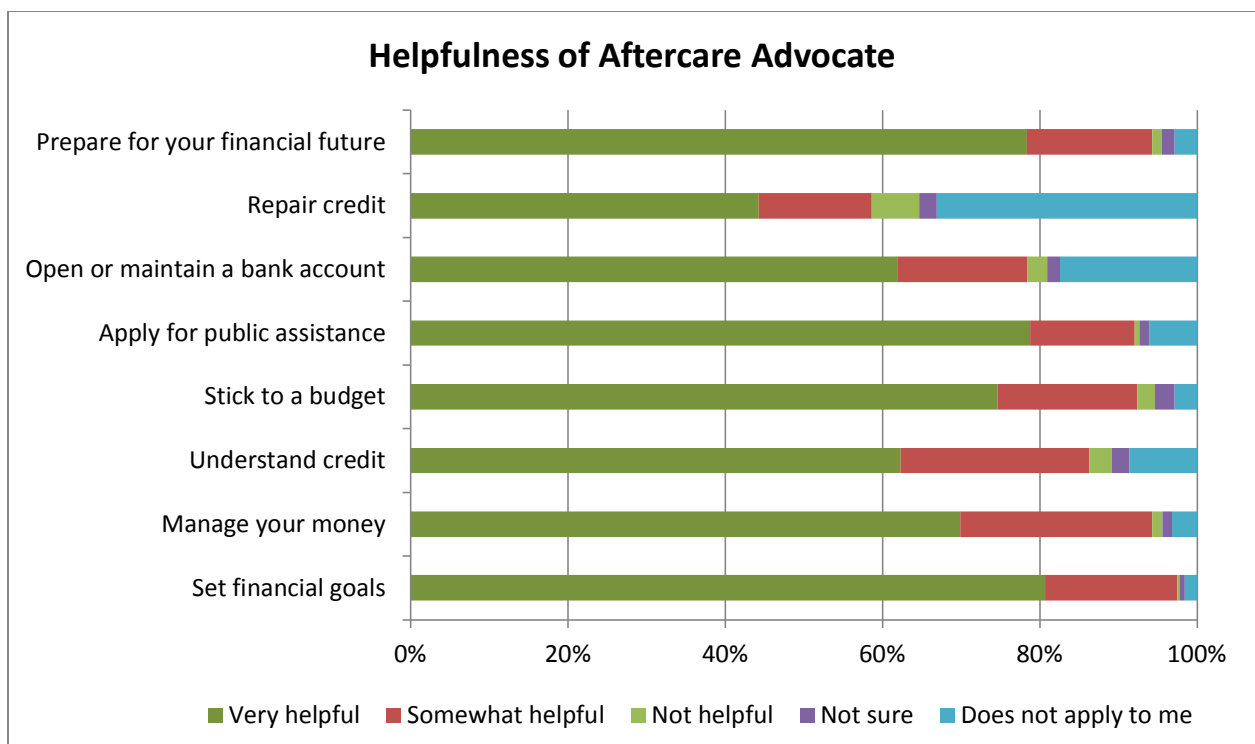
Approximately two-thirds of Iowa Aftercare participants have checking and savings accounts, and a majority of these young adults have regular income from either a job or other sources. Half report that they owe money or have debt and only a third have money saved for an emergency. Less than 20% of participants reported that they have either credit cards or car loans, while 31% have student loans.



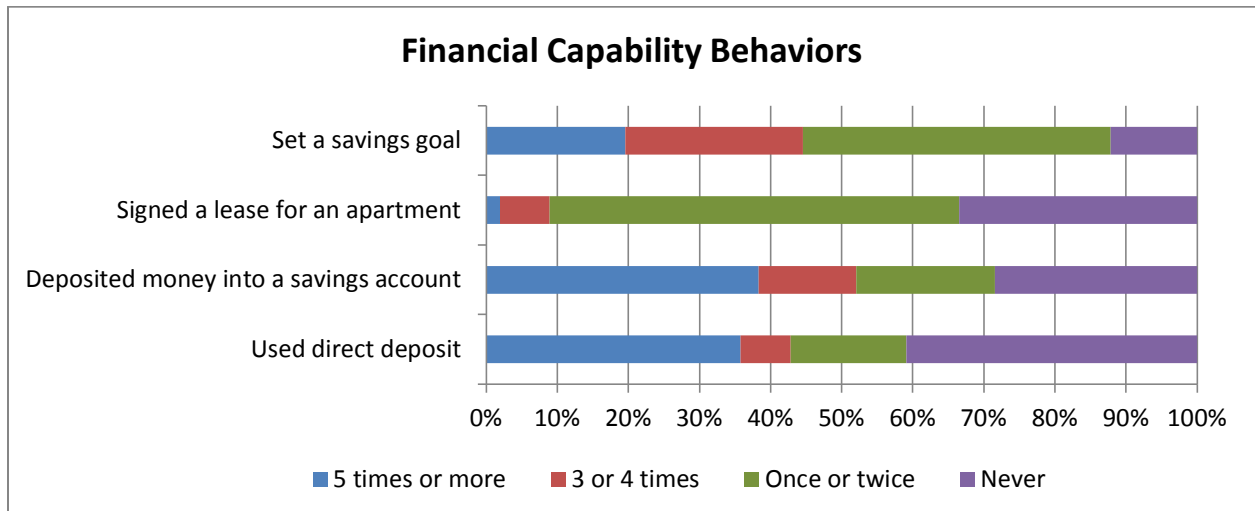
Young adults in Aftercare are paid for work they do through a variety of mechanisms. Most (39.3%) are paid by check and another quarter (24.3%) use direct deposit. Another 12.5% report being paid in cash and 5.1% indicated that they were paid via a payday (or debit) card. Fully 30% of youth indicated that being “paid for work” does not apply to them.



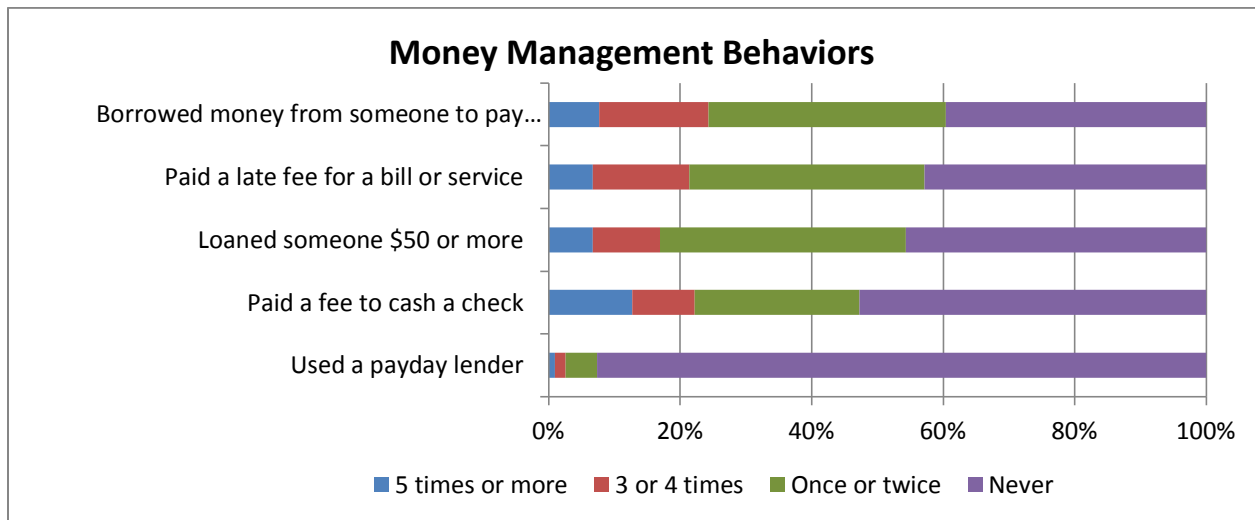
Support from Aftercare: Overall, young people reported that the assistance they received from their Aftercare Self-Sufficiency Advocate (SSA) on financial matters was “somewhat” or “very” helpful. As shown in the table below, participants indicated that their SSA was “very helpful” in helping them set financial goals, apply for public assistance, prepare for their financial future, and stick to a budget. SSAs could potentially improve their support of youth in areas of managing money and understanding credit.



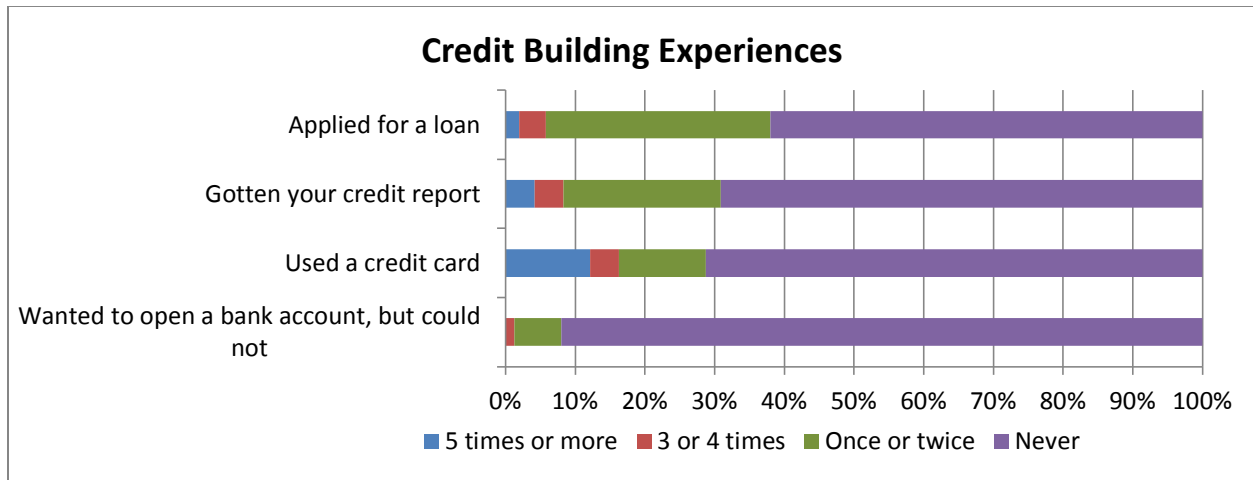
Financial Behaviors: Another series of questions on the survey asked how often since leaving foster care had the participant engaged in specific financial activities or behaviors. Results are shown in the three tables below. Nearly 90% of participants indicated that they had set a savings goal at least once since leaving foster care, and more than 40% had set savings goals three or more times. Two-thirds had signed a lease for an apartment at least once, while a smaller number had signed leases multiple times. When it came to regular financial habits, such as depositing money into a savings account or using direct deposit, about 40% to 50% of participants indicated that they did this three or more times since leaving care.



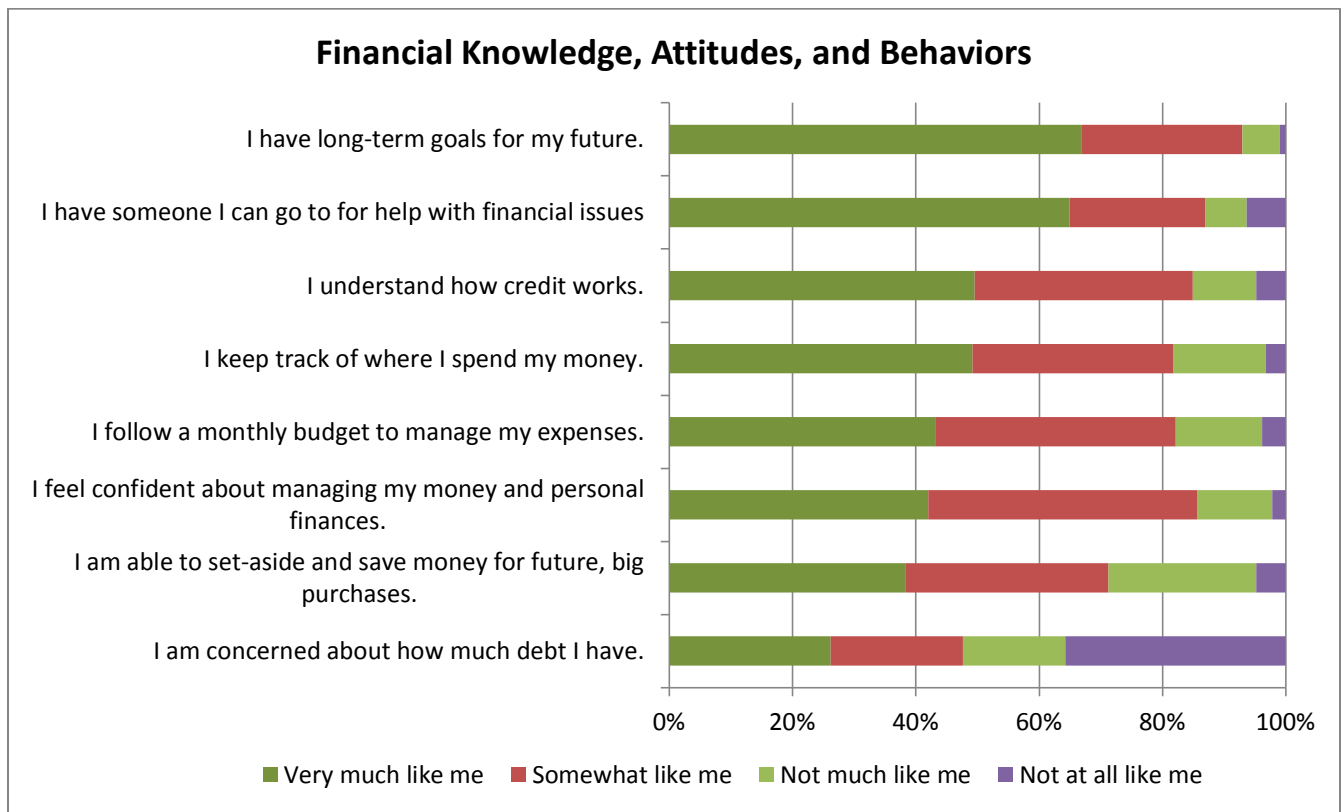
Participants also reported less positive habits when it comes to managing their finances. Sixty percent have had to borrow money to meet their expenses at least once since leaving care, and nearly 60% have paid a late fee for a bill or service. About half have also loaned someone else \$50 or more at least once. Paying fees for cashing a check or using payday lenders are less common.



Building Credit: Aftercare and PAL participants have significantly less experience in activities that would help them build credit. Less than 40% have ever applied for a loan, and less than 30% have ever used a credit card. Only 30% have ever gotten their credit report, an area that SSAs could be addressing with participants.



Financial Attitudes: Finally, the survey asked participants to assess themselves in terms of a number of statements related to financial knowledge, attitudes and behaviors. Answer options ranged from “very much like me” to “not at all like me”. Responses are shown in the table below.



DEMOGRAPHICS

What is your gender?	Percent	Number
Male	38.1%	118
Female	61.9%	192
<i>answered question</i>		310
<i>skipped question</i>		11

How old are you?	Percent	Number
18	27.2%	85
19	36.4%	114
20	35.1%	110
21	1.3%	4
<i>answered question</i>		313
<i>skipped question</i>		8

What best describes your current situation?	Percent	Number
Working only	40.4%	129
Going to school only	22.9%	73
Working AND going to school	19.7%	63
Not working and not going to school	16.9%	54
<i>answered question</i>		319
<i>skipped question</i>		2