Building Assets for Fathers and Families
Colorado Triple Play
Final Report

Prepared by:

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BUILDING ASSETS FOR FATHERS AND FAMILIES: COLORADO TRIPLE PLAY

FINAL PROJECT REPORT

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This report is the final product of a four-year demonstration project. During that time, many individuals contributed to the design and implementation of project activities and the subsequent data collection on project outcomes. There is not space here to recognize and thank all of these individuals adequately. However, I would like to acknowledge the contributions of a few key people whose efforts were especially critical to the success of the project and the outcomes achieved.

- Colorado Division of Child Support Services (DCSS): Terry Spindler, the original project director, guided this project from its conception to implementation. Despite numerous challenges during project operations, she made the mid-course corrections needed to keep the project on track.

- Adams and Jefferson County Offices of Child Support Services: This report would not have been possible without the active, ongoing support from child support staff in the two demonstration counties. They were extremely helpful to and supportive of the NCPs who enrolled in Colorado Triple Play and helped me access the information I needed for this report.

  - ✓ Adams County: My thanks to Velta Straube, Director of the child support program, and her staff who at various times served as the grant coordinators for the project. This included Janet Williams, Jeff Osborn, and Sabrina Martinez.

  - ✓ Jefferson County: Katie Smith, Court Team Supervisor, was the grant coordinator in Jefferson County. She was a strong booster of Colorado Triple Play and it is primarily thanks to her efforts that several NCPs established IDAs and completed the exit surveys from the financial literacy classes. Ray Washington, Director of the Fatherhood Program, also was helpful in promoting the IDA program among the NCPs in his peer support group.

- Mile High United Way (MHUW): MHUW staff operated the IDA program for Colorado Triple Play. Kimberly Roy, Margarita Ruiz and Sandra Jimenez all played important roles in helping NCPs complete their IDA applications, meet the program requirements, and make asset purchases.

Thank you to everyone involved in Colorado Triple Play.

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CHAPTER 1
INTRODUCTION

Colorado Triple Play, the name given to the Building Assets for Fathers and Families (BAFF) demonstration project in Colorado, was one of seven grants awarded by the federal Office of Child Support Enforcement (OCSE) to states around the country. The project began October 1, 2010 and operations continued through September 30, 2013. The two county child support programs that participated in the demonstration, Adams and Jefferson Counties, have continued to provide support to the noncustodial parents (NCPs) who enrolled in the program prior to the end date of operations. However, they have not recruited new NCPs to participate. The purpose of this report is to document the planning, implementation and operation of the project and to report study findings.

BACKGROUND TO THE PROJECT

Colorado Triple Play was the evolution of a long series of projects implemented by the Colorado Division of Child Support Services (DCSS) to improve the financial situation of NCPs and thus improve the outcomes of the child support program. The state has had a long history of implementing successful demonstration projects to support and address the needs of low income NCPs. These have included workforce programs, access and visitation programs, early intervention programs, debt forgiveness, order establishment programs that reduced the use of default orders, customer service programs, and comprehensive fatherhood programs that provide support on multiple levels (e.g., referrals to counseling, mediation, parenting education). Indeed, at the time of the grant application, Colorado was concluding a five-year statewide Responsible Fatherhood Program to deliver a wide range of services to low-income NCPs.

One of the lessons learned from the Responsible Fatherhood Program was that a major obstacle in addressing finances with low-income fathers was their lack of education about financial issues generally (e.g., money and debt management, access to financial services, EITC, building assets). Even with financial education, however, many low income NCPs find it difficult to change their financial behavior because of limited earnings, high child support debt, and little employment stability. The Assets for Independence Program (AFI), established in 1998, offered an opportunity for low income NCPs to build assets through the use of matched Individual Development Accounts (IDAs). Several researchers have touted the benefits of combining financial literacy and IDA programs to help parents build assets, such as home ownership, small business start-ups, and post-secondary education.[1] Colorado thus viewed the OCSE demonstration grant as an opportunity to give low-income NCPs access to the asset-building world that they had trouble entering.

In developing its BAFF program, DCSS had a major partner in Mile High United Way (MHUW). MHUW was an AFI grantee and had been operating a successful assets-building program since 2000 through its partner agencies. Collaborating with MHUW was an opportunity for DCSS to achieve multiple objectives, including:

- Develop a structured program to help low-income NCPs develop financial literacy and build assets to help them become more self-sufficient.
- Collaborate with other public and private organizations with which it had not traditionally worked and thus expand its partner network in serving NCPs in its child support caseload.
- Learn what is needed to sustain service delivery to NCPs and whether this opportunity could improve child support metrics.

The grant also was an opportunity for MHUW to expand its services in the community, work with a new partner, and assist a population it had not been able to serve effectively.

COLORADO TRIPLE PLAY LOGIC MODEL

Early in the project, DCSS created a logic model for Colorado Triple Play to guide the project's activities and monitor progress. The logic model, shown below in Exhibit 1-1, was developed under the following assumptions:

- MHUW has operated an IDA program successfully for ten years. The program can be modified to serve NCPs.
- Adams and Jefferson Counties serve a large low-income IV-D population that could be eligible for IDA program services and that will be interested in participating in the program.

[1] See, for example, Sherraden, M. (March/April 2000) "Building Assets to Fight Poverty," National Housing Institute 25th Anniversary Essays Issue #110 and Roulet, M. (June 2009) "Financial Literacy and Low-Income Noncustodial Parents" Policy and Practice Series (Center for Family Policy and Practice: Madison, WI).

EXHIBIT 1-1: COLORADO TRIPLE PLAY LOGIC MODEL

Activities	Immediate Outcomes (Outputs)	Intermediate Outcomes		Final Goals
▪ Define eligibility criteria for participation and identify success factors ▪ Refine existing financial literacy training modules to include child support issues ▪ Develop diagram/protocol for how NCPs will be referred, receive services and complete/exit the program ▪ Design data collection instruments for evaluation ▪ Define roles and responsibilities for each partner in the collaboration (case management plan) ▪ Develop a sustainability plan	▪ Cross-trained staff in the mission and program objectives of each major partner ▪ NCPs will sign agreements to cooperate with the IV-D program requirements for participation ▪ NCPs will be satisfied with the financial literacy training modules ▪ All NCPs who sign consent forms will be referred to financial literacy training classes ▪ All NCPs who sign consent forms will be referred to the county fatherhood program	▪ 50% of NCPs who begin financial literacy training will complete the training ▪ NCPs will complete the MHUW asset-building program ▪ NCPs will know how to apply for and will receive EITC benefits ▪ NCPs will know how to apply for an adjustment to their child support order ▪ NCPs will pay a higher proportion of the support they owe ▪ NCPs will pay down on their child support arrears balances.	▪ New/better partnerships between child support and other human services agencies will emerge (e.g., TANF, Workforce, Child & Family Services, ODR) ▪ NCPs' child support orders will be adjusted to more appropriate levels ▪ The proportion of NCPs who have checking and savings accounts will increase after they complete financial literacy training	▪ 45 NCPs will purchase assets through the program. ▪ NCPs will move toward becoming more self sufficient; more stable providers for their families (off public assistance) ▪ Child well-being (as measured by financial support, access) will improve ▪ CSE will have a funded NCP asset-building program that is sustainable & replicable ▪ NCPs' image of the child support program will improve

- Asset building is an effective anti-poverty strategy for NCPs.
- The key stakeholders are MHUW, child support agencies and their attached fatherhood programs. They are willing to collaborate on delivering asset building services to the target population of NCPs.

The primary goal for the project was to recruit and refer NCPs to the IDA program for an asset purchase and that 45 of those NCPs would make a purchase, either a home, a small business, or post-secondary education. Equally important goals, but of somewhat lesser importance, were to improve (1) NCPs' self-sufficiency, (2) child well-being, (3) child support metrics (increased compliance with child support orders and reduced arrears), and (4) the image of the child support agency among NCPs.

TRIPLE PLAY PROJECT ORGANIZATION

Colorado Triple Play was primarily a collaboration between DCSS and MHUW. The two organizations collaborated on the original grant proposal and worked closely in the initial planning for and organizing of project operations. A second tier of partners were the two county child support agencies in Adams and Jefferson Counties that had agreed to participate and the State's Responsible Fatherhood Program.

Exhibit 1-2 displays selected demographic statistics about the two counties that were the project demonstration sites. The statistics show that generally, the population in Jefferson County is a bit younger, more heavily Hispanic, somewhat better educated, and somewhat wealthier than the population in Adams County.

DCSS and MHUW organized a steering committee to oversee the project design, implementation and operations. The committee included representatives from (1) DCSS, (2) MHUW, (3) county child support agencies in Adams and Jefferson Counties, (4) federal OCSE, (5) fatherhood programs (both at the state and local levels), and (6) social service agencies. The initial meetings of the steering committee were dedicated to educating the members about the goals and initial design of Colorado Triple Play, the fundamentals of the child support program, the facets of the IDA program at MHUW, and an introduction to fatherhood programs. This cross training proved to be a valuable introduction to the collaboration needed to execute the project activities successfully.

Exhibit 1-2: Demographic Profile of the Demonstration Project Counties		
Characteristic	Adams County	Jefferson County
Population (2013)	469,193	551,798
Age • Mean age • Mean age of males	 40.4 years 39.0 years	 32.4 years 31.9 years
Race/ethnicity • Caucasian • African American/Black • Hispanic (any race) • Other	 73.4% 0.7% 14.3% 11.6%	 53.2% 2.8% 38.0% 6.0%
Education • < high school graduate • BA/BS degree or higher	 18.9% 20.7%	 6.5% 40.4%
Income • Per capita income last 12 months • Median household income • % below poverty level	 $24,357 $56,633 14.2%	 $36,069 $68,748 8.6%

Even though the project was being directed and managed by DCSS, at the outset of the project DCSS and MHUW were co-equal partners in that they each had a well-defined role in the execution of project activities. That is, DCSS would work with the Adams and Jefferson County child support agencies to recruit NCPs into the project and refer them to MHUW to enroll in the IDA program. Staff at MHUW would work directly with the NCPs to meet the IDA program requirements and subsequently help them purchase one of three assets (i.e., home, small business, post-secondary education). The remaining partners were included principally to provide support services to the NCPs, such as job search and peer support.

Exhibits 1-3, 1-4 and 1-5 provide a visual display of the project operations:

- Exhibit 1-3 shows how NCPs were recruited to participate in the IDA program
- Exhibit 1-4 displays the process by which NCPs received services
- Exhibit 1-5 outlines the steps in the IDA process and purchase of an asset

Each of the exhibits is accompanied by a table that describes the process steps.

<u>NCP Outreach and Recruitment (Exhibit 1-3)</u>

The Triple Play project coordinators in each of the two demonstration counties were responsible for recruiting NCPs from their child support caseloads. They did this in a few ways:

- <u>Reports:</u> DCSS ran separate *ad hoc* reports of child support cases for the two counties that provided the county coordinators a list of NCPs who might be eligible for Colorado Triple Play (based on a limited set of selection criteria). The county coordinators used this list to make cold calls to NCPs to interest them in program participation.

- <u>Referrals:</u> the county coordinators elicited cooperation from enforcement case specialists to identify potentially eligible NCPs. The coordinators called these NCPs and invited them to participate.

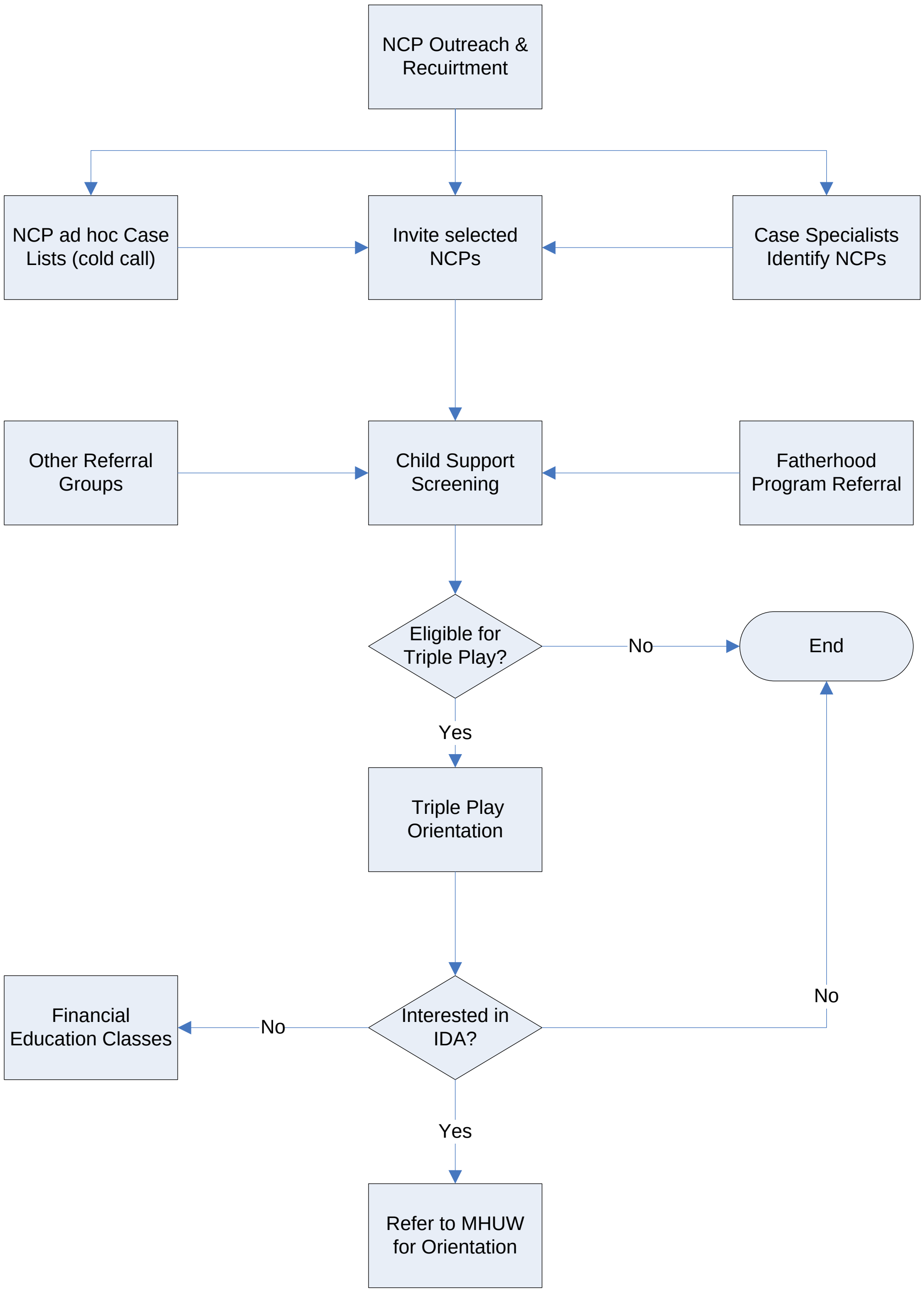
- <u>Invitations:</u> the county coordinators may have identified cases in their own caseloads or from other sources (e.g., the Problem-solving Court and Fatherhood program in Jefferson County) they believed might be interested in the IDA program opportunity.

If the NCPs could not be reached by telephone, the coordinators mailed information about Colorado Triple Play and the IDA program opportunity to them. (See Appendix A for the Triple Play flyer and brochure designed for the project.)

Each NCP who expressed interest in the Triple Play project completed an intake form at the child support agency. The form captured a wide range of demographic and financial information about the NCP and it authorized access to that information by the key parties to the grant, including the evaluator. The coordinators entered the information to the BAFF database, which was the main source of data for the project evaluation.

The NCPs who were interested in the IDA program received an orientation to the program by staff from MHUW. The orientation explained the program eligibility criteria, including the financial criteria (e.g., household income threshold, earned income). At orientation, MHUW staff also explained the requirements for NCPs to attend financial literacy training, meet with a counselor, complete an application, save money into their IDA on a monthly basis, and other requirements that were special to the type of IDA purchase (i.e., home, small business enterprise, post-secondary education). Many NCPs decided not to proceed with the IDA program after orientation because they did not believe they were qualified to participate, could not meet the requirements expected of them, or were no longer interested. These NCPs may have dropped out of Colorado Triple Play completely or decided to participate only in the financial literacy component of the program.

Exhibit 1-3
Colorado Triple Play: NCP Outreach and Recruitment



Triple Play Project: NCP Outreach and Recruitment		
Process Step	**Description**	**Comments**
1a	NCP Ad Hoc Case Lists	• The State Division of Child Support Services prepared a list of cases from the automated system ACSES of potentially eligible NCPs. NCPs had to meet a set of eligibility criteria established by the State CSE agency and the county CSE program directors.
1b	Invite Selected NCPs	• The county program coordinators may identify NCPs for participation and specifically invite them to consider participation.
1c	Case Specialists Identify NCPs	• Case specialists were asked to recommend NCPs for possible participation in Triple Play. They may have made telephone calls to the NCPs to assess interest and/or mailed them literature (e.g., MHUW brochure, Triple play brochure) about the IDA program.
2	Child Support Screening	• The Triple Play coordinator in each county completed an intake application for all NCPs recruited by the local CSEs or referred from other agencies.
3a	Fatherhood Program Referral	• Jefferson County has a fatherhood program that works closely with CSE and they referred NCPs to CSE for consideration as Triple Play participants. These referrals had to meet the Triple Play eligibility requirements that all participants had to meet.
3b	Referrals from other Groups	• Other agencies (e.g., Workforce, MHUW, community and faith-based organization) also were able to make referrals to Triple Play. The CSE program coordinators would screen the NCPs to ensure they met the eligibility requirements established for program participation.
4	Eligible for Triple Play?	• The county coordinator may have determine whether the NCP potentially was eligible to participate in Triple Play.
5	Triple Play Orientation	• NCPs who qualified for Triple Play based on an initial screening were invited to attend a Triple Play orientation at the child support agency or at MHUW.
6	Interested in Triple Play?	• After the orientation, NCPs were asked if they were still interested in participating in Triple Play. They could decide (1) they were not interested and that was the end of the process, (2) they were interested in some features of Triple Play but <u>not</u> the IDA purchase and decided to attend financial education classes, or (3) they were interested in an IDA purchase and be referred to MHUW for further assessment, intake, and possible IDA program enrollment.
7	Refer to MHUW for Orientation	See Step 2: MHUW IDA Process • MHUW has its own process for screening, qualifying, and enrolling people in the IDA program. The county CSE coordinator referred interested, IDA-eligible NCPs to MHUW to begin its IDA program process. The first step in that process was an orientation to the IDA program and its requirements.

Triple Play Project: NCP Outreach and Recruitment		
Process Step	**Description**	**Comments**
8	Refer to Financial Education Classes	• The county CSE coordinator may have decided not to refer NCPs to MHUW for the IDA program because they were not be ready to participate. She may have decided to refer them to financial education classes to help them with their financial needs (e.g., credit repair, banking) • The NCP may have decided to attend the classes (attendance was voluntary and scheduling attendance was the responsibility of the NCP).

NCP Options: Moving from Recruitment to Asset Purchase (Exhibit 1-4)

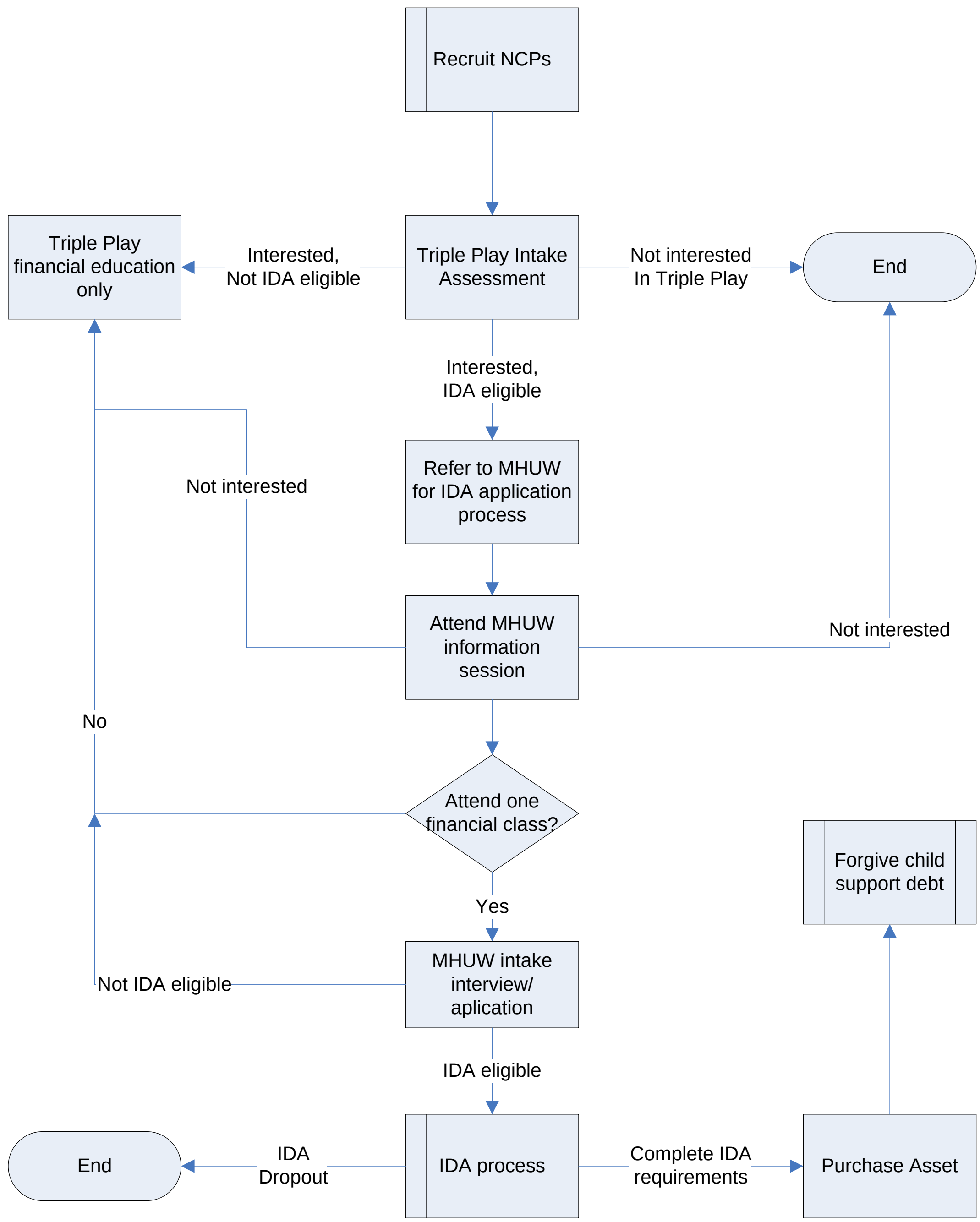
There were several points in qualifying for the IDA program where NCPs could drop out or only attend the financial literacy education classes.[2] These various routes toward establishing an IDA, continuing with financial literacy classes only, or dropping out of the program completely are illustrated in Exhibit 1-4 and explained in the accompanying table.

The IDA program was somewhat complex by design. MHUW wanted participants to be committed to the process and take initiative and responsibility to complete the various requirements. This proved challenging for many NCPs. First, the application process proved difficult for many of them. MHUW frequently requested more information, did not provide advice and/or did not review applications in a timely manner, or made new demands on applicants. Other obstacles surrounded the completion of other requirements.

- Financial Literacy classes: none of the classes was offered at the child support office or at MHUW. Toward the end of the project (i.e., the last six months), the child support office in Adams County offered the classes once a week, but prior to that time NCPs may have had to attend classes in various locations in the Denver metropolitan area. Transportation to these classes was problematic for some NCPs, so holding the classes in a convenient location known to NCPs may have helped improve attendance from them.

[2] Initially, in addition to the four financial education sessions, there was going to be a requirement that NCPs attend a special child support module, again at their choice of date and time based on a posted schedule of trainings. The child support module was intended to teach NCPs about the child support program and the importance of supporting their children. The module was not approved for release until March 2013. Consequently, only a few NCPs attended this special session.

Exhibit 1-4
Colorado Triple Play: NCP Options (Moving from Recruitment to Asset Purchase)



NCP Options: Moving from Recruitment to Asset Purchase		
Process Step	**Description**	**Comments**
1	Recruit NCPs	• The child support coordinator initially screened all NCPs for eligibility in the BAFF program (called Triple Play) • NCPs attended an orientation to Triple Play to assess interest and to learn requirements and incentives for participation.
2	Triple Play Intake Assessment	• The Triple Play coordinator in each county (Adams and Jefferson) conducted an intake assessment for all NCPs. • The coordinator determined which NCPs should move on to the next step and which NCPs were perhaps not ready. • The coordinator referred possible IDA-eligible NCPs to MHUW for possible enrollment in the IDA program • The coordinator referred other NCPs to the financial education training offered as part of Triple Play.
3	Triple Play Financial Education	• The financial education component consisted of four, 2-hour education modules. Each module was delivered separately and educational services were provided by a private vendor. NCPs were allowed to attend any and all sessions on days and times of their choosing. A schedule of trainings was posted and it was up to each NCP to schedule his/her attendance. • Attendance was taken and captured as part of the data collection effort.
4	Refer to MHUW IDA Process	• NCPs whom the coordinator determined were IDA-eligible were referred to MHUW where staff scheduled them for a group orientation session.
5	MHUW Information Session	• The IDA program orientation provided a background to MHUW, the IDA program nationally, and the specific rights and responsibilities NCPs would have as program participants. • NCPs decided to (1) move forward to the next step of the IDA program, (2) participate in financial education classes, but not an IDA purchase, or (3) end their involvement with Triple Play altogether.
	Attend one Financial Education Class?	• In order to move to the next stage of the IDA process (MHUW application), participants had to attend at least one financial education class.
6	MHUW Intake Interview/Application	• If NCPs were interested in BAFF after the initial information session AND if they attended one financial education class, they completed an application and returned to MHUW for a personal interview. • The interviewer determined whether the NCP was not IDA-eligible and may have referred them to the financial education training only. • The interviewer could decide to enroll the NCP in the IDA program and make the appropriate referrals: (1) counselor for one of the IDA purchase plans (i.e., home, business, post-secondary education), (2) financial education classes and (3) the asset purchase plan.

NCP Options: Moving from Recruitment to Asset Purchase		
Process Step	**Description**	**Comments**
7	IDA Process	The NCP had to complete the following through the IDA process: • Financial education classes. MHUW required attendance at all 4 of the financial education modules. • Plan for IDA purchase: working with a counselor, the NCP completed a plan for their IDA purchase, whether that purchase was a home, a business start-up or post-secondary education. (NCPs wanting to start a small business also had to attend a 12-week business course.) • The NCP set up an IDA at a bank and made regular deposits to that account. The deposits had to total $1,000 over a 24-month period.
8	Purchase Asset	• The NCP had 24 months to deposit $1,000 in an IDA ($46 per month), but can make the deposit in as few as 6 months and qualify for the IDA match of $4,000. • Asset purchases were only for reimbursement of authorized purchases that are part of the plan the participant developed with the counselor. The participant did not have direct access to withdraw all the funds in the account.
9	Forgive Child Support Debt	• One of the incentives of Triple Play participation was the suspension of some child support enforcement methods. • A second incentive was the forgiveness of state-owed child support arrears. For NCPs completing the IDA purchase, the child support office forgave TANF debt to reduce the NCP's arrears balance.

- Business Development classes: the 12-week business development classes were offered at two locations (Mi Casa and Rocky Mountain MicroFinance Institute). The classes began at 5:30 p.m., a difficult start time for NCPs who were working until 5:00 p.m. And as one NCP reported, "If you arrived late or missed a class, it was very difficult to catch up." Also, since the classes had a set start and end date, so NCPs had to wait to attend for several weeks until the next session of classes began.

- Home Buyer Education Program: NCPs who were interested in purchasing a home were required to attend a home-buyer education program, an 8-hour class that addressed such issues as (1) home buying behavior, (2) things to know about your credit, (3) what to expect when buying a home, and (4) what programs are available to help home buyers.

- Counselors: all IDA participants had to meet with a counselor specific to their intended purchase. Scheduling meetings with the counselors, who were not co-located at MHUW, often was difficult.

MHUW Asset Purchase Process (Exhibit 1-5)

The asset purchase process required multiple steps, as shown in Exhibit 1-5 and described in the associated table. NCPs who were eligible for the IDA program had to complete four steps in their route to making an asset purchase. The steps were not necessarily sequential but were linked. They included:

- Step 1: Submit an application for the IDA program. MHUW provided guidelines to NCPs about what the application needed to include. The application process was iterative based on changes MHUW requested or additional information MHUW needed to process the application successfully.

- Step 2: Attend financial education classes. Financial education consisted of four different, 2-hour classes taught at various locations in the Denver metropolitan area. NCPs had to attend at least one class prior to submitting their application and had to attend all four classes before they could make their asset purchase. (The classes could be taken in any order.)

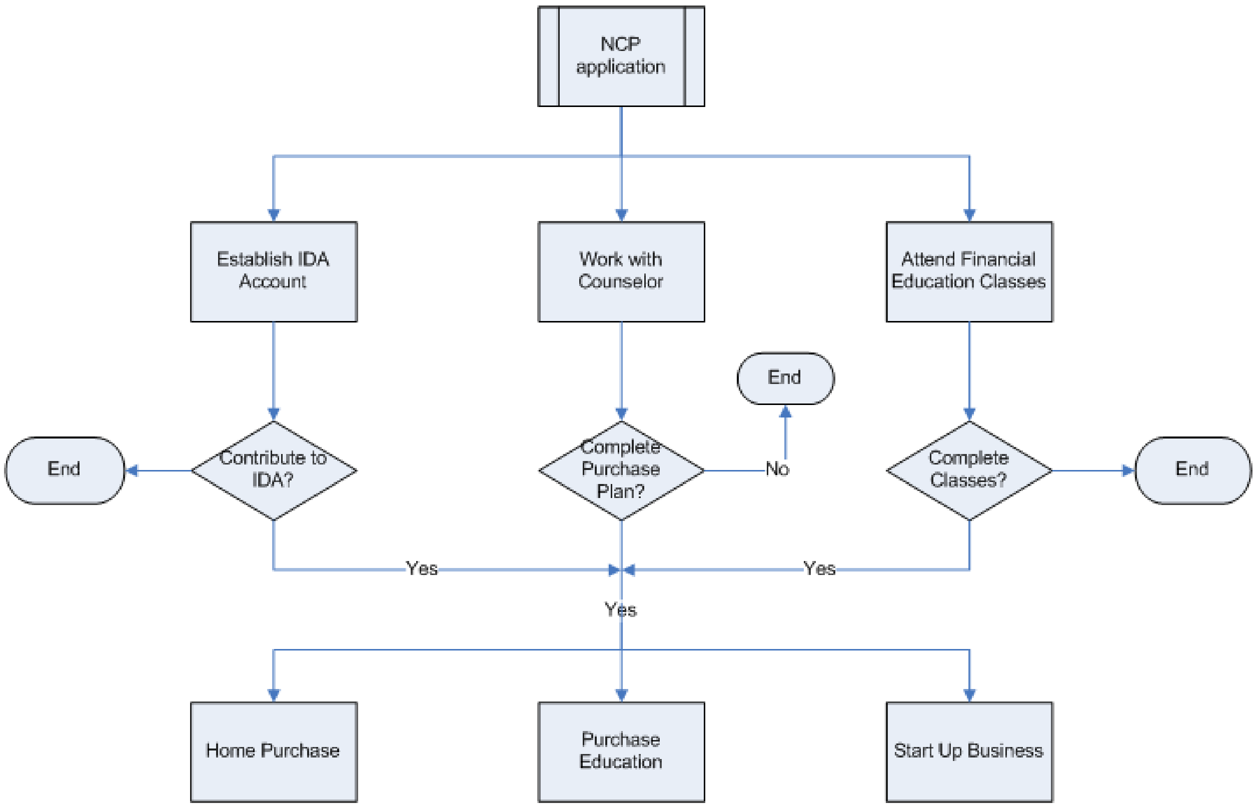
- Step 3: Meet and work with a counselor. The counselors were different depending on the type of asset purchase the NCP wanted to make. The counselors worked directly with the NCPs to develop a plan for their asset purchase.

  - ✓ Home purchase: the counselor was someone from a local non-profit organization (e.g., Community Resources and Housing Development Corporation) where NCPs completed the home buyer education program and then worked with a counselor to develop an action plan to help them overcome potential obstacles (e.g., poor credit report) and achieve their dream of home ownership.

  - ✓ Post-secondary education: the counselor would be an academic advisor at the school the NCP planned to attend.

  - ✓ Small business enterprise: the counselor would be a business counselor at the school where the NCP completed his/her business classes (Mi Casa or Rocky Mountain MicroFinance Institute).

Exhibit 1-5
Colorado Triple Play: MHUW Asset Purchase Process



MHUW Asset Purchase Process		
Process Step	**Description**	**Comments**
1	NCP Application	• Adams and Jefferson Counties sent NCPs they considered to be IDA-eligible to MHUW for possible enrollment in the IDA program. MHUW determined whether the NCP met its criteria for eligibility. • MHUW approve participation after the NCP attended orientation and completed an application. • The IDA program required NCPs to complete three tasks successfully as part of the program: (1) meet with a counselor to develop an action plan for their IDA purchase, (2) attend 4 financial education classes delivered by private service providers, and (3) establish and make monthly deposits in an IDA for a total contribution of $1,000.

MHUW Asset Purchase Process		
Process Step	**Description**	**Comments**
2a	Work with Counselor	• IDA participants had to meet and work with a counselor to develop a plan for their IDA purchase. The number of meetings was dictated by the type of IDA purchase and by the counselor. • NCPs interested in a business start-up also are required to attend a 12-week business course. • NCPs interested in purchasing a home had to attend a home-buyer education program.
2b	Attend Financial Education Classes	• MHUW defined a financial education program that all IDA program participants were required to attend to be eligible for an IDA purchase. • MHUW arranged for the classes to be delivered by multiple providers that they approved. • The program consisted of a series of classes and IDA participants had to attend all 4 classes at one of the registered providers of the training. • Trainers maintained a list of attendees at each class session • Classes were available at multiple locations on multiple dates and times. Participants selected and attended classes from the posted schedule.
2c	Purchase IDA	• IDA participants deposited funds monthly into an IDA. Eventually, they needed to save $1,000 before they were eligible for the $4,000 match as part of Triple Play. • MHUW monitored the monthly deposits to ensure that participants made them. MHUW sent deposit reports to the county coordinators for those NCPs that were part of the Triple Play project. • County coordinators tracked the NCPs' progress in making deposits. As part of their case management responsibilities, they contacted the NCP if he/she missed a deposit. (The deposit amount per month must be at least $46.)
3a	Complete IDA Purchase Plan	• NCPs completed a purchase plan with their counselor for the IDA opportunity they selected.
3b	Complete Financial Education Classes	• IDA participants must complete the required financial education classes. • Service providers report attendance statistics to MHUW so that they can determine whether the NCP has attended the required classes. • MHUW reports attendance information to the county coordinators so the coordinators can track the NCP's progress through the IDA process.
3c	Complete IDA purchase	• The NCP had a minimum of 6 and a maximum of 24 months to deposit $1,000 into an IDA at a bank. • Once the $1,000 threshold was reached, the NCP was available for a match of $4,000 • The NCP could use the $5,000 for his/her asset purchase. • Purchases using the IDA funds were approved by MHUW.
4a	Purchase Home	• This final step results in a purchase as planned as part of the IDA program. • Purchases using IDA funds were approved by MHUW.
4b	Start up a Business	• This final step results in a purchase as planned as part of the IDA program. • Purchases using IDA funds were approved by MHUW.

MHUW Asset Purchase Process		
Process Step	**Description**	**Comments**
4c	Attend School	• This final step results in a purchase as planned as part of the IDA program. • Purchases using IDA funds were approved by MHUW.

- Step 4: Establish an IDA and begin saving. NCPs established IDAs at a local bank and began saving to those accounts. They had a minimum of six and a maximum of 24 months to complete their saving of $1,000 (approximately $42 per month over 24 months). This amount was matched 4:1 so the total funds available to NCPs to make an asset purchase were $5,000.

Once NCPs had completed saving $1,000 and all the required courses, and had been in the program for a minimum of six months, they could make their purchase based upon their purchase plan. NCPs did not have direct access to the funds in their IDA. Rather, they worked through MHUW, which approved all purchases and made payments directly to the vendor(s).

REPORT ORGANIZATION

The remainder of this report is organized into the following chapters:

- Chapter 2 is a discussion of the organization and implementation of Colorado Triple Play and the lessons learned from project operations. It builds on the flow charts in Chapter 1 and the activity descriptions.

- Chapter 3 presents background information about the NCPs who enrolled in Colorado Triple Play. The coordinators in the two demonstration counties "enrolled" NCPs in the program by having them complete an intake assessment. The assessment form captured a great deal of demographic, financial status and child support information about each NCP. The county coordinators supplemented this information with child support payment and arrears data that they continued to update over the course of the project.

- Chapter 4 focuses on the financial literacy education component of the project. Although project architects included financial literacy as an intermediate outcome of project operations in their logic model (see Exhibit 1-1 above), it was not expected to be the final outcome for NCPs; that outcome was expected to be participation in the IDA program and an eventual asset purchase. Thus, NCPs generally were not recruited to participate in financial literacy classes only. Jefferson County began offering an incentive to NCPs who attended the financial education component, so that became the end goal for several of them.

- Chapter 5 looks at the IDA program and the experiences of those NCPs who participated in the program. It presents a few case studies, both successes and failures, of NCPs who were in the program. It also evaluates the child support outcomes (i.e., payment behavior and arrears balances) of the NCPs who completed the financial literacy training and/or the IDA program.

- Chapter 6 is a summary of the project's operations and findings and presents a few conclusions that evolved from the project outcomes. Some of those conclusions deal with sustainability of the project over the long term, including the collaboration among the partner agencies and the role of the county child support agencies.

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CHAPTER 2
IMPLEMENTATION LESSONS

INTRODUCTION

Colorado Triple Play, a name derived from the three asset purchase options available to IDA program participants, brought together two very strong partners. The Colorado Division of Child Support Services (DCSS) had long experience operating demonstration projects successfully and Mile High United Way (MHUW), as an AFI grantee, had 10 years of experience helping to shepherd many low income individuals through its IDA program. Both organizations were eager to work together and help noncustodial parents (NCPs) build their assets.

To get started, the organizations worked together to design and develop a sound foundation for the project and a blueprint for action. This included:

- Creating a logic model to serve as a guide for project activities and a benchmark for assessing performance.
- Assembling a steering committee of key stakeholders that included representatives from DCSS, MHUW, the two demonstration counties, federal OCSE regional office, the state's Responsible Fatherhood Program and representative from that program's grantees in the Denver metropolitan area, and others.
- Providing cross-training to steering committee members about the three key programs involved in the project: child support, fatherhood, and the IDA program.
- Developing a memorandum of understanding between DCSS and MHUW about roles and responsibilities and resources.
- Outlining a general process for how noncustodial parents would be recruited, screened and referred to the IDA program.
- Establishing a framework for communication and feedback among the partners and between the partners and other members of the steering committee.

With these key building blocks in place, the project began well. However, it soon began to encounter several challenges that interfered with the effective recruitment of NCPs, their referral to MHUW's IDA program, and service delivery. The purpose of this chapter is to document those implementation challenges, discuss the mid-course corrections effected by the partners, and identify the key lessons these challenges provide for future child support demonstration projects and programs.

PROJECT PLANNING

Colorado Triple Play involved the time and resources from multiple partner agencies, some of which had never worked together. As one result, the project planning involved several efforts to build the relationships needed to implement and operate the project successfully. The cross-training of steering committee members in the basic principles of the child support, fatherhood, and IDA programs was one effort to build that relationship. The attention given to this effort, however, did not extend to (1) defining explicitly in a written operational plan how the project would work (i.e., NCP recruitment, referral and service delivery), (2) creating the materials needed to recruit and engage NCPs, and (3) developing the supports needed for NCPs to successfully navigate the program requirements.

Written Operational Plan

Lesson 1
A written, detailed operational plan can be a valuable asset to implementing a new program. It can provide the foundation and blueprint for service delivery by defining how the project activities are connected and the role that all the partners need to play for the program to be successful. It should also be a living document to which all partners can refer if mid-course corrections are needed or refinements need to be made.

Complex projects such as Colorado Triple Play benefit from having a written operational plan that clearly defines each component of the project. A sample operational plan might include the following key components:

- Overview: this section describes the goals and objectives of the project, including the logic model.
- Project management: this section identifies all the partners and their roles and responsibilities. It specifies who will be responsible for (1) recruiting NCPs to the project, (2) assessing their eligibility for program services, (3) referring them to services, (4)

tracking their completion of services, and (5) managing them through the IDA program until they complete an asset purchase or decide to drop out.

- Intake process: this section clearly defines the criteria for eligibility in the project and what procedures project coordinators will use to recruit eligible NCPs. It also should include a strategic marketing plan that identifies outreach activities (e.g., phone calls, letters) and marketing materials (e.g., posters, flyers).

- Service delivery process: this section describes how NCPs will move through the program from initial recruitment through an IDA asset purchase.

- Data collection process: this section includes all the data collection instruments the project will use (e.g., intake assessment form, confidentiality form, tracking/follow-up forms).

While Colorado Triple Play did not have a written operational plan, it did have most of the pieces of that plan in multiple formats. This included (1) a logic model, (2) an initial flow chart of the service delivery process, (3) an initial plan for outreach to NCPs, (4) an intake assessment form, and (5) eligibility criteria for NCPs to participate in the project. As the project unfolded, however, mid-course corrections and refinements were needed to these initial plans. In the absence of a written plan, the changes were made on an *ad hoc* basis without collaboration among and consultation with all the partners. Moreover, the changes were not documented to inform others.

A first change occurred with case management. Within the first nine months of the project, there was a change in the leadership of the IDA program at MHUW. The MHUW program director who had collaborated with DCSS in developing the project was replaced. The new director was less enthusiastic about MHUW's role in the project and reduced the organization's management role. This resulted in transferring day-to-day case management responsibilities – ensuring NCP compliance with IDA program rules and requirements (e.g., saving in their IDAs), assisting them through the IDA process (e.g., completing financial literacy classes) – from MHUW to the county child support agencies.

The counties had each appointed a coordinator for the project, but they had not anticipated a full-time role for the coordinator. Indeed, the coordinators were managing their own caseloads in addition to their work on Colorado Triple Play. Absorbing the additional management assignments into their already busy schedule proved difficult.

A second issue involved which NCPs would be eligible for the IDA program. One county viewed the IDA program as a benefit, a reward for cooperation with the child support agency. It first wanted to offer participation in Colorado Triple Play to those NCPs who were compliant with their child support payment obligations. By contrast, the second county wanted to help those NCPs who were struggling to meet their payment obligations and had high arrearage balances. This latter focus was more in line with the original logic model, which had among its intermediate goals that NCPs in the IDA program would pay a higher proportion of the child support they owed and would pay down on their child support arrears.[3] Certainly both approaches have merit and with sufficient numbers of NCPs in the IDA program from both counties, we may have learned which approach yielded the better outcomes. However, there was not a sufficient number of NCPs to determine with any certainty which approach yielded better results.

Marketing/Outreach Materials

Lesson 2
"Selling" a new program to any population in today's environment needs marketing materials that identify, attract and brand the program among the population of interest. Some traditional materials could include flyers, brochures, posters, or advertisements. With increasing improvements in telecommunications and advances in technology, other materials may include announcements in social media (e.g., Facebook), blogs, or postings on county websites.

In addition to calling NCPs to recruit them to Colorado Triple Play, the planned outreach to NCPs involved mailing them a one-page flyer from MHUW that detailed the framework of the IDA program. There was no plan to develop project-specific marketing materials to identify and brand the project as a special, new opportunity for NCPs in the child support program. The county coordinators realized very soon that the lack of those materials was an oversight. With DCSS assistance, they created brochures and flyers (Appendix A) to advertise the program directly to the NCPs they were trying to recruit and indirectly by having the materials available in their offices for parents visiting the office to read, review and take home. We did not assess the importance of these materials in recruiting NCPs, but anecdotally we heard of a few parents

[3] The logic model was not developed in collaboration with the child support administrators in the two counties. A written operational plan may have included a different logic model to accommodate the philosophical differences between the counties.

who saw the materials and reported the IDA program opportunity to friends. Word-of-mouth is often a powerful recruitment tool in attracting participants.

As an increasingly important tool for information sharing, the Internet offers many opportunities for advertising a new program. Websites, for example, can tout the merits of new programs and provide contact information for NCPs to make inquiries. Links to social media outlets such as Facebook or Twitter can attract followers and allow search engines like Google to find information about a special program more quickly. (The budget for the demonstration project did not allow for this kind of marketing approach. A sustainability plan for offering the IDA program in the long term, however, may have wanted to expand the use of technology in attracting and engaging NCPs to this opportunity.)

In retrospect, the IDA program opportunity probably should have been more widely advertised to the NCP population in the two counties. Given that the program was new to child support and not well known, broader outreach may have attracted the volume of NCPs the project hoped to enroll. In their planning, however, the program architects anticipated a high level of interest among NCPs. Thus, their marketing plans were more targeted to NCPs who met specific eligibility requirements. This more limited outreach was also expected to allow the county coordinators to manage the volume of NCPs who did enroll in the program.

Financial Literacy Training

Lesson 3
There is extensive research supporting the importance and benefits of offering financial literacy to everyone and in particular to low-income individuals. For NCPs, the training component needs to be complete and offered continuously to keep interest and maintain momentum to attend all the training modules. Project planning should include adequate time to ensure that all required activities are developed at the time the project is implemented.

One of the key features of Colorado Triple Play was financial literacy training. (This training is discussed in greater detail in Chapter 4.) The training as offered through MHUW included four stand-alone modules on different financial topics, so they could be taken in any order. Colorado proposed adding a fifth module to the training for project participants; child support and financial literacy (e.g., child support debt cannot be discharged in bankruptcy proceedings).

This fifth module was not available at the time the project was implemented, even though NCP attendance at this module was a requirement for completing the IDA program. The module's development encountered several delays both on the creative and decision-making sides. The module eventually was developed and approved and was ready to deliver in March 2013, six months before the end of the demonstration project. The module was offered once in each series of financial literacy training; hence three times between late March and the end of the project. The training was delivered at a facility in one of the demonstration counties although was attended by very few NCPs. The trainer did indicate that NCPs seemed to like and learn from the child support module, but it has not been part of financial literacy training since that time.

A second challenge for financial literacy was the availability of training. MHUW had service agreements with a few providers to deliver financial literacy training – the classes were also available in Spanish – in a few Denver metropolitan area locations. The training schedule, including the dates, locations, times and module the training would cover, was posted on the MHUW website. The county coordinators also kept their NCPs informed about upcoming classes.

Midway through the project, the trainer who was delivering most of the financial literacy classes retired. At that time, MHUW did not have an instructor to replace the trainer who retired and for several weeks there were no classes available to the NCPs who needed to complete them. This created some frustration among the NCPs, especially to those who were only attending those classes. It also created a dilemma for DCSS which wanted to maintain the continuity of service delivery and the momentum the project had partly established. DCSS decided to hire its own financial literacy class instructor to avoid future service breaks and training resumed within a couple of months. The new state-financed training was offered at Adams County facilities. This had an advantage of providing a familiar location and helping remove some transportation problems Adams County NCPs had getting to the other training location in central Denver.

Case Management

Lesson 4
The NCPs the Colorado Triple Play project sought to attract to the IDA program generally were challenged financially and educationally and needed assistance on many levels (see Chapter 3 for a profile of NCP participants). They need active case management services that are (1) personal, (2) positive and supportive, and (3) continuous.

The IDA program is, by design, complex and for many low-income NCPs is difficult to navigate. There were multiple requirements NCPs needed to meet, service providers were scattered throughout the Denver metropolitan area, some services were not always available (e.g., financial literacy training) or were difficult to schedule (e.g., meeting/working with counselor), and some services (e.g., business courses) may have involved additional costs. MHUW believed the complexity forced participants to take responsibility and get them more invested in completing the program and purchasing an asset. For NCPs with other life challenges, however, the steps required to complete the IDA program may have been seen as overwhelming.

The county coordinators often played a critical role in case management and made conscious efforts to assist the NCPs in completing their assignments. This included making calls to remind them of appointments, intervening where possible to help them schedule appointments, and monitoring their completion of the required classes and, for NCPs with IDAs, monitoring their monthly savings deposits. The coordinators' personal relationship with the NCPs and their ongoing support were important in keeping NCPs engaged and on track.

Collaboration

Lesson 5
Establishing a collaborative environment can be a slow process, but once established, a collaborative can yield many benefits to a project. These benefits may include helping overcome obstacles in operating/managing the project, generating ideas for mid-course corrections, making referrals to the project, marketing and promoting the opportunity within their organization, and assessing outcomes. Perhaps even more important, it can provide a network of support services to NCPs in the program.

Colorado Triple Play initially sought to establish a collaborative environment by assembling a steering committee composed of diverse stakeholders. In order to establish a collaborative environment among these stakeholders and create a partnership that would guide the project, the first few steering committee meetings were devoted to cross-training the committee members in the programs that would be most involved: child support, IDA program, and fatherhood. The shift in the roles and responsibilities of the partners created by the change in leadership at MHUW also seemed to change the dynamics of the collaboration, its membership, and, as a result, its role in guiding the project contracted.

Although the project collaborative was short-lived, there was good collaboration within the two demonstration counties, especially in Jefferson County. The county had two major advantages. The first was the presence of a well-established fatherhood program with a charismatic director. He worked closely with the project coordinator to promote Colorado Triple Play within his peer support group sessions, hosted MHUW staff to explain the IDA program opportunity to the group, and had IDA program participants talk about their positive experiences in the program.[4] He actively identified and referred NCPs in his group to the project.

The second advantage was the presence of a problem-solving court to deal with NCPs who were delinquent in their child support payments. The bench was occupied by an activist magistrate who looked for opportunities to help NCPs constructively address the challenges they were facing. She and the project coordinator worked closely together to identify NCPs who might be good candidates for the IDA program. Adams County, by contrast, did not have an established fatherhood program or a problem-solving court. During the project it created a fatherhood program, but the program was short-lived and did not yield the benefits the county had expected.

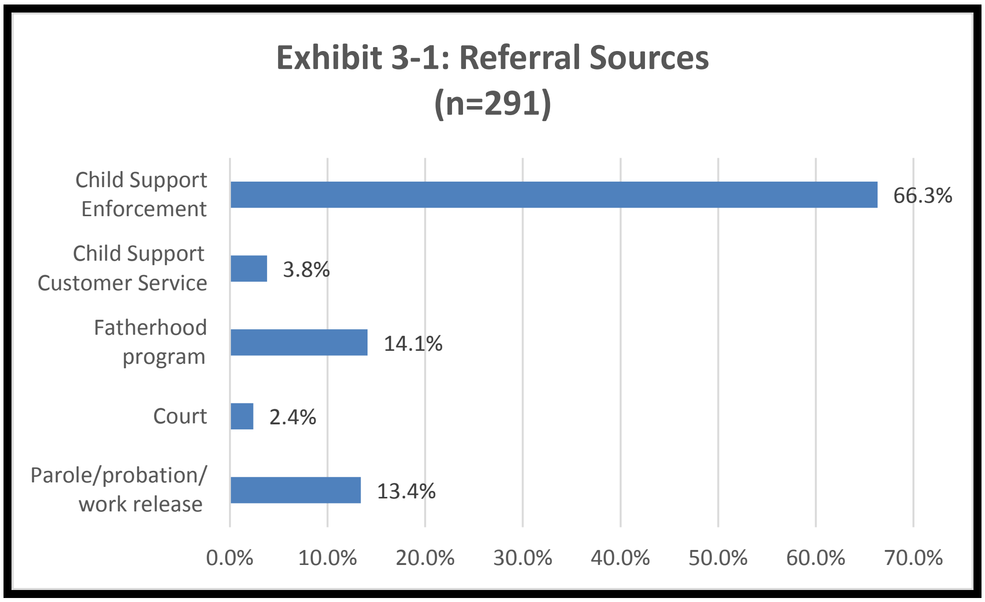
[4] A few NCPs mentioned the stories they heard about the IDA program at the fatherhood group's peer support meetings as a reason for their enrollment in the program.

CHAPTER 3

PARTICIPANT CHARACTERISTICS

INTRODUCTION

Colorado Triple Play began recruiting and enrolling noncustodial parents for possible participation in the IDA program in July 2011. Enrollment activities continued through the end of project operations in September 2013. During the 26 months of project operations, the two demonstration counties enrolled 291 noncustodial parents.[5] The referral sources for these cases are shown in Exhibit 3-1.



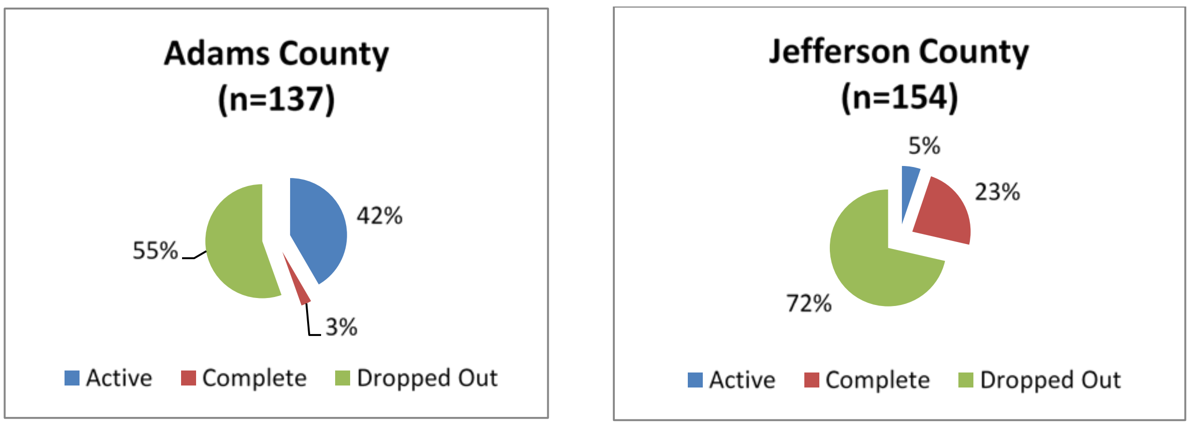
Most of the project participants came from active recruiting by the project coordinators in the two participating county child support agencies. The coordinators called noncustodial parents (NCPs) and invited them to participate in the IDA program. If the NCPs could not be reached by telephone, the coordinators mailed them information about the program. The different eligibility criteria the two counties used to qualify noncustodial parents for participation in addition to the different composition of features of the county programs resulted in differences in referral sources. For example, Adams County recruited almost all participants from its child support enforcement caseload. By contrast, Jefferson County recruited participants from its

[5] "Enrolled" means that the noncustodial parents expressed initial interest in the IDA program and signed a consent agreement with the county to participate and share personal information related to their finances and living situation.

enforcement caseload, but also directly through its active fatherhood program and its child support problem-solving court. (The court referrals include both those attending court hearings and those noncustodial parents on probation, parole or in work release facilities.) Since Adams County had only a limited fatherhood program and did not have a problem-solving court for child support enforcement cases, almost all (93%) of the referrals attributable to the Fatherhood program and 100 percent of the participants referred from the court and probation/parole/work release facility were Jefferson County cases.

The final status of parents who enrolled in the project is displayed in Exhibit 3-2 below.[6]

Exhibit 3-2: Status of Project Cases



As the exhibit shows, the majority of cases in both demonstration counties (72% in Jefferson County and 55% in Adams County) dropped out of the project before completing an application for the IDA program. This occurred for a large number of reasons, from not meeting the eligibility requirements for the IDA program (e.g., their household income exceeded eligibility limits) to having personal issues interfere with their ability to participate (e.g., job loss, medical problems). The fairly large proportion of noncustodial parents in Jefferson County who completed the program (23% of enrolled parents) compared to Adams County (3% of enrolled parents) reflects the difference in how the counties defined “completed.” Jefferson County counted as “completed” all parents who established IDAs or completed the financial literacy training component even if they were not going to participate in the IDA program. Adams

[6] This “final” status of cases is based on information extracted from the BAFF website on June 20, 2014. One of the counties updated their information just prior to the extraction date, but the other county did not. While the number of completed cases is accurate, the number of active cases may be overstated in Adams County.

County only counted noncustodial parents who submitted an application for the IDA program as having completed the program. Jefferson County had a fairly large number of parents who only completed financial literacy training principally because the County offered to forgive the parents' TANF debt if they completed the training. Adams County did not offer this incentive. (Chapter 4 discusses the financial literacy training in greater detail.)

BACKGROUND CHARACTERISTICS OF PARTICIPANTS

All noncustodial parents who were interested in the IDA program completed an enrollment form that captured a considerable amount of information about the participant's demographic background, financial status, and family and child support situation.

Demographic Characteristics

Since the two demonstration counties had different program eligibility criteria and received referrals from somewhat different sources, we might expect to find differences between the counties in the background characteristics of participants. The demographic characteristics are displayed in Exhibit 3-3 for all cases and also by county and by final status of the cases (i.e., active, which includes cases that completed the program and those still active in the program, and dropouts).

The exhibit shows both similarities and differences in the NCP populations the two counties recruited to enroll in the IDA program. Among the similarities is gender. Most of the IDA program participants in both counties were men (90% of all participants) and since men are the noncustodial parent in the vast majority of child support cases, this statistic is not surprising. Both Adams and Jefferson Counties did enroll some women in Colorado Triple Play, however; a total of 10 percent of the total enrollment.

- <u>NCP age:</u> the average age of all NCPs who enrolled in Colorado Triple Play was 37.4 years. There were no statistical differences between the counties in the average ages of NCP participants (38.2 years and 36.8 years for Adams and Jefferson County NCPs respectively).
- <u>Race/Ethnicity:</u> As noted in Chapter 1, a higher proportion of the general population in Adams County is Hispanic/Latino and African American than in Jefferson County and a higher proportion of the general population in Jefferson County is Caucasian than in

Adams County.[7] These general statistics are mostly evident in the NCP population that participated in the IDA program; that is, a statistically sgnificant higher proportion of NCPs recruited in Adams County were African/American (22.4%) compared to Jefferson County (9.1%) and a higher proportion of NCPs recruited in Jefferson County were Caucasian (44.8%) compared to Adams County (25.4%). The proportions of Hispanic/Latinos among NCPs were comparable in the two counties (42.5% and 44.8% in Adams and Jefferson County respectively).

Exhibit 3-3: Demographic Characteristics of Enrolled Cases by County Through June 2014 (Percent of Participants)[1]

Characteristic	Jefferson County		Adams County		Total Cases (n=291)
	Active Cases (n=44)	Dropped Out (n=110)	Active Cases (n=61)	Dropped Out (n=76)	
Gender	(n=44)	(n=110)	(n=61)	(n=76)	(n=291)
• Male	81.8%	91.8%	95.1%	88.2%	90.0%
• Female	18.2%	8.2%	4.9%	11.8%	10.0%
Age	(n=44)	(n=109)	(n=61)	(n=66)	(n=280)
• 21 – 30 years	6.8%	30.3%	21.3%	22.7%	22.9%
• 31 – 40 years	47.7%	42.2%	50.8%	36.4%	43.6%
• 41 – 50 years	31.8%	23.8%	21.3%	21.2%	23.9%
• > 50 years	13.6%	3.7%	6.6%	19.7%	9.6%
• Mean age (years)	(39.9 years)	(35.5 years)	(36.8 years)	(39.5 years)	(37.4 years)
Race/Ethnicity	(n=44)	(n=110)	(n=61)	(n=73)	(n=288)
• Caucasian	50.0%	42.7%	13.1%	35.6%	35.8%
• African American	4.5%	10.9%	24.6%	20.5%	15.3%
• Hispanic	43.2%	45.5%	52.5%	34.2%	43.8%
• Asian/Pacific Islander	—	—	1.6%	2.7%	1.0%
• American Indian/Alaskan	2.3%	0.9%	8.2%	4.1%	3.5%
• Other[2]	—	—	—	2.7%	0.7%
Current Living Situation	(n=43)	(n=110)	(n=60)	(n=72)	(n=286)
• Own home	—	—	1.7%	4.2%	1.4%
• Rent	31.8%	30.0%	65.0%	77.8%	49.7%
• Living with friends/family (paying rent)	27.3%	38.2%	21.7%	9.7%	27.9%
• Living with friends/family (not paying rent)	20.5%	16.4%	8.3%	5.6%	12.6%
• Living in shelter/ transitional housing	11.4%	5.5%	—	1.4%	4.2%
• Work release	9.1%	10.0%	—	—	5.2%
• Other[3]	—	—	3.3%	1.4%	1.0%

[7] 2010 Census statistics indicate: (1) 38.0 percent of the general population in Adams County is Hispanic/Latino compared to 14.3 percent in Jefferson County, (2) 2.8 percent of the general population in Adams County is African/American compared to 0.7 percent in Jefferson County, and (3) 73.4 percent of the general population in Jefferson County is Caucasian compared to 53.2 percent of the population in Adams County.

Exhibit 3-3: Demographic Characteristics of Enrolled Cases by County Through June 2014 (Percent of Participants)[1]					
Characteristic	Jefferson County		Adams County		Total Cases (n=291)
	Active Cases (n=44)	Dropped Out (n=110)	Active Cases (n=61)	Dropped Out (n=76)	
Educational Attainment	(n=44)	(n=110)	(n=59)	(n=71)	(n=284)
• < High school diploma	9.1%	4.5%	13.6%	11.3%	8.8%
• High school diploma/GED	77.3%	75.5%	27.1%	35.2%	55.6%
• Vocational school	6.8%	10.0%	3.4%	2.8%	6.3%
• Some college	6.8%	6.4%	37.3%	19.7%	16.2%
• AA degree	—	1.8%	3.4%	11.3%	4.2%
• BA/BS degree	—	1.8%	5.1%	2.8%	2.5%
• Some graduate school	—	—	10.2%	16.9%	6.3%
Poverty Guideline Percentage	(n=42)	(n=104)	(n=58)	(n=69)	(n=273)
• < 100%	42.9%	46.2%	34.5%	44.9%	42.9%
• 100% - 150%	35.7%	37.5%	37.9%	23.2%	33.7%
• 150% - 200%	21.4%	15.4%	24.1%	29.0%	21.6%
• > 200%	—	1.0%	3.4%	2.9%	1.8%

[1] Percentages may not equal 100 percent because of rounding. Total number of parents varies from question to question because of missing information. The number in *parenthesis* equals the number of parents for whom valid data were reported.
[2] Other: multi-racial
[3] Other: motel, homeless, Section 8 housing.

- Living situation: None of the NCPs recruited in Jefferson County owned their own home and somewhat less than a third (30.5%) were renting living space. The majority of NCPs (52.6%) were living with friends and the remainder were in some form of transitional housing (e.g., shelters, work release facilities). By contrast, 3.0 percent of the NCPs in the Adams County program owned their home and another 75 percent were renting. The remainder were primarily living with friends/relatives It was the exception that the NCPs were in some other living situation.

- Educational attainment: The NCPs recruited by the two counties also differed in their educational background. As shown in Exhibit 3-3, NCP participants in Adams County were considerably better educated than NCPs in Jefferson County. For example, only 18.2 percent of NCPs in Jefferson County had more than a high school education. The comparable proportion in Adams County was 56.2 percent. Further, while 25.3 percent of the Adams County NCPs had a college degree or better (i.e., AA degree, BA/BS degree, graduate school), only 2.6 of the NCPs in in the Jefferson County program had achieved that level of education.

- Poverty Level: Poverty Guidelines are established annually by the U.S. Department of Health and Human Services and based upon household size and income. Eligibility for the IDA program required that the participant's household income be less than 200 percent of the federal poverty level.[8] For example, a household of four individuals would be eligible if the household income was less than $44,700 (2011 dollars). Based on the information NCPs provided at enrollment, all but 1.8 percent of the parents qualified for the program based on their household size and income. Further, there were no major differences between counties in the proportion of NCPs in each poverty category in the exhibit.

Taken together, the demographic data indicate that the NCPs who enrolled in the IDA program in the two counties were different in several respects, including race/ethnicity, living situation, and educational attainment.

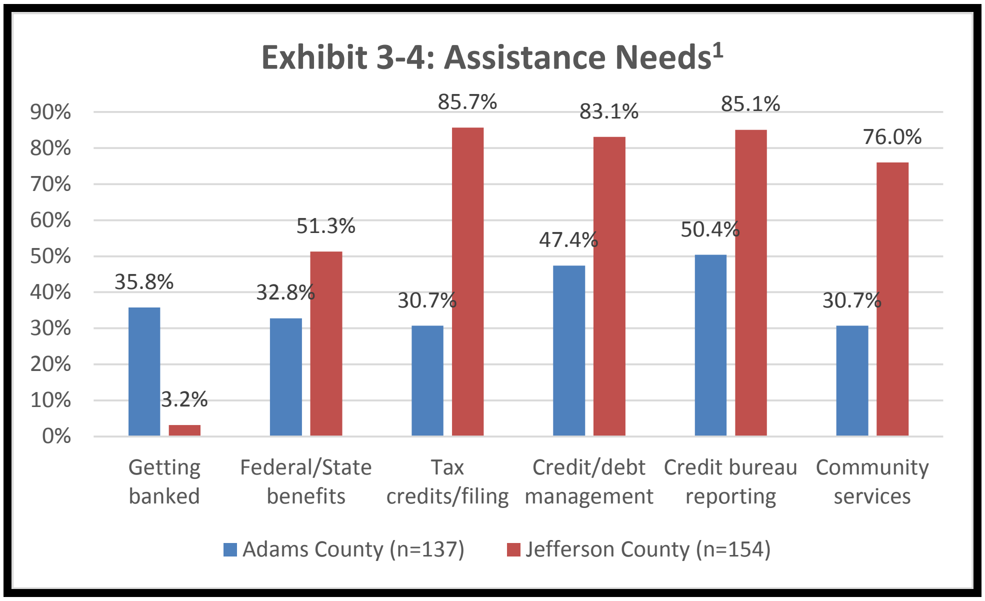
Within the county programs, we also looked for differences between NCPs who stayed active in the program and those who dropped out. Exhibit 3-3 shows no major differences within counties between those NCPs who remained active in the program and those who dropped out. The small differences in proportions in some categories in the exhibit are not significant statistically. Thus, within each county we cannot from the demographic data develop a clear profile of those NCPs who might remain in or drop out of a program of this type.

The intake/consent form NCPs completed to enroll included questions about their assistance needs. Exhibit 3-4 displays the proportion of NCPs in the two county programs who reported needing assistance in some key areas the program was intended to address, mainly through the financial literacy training that was a key component of the program. The exhibit shows considerable differences in the needs reported by NCPs in the two counties. In Adams County, for example, the only assistance need reported by more than a majority of NCPs (50.4%) was help with credit bureau reporting, although assistance with credit/debt management was checked by a near majority (47.4%) as being a need they had. The other needs in the exhibit were mentioned by more or less than a third of NCPs (ranging from 30.7% to 35.8%).

NCPs in Jefferson County present a very different picture of needs. Although a very small proportion of NCPs reported needing help getting banked (3.2%), the other needs shown in the exhibit were checked by more than a majority of NCPs. A simple majority (51.3%) reported

[8] Participants also could be eligible for the IDA program if they were eligible to claim EITC benefits, which has a different set of income thresholds.

needing help with Federal/State benefits (e.g., accessing, filing for them), but all other needs were mentioned by more than three-fourths of NCPs (ranging from 76.0% to 85.7%).



[1] Proportion of participants with this specific need

Financial Characteristics

Exhibit 3-5 displays the financial characteristics of the NCPs' households at the time they enrolled in Colorado Triple Play. Again, the data are shown by county and by the status of the case as of June 2014 (i.e., whether the case was still active or had dropped out). The data are important because participation in the IDA program required that NCPs be employed and were able to contribute approximately $42 per month into their IDA savings.[9] The lack of employment and heavy debt obligations are often barriers to NCPs opening and maintaining a savings account.

[9] NCPs in the IDA program have 24 months to save $1,000 into their account. This translates into a monthly deposit of $41.67 per month.

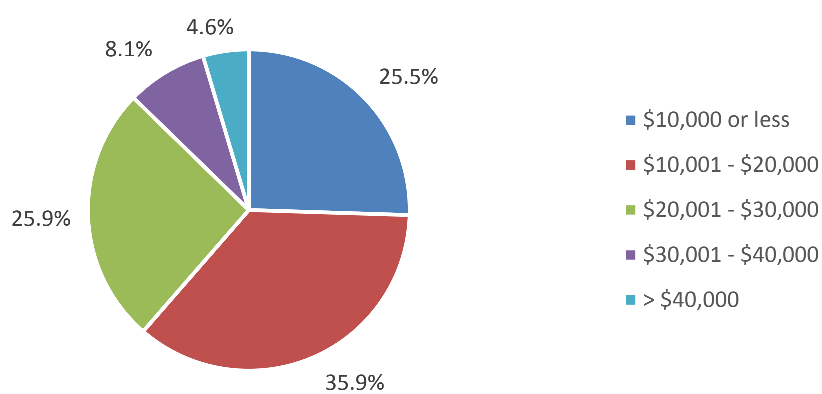
Exhibit 3-5: Financial Characteristics of Enrolled Cases by County Through June 2014 (Percent of Participants)[1]					
Characteristic	Jefferson County		Adams County		Total Cases (n=291)
	Active Cases (n=44)	Dropped Out (n=110)	Active Cases (n=61)	Dropped Out (n=76)	
Employment Status	(n=43)	(n=110)	(n=58)	(n=70)	(n=281)
• Full-time employment	48.8%	37.3%	46.6%	60.0%	46.6%
• Part-time employment (not temporary)	32.6%	48.2%	6.9%	10.0%	27.8%
• Temporary/seasonal employment	2.3%	3.6%	8.6%	4.3%	4.6%
• Student	—	—	3.4%	8.6%	2.8%
• Unemployed	16.3%	9.1%	20.7%	7.1%	12.1%
• Other	—	1.8%	13.8%	10.0%	6.0%
Income Sources	(n=44)	(n=110)	(n=61)	(n=72)	(n=287)
• No income	13.6%	7.3%	9.8%	2.6%	7.7%
• Income from employment	81.8%	87.3%	60.7%	76.4%	78.0%
• School grants/loans	—	—	4.9%	5.6%	2.4%
• Pension	—	0.9%	—	—	0.3%
• Unemployment insurance	2.3%	0.9%	8.2%	2.8%	3.1%
• Federal benefits	2.3%	2.7%	4.9%	6.9%	4.2%
• Self-employed	—	0.9%	4.9%	1.4%	1.7%
• Other (e.g., caregiver, spousal income)	—	—	6.6%	4.2%	2.4%
Last Month's Income	(n=44)	(n=110)	(n=58)	(n=76)	(n=283)
• No income	6.8%	0.9%	17.2%	7.0%	6.7%
• < $250	13.6%	10.0%	3.4%	5.6%	8.1%
• $250 - $500	2.3%	11.8%	8.6%	7.0%	8.5%
• $501 - $1,000	31.8%	33.6%	25.9%	19.7%	28.3%
• > $1,000	4.5%	43.6%	44.8%	60.6%	48.4%
Checking/Savings Accounts[2]	(n=44)	(n=110)	(n=61)	(n=76)	(n=291)
• Checking account	18.2%	30.9%	50.8%	64.5%	41.9%
• Savings account	9.1%	4.5%	27.9%	48.7%	21.6%
Debt[3]	(n=44)	(n=110)	(n=61)	(n=76)	(n=291)
• Student loans	22.7%	2.7%	34.4%	22.4%	15.1%
• Medical bills	54.5%	48.2%	47.5%	30.3%	44.3%
• Personal loans	59.1%	41.8%	11.5%	7.9%	29.2%
• Credit card balances	11.4%	23.6%	27.9%	31.6%	24.7%
• Payday loans	4.5%	10.0%	11.5%	18.4%	11.7%
• Outstanding bills	38.6%	30.0%	42.6%	25.0%	32.6%
• Other liabilities	6.8%	0.9%	26.2%	5.3%	8.2%

[1] Percentages may not equal 100 percent because of rounding. Total number of parents varies from question to question because of missing information. The number in *parenthesis* equals the number of parents for whom valid data were reported.
[2] Proportions represent the number of parents who reported they did have checking and/or savings accounts.

Overall, the majority of cases (74.4% of all cases) were employed either full time (46.6%) or part time (27.8%). About a tenth of NCPs (12.1%) were unemployed at the time they enrolled and the remainder were students, pensioners, working in temporary positions, or doing other things (e.g., caring for relatives). For NCPs who were not employed in full-time or part-time (not temporary) positions, the sources of income varied greatly. Some, but not all of the unemployed NCPs were receiving unemployment compensation, some of the NCPs who reported to be students were receiving school grants and loans, some NCPs were receiving federal benefits (e.g., public assistance, SNAP, SSI/SSDI), and some were living on pensions (e.g., Social Security, military pensions).

As a summary picture of NCPs' financial situation, the intake form asked NCPs to report their last month's income within set income categories (e.g., < $250, $250 - $500). As shown in Exhibit 3-5, the monthly income was very low: overall, a majority of NCPs (51.6%) reported monthly incomes of $1000 or less. The annual household income picture for NCPs was not much brighter. Exhibit 3-6 below shows what NCPs reported to be the total income for their household in the last year.

Exhibit 3-6: Reported Annual Household Income in Year Prior to Triple Play Enrollment (n=259)

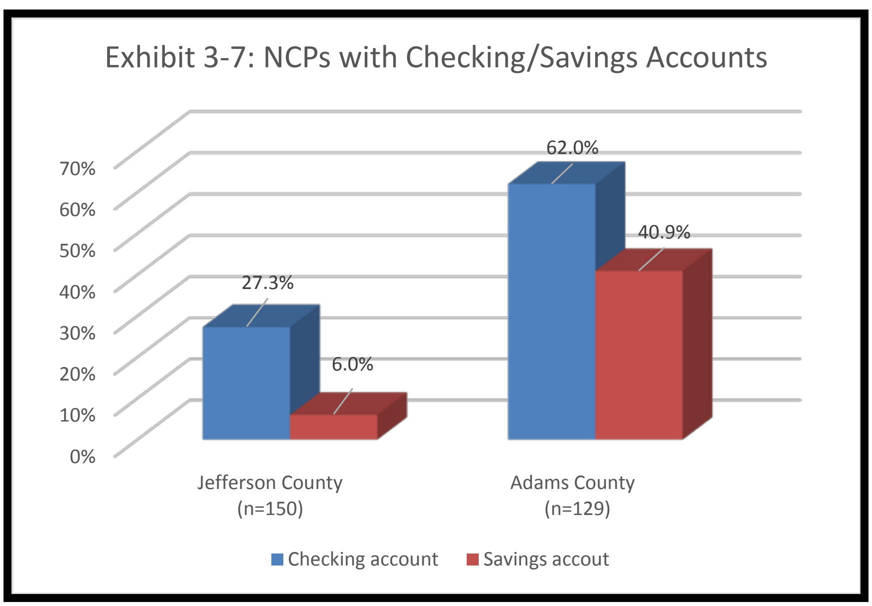


More than a quarter of NCPs (25.5%) reported household income of $10,000 or less, while the plurality of NCPs (35.9%) reported annual household incomes between $10,001 and $20,000. Only 4.6 percent of NCPs reported household income greater than $40,000 in the prior year. The average household income for all participants was $18,755, for those participants who had income. By county, the average household income among Jefferson County participants was

$15,735 and among Adams County participants was $24,725. Adams County participants had significantly higher reported average household income than Jefferson County participants.

In addition to having limited income, a large proportion of NCPs were carrying substantial debt at the time of their enrollment. As shown in Exhibit 3-5, a plurality (44.3%) had outstanding medical bills, approximately a quarter of NCPs had personal loans to repay (29.2%) and/or were carrying credit card balances (24.7%), and about a third (32.6%) had other outstanding bills that were not itemized on the intake form. Somewhat smaller proportions had other types of bills (e.g., student loans, payday loans).

The picture this presents is a population that is challenged financially and is struggling to make ends meet. It is perhaps not surprising, therefore, that NCPs may have had limited discretionary resources to maintain checking and savings accounts. As shown in Exhibit 3-7, these difficulties were more apparent among NCPs in Jefferson County, however, than in Adams County. Only 27.3 percent of NCPs in Jefferson County had checking accounts and only 6.0 percent reported having savings accounts at the time they enrolled in Colorado Triple Play. The somewhat better educated NCP participants in Adams County had significantly higher rates of being banked: some 62.0 percent reported having checking accounts and about two-fifths (40.9%) had savings accounts.



Family/Child Support Characteristics

The child support profile for the NCPs enrolled in Colorado Triple Play are shown below in Exhibit 3-8. The data are somewhat mixed with some NCPs only paying down their arrears (i.e., they had no monthly child support obligation remaining) and others with support obligations for multiple children. The majority of all NCPs (51.6%) were supporting only one child and this generally was the case for NCPs in both counties. (The average number of children NCPs were obligated to support in Jefferson County was 1.9 and in Adams County was 1.7.)

- Monthly Child Support Order: The average monthly child support order for enrolled NCPs was $299. The average order amount was greater for Adams County NCPs ($325) than for Jefferson County NCPs ($274), but the difference is not statistically significant. Further, there are no differences within each county between those NCPs who were still active in Colorado Triple Play and those who had dropped out.

Exhibit 3-8: Family/Child Support Characteristics of Enrolled Cases by County Through June 2014 (Percent of Participants)[1]

Characteristic	Jefferson County		Adams County		Total Cases (n=291)
	Active Cases (n=44)	Dropped Out (n=110)	Active Cases (n=61)	Dropped Out (n=76)	
Number of Children Obligated to Support	(n=44)	(n=109)	(n=60)	(n=70)	(n=283)
• None	6.8%	2.8%	1.7%	1.4%	2.8%
• One	50.0%	45.9%	58.3%	55.7%	51.6%
• Two	13.6%	29.4%	26.7%	24.3%	25.15
• Three	15.9%	12.8%	10.0%	11.4%	12.4%
• Four or more	13.6%	9.1%	3.3%	7.2%	82.%
Monthly Child Support Order Amount	(n=44)	(n=109)	(n=61)	(n=74)	(n=288)
• $0	—	9.2%	—	1.4%	3.8%
• $1 - $100	34.1%	19.3%	11.5%	13.5%	18.4%
• $101 - $250	27.3%	25.7%	26.2%	31.1%	27.4%
• $251 - $500	29.5%	34.9%	44.3%	39.2%	37.2%
• $501 - $750	4.5%	8.2%	14.7%	10.8%	9.7%
• > $750	4.5%	2.7%	3.3%	4.0%	3.5%
• Mean monthly order[2]	($242)	($289)	($337)	($315)	($299)

Exhibit 3-8: Family/Child Support Characteristics of Enrolled Cases by County Through June 2014 (Percent of Participants)[1]					
Characteristic	Jefferson County		Adams County		Total Cases (n=291)
	Active Cases (n=44)	Dropped Out (n=110)	Active Cases (n=61)	Dropped Out (n=76)	
Arrearage Balance	(n=44)	(n=109)	(n=60)	(n=74)	(n=287)
• $0	2.3%	15.6%	21.7%	36.5%	20.2%
• $1 - $1,000	2.3%	14.7%	23.3%	28.4%	18.1%
• $1,001 - $5,000	27.3%	32.1%	23.3%	16.2%	25.4%
• $5,001 - $10,000	13.6%	11.9%	10.0%	6.8%	10.5%
• $10,001 - $15,000	18.2%	10.1%	6.0%	5.4%	9.4%
• $15,001 - $20,000	13.6%	5.5%	5.0%	2.7%	5.9%
• > $20,000	22.7%	10.1%	10.0%	4.0%	10.5%
• Mean arrearage balance[2]	($14,709)	($9,314)	($7,656)	($5,057)	($9,113)
% Due that was Paid (6 months)[3]	(n=44)	(n=99)	(n=61)	(n=73)	(n=277)
• 0%	15.9%	18.2%	9.8%	2.7%	11.9%
• 1% - 25%	18.2%	23.2%	8.2%	4.1%	14.1%
• 26% - 50%	15.9%	11.1%	4.9%	5.5%	9.0%
• 51% - 75%	6.8%	8.1%	16.4%	12.3%	10.8%
• 76% - 99%	9.1%	11.1%	13.1%	16.4%	12.6%
• 100% or greater	34.1%	28.3%	47.5%	58.9%	41.5%
• Mean proportion paid[4]	(53.0%)	(50.1%)	(72.4%)	(84.4%)	(64.5%)

[1] Percentages may not equal 100 percent because of rounding. Total number of parents varies from question to question because of missing information. The number in *parenthesis* equals the number of parents for whom valid data were reported.
[2] The mean monthly order amount was calculated only for those parents whose support order was greater than $0 per month. Similarly, the mean arrearage amount was calculated only for those parents whose arrearage balance was greater than $0.
[3] This is a calculated variable based on the monthly support order (times 6) and the amount of support collected in 6 months. The support paid in the 6 months includes all collections, which may be from involuntary payments (e.g., federal and state tax intercepts, FIDM, CSLEN) to settle past arrearages. The calculation may therefore overstate the collection of current support from any one parent.
[4] The mean proportion is calculated for all parents whose child support obligation was greater than $0 per month. It includes those parents who paid nothing toward their support obligation.

- Arrears Balances: The picture with regard to arrearage balances for participating NCPs is a bit different. As suggested by the data in Exhibit 3-8, Jefferson County NCPs were carrying higher average arrears balances at the time of enrollment ($11,032 for those NCPs with arrears greater than $0) than Adams County NCPs ($6,357). The difference is statistically significant.

  The difference between counties can at least partly be explained by the incentive Jefferson County offered NCPs who enrolled. As discussed in greater detail in Chapter 4, Jefferson County offered to forgive NCPs' TANF debt if they completed the financial literacy training offered through the program. Several NCPs who participated through Jefferson County mentioned debt reduction as the primary reason they completed the financial literacy classes and several of them were arrears-only cases.

- Payment Due that was Paid: The information about the proportion of support due that was paid in the six months prior to an NCP's enrollment is a calculated variable from the BAFF database. It multiplies the amount due in the month prior to enrollment by six and compares it to the amount collected in the prior six months. While the comparison may be somewhat inexact, it gives a partial picture of NCPs' compliance with their support obligations.[10]

  The data indicate that NCPs paid an average of 64.5 percent of the support that was due and 41.5 percent of all enrolled NCPs paid 100 percent or more of their obligation during the six months prior to their enrollment. The statistics in Exhibit 3-8 also suggest that NCPs in Adams County were more likely to pay the support they owed than NCPs in Jefferson County. In fact, Adams County NCPs paid approximately 57 percent of their obligation while Jefferson County NCPs paid an average of 30 percent. The difference is statistically significant.

The differences between NCPs in the two counties with respect to their payment histories also is reflected in their self-reports of enforcement actions taken against them. These actions are displayed in Exhibit 3-9. The enforcement action NCPs most frequently mentioned was federal tax refund intercept. Half of NCPs (50.5%) reported that the child support agency had intercepted their tax refund. The other enforcement remedies listed in the exhibit indicate that Jefferson County NCPs were more likely to have had the enforcement action than Adams County NCPs. This comports with earlier information that Jefferson County NCPs had higher average arrears and paid a lower proportion of support due that was paid. It may also reflect the greater inability of Jefferson County NCPs to pay support because they had lower household incomes.

[10] Exhibit 3-8 shows fairly large proportions of NCPs with payments of 100 percent or more of their support obligations. (Overall, 41.5 percent of NCPs had collections in excess of their obligations.) This could be explained by the collection of past due support through federal/state tax refund intercepts or other types of collections (e.g., FIDM, CSLN). For the purposes of computing the average compliance rate for all NCPs, we capped the rate at 100 percent for those whose collections exceeded the amount due.

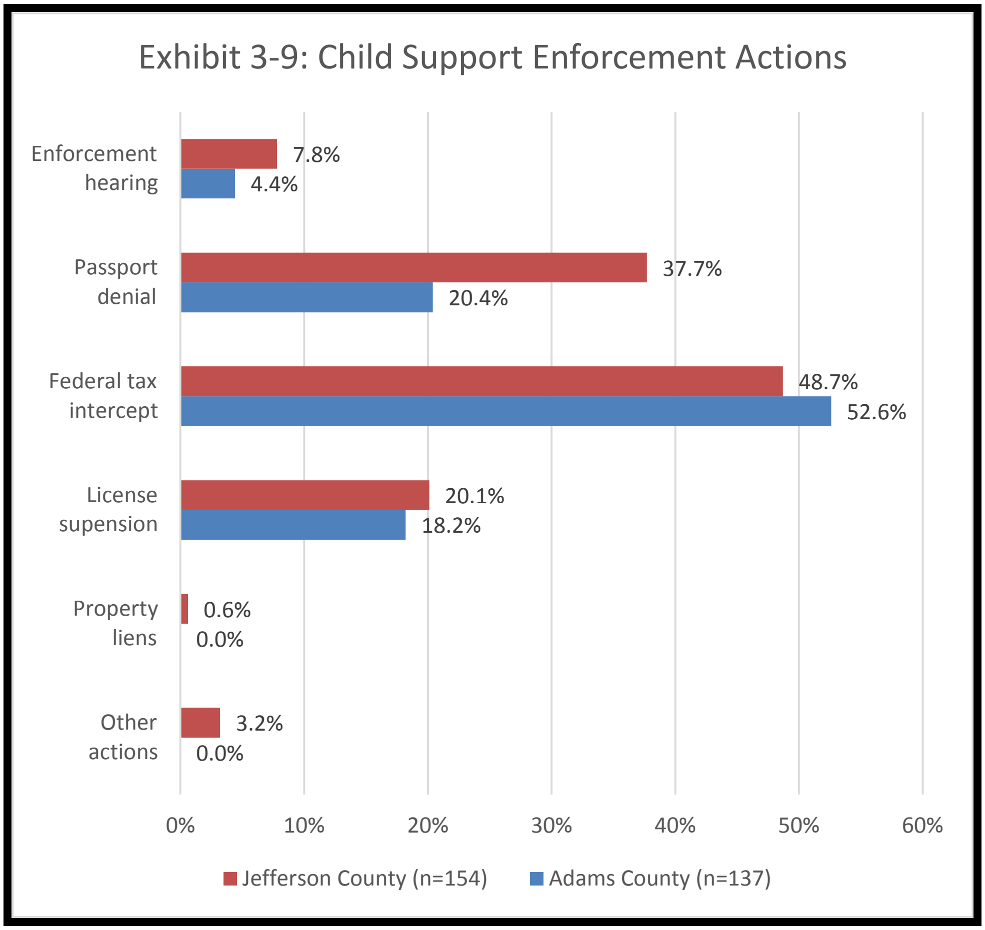


Exhibit 3-9: Child Support Enforcement Actions
Enforcement hearing
7.8%
4.4%
Passport denial
37.7%
20.4%
Federal tax intercept
48.7%
52.6%
License supension
20.1%
18.2%
Property liens
0.6%
0.0%
Other actions
3.2%
0.0%
0%
10%
20%
30%
40%
50%
60%
Jefferson County (n=154)
Adams County (n=137)

CHAPTER 4
FINANCIAL EDUCATION

INTRODUCTION

Broadly speaking, financial literacy is a measure of an individual's ability to respond to his/her ever-changing personal economic situation. There is a fairly substantial body of research today that indicates Americans as a group are largely illiterate when it comes to their knowledge of personal finance. For example, results from 2009 and 2013 financial literacy surveys found that (1) 41 percent of U.S. adults gave themselves a grade of C, D or F on their knowledge of personal finance; (2) only 40 percent reported having a budget and keeping close track of their spending; (3) 26 percent admitted not paying all their bills on time; and (4) 32 percent claimed that they have no savings excluding retirement savings. Further, 57 percent in the 2013 survey said they worry about a lack of savings.[11] These findings are similar to findings reported in other surveys of financial literacy.[12]

The findings from studies of low income households specifically indicate that those households are even more economically fragile because of lower assets, low or no savings, higher debt, and less ability to manage their finances because they are struggling to live on a day-to-day basis.[13] Further, the neighborhoods where low-income households typically live often lack the institutions that would help facilitate financial stability for community members. Partly as a result, low-income households often rely on non-traditional financial services (e.g., pay-day loans, check-cashing agencies) that charge higher service fees than banks.

Improved financial literacy combined with better availability of financial resources could help these low-income households.[14] Indeed, since low-income, less well-educated households tend to make more mistakes in their personal financial decisions than higher income, better

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[11] The National Foundation for Credit Counseling and Harris Interactive Inc., Public Relations Research (March 2009) *The 2009 Consumer Financial Literacy Survey* and (March 2013) *The 2013 Consumer Financial Literacy Survey.*
[12] For example, Princeton Survey Research Association International (April 2007) "Financial Literacy Survey: Summary Report" and Jump$tart Coalition (2014) "Making the Case for Financial Literacy."
[13] Lusardi, A., D. Schneider and P. Tufano (2011) *Financially Fragile Households: Evidence and Implications* (The Brookings Institution: Washington, D.C.).
[14] Aratani, Y. and M. Chau (February 2010) "Asset Poverty and Debt Among Families with Children" (National Center for Children in Poverty; Columbia University: NY).

educated households, they tend to benefit more from financial education. Furthermore, the benefits may even persist for a long time. For example, in a study on the effects of mandatory financial education on low income families, a causal connection was shown between increases in financial knowledge and improvements in financial behavior.[15] Another study documenting the outcomes for individuals in introductory financial education programs found that participants changed the way in which they tracked household expenses, budgeted or paid bills.[16] Given these findings, it is not surprising that some researchers have concluded that, "Whether provided alone or in combination with other initiatives, financial literacy programs have the potential to achieve significant and cost-effective improvements in economic welfare."[17]

FINANCIAL EDUCATION IN COLORADO TRIPLE PLAY

The completion of financial literacy training in the Colorado project was initially seen as an intermediate outcome, one step on a noncustodial parent's path to establishing an IDA and purchasing an asset. As the project unfolded, however, and it became clear that the project was not going to meet its original goals for establishing IDAs, the financial literacy component became more important. Further, when Jefferson County offered to forgive an NCP's TANF debt if he/she completed the financial literacy training, this piece of the project became an end goal for many NCPs.

The financial literacy program used in the project was designed to take advantage of lessons learned from numerous studies about how financial concepts can best be taught so that participants transfer the knowledge they have gained in the program into better personal financial decisions for themselves and their households. After studying the outcomes from numerous financial education programs, some of the features those programs should include have been defined; namely:[18]

- The programs should be tailored to the needs of the participants

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[15] Collins, M. (Summer 2010) "Effects of Mandatory Financial Education on Low-Income Clients," *Focus*, 27:1 (Institute for Research on Poverty: Madison, WI).
[16] Anderson, S, J. Scott and M. Zhan (2004) *Financial Links for Low-Income People (FLLIP) Final Evaluation* (School of Social Work: University of Illinois, Urbana-Champagne).
[17] Lerman, R. and E. Bell (August 2006) "Financial Literacy Strategies: Where Do We Go From Here? " (Urban Institute: Washington, D.C.).
[18] Martin, M. (June 2007) "A Literature Review on the Effectiveness of Financial Education," Working Paper No. 07-03 (Federal Reserve Bank of Richmond: Richmond, VA).

- There should be face-to-face time, either with a counselor or in a classroom setting
- Instruction should cover specific topics rather than general subjects
- Instructors should try to teach skills that participants can apply to their personal financial situation.

The content of the financial education program included four modules, modules that were approved by MHUW and were part of the requirements of IDA program completion. These four modules and the anticipated learning objectives are shown in Exhibit 4-1 below.

Exhibit 4-1: Basic Components of Financial Literacy Training
• Module 1: Where to Begin: The Path to Self-Sufficiency ✓ Understand your money history ✓ Examine your money values ✓ Set SMART financial goals ✓ Identify obstacles ✓ Create a personal action plan • Module 2: Managing Your Money: Sticking to the Basics ✓ Track your spending ✓ Identify sources of income ✓ Recognize your financial risk ✓ Create a personal financial plan ✓ Create a Personal Action Plan • Module 3: Credit and Debt: It's all about You ✓ Describe common forms of credit ✓ Understand the pros and cons of using credit ✓ Recognize the 4 Cs of lending ✓ Understand the elements of a credit report ✓ Recognize the impact of your credit history ✓ Create a Debt Control Plan ✓ Create a Personal Action Plan • Module 4: Common Money Traps and Long Term Goals ✓ Recognize the 10 most common money traps plus 1 ✓ Determine needs v. wants ✓ Understand the value of budgeting ✓ Create a Personal Action Plan

In the original project plan, a fifth module was anticipated that focused on a parent's child support obligations. This module and its learning objectives are shown in the box below.

- Module 5: Making Sense out of Money Management & Child Support
  - ✓ Understand your attitude about money
  - ✓ Recognize your beliefs and values around money
  - ✓ Understand the role of Child Support Services
  - ✓ Identify the benefits of budgeting
  - ✓ Explain the impact of non-payment of child support
  - ✓ Avoid common money traps
  - ✓ Stop spending leads
  - ✓ Recognize the power of communication
  - ✓ Create a Personal Action Plan

This module took a long time to design, develop and approve. In fact, the module was not released until late in the third year of the IDA demonstration project (March 2013). Thus, only a few parents benefitted from the instruction on this module. Reports from the instructor indicated that the module was well received by parents and suggested that Colorado consider using this module as an educational tool for new parents entering the child support program throughout the state.

The basic characteristics of the financial literacy training are displayed in Exhibit 4-2 below. Although there were multiple instructors, they all followed a similar curriculum, which came with a PowerPoint presentation and learning objectives for each module. While some instructors used the PowerPoint presentation as part of their training, others did not. In the sessions the evaluator attended (i.e., two sets of sessions led by different instructors), there was no effort by the instructor to assess what the class participants knew about the topics being covered at the beginning of class or what they had learned after the training was completed. Nevertheless, the questions participants asked during the classes indicated they were engaged, listening to the instructor, and learning the basic concepts of money management and credit/debt.

Exhibit 4-2: Characteristics of the Financial Literacy Training Component	
Financial Education	Comments
Class content	Four modules dealing with money management, credit, financial services and long term financial goals
Location	Various locations around the Denver metro area
Availability	Varied. Most classes NCPs attended were offered in the evening. Class location, schedules and course type were published on the MHUW website.
Number of classes	Four, 2-hour classes that could be taken in any sequence.
Eligibility	Anyone was eligible to take the free classes; participation was voluntary
Incentive	Jefferson County offered to forgive TANF debt for those NCPs who completed the training. (In Adams County, TANF debt would be forgiven only after completion of the IDA program.)
Instruction	Most parents had a single instructor for the training sessions, but others had two instructors. All instructors had a different teaching style; some followed a PowerPoint presentation, while others preferred to teach without the PowerPoint, leading a guided discussion about the topics covered in the instructional materials.

Attendance at the trainings was voluntary. Of the 291 noncustodial parents who initially enrolled in the IDA program (i.e., they signed consent forms with Adams or Jefferson Counties indicating their interest in the program), 16.1 percent attended the financial literacy training. The attendance rate was higher among noncustodial parents who enrolled in Jefferson County (24.7%) than those who enrolled in Adams County (6.6%) most likely because Jefferson County offered to forgive TANF debt for those parents who completed the financial training (i.e., attended all four training modules). (Adams County forgave TANF debt only for those noncustodial parents who established IDAs and purchased an asset.)

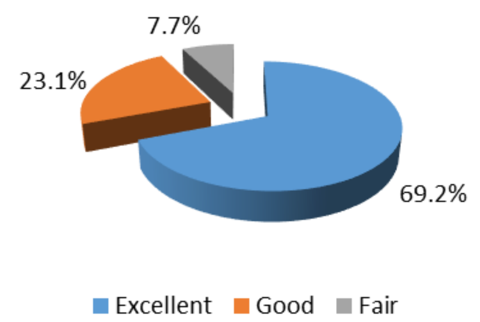
FINANCIAL EDUCATION TRAINING OUTCOMES

When the financial literacy training became an end goal for noncustodial parents in Jefferson County, the evaluator designed an exit survey for participants to complete after they had attended all four training sessions. The project administered the survey to all 47 NCPs who completed the training (including NCPs in Adams County) and received responses from 26

NCPs, somewhat more than half (55.3%) of those who completed the course. The responses from these NCPs are displayed in the exhibits below.

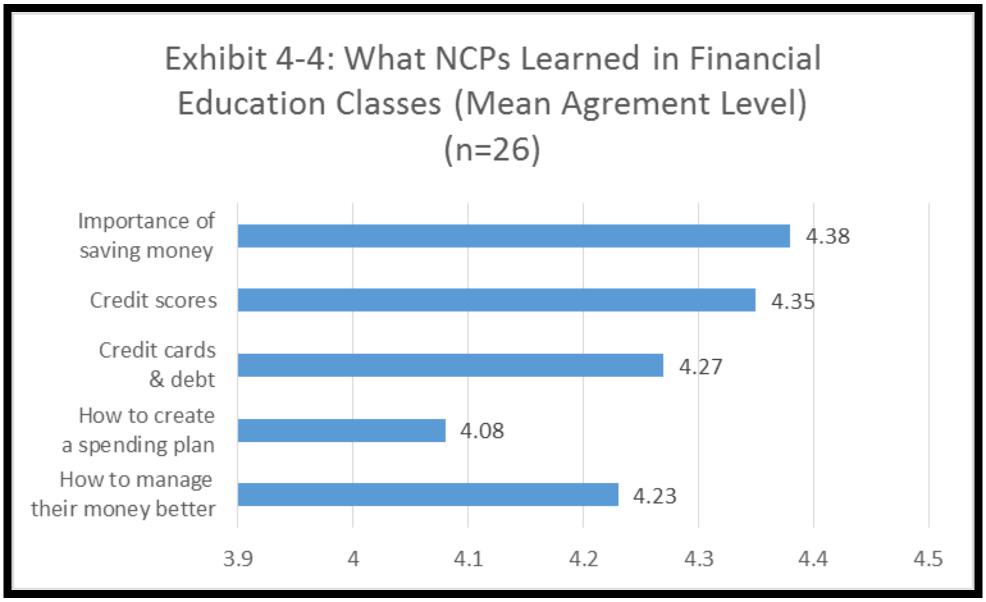
As shown in Exhibit 4-3 below, respondents rated the financial training very positively: more than two-thirds of NCPs (69.2%) rated the training as excellent and another 23.1 percent rated the training as good. No respondents gave the training a poor rating.

Exhibit 4-3: Respondent Rating of Financial Education Classes (n=26)

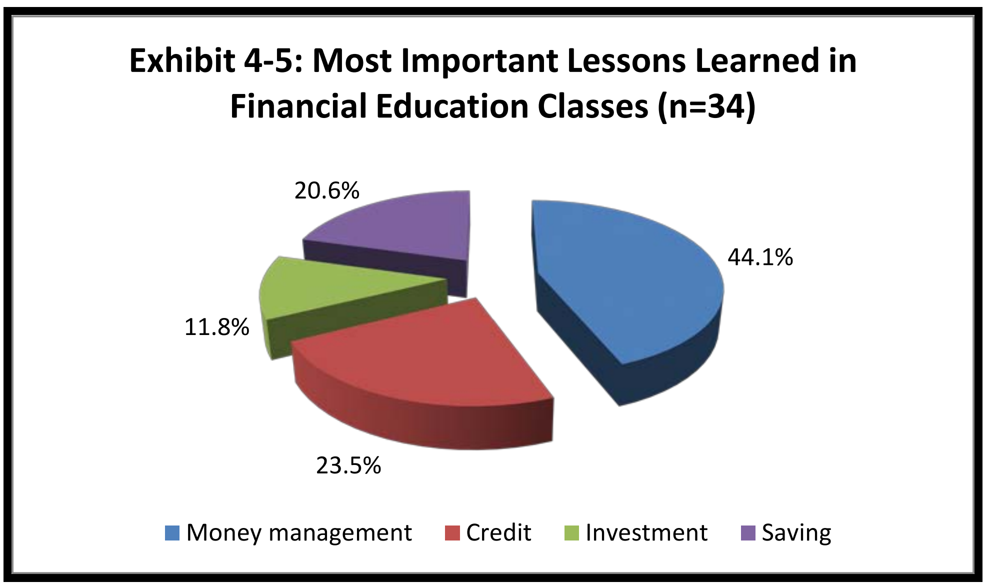


The survey included questions that asked respondents to rate how strongly they agreed or disagreed with some of the lessons the financial literacy training was meant to teach them. The questions used a 5-point scale where 1=strongly disagree and 5=strongly agree. Thus, the higher the average score, the more strongly respondents agreed with the statement. Exhibit 4-4 below displays respondents' average agreement ratings to several of the statements about what the classes were designed to teach.

As the exhibit shows, there was very strong agreement to all the statements. The lowest level of agreement – "I learned how to create a spending plan" – received an average score of 4.08, indicating that on average everyone "agreed" with the statement. All the other statements received even higher average agreement ratings, with "I learned about the importance of saving money" receiving the highest average agreement rating of 4.38.



When respondents were asked to list the most important lessons they had learned in the financial literacy training, their answers fell into the four main categories below in Exhibit 4-5; namely, money management (44.1% of the responses were in this category), credit (23.5% of responses), saving (20.6% of responses), and investment (11.8% of responses).[19]



[19] The proportions in Exhibit 4-5 are calculated on the number of responses rather than the number of respondents since a few respondents mentioned more than one lesson they learned in the training.

In the words of a few parent-respondents:

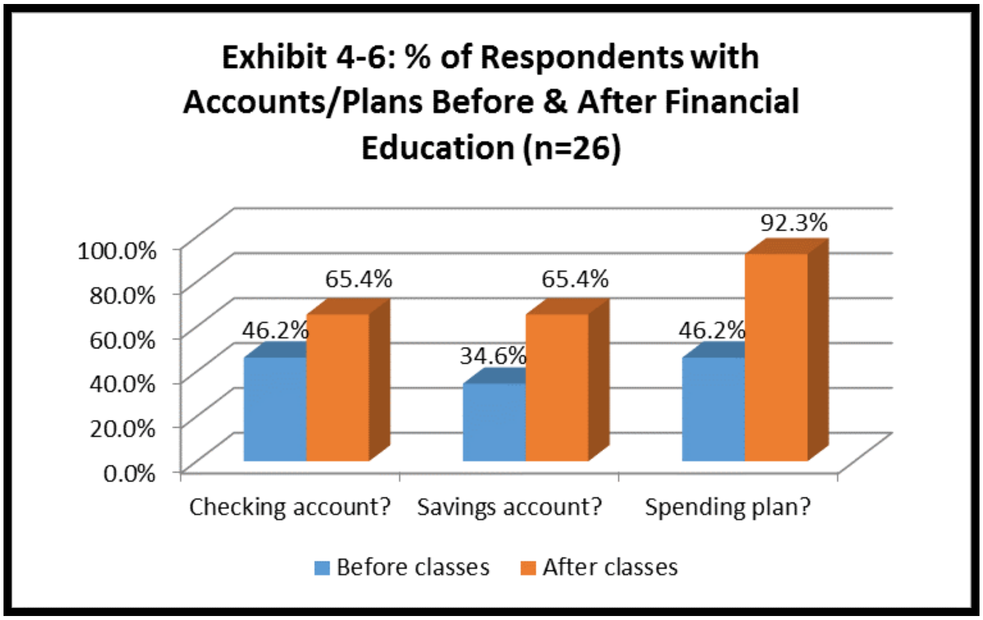
- The program helped me in my decisions about responsible and irresponsible spending.
- The classes are great. They teach you how to budget and have control of your money and how to get your debt down.
- These classes are great for people who do not have a lot of money and need help budgeting.

Of course, the effectiveness of financial education programs can only be measured in the actions that participants take as a result of the lessons they learned in the classes. These actions often require participants to make behavioral changes in their spending and savings habits. Whether there is a causal link between increased financial literacy and more positive financial decisions by participants is still uncertain, but the two at least appear to be correlated.

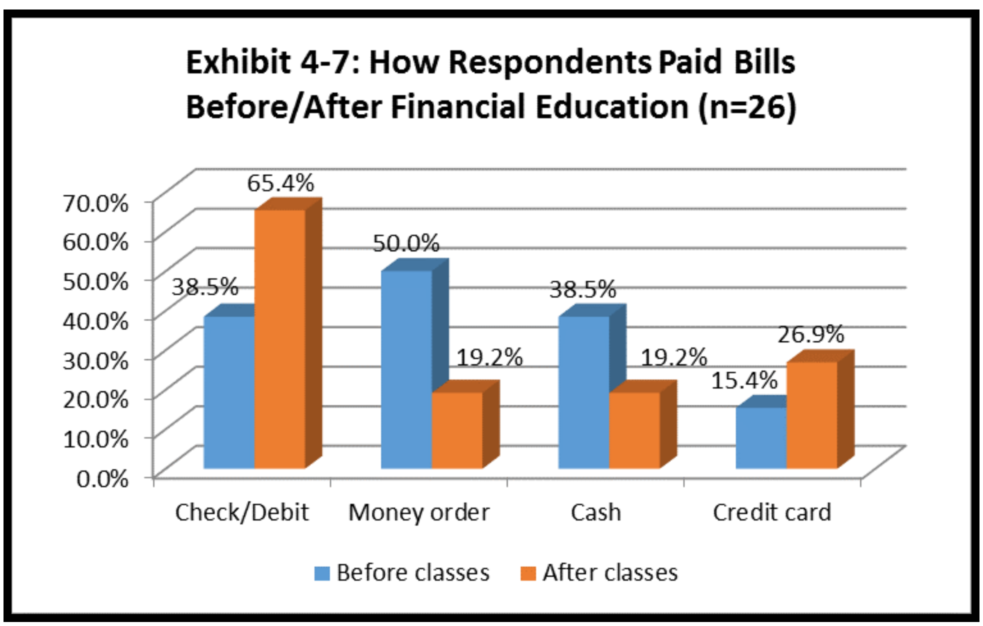
Although self-reported behavioral information can often be self-serving, the exit surveys completed by the Colorado program participants suggests that the financial literacy training they received may have affected their financial decision making. For example, the survey asked several questions to learn what changes, if any, parents had made in their financial planning, including savings, creating spending plans, how they paid their bills, etc. Exhibits 4-6 and 4-7 below show a few of the changes parents reported in their behaviors before and after financial literacy training.

With regard to several basic financial planning decisions, Exhibit 4-6 shows that a higher proportion of respondents after than before the classes were:

- Opening checking accounts: a 19.2 percent increase in the proportion of respondents who reported opening a checking account after the financial education classes.
- Opening savings accounts: a 30.8 percent increase.
- Creating a spending plan: a 46.1 percent increase before and after financial education in the proportion of respondents who had created a spending plan.



Respondents reported similar positive outcomes with regard to their spending patterns. As shown in Exhibit 4-7, before financial literacy training, half of the respondents (50%) reported paying their bills using money orders and more than a third (38.5%) said they paid their bills in cash. Less than half (38.5%) said they paid their bills with a check and an even smaller proportion (15.4%) reported paying with a credit or debit card.



These proportions shifted considerably after financial literacy training. Much larger proportions of respondents reported paying their bills using checks (65.4%) and credit or debit cards (26.9%) and much smaller proportions reported paying with money orders (19.2%) or with cash (19.2%).

One of the biggest changes parents reported was in the proportion who monitored their credit reports. Prior to financial education, only 27.3 percent of parents reported looking at their credit reports/credit score. After training, this proportion increased to 86.4 percent. In their open-ended responses to a question asking what lessons parents learned most, understanding credit and credit scores was one of the most frequently mentioned lessons. A few of the comments included: (1) "I learned there is a better path to good credit if you know the way," (2) "I learned about establishing credit and handling disputes, and what lenders look at," and (3) "I learned that if you have a spending plan and build your credit score you can do almost anything you dream of doing."

Finally, the logic model for Colorado Triple Play proposed as an intermediate outcome NCPs' increased knowledge of the Earned Income Tax Credit (EITC) available to low-income households and an increase in their subsequent application for those benefits. The exit survey included a question to assess NCPs' intent to apply for EITC benefits when they were doing their taxes. Somewhat more than a third of NCPs (36%) knew about the EITC and had filed for those benefits. After attending the classes, almost two-thirds of NCPs (64%) said they intended to apply for the benefits.

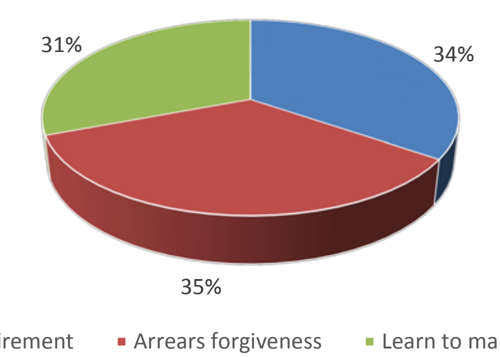
ARREARS FORGIVENESS

Jefferson County has had a history of delivering financial education to parents in its public assistance programs. Called Bootstraps, Jefferson County initially offered the program to TANF recipients. The child support staff began offering the program to noncustodial parents who were struggling to meet their child support payment obligations. Bootstraps was very similar to the financial literacy training offered through the IDA program. However, it was not sanctioned by MHUW and did not have MHUW-approved instructors. So, for the purposes of the Colorado Triple Play project, IDA program participants were referred to the MHUW financial program.

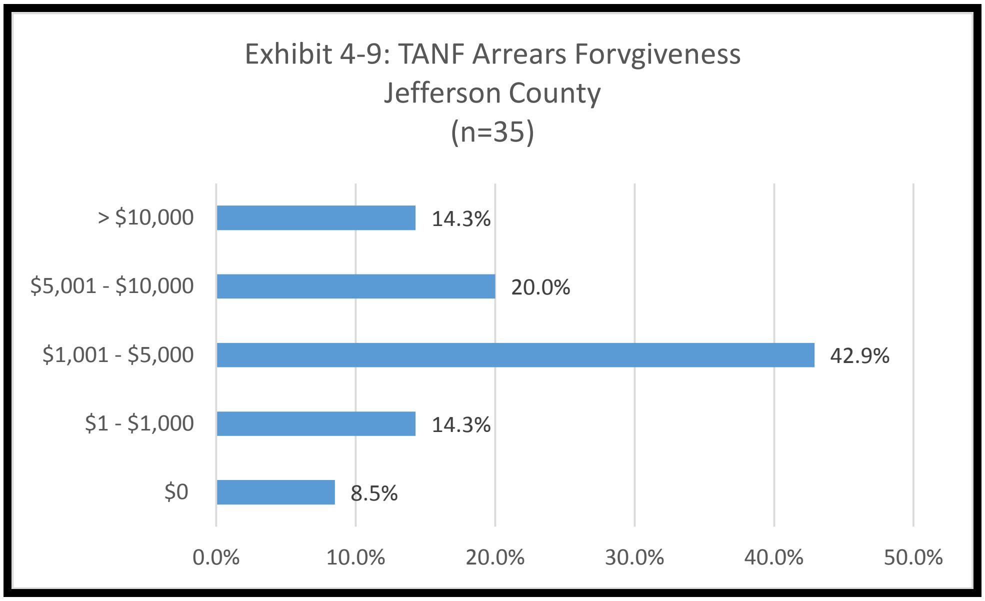
To encourage noncustodial parent participation in Bootstraps before Colorado Triple Play, Jefferson County offered to forgive 50 percent of a parent's TANF debt for those who completed the four-week training program. Thus, the county already had a precedent for forgiving TANF debt for NCPs who attended financial literacy training at the time Colorado Triple Play was implemented. It decided to continue this practice for NCPs who attended the MHUW-approved financial education classes.

The TANF arrears forgiveness proved to be a popular incentive for NCPs to compete financial education. Indeed, when parents were asked as part of the exit survey to name the most important reason they had attended the classes, somewhat more than a third of parents (35.0%) mentioned the forgiveness of TANF debt (Exhibit 4-8). Only slightly smaller proportions of parents mentioned the IDA requirement as a reason for attending the sessions (34%) or to learn how to manage money better (31%).

Exhibit 4-8: Primary Reason for Attending Financial Education Classes (n=26)



Through June 2014, Jefferson County forgave $157,853 of TANF debt from the arrears balances of the NCPs who completed the financial literacy training as part of the IDA project. The range of arrears forgiveness was $0 (three parents did not have any TANF debt to forgive) to $17,543, and the average for those who had debt forgiven was $4,933. As shown in Exhibit 4-9, a plurality of NCPs (42.9%) had between $1,000 and $5,000 of TANF debt removed from their arrears balances and another 14.3 percent had over $10,000 of debt forgiven during the project period. For some NCPs in Colorado Triple Play, their state-owed arrears were their only outstanding debt. Thus, once their arrears were forgiven, their case could be closed.



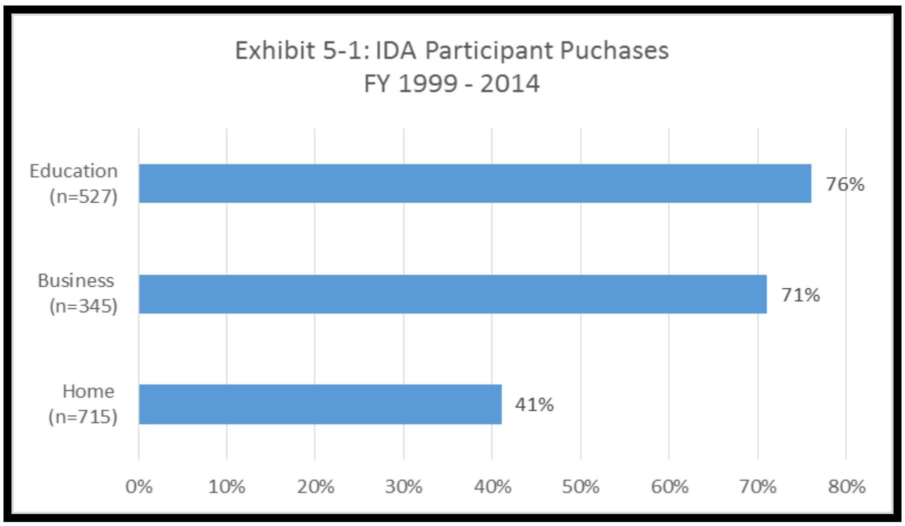
Since September 2013 when Colorado Triple Play ended, Jefferson County has continued to offer TANF arrears forgiveness to those NCPs who complete the financial literacy training. At present, NCPs are still being referred to the financial literacy classes approved by MHUW. However, the county continues to offer the Bootstraps program to its TANF population and could refer NCPs to that program if the other classes are not available in the Denver metropolitan area.

CHAPTER 5

IDA PROGRAM OUTCOMES

INTRODUCTION

At the start of the Colorado Triple Play project, Mile High United Way (MHUW) had a 10-year history as an AFI grantee and a solid record of performance helping low-income families establish IDAs and purchase assets. Of the 1,723 IDA accounts opened at MHUW since 1999, more than half (54.5%) have resulted in an asset purchase.[20] Exhibit 5-1 displays the distribution of purchases by asset type.



MHUW's long experience with the IDA program made them a perfect partner to work with the Division of Child Support Services (DCSS) for the Colorado Triple Play project. The purpose of this chapter is to discuss the IDA program and the child support noncustodial parents (NCPs) who participated in the program through Colorado Triple Play. It provides case studies for a few participants and then looks at child support outcomes (i.e., payment behavior and arrears accumulation) for the NCPs who participated in the IDA program and for those who only completed financial literacy training.

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[20] This number includes adults who are still saving or who have completed saving but have not yet made a purchase. Purchases by these individuals will eventually increase the proportion who have purchased assets. MHUW has suspended applications to the IDA program for the time being. It is, however, continuing to support current IDA program participants who are still saving for an asset purchase or who have completed their saving but have not yet made a purchase.

IDA PROGRAM REQUIREMENTS

NCPs interested in the IDA program initially had to meet financial eligibility requirements established by the federal AFI grant program and the requirements set for the local 4 to 1 match of the IDA funds. These requirements, shown in Exhibit 5-2 below, illustrate the low-income nature of the program. Of all MHUW IDA participants, 77 percent earn less than $2,500 gross income per month and the remainder are at or below 80 percent of the Denver area median income.

Exhibit 5-2: IDA Financial Eligibility Requirements			
Funder Requirements	Work Status	Household Net Assets Requirements[1]	Household Income Limits[1]
Federal AFI funds requirements	Applicant must have earned income	Must have less than $10,000 in net assets, excluding: • primary residence • one vehicle	Must be below 200% of federal poverty level guidelines ($29,140 for a family of 2) **OR** The household qualifies for EITC ($35,463 for a single parent with one child)
Local funds match requirements ($4:$1 match)	Applicant must have earned income	Must have less than $10,000 in net assets, excluding: • primary residence • one vehicle • non-liquid assets (i.e., family business or retirement savings)	Must be below 80% of the area median income ($48,600 for a family of 2)

[1] 2011 calendar year limits

Once the income qualifications were met, NCPs had several other requirements to complete before they could make an asset purchase. These requirements are itemized in Exhibit 5-3 below. As discussed in Chapter 4, the requirement to attend the child support financial education module was dropped because the module was not developed and approved for delivery until March 2013, only a few months before Colorado Triple Play ended. Also, NCPs who were interested in beginning a small business enterprise were required to complete a 12-week business course that was free to Denver residents, but not to others. We know from anecdotal evidence that some NCPs viewed this as a barrier to their participation. However, we also learned that some financial assistance (e.g., grants) was available and NCPs may not have had to pay the full cost of the classes.

Exhibit 5-3: IDA Program Requirements for Asset Purchase	
Requirement	Explanation
Saving	• Establish an IDA at local bank • Save $1,000 (a minimum deposit of $42/month) • Save for a minimum of 6 months, maximum of 24 months
Financial Education	• Complete 4 financial education classes (6-8 hours) • Complete a child support financial module
Asset specific counseling	<u>Home ownership savers</u> • Complete Home Ownership Assessment; get home ownership counselor approval • Attend homebuyer class; get certificate of completion <u>Business savers</u> • Complete initial business proposal; get approved by business counselor prior to opening IDA • Complete 12-week business course • Complete business plan (including approved purchases with IDA funds); get approved by business counselor <u>Education savers</u> • Complete education plan; get reviewed/approved by an academic counselor at the school the participant plans to attend • Meet with academic counselor a minimum of one hour to discuss the plan before opening IDA
Documentation and purchase	• Provide documentation for qualified purchase before accessing the matched funds. • MHUW pays vendor directly

NCP IDA PARTICIPATION

Recruitment of NCPs to the IDA program began in July 2011 and continued through September 2013. During that time, MHUW approved applications from 18 NCPs; 9 from Adams County and 9 from Jefferson County. Only two of the applications were approved in 2011, not surprising given the newness of the program and the start-up and implementation issues associated with any new program. During the remainder of the project, applications were approved at a rate of about one per month.

Some statistics about NCP participation are shown in the exhibits below. Exhibit 5-4 shows the distribution of NCPs by the type of asset they planned to purchase with their IDA funds. The plurality (44.4%) were saving to begin a small business enterprise with the other NCPs equally divided between saving for a home purchase (27.8%) or pursuing post-secondary education at a local college or vocational school (27.8%). NCPs in Jefferson County were equally divided among the three asset purchase options, while NCPs in. Adams County were somewhat more interested in establishing a small business than in the other two options.

Exhibit 5-4: NCP Planned Asset Purchase (n=18)

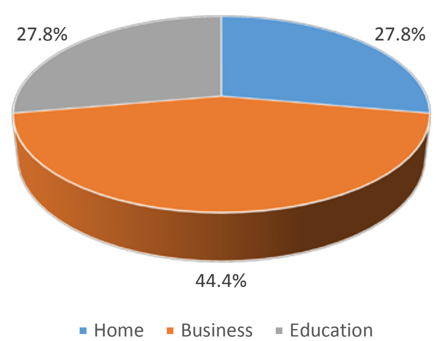


Exhibit 5-5 provides information about the current status of the NCPs' IDAs, their purchases, and reasons they exited the IDA program. Of the NCPs who have completed saving and made their purchase, most are in Jefferson County, which was the first county to enroll anyone in the IDA program. On the other hand, most of the NCPs who are still saving to make their purchase are from Adams County. That county struggled initially to recruit and enroll NCPs in Colorado Triple Play and had less staff support than Jefferson County to engage and encourage NCP participation in the IDA program. For example, the director of Jefferson County's fatherhood program was a major supporter of the opportunity the IDA program presented to low-income fathers and actively promoted the program in his peer support groups. Adams County did not have a fatherhood program to provide an additional recruitment source and support for the program.

In 2012, Adams County appointed a new coordinator to the project. That coordinator developed more rapport with the NCPs he recruited to Colorado Triple Play and he actively intervened on their behalf as they struggled to navigate the IDA program application and compliance requirements. One of the major lessons learned from this project is that NCPs often need encouragement and assistance to overcome the many challenges they face not only at the beginning of a new program, but throughout its duration. While this assistance and support could come from one individual, a network of service providers like the collaborative the Colorado Triple Play project initially tried to establish can offer different types of support NCPs may need to be successful.

Exhibit 5-5: Current Status of NCPs in the IDA Program			
	Adams County (n=9)	Jefferson County (n=9)	Total (n=18)
<u>IDA Saving Status</u>	(n=9)	(n=9)	(n=18)
• Saving complete, made purchase	11.1%	44.4%	27.7%
• Saving complete, waiting to purchase	11.1%	22.2%	16.7%
• Still saving	55.6%	—	27.8%
• Dropped out	22.2%	33.3%	27.7%
<u>IDA Program Exit Reason</u>	(n=3)	(n=6)	(n=9)
• Completed IDA program	—	50.0%	33.3%
• Not able to save	66.7%	16.7%	33.3%
• Moved out of area	—	16.7%	11.1%
• Other (financial problems, job loss)	33.3%	16.7%	22.2%

Another statistic in Exhibit 5-5 regards the reason NCPs exited the program. A third of all exits (33.3%) were because the NCP reached his/her goal and made an asset purchase. All of these NCPs through July 2014 were from Jefferson County. Other NCPs established an IDA but eventually dropped out of the program for various reasons, but primarily because they were not able to meet the saving requirements (a minimum of $42/month).

NCP STORIES

Every NCP has a unique story about his/her experiences in the IDA program. There are, however, a few themes that run throughout these stories.

- All the NCPs faced challenges getting through the program. Some of these challenges related to the IDA program requirements (e.g., completing the application, attending classes), some related to meeting the demands of an IDA purchase (e.g., getting a high enough credit score), and some related to their personal lives.
- Several of the NCPs persevered through their challenges thanks to the encouragement and follow-up provided by individuals. This included, for example, the county child support coordinators, the director of the fatherhood program in Jefferson County, and one of the MHUW service providers. The need for this support colors all the stories here.

- Those who have made an asset purchase or are nearing an asset purchase have been extremely thankful for the opportunity the IDA program gave them. In some cases, the asset purchase has changed their lives. In others, it has created a more positive relationship with the child support agency.
- Everyone had positive comments to make about the financial education classes. They learned about money management and credit/debt that proved important in their eventual asset purchase. (This supports the survey findings reported in Chapter 4 about the financial literacy program.)

Brian: IDA for small business enterprise

Brian was recruited to the IDA program by the child support project coordinator who talked with him about the benefits of the program. Brian, an automotive technician, had experienced a few job changes since his divorce because of the recession and when he was on unemployment, he began accumulating child support arrears. When he lost another job in April 2012, he decided to go into business for himself and established a mobile, pre-purchase auto inspection program. Although he had the tools he needed for the business from his prior employment, he needed money to (1) purchase a vehicle for his mobile inspection work, (2) develop a marketing and advertising plan, and (3) subscribe to a few information services.

Establishing an IDA and getting through the program was difficult and time-consuming. He first attended an orientation to the program with staff from MHUW before deciding to complete an application. He then began attending the financial literacy classes at Colorado Housing and Finance and eventually enrolled in the 12-week business course at Mi Casa. In the meantime, his application for the IDA program languished for reasons he did not understand. His growing frustration with the program led him to consider dropping out. He stayed, however, because he had completed most of the IDA program course requirements. His IDA application was approved the same week he completed the business courses and he began saving. When he completed his saving, he learned he still had to attend two financial education classes adding yet another delay to his asset purchase.

Today he has completed the IDA program and made his vehicle purchase. His business has been slow to prosper, partly because he has a full-time job with a tire company and thus has less time to build his own business. Despite the length of time the program took and his frustration with what seemed to him endless paperwork, he is pleased he did it. In particular, he found the business course to be very valuable. He credits the program with teaching him skills (e.g., how to talk with people) that he is using in his current job. In retrospect, he believes that the biggest obstacle to completing the IDA program is yourself; that you have to be very self-motivated and committed to finish despite the challenges of work, family, and class assignments.

Michael: IDA for small business enterprise

Michael, a middle-aged father of two, also has a son who was born out of wedlock when Michael was 18 years of age. He began paying child support for that son in 1991. As a consistent payor, he regularly met his child support obligation, in addition to paying for his son's medical insurance. After several years, however, his monthly child support obligation doubled to $600 per month, an amount that he could not regularly meet. He began to accumulate arrearages and the child support agency began using its enforcement tools to collect support. Michael's wages were garnished and his driver's license was suspended twice. The agency threatened him with jail, an outcome that had befallen another noncustodial parent he knew.

As a result of his experiences, Michael's relationship with the child support agency was not positive. In his words, "the child support agency did not care about me as a father. They only cared about collecting money from me." When the child support agency contacted him in early 2013 and invited him to participate in Colorado Triple Play, he was at first skeptical. The program seemed "too good to be true." But he also viewed the program as an opportunity to get the money he needed to begin his own business. He enrolled in the program and established an IDA.

His journey in the program has not been without difficulty. He completed the financial literacy training within four months and enrolled in the business classes offered by Rocky Mountain Micro Finance. At the time, he did not understand that the IDA program required him to complete the course (13 weeks of classes). However, he managed to struggle through the program, completing his work and graduating from the program at Mi Casa.

As of July 2014, Michael is still saving in his IDA, but expects to meet his savings goal within a few months. His business plan has been approved and he has been working with a business counselor at Mi Casa to determine what his initial business purchases need to be to open a tax preparation business. These include a laptop computer, accounting and business software, business insurance, and marketing materials. He plans to continue working in his current job while building his new business.

Michael is about to begin a new chapter in his life. He has successfully paid all of his child support arrearages and no longer has obligations to the agency. He has developed a better relationship with his son and is building his savings and investing in his future. He is excited about the prospect of owning his own tax preparation business and becoming a successful entrepreneur.

Chris: IDA for home purchase

Chris has two children for whom he has paid support for several years. He is not delinquent on his support obligations and has no arrears. (This was initially the target population of NCPs Adams County wanted to help through the IDA program.) He initially was recruited to the IDA program by his child support technician and after learning more about the program decided he would like to purchase a home. In his opinion, the process and paperwork can be overwhelming and if you see it from that perspective then getting through the program can be difficult. He felt he knew what would be expected of him from the orientation, but found getting to his classes and appointments in different locations and the time commitment he had to make were a bit of a challenge. His biggest challenge, however, was getting his credit repaired. He spent several months trying to get his credit reports with the three major credit agencies worked out and was eventually successful.

Chris is still saving in his IDA to purchase a home for his children, who are now living with him. He expects to complete saving by the end of 2014 so has been actively working with his home counselor to find a mortgage broker.

Marvin: IDA for home purchase

Marvin enrolled in the IDA program in 2012, but did not submit his application until early in 2013. He is still saving in his IDA for a home purchase, a purchase he hopes to make in summer 2015. His experience in the program has been positive and fairly trouble free. He claims to have had no difficulty completing his paperwork and class requirements (i.e., financial literacy and homebuyer program). In his opinion, MHUW explained the program clearly during orientation to the program, including what classes he would need to take and the paperwork he would need to complete. He admits a debt, however, to the financial literacy trainer (George) who helped him through the program. George not only taught the financial education classes Marvin attended, but he also was Marvin's home counselor. In that capacity, he worked closely with Marvin to help him complete all the paperwork and remind him of his obligations.

Marvin had hoped to make a home purchase this year, but he is still trying to repair his credit rating. The process has been difficult, but as a result of the financial education, he realizes he needs to get his credit repaired before he can purchase a home.

Marvin's advice to other NCPs who are interested in the program is that it is up to them to make the program work. The program requirements are not going to work around your schedule. Further, the paperwork can seem overwhelming, but you need to be prepared to do some paperwork on your own.

Scott: IDA for post-secondary education

Scott has always been a consistent payor, fully meeting his child support obligations and not accumulating arrears. Generally this was not the profile of the typical IDA applicant in Colorado Triple Play. But Scott was referred to the program through the county's fatherhood initiative and not through his child support technician. At the time of his enrollment in the IDA program, Scott was in school to become a teacher. He viewed the IDA program as an opportunity to get additional funds to complete his education.

His experience in the program was very positive. The orientation to the program helped give him the background he needed to complete the various requirements. He liked the financial education classes, in particular the information about budget management and credit scores. Further, since he was already in school and working with an academic advisor, he was able to use the same counselor to meet the IDA requirements for an approved schedule of study. Scott completed his IDA in 2013 – it took him the full two years to save – and was able to use the IDA funds to complete his education and obtain his teaching certificate. Today he has a full time teaching position.

Scott's advice to other NCPs is not to make excuses about why you cannot do something. Following up on that advice, he says (1) do not be afraid to ask questions, (2) use the resources the program has to offer, and (3) make your goals, define a plan of how you are going to get there, and stick to the plan. He also believes that fathers need a mentor or a network of service providers to help push them through the program.

Robert: IDA for home purchase/post-secondary education

At the time Robert was referred to the Colorado Triple Play project, he had lost custody of his children to the children's grandparents. He dreamed of getting custody of his children and buying a home where the family could live together.

What began as a promising life for Robert while serving in the Marine Corps eventually fell apart after losing one of his leg's to disease, receiving a medical discharge from the service, and getting divorced. He committed a crime and served a prison sentence. He remarried and had additional children, but then faced another possible prison term, which ended with two years of probation.

As he tried to regain partial or full custody of his two youngest children, Robert began increasing his parenting time and worked toward a home purchase. He enrolled in the IDA program, attended the financial literacy classes, completed his application, and began saving. He also opened a secure credit card at a local bank to establish a credit rating (he did not have credit at the beginning of the program), and paid off the card's balance in full every month. Eventually, however, Robert withdrew from the program because the legal fees associated with his custody issues were not allowing him to save in his IDA.

Nevertheless, Robert was and is a believer in and a strong supporter of the IDA program. Since dropping out, he encouraged his daughter to establish an IDA to help pay for her post-secondary education at cosmetology school. Today, Robert's daughter has completed her schooling, has a job and is on an upward path to success.

Eric: IDA for small business enterprise

When Eric was referred to Colorado Triple Play by the Jefferson County fatherhood program, he was making inconsistent child support payments and had a sizeable child support debt. For income, he was working for a friend in his mobile sharpening business; shears, scissors and clippers for dog groomers, stylists and beauticians. The business was doing well and Eric's friend encouraged him to get into the business for himself. The IDA program was an opportunity to make that transition to business ownership.

Eric recruited his partner Heather into the business and they worked together to complete the IDA application. The application took six to seven months to complete and be approved, a process that Heather describes as lengthy and difficult. Once the application was approved, however, everything afterwards fit together well. Both Eric and Heather attended the financial education classes and the 12-week business course at Mi Casa. Eric realized that the IDA funds would not be sufficient for his business needs (e.g., vehicle, equipment, website development, supplies) so when the business program hosted an employment fair, he found two banks willing to make micro loans to his business.

Eric and Heather completed the saving requirement in six months and used the money to buy machinery and equipment. The new business has been a great success. Even though he has not advertised, he has several hundred clients and gets new referrals through his existing clients. He is still making child support payments, but he is now current in his payments and has paid off all his arrears.

Heather offers the following advice to other NCPs interested in the IDA program:

- Stay on top of things, be quick, and do not prolong the process because that will make it more difficult.
- Work with the child support and fatherhood programs and have them help you meet the requirements.
- Try to complete the requirements back to back to maintain your enthusiasm and momentum in the program.

Mike: IDA for home purchase

Mike was extremely enthusiastic about the IDA program when he learned about it at a fatherhood peer support group meeting in Jefferson County. Although Mike had no order for current support at the time of his enrollment in Colorado Triple Play, he was still paying off his arrears that had accumulated while he was in jail for domestic violence issues. He had a job in construction as a journeyman and carpenter and was paying back his child support debt through payroll deduction.

Mike’s major obstacle to establishing an IDA for a home purchase was a low credit score. After attending financial education classes and talking with another NCP in the IDA program, he obtained a secure credit card and began paying off the full amount on the card every month to improve his credit. He also learned from his home counselor that he could qualify for a large mortgage and was excited about the possibility of buying a home and some land on which he hoped someday to retire.

Unfortunately, after a promising beginning, Mike stopped saving, an outcome related to problems in his personal relationships. MHUW allowed him to take a break from saving, but he eventually decided to drop out of the program after entering a different relationship and deciding to follow his girlfriend to begin life in a different state.

CHILD SUPPORT OUTCOMES

The logic model for Colorado Triple Play included a few child support measures as intermediate outcomes; namely that NCPs who participated in the project would (1) pay a higher proportion of their support obligations and (2) pay down on their child support arrears balances. Exhibit 5-6 below addresses these two measures.

The approach to assessing payment compliance and arrears reductions included looking at child support payment behavior and arrears balances for the six months prior to an NCP's enrollment in Colorado Triple Play and the same six-month period after they enrolled. Thus, if an NCP enrolled in Colorado Triple Play in January 2012, the evaluation collected payment and arrearage information for July – December 2011 and July – December 2012. By observing behavior for the same time period, we avoid any differences that might occur as a result of the time of year (e.g., seasonal employment) payments were due.

Exhibit 5-6 displays data on NCPs' child support payment behavior and arrearage balances where data were available in the pre- and post-participation time periods. The exhibit presents information separately for NCPs who only attended financial literacy training and for NCPs who participated in the IDA program at MHUW because we expected the populations to be different; and they are. For example, almost two-fifths of the NCPs who only participated in financial literacy training (37.9%) had no orders for current support and were only paying down on their arrears balances. The comparable proportion among NCPs in the IDA program was 5.9 percent.

Of those who did have current orders for support at the time of enrollment, IDA participants had a mean monthly average order amount of $356 compared to a mean amount of $292 for the NCPs who attended financial literacy only. Although the difference between the two groups in their mean order amounts appears substantial, it is not statistically significant at the 95 percent level of confidence, most likely because the number of NCPs in both groups are too small. Indeed, the small numbers of NCPs who participated in either financial literacy only or the full IDA program make statistical comparisons difficult and generalization of the findings to the larger population of NCPs impossible.

Exhibit 5-6: NCPs in the IDA Program
Child Support Statistics

	IDA Participants (n=17)	Financial Literacy only (n=29)	Total (n=46)
Child Support Order?	(n=17)	(n=29)	(n=46)
• Yes (both pre- and post-participation)	88.2%	58.6%	69.6%
• Yes (pre-participation only)	5.9%	3.4%	4.3%
• No (arrears only)	5.9%	37.9%	26.1%
• Mean monthly order[1]	$356 (n=16)	$292 (n=18)	$322
% Due and Paid[2]	(n=16)	(n=18)	(n=34)
• Pre-participation	80.0%	30.4%	53.7%
• Post-participation	83.5%	66.1%	71.5%
Arrears?[3]	(n=17)	(n=29)	(n=46)
• Yes (both pre- and post- participation)	58.8%	62.1%	60.9%
• Yes (pre-participation only)	17.6%	34.5%	28.3%
• Yes (post-participation only)	11.8%	3.4%	6.5%
• No	11.8%	—	4.3%
Average Arrears Balance			
• Pre-participation	$10,034 (n=13)	$11,912 (n=28)	$11,317
• Post-participation	$9,708 (n=12)	$8,783 (n=19)	$9,141

[1] Calculated only for NCPs who had a current order for support prior to their program participation.
[2] Calculated for two, six-month time periods prior to enrollment and six months after their initial enrollment.
[3] Arrears balances are shown at two points of time: at enrollment and one year after enrollment.

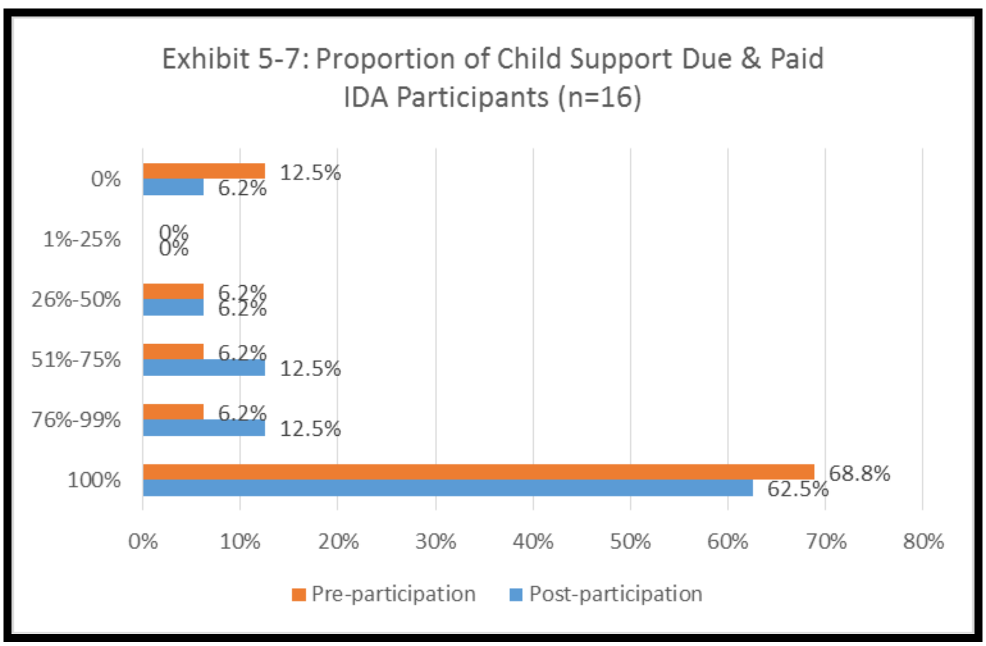
The picture with regard to arrears balances in Exhibit 5-6 shows that all NCPs who only attended financial literacy classes had arrears balances at one or both of the data collection points, while 11.8 percent of the NCPs in the IDA program did not have arrears in either period. The average arrears balance prior to enrollment was $10,034 for NCPs in the IDA program and $11,912 for NCPs only attending the financial literacy classes, a difference that is not statistically significant. The post-participation statistics present a somewhat different picture.

- NCPs who only attended financial literacy: the average arrearage balance prior to completing the financial classes was $11,912. After attendance at the classes, nine NCPs had a zero arrears balance and the remaining NCPs had an average arrears balance of $8,783.

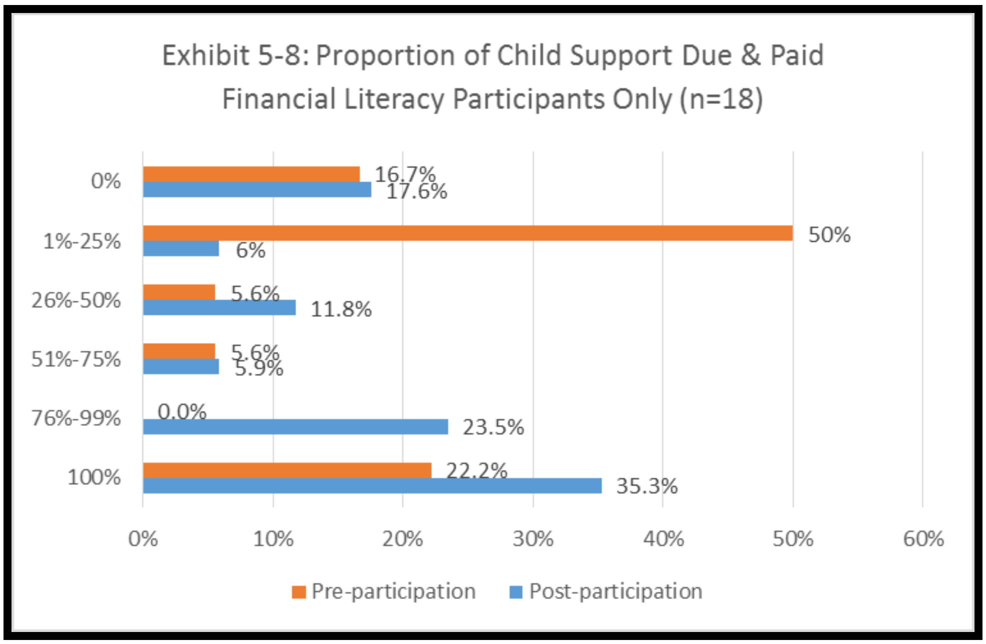
- NCPs in the IDA program: Pre-participation balances were $10,034 for those who had arrears at the time of enrollment. Post-participation, one NCP had discharged his arrears completely and the remaining NCPs had a small reduction ($326) in their average arrears balance.

The data for NCPs who only attended financial literacy reflect the incentive that Jefferson County offered to its NCPs who attended all four classes. As shown in Chapter 4, the county discharged a substantial amount of TANF debt ($157,853) as a result of that incentive. Some NCPs whose arrears only included state debt were able to remove all their child support debt, a fact evidenced in the Exhibit 5-6 statistics, and have the county close their child support cases.

Information about NCPs' compliance with child support obligations is shown in Exhibits 5-7 and 5-8 below. The data for IDA program participants who had support orders in both time periods are shown in Exhibit 5-7. The majority of NCPs who took advantage of the IDA program were in full compliance with their support obligations both pre- and post-participation (68.8% and 62.5% for pre- and post-participation periods respectively). As shown in Exhibit 5-6, payment compliance for the group as a whole increased by a modest 3.5 percent (from 80% to 83.5%) between the pre- and post-participation periods.



Payment compliance patterns for NCPs who only attended financial literacy classes are shown in Exhibit 5-8. The first observation is that only 62 percent of the NCPs in this group had existing child support orders. Again, this is not surprising given that the incentive to attend the financial classes was relief from TANF debt and had no affect on the monthly child support obligation. Nevertheless, we might expect to see some improvement in payment compliance given the substantial debt relief among these NCPs. Exhibits 5-6 and 5-8 do suggest there was some affect on payment compliance among this group of NCPs because average payment compliance pre- and post-participation did improve from 30.4 percent to 66.1 percent. Further, somewhat more than a third of these NCPs (35.3%) were fully compliant post-participation, a slight improvement over the pre-participation period.



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CHAPTER 6
SUMMARY & CONCLUSIONS

SUMMARY

Colorado Triple Play was the name of the Building Assets for Fathers and Families (BAFF) demonstration project offered through the Colorado Division of Child Support Services (DCSS). The Division had a major partner in Mile High United Way (MHUW), an AFI grantee that had successfully operated an IDA program for low-income households for over ten years.

The project began October 1, 2010 and ended operations September 30, 2013. Two child support agencies in Adams and Jefferson Counties served as the demonstration sites. They began recruiting noncustodial parents into Colorado Triple Play in late July 2011 and continued their recruitment efforts through September 2013. Since that time, the coordinators in the two counties have provided ongoing support to the NCPs who are still saving in their IDA to make an asset purchase. In addition, although the IDA program is no longer being offered, Jefferson County has continued to encourage NCPs to attend financial literacy training. The incentive to attend and complete all four classes is relief of an NCP's TANF debt.

The demonstration project took several months to plan and organize. The key steps in that process were:

- Assembling a collaborative, a group of public and private agencies and organizations that had a stake in assisting low-income NCPs to be successful.
- Developing a logic model for the project that identified the activities, intermediate outcomes and final goals for the project.
- Outlining the organization of the project, including the roles and responsibilities of the partner agencies and an initial flowchart of project activities (e.g., how NCPs would move from recruitment to establishing an IDA and making an asset purchase).

The project faced a few challenges as it began to implement the project and then later during ongoing operations. These challenges required some mid-course corrections in the partners' roles, in how NCPs were recruited, and in the support available to the NCP participants in their journey to complete the IDA program requirements. Making an asset purchase – a home, small business enterprise, post-secondary education – was the final outcome and the final reward for participation.

To reach the final goal, NCPs first had to qualify for entry into the IDA program primarily based on household income. Once accepted, they had to complete a series of four financial literacy classes offered in the community, meet with a counselor related to the asset purchase they wanted to make, attend classes related to their purchase (e.g., home buyer's program, business course), save $1,000 into their IDA, and complete a plan for making their asset purchase. As the gatekeeper of the IDA program, MHUW paid for the asset purchase up to $5,000 ($1,000 of money contributed to the IDA by the NCP and $4,000 in match money).

Exhibit 6-1 shows the number of NCPs who participated in the project and completed each of project milestones.

Exhibit 6-1: Colorado Triple Play NCP Participation

Project Stage	Number of NCPs	% of NCPs (n=291)
NCPs enrolled	291	
NCPs attended financial literacy training	47	16.2%
NCPs established IDAs	18	6.2%
NCPs made an asset purchase[1]	5	1.7%

[1] Some NCPs are still in the IDA program, but have not yet made a purchase.

Most of the NCPs who attended and completed the financial literacy training were recruited by Jefferson County through multiple venues: child support technicians, fatherhood program, problem-solving court. NCPs' primary interest in attending the training was to get some relief from their state-owed debt, which for many NCPs was considerable. Altogether, Jefferson County forgave $157,853 in state debt for 32 NCPs. Other NCPs completed the classes as part of fulfilling their IDA program participation requirements.

Eighteen NCPs established an IDA during the project period, nine from each of the two demonstration counties. Through July 2014, five NCPs had exited the IDA program after completing an asset purchase; three purchases for small businesses and two for post-secondary education. Of the remaining NCPs, five dropped out of the program and the remainder are still saving or have completed their saving but have not yet used the money to make a purchase.

CONCLUSIONS

The Colorado project began well and had a general blueprint for success. Some activities were successful but the project also fell short in several areas. Among the things that worked well were the initial planning, the formation of a collaborative to support the project's activities, and the financial literacy program. Where the project fell short was the initial assumptions used to develop the logic model, the inability to recruit and enroll large enough numbers of NCPs to the IDA program to meet project goals, and project outcomes that could not be generalized beyond the few NCPs who completed the program activities.

Project Planning

The initial partnership of DCSS and MHUW seemed ideal, building on the strengths of two successful programs. The collaborative they assembled of public and private agencies also was well-suited to the goals the project sought to achieve: encourage NCPs to establish an IDA, support them in the IDA program, and help them move toward greater self-sufficiency. During the project planning period, the members of the collaborative worked closely to outline the parameters of the project and define the operational details. The original logic model was redrafted, a process for recruiting NCPs was detailed, an initial flow chart was outlined, and partners' roles were defined.

After a promising beginning, however, the project faced some unexpected challenges that fractured the collaborative and it never fully served the supportive and oversight role the project architects had hoped it would play. This left the two major partners, DCSS and MHUW, to make final decisions about the project's implementation and ongoing operational plan. Management decisions remained closely held for the remainder of the project and did not benefit from the different voices the partners in the collaborative might have provided.

NCP Outreach and Support

A major implementation challenge was recruiting NCPs into the project. A critical assumption that affected recruitment was that NCPs would be interested in the IDA program and would want to participate. Since there was limited money to match NCPs' IDA savings for an asset purchase, the project decided to offer the program opportunity to selected NCPs rather than advertising the opportunity to the entire NCP population in the two counties. The selective outreach approach had less success than DCSS expected and it proved difficult to recruit NCPs. Hindsight being 20/20, the project may have had greater success in recruitment if it had broadened the outreach. Any new initiative struggles for attention at the start and picks up momentum as the initiative and its benefits become more widely known. The lack of broad publicity about Colorado Triple Play may have kept interest low. Nevertheless, we cannot be sure that greater advertising would have been more successful in getting NCPs into the IDA program.

Colorado Triple Play made some mid-course corrections that were helpful in improving recruitment, however. It designed a flyer and brochure to brand and market the project more widely within the demonstration offices and project coordinators encouraged child support technicians to refer NCPs they thought might benefit from program participation. Jefferson County used its partners to help in recruitment. The fatherhood program director used his peer support group sessions to create interest by encouraging NCPs to talk about their positive experiences in the program. Also, the magistrate in the child support problem-solving court was supportive of NCPs attending the financial literacy program.

One of the lessons this project learned is that most NCPs who entered the IDA program were not successful without the attention of and support from the project coordinators and others. The project's original case management plan included involving the partners in the collaborative to help provide that support, which some did. However, the project coordinators played a key role in helping the NCPs meet the program requirements and keeping them on track to make an asset purchase.

Financial Literacy Training

Although the project was not designed to recruit NCPs to attend financial education classes, Jefferson County had a similar program in place before Colorado Triple Play and so redirected its NCPs to attend the MHUW-sanctioned classes. As a result, the project got some good feedback from participants about the value of those classes. That feedback indicated that participants benefitted from the classes through understanding better how to manage their money, the long-term benefits of saving/investing, and the importance of credit scores and maintaining good credit to achieve their financial goals.

Moreover, the exit surveys NCPs completed suggested that they had already made some positive changes in their financial behaviors. For example, higher proportions of NCPs reported opening checking and savings accounts, creating a spending plan and monitoring their credit scores after they attended the classes. Further, fewer NCPs were using money orders and cash and more were using credit cards and checks to pay bills. Finally, more NCPs seemed to know about the benefits of applying for EITC benefits and intended to look into that during the next tax season.

IDA Outcomes

Although the project did not meet its target of helping 45 NCPs establish IDAs and make asset purchases, the NCPs that successfully completed the program were very positive about it and would recommend it to other NCPs. There are still several NCPs in the program who expect to complete their saving within the next several months and make an asset purchase. They too are very positive about the program and believe that anyone can benefit if they (1) are self-motivated and can commit to finishing the requirements despite the challenges of work and family, (2) stick to the program and complete the requirements in a timely manner, and (3) work with the child support and fatherhood programs to keep them motivated and help them get through the program requirements.

The small number of NCPs in the IDA program made it difficult to assess the program's value in making NCPs more consistent payors in terms of greater compliance with their child support obligations and paying down their child support arrearage balances. Some of the NCPs were already consistent payors when they entered the program. Those who were not good payors did not seem to improve their payment behavior substantially. Overall, there was a slight improvement in compliance with child support obligations, but it was not statistically significant. The project needed data from more NCPs in the IDA program to evaluate payment patterns with any statistical precision.

Image of the Child Support Agency

For several years, child support agencies around the country have sought to refine the "enforcer" image that many, if not most NCPs have of the program. Toward that end, some agencies have changed their name from the office of child support enforcement to the office of child support services. But a name change alone is not sufficient to change an agency's image. Child support agencies also need to be viewed as service providers or service brokers that help NCPs access the services they need to become successful payors. The IDA project was an opportunity for the child support agency to emphasize the service nature of its program.

In talking about his experiences in the IDA program, one NCP commented that he was initially skeptical about the program because he did not believe the agency cared about him as a father, only about collecting money for the support of his child. The IDA program helped change his attitude about the agency. Other NCPs were thankful as well for the encouragement and support the project coordinators provided. It is these actions that will help give the agency a better, hopefully more positive, image within the NCP community.

In sum, Colorado Triple Play was well-conceived and well-designed. The fact that the project did not achieve its final goal of helping 45 NCPs make an asset purchase through MHUW's IDA program was mostly the result of some overly optimistic assumptions about NCP participation and some unexpected challenges to project operations. The project had several positive outcomes, however. Among others, these included the following:

- The project established a positive, collaborative relationship between the child support agency and MHUW that has continued beyond the end of the project. It also linked DCSS and the two county child support agencies with MHUW's network of service providers that has proved an asset to one of the counties.
- The project reinforced the benefits of financial literacy training that are documented in the literature and gave the Jefferson County NCPs who participated relief from all or some of their TANF debt.
- The project developed a special, comprehensive child support module to supplement financial education classes. That module could be very instructive especially for new NCPs coming into the child support program.
- The project gave some NCPs the opportunity to achieve their dreams of owning a home, starting a small business start-up, or continuing their education.
- The project helped soften the image of the child support agency as only being collectors of money by reaching out to NCPs to help them become more self-sufficient.

APPENDIX A
MARKETING/OUTREACH MATERIALS

- COLORADO TRIPLE PLAY: PROJECT BROCHURE
- COLORADO TRIPLE PLAY: FLYER

This is all it takes:

- Verifiable, minimal "earned" monthly income **(Household income must be below 200% of Federal Poverty Level guidelines)**
- A non-custodial parent with an open child support enforcement case in the Jefferson County Child Support Office that meets the qualifications for the project **(Some cases may be excluded)**
- Cooperation with the Jefferson County Child Support Office
- Completion of free financial education classes
- Contact Katie Smith or Ray Washington to see if your case qualifies:

Katie Smith
303-271-4329

ksmith@co.jefferson.co.us

or

Ray Washington

Triple Play - Three Paths to Success

Funded by the OCSE through a grant award for "Building Assets for Fathers and Families"

Grant number: 90FD 0168

A Special Mile High United Way and Child Support Project

Jefferson County

Child Support Services

For more information, please contact:

Katie Smith
303-271-4329

ksmith@co.jefferson.co.us

or

Ray Washington
303-271-4654
rwashing@co.jefferson.co.us

Triple Play

3 paths to success

A Special Mile High United Way and Child Support Project

Have you always wanted to...

...own your own home?

...get an education so that you can get a better job?

...start a business of your own?

If you qualify **for this special project, you can choose one of three opportunities that can make a big difference in your life.**

Please keep reading to learn more about how to check to see if you qualify.

WHY SHOULD I PARTICIPATE?

- **Free Financial Education**
- **IDA (Individual Development Accounts)** which are matched savings accounts that provide access to asset building opportunities such as

  X EDUCATION

  X BUSINESS OWNERSHIP

  X HOME OWNERSHIP

- **If you qualify for the IDA**,...the match is **4** to **1** — In other words, for every **$1.00** saved, participants receive **$4.00**!
- **Accommodation from the child support offices** regarding enforcement actions and payments during the savings program and arrears balance forgiveness of 50% of arrears owed to the state upon successful completion of the savings program. **(Not all cases with arrears will qualify.)**

THIS IS WHAT THE RESULT COULD BE FOR YOU!

The maximum savings required from you: $1,000

The maximum match from the program: $4,000

For a total savings available to you to use for education, business ownership or home ownership: $5,000

And Free Financial Education

(Savings period: 24 months)

CHANGE YOUR LIFE FOREVER BY TAKING ADVANTAGE OF THIS SPECIAL OPPORTUNITY!

Check to see if you qualify to participate:

KATIE SMITH

303-271-4329

ksmith@co.jefferson.co.us

or

RAY WASHINGTON

303-271-4654

rwashing@co.jefferson.co.us

Jefferson County
Child Support Services

United Way

Mile High United Way

A Special Mile High United Way and Child Support Project

"Triple Play"

HAVE YOU ALWAYS WANTED TO...

...own a home?

...start a business?

...get a better education in order to get a higher paying job?

...get help with understanding your finances?

United Way
Mile High United Way

A Special Mile High United Way and
Child Support Project
Building Assets for Fathers and Families

Contact:

Janet Williams
303-227-2706
To ask about "Triple Play"

Participation is **FREE**

Please take a brochure

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www.centerforpublicpolicy.org