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Preparing Children For Success: Parents' Perspectives On Promoting Savings And Education

By: Yvette Murphy-Erby1, **Leah Hamilton**1, Marcia Shobe1, Kameri Christy1, Elena Hampton-Stover1, and Shikkiah Jordan1

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Preparing Children for Success: Parents' Perspectives on Promoting Savings and Education

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Abstract

Many states are implementing asset development strategies to promote postsecondary education for low- to moderate-income families, realizing that limited education is a powerful predictor of poverty, and poverty mediates the likelihood of obtaining postsecondary education. Using demographic and qualitative data collected from two groups of low- to moderate-income parents (N = 24), this article highlights two programs that promote savings and increase post-secondary education for these children and families. The 21st Century Scholars Program targets youths, and the complementary Educational Development Accounts program targets their parents. This article also explores perspectives of the participants' experiences, beliefs, and perceptions relative to savings and education and the success of their children in these areas. It concludes with implications for asset-building programs and policy whose aim is to assist low- to moderate-income families in achieving economic and educational mobility and implications for social welfare policy.

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Coinciding with the 2008 Global Financial Crisis that many compare to the great depression (United Nations, 2009) and that resulted in high unemployment rates, increased losses of assets, and increased inflation rates, the number of children living in poverty is increasing for the first time since 2000 (Aratani & Chau, 2010). The implications of poverty are far reaching; the social and economic repercussions can span generations. For example, researchers have documented that children growing up in poverty are more likely to have lower levels of education, earn less money as adults, become teen parents, interface with the criminal justice system, and report poorer health compared with children who grow up in middle- to upper-income families (Duncan, Kalil, & Ziol-Guest, 2008). Adverse outcomes such as these make antipoverty strategy discussions significant and suggest the importance of targeting asset-building interventions at multiple generations (e.g., parent or caregiver and child). In addition, recent initiatives to promote asset development among low- to moderate-income families are often at the center of antipoverty discussion as some scholars posit that asset accumulation has a positive influence on personal, financial, and social well-being (Christy-McMullin & Shobe, 2007; Christy-McMullin, Shobe, & Wills, 2009; Lombe & Sherraden, 2007).

Assets are conceptualized as ". . . stocks of resources. They are what people accumulate and hold over time. Assets provide for future consumption and are a source of security against contingencies" (Beverly et al., 2008, p. 7). Home ownership, business ownership, and education are three types of assets common to current asset-building initiatives and to the American economy. Additionally, each of the three asset types has been affected by the current economic downturn.

As expected, since the beginning of the downturn, the number of annual mortgage applications and the number of home owners has decreased (Mortgage Bankers Association, 2011). Additionally, decreased spending as a result of low consumer confidence has resulted in decreased revenues for small business (Şahin, Kitao, Cororaton, & Laiu, 2011) causing many small businesses to fold. Taking a different direction, enrollment rates at postsecondary educational institutions have increased (National Center for Education Statistics, 2011), making it plausible that during this economic crisis, education is a more likely and attainable goal for low- and moderate-income families than home or business ownership.

The rise in U.S. college enrollment rates reflects the fact that many Americans understand the value of higher education in economically depressed times. Nonetheless, cuts in scholarship awards and philanthropic giving, increases in tuition (U.S. Department of Education, National Center for Education Statistics, 2011), and other residual effects of the economic downturn have increased the challenges for those who would benefit the most from attaining postsecondary education but who historically have experienced the greatest challenges accessing it; low- to moderate-income children and their parents. To address these challenges and believing that saving, although it may be indirectly, influences the ability to think about an actively pursue a postsecondary education, states like Indiana are using incentives such as matched savings and guaranteed tuition programs to enhance the likelihood of postsecondary education as an attainable asset among these lower income families. Although Indiana has a long-standing Individual Development Account (IDA) program,[1] the data for this article are derived from two other programs that promote the attainment of postsecondary education and ultimately lift families out of poverty. The 21st Century Scholars Program (Indiana Housing and Community Development Authority [IHCDA], 2008), supported by the State Student Aid Commission of Indiana and IHCDA's Educational Development Accounts (EDA) program (IHCDA, 2009) is funded by the Lumina Foundation. In the Educational Development Accounts: Proposal Narrative (IHCDA, 2008) submitted to the Lumina Foundation, IHCDA emphasizes the importance of financial literacy and education as important investment strategies for the state:

> Perhaps more than any other purchase, investment in the education of oneself or one's family members results in long-term benefits in terms of income, financial literacy, and even health. Yet, according to the US Census Bureau's American Community Survey, Indiana ranks 29th in 2006 among the fifty states in terms of students completing a high school or equivalency degree and 43rd among the fifty states in terms of students completing a bachelor degree. This is an intuitively disheartening finding given the excellent educational institutions within our borders, and the enigma is only deepened by the fact that, according to the Corporation for Enterprise Development, Indiana actually ranked fifth in 2007 with regard to student aid per capita. Yet, the importance of education cannot be overstated for Hoosiers. By age 65, a worker with an Associate's Degree in Indiana will earn more than 30% more over his or her career than a high school graduate, while a worker with a Bachelor's Degree stands to earn nearly 63% more; just as importantly, 21-64 year olds with college degrees are 40% more likely to be employed than their peers with high school diplomas.[2]
>
> . . . Yet, both children and adults face multiple challenges in striving for college success . . . particularly low-income youth—face a bewildering array of options

> and challenges as they struggle with decisions that may determine their economic and personal well-being for the rest of their lives (p. 8).

To address the challenges outlined above, Indiana first implemented an IDA Program, then later the 21st Century Scholars Program, and last, the EDA Program. In this article, we focus on the 21st Century Scholars Program and the EDA Program.

Both the 21st Century Scholars Program and the EDA Program target low- and moderate-income families; meaning families of children who are eligible for free and/or reduced lunch. As such, all of the participants' households earn less than 185% of the federal poverty guidelines. Because both programs target families eligible for federal assistance, IHCDA worked with the State's 529 Administrator to secure a waiver of asset limit tests with regard to 529 accounts and eligibility for Temporary Assistance for Needy Families and other forms of public assistance. Thus, the assets deposited into the 529 account will not count against the asset reserve limits used to determine eligibility for public assistance programs. Although IDAs are not the focus of this article, it is notable that policy dictates that people who previously participated in an IDA-dedicated savings program are ineligible to participate in the EDA program.

The 21st Century Scholars Program provides support and tuition assistance for low-income students preparing to enter higher education. Children who receive free or reduced lunch support are eligible to enter the 21st Century Scholars Program between the sixth and eighth grades. Students sign a pledge to remain drug free and to maintain a 2.0 grade point average throughout their middle and high school years. In addition, children and their parents agree to participate in support/mentoring, psychoeducational groups, and experiential learning activities to enhance the students' likelihood of success. If students fulfill these requirements, the Indiana State Department of Education provides eight semesters of full tuition to attend a public higher education institution of the family's choice.

The EDA program is a matched savings program similar to Indiana's IDA program. Unlike the IDA program, the EDA program is focused solely on postsecondary education for the parent and is available only to parents of 21st Century Scholars. A dollar-for-dollar match (up to $5,000, for a total of $10,000) is provided and invested in the states' 529 savings accounts, and the parents can use the funds to offset the cost of their tuition, books, and related educational expenses. The parents also receive financial literacy training, mentoring, tutoring, support groups, and other supports to help them attend and succeed in college.

This article explores the two programs' parent-participants' accounts of their histories, experiences, and perceptions relative to savings and education, and presents implications for asset-building programs and strategies that encourage savings among low- to moderate-income families. For clarity, we will refer to the EDA program that provides tuition assistance for the parent as the parent scholar program and the 21st Century Scholars Program that provides tuition assistance for the child as the child scholar program.

Literature Review

Parent Attitudes and Perspectives

Using psychological and sociological theories as a foundation, research on asset development programs posits a strong relationship between participant attitudes and program outcomes (Sherraden et al., 2005), and suggests the importance of understanding and exploring (a) the individual characteristics of program participants, including their individual perspectives about the core components of asset development initiatives (e.g., savings and education) and (b) their perspectives on the specific programs in which they are involved (Han & Sherraden, 2009). In exploring the relationship between attitudes and outcomes of participants in a matched savings program, Han and Sherraden (2009) also found that positive attitudes about the "institutional features," that is, program characteristics, tended to decrease over the course of program participation. The significant and dynamic nature of participant attitudes further confirms the need for matched savings programs and perhaps other asset development efforts to regularly explore the perspectives of their participants.

Parent Modeling

From social learning (Bandura, 1977) and ecological (Bronfenbrenner, 1989) perspectives, children learn their most important (and lasting) lessons about life from their observations of and interactions with their parents, which suggests that parent role modeling and instruction can have lifetime effects on key predictors of the child's ability to transcend poverty, such as the child's future financial behavior and decision-making ability. Despite growing (and commendable) efforts to integrate messages about the importance of postsecondary education and information on financial literacy in school curricula, parents continue to play a critical role in predicting future savings, investments, financial planning, and college enrollment. For example, we know that parent savings and educational behaviors are highly correlated with similar behaviors in their children; in other words, adults tend to allocate investment portfolios similar to those of their parents (Charles & Hurst, 2003).

Despite the importance of financial models, it appears that many children are missing this essential learning component in the home. According to Jorgensen and Jyoti (2010),

> TIAA-CREF Institute's (2001) Youth and Money Survey found that 94% of young adults turned to their parents for financial education, yet parents were not the best financial educators for their children nor did parents think it was their responsibility to teach finances to their children. (p. 466)

Additionally, it is commonly known that low-income children are more likely than their middle- and upper-income counterparts to have parents who did not have a postsecondary educational experience, perhaps making it even less likely that their parents are sufficiently modeling effective financially responsible behaviors. On average, American children spend more time in stores and malls each week than they do reading, playing, attending church, or completing chores (Suiter & Meszaros, 2005). In line with a social learning perspective (Bandura, 1977), this fact may play a large role in America's increasingly consumer-based economy.

Role modeling of financial responsibility and asset accumulation goes beyond fiscal benefits, as the core components of most asset development programs (savings, education, financial literacy) are also closely related to measures of personal well-being. For example, college students with high levels of credit card debt also report heightened levels of stress (Norvilitis et al., 2006). In addition, children who observe their parents planning for retirement are less likely to report anxiety about their own retirement as adults (MacEwen, Barling, Kelloway, & Higginbottom, 2001). Understanding the perspectives of parents engaged in the two Indiana programs is significant as it holds major implications for program stakeholders and others interested in strategies to position higher education as an attainable asset for low- to moderate-income families.

Parent Aspirations

Although an abundance of research has explored the relationship between a parent's aspirations for their children and the child's outcomes, little attention has focused on the relationship between parents' educational aspirations for themselves and educational outcomes of their children. As a recent exception, Sheridan (2001) explored the unrealized educational aspirations of parents and found that unlike parents who themselves never aspired to attend college,

> the effects of a respondent-parent's plans to attend college are highly significant predictors of the log-odds of children's College Attendance. At every level of

> parental education, the log-odds of a child's College Attendance is increased 34 percent if the respondent-parent had college aspirations. (p. 22)

Sheridan (2001) posits that as a parents personal aspirations increase, so too will their expectations of their children. This is important, as mentioned, because parental expectations of their children are positively associated with the child's long-term academic success (Wood, Kurtz-Costes, & Copping, 2011). Furthermore, these expectations appear to be contagious. Teens whose parents' have high educational expectations are more likely to aspire to college themselves (Gutman, Schoon, & Sabates, 2012). Such findings suggest that parent's aspirations for themselves are vital to outcomes for their children; adding credence to the idea of encouraging college attendance and graduation for both low- and moderate-income children and their parents.

Method

Interviews of parents from a larger longitudinal study that evaluates two IHCDA programs[3] that provide tuition assistance to parent and child scholars provided the demographic and qualitative data for this study. Of the 24 parents interviewed, 15 were enrolled in the parent scholar program. Demographic details regarding the study participants are presented later in the findings section.

The demographic surveys and interviews were conducted in private interview rooms at the office site of various Indiana community agencies between October 28 and October 31, 2009, and ranged in length of from 30 to 75 minutes, depending on the level of detail each participant provided. The interviewers used a semistructured interview guide. Prior to initiating each interview, participants were asked to complete the demographic survey. In addition to gaining basic demographic information (gender, race, age, income, education, employment, and marital status) the survey included several questions relative to participant saving behaviors and educational level. On average, the demographic survey took participants approximately 10 minutes to complete.

Interview participants were recruited by the community agencies who work in partnership with the IHCDA. Participants were provided with $25 cash as an honorarium for their time and their expenses related to traveling to the interview. The interviews were audio-recorded and professionally transcribed. The University of Arkansas Institutional Review Board provided permission to conduct this research project, and the research team followed the approved institutional review board protocol.

This study used the qualitative approach because much of the asset development literature has used quantitative methods to study participant outcomes, and while knowledge of participant outcomes is important, qualitative studies are necessary to understand the dynamics, experiences, and perceptions of participants. Such information is needed to develop, fine tune, and implement effective programming and policy efforts. Because minimal research exists on the experiences, beliefs, and perceptions relative to savings and education and the success of their children in these areas among low- to moderate-income parents, we used an exploratory qualitative descriptive design and a grounded theory approach as conceptualized by Strauss and Corbin (1998). The goal of exploratory, qualitative designs is to provide a summative account of the participants' perceptions, experiences, or beliefs relative to a minimally explored phenomenon.

In terms of analysis, we used constant comparative and coding methods as conceptualized by Strauss and Corbin (1998). Specifically, data analyses of the transcribed interviews were conducted by three members of the research team. Using open, selective, and axial coding (Strauss & Corbin, 1998), each member individually recorded emergent themes and the location of supporting quotes on a qualitative coding sheet. After completing independent coding procedures, the three research members met to compare and seek congruence on their individual findings. The members also discussed themes that could be collapsed into more concise categories or merged into broader categories. For example, the three central themes, presented later in the findings, were collapsed into more concise categories to form the subthemes that are also presented later.

To capture a demographic picture, the participants were asked to report their gender, race, age, and educational attainment. To gain better insight about their financial picture, participants were also asked whether they had home equity; owned a business; and had a checking, savings, or money market account, retirement account, stock ownership, educational savings account; and a regular income.

Findings

The overall focus of this analysis was to explore and identify emergent themes that provide insight into the perspectives of parents regarding the parent scholar and child scholar programs and the programs' goals of savings and education and to determine if the information provided by the parents holds implications for program and or policy changes and future research. While the interviews consisted of six primary aims, this article focuses on questions that sought to explore and understand the perspectives, experiences, behaviors, and practices of the participants relative to (a) their demographic makeup, assets, and savings; (b) savings, education, and financial decision making; (c) the skills and tools they think their children need to have in order to save and achieve academically during good times and bad times; and (d) their beliefs about how children should acquire these tools and skills. Analysis of the data revealed demographic findings and three primary themes, each supported by subthemes.

The first and most prominent theme pertained to the challenges the parents encountered in their attempts to save and included two subthemes: (a) the big challenge, which is saving with constrained income and (b) adverse life occurrences. The second theme pertained to learning from life experiences and included two subthemes: (a) significant life events and (b) lessons learned and resulting strategies. The third theme pertained to the parents' perspectives of the programs' goals and included two subthemes: (a) general perceptions and experiences relative to education and (b) perception of the link between saving and education. The final theme pertained to promoting their children's success and included two subthemes: (a) perspectives of the parents' role and (b) skills and tools their children need to succeed. We begin by presenting the demographic findings and then transition to the qualitative themes and subthemes.

Demographics and Financial Capital

As noted in Table 1, the majority of the participants were female (n = 22, 92%,) and Caucasian (n = 16, 67%). Ages ranged from 32 to 61 years (M = 43.8 years). The majority of participants had more than a high school education (n = 20, 83%) and households ranged from 1 to 4 members, with 75% (n = 18) having two or more members. Also, findings suggest that child scholar parents had higher asset holdings than parent scholar parents and were more likely to have graduated from college.

The majority of participants had some kind of bank accounts, with 79% (n = 19) having a "checking or debit" and 71% possessing money market or savings accounts (n = 17). However, two thirds (n = 16) report they had neither a retirement account nor any home equity. The overwhelming majority reported that they do not have any "education savings" (n = 21, 88%) or "stocks" (n = 22, 92%). Only three participants (13%) were business owners. More than half of the participants (n = 14, 58%) were employed full time and the average annual income was $24,814 ($SD$ = $11,206).

Challenges to Saving

The Big Challenge: Constrained Incomes. The parents noted that saving is extremely important regardless of whether they were currently saving, and a

Table 1. Demographic and Financial Capital Variables (*N* = 24).

Variables	*n*	Percentage
Female	22	91.7
White/Caucasian	16	66.7
Education		
High school graduate	4	16.7
Some vocational school	1	4.2
Completed vocational or technical school	1	4.2
Some college	14	58.3
Undergraduate college degree	2	8.3
Some graduate school	1	4.2
Completed graduate school	1	4.2
Employment		
Full time	11	73.3
Part time	4	16.7
Underemployed	1	4.2
Disabled	1	4.2
Seeking employment	1	4.2
Unemployed, not seeking employment	3	12.5
Saving/money market account	17	70.8
Retirement account	8	33.3
Home equity	8	33.3
Savings for education	3	12.5
Checking account	19	79.2
Stocks	2	8.3
Owns own business	3	12.5
	M	*SD*
Age (years)	44.13	8.83
Income ($)	25,521	10,336
Number of persons living in household	2.58	1.25

majority of the parents believed that everyone should try to save. One parent stated, “It’s important. If you don’t have a lot, you can still save.” One child-scholar parent stated, “I’m not saving now, but I think everybody should save.”

The possibility of a financial emergency seemed to be driving most of their thoughts about savings, and as one parent-scholar stated, “Everyone should save, especially for a rainy day.” Another parent-scholar stated, “My belief about savings is if you make the sacrifice and you put away for a rainy day, when the rainy day comes, you will be so glad that you made the sacrifice." Speaking of what would happen should a financial emergency arise, one child-scholar parent stated, "Without savings, I am not sure what I would fall back on."

Although all parents reported that they value savings, one child-scholar parent said, "I do not like to save," while many other parents mentioned they were unable to save and often expressed frustration when discussing savings. One child-scholar parent stated,

> While I think everybody should save, including myself . . . I'm not good at that [saving] right now. I don't have a lot to [save]. I know that you can just put a dollar in the savings, but it seems like somehow we just don't end up with that.

The frustration seemed most noticeable among the participants who were not saving but were expected to save because they were enrolled in the parent-scholar program. One parent-scholar stated, "It's just aggravating to know the money is not there this month and you've got all these people calling you." Another parent-scholar stated, "You know these days with these times, we personally don't have a lot of savings. We would like to [have more savings]; we've been trying at least to put $10 a week in there." When asked to express her thoughts and beliefs about saving, one parent-scholar commented,

> Well, I know I need to save, and I know reasons why I need to save. I know areas I need to save in such as car repairs . . . so I would be better prepared for it. But every time I try it [saving] something happens.

Another parent who was new to the parent-scholar program and had yet to begin saving stated, "I think you should save but right now it's very hard to save. I drive almost a hundred miles a day to school and back. I'm not able to save anything now." However, this same parent did express that she had an informal emergency fund:

> I've got about a one-gallon pickle jar, that's about this full of change and most of it is silver . . . That's my rainy day savings so when I do run out of money and I have this bill I have to pay, I can go count this change up and possibly pay all of it or part of it. I've got a hundred dollar bill stuffed in the bottom of it.

It is interesting that although some parent-scholar and child-scholar parents referred to the current economic climate as a reason for not achieving their savings goals, other parent-scholar and child-scholar parents felt that, given the current economic climate, saving is even more "important these days and the days to come."

Adversity. The parent-scholar and child-scholar parents mentioned several situational reasons for not being able to save or save as much as they perceived they should. The parents also spoke a great deal about their adverse life situations, prompted most often by divorce and relationship disruptions, death, health reasons, and loss of jobs. Despite the nature of the adversity, many parent-scholar and child-scholar parents thought that it influenced their beliefs about saving, mostly by making them more aware of *the need* to save.

Learning From Life Experiences

Significant Life Events. In the discussions about the most significant event that influenced or enhanced their ability to save and make good financial decisions, three themes emerged as most prominent among parent-scholar participants: (a) poor past choices that led to adverse situations such as getting sued or losing a possession; (b) developmental changes in their life, mostly having a child or having the needs of a child increase as they got older and closer to college age; and (c) adverse life situations that required them to start over or reflect on their past decisions, such as divorce, death of a family member, or bankruptcy. Although less prominent (d) becoming a home owner, (e) gaining knowledge and information on how to make good financial decisions or the importance of making good financial decisions, and (f) watching others struggle to "make it" or pay for college were other themes parent-scholar participants discussed as significant influences on financial decisions. Whereas the first three themes also emerge as prominent for child-scholar parents, "hitting rock bottom," experiencing the power of tithing, inheriting property, and gaining knowledge and information emerged as less prominent themes.

Lessons Learned and Resulting Strategies. In exploring the financial decisions parents were making, and what event or lesson they perceived as most significant in enhancing their ability to save and make good financial decisions, avoiding debt emerged as the most prominent response. In sharing their efforts to avoid debt, several participants mentioned strategies such as using the lay-away plan at stores, saving until they have the cash, doing without, and basing purchasing decisions on the criteria of "Is this [the potential purchase] something we *need* or something we *want*." Several participants stated they have discontinued use of credit cards and others said they were working hard to pay off credit cards.

Perspectives Relative to the Programs' Goals

To explore the parent perspectives relative to the programs' goals of saving, education, and making good financial decisions, we explored questions related to three main areas: (a) financial decision making; (b) parent beliefs, thoughts, and experiences relative to savings and education and whether they perceived a link between the two concepts; and (c) behaviors and practices they perceived parents should demonstrate to their own children to signify that they value education and savings.

Financial Decision Making. When asked about their financial decisions relative to retirement planning, one child-scholar parent mentioned that they are already in the retirement phase and living primarily on the husband's pension. Several child-scholar and parent-scholar parents mentioned that they are contributing to some type of retirement account and several participants specifically mentioned 401k accounts that are employer-matched. Some mentioned that they had plans to contribute to a retirement plan at some point while several mentioned that they have not thought about retirement and have no current plan.

When asked about their financial decisions relative to planning for college, similarities between the two groups emerged in that both groups reported that they are saving and expected the children to work and save now or at some point. Both groups of parents also mentioned financial aid and the 21st Century Scholars Program as college savings supports. Several parent-scholar parents mentioned joining the parent-scholar program as a strategy and several child-scholar parents mentioned student loans.

Education: General Beliefs and Experiences. The parents consistently had high educational aspirations for their children. Although one child-scholar parent commented that "education isn't for everyone," she went on to quickly express that everyone should "at least try to get some type of trade skill." Echoing a similar position, another parent-scholar parent stated, "Everybody should have some type of degree in something they enjoy and want to do." Overall, the central message or theme was that education is important, particularly during this day and time. According to one parent-scholar parent, "Without an education, you can't really go anywhere in life." One child-scholar parent who did have a college degree noted that education is "completely and fully important in this day and age . . . some of my friends can't get any further because they don't have that education behind them." Several parents even expressed that education was not only important but essential and even mandatory for children to "make it" in today's world. One parent expressed, "In my household, education is mandatory." Several parents framed education as a right versus a privilege, particularly since they perceived it as the primary key for transcending poverty. As one parent-scholar parent stated, "Everyone should be educated, and everybody should have the opportunity to go to college."

Perceptions of the Link Between Saving and Education. Most parents perceived that a relationship does exist between savings and education, with most parents stating that savings allowed for or supported education. As one parent-scholar stated, “If you have savings, you are more than likely to have an education because you can go [to college].” A child-scholar parent stated, “Savings is the difference between going to a technical school or going to a college.” Although no parent specifically stated that an education would likely lead to savings, one child-scholar parent stated, “If you want to go to school and you want to continue your education of any kind you need money . . . the kind of money you need, you basically get it through savings.” Reflecting a more bidirectional approach, another child-scholar stated, “Savings and education go hand in hand.”

Promoting Success for Our Children

Parents’ Roles. When asked what behaviors and practices they perceived a parent should demonstrate if they value savings and education, responses from parent-scholar and child-scholar parents were congruent and evolved around four themes: being a role model, being actively involved, using verbal expression/communication, and providing the right environment. Being a role model is the most prominent theme among parent-scholar and child-scholar participants. As one parent stated, “It’s important for parents ‘to practice what you preach.’” Speaking of being a role model for her daughter, one parent stated, “I try to demonstrate by going to work every day, [because it parallels] her going to school every day.” Although it was not surprising that most parent-scholar parents cited the parent returning to school as a concrete example of modeling positive educational behaviors, most child-scholar parents also cited this example.

Participants also perceived that if parents value education, they should be actively involved in the education of their children. The most prominent example of active involvement was related to a child’s school and educational endeavors. One parent perceived that parents who value education should “attend conferences, check grades, report cards.” Other parents perceived that parents who value education should read with their children and spend time teaching them. Although less prominent, another example of active involvement included engagement in the community. Several parent-scholars also noted that contributing to a college fund for the child is another important behavior that communicates a parent’s value for education.

Verbal expression and communication also emerged as a central theme. Many parents stated that talking to the child about the importance of education is a behavior that parents should demonstrate if they value such concepts.

In discussing the need to seize opportunities to talk with her children about education, one parent stated, "It's important that they get it and I stress it at dinner time, when we're driving down the road; it doesn't matter."

Many participants thought that parents who value savings and education should work to create an environment that is conducive to savings and academic success. In discussing such efforts, many of the participants talked about ensuring that the child is exposed to positive and affirming messages and enriching experiences. Specifically, many parents mentioned getting children connected to opportunities such as 21st Century Scholars, exposing children to the college experience, and giving children opportunities to save by opening savings accounts, providing piggy banks, or giving children an allowance and encouraging them to save for long-term goals. Giving an example of what she does to display her value of savings to her son, one parent stated, "I've got a thing where he gets a very, very small allowance. And my thing is to try to teach him to take that and save it and work towards long-term goals." Participants also perceived that if parents value savings and education they should encourage their children to set education and savings goals and provide them with natural and logical rewards and consequences for their grades and the financial decisions they make. Many of the parent-scholar and child-scholar parents stressed the importance of providing such environments early in the child's life.

When asked what barriers might hinder a parent from engaging in the above behaviors and practices, the most prominent reasons for both the parent-scholar and child-scholar parents were (a) lack of tangible resources, such as time, money, and education/knowledge and (b) financial hardships and emergencies. Other reasons provided by parent-scholars included a lack of value for education and savings and a lack of hope or discipline in terms of saving. Other reasons provided by child-scholar parents included not having savings as a priority.

Necessary Skills and Tools. We asked participants to identify what skills they perceived are necessary for children to have in good times and bad times and where, or from whom, they believed children should acquire such skills. In terms of good times, two subthemes emerged. The first subtheme focused on practical, "how-to" skills and included items such as saving, writing checks, budgeting, goal setting (long and short term), and prioritizing. When discussing the importance of youths being able to set such goals, one parent stated the following about her son,

> He's good at what I would call intermediate goals and the short term. Like, he'll save his money up and I'm looking at 4 years down the road and he's thinking 6

> months. If there were a way that I could help, even though I've been trying to tell him, get that stuck in his brain that you need to look far beyond just 6 months down the road, that would be tremendous. If you got some kind of chip that we could put in his brain for that, it would help.

Computer skills, good study skills, organizational skills, and basic household skills were also mentioned. The second subtheme focused on more intangible skills or attributes. For example, parents perceived that during good times it is important for children to learn how to be responsible, be organized, build strong social skills, be able to handle peer pressure, have high self-esteem, and practice self-discipline. They also perceived that having a sense of appreciation and delayed gratification are attributes that children need to develop.

When asked about skills children need in bad times, the parents perceived the same themes they expressed for the good times. However, coping skills emerged as an additional theme. In discussing coping skills, the parents talked about the importance of supportive relationships and networks, the ability to access resources, or as one parent stated, "knowing where to go to get help and how to get help if you need it," and the centrality of faith or a belief in a higher power.

Although many of the participants stated that they were struggling to provide some of the necessary skills and tools they perceived children need, they overwhelmingly perceived that children should acquire these skills and tools from their parents. When asked where children should get the skills or tools if the parent is unable to provide them, they mostly mentioned teachers, peers (other youths), churches, and community resources such as the 21st Century Scholars Program. Several parents also mentioned the importance of parents in the community working together and relying on extended family resources, with the concept of "the whole village" emerging as a central theme. In the words of one parent, "I'm a firm believer, it takes a whole village." Other, less frequent suggestions included libraries, banks, and through prayer.

Discussion of Findings and Study Limitations

Financial Decision Making

The participants noted that past debt experiences played an important role in current financial thoughts and behaviors. In other words, current goals are based on trying to avoid accumulating any or additional debt. Some participants provided several creative methods they used to avoid debt, including saving, "doing without," discontinuing credit cards, purchasing only what was needed in lieu of what was wanted, and using lay-away plans at stores.

The findings also suggest that although unpleasant, adverse life events did have a significant effect on the participants' current financial decision making and resulted in them developing or adopting new strategies and financial behaviors.

Savings Motivators and Barriers

All parents believed that saving is very important, especially in preparation for future economic crises and although many were unable to model saving financially responsible behaviors, they did have aspirations for them and their children to save. The participants attributed their current difficulties with saving to (a) constrained incomes that were exacerbated by the economic recession and, perhaps as a result and (b) their own economic crises caused by job loss, decreased work hours, health issues, and divorce.

Education

In terms of thoughts and beliefs regarding education, all participants believed that some type of post-secondary education, whether in a vocational/trade school or a university degree program, is important in today's society. Several participants went as far as to suggest that postsecondary education in the Unites States should be a right and not a privilege in order to offer all people increased opportunities.

The majority of participants believed that serving as a role model for children is an important way to show that education is valued. Parents noted that they model the importance of education by going to college themselves, talking with their children about post-secondary education, engaging in their children's school activities, reading with their children, and helping their children save for college.

The majority of participants saw an important relationship between savings and postsecondary education. In terms of behaviors in which parents can engage to show they value education and savings, parents indicated that although they struggled to do so, modeling saving behaviors is key. For example, parents can encourage current saving behavior for future educational expenses by giving their children piggy banks, paying them an allowance, communicating the importance of saving, and providing encouragement for saving.

Future Life Skills and Tools

Participants noted that both tangible and intangible skill sets are necessary for their children to learn in order to get through both good times and bad times as adults. Primary tangible skills described include budgeting, goal setting, computer aptitude, housekeeping, and basic accounting. Intangible skills included the need to be organized, responsible, socially competent, resourceful, and able to delay gratification. The participants cited themselves, teachers, peers, churches, and community resources as important mentors in these areas. Parents thought that both tangible and intangible skills noted above would benefit their children in both economically sound and uncertain times.

Study Limitations

Although the study offers valuable insight into the perspectives of the study participants, several study limitations exist. First, as an exploratory study and a study that was not initially conceptualized with this particular article in mind, we stress that the transferability of these findings is limited. Although, while we used strategies to enhance trustworthiness of the data analysis and findings, such as allowing multiple coders to first code the data independent of another, we were unable to include the crucial step of member checking; that is sharing the findings with the participants and allowing them to weigh in on the accuracy of the findings. In light of these limitations, the transferability of the findings is limited. However, we recommend using these findings as a springboard for further inquiry and as an impetus for thinking critically about programs and policies that related to asset building efforts for low- and moderate-income children and families.

Implications

Participants in this study, parents involved with the parent scholar program and parents involved with the child scholar program, clearly valued savings and education for both themselves and their children. While parent-scholar and child-scholar participants described several methods of saving in which they are engaged, they also illustrated important personal and structural barriers for acquiring savings, including the recent recession and subsequent job loss, marital dissolution, and health-related costs. In other words, these low- and moderate-income groups have not built or do not have access to a financial "safety net" in order to offset economic crises. In addition, although not a topic of exploration in this study, individual and household debt appeared to be a challenge for participants, many of whom were trying to save. Based on the debt challenges participants noted, future research with this population is important to more fully understand the causes and effects of debt on short- and long-term saving behaviors.

Although the parent and child scholar programs are designed to promote saving with the ultimate outcome of asset accumulation among low- to moderate-income households, many of the families reported frustration or the inability to save because of constrained incomes. The level of frustration expressed by some parents suggests the need for programs to explore ways to ease the conflict between emergency financial needs and savings goals. Perhaps it is important for asset building programs to support a dual savings structure that allows a portion of participant savings to be used for short-term/emergency situations and the remainder toward long-term savings earmarked for the purchase of assets. Financial advisors encourage this type of dual saving strategy and recommend that individuals accumulate a certain amount of emergency funds prior to or simultaneous with saving for long-term assets. A program or policy change of this nature could perhaps lessen the stress of program participation, allow for increased consistency in savings, help to instill the dual level saving best-practices suggested by financial planners, and perhaps increase the likelihood of retaining assets on a long-term basis.

Although federal government safety net programs such as unemployment insurance, food stamps, child care subsidies, housing assistance, Medicaid, and Medicare can, at times, help offset financial crises, they are often not enough to assist low-income families struggling with significant life changes such as high medical debt, long-term unemployment, death, or divorce. Additionally, drastic budget cuts in health and human service funding and rigid policies that do not allow families to *transition* out of poverty, but rather end abruptly the instance a family passes the highly constrained income or asset levels, suggests that safety net programs will offer less and less financial support to low- and moderate-income children and families and that attention should be devoted to restructuring policies that govern the traditional safety net programs so that families have a viable chance of moving beyond the safety net.

As expected during times of economic recession, the safety net programs are providing services at record levels, indicating more people than ever before are experiencing economic strain. Simons, Lorenz, Conger, and Wu (1992) suggest that economic strain produces interpersonal challenges that yield adverse implications for parenting. Thus, the argument by many for drastic cuts in the budgets of safety net programs is potentially disruptive in many ways to the well-being of children. An alternative to monumental budget cuts that lessen the strength of the safety net is to implement strategies that offer a real chance for many low- and moderate-income families to not only step on foot out of the safety net but provide a transitional period that includes instrumental or tangible and emotional support to walk beyond the net. Matched saving programs that include financial literacy and support mechanisms are examples of such strategies. It may be that educational resource programs that teach low- and moderate-income children and adults how to (a) learn financial literacy skills, (b) save for future financial emergencies, and (c) access reputable credit counseling services, are needed even more so during difficult economic times.

A primary aim for the parent-scholars program was for the parents to model savings and education for their children. Although many parents were unable to model saving behaviors and were frustrated by such, they maintained strong aspirations for their children. Perhaps in low- and moderate-income families, parental aspiration is just as salient a concept to the parents as modeling and a strength that intervention efforts and programs can build upon. Also, given that most savings program participants discussed a desire for their children to acquire tangible financial literacy skills, infusing financial literacy in the K–12 curriculum may be warranted. However, because educational resource programs alone may not be enough during times of severe economic stress, perhaps the dual savings strategy mentioned above that allows for and encourages the simultaneous saving for short-term/emergencies and long-term/assets could be framed as a transitional strategy and be included as an added element to help persons enrolled in federally funded programs such as Temporary Employment Assistance or Temporary Assistance for Needy Families to transition in a more logical fashion to economic self-sufficiency. Additionally, changes in program policies that may allow participants to "borrow" from the savings they have accumulated with a short, no-interest period of payback for emergency situations may ease somewhat the stress between emergency financial needs and savings goals.

Child-scholar program participants also noted their frustration with the policy that caused them to be ineligible to enroll in the parent-scholar program if they had previously participated in an IDA savings program. This finding is important since asset-building programs like the IDA and parent-scholar programs are scarce for low- and moderate-income populations; therefore, leaving former IDA program participants out of the parent-scholar program impedes a very important avenue for low-income households. Given that the parent-scholar programs in Indiana have open slots for participants, it may be a good idea to change the current policy to allow former IDA participants to enroll in the parent-scholar program. Finally, future programming efforts should continue to offer strategies that support savings and education for both parents and youth and even consider implementing true intergenerational approaches to asset building.

In summary, study findings demonstrate that parent-scholar and child-scholar program participants value both savings and education, and parent-scholar program participants noted their pleasure with the tuition assistance they received from their participation in the parent-scholar program, while some child-scholar program participants noted their desire to join the parent-scholar program. Despite their longing to save, many participants discussed the complex challenges they experienced during this economic downturn; many also shared their difficulty getting out of debt. Additionally, the majority of participants in this study suggested that financial literacy skills are imperative for helping their children sustain their households in good and poor financial climates. To that, we stress the importance of restructuring the policies of safety net programs to allow low- and moderate-income families the opportunity to save and transition successfully to self-sufficiency. Finally, from a practice perspective, this study highlights two programs' efforts that promote saving and education among low- and moderate-income children and their parents and offers several implications for asset development programs and policies and social welfare policies. Although many programs aim to intervene in the lives of low- and moderate-income parents relative to issues of savings and education for themselves and their children, little has been done to explore their perspectives about savings and education. It is our desire that this article offers one beginning point for discussion and challenges others who recognize the significance of asset-building strategies to the well-being of low- and moderate-income families to also seek to understand the families' perspectives and to consider such perspectives in shaping programs and policies.

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Notes

1. Indiana's Individual Development Account program was established in 1997 and has a 4:1 matched savings rate. The savings can be used for home purchase or repair, business expansion, or education.
2. The method and findings sections are extracted from an unpublished October 2010 progress report compiled for the funders of the project, Indiana Housing and Community Development Authority, by the authors of this current article.

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